

Executive Committee and Council only
Date signed off by the Monitoring Officer:
Date signed off by the Section 151 Officer:

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Date signed off by the Monitoring Officer: 01.03.2022
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Committee: **Council**

Date of Meeting: **9th March, 2022**

Report Subject: **Revenue Budget 2022/2023**

Portfolio Holder: **Councillor N. Daniels –
Leader/Executive Member –
Corporate Services**

Report Submitted by: **R Hayden – Chief Officer Resources**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance & Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	24/02/22						9/03/2022	

1. Purpose of the Report

This report seeks to agree the budget requirement for 2022/2023, set the overall Council Tax level for 2022/2023 which includes the precepts approved by other statutory authorities that impact upon the local level of council tax, and sets out the relevant statutory resolutions.

2. Scope and Background

2.1 This report presents the Revenue Budget requirement and overall Council Tax proposals for Blaenau Gwent County Borough Council for the next financial year 2022/2023, including the precepts approved by other statutory authorities that impact upon the local level of Council Tax and sets out the relevant statutory resolutions. It covers the following:

Section	Contents
3.1 – 3.3	Statutory Resolutions
5.1.6	Budget Requirement 2022/2023
5.1.8–5.1.12	Reserves
5.1.13	Section 25 Local Government Act 2003

2.2 Welsh Government's final settlement, released on 1st March 2022, made no changes to the provisional settlement released in December 2021 and therefore the figures in the budget report to Council on 17th February 2022 have not changed.

3. Options for Recommendation

3.1 That it be noted that the Council agreed at its meeting on 17th February 2022 a Council Tax increase of 0% for the 2022/2023 financial year. As a result the Blaenau Gwent Council element of the full council tax charge will be:-

Valuation Bands (£)								
A	B	C	D	E	F	G	H	I
1,178.90	1,375.38	1,571.87	1,768.35	2,161.32	2,554.28	2,947.25	3,536.70	4,126.15

3.2 That it be noted that the Council has calculated the following amounts for the year (2022/2023) in accordance with regulations made under Section 33(5) of the Local Government Act 1992.

3.3 The Council Tax base is the number of chargeable dwellings in each area adjusted for a number of items e.g. discounts payable, multiplied by the assumed collection rate which for 2022/2023 is 95%.

a. The amount calculated by the Council, in accordance with Regulation 3, of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax base for the year is:

20,876.86

b. The amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amount of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate are:

4,653.90	Abertillery & Llanhilleth
1,703.87	Brynmawr
2,717.74	Nantyglo & Blaina
4,745.30	Tredegar

c. That it be noted that for the year 2022/2023 the Gwent Office of Police and Crime Commissioner has stated the following amounts in precepts issued to the Council (totalling £6,342,390), in accordance with Section 40 of the Local Government Act 1992, for each of the categories of dwellings shown:

Gwent Office of Police and Crime Commissioner								
Valuation Bands (£)								
A	B	C	D	E	F	G	H	I
202.53	236.29	270.04	303.80	371.31	438.82	506.33	607.60	708.87

3.4 That the following amounts be now calculated by the Council for the year 2022/2023 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-

- a. 238,686,776 Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (d) of the Act.
- b. 70,627,080 Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (c) of the Act.
- c. 168,059,696 Being the amount by which the aggregate at (a) above exceeds the aggregate at (b), calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
- d. 208,000 Being the amount the Authority estimates in relation to Sections 47 and 49 of the Local Government Finance Act 1988 as amended by Schedule 1 of the Local Government and Rating Act 1997, for discretionary non-domestic rate relief.
- e. 130,795,000 Being the aggregate of the sums which the Council estimates will be payable for the year into its Council fund in respect of redistributed non-domestic rates, revenue support grant and additional grant.
- f. 1,794.94 Being the amount at (c) above plus the amount at (d) above and less the amount at (e) above, all divided by the amount at 3.2(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year.
- g. 555,101 Being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- h. 1,768.35 Being the amount at (f) above less the result given by dividing the amount at (g) above by the amount at 3.2(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.
- i. The amounts given by adding to the amount at (h) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 3.2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate are:

j.

1,830.45	Abertillery & Llanhilleth
1,793.59	Brynmawr
1,799.52	Nantyglo & Blaina
1,797.52	Tredegar

The amounts given by multiplying the amounts at (h) and (i) above by the number which, in the proportion set out in section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands are:

k.

The County Borough Tax including Community Precepts									
Valuation Bands									
	A	B	C	D	E	F	G	H	I
Abertillery & Llanhilleth	1,220.30	1,423.68	1,627.07	1,830.45	2,237.22	2,643.98	3,050.75	3,660.90	4,271.05
Brynmawr	1,195.73	1,395.01	1,594.31	1,793.59	2,192.17	2,590.74	2,989.32	3,587.18	4,185.04
Nantyglo & Blaina	1,199.68	1,399.62	1,599.58	1,799.52	2,199.42	2,599.30	2,999.20	3,599.04	4,199.88
Tredegar	1,198.35	1,398.07	1,597.80	1,797.52	2,196.97	2,596.41	2,995.87	3,595.04	4,194.21
Ebbw Vale	1,178.90	1,375.38	1,571.87	1,768.35	2,161.32	2,554.28	2,947.25	3,536.70	4,126.15

That, having calculated the aggregate in each case of the amounts at (c) and (j) above, the Council, in accordance with section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2022/23 for each of the categories of dwellings shown below:

The Full Tax of the County Borough Tax including Police and Community Precepts									
Valuation Bands									
	A	B	C	D	E	F	G	H	I
Abertillery & Llanhilleth	1,422.83	1,659.97	1,897.11	2,134.25	2,608.53	3,082.80	3,557.08	4,268.50	4,979.92
Brynmawr	1,398.26	1,631.30	1,864.35	2,097.39	2,563.48	3,029.56	3,495.65	4,194.78	4,893.91
Nantyglo & Blaina	1,402.21	1,635.91	1,869.62	2,103.32	2,570.73	3,038.12	3,505.53	4,206.64	4,907.75
Tredegar	1,400.88	1,634.36	1,867.84	2,101.32	2,568.28	3,035.23	3,502.20	4,202.64	4,903.08
Ebbw Vale	1,381.43	1,611.67	1,841.91	2,072.15	2,532.63	2,993.10	3,453.58	4,144.30	4,835.02

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 The budget setting process will enable a greater alignment between the Medium Term Financial Strategy (MTFS) and the Corporate Plan. This will be evidenced in the budget reports to Joint Scrutiny, Executive and Council.

5. **Implications Against Each Option**

5.1 The financial implications for the 2022/2023 budget setting process are outlined within this report and can be summarised below.

- A council tax increase of 0% (Blaenau Gwent element);
- A budget requirement for the Council of £167.505 million (excluding Community Councils) and £168.060 million (including Community Councils);
- Bridging the Gap efficiencies built into the revenue budget of £2.588 million;
- Cost pressures built into the revenue budget of £4.007 million;
- Growth in the Individual Schools Budget of £3.908m
- A contribution to general reserves of £0.2m.

5.1.1. Council Tax set at a 0% increase for 2022/2023 represents a reduction of 3.3% compared to the increase for the current financial year (2021/2022).

5.1.2. The following Table compares the average increase in Council Tax at the Band D level.

Authority	2021/22	2022/23	Increase	
	£	£	£	%
Blaenau Gwent CBC	1,768.35	1,768.35	0.00	0.00
Gwent Police	287.96	303.80	15.84	5.50
Total	2,056.31	2,072.15	15.84	0.77
<i>Community Councils:</i>				
Abertillery & Llanhilleth	40.75	62.10	21.35	52.39
Brynmawr	25.34	25.24	-0.10	-0.39
Nantyglo & Blaina	31.25	31.17	-0.08	-0.26
Tredegar	29.25	29.17	-0.08	-0.27
Average	21.93	26.59	4.66	21.25
Total (Average)	2,078.24	2,098.74	20.50	0.99

5.1.3. Table 2 attached at Appendix 2 gives an analysis of the elements of the Council Tax for each band, including the police and community council precepts. It should be noted that the overall average increase in Council Tax is 0.99%.

5.1.4 Table 3 attached at Appendix 3 gives an analysis of the council tax “chargeable property” valuations by Community area. These are used to calculate the authority’s council tax base.

5.1.5 **Budget Requirement**

5.1.6 Table 1 attached at Appendix 1, gives a summary of the resulting portfolio estimates taking into account the Bridging the Gap proposals, cost pressures and growth items above. In addition, £0.2m will be transferred into the Council’s reserves. This results in a statutory budget requirement of £168,059,696. Discretionary rate relief of £208,000 needs to be added to the budget requirement to give the total net revenue budget for 2022/2023 of £168,267,696.

5.1.7 The budget is funded as follows:

Source	£
Revenue Support Grant	105,615,000
Non-Domestic Rate Distribution	25,180,000
Council Tax	36,917,595
Community Council Income	555,101
Total	168,267,696

5.1.8 **Reserves**

5.1.9 In 2015 the Council implemented a revised protocol for the establishment, use, control and review of reserves. Quarterly reports to Members are now produced that detail the actual and forecast use of general and earmarked reserves, including changes in requirement and risk assessments.

5.1.10 The Council has agreed a target level for general reserves, being 4% of the last reported actual net revenue expenditure.

5.1.11 At its meeting on 17th March 2022 Council set a budget that enabled a contribution to general Reserves of £0.2m in 2022/2023.

5.1.12 Assuming the out turn for 2021/2022 is a surplus budget, the forecast level of general reserves will be £12.402 million (9.39%), as shown in the following table. This level of reserves is above the 4% target level specified within the reserves protocol.

	31/03/2021 Actual £000	31/03/2022 Forecast £000	31/03/2023 Forecast £000
Council Fund	7,553	12,402	12,602
Earmarked Reserves	20,781	21,065	20,145
Total	28,334	33,467	32,747

5.1.13 **Section 25, Local Government Act 2003**

5.1.14 This section of the above Act requires that in my role as Chief Officer Resources of this Authority I must report to you on the two following points:

- i. The robustness of the estimates included in the budget
- ii. The adequacy of the Authority's reserves.

5.1.15 In respect of (i) above, I am able to conclude that the estimates have been compiled with the most up to date information available and are suitably robust. Cost pressures have been considered during the budget setting process and for the medium term.

5.1.16 In respect of (ii) above, 5.1.9 to 5.1.12 demonstrates that the Authority's financial position is improving and is looking to achieve a sustainable position for the forthcoming year and in the medium term. The reserves protocol will continue to review reserves in order to ensure that Reserves are kept at a sustainable level in the medium term.

5.2 **Risk including Mitigating Actions**

5.2.1. Bridging the Gap proposals may not be delivered to the agreed level – this risk will be mitigated by regular monitoring of proposals, which will also be reported through the quarterly reports to the Joint Budget Scrutiny Committee and Executive Committee.

5.2.2. Council Tax may not be collected to the required level – this risk will be mitigated by regular monitoring of collection rates and outstanding debt will be pursued.

5.3 **Legal**
n/a

5.4 **Human Resources**

5.4.1. There will be minimal implications arising from the above.

5.4.2. In addition, the time and effort required to progress and implement service change arising from some proposals will be considerable.

6. **Supporting Evidence**

6.1 *Performance Information and Data*

6.2 **Expected outcome for the public**

6.2.1 Agreeing the statutory calculations and regulations will set the Council Tax levels for the forthcoming year.

6.3 **Involvement (consultation, engagement, participation)**

6.3.1 The Council has undertaken consultation on the proposals within the 2022/2023 budget.

6.4 **Thinking for the Long term (forward planning)**

6.4.1 The Council has moved to medium to long term financial planning. This is evidenced by the following three points:-

- the current Medium Term Financial Strategy covers the period 2022/2023 to 2026/27 and will roll forward one year, every year
- The current capital programme covers the period 2019/20 to 2025/26 and will roll forward by one year (as a minimum) every year.

6.5 *Preventative focus*
n/a

6.6 *Collaboration / partnership working*
n/a

6.7 *Integration(across service areas)*
n/a

6.8 **EqlA(screening and identifying if full impact assessment is needed)**

6.8.1 All proposals will be Equality Impact Assessed.

7. **Monitoring Arrangements**

7.1 *State how the work will be monitored e.g. through scrutiny or directorate performance management arrangements*

Wider Corporate leadership Team, political groups, Joint Budget Scrutiny, Executive and Council

Background Documents /Electronic Links



Appendix 1.pdf



Appendix 2.pdf



Appendix 3.pdf