

Budget Setting and Effective Challenge for Councillors

Following the Government's local government settlement, councillors are busy readying their budgets for the year ahead.

Following a seminar in January 2020, we have summarised some of the big challenges facing local government and some top tips for successful budget-setting, whether you are in the administration or opposition.

The Big Challenges

There are a number of pressures facing local government finances including our exit from the European Union, mounting costs of Social Care, ongoing costs to deliver the housing our communities need, adequately responding to the Climate Emergency we face, and the importance of getting local infrastructure right.

The LGA is therefore working on your behalf to influence the next budget, expected in March 2020.

Expectations of the next Budget:

- £100 billion additional infrastructure spending
- £4 billion in flood defences
- £28.8 billion investment in roads
- £1 billion fast-charging network
- £10 billion Single Housing Infrastructure Fund
- £5 billion spending in mobile coverage services

Our asks in response to the above include:

- Full Business Rates Retention
- A Social Care Green Paper, providing a long-term, sustainable solution
- Completion of the Fair Funding Review
- Devolution of powers and money

There are also new initiatives being considered like the potential introduction of a Tourist Tax in some areas and clarity needed over successor arrangements to the European Structural Fund.

Preparing and Delivering a Budget Proposal: Be Realistic!

The current round of budget setting for councillors is an important part of council business, and essential for our members to be a part of. Whether you are in the administration or opposition there are certain things you can do to ensure your proposals are successful:

Consider the Administration Budget

- What are the weaknesses?
- Does it reflect the priorities of residents?
- Is there scope for increased savings on specific items?

Involve all group members

- Use the expertise of all members and keep them updated
- Avoid a 'closed shop' approach
- Work with opposition groups and members

Consider your options

- What are the service implications/risks?
- What are the political implications/risks?
- Would it gain support from opposition groups?

Formulate your costings

- Consult with your Director of Finance
- Are there ongoing costs?
- Are there redundancy costs?
- Calculate pay-back for investment to save

Register your budget amendments.

- Make sure you adhere to the timetable
- Check with Director of Finance before submitting
- Work on presentation for Budget Council

Publicity & Communications

- Organise press releases once you have your messages clear
- Prepare your speeches
- Give advance copies of your budget speech to the press
- Remember to follow up!

These top tips can help you draft an accurate budget that meets the needs of your residents.

January 2020