



Adnoddau  
**Corfforaethol** | Corporate  
Resources

# Budget for Consultation

Homes & Safe Communities Scrutiny

5 February 2025

# AGENDA

- Budget 2025/26 and MTFP 2025/26 to 2029/30
  - Background
  - Overall Position
  - Cost Pressures
  - Savings Programme
  - Reserves
  - Consultation response
  - Scrutiny Ask
- Capital Programme 2025/26 to 2029/30
- Next Steps

# Budget 2025/26 and MTFP 2025/26 to 2029/30

# Background

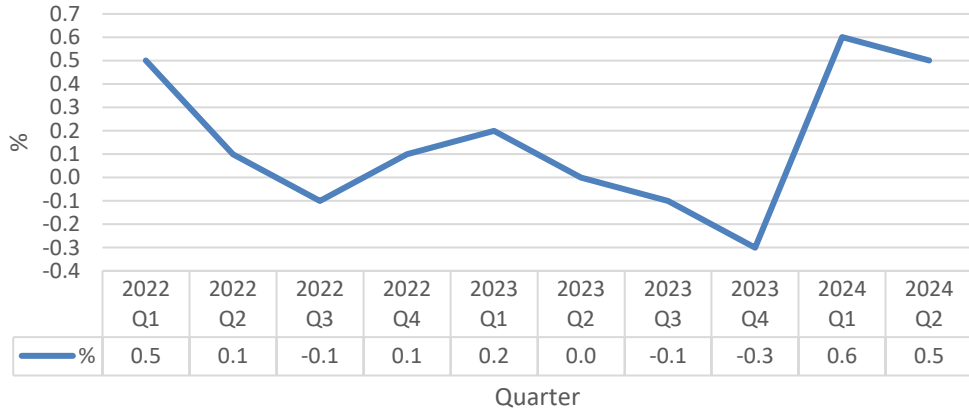
- Financial Strategy approved by Cabinet July
- Budget being developed alongside new Corporate Plan and Reshaping Programme
- Chancellor's Budget October 2024
  - Taxing budget to repair public services
  - £1.7Bn consequentials for Wales
- Medium Term Financial Plan Refresh November 2024
- £34.M underlying cost pressures and gap of £14.7M
- Welsh Government Settlement
  - 2024/25 In year allocations for pay and teachers pensions
  - 4.3% average Settlement across Wales for 2025/26

# 2025/26 Settlement

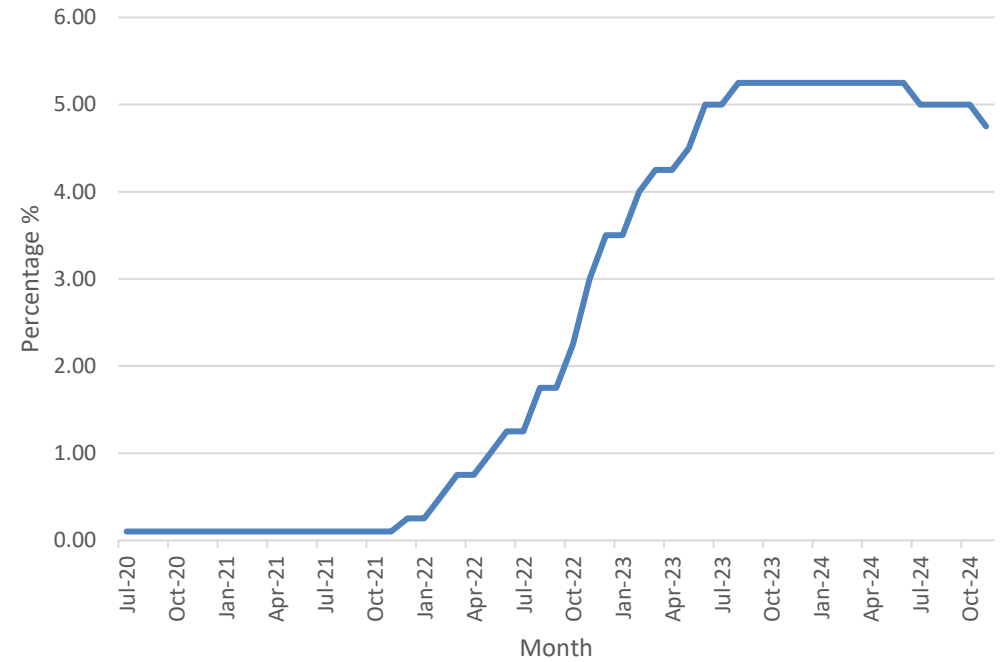
- Transfers in of £6.527M is good news and enables pay and pensions 2024/25 to be added to the base along with some headroom.
- Overall 2025/26 increase of 4.3% across Wales
- However, Vale of Glamorgan 3.3% only which is £7.362M, 2.4% increase on the 1% £2.095M previously forecast
- SSA movements to create a real challenge though:
  - Schools 10.00%
  - Social Services 11.83%
  - Fire 12.17%
  - Minimal increase for all other service blocks
- Other Grant announcements coming through
- Capital good news – additional £0.620M, assuming flatlined for future

# Prospects

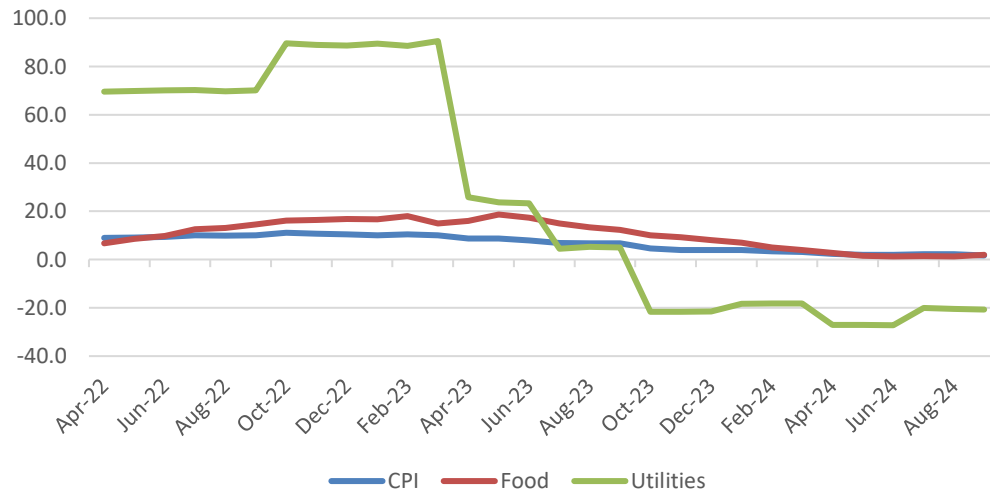
UK GDP Quarter on Quarter  
Qtr1 2022 to Qtr2 2024



Bank of England Base Rate



CPI



# Headlines

- Overall Budget Gap of £8.045M
- Grant transfers in for 2024/25 - Pay and Pensions and 3.3% increase for 2025/26
- Council Tax modelled at 6.9% but yield also up for Tax Base growth and Single Person Discount Review
- Pressures of £29.074M accommodated but underlying pressure was £39.905M which presents a risk
- Savings Programme of £9.026M – Gap of £8.045M plus (0.982M of one off reversals)
- Fees and Charges – generally increased by 3%
- Reserves under review

# Overall Position for the Council

	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000
<b>Additional Funding</b>					
Grant Transfers In	6,892	0	0	0	0
Grant Settlement	7,111	2,234	2,257	2,279	2,302
Council Tax	8,543	4,171	4,334	4,503	4,679
Use of smoothing Reserves	-1,784	-500	-460	0	0
School Support from Reserves	267	-267	0	0	0
<b>Total Additional Funding</b>	<b>21,029</b>	<b>5,638</b>	<b>6,131</b>	<b>6,782</b>	<b>6,981</b>
<b>Investment</b>	<b>595</b>	<b>-53</b>	<b>-214</b>	<b>0</b>	<b>0</b>
Demography	1,546	2,652	1,947	1,923	1,933
Inflation Pay	11,181	5,325	5,463	5,605	5,750
Inflation Non Pay	8,881	5,275	5,275	5,275	5,275
Capital Financing	0	254	324	89	182
Other Pressures	6,872	259	-117	330	275
<b>Total Pressures</b>	<b>29,074</b>	<b>13,712</b>	<b>12,678</b>	<b>13,222</b>	<b>13,415</b>
<b>Overall Gap</b>	<b>8,045</b>	<b>8,074</b>	<b>6,547</b>	<b>6,440</b>	<b>6,434</b>



# Review of Cost Pressures

Description		Adjusted 2025/26	2026/27	2027/28	2028/29	2029/30	Category of Growth
		£000's	£000's	£000's	£000's	£000's	
Environment and Housing	Cost of B&B Homelessness Accommodation	-500	-500	-445	0	0	Pressure
Environment and Housing	Pay Award Non Schools General Fund Housing	29	22	22	23	23	Inflationary - Pay
<b>Total Environment and Housing</b>		<b>-471</b>	<b>-478</b>	<b>-423</b>	<b>23</b>	<b>23</b>	

# Savings

- Mix of reshaping and tactical

	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000
<b>Reshaping</b>	4,098	642	0		
<b>Schools Efficiency</b>	1,200	0	0		
<b>Savings</b>	3,728	562	0		
<b>Total Reshaping and Savings Proposals</b>	<b>9,026</b>	<b>1,204</b>	<b>0</b>		

- Further work underway to populate future years of the Plan:
  - Target Operating Model
  - Service Transformation
  - Strengthening Communities
  - Digital Innovation
  - Economic Resilience

# Review of Savings

Description		Service Impact	Equality Impact Assessment	2025/26	2026/27	2027/28	2028/29	2029/30	Total
				£000's	£000's	£000's	£000's	£000's	£000's
General Fund Housing	Vacant Post review	N	N	103	-	-	-	-	103
General Fund Housing	Reduction in agency staffing budget	N	N	6	-	-	-	-	6
General Fund Housing	Reduction in management charges for leased accommodation	Y	Y	50	-	-	-	-	50
<b>General Fund Housing Total</b>				<b>159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159</b>

# Overall Allocation of Resources

	Learning & Skills	Schools	Social Services	Others	Total Pressures
	£000	£000	£000	£000	£000
<b>Original Budget</b>	<b>13,872</b>	<b>119,566</b>	<b>96,276</b>	<b>79,147</b>	<b>308,861</b>
<b>Pressures</b>					
<b>Investment</b>	467	128	0	0	595
<b>Demographic</b>	0	356	1,000	190	1,546
<b>Inflationary</b>	0	0	7,896	985	8,881
<b>Inflationary – Pay</b>	288	9,698	410	785	11,181
<b>Other Pressures</b>	820	- 101	4,664	1,488	6,871
<b>Capital Financing</b>	0	0	0	0	0
<b>Total Pressures</b>	<b>1,575</b>	<b>10,081</b>	<b>13,970</b>	<b>3,448</b>	<b>29,074</b>
<b>Use of Reserves</b>	0	33	0	1,484	1,517
<b>Savings</b>	- 512	- 1,200	- 3,624	- 3,691	- 9,026
<b>Reverse Out Temporary Savings</b>	0	0	0	982	982
<b>Net Funding Increase</b>	<b>1,063</b>	<b>8,914</b>	<b>10,346</b>	<b>2,224</b>	<b>22,547</b>
<b>% Increase /(Decrease)</b>	<b>7.66%</b>	<b>7.46%</b>	<b>10.75%</b>	<b>2.81%</b>	<b>7.30%</b>
<b>Net Budget 2025/26</b>	<b>14,935</b>	<b>128,480</b>	<b>106,622</b>	<b>81,371</b>	<b>331,408</b>

# Reserves

- Review of reserves underway – reducing, in part planned
- Will feed into Draft Budget report to Cabinet 27 February

As at	Estimated Balance 31/03/25	Estimated Balance 31/03/6	Estimated Balance 31/03/27	Estimated Balance 31/03/28	Estimated Balance 31/03/29	Estimated Balance 31/03/30
	£000	£000	£000	£000	£000	£000
General Fund	11,107	11,107	11,107	11,107	11,107	11,107
Insurance	4,878	4,878	4,878	4,878	4,878	4,878
Service Reserves	8,602	6,357	5,371	5,079	5,092	5,104
Risk and Smoothing Reserves	17,311	15,773	14,916	14,327	13,722	13,425
Capital Reserves	6,105	4,091	4,062	4,062	4,062	4,062
<b>Sub Total</b>	<b>48,003</b>	<b>42,206</b>	<b>40,334</b>	<b>39,453</b>	<b>38,861</b>	<b>38,576</b>
Ring Fenced Reserves						
Schools	0	0	0	0	0	0
Other Ringfenced Schools	748	748	748	748	748	748
Housing Revenue Account	4,192	4,232	4,474	2,095	2,115	2,172
<b>Total Reserves</b>	<b>52,943</b>	<b>47,186</b>	<b>45,556</b>	<b>42,296</b>	<b>41,724</b>	<b>41,496</b>

# Response to Government Consultation

- The Council has responded, deadline was 24 January:
  - Overall Settlement across Wales is insufficient, additional £223M is welcome but short of £559M of pressures excluding NI impact of Chancellor's budget
  - Council experiencing similar pressures but disparity in council level settlements between 2.6% and 5.6%, requesting a floor at the average of 4.3%
  - Formulas for Social Care and Schools don't reflect need.

# Scrutiny Ask

- Views/Comments required on:
  - Overall approach
  - Cost Pressures
  - Savings
  - Alternative ideas

# Capital Programme 2025/26 to 2029/30



# Capital Headlines

- Little additional new resource to allocate but Welsh Government Settlement better than anticipated. The amount awarded to the Council is £7.606m, an increase of £620k from the 2024/25 general capital funding.
- Nevertheless, an ambitious five year Programme
  - £82.440M inn 2025/26
  - £399.7M over the five years
- Primarily funded through specific grant
- Also significant use of unsupported borrow, in the main for Housing Development, the financing costs of which are met from tenants' rents
- Capital bids were shortlisted by Strategic Insight Board in October, as the Provisional Capital Settlement from Welsh Government has now been received new schemes are proposed to be included within the Capital Programme.

# Capital Programme 2025/26 to 2029/30

	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000
Learning and Skills	17,835	2,309	2,000	2,000	2,000
Social Services	1,373	302	225	215	200
Environment	11,277	6,179	4,124	3,885	3,710
Housing	25,477	40,774	61,795	49,203	51,551
Place	1,967	1,305	1,305	1,150	1,150
Corporate Resources	312	294	298	473	431
City Deal	810	2,286	807	2,053	1,100
Pipeline Schemes *	23,389	36,672	24,042	12,522	915
<b>Total</b>	<b>82,440</b>	<b>90,121</b>	<b>94,596</b>	<b>71,501</b>	<b>61,057</b>

\* Pipeline schemes will be promoted to main programme once the business cases are approved

# Capital Programme 2025/26 to 2029/30 Funding

	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000
General Capital Funding	7,606	7,606	7,606	7,606	7,606
Capital Receipts	3,829	1,684	666	511	500
Reserves	11,366	7,958	8,316	4,155	2,594
Unsupported Borrowing	21,827	34,324	55,364	44,831	44,787
Grants and Contributions (Including S106)	37,812	38,549	22,644	14,398	5,570
<b>Total</b>	<b>82,440</b>	<b>90,121</b>	<b>94,596</b>	<b>71,501</b>	<b>61,057</b>

# Capital Schemes

There are no bids proposed to be included within the five year Capital Programme in relation to this Scrutiny Committee.

## Housing Improvement Programme Headlines

The Housing Business plan was approved by Council 13th January 2025 with the breakdown listed below:

	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000
HRA Internal Works	1,950	6,490	8,419	9,963	8,976
HRA External Works	1,920	2,262	2,481	1,960	1,562
Council Housing Aids & adaptations	480	472	485	520	512
Common Parts	1,500	719	632	0	334
Individual Schemes	3,200	1,849	3,976	487	0
Emergency Works	400	411	395	406	434
Environmental Improvements	1,590	1,137	2,091	1,367	1,232
New Build	11,418	21,628	36,578	29,778	33,078
Energy Efficiency	3,019	5,806	6,738	4,722	5,423
<b>Total</b>	<b>25,477</b>	<b>40,774</b>	<b>61,795</b>	<b>49,203</b>	<b>51,551</b>

# Next Steps

- Scrutiny 3 February to 19 February 2025
- Public Consultation runs to Friday 14 February
- Governance & Audit reviews Draft Treasury Strategy 17 February 2025
- Welsh Government Final Settlement 20 February
- Draft Budget, Capital Programme and Treasury Strategy to Cabinet 6 March
- End of February/early March Final Welsh Settlement
- Council 10 March



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