

**Supplemental Report to Agenda Item 9 (f)**

Meeting of:	<b>Council</b>
Date of Meeting:	<b>Monday, 06 March 2023</b>
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Update - Final Budget 2023/24 and Medium Term Financial Plan (MTFP) 2023/24 to 2028/29
Purpose of Report:	To present final proposals to Cabinet for the revenue budget for 2023/24 and an update to the Medium Term Financial Plan 2023/24 to 2028/29
Report Owner:	Leader of the Council
Responsible Officer:	Director of Corporate Resources
Elected Member and Officer Consultation:	Leader of the Council, Cabinet Members, Chief Executive and Directors, Head of Finance/s151, Head of Legal/Monitoring Officer, Head of HR, Operational Manager Accountancy
Policy Framework:	Consideration and approval of the budget and increase in Council Tax are matters for decision by Council
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• This report presents an update to the Final Budget 2023/24 and Medium Term Financial Plan (MTFP) 2023/24 to 2028/29 published on Tuesday, 28 February, 2023.</li> <li>• The Welsh Government issued the final settlement for 2023/24 on Tuesday, 28 February, 2023.</li> <li>• The Vale of Glamorgan's Final Settlement is £202.797, this is an increase of £16.782m in the Aggregate External Finance (AEF), providing an additional £0.178m compared to the Provisional Settlement announced on 14 December, 2022.</li> <li>• The overall impact is on the funding side of the budget only with a £0.178m increase in the AEF and a £0.178m reduction in Council Tax through a revision downwards of the income assumed from the premiums on Council Tax for long term empty properties.</li> </ul>	

## **Recommendation**

1. Council is recommended to update the Final Budget for approval to recognise the final Aggregate External Finance figure of £202.797m which is an increase of £16.782m, and improvement on the £16.604m Provisional Settlement figure in the report published on 28 February, 2023.

## **Reason for Recommendation**

1. To update the budget for the Final Settlement from Welsh Government.

## **1. Background**

- 1.1 Welsh Government published its provisional Settlement on Tuesday, 14 December, 2022. The Settlement was much better than anticipated and represented a £16.604m (8.9%) increase on the grant in 2022/23. It was nevertheless provisional and the final settlement was to be delivered in early March.

## **2. Key Issues for Consideration**

- 2.1 Welsh Government published the Final Settlement late on Tuesday, 28 February. The Vale of Glamorgan's final Aggregate External Finance (AEF) sum for 2023/24 is £202.797m which is an increase of £16.782m on the 2022/23 grant and is an improvement of £0.178m on the figure of £16.604m in the Final Budget 2023/24 and Medium Term Financial Plan (MTFP) 2023/24 to 2028/29 report that was published on 28 February, 2023.
- 2.2 There are two elements to the movement in the final figure. There is an £84k reduction to adjust for the Council's increased Council Tax base and £262k in recognition of the increased Fire Levy for 2023/24 of £7.778m which is an uplift of £0.860m. (12.4%) on the level in 2022/23 which had already been built into the final budget for approval.
- 2.3 Establishing a forecast for the income generated from the premium on the Council Tax for long term empty properties has not been straightforward as it is a new charge and there are a number of exemptions available. It is considered prudent to manage down some risk in the budget and reduce the forecast income by £178k from the £500k currently forecast down to £322k. There has been no change to the approved policy.
- 2.4 There are limited changes to the tables and text in the published budget report. The following amendments are set out below:
- 2.5 Table 4 in paragraph 2.22 is updated as below, Government Grant now at £16.782m and Council Tax £5.082m.

## 2.6 Revised Table 4

	2023/24	2024/25	2025/26	2026/27	2027/28
	£K	£K	£K	£K	£K
Additional Funding					
Government Grant	16,782	5,597	6,244	6,306	6,369
Council Tax	5,082	3,789	3,937	4,090	4,250
Reversal of 2022/23 use of reserves	-500	-496	0	0	0
Use of smoothing Reserves	2,800	1,700	0	0	0
<b>Total Additional Funding</b>	<b>24,164</b>	<b>10,590</b>	<b>10,181</b>	<b>10,396</b>	<b>10,619</b>
Investment	1,100	1,471	1,470	1,154	0
Demography	1,150	2,493	2,493	2,493	2,493
Inflation	25,792	10,939	7265	8,688	8,800
Capital Financing	0	80	190	224	187
Other Pressures	3,500	2,037	66	637	0
<b>Total Pressures</b>	<b>31,542</b>	<b>17,020</b>	<b>11,484</b>	<b>13,196</b>	<b>11,480</b>
<b>Overall Gap</b>	<b>-7,378</b>	<b>-6,430</b>	<b>-1,303</b>	<b>-2,800</b>	<b>-861</b>

## 3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

### 3.1 As per the published report

## **4. Climate Change and Nature Implications**

4.1 As per the published report

## **5. Resources and Legal Considerations**

### **Financial**

5.1 The financial implications are summarised in the body of this report.

### **Employment**

5.2 No further considerations

### **Legal (Including Equalities)**

5.3 No further considerations

## **6. Background Papers**