

THE VALE OF GLAMORGAN COUNCIL

COUNCIL: 10TH MARCH, 2025

REFERENCE FROM CABINET: 16TH JANUARY, 2025

“C234 INITIAL BUDGET 2025/26 AND MEDIUM TERM FINANCIAL PLAN 2025/26 TO 2029/30 PROPOSALS FOR CONSULTATION (EL/PR) (SCRUTINY – ALL) –

The Leader presented the report to put forward the Council's budget proposals for consultation with residents, other stakeholders and the Council's Scrutiny Committees.

Local Authorities were required to set a balanced budget following a four week consultation period on the proposals which would also be considered by the Council's Scrutiny Committees with Corporate Performance and Resources Scrutiny Committee tasked with reporting back to Cabinet.

The Council continued to be the second lowest funded Council per head of population in Wales and spent significantly above its notional formula needs assessment for Education and Social Services. The Council had the third lowest spend per head of all of the Welsh Counties and spend for all services with the exception of Education was benchmarked at low or very low. Council Tax was also low with the 2024/25 Council Tax at 5.63% below the Welsh Average, however with the ongoing cost-of-living crisis it was not something the Authority sought to address in the current year.

The budget was being developed alongside the new 2025-30 Corporate Plan that was key to the allocation of resources.

Councils across both Wales and England were experiencing significant financial pressures across both Children's and Adults Social Care, School finances especially Additional Learning Needs (ALN), pay awards and Home to School Transport. The new Westminster Government recognised those pressures and there was a favourable UK Budget at the end of October 2024 followed by a favourable settlement of 3.3% in December 2024, albeit below the Welsh average.

The Vale of Glamorgan Council continued to lobby for increased funding for 2025/26 including as part of a visit from the Cabinet Secretary for Housing and Local Government and at the Senedd Finance Committee, with emphasis on a funding floor.

An increasing proportion of the Council's resources year on year were taken up by Schools and Social Care, 68% in 2023/24, 70% in 2024/25 and rising to 71% in the initial proposals for 2025/26. The Leader referred to Table 3 within paragraph 1.38 of

the report concerning net expenditure for 2024/25 which showed the percentage of different areas of spend within the Council, highlighting that Other Neighbourhood Services and Regeneration and Planning made up 2% and 1% of overall Council spending and were more likely to be what residents thought Council spending related to.

Council Tax was currently modelled at a 6.9% increase for 2025/26 and would be discussed at length through the Scrutiny process and would be revisited should additional funding become available to bring Council Tax down or invest in services. The Leader looked forward to discussing reshaping initiatives within different Service Areas within those Scrutiny conversations also as in contrast to previous years almost half of the gap was met from reshaping. Anyone could register to speak on the Council's draft budget proposals at Scrutiny as part of the four week period of consultation with residents and other groups.

The Leader referred to the publication of an Amended Appendix D to the report which set out the fees and charges, where the percentage increase for the fees and charges in the last column was previously represented as a decimal rather than a percentage and had been corrected. There was also a typographical error in paragraph 2.22 of the report that should state Band D rather than Band B properties, and Table 12 in paragraph 2.87 of the report contained an errant equal sign.

Councillor Wilson said the position faced by the Council was challenging and one faced by a number of Authorities in Wales. There were demographic issues to be considered, with an increase in Social Services spending for those living longer with more complex health needs. It was important to remember that many of the services provided were statutory services and came with risk if not funded. His own Portfolio of Neighbourhood and Building Services was already lean and faced challenges. The Authority remained committed to protecting vulnerable residents and he looked forward to hearing from the public during Scrutiny consideration of the proposals.

Councillor John said there was a realisation that people were struggling and hoped the percentage of Council Tax could be reduced subject to further support from Welsh Government.

Councillor Birch said while it was pleasing to see that the Vale of Glamorgan was able to spend above the average on education, there were more children presenting with more complex needs that required attention. She looked forward to the consultation with the public and Scrutiny Committees and hoped the report made it clear what the budget was being spent on and not just a focus on visible services.

The Leader said that Council did need to better communicate the full scale of both statutory and non-statutory services the Council delivered, including providing education for children, support for the elderly population or young, vulnerable people and homes for people who needed them.

This was a matter for Executive decision.

Cabinet, having considered the report, the typographical changes referred to 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 reshaping and saving proposals be approved and the report and appendices be 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 Cabinet on 27th February, 2025.
- (3) T H A T the reshaping and savings proposals as described in the body of the report and appendix be approved and published for consultation as described in the body of the report.
- (4) T H A T the fees and charges detailed in Appendix D to the report be approved for consultation, with delegated authority for the agreement of negotiable film charges to be signed off at Chief Officer level in Place Directorate.
- (5) T H A T the underlying level of financial pressures not included in the proposals, most notably fully funding pay, be noted.
- (6) T H A T delegated authority be granted to the Chief Executive in consultation with the Executive Leader and Cabinet Member for Performance and Resources to respond to the Welsh Government draft settlement within the consultation timescales.
- (7) 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 as described in Resolution (2) for consideration as soon as possible and to ensure that the Council could respond to the Welsh Government draft settlement within time and in pursuance of Resolution (5).**

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 the fees and charges were consulted upon widely ahead of inclusion in the draft budget on 27th February for approval, fees and charges being a Cabinet function.

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

(6) To enable the Council to provide a robust response to the consultation of the Welsh Government draft settlement.

(7) To ensure that the Initial Budget 2025/26 and Medium Term Financial Plan 2025/26 to 2029/30 Proposals for Consultation report could be presented to Cabinet on 27th February, 2025 for consideration and approval and to ensure that the Council could respond to the Welsh Government consultation on the draft settlement.”