

Finance Committee
Welsh Government Draft Budget Proposals 2017-18
WGDB_17-18 05 Wrexham County Borough Council

1. What, in your opinion, has been the impact of the Welsh Government's 2016-17 budget?

The £15.9bn Welsh Government (WG) budget was allocated as follows:

Health and Social Services	£7.1bn – up 4.1%
Local Government (incl. schools)	£4.4bn – down 2%
Education & Skills	£2.1bn – up 1.1%
Economy, Science & Transport	£977m – up 5.9%
Communities	£677m – up 10.7%
Natural Resources	£369m – up 2.6%
Central Services/Administration	£315m – up 3%

The Local Government budget was the only expenditure group that had a decrease from its previous year's budget. This has resulted in Local Government authorities in Wales having to make significant efficiency savings / cuts to their own services. The LG settlement stipulated that schools budgets had to be protected by 1.85% which meant that even bigger reductions had to be made to other services' budgets such as Social Care, Environment, Housing and Leisure.

2. What expectations do you have of the 2017-18 draft budget proposals?

That Local Government pressures are prioritised to the same degree as Health and Social Services and other expenditure groups' pressures. The budget allows for the following pressures:

- a) the new living wage and impact of social care providers
- b) apprenticeship levy
- c) increase in demand for social care
- d) the Local Government allocation reflects the true cost of WG's aspirations in terms of protecting schools from any cuts.

3. How financially prepared is your organisation for the 2017-18 financial year, and how robust is your ability to plan for future years?

It is proving very difficult to produce robust plans when we are only given one year settlement figures. The Council is able to make assumptions in terms of inflationary, service pressures and council tax levels in respect of 2017/18 and beyond but government support (which represents approx. 80% of funding) is difficult to predict for the 2017/18 due to uncertainty of the WG Budget. Three year settlement figures would give local authorities greater certainty to plan for the medium term. This has been emphasised in the Auditor General for Wales' Financial Resilience of Local Authorities in Wales 2015-16 report where it is stated that longer term certainty when setting local authority budgets would improve medium term financial planning and better support local transformation.

4. The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on the areas identified below?

- Approach to preventative spending and how is this represented in resource allocation (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)
- Welsh Government policies to reduce poverty, mitigate welfare reform and prepare for an aging population
- Sustainability of public services, innovation and service transformation

- Local health board financial arrangements
- Preparation for the UK to leave the EU
- Low carbon budgeting and preparing for the Future Generations Act
- Preparation for the impact of further devolution included with the Wales Bill
- Impact of the Welsh Government's legislative programme and whether its implementation is sufficiently resourced
- Scrutiny of Welsh language, equalities and sustainability

No further comment.

5. The previous Welsh Government have highlighted that the Draft budget 2017-18 will be aligned with **national indicators** for Wales.

- What, if any, additional national and local indicators would you like to see as a means of supporting the shift towards a greater focus on preventative spending?

- What, if any, additional national and local indicators would you like to see as a means of supporting the shift towards a greater focus on reduction or eradication of poverty?

No further comment

6. What spending commitments and priorities would you like to see in the 2017-18 draft budget in order to ensure that progress is being made on preventative spending and, in particular, the area of health and social services?

No further comment.

7. What spending commitments and priorities would you like to see in the 2017-18 draft budget in order to ensure that progress is being made on reducing poverty and preparing for an aging population?

Housing and social care. This links in with the pressures facing local authorities following the introduction of the new living wage directly and indirectly (social care providers).

8. Do you feel that allocations made by the Welsh Government are sufficiently evidence based?

There is very little information which is transparently published to enable a response to this question.

9. What changes to allocations and priorities do you feel need to be reflected in the draft budget 2017-18 and subsequent years as a result of the vote to leave the EU?

Too much uncertainty to be specific at this stage, however an increase in General Capital funding would help with infrastructure projects.

10. What long term planning is carried out to fully deliver on preventative spending strategies and how do you plan for this within short term budget periods?

Welsh Government would assist local authorities if it shared medium term budget plans.

11. What baseline evidence is used to measure preventative outcomes?

No comment.

12. How can good examples of service transformation and innovation be encouraged and shared nationally across key agencies and what is the role for the Welsh Government here?

No comment.