

The budget and council services 2023 - 24

Every year councils have to set a budget that balances the funding they receive with what they spend to deliver services. It's the law.

Between 2008 and 2020 Flintshire, like all councils, had the funding it receives from government reduced. As one of the lowest funded councils per head of population in Wales – ranked 20 out of 22 councils - Flintshire was particularly exposed to the effects of this period of austerity.

Every year it became harder and harder to make more savings and at times difficult budget choices were needed.

Over the past fourteen years Flintshire has cut back on its spending by **£100M** whilst continuing to protect schools and social care.

Flintshire is a high performing council. We have reduced the size and cost of our workforce; reduced service budgets by up to 45%; made better use of council buildings; worked in partnership with other councils to deliver services and reduce costs.

After more than ten long years, Welsh Government's settlement for 2020/21 was a light at the end of the tunnel and indicated an end to austerity. However, little did we know that within a matter of months, a global pandemic and Brexit, followed by the current cost of living crisis, would contribute to a financial crisis even greater than we had already experienced.

Why is 2023/24 so challenging?

Towards the end of 2021 Welsh Government announced an indicative three year settlement for councils across Wales spanning the years 2022 -2025.

Whilst this was welcomed at the time, we were operating in a very different economic climate than we are today.

The indications advised of an all Wales average increase of **3.5%** in 2023/24 followed by **2.4%** in 2024/25. This is much lower than received over the past two years and we don't as yet know if this will be increased following announcements in the UK Autumn Budget of extra funding for schools and social care.

Like individual households, the Council is feeling the effects of the cost of living crisis and after a decade of austerity there are very few opportunities left to do things differently to save money.

Without additional financial support from UK and Welsh governments, we are left with no other options than to look at reducing services and jobs.

The cost pressures that make up the funding gap?

The Council is subject to a number of cost pressures, most of which are outside of its control. Every year it needs to find ways to pay for these new pressures which creates the funding gap.

These pressures including things like:

- Nationally set pay increases for teachers and non-teaching employees
- Increasing costs of goods and services driven by inflation and supply issues
- Rising, and volatile, utility and fuel prices
- Rising school costs - energy, additional responsibilities and increasing student numbers
- Increased demand for both adult and children social care services, including residential placements

For 2023/24 these have been affected by higher inflation rates and other economic pressures.

Where the Council's money comes from

67% comes from the Welsh Government

28% comes from Council Tax

5% comes from the fees we charge for some services e.g. planning fees, garden waste charges, Register Office fees

5%

Fees & Charges

28%

Council Tax

67%

Welsh Government

The Council also receives other ring fenced grants and contributions which fund specific projects

Our Plans to bridge the budget gap?

It is too early to say with certainty what decisions will need to be taken to bridge the budget gap.

Much depends on Welsh Government's budget settlement announcement, which when received will need a little time to work through to understand the implications for Flintshire.

In the meantime all services have been tasked with drawing up options for budget reductions, increased income. The Council has introduced measures to minimise expenditure in the current financial year including not filling vacancies for non-urgent posts.

What happens next?

Dec 22/
Jan 23

Elected Members to scrutinise and consider service budget reduction options.

14 Dec
2022

Welsh Government announces its provisional budget settlement (grant)

17 Jan
2023

Flintshire County Council's Cabinet meet to discuss proposals to bridge the budget gap

23 Feb
2023

meeting of the full Council to formally agree the budget and to set Council Tax for 2023/24

1 March
2023

final budget settlement is announced by Welsh Government

all Wales
average increase of
3.5% in 2023/24
followed by
2.4% in
2023/24

At present
it is likely that
the gap for 2023/24
will be around
£32m