Justice Committee

Scrutiny of the Scottish Government's Draft Budget 2017-18

Written submission from East Ayrshire Council

Thank you for your letter of 15 September 2016 seeking my view on the impact of the timing of the draft Scottish Budget.

In previous years this has been published in September but the impact on council finances only becomes clear once the Local Government Financial Settlement is announced, often in December. I understand that the Cabinet Secretary for Finance has indicated that he intends to issue this on 15 December which is broadly in line with previous years.

The issue is, of course, how much will be allocated to Local Government. The Scottish Budget provides a guide and the absence of that in advance, means we need to make assumptions. Equally the absence of UK figures from the Chancellor before 23 November reduces the level of certainty we can have in our assumptions and the unquantifiable financial impact for the economy of the decision to leave the European Union further reduces the accuracy of any forecasts we can make. This does not mean we should not plan ahead however, indeed it increases the need for such plans to be developed.

In my view, the most challenging aspect of the approach of the Cabinet Secretary for Finance is that he intends to issue figures only for 2017/18. Well run organisations need to plan at least three years ahead. In East Ayrshire our financial planning usually spans five years. We know that public sector finances will be under tremendous pressure for the foreseeable future and we will need to transform what we do and how we do it. A longer term financial settlement would have been extremely helpful in developing our strategy. We live in an uncertain world, however, and our planning approach will take that into account.

I trust this is helpful.

Fiona Lees
Chief Executive
19 October 2016