

## **Public expenditure – Budget implications for the third sector**

PAVS has received a joint letter signed on behalf of WAG by the Ministers for Business and Budget; Social Justice and Local Government and Health and Social Services, and the Chief Executive and Chair of Wales Council for Voluntary Action, on behalf of the wider third sector.

The letter sets out the proposed timescales for budget setting; planning assumptions; achieving efficiencies and engaging with the third sector. **Please take the time to read it carefully.**

You will see from the timetable for budget setting that decisions will be taken very late in the financial year so this will have implications for employed staff, who may need to be placed “at risk” if alternative funds are not available to support their posts. Service users will also need to be kept informed.

When planning for the future, it is important to remember that costs are rising and your projected % increase in service delivery costs will also need to be built into financial forecasts. This will, of course, result in real revenue “cuts” of more than the 3% mentioned in the letter.

In addition, some funding streams (many of which are controlled by central Government) may cease altogether – for example, Future Jobs Fund and some DWP contracts. It is therefore important to understand exactly where your funding originates from and keep an eye on announcements coming out of Westminster and the Assembly.

Despite the many challenges, there is no doubt that the proposed reduction in budgets is proving to be a positive driver for change – and change may bring about increased opportunities for third sector engagement in service design and delivery. We need to be ready!

PAVS is here to support third sector organisations in Pembrokeshire, so please get in touch sooner rather than later if you think your funding may be affected and you need help with planning for the future.

**To find out more about the future of public service delivery in Pembrokeshire, book your place at the Local Service Board seminar taking place as part of the Pembrokeshire Funding Fair on Tuesday 5<sup>th</sup> October at the Queen’s Hall, Narberth from 2.00pm – 4.00pm. Contact PAVS on 01437 769422 or e-mail [development@pavs.org.uk](mailto:development@pavs.org.uk)**