



Wigan♥
Council

Wigan Council Financial Plan 2025 – 26

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Contents

Wigan Council Financial Plan 2025 – 26	1
Contents	2
Foreword	3
Section 1: Progress With Unity	5
Section 2: The Revenue Budget	6
Section 3: The Capital Programme	14
Section 4: Medium Term Financial Plan	17

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 strategy underpinning 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, 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 sustained cuts to our budget over successive years 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 2025/26, and to colleagues in other departments who have helped in the process.

Sarah Johnston, Director of Finance and Legal

Section 1: Progress With Unity

In 2024 the Progress with Unity plan was launched as a movement for change for the next decade.

It builds on the successes and opportunities created during the previous 10 years but also the lessons we have learned along the way.

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.

As a partnership between residents, businesses, public services and community organisations we have reflected deeply on what our strengths are - but also where we have not gone far enough or had the impact we had hoped for.

Two key missions have been identified that the council and its partners are committed to delivering:

- **Create fair opportunities for all children, families, residents and businesses**

"Together, we will break down the barriers that create financial, health, education and environmental inequalities in our borough."

- **Make all our towns and neighbourhoods flourish for those who live and work in them**

"Together, in genuine partnership with our residents and businesses, who know our communities best, we will help each town and neighbourhood in the borough to celebrate and maintain their identity whilst understanding and helping to achieve what is needed to thrive."

These missions will be underpinned by action-plans that will have a focus on community wealth and health building, tackling inequalities and supporting communities to fulfil their potential.

Section 2: The Revenue Budget

In order to set a balanced budget over the three years of the Medium Term Financial Plan, it has been estimated that in addition to £12.4m of savings currently identified, a further £22.9m will need to be delivered.

The production of a Medium Term Financial Plan is based upon professional judgement and a number of assumptions throughout the year, with the provisional Local Government Finance Settlement being published in December 2024. 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 £12m within Children's Services over the duration of the forecast. The Children's Directorate Sufficiency Strategy 2025-2028 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.

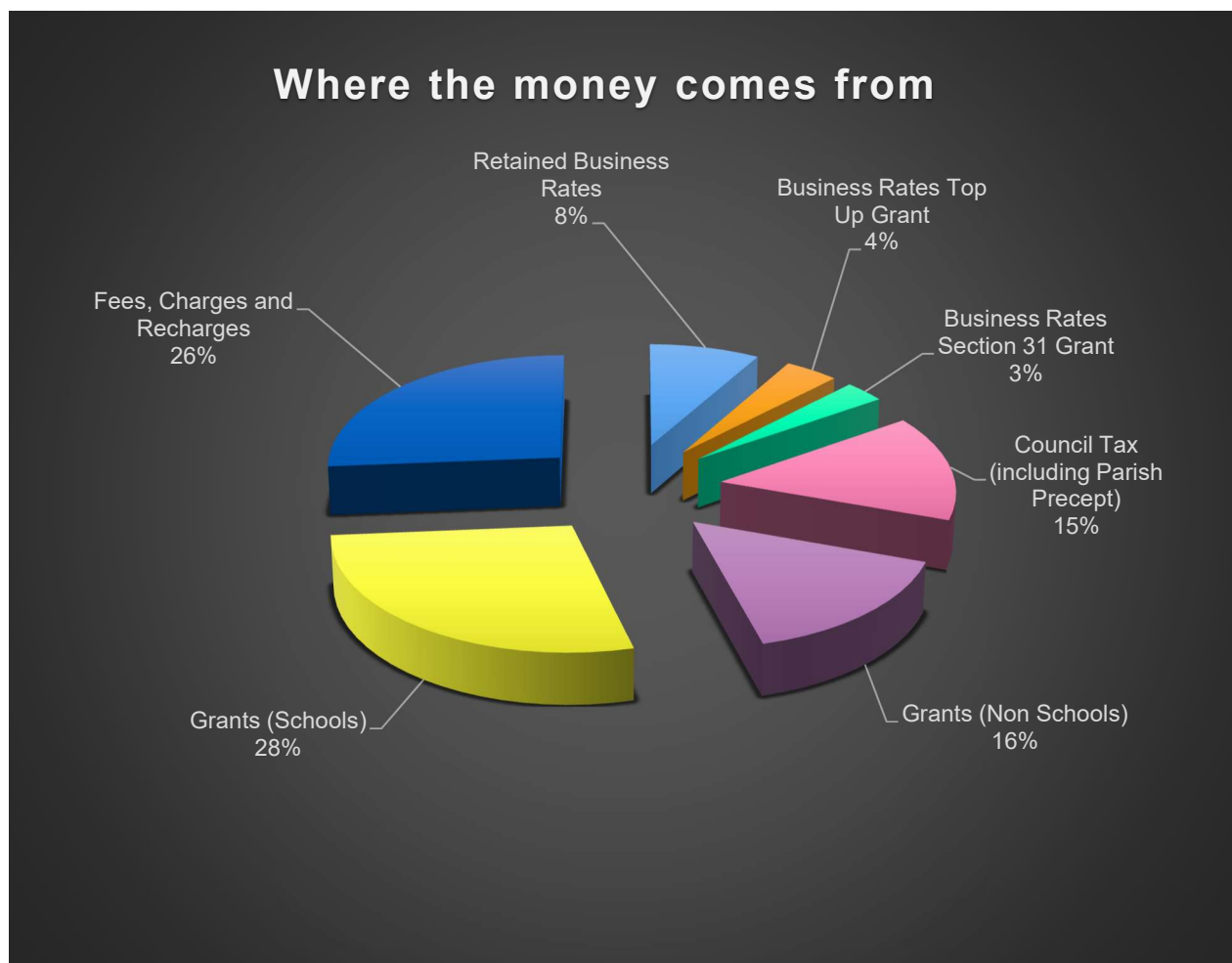
- There is a continued risk associated with high inflation, particularly construction industry prices are placing risk on the proposed capital schemes, which are being delayed or reprofiled to mitigate risk. If inflation continues to rise, a full review of programme affordability will be undertaken.
- The outcomes of the Fair Funding Review and Business Rate reset processes are still awaited. It is therefore challenging to forecast Funding and Business Rate income as there is a high level of uncertainty and risk of reduced funding in the future.
- Additional government funding was granted in 2025/26 and the continuation of a number of specific grants was confirmed. Although the increase is above inflation, it does not redress cuts made over the last decade. Until the implementation of multi-year settlements, which is expected for 2026-27 we remain in a position of uncertainty on the future of specific grants into the future financial years.
- 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 2025/26 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

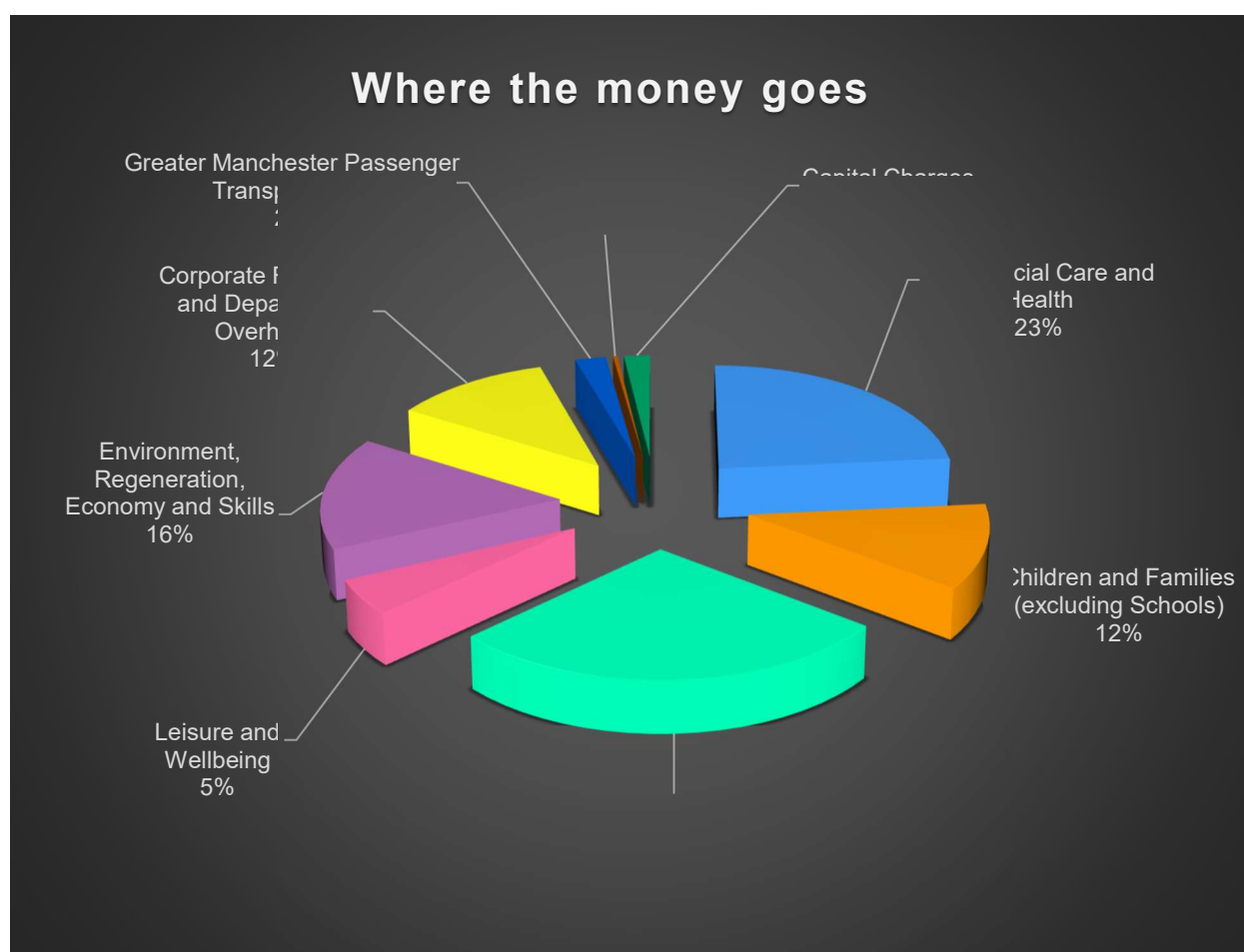
The Council funds its services from a number of sources. The main funding streams that the Council receives are shown here:

Source	Amount (£000)
Retained Business Rates	88,445
Business Rates Top Up Grant	43,309
Business Rates Section 31 Grant	32,870
Council Tax (including Parish Precept)	160,901
Grants (Non Schools)	165,528
Grants (Schools)	297,812
Fees, Charges and Recharges	281,154
Total	1,070,018



What the money is spent on

Source	Amount (£000)
Adult Social Care and Health	251,773
Children and Families (excluding Schools)	125,657
Schools	297,812
Leisure and Wellbeing	52,627
Environment, Regeneration, Economy and Skills	169,128
Corporate Resources and Departmental Overheads	124,334
Greater Manchester Passenger Transport Levy	24,367
Other Levies	3,663
Capital Charges	20,659
Total	1,070,018



Council Tax

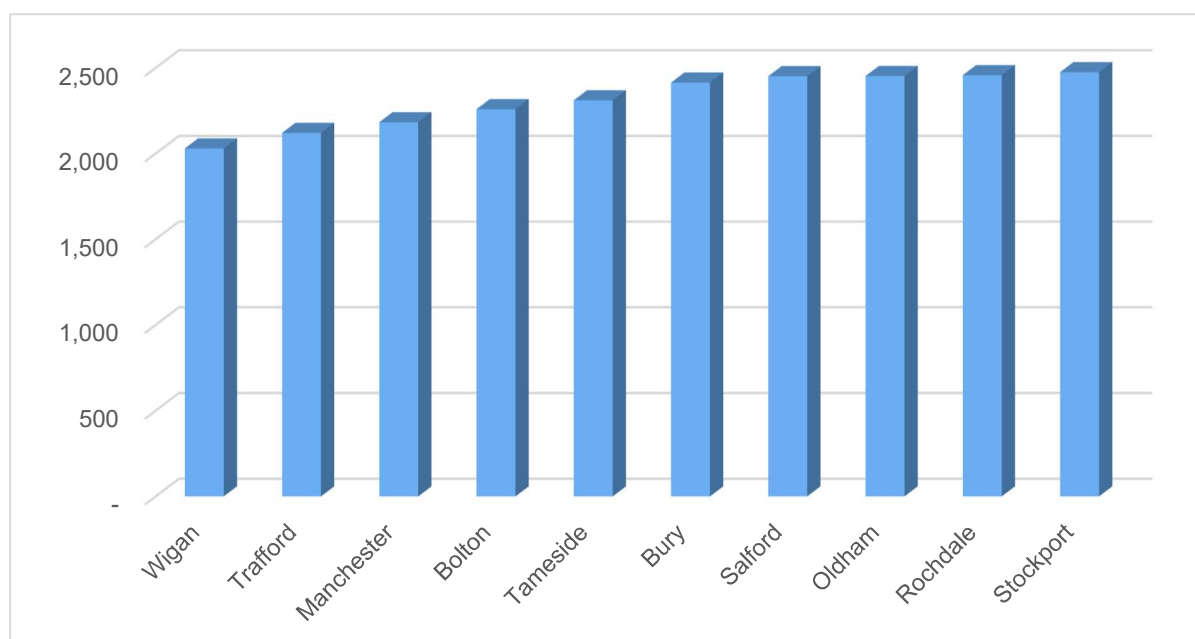
The Council took the decision to raise Council Tax by 2.99% in 2025/26 and by 2% in line with Government policy to provide additional funding for Social Care Pressures. Council Tax is a charge levied on residential properties. Each property is placed in one of 8 bands, A to H, based upon its April 1991 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).

Wigan Council Net Budget Requirement	(£000)
	325,431
Less:	
Retained Business Rates	-88,445
Business Rates Top Up Grant	-43,309
Section 31 Grant	-32,870
Council Tax Requirement	160,807
Add:	
Precept for Greater Manchester Police	26,652
Precept for Greater Manchester Fire & Mayor	12,714
Total Council Tax	200,173

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 98,600 for 2025/26, 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	Properties	Council Tax
A	Up to £40,000	68,938	£1,353.43
B	£40,001-£52,000	34,778	£1,578.99
C	£52,001-£68,000	25,800	£1,804.56
D	£68,001-88,000	13,471	£2,030.15
E	£88,001-£120,000	7,728	£2,481.29
F	£120,001-£160,000	2,025	£2,932.43
G	£160,001-£320,000	654	£3,383.58
H	Exceeding £320,000	54	£4,060.30

This graph compares Wigan's total Band D Council Tax for 2025/26 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 (£000)	Places (£000)	Resources (£000)
Employees	312,813	68,130	32,813
Premises Related Expenses	25,846	15,290	576
Transport Related Expenses	8,141	8,276	112
Supplies and Services	26,650	38,823	7,761
Third Party Payments	301,864	18,796	3,001
Transfer Payments	23,806	-	52,103
Support Services	28,749	19,813	15,067
Total Expenditure	727,869	169,128	111,433
Grants and Contributions	385,629	12,383	52,312
Rents, Sales, Fees and Charges	54,400	15,026	2,798
Recharges	36,882	83,945	28,169
Total Income	476,912	111,355	83,279
Total Net Expenditure	250,957	57,773	28,154

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)

The Housing Revenue Account is the ring-fenced account used by the council to manage income and expenditure across our housing stock. It is a statutory account that ensures that the finances of council housing are separated from other council activities and services. This ensures that the rents paid by tenants are only used to fund housing-related services.

Income

HRA Income	Year 1	Year 2	Year 3
	2025/26	2026/27	2027/28
Dwelling Rents	-104,255	-106,596	-108,994
Non-Dwelling Rents Garages & Land	-363	-374	-385
Income from Service Charges	-1,727	-1,779	-1,833
Solar PV, Leaseholder & Other Income	-1,710	-1,710	-1,710
Interest earned on HRA Balances	-200	-200	-150
Total Income	-108,255	-110,658	-113,071

Expenditure

Contribution to Bad Debt Provision	£1,043	£1,066	£1,090
Supervision and Management	£29,424	£29,783	£30,160
Service Charge Costs	£2,914	£2,972	£2,972
Revenue Day to Day Repairs, Voids & Adaptations	£28,860	£29,237	£28,570
Revenue Programme Repairs	£10,760	£10,416	£10,284
Debt Charges	£13,086	£14,097	£14,675
Depreciation	£23,000	£23,000	£23,000
Direct Revenue Financing	£2,000	£2,000	£2,000

Net Surplus/Deficit	£2,832	£1,914	-£319
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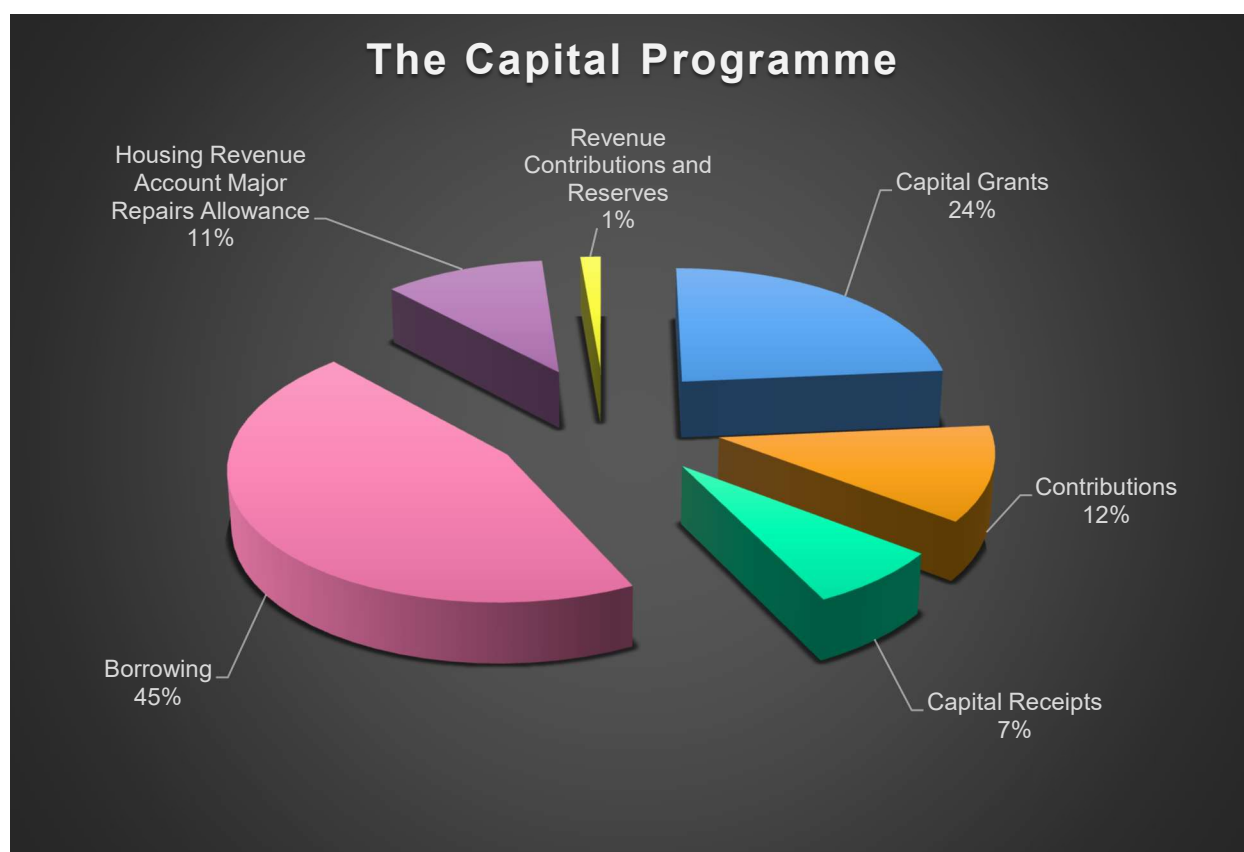
Balance Brought Forward	-£16,429	-£13,598	-£11,684
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Balance Carried Forward	-£13,598	-£11,684	-£12,003
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Section 3: The Capital Programme

The Council operates a rolling Capital Programme which is continuously monitored. The programme of works planned for 2025/26 amount to some £187,400m. The following shows how this is funded and provides an analysis of the major schemes.

Funding Source	(£000)
Capital Grants	£44,161
Contributions	£22,058
Capital Receipts	£13,735
Borrowing	£84,926
Housing Revenue Account Major Repairs Allowance	£20,000
Revenue Contributions and Reserves	£2,519
	£187,400



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	2025/26 Expenditure (£000)
Primary and Secondary Places Basic Needs	6,469
Hope School and College relocation	8,244
Disabled Facilities Grant Adaptations	2,194
Places	
Structural Maintenance to Roads, Bridges & Lighting	6,955
Cycling Schemes	4,529
Town Centre Investment Framework	43,593
Future High Streets Fund - King Street	2,024
Civic Centre Redevelopment	2,452
Housing	
New Build and Purchase of Stock	18,063
Aids, Adaptations, Planned Maintenance and Upgrades	38,971

Capital Programme Summary

The total expected cost of all current capital projects combined is shown in the second column of the table below. This includes expenditure incurred on open projects in previous years in addition to the expected future payments that will be required to complete projects. Details of payments forecast for the next three years to 2028 are also included:

DIRECTORATE	Payments Forecast 2025/26 - 2027/28		
	2025/26	2026/27	2027/28
	(£000)	(£000)	(£000)
<u>People Directorate</u>			
Children & Young People	17,296	27,846	26,552
Adult Services	5,988	9,353	6,930
<u>Places Directorate</u>			
Environment (Roads)	8,913	4,807	4,807
Environment (Other)	1,371	2,778	2,790
Economy & Regeneration	72,238	78,034	47,593
Housing (HRA)	58,152	41,281	28,342
<u>Resources Directorate</u>			
Culture	17,248	17,589	15,651
Corporate	6,196	4,707	401
Total Capital Programme	187,400	186,396	133,066

Section 4: Medium Term Financial Plan

This plan sets the Council's Medium Term Financial Strategy for 2025/26 – 2027/28 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 strategic 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. Uncertainty on future funding allocations, inflation and demand pressures in adult and children's social care continue to be the biggest risks.

There is a requirement on all directorates to ensure that efficiency savings are made alongside service improvements. Transformation Boards consisting of Directors, Heads of Service and senior finance officers have been established to drive through plans and efficiencies.

Medium Term Financial Plan

Funding	2025/26	2026/27	2027/28
	(£000)	(£000)	(£000)
Business Rates	133,717	133,717	133,717
Council Tax	160,807	160,807	160,807
Total Funding	294,524	294,524	294,524
Previous Year's Net Budget Requirement	278,302	294,524	294,524
Inflationary Uplift	7,628	4,833	5,186
Growth	41,007	8,500	7,350
Grant Changes	-22,974		
Budget Pre-Savings	303,963	307,857	307,060
Savings Identified	-9,439	-3,000	
Further Savings Requirement (pre future CT rises)		-10,333	-12,536