



Adnoddau | Corporate
Corfforaethol | Resources

Scrutiny December 2024

MTFP Refresh Update

Council spending 2024/25

Service	Description	Net Spend 2024/25	Percentage of Base Budget
		£	%
Schools	Delegated spend for primary, secondary and Special schools including Additional Learning Needs Provision	119,566	39
Social Care	Support services for vulnerable Adults and Children and Young People in our Community.	96,243	31
Corporate Services and Policy	HR and Payroll; Finance including Council Tax, Rates and Benefits; Legal and Democratic Services; and also ICT and Office Accommodation costs total £5M.	14,541	5
Learning & Skills	Central support for schools, libraries, arts and cultural provision.	13,872	4
Council Tax Reduction Scheme	Statutory scheme supporting those on the lowest incomes.	11,460	3
Waste and Recycling	The cost of Waste and Recycling Services	9,489	3
Borrowing Costs	Capital financing costs and investment income	7,622	2
Fire Levy	Payment of the levy to South Wales Fire & Rescue Service	8,311	3
Highways	The cost of Highways and Engineering including Flood, Drainage and road maintenance	5,658	2
Other Neighbourhood Services	Leisure, Parks, Street Cleansing and Supported Bus Services	6,473	2
School Transport	Transporting Children and Young People to Mainstream and Special sector schools	5,769	2
Regeneration and Planning	Includes management of the Planning function including development of the LDP, Regeneration, Country Parks and Tourism services.	3,163	1
General Fund Housing	Community Safety and Homelessness provision	3,390	1
Democratic Costs	Democratic Costs	1,666	1
Regulatory Services	Food safety, animal welfare	1,638	1
Total		308,861	100

Schools and Social Care Were 68% combined in 2023/24, likely to exceed 73% in 2025/26

Planning Cycle

- Cost Pressures Submitted Start of September
- Initial Review by SLT
- 2 Rounds of Budget Working Groups with Finance/HR/Leader/Directors and Head of Service and Cabinet Members.
- Initial Review and refinement of cost pressures feeding into update Cabinet Report in November.
- Budget Forum Session
- Second BWG focusing on and Reshaping and Savings proposals .
- Further review by SLT and Business Cabinet of Savings.
- Following receipt of Provisional Settlement update for SLT and Business Cabinet



Chancellor's Budget

- Repair Public Services
- Additional funding for Health, Social Care and Schools
- Funded by increased tax take, especially increase in NI, both the rate and threshold for employers.
- £1.7bn consequentials for Wales
 - 2024/25 £774M primarily to cover pay awards
 - 2025/26 £930M
- Plus additional funding for public sector to cover NI increases, £4.7Bn UK, £200M Wales.
- Spending review in Spring 2025 – potential for 2/3 year settlements

Headlines

- £34.3M of pressures – pay awards, ALN, Social Care both Children’s Adults demand, Highways Maintenance, Home to School Transport
- Far outstrips funding – Welsh Government Grant currently assumed at 1% (each 1% = £2M) and Council Tax modelled at 3.99% (each 1% = £1M)
- Budget gap of £25.9M

Raw Gap 2025/26 to 2029/30

	2025/26 Raw £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Funding					
Government Grant	2,095	2,116	2,137	2,158	2,180
AEF Grant Transfer In for Pension*	3,232	0	0	0	0
Council Tax	4,015	4,171	4,334	4,503	4,679
Use of General Fund Reserves	0	0	0	0	0
Fund School Deficit Support From Reserve	267	-267	0	0	0
Use of Smoothing Reserves	-1,784	-500	-460	0	0
Total Funding	7,825	5,520	6,011	6,661	6,859
Spending					
Investment	1,633	-98	-214	0	0
Demographic	3,045	2,652	1,947	1,923	1,933
Pressure	11,272	259	-117	330	275
Inflationary - Pay	9,323	5,325	5,463	5,605	5,750
Inflationary	8,960	5,275	5,275	5,275	5,275
Capital Financing	92	162	324	89	182
Total Spending Pressures	34,325	13,620	12,678	13,222	13,415
Grant Transfer In	0	0	0	0	0
Gap	26,500	8,100	6,667	6,561	6,556
Savings Already Proposed	-1,684	-50	0	0	0
Reversal of Savings	1,132	750	0	0	0
Gap	25,948	8,800	6,667	6,561	6,556

Managing the Cost Pressures

- Necessary to have a very severe review of the Cost Pressures
- Have attempted to protect schools – pay awards fully met £4.630M but no additional budget for increase Resource Base provision, Ysgol Y Deri demography pared back and likelihood of an efficiency saving
- Learning & Skills – no additional resource base provision or staffing but commitments on out county placements, reduced out county income and MIS provision met and provision made to support schools on addressing their deficits.
- Children’s Social Care – budget right sized to address 2024/25 overspend of £3.000M, provision for increased provider fees but pared back, pre birth programme funded but no new posts.
- Adults social Care – 2024/25 overspend met and demographic growth of £1.000M allowed for and provision for increase provider fees but pared back to 7.5% £5.089M

Managing the Cost Pressures

- Environment & Neighbourhood Services - £0.500M additional roads maintenance and £1.000M school transport
- Place - not additional resource but modest requests of £0.377M
- Corporate Resources – security licences and MS licence increase met and £0.100M for Occupational Health.

Adjusted Gap 2025/26 to 2029/30

	2025/26 Raw £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Funding					
Government Grant	2,095	2,116	2,137	2,158	2,180
AEF Grant Transfer In for Pension*	3,232	0	0	0	0
Council Tax	4,015	4,171	4,334	4,503	4,679
Use of General Fund Reserves	0	0	0	0	0
Fund School Deficit Support From Reserve	267	-267	0	0	0
Use of Smoothing Reserves	-1,784	-500	-460	0	0
Total Funding	7,825	5,520	6,011	6,661	6,859
Spending					
Investment	538	-53	-214	0	0
Demographic	1,546	2,652	1,947	1,923	1,933
Pressure	5,643	259	-117	330	275
Inflationary - Pay	8,955	5,325	5,463	5,605	5,750
Inflationary	6,442	5,275	5,275	5,275	5,275
Capital Financing	92	162	324	89	182
Total Spending Pressures	23,215	13,620	12,678	13,222	13,415
Grant Transfer In	0	0	0	0	0
Gap	15,390	8,100	6,707	6,561	6,556
Savings Already Proposed	-1,684	-50	0	0	0
Reversal of Savings	1,132	750	0	0	0
Gap	14,838	8,800	6,667	6,561	6,556

Managing the Cost Pressures

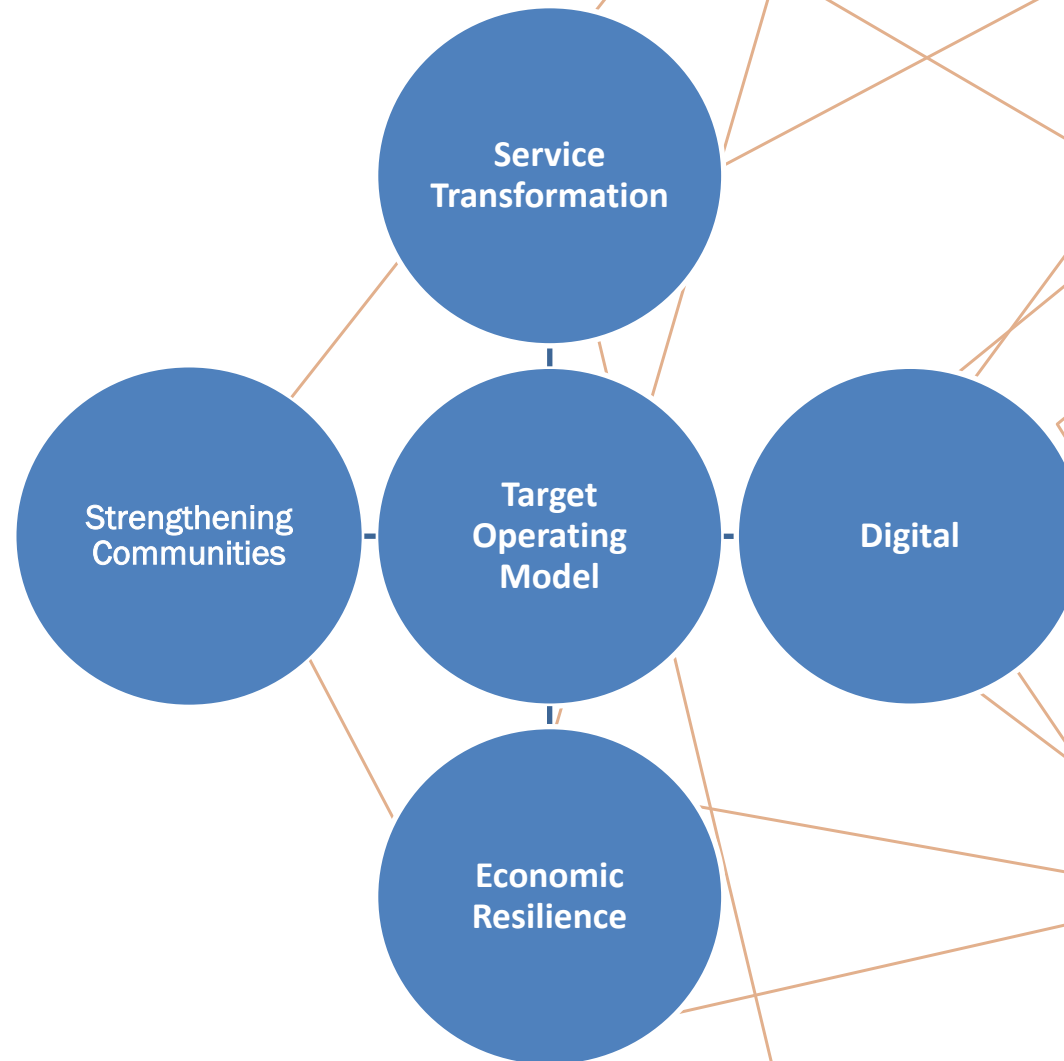
- **Feels very brutal but still leaves gap of £14.838M**
- Impact of Settlement
- May need to reduce cost pressures still further
- Will need to increase Council Tax further?
- All services will need to make a significant contribution to reshaping/savings programme including schools and social care.

Impact of Cost Pressures/Potential Measures

- Potential allocation of Reshaping and Efficiency Targets to close the gap with a greater level of savings across Neighbourhood Services, Place and Corporate Resources.
- Upward pressure on Council Tax but every 1% = £1M
- Increase on Council Tax base needs to be factored in.
- Hopeful of upside on Welsh Government Grant 1% = £2M
- Further review of cost pressures.

Reshaping and Transformation

- Prospectus to Cabinet on 10 October
- Five Themes



Engagement and Consultation

- Corporate Plan
- Reshaping
- Schools
- Life in the Vale
- Budget for Consultation

Next Steps

- Report published 22 November for Cabinet on 28 November
- Round Budget Work Groups – late November/early December
- Welsh Government Settlement 10 December
- Christmas
- Budget for Consultation 16 January 2025 – published 10 January 2025
- Consultation and scrutiny
- Draft Budget 27 February and Council 10 March

VALE of GLAMORGAN



BRO MORGANNWG

Adnoddau

Corfforaethol

Corporate

Resources

DIOLCH

Uchelgais • Ambitious

Agored • Open

Cydweithio • Together

Balchder • Proud