

REPORT TO CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

PROPOSED USE OF ADDITIONAL FINAL SETTLEMENT FUNDING

1. Following the announcement of the provisional local government settlement on 24 November 2025, on 9 December 2025 Welsh Government announced that they had reached a budget agreement with Plaid Cymru that secured almost £300 million of additional investment in Wales' public services in 2026-27, and that the agreement would secure the passage of the Final Budget for 2026-27 in January 2026. As part of the agreement there would be additional funding of £112.8 million for local government in 2026-27. . The announcement stated that all Councils would receive increases above 4%, with an overall increase to local government of 4.5%. Bridgend has been notified that provisionally our increase could be 4.6%, an additional £5 million compared to the provisional settlement. This increase will be confirmed when we receive the final local government settlement on 20 January 2026.
2. Cabinet has reflected on their priorities for the allocation of the additional funding. A number of additional budget pressures have been proposed, which are included in **Annex 1**. These currently total £4.008 million.
3. The public budget consultation, Time to Talk Budget 2026-2027, is currently live and will be open for responses until 27 January 2026. The results of the survey will be reported to Cabinet in February, and will be taken into consideration when setting the final budget for Council approval on 25 February 2025.
4. In addition, Cabinet are proposing a number of Invest to Save projects, to transform some of the services that we provide, in order to inform future years' savings proposals. These will be focused on adults' and children's social care, the provision of secondary nurture classes to reduce exclusions, and in respect of reducing the unit cost of placements in non-maintained / out of county settings.

Directors are currently drafting business cases for these proposals, and funding to support them will be allocated from existing Transformation earmarked reserves.