

THE VALE OF GLAMORGAN COUNCIL

COUNCIL: 6TH MARCH, 2024

REFERENCE FROM CABINET: 18TH JANUARY, 2024

“C206 INITIAL BUDGET 2024/25 AND MEDIUM TERM FINANCIAL PLAN 2024/25 TO 2028/29 PROPOSALS FOR CONSULTATION (EL/PR) (SCRUTINY – ALL) –

The Leader presented the report, the purpose of which was to put forward the Council’s budget proposals for consultation with residents, other stakeholders and the Council’s Scrutiny Committees.

Paragraph 1.2 listed the underlying principles which were unchanged and underpinned the budget proposals described in the report. Focus remained on supporting social care and education to support the most vulnerable residents in the Vale of Glamorgan. Fees and Charges would continue to be subsidised where matters aligned with corporate objectives but in terms of non-statutory services, full cost recovery would be sought. It was important that there was collective responsibility to managing the finances, and that those finances be accessible and transparent.

Despite the overall challenging economic conditions there had been significant wage growth which was a challenge for a large employer. Although Welsh Government had given more to Local Government than was received, it was still a real terms reduction in expenditure compared to inflation.

The Table on Page 6 of the report described the net expenditure for 2023/24 which showed that almost three quarters of the Council’s budget was spent on Schools and Social Care, therefore any proposed cost savings when discussing the budget had to come from the remaining twenty five percent if education and social care were to be protected.

The Table on Paragraph 2.24 of the report listed the Tactical and Transformational Themes, many of which looked to address smarter ways of delivery to best effect for residents of the Vale of Glamorgan Council, including better and more effective use of Council properties and its workforce. Paragraph 2.29 of the report referred to the potential reduction of £0.470M to support non-commercial bus routes which was considered unacceptable as vital services for residents of the Vale of Glamorgan, and had an impact on the proposed level of Council Tax being consulted on with retention of the support provided on non-commercial routes contributing to 0.5% of the proposed 6.7% increase and the Leader looked forward to the debate on that matter with Scrutiny Committees.

Table 2.62 of the report illustrated the Summary of Reserves over the next 5 years, showing that they were projected to reduce by £14m over that period, going down £8m over the current year.

The timetable and key dates for the consultation and decisions concerning the budget were set out in paragraph 2.70 of the report with final determination at Full Council on 6th March, 2024 and it was hoped that in the intervening period that people would take the opportunity to have full input into the report.

Councillor Brooks emphasised the importance of funding for supported bus services that supported many residents in the Vale of Glamorgan. The Council faced some difficult budgetary choices when looking to maintain services after ten years of savings through austerity and the decision was taken to propose that £470k would be put forward by the Council along with associated Welsh Government support to maintain those vital services. The proposed ring-fenced half a percent rise to Council Tax would ensure the continuation and the Council's commitment to those supported bus services. Officers continued to work to secure the necessary funding to keep bus services operating across the Vale of Glamorgan. The Leader expressed her thanks to the Transport Team as negotiations continued with Welsh Government.

Councillor Wilson emphasised that the Council had received 3.1% from Welsh Government, however the UK Government only sent Welsh Government a 2.1% increase. The budgetary process was long and difficult and took months of negotiation. Table 1.12 of the report showed that Waste and Recycling only made up 3% of the total budget for 2023/24, with Highways making up only 2%, however all aspects of the budget had to be addressed to address savings potential whilst protecting education and social services. Councillor Wilson also thanked Officers in his Portfolio and across the Council for their work as part of the budget negotiations as it had not been an easy task.

Councillor John agreed that the budget proposals had been a huge challenge this year and had not faced a challenge like it in his 25 years of being a Councillor. He gave credit to the Finance Team, and all concerned, who had been part of budget discussions for 6 months to arrive at the proposals. He was pleased that supported bus services would be protected as they were a vital link for residents in the rural Vale of Glamorgan. He emphasised that the coming year would be difficult, and that the Council would be there to help. The financial situation affected the whole of Wales and some Councils were looking at much higher proposed Council Tax increases, but it would be interesting to see the responses to the consultation.

The Leader agreed that she looked forward to seeing the results of the consultation and the discussions to come in order to achieve a balanced budget as was the Council's legal requirement.

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 Council's updated financial position as set out in the report be noted.

(2) T H A T the revised funding and spend assumptions, along with the draft saving proposals be approved and the report and appendices referred to Scrutiny Committees for their consideration and debate, with all Committee views being referred for scrutiny at the Corporate Performance and Resources Scrutiny Committee and for a composite response to be developed and referred back to a Special Cabinet on 29th February, 2024.

(3) T H A T the savings proposals as described in the body of the report and appendix be approved to be published for consultation with Vale of Glamorgan residents and other groups impacted by the Council's budget as described in the body of the report.

(4) T H A T the underlying level of financial pressures not included in the proposals, most notably fully funding pay awards and meeting the demands of providers in their annual uplifts be noted.

(5) T H A T the use of the urgency procedure as set out at section 15.14 of the Council's constitution be agreed to refer the report to as described in Resolution (2) for consideration as soon as possible.

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) To ensure the savings proposals were consulted upon widely.

(4) To ensure Cabinet was aware that work was in place to manage and mitigate those pressures but do nevertheless represent significant financial risk.

(5) To ensure that the Initial Budget 2024/25 and Medium Term Financial Plan 2024/25 to 2028/29 Proposals for Consultation report could be presented to a Special Cabinet on 29th February, 2024 for consideration and approval."