



Wigan[♥]
Council

Wigan Council Financial Plan 2024 – 25

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Foreword

Director Legal & Finance

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 and the move to the new era of Progress with Unity, 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 2024/25, and to colleagues in other departments who have helped in the process.

Tony Clarke, Director of Finance and Legal

Section 1: The Deal and Progress With Unity

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 & 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 heritage and sport

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.

The year 2024 marks 50 years since our borough was formed through 14 towns coming together. We know that the world around us has changed significantly and the challenges and opportunities that our communities are living through requires a bold response. Our Borough motto 'Progress with Unity' has never been more significant. During this financial year the Council will be building on the success of The Deal, reflecting deeply on what our strengths are and also on where we have not gone far enough of had the impact we have hoped for. Through conversations with resident, businesses, public services and community organisations we are designing new missions that will start a new era of working in partnership with our residents. More can be read about the movement here: [Progress with Unity: A New Era for Wigan Borough](#)

This movement is developing during 2024/25 and will shape decisions included within the Medium Term Financial Plan beyond this year.

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 £30.789m in savings, including £2.550m in 2024/25 after the approval of the Council Tax rise.

The production of a Medium Term Plan is based upon professional judgement and a number of assumptions throughout the year, with the provisional Local Government Finance Settlement being confirmed in December 2023. 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 £11m 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. Investment in emotional and mental health services aim to better meet the needs of children in the home setting, minimising the need for high cost placements. The cohort of children entering care continues to be carefully monitored and is mainly made up of babies and younger children in line with the right direction of travel to achieve permanence for these children earlier in their lives.
- 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 the impact of an 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.

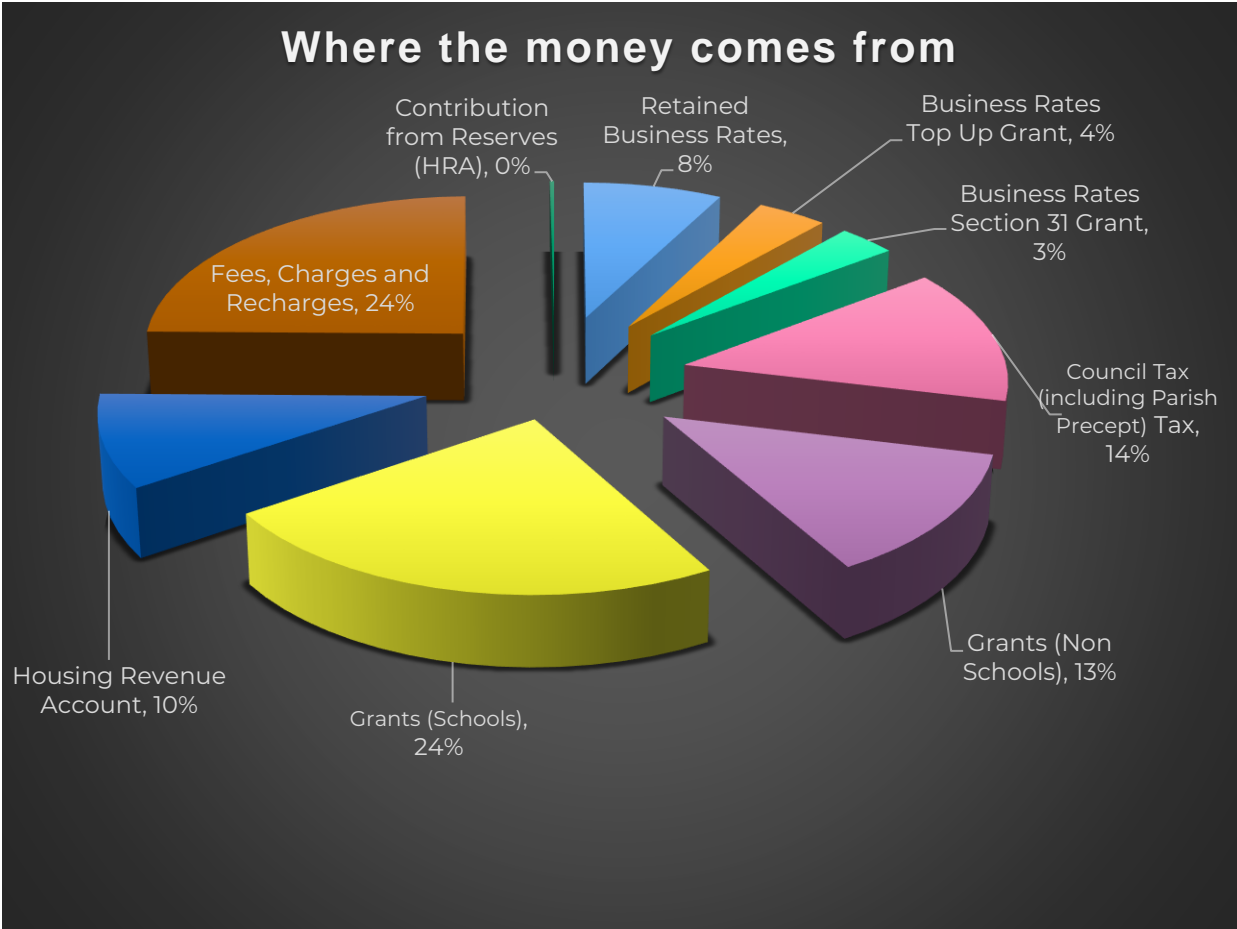
- There is a continued risk associated with high inflation, particularly construction industry prices are placing risk on the proposed capital schemes, which are being delayed or reprofiled to mitigate risk. If inflation continues to risk, a full review of programme affordability will be undertaken.
- 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 2024/25 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 has been set for 2024/25 and although there continues to be a budget gap over the period, this is due to the inclusion of continued growth for both Adults and Childrens services which is designed to address key risks. A longer term sustainable financial plan is key to our continued transformational plans under Progress with Unity.

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:

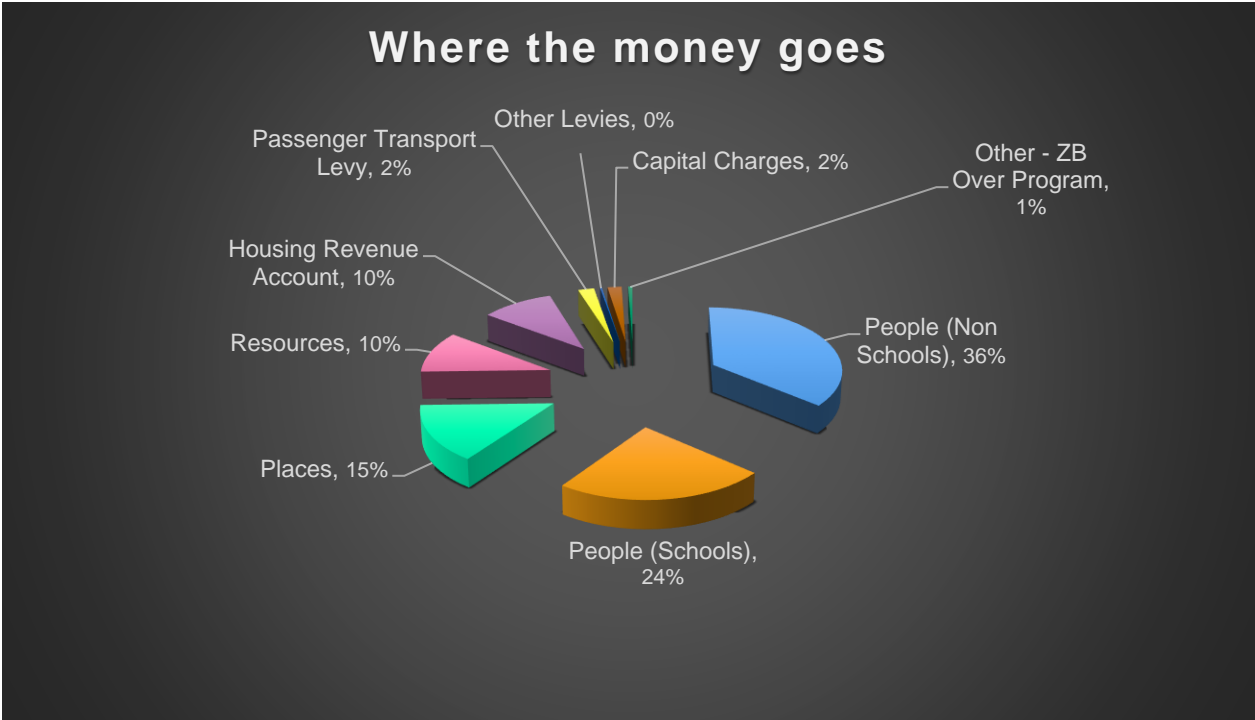
Source	Amount (£000)
Retained Business Rates	£83,752
Business Rates Top Up Grant	£42,382
Business Rates Section 31 Grant	£35,257
Council Tax (including Parish Precept)	£152,168
Grants (Non Schools)	£142,041
Grants (Schools)	£260,186
Housing Revenue Account	£105,259
Fees, Charges and Recharges	£267,775
Contribution from Reserves (HRA)	£2,604
Total	£1,091,423



What the money is spent on

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

Source	Amount (£000)
People (Non Schools)	£394,097
People (Schools)	£260,186
Places	£159,778
Resources	£115,522
Housing Revenue Account	£107,863
Passenger Transport Levy	£23,754
Other Levies	£2,765
Capital Charges	£20,966
Other - ZB Over Program	£6,491
Total	£1,091,422



Council Tax

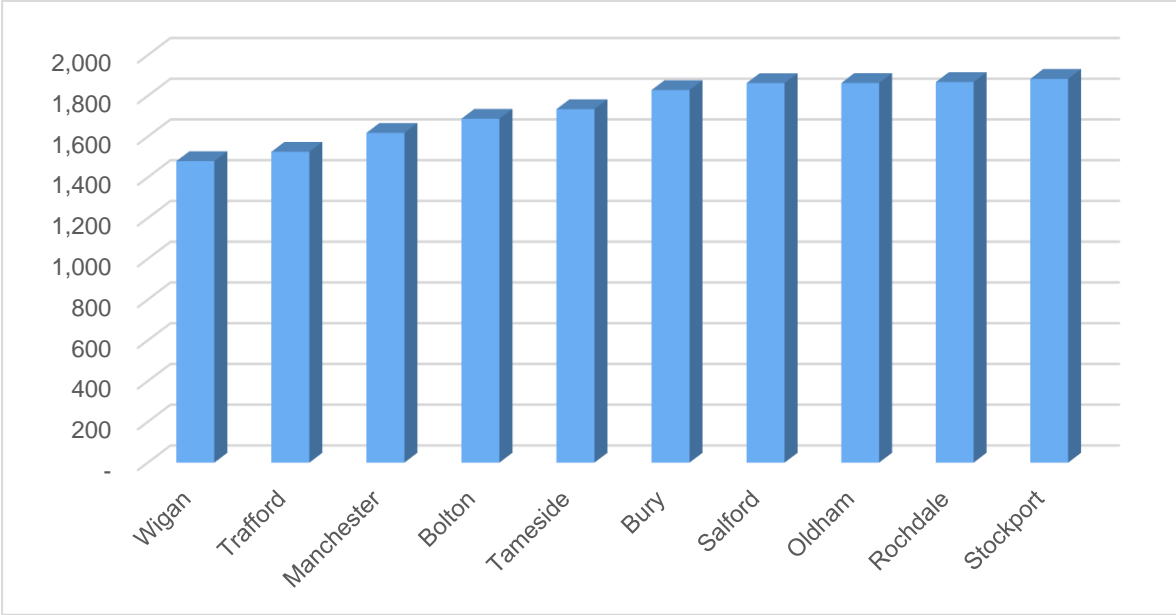
The Council took the decision to raise Council Tax by 2.99% in 2024/25 and by 2% in line with Government policy to provide additional funding for Social Care Pressures. Council Tax is a charge levied on residential properties. Each property is placed in one of 8 bands, A to H, based upon its April 1991 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).

	(£000)
Wigan Council Net Budget Requirement	£313,467
Less:	
Retained Business Rates	-£83,752
Business Rates Top Up Grant	-£42,382
Section 31 Grant	-£35,257
Wigan Council Council Tax Requirement	£152,077
Add:	
Precept for Greater Manchester Police	£25,092
Precept for Greater Manchester Fire & Mayor	£11,058
Total Council Tax	£188,226

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 97,900 for 2024/25, the Council amends 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. The values shown below are inclusive of all precept amounts and are not solely for Wigan Council.

Band	Valuation	Council Tax including Precepts
A	Up to £40,000	£ 1,281.75
B	£40,001-£52,000	£ 1,495.37
C	£52,001-£68,000	£ 1,709.01
D	£68,001-88,000	£ 1,922.64
E	£88,001-£120,000	£ 2,349.88
F	£120,001-£160,000	£ 2,777.14
G	£160,001-£320,000	£ 3,204.39
H	Exceeding £320,000	£ 3,845.28

This graph compares Wigan’s total Band D Council Tax for 2024/25 with the equivalent for the other Greater Manchester Authorities. Wigan has the lowest Band D in the region.



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	Places	Resources
Employees	287,920	65,157	32,965
Premises Related Expenses	25,763	17,864	826
Transport Related Expenses	5,694	7,775	127
Supplies and Services	24,109	37,317	6,993
Third Party Payments	263,513	16,259	1,700
Transfer Payments	22,181	-	58,339
Support Services	25,103	15,406	14,572
Total Expenditure	654,283	159,778	115,522
Grants and Contributions	342,763	9,954	58,375
Rents, Sales, Fees and Charges	49,058	15,027	2,923
Recharges	33,300	80,690	29,352
Total Income	425,120	105,671	90,651
Total Net Expenditure	229,163	54,107	24,871

Note that not all of the Council's budgets are related to a specific service. The Council also has corporate budgets for example for precepts, levies, interest and statutory provision for the repayment of debt.

Housing revenue account (HRA)

Income

HRA Income	Year 1	Year 2	Year 3
	2024/25	2024/26	2024/27
Dwelling Rents	-£101,125	-£103,775	-£106,105
Non-Dwelling Rents Garages & Land	-£353	-£364	-£375
Income from Service Charges	-£1,682	-£1,716	-£1,750
Solar PV Income & Other	-£1,749	-£1,749	-£1,749
Interest earned on HRA Balances	-£300	-£200	-£200
Total Income	-£105,209	-£107,804	-£110,179

Expenditure

HRA Expenditure	Year 1	Year 2	Year 3
	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)
Contribution to Bad Debt Provision	£2,022	£2,076	£2,122
Supervision and Management	£27,104	£27,590	£27,569
Service Charge Costs	£2,901	£3,069	£3,258
Revenue Day to Day Repairs, Voids & Adaptations	£25,780	£25,961	£26,505
Revenue Programme Repairs	£11,939	£11,711	£11,436
Debt Charges	£13,065	£13,684	£14,065
Depreciation	£23,000	£23,000	£23,000
Direct Revenue Financing	£2,000	£2,000	£2,000
Total Expenditure	£107,812	£109,090	£109,955

Net Surplus/Deficit	£2,603	£1,287	-£224
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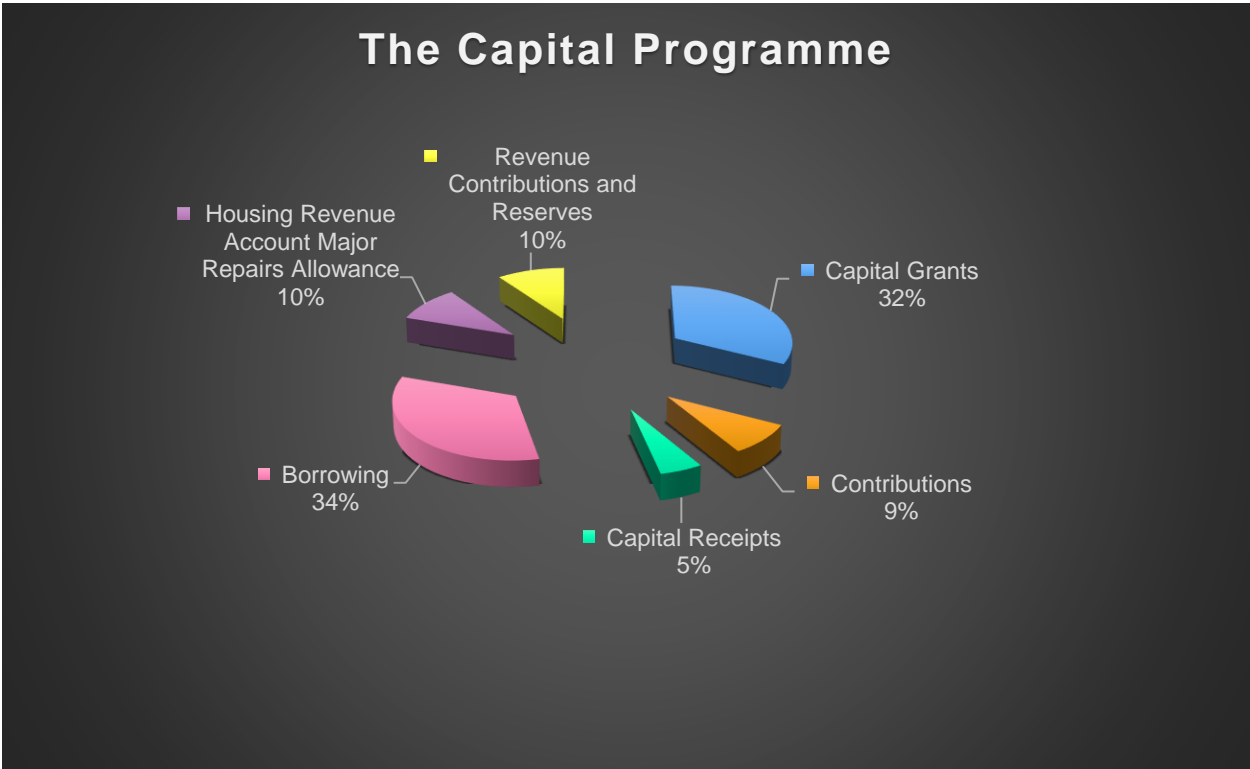
Balance Brought Forward	-£13,604	-£11,001	-£9,715
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Balance Carried Forward	-£11,001	-£9,715	-£9,938
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Section 3: The Capital Programme

The Council operates a rolling Capital Programme which is continuously monitored. The programme of works planned for 2024/25 amount to some £201,569m. The following shows how this is funded and provides an analysis of the major schemes.

Funding Source	£000
Capital Grants	£65,589
Contributions	£17,554
Capital Receipts	£10,747
Borrowing	£67,652
Housing Revenue Account Major Repairs Allowance	£20,000
Revenue Contributions and Reserves	£20,027
	£201,569



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 2024/25 include:

People	
Hope School and College Relocation	£6,071.
Primary and Secondary Places Basic Needs	£5,852
Acquisition for Accommodation for the Homelessness	£2,108
Disabled Facilities Grant Adaptations	£2,234
Places	
Structural Maintenance to Roads, Bridges & Lighting	£6,608
Vehicle Replacement Programme	£2,239
Cycling Schemes	£9,105
Town Centre Investment Framework	£35,209
Future High Streets Fund - King Street	£2,894
Civic Centre Redevelopment	£7,129
Housing	
New Build and Purchase of Stock	£22,798
Aids, Adaptations, Planned Maintenance and Upgrades	£35,079

DIRECTORATE	Total Cost including Previous Years Outturn	Payments Forecast 2024/25 - 2026/27		
		2024/25	2025/26	2026/27
	£000's	£000's	£000's	£000's
<u>People Directorate</u>				
Children & Young People	81.744	22.932	26.209	0.130
Adult Services	42.953	8.125	5.219	4.954
<u>Places Directorate</u>				
Environment (Roads)	84.162	6.608	4.808	0.000
Environment (Other)	16.181	2.229	0.200	0.000
Economy & Regeneration	177.894	65.411	27.193	18.210
Housing (HRA)	330.708	59.183	44.639	29.990
<u>Resources Directorate</u>				
Culture	68.044	23.947	18.069	0.041
Corporate	168.274	13.134	77.588	0.401
Total Capital Programme	969.960	201.569	203.925	53.726

Section 4: Medium Term Financial Plan

This plan sets the Council's Medium Term Financial Strategy for 2024/25 – 2026/27 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 and can support the missions of Progress With Unity. 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. Transformation Boards consisting of Directors, Heads of Service and senior finance officers have been established to drive through plans and efficiencies.

Funding	2024/25	2025/26	2026/27
	(£000)	(£000)	(£000)
Business Rates	-126,134	-126,134	-126,134
Council Tax	-152,168	-152,168	-152,168
Total Funding	-278,302	-278,302	-278,302
Previous Year's Net Budget Requirement	265,252	278,302	278,302
Inflationary Uplift	10,545	9,073	6,166
Growth	17,704	6,500	6,500
Grant Changes	-12,649		
Budget Pre-Savings	280,852	293,875	290,968
Savings Requirement	2,550	15,573	12,666