

Meeting of:	Cabinet
Date of Meeting:	Thursday, 29 February 2024
Relevant Scrutiny Committee:	All Scrutiny Committees
Report Title:	Draft Budget 2024/25 and Medium Term Financial Plan 2024/25 to 2028/29 – Supplementary Information
Purpose of Report:	To provide further information for the Budget 2024/25 and financial position across the medium term 2024/25 to 2028/29 with approval required by Full Council on 6th March, 2024.
Report Owner:	Executive Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Director of Corporate Resources
Elected Member and Officer Consultation:	Cabinet Members and Strategic Leadership Team
Policy Framework:	Approving the 2024/25 Budget is a Council function
Executive Summary:	<p>This is a Supplemental Report to the Draft Budget 2024/25 and Medium Term Financial Plan 2024/25 to 2028/29 that is being recommended for referral to Full Council by Cabinet on 29th February, 2024.</p> <p>The Draft Budget report was published ahead of the Welsh Government’s Final Settlement on 27th February 2024. There are no changes to the overall level of the Settlement reported in the Cabinet report but the detail on the Standard Spending Assessments (SSA) was not available at that time and this report provides an update to a number of references and tables.</p>

Recommendation

1. That Cabinet recommends to Full Council that the supplemental information provided in this report regarding updated Standard Spending Assessment figures be endorsed as an update to Item 7 on the meeting agenda.

Reason for Recommendation

1. 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.

1. Background

Provisional Local Government Settlement

- 1.1 The Welsh Government published its Provisional Grant Settlement on 19 December. The Vale of Glamorgan's grant for 2024/25 was £208.896M an improvement of £6.270M or 3.1% compared to 2023/24.
- 1.2 Subsequently, following additional resources at a UK level £25M of were made available to Welsh Government of which £10.6M was directed to reinstate the Social Care Work Grant which had previously been cut and £14.4M to Aggregate External Finance (AEF).
- 1.3 The Vale of Glamorgan's share of the £14.4M was anticipated to be £0.591M and the Draft Budget reported total AEF for 2024/25 of £209.487M.
- 1.4 Further, Welsh Government have also started work to streamline specific grant arrangements and transferred three grants totalling £0.294M into General Grant.
- 1.5 Table A – Aggregate External Finance (AEF)

	£M
Provisional Welsh Government Settlement 19 December 2023	208.896
Barnett Consequentials	0.591
	209.487
Transfers In	0.294
	209.781

2. Key Issues for Consideration

2.1 Final Settlement

The Final Settlement was announced on 27th February, 2024 and confirms Aggregate External Finance of £209.781M for 2024/25. The full SSA Tables are

now available which enables Table 5 – SSA by Block for Vale of Glamorgan and paragraph 2.23 in the published report to be updated.

2.2 Table B – SSA By Block

Block	2023/24	2024/25	Change
	£000	£000	%
School Services	126,764	132,310	4.38
Other Education	1,637	1,569	-4.19
Personal Social Services	81,615	88,010	7.84
Roads and transport	8,433	8,891	5.43
Fire	7,471	8,003	7.12
Other services	51,138	53,059	3.76
Deprivation Grant	167	167	0.00
Council Tax Reduction Scheme	9,230	9,284	0.59
Debt Financing	10,450	9,486	-9.22
Total	296,904	310,780	4.67

2.3 The AEF calculation takes the Council’s Tax base into account assuming 100% collection as well as the underlying need through the total SSA. The grant calculation assumes that there is a standard rate of Council Tax of £1,565.35 across Wales and applies this to the Tax Base of 65,421 (approved by Cabinet in December) to generate an assumed level of Tax Revenue of £100.999M for the Vale of Glamorgan. The difference between Need £310.780M and revenue £100.999M is the Grant of £209.781M. [This updates paragraph 2.23 of the published report].

2.4 The published report also provided commentary on the Council’s allocation of resource in budget setting against the notional increases in the provisional settlement. Table 11 - Cost Pressures and Savings by Service from the published report is unchanged but reproduced below.

2.5 Table C – Cost Pressures and Savings by Service

	Learning & Skills	Schools	Social Services	Others	Total Pressures
	£000	£000	£000	£000	£000
Original Budget	16,439	114,239	88,891	74,853	294,422
Centralisation Recharges	-2,389	-	-3,631	6,020	-
Adjusted Original Budget	14,050	114,239	85,260	80,873	294,422

Pressures	-	-	-	-	-
Investment	154	164	-	-	318
Demography	-	897	4,015	152	5,064
Inflation	234	4,193	6,083	1,254	11,764
Other Pressures	183	-652	2,767	1,775	4,073
Capital Financing	-	-	-	50	50
Total Pressures	571	4,602	12,865	3,231	21,269
Other Transfers	-378	-175	-127	680	0
Grant Transfers In	0	0	0	294	294
Use of Reserves	-	900	-	-348	552
Savings	-371	0	-1,755	-5,550	-7,676
Net Funding Increase	-178	5,327	10,983	-1,693	14,439
% Increase / (Decrease)	-1.27%	4.66%	12.88%	-2.09%	4.90%
Net Budget 2024/25	13,872	119,566	96,243	79,180	308,861

2.6 However, it is necessary to provide an update to paragraph 2.26 in the published report as follows.

2.7 There has been quite a shift in proposed Council spending. The budgets for Schools and Social Services have the greatest growth, and for both Council services exceed the Welsh Government notional increases set out earlier in the report. Spend on schools is proposed to increase by 4.66%, marginally above the 4.38% in the Settlement. Spend on Social Services would see 12.88% increase which is significantly more than the 7.84% in the Settlement and reflects the pressures in volume, complexity and cost being experienced by the Directorate. This approach inevitably places considerable pressure on other key and front line services.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

3.1 No updates to the published report.

4. Climate Change and Nature Implications

4.1 No updates to the published report.

5. Resources and Legal Considerations

Financial

5.1 The financial considerations are set out in the body of the report.

Employment

5.2 No updates to the published report.

Legal (Including Equalities)

5.3 No updates to the published report.

6. Background Papers

6.1 No further papers.