

THE VALE OF GLAMORGAN COUNCIL

COUNCIL: 24TH APRIL, 2023

REFERENCE FROM CABINET: 27TH FEBRUARY, 2023

**“C238 FINAL BUDGET 2023/24 AND MTFP 2023/24 TO 2028/29 (EL/PR)
(SCRUTINY – CORPORATE PERFORMANCE AND RESOURCES) –**

The Leader presented the report, the purpose of which was to present final proposals to Cabinet for the revenue budget for 2023/24 and an update to the Medium Term Financial Plan 2023/24 to 2028/29.

In order for the matter to proceed for consideration at Full Council on 6th March, 2023, the Leader asked to include an additional resolution concerning the use of the urgent decision procedure to that effect.

The Leader referred to the accompanying reference from Corporate Performance and Resources Scrutiny Committee on 15th February, 2023 that had been circulated to all Members in advance of the meeting. She also said that as the Reference from the same Committee which the Chair had decided was urgent under Agenda Item 14(i) and circulated to Members in advance of the meeting was related to the report that it would also be considered alongside the report.

She said that it had been a difficult budget round with a huge amount of uncertainty in a very challenging economic environment which made financial planning difficult. Cost pressures in October 2022 were estimated at £38m whilst still considering rising inflation, salary increases and increasing energy charges. Following the settlement which had been better than expected, the overall gap was now £7.378m which had to be managed through savings and managing a number of priorities to bring forward a balanced budget whilst protecting services for the most vulnerable in the County and a sustainable level of funding for schools. Consideration was also given to managing the use of reserves on a one-off basis.

For Social Care there was an additional £8m in the budget, significantly over the Welsh Government uplift ensuring that the Council could commission the necessary domiciliary care and meet the needs of the residential care sector. Schools would receive an extra £10.4m, including one-off support, a rise in excess of 9% recognising all of the inflationary costs being faced but also accepting that there needed to be some efficiencies also.

The Vale of Glamorgan Council Tax level was below the Welsh average and the proposed rise by 4.9% would see that position maintained.

Difficult choices had to be made in identifying the £4.65m savings package but it was recognised that fees and charges had to increase in line with rising costs, particularly in terms of non-statutory services which had to move towards being cost neutral.

Matters had been discussed at length by the Corporate Performance and Resources Scrutiny Committee within the two references. The Leader said she had been invited to have discussions with local businesses concerning street café licences which she would be happy to do. Hygiene caddies was another topic discussed but was not a mandatory service which, although of benefit to local residents, had cost, storage and delivery implications for the Council.

Both matters were able to be reviewed and as such, Cabinet noted the comments of the Corporate Performance and Resources Scrutiny Committee.

The Leader asked for the Relevant Scrutiny Committee section at the head of the report to be amended to 'Corporate Performance and Resources Scrutiny Committee', rather than 'All Scrutiny Committees', which was agreed.

This was a matter for Executive and Council decision.

Cabinet, having considered the report and all the issues and implications contained therein and noting the change to the Relevant Scrutiny Committee section at the head of the report and the inclusion of an additional resolution

RESOLVED –

- (1) T H A T the updated financial position as detailed in the Report be noted.
- (2) T H A T Cabinet recommended to Council to approve a Council Tax increase of 4.9%
- (3) T H A T Cabinet recommended to Council to approve the budget for 2023/24.
- (4) T H A T the forecasts across the medium term to 2027/28 be noted.
- (5) T H A T there were no changes to the proposed fees and charges approved for Consultation in January following review by Scrutiny be noted.
- (6) T H A T the realigned reserves to match the risks the Council now faced be noted.
- (7) T H A T the comments of the Section 151 Officer on the adequacy of reserves and robustness of estimates in paragraphs 2.91 to 2.97 be noted.
- (8) T H A T the arrangements in place to ensure the delivery of the £7.378m savings programme be noted.
- (9) T H A T use of the urgent decision procedure as set out in Section 15.14 of the Council's Constitution be approved in order for the report to be referred to Full Council on 6th March, 2023 for consideration and approval.**
- (10) T H A T the change to the Relevant Scrutiny Committee section at the head of the report be noted.

Reasons for decisions

- (1) It was important for Cabinet to be regularly apprised of the Council's medium term financial position.
- (2) Setting the annual rate of Council Tax was a key policy decision for Council.
- (3) Setting a balanced budget was a statutory responsibility and decision for Council.
- (4) Sustainability was one of the fundamental principles of the Financial Strategy.
- (5) To confirm fees and charges for 2023/24.
- (6) The review of the reserves was one of the fundamental principles of the Financial Strategy.
- (7) The Section 151 Officer had a statutory duty to comment on the adequacy of reserves and robustness of estimates.
- (8) To ensure all savings could be delivered in full for 2023/24.
- (9) To allow the Final Budget 2023/24 and MTFP 2023/24 to 2028/29 to be referred to Council on 6th March, 2023 for consideration and approval.**
- (10) To refer to the appropriate Scrutiny Committee."