

THE VALE OF GLAMORGAN COUNCIL

COUNCIL: 6TH MARCH, 2023

REFERENCE FROM CABINET: 19TH JANUARY, 2023

**“C189 BUDGET 2023/24 FOR CONSULTATION AND FURTHER MTFP
UPDATE (EL/PR) (SCRUTINY – ALL) –**

The Leader presented the report, the purpose of which was to present initial budget proposals for consultation in order to come forward with a balanced budget for approval in February.

The Leader confirmed that the report would go forward to be considered at every Scrutiny Committee and subject to much consultation and discussion over the coming month, before coming back to Cabinet and then on to Full Council for consideration in March.

There would have had to have been a 45% increase in Council Tax were the initial £38m deficit to have been met from Council Tax alone, which clearly was not a consideration, and the Report brought forward budget proposals to discuss with residents.

The size of the budget gap had much improved since it was considered in October 2022 as a result of the budget settlement announced on 14th December, 2022 but still remained at £9.3m. The Vale of Glamorgan had received a better settlement than expected partly due to demographic factors, with the Vale of Glamorgan having the third highest allocation in Wales at 8.9% with other Authorities ranging between 5.4% and 9.3%.

Previous Council Tax assumptions in October 2022 had been modelled at 3.9%, but the report proposed a Council Tax increase of 4.9%. The £9.3m budget gap was proposed to be funded by a one-off use of reserves of £3.2m partly to reduce the pressure of expected energy price increases but also to reduce the pressure of medium term homeless costs. £6.1m of savings would be achieved through various efficiencies via service review and income generation. Some increases would be passported to schools, but Education would have a £2m efficiency requirement that would be determined at an individual school level. In order to protect the most vulnerable in society, £8.4m would be invested in Social Services.

The Leader asked that everyone get involved in the consultation on the proposals. Some residents had already been in touch to share their views and people were welcome to register to speak at the various Scrutiny Committees where the matter would be discussed also, before coming back to Cabinet and Full Council in March 2023.

One minor amendment was referred to as part of Page 2 of Appendix C to the Report, where the Budget Adjustment Pre-Tenancy Adviser and VATs budget showed a '6' in the total column which should have read as '26', which was noted and would be amended going forward for consideration.

The Leader also requested that the wording to Recommendation (2) to the report be amended to refer the report and all Appendices to all Scrutiny Committees for comment and that these comments are referred to Corporate Performance and Resources as the lead Scrutiny Committee, with any recommendations being referred back to Cabinet on 27th February, 2023, which was agreed.

Cabinet also agreed to include an additional Recommendation thanking the Finance Officers and members of the Senior Leadership Team who were involved in developing the budget proposals since last summer, working collaboratively without silos to consider how to best move forward whilst facing and managing the scale of the budget deficit.

This was a matter for Executive decision.

Cabinet, having considered the report and all the issues and implications contained therein and noting the amendment required on Page 2 to Appendix C to the report, the amendment to Recommendation (2) and inclusion of additional Recommendation (7),

RESOLVED –

- (1) T H A T the updated financial position be noted.
- (2) T H A T the revised funding and spend assumptions and saving proposals be approved and The report and all Appendices be referred to all Scrutiny Committees for comment and that these comments are referred to Corporate Performance and Resources as the lead Scrutiny Committee, with any recommendations being referred back to Cabinet on 27th February, 2023.
- (3) T H A T the realigned reserves to match the risks the Council now faced be approved.
- (4) T H A T the savings proposals to be published for consultation with Vale of Glamorgan residents and other groups impacted by the Council's budget be approved.
- (5) T H A T the early work necessary to ensure all savings were delivered in full for 2023/24 be noted.
- (6) T H A T the urgent decision procedure as set out in Section 15.14 of the Council's Constitution be used in order to begin the consultation without delay.**
- (7) T H A T Cabinet extend their thanks to the Finance Officers and members of the Senior Leadership Team who were involved in developing the budget proposals

since last summer, working collaboratively without silos to consider how to best move forward whilst facing and managing the scale of the budget deficit.

Reasons for decisions

- (1) It was important for Cabinet to be regularly appraised of the Council's medium term financial position.
- (2) Scrutiny was an essential part of the budget setting process and it was important that the funding and savings assumptions were validated and the savings proposals were realistic and deliverable and would not have any unintended impacts.
- (3) The review of the reserve was a fundamental of the Financial Strategy.
- (4) To ensure the savings proposals were included in the annual budget consultation.
- (5) To ensure all savings could be delivered in full for 2023/24.
- (6) To allow the consultation to begin without delay.**
- (7) To thank Officers for the preparation of the proposals for consideration.”