

THE VALE OF GLAMORGAN COUNCIL

COUNCIL: 9TH MARCH, 2026

REFERENCE FROM CABINET: 26TH FEBRUARY, 2026

**“C214 DRAFT BUDGET 2026/27 AND MEDIUM TERM FINANCIAL PLAN
2026/27 TO 2030/31 (EL/PR) (SCRUTINY – RESOURCES SCRUTINY
COMMITTEE) –**

The Leader presented the report to put forward draft proposals for the Budget 2026/27 and outline the financial position across the medium term 2026/27 to 2030/31 for approval by Full Council on 9th March 2026.

The Leader said that this year's budget considerations had felt different to budgets since austerity began in 2012 as previous budgets had felt like choices having to be made about where to make cuts rather than where to invest in services. This year it was possible to make choices to make investments and welcomed that position as a result of the more positive final settlement from Welsh Government. Savings that needed to be made were able to be managed down to a reasonable amount, there were no cuts made to schools funding, but as a low-funded Council there were always pressures on the budget with pressures for 2026/27 totalling £28.227m.

Consultation took place on the Draft Budget and with 466 responses to the online survey which was lower than recent years. While consultees indicated they were against a proposed 5.5% increase in Council Tax, fewer of them were against an additional 1% to support Youth Services, rural transport and green spaces. Similar to previous years, Vale of Glamorgan residents were strongly in favour of supporting the most vulnerable residents, which was the intention of the additional 1% proposal. The budget was therefore brought forward based on the 5.5% increase in Council Tax which would allow the Council to meet the demands on services, but also to invest in areas such as the street scene, but it was apparent that people favoured support for Youth Services and rural transport. There was a lengthy discussion at Scrutiny Committee about the need to support rural buses as many felt isolated by current bus service provision and that young people faced sizeable pressures going forward. Parks and green spaces were matters that could be addressed within Service Areas.

After considering the data from the consultation it was felt that Youth Services and rural transport did need support, Members went out to talk to young people about their thoughts as often they did not respond to formal consultations, and it was apparent that they knew about the cost of living crisis, had strong views about public transport and associated safety and the value of youth services which covered more than just in-school matters.

Therefore, the Leader said that while Cabinet would recommend that Full Council approves a Council Tax increase of 5.5% for debate and decision, an additional Recommendation would be added that an additional 1% be added to that Council Tax proposal, which equated to 31p a week on an average property, to provide an appropriate level of support for both young people and rural transport services in the Vale of Glamorgan. The Leader thanked all of the young people in the schools she visited for giving up their time and providing her with their views.

Councillor Birch welcomed the proposal to fund youth work properly as it had a positive impact on young people's lives across the Vale of Glamorgan, offering them support, experiences and places outside of school and access to responsible adults who can listen to issues and offer advice and support.

Councillor Williams said there was increased spend within Adult Services for older people as a result of more complex need and efforts to try and keep people in their own homes. External providers were utilised for placements and there were increases in National Insurance contributions and meeting the Real Living Wage that had to be considered which put pressure on Social Services budgets.

Over the last few months in the Vale of Glamorgan it was recognised that was more support required for youth services and individuals needed more support. The Youth Justice Service had seen an increase in numbers and it was clear there was a need for more youth service provision in order to provide earlier interventions.

Transport had been supported previously by the Vale of Glamorgan Council on order to support public services and it was important to provide such facilities for rural communities.

The Leader said it was important to consider those matters which were so important separately as not part of the base budget, and there were outline proposals from Youth Services which would be made available to Members for consideration. Conversations recently had demonstrated that transport was a complex situation and it was necessary to explore whether increases in timetabled services was the way forward, was an increase in community transport a solution, or were there other factors to consider. Only by allocating funding was it possible to have those conversations and take the matter forward.

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

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 recommends that Full Council approves a Council Tax increase of 5.5%.

(3) T H A T Cabinet further resolves to increase the Council Tax by an additional 1%, to enable ringfenced investment in Youth Services and rural transport, with supplemental information to be produced to accompany the report for consideration by Full Council on 9th March 2026 to outline the relevant and necessary additional information for Members to debate and reach a decision on a revised budget with Council Tax set at 6.5%, with the final decision resting with Full Council.

(4) T H A T Cabinet recommends that Full Council approves the budget for 2026/27.

(5) T H A T the forecasts across the medium term to 2030/31 and the approach to deliver sustainable finances be noted.

(6) T H A T the realigned reserves which sought to match the risks the Council now faced be noted, as well as the comments of the s151 Officer on the adequacy of reserves and robustness of estimates in paragraphs 2.106 to 2.117.

(7) T H A T the arrangements put in place to ensure the delivery of the £2.772m savings programme and ensure the management and mitigation of those cost pressures not awarded be noted.

(8) T H A T the 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 2026/27 and Medium Term Financial Plan 2026/27 to 2030/31 to be considered by Full Council on 9th 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) To earmark additional investment in Youth Service provision and rural transport and ensure that Members had all relevant information for consideration at Full Council.

(4) Setting a balanced budget was a statutory responsibility and decision for Full Council.

(5) Sustainability was one of the fundamental principles of the Financial Strategy.

(6) The review of the reserves was one of the fundamental principles of the Financial Strategy and given that the s151 Officer had a statutory duty to comment on the adequacy of reserves and robustness of estimates.

(7) To ensure all savings could be delivered in full for 2026/27 and also that the unawarded cost pressures did not come forward as overspends.

(8) To allow the Draft Budget 2026/27 and Medium Term Financial Plan 2026/27 to 2030/31 to be referred to Full Council on 9th March 2026 for consideration and approval.

[View Link to Previously Circulated Appendix](#) – Report to Cabinet: 26th February, 2026