

THE VALE OF GLAMORGAN COUNCIL

COUNCIL: 28TH APRIL, 2025

REFERENCE FROM CABINET: 6TH MARCH, 2025

“C283 DRAFT BUDGET 2025/26 AND MEDIUM TERM FINANCIAL PLAN 2025/26 TO 2029/30 (EL/PR) (SCRUTINY – ALL) –

The Leader presented the report to put forward draft proposals for the Budget 2024/25 and outline the financial position across the medium term 2024/25 to 2028/29 for approval by Full Council on 10th March, 2025.

The Leader passed on thanks to everyone who had participated in the four-week consultation period, including from all Scrutiny Committees and individual responses.

Welsh Government recognised the pressures being felt by all Local Authorities and the Provisional Settlement of 3.3% in December 2024 was more than the anticipated 1%, but Councils continued to lobby for a funding floor at 4.3%. The Final Welsh Government Settlement was made on Thursday 20th February and included an extra 0.5% for the Vale of Glamorgan as well as an additional £30m announced nationally for social care Pathways of Care Transition grant and the Highways Management Local Authority Borrowing Initiative.

Council Tax was low in the Vale of Glamorgan with the 2024/25 Council Tax at 5.63% below the Welsh Average, but that had to be balanced against issues such as the cost of living crisis and such an increase to that extent was not under consideration.

A Council Tax increase of 5.9% was proposed for 2025/26, down from the initial 6.9% proposal as a result of the additional funding that had been received and as previously stated would be revisited should additional funding become available to bring Council Tax down or invest in services.

This was a matter for Executive decision and referral to Full Council.

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

- (1) T H A T the updated financial position be noted.
- (2) T H A T Cabinet recommended that Full Council approve a Council Tax increase of 5.9%

- (3) T H A T Cabinet recommended that Full Council approve the budget for 2025/26.
- (4) T H A T the forecasts across the medium term to 2029/30 and the approach to deliver sustainable finances be noted.
- (5) T H A T the amendments to Fees & Charges presented for approval in January following further review, consultation and the views of Scrutiny as set out in paragraphs 2.120 to 2.128 be noted.
- (6) T H A T the realigned reserves which sought to match the risks the Council now faced and the comments of the Head of Finance/Section 151 Officer on the adequacy of reserves and robustness of estimates in paragraphs 2.135 to 2.145 be noted.
- (7) T H A T the ongoing review of reserves focusing on service commitments and spend against all reserves to require prior Senior Leadership Team approval be noted.
- (8) T H A T the arrangements put in place to ensure the delivery of the £8.771m savings programme and ensure the management and mitigation of those cost pressures not awarded 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 Draft Budget 2025/26 and Medium Term Financial Plan 2025/26 to 2029/30 to be considered by Full Council on 10th March, 2025.**

Reasons for decisions

- (1) It was important for Cabinet to be regularly appraised 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 Full Council.
- (4) Sustainability was one of the fundamental principles of the Financial Strategy.
- (5) To confirm fees and charges for 2025/26.
- (6) The review of the reserves was one of the fundamental principles of the Financial Strategy and given that the Head of Finance/Section 151 Officer had a statutory duty to comment on the adequacy of reserves and robustness of estimates.
- (7) Social Care demand and school spending posed significant risk to the Council's reserves and additional controls were required to protect them to support wider risks and transformation of services.

(8) To ensure all savings could be delivered in full for 2025/26 and also that the unawarded cost pressures did not come forward as overspends.

(9) To allow the Draft Budget 2025/26 and Medium Term Financial Plan 2025/26 to 2029/30 to be referred to Full Council on 10th March, 2025 for consideration and approval.”