
Foreword from the Director of Finance and Legal

Wigan has a population of 320,000 and is the ninth largest metropolitan Authority in England and the second largest in Greater Manchester. Wigan occupies an enviable position, lying between Manchester and Liverpool. The area it covers is still 70% countryside with its “greenheart” covering some 77 square miles, including stunning parks, woodlands, wetlands and green spaces. This combined with its rich sporting heritage makes Wigan an excellent place to live and to locate your business.

What follows is a brief summary of the financial plan for the Council.

The Financial Plan is divided into four sections. Section 1 explains the underpinning strategy of The Deal 2030, Section 2 provides an overview of the revenue budget and contains details of the budget process. Section 3 sets out the Council’s capital plans and Section 4 provides details of our Medium Term Financial Plan.

The Council considers control of its budgets to be critical to the management of the overall finances of the Council. To this end, Chief Officers are accountable for delivering their services within the allocated budgets.

This process is underpinned by the submission of regular budget monitoring statements for scrutiny to Assistant Directors and quarterly budget monitoring reports to Cabinet.

Whilst we are investing in the future, it is clear that the Council, like other local authorities and many other sectors, continues to face significant financial pressures. Like all households in the borough, the Council is impacted by rising costs and demand, in addition to having to have cut more than £185m from our budgets since the start of the austerity period. Through continued, prudent financial planning and the success of The Deal, we remain able to invest in the areas that we know are important to our communities; providing community funding, boosting our town centres and environment along with providing opportunities for young people.

It is hoped that external readers of this document will find the information presented here helpful in understanding the Council’s finances, budget process and the way in which financial resources are allocated to meet the competing demands of the services.

My thanks go to the dedicated team of finance staff who have worked hard to produce the budget for 2023/24, and to colleagues in other departments who have helped in the process.

Tony Clarke
Director of Finance and Legal

Section 1: The Deal

In 2014 The Deal was launched as an informal agreement between the Council and everyone who lives or works in Wigan to all play a part to make our borough a great place to be.

The Deal pioneered a unique approach to empowering communities and delivering public services. Now it is important to take the successes of The Deal and extend them to 2030 with new ambitions, new targets and new ideas.

Developed through our Big Listening Project, The Deal 2030 is fundamentally a strategy founded in partnership with our residents who have helped set our priorities. The Deal 2030 identifies 10 strategic goals for our borough which we have grouped together as priorities for Our People, Our Place and Our Future.

The priorities set out in The Deal 2030 listed below are reflected in the setting of Medium Term Financial Plan.

Our People

- Best start in life for children and young people
- Happy healthy people
- Communities that care for each other

Our Place

- Vibrant town centres for all
- An environment to be proud of
- Embracing culture, sport and heritage

Our Future

- Economic growth that benefits everyone
 - A well connected place
 - Confidently digital
 - A home for all
-

The Deal is underpinned by the BeWigan behaviours; be positive, be courageous, be accountable. These are the core behaviours that define how we work in Wigan. It's not just about what we achieve; it's also about how we do it. These behaviours create a shared culture that celebrates our fresh and unique approach to public service, our successes and achievements, and sets out how we expect our workforce to behave.

Each priority area has an 'Our Part' (the borough's public sector organisations and partners) and 'Your Part' (residents) so that The Deal principles of working together to achieve our ambitions continues and we all know what we need to do to play our part.

Our strategy is also underpinned by the notion of fairness. Whether it is fairness in opportunities for our young people, our towns having a fair share of funding, fairness in local wealth generation or through equality and diversity - residents told us that they wanted everyone to have an equal opportunity to achieve their full potential.

Now that we have set down in writing what our ambitions are it is now our collective responsibility as a council, with our partners and with our residents, to deliver on those priorities, supported by the Medium Term Financial Plan.

Section 2: The Revenue Budget

It has been estimated that in order to set a balanced budget over the three years of the Medium Term Financial Plan, the Council is required to deliver £47m in savings, including £20.3m in 2023/24.

The production of a medium term plan is based upon professional judgement and a number of assumptions. There are always a number of risks and pressures that cannot be fully quantified at the time of formulating the plan. The key risks are below:

- There is a significant financial pressure within Children's Services, in particular the costs relating to our Looked After Children and the increased requirement for more complex external residential placements. The medium term financial plan includes further budget growth of £17m over the duration of the forecast. The Children's Directorate Sufficiency Strategy 2021-2024 coupled with the Children's Directorate Financial Strategy 2022-2027 are in place to ensure there are sufficient safe and appropriate placements for children within the borough, which as well as providing better outcomes for the individual child, should positively impact on the underlying financial pressure.
- There is a growth in the number of children with an Education Health Care plan which has resulted in additional cost pressures through required access to school transport and on schools High Needs funding block. A project group is currently reviewing how the increased demands can be managed to reduce the financial pressure.
- The number and complexity of people requiring adult social care is set to increase year on year, including young adults transitioning from Children's Services and ongoing demand pressures through hospital discharge and ageing population. There is also an impact of high inflation on energy and food, and the Council is investing in the Real Living Wage in Adult Social Care to mitigate risk in workforce capacity. Social Care grants are only guaranteed for the remainder of the Spending Review period, and Social Care reforms have been delayed until October 2025. It is not clear at the present time how new funding will be identified.
- There is a continued risk associated with high inflation, particularly construction industry prices are placing risk on the proposed capital schemes, which are being delayed or reprofiled to mitigate risk. If inflation continues to risk, a full review of programme affordability will be undertaken.
- Government intention to carry out a Fair Funding Review and Business Rate reset has been delayed and will not be implemented in this Spending Review period. A delayed reset makes forecasting business

rate income in the future challenging and there is a high risk of reduced funding in the future.

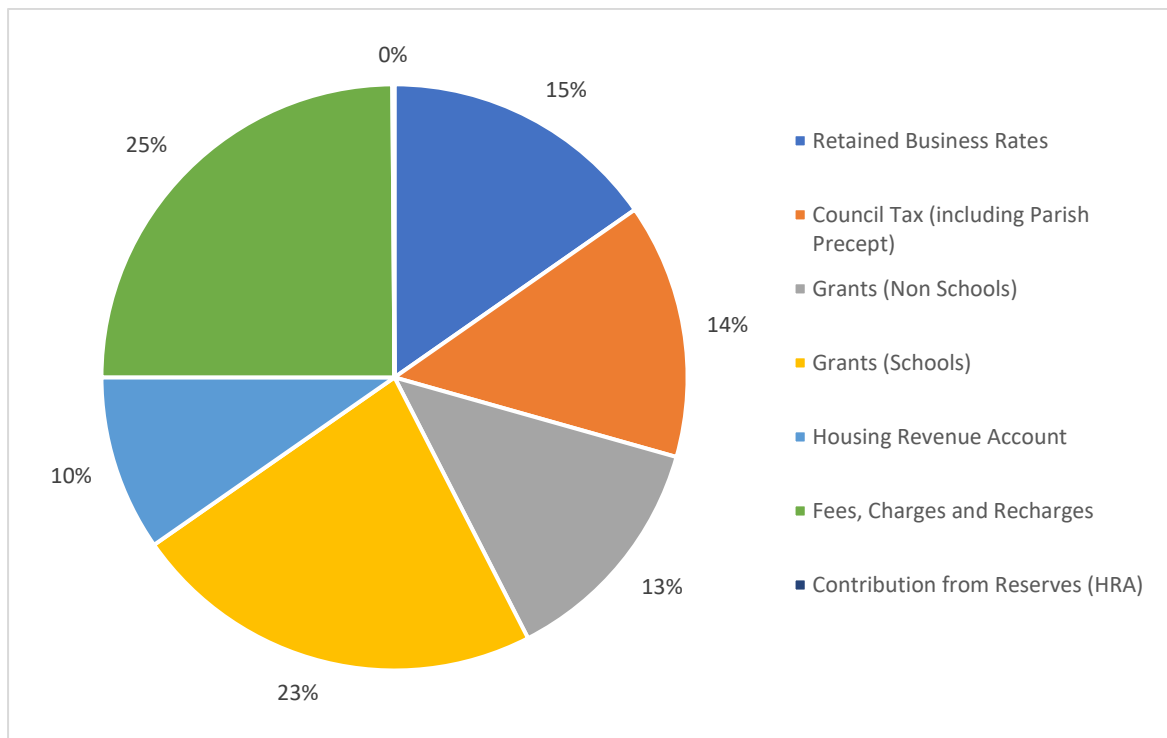
- Additional government funding was granted in 2023/24 and the continuation of a number of specific grants was confirmed. However, the increase is below inflation and does not readdress cuts made over the last decade. There is continued uncertainty on the future of specific grants into the next financial year.
- The Government finance settlements assume that local government will apply a basic Council Tax increase of 2.99% and will apply an additional 2% Adult Social Care precept. Any local decision not to increase Council Tax by the full amount will result in the Council foregoing permanent funding which the government assumes is available to the authority when making grant allocations.

A balanced budget was set for 2023/24 and although there continues to be a budget gap, this is due to the inclusion of continued growth for both Adults and Childrens services which addressing key risks. A longer term sustainable financial plan is key to our continued transformational plans under the Deal 2030 Strategy,

Where The Money Comes From

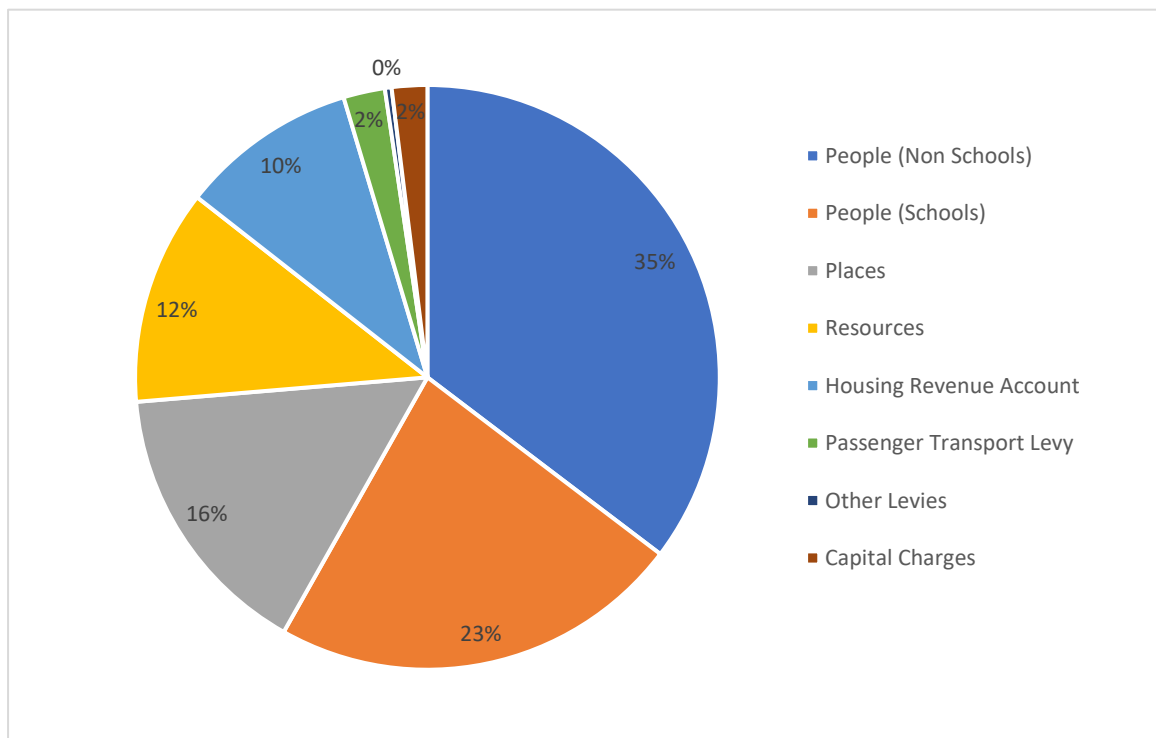
The Council funds its services from a number of sources. The main funding streams that the Council receives are shown here:

Source	Amount £000
Retained Business Rates	80,921
Business Rates Top Up Grant	40,581
Business Rates Section 31 Grant	33,814
Council Tax (including Parish Precept)	142,866
Grants (Non Schools)	132,857
Grants (Schools)	231,917
Housing Revenue Account	98,307
Fees, Charges and Recharges	252,462
Contribution from Reserves (HRA)	1,228
	1,014,953



What The Money is Spent On

Area	Total £000
People (Non Schools)	358,570
People (Schools)	231,917
Places	157,173
Resources	120,754
Housing Revenue Account	99,535
Passenger Transport Levy	23,331
Other Levies	3,765
Capital Charges	19,907
	1,014,953



Council Tax

The Council took the decision to raise Council Tax by 2.99% in 2023/24 and by 2% in line with Government policy to provide additional funding for Social Care Pressures.

Council Tax is a charge levied on residential properties. Each property is placed in one of 8 bands, A to H, based upon its April 1991 valuation. The valuation of properties is carried out and is the responsibility of the Valuation Office Agency, a government organisation which is separate from the Council. Of the 8 bands, band D is commonly quoted as this represents the average value across the country, although the majority of Wigan properties fall within bands A and B.

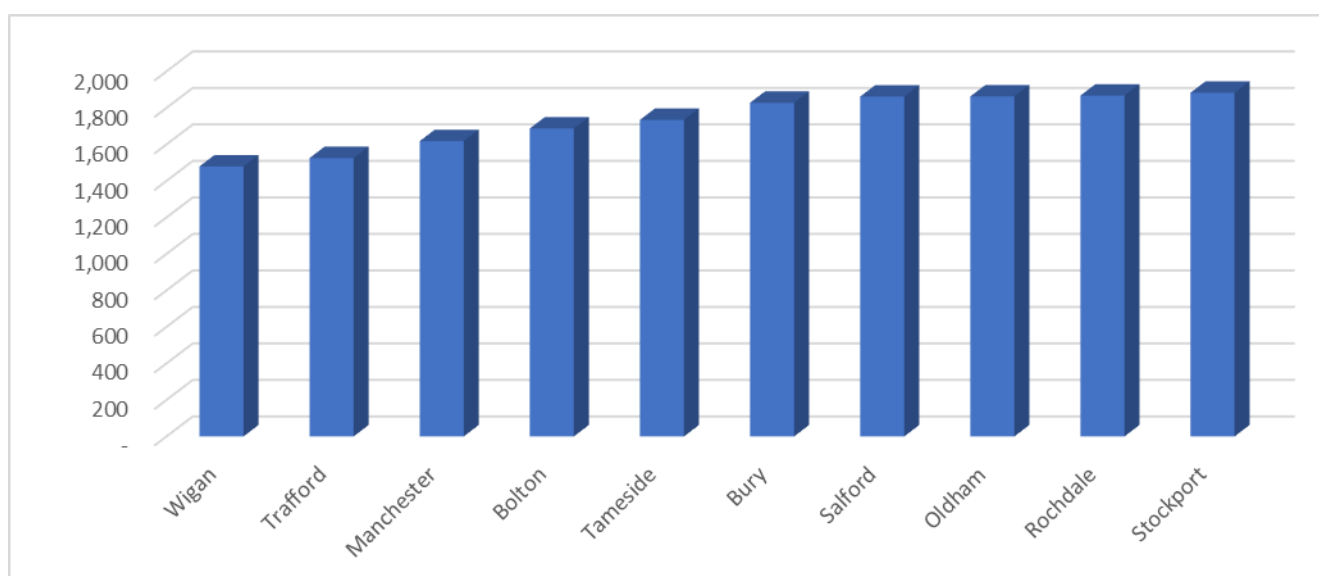
The Council Tax for a property consists of a number of components for the various services provided to the household. The total Council Tax consists of an element for Wigan Council and amounts for Combined Authority functions including the Police and the Fire and Rescue authorities (known as precepting authorities).

	Total £000	Band D Equivalent £
Wigan Council Net Budget Requirement	298,094	3,089.05
Less:		
Retained Business Rates	-80,921	838.56
Business Rates Top Up Grant	-40,581	420.53
Section 31 Grant	-33,814	350.41
Wigan Council Council Tax Requirement	142,778	1,480
Add:		
Precept for Greater Manchester Police	23,478	243.30
Precept for Greater Manchester Fire & Mayor	10,417	107.95
Total Council Tax	176,673	1,831

The table below shows the amount of Council Tax payable at each of the statutory valuation bands into which properties have been placed by the Government Valuation Office, together with the number of properties in each Band. In calculating its tax base of 96,500 for 2023/24, the Council amends these property numbers for expected new builds, demolitions, single person discounts, other discounts and exemptions, properties adapted for the disabled and estimated losses on collection, and then converts the total to a Band D equivalent as required by legislation.

Band	Valuation	Council Tax £	No. of properties on Valuation List
A	Up to £40,000	1,220.53	68,366
B	£40,001 to £52,000	1,423.95	34,093
C	£52,001 to £68,000	1,627.37	25,227
D	£68,001 to £88,000	1,830.81	13,141
E	£88,001 to £120,000	2,237.64	7,370
F	£120,001 to £160,000	2,644.49	1,987
G	£160,001 to £320,000	3,051.34	642
H	Exceeding £320,000	3,661.62	52

This graph compares Wigan's total Band D Council Tax for 2023/24 with the equivalent for the other Greater Manchester Authorities.



Service Budgets

The Council's services can be categorised over three headings – People, Places and Resources.

The Revenue Estimate for each of the Directorates is shown below along with the Housing Revenue Account (HRA):

People Directorate

Expenditure and Income	People £000
Employees	266,772
Premises Related Expenses	23,295
Transport Related Expenses	5,524
Supplies and Services	31,829
Third Party Payments	220,162
Transfer Payments	21,305
Support Services	21,599
Total Expenditure	590,487
Grants and Contributions	301,529
Rents, Sales, Fees and Charges	44,843
Recharges	29,543
Total Income	375,915
Total Net Expenditure	214,573

Places Directorate

Expenditure and Income	Places £000
Employees	60,928
Premises Related Expenses	16,794
Transport Related Expenses	7,458
Supplies and Services	38,328
Third Party Payments	16,369
Transfer Payments	-
Support Services	17,296
Total Expenditure	157,173
Grants and Contributions	10,429
Rents, Sales, Fees and Charges	13,633
Recharges	80,373
Total Income	104,435
Total Net Expenditure	52,738

Resources Directorate

Expenditure and Income	Resources £000
Employees	31,783
Premises Related Expenses	1,190
Transport Related Expenses	130
Supplies and Services	9,479
Third Party Payments	1,562
Transfer Payments	62,995
Support Services	13,616
Total Expenditure	120,754
Grants and Contributions	10,429
Rents, Sales, Fees and Charges	3,046
Recharges	30,540
Total Income	44,015
Total Net Expenditure	76,740

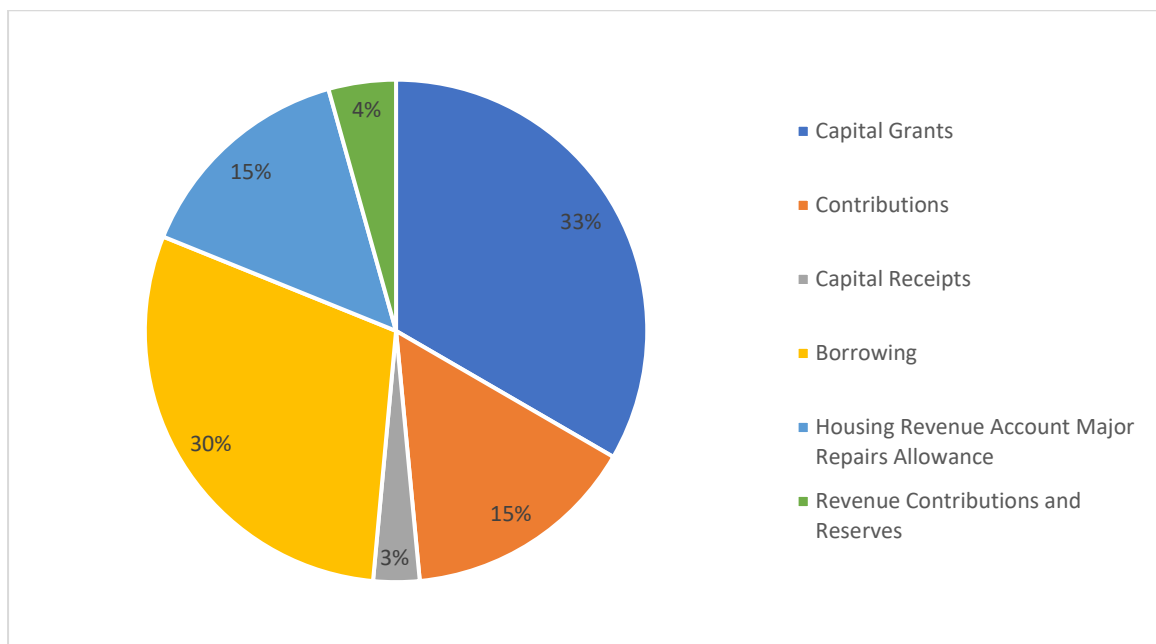
Housing Revenue Account (HRA)

Housing Revenue Account	£000
Supervision and Management	27,085
Direct Revenue Financing of Capital Expenditure	24,000
Revenue repairs and Maintenance, Voids and Adaptations	22,577
Depreciation	13,065
Debt Charges	8,923
Service Charge Costs	2,000
Contribution to Bad Debt Provision	1,885
Total Expenditure	99,535
Dwelling Rents	94,260
Non Dwelling Rents	215
Income from Service Charges	1,816
Solar PV Income and Other	1,716
Interest Received on HRA Balances	300
Total Income	98,307

Section 3: The Capital Programme

The Council operates a rolling Capital Programme which is continuously monitored. The programme of works planned for 2023/24 amount to some £178.946m. The following shows how this is funded and provides an analysis of the major schemes.

Funding Source	£000
Capital Grants	59,699
Contributions	27,073
Capital Receipts	5,316
Borrowing	53,078
Housing Revenue Account Major Repairs Allowance	26,016
Revenue Contributions and Reserves	7,765
	178,946



Borrowing

Government departments provide support for capital expenditure as capital grants to directly support capital expenditure. The Council's revenue budget supports its capacity for borrowing.

The Council is free to set its own borrowing limits subject to the Prudential Code, in which case, as the name suggests, proposals for the use of unsupported borrowing are based on a business case approach, where revenue savings or additional revenue income will be sufficient to pay for the borrowing costs.

Major Projects

Examples of the projected key capital projects that the Council will be involved in during 2023/24 include:

People	£000
Hope School and College Relocation	11,350
Primary and Secondary Places Basic Needs	8,750
Disabled Facilities Grant Adaptations	3,000
Places	
Structural Maintenance to Roads, Bridges & Lighting	6,308
Vehicle Replacement Programme	6,199
North Leigh Link Road	10,000
Town Centre Investment Framework	27,053
Future High Streets Fund - King Street	4,630
Civic Centre Redevelopment	3,007
Housing	
New Build and Purchase of Stock	11,087
Aids, Adaptations, Planned Maintenance and Upgrades	24,796

DIRECTORATE	Total Cost including Previous Years Outturn	Payments Forecast 2023/24 - 2025/26		
		2023/24	2024/25	2025/26
	£000's	£000's	£000's	£000's
<u>People Directorate</u>				
Children & Young People	81,997	30,556	17,314	3,988
Adult Services	41,974	10,865	538	-
<u>Places Directorate</u>				
Environment (Roads)	80,900	6,308	6,308	4,808
Environment (Other)	14,396	6,199	200	633
Economy & Regeneration	168,741	62,515	33,972	20,210
Housing (HRA)	281,905	47,746	33,115	-
<u>Resources Directorate</u>				
Culture	32,966	8,681	2,520	119
Corporate	82,510	6,076	592	55,599
Total Capital Programme	785,389	178,946	94,559	85,357

Section 4: The Medium Term Financial Plan

This plan sets the Council's Medium Term Financial Strategy for 2023/24 – 2025/26 and highlights a number of key pressures the Council is likely to face over that period.

The Council has successfully met the financial challenges to date by taking decisions early which have ensured that the Council has remained in a sustainable position whilst continuing to deliver vital front line services. The Medium Term Financial Plan has been produced to ensure effective financial planning continues to contribute to corporate priorities in line with the Deal 2030 goals. The ongoing transformation of our services, with an emphasis on protecting our front line services is key to the delivery of a robust financial strategy that continues to provide and improve value for money for residents. The MTFP is produced alongside the capital strategy and treasury management strategy to ensure budgets set are sustainable.

Despite these achievements, clear challenges remain both locally and nationally as outlined in Section 2. Government funding, inflation, Looked After Children and the ageing population continue to be the biggest risks.

There is a requirement on all directorates to ensure that the efficiency savings are made. A Transformation Board chaired by the Section 151 Officer and including all Directors has been established to drive through plans and efficiencies.

Medium Term Financial Plan	2023/24 £000	2024/25 £000	2025/26 £000
Funding			
Business Rates	-115,837	-115,837	-115,837
Council Tax	-132,609	-132,609	-132,609
Total Funding	-248,446	-248,446	-248,446
Previous Year's Net Budget Requirement	246,528	248,446	248,446
Inflationary Uplift	18,279	8,341	8,805
Growth	27,946	12,500	6,000
Grant Changes	-24,030	-8,900	-
Budget Pre-Savings	268,723	260,387	263,251
Savings Requirement	20,277	11,941	14,805