

THE VALE OF GLAMORGAN COUNCIL

COUNCIL: 29TH APRIL, 2024

REFERENCE FROM CABINET: 29TH FEBRUARY, 2024

“C260 DRAFT BUDGET 2024/25 AND MEDIUM TERM FINANCIAL PLAN 2024/25 TO 2028/29 (EL/PR) (SCRUTINY – ALL) –

The Leader presented the report, the purpose of which was to put forward draft proposals for the Budget 2024/25 and outline the financial position across the medium term 2024/25 to 2028/29 for approval by Full Council on 6th March, 2024.

The proposals were published at the end of the previous week, prior to the availability of Welsh Government settlement figures. There were no changes to the overall settlement following that announcement but there was additional detail regarding the Standard Spending Assessment that was subsequently detailed in the supplementary information that was distributed to all Members and published online prior to the meeting.

The Council faced significant financial pressures in excess of £38m initially and had undertaken significant work to mitigate those pressures. As a result, it had not been possible to fund pay awards in full and there were limited resources to meet the full demands of care providers to fully meet demographic growth and the complexity of services required.

A 3.4% increase in the grant received by the Council from Welsh Government alongside the proposed 6.7% increase in Council Tax fell short of meeting the additional costs.

There would be a further UK budget announcement on the same day the report would be considered by Full Council, and it remained to be seen if there would be any further funding made available for Local Government, but it was not expected there would be any further matters for Council to consider on 6th March.

Consultation on how to allocate the available resources had taken place including a 4-week public budget consultation, consideration by the five Council Scrutiny Committees and the ‘Life in the Vale’ survey where residents were asked for their views on what they expected from the Council, where residents were supportive of the ambition to target resources to social care, affordable housing and schools and less supportive of any Council Tax increase and increase in discretionary charges by the rate of inflation.

Council Tax levels in the Vale of Glamorgan were below the Welsh average and below the level of expected rises for many Authorities across Wales, with 10% or more having been proposed by some.

There had been in-depth discussions at Scrutiny but no alternatives put forward prior to consideration at Full Council where it was difficult to take proposals on board at that point and achieve a balanced budget as was the legal requirement for the Authority to do, but there would be a full debate at Full Council on the day.

The proposal concerning charging for toilets at coastal areas had been removed as Members felt that was not something they could support and the £5k saving would be found elsewhere.

Next year's £7.7m savings programme were mostly tactical and looked at how to provide and deliver services more effectively, along with some transformational initiatives, as having another multi-million-pound savings programme next year would be challenging.

The Leader thanked previous Vale of Glamorgan Councils for their role in managing its resources effectively over the years, with healthy reserves in place that provided a level of assurance but were only able to be used once.

Prospects for next year were equally as challenging as this year had been and the Chancellor's announcement next week would provide more detail as to the impact on Local Authorities. That would be discussed once the full details had been received. There was already a £9m funding gap for next year, but the Administration was prepared to face the challenges and deliver sustainable services to the residents of the Vale of Glamorgan.

Councillor Wilson said that there were several pressures within his Portfolio and thanked Officers for their hard work in mitigating those.

Councillor John was supportive of the budget and thanked the staff concerned for their work to put together the draft proposals under challenging circumstances. There would be discussion in Full Council about the use of reserves, but it had been possible to put forward a proposed lower Council Tax increase than other Welsh Authorities as those reserves were in place.

The Leader said there would be a full debate at Full Council on 6th March and there was a legal duty to deliver a balanced budget.

This was a matter for Executive decision.

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

- (1) T H A T the updated financial position be noted.
- (2) T H A T Cabinet recommend to Full Council to approve a Council Tax increase of 6.7%

- (3) T H A T Cabinet recommend to Full Council to approve the budget for 2024/25.
- (4) T H A T the forecasts across the medium term to 2028/29 be noted.
- (5) T H A T the fees and charges presented for approval in January, which stood unchanged following review by Scrutiny be noted.
- (6) T H A T the realigned reserves which sought to match the risks the Council now faced be noted along with the comments of the s151 Officer on the adequacy of reserves and robustness of estimates in paragraphs 2.86 to 2.95.
- (7) T H A T the arrangements put in place to ensure the delivery of the £7.676m savings programme and ensure the management and mitigation of those cost pressures not awarded be noted.
- (8) T H A T the use of the urgent decision procedure as set out in Section 15.14 of the Council's Constitution be approved in order for the Draft Budget 2024/25 and Medium Term Financial Plan 2024/25 to 2028/29 to be considered by Full Council on 6th March, 2024.**
- (9) T H A T Cabinet recommend to Full Council that the information provided in the supplemental report regarding updated Standard Spending Assessment figures be endorsed as an update to Item 7 on the meeting agenda and considered by Full Council on 6th March, 2024.

Reasons for decisions

- (1) It was important for Cabinet to be regularly appraised of the Council's medium term financial position.
- (2) Setting the annual rate of Council Tax was a key policy decision for Council.
- (3) Setting a balanced budget was a statutory responsibility and decision for Full Council.
- (4) Sustainability was one of the fundamental principles of the Financial Strategy.
- (5) To confirm fees and charges for 2024/25.
- (6) The review of the reserves was one of the fundamental principles of the Financial Strategy and given that the s151 Officer had a statutory duty to comment on the adequacy of reserves and robustness of estimates.
- (7) To ensure all savings could be delivered in full for 2024/25 and also that the unawarded cost pressures did not come forward as overspends.
- (8) To allow the Draft Budget 2024/25 and Medium Term Financial Plan 2024/25 to 2028/29 to be referred to Full Council on 6th March, 2024 for consideration and approval.**

(9) To provide Full Council with the most up to date figures as part of its final budget deliberations at its meeting on 6th March, 2024.”