

Council Budget 2024/25



Summary Report

Public Engagement Programme

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February 2024

SUMMARY REPORT

Policy, Partnerships and Engagement
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Introduction

As a Council, like the public at home, we have been experiencing soaring inflation, high energy prices and high fuel costs, as well as higher than budgeted pay award pressures, all of which are increasing the costs of providing services.

At the same time, the cost-of-living crisis means we are seeing increased demand for support and services, from additional learning needs provision in our schools, to homelessness, to social services and to some of the frontline services that our communities depend on every day.

Over the 10 years of austerity, the Covid pandemic and now the cost-of-living crisis Blaenau Gwent has seen its budget reduce by around £40million, with a further £10 million required next year even after an uplift of around 2.6% in our funding from Welsh Government. Also, we are predicting an additional £25m savings are required to be found over the next 4 years.

To meet these challenges, we must think about the way we provide services to make savings, and how we can generate income. This may mean us having to reduce, change or stop some services or look at alternative delivery models.

Our engagement programme gave people the opportunity to share their views to help us plan our budget and services from April 2024 until March 2025. The programme consisted of a number of public events, surveys and other ways to engage people to help shape decision making processes.

What is the challenge we have been set?

As a Council we look to plan our spending over a number of years. This involves forecasting expenditure, income and funding from Welsh Government. Welsh Government funding for councils across Wales from April 2024 is an average increase of 3.1%. Welsh Government funding is increasing by 2.6% for Blaenau Gwent (which is the 15th lowest in Wales). Despite this funding increase, there is still a **funding gap of £10m for 2024/5.**

Overview of engagement programme activity

The programme operated in early 2024 (closing on 8 February 2024) following the announcement of the Local Government Settlement in mid-December 2023 by Welsh Government. Due to the tight timeframes following the announcement, an engagement programme was developed to look to best provide people the opportunity to participate.

The programme included indoor events for people to attend to find out more information, via information boards (see below), and if they wanted to, they could speak to elected members (local councillors) and/or senior managers. These events were held across our four well-being areas e.g. Sirhowy Valley which covers the Tredegar area, Ebbw Fawr Valley which covers the Ebbw Vale area, Upper Ebbw Fach Valley which covers the Brynmawr, Nantyglo and Blaina, and Lower Ebbw Fach Valley which covers the Abertillery and Llanhilleth area.

These events were held at different times during the day e.g. morning (10am to 12pm), afternoon (2pm to 4pm) and evening (6pm to 8pm).


As well as the face-to-face public events held, the engagement programme included an evening session online via the Microsoft Teams platform. People were asked to register their interest through Ticket Tailor. People were able to ask questions at the event.

All those attending events were encouraged to participate in a survey which was also shared extensively on the Council's social media channels.

The intention of all of this was to get as many people as possible participating and sharing their views on prioritising council services, setting council tax, and potential saving proposals.

Information Provided on Display Boards (available bilingually Welsh & English, and via Council's Website)

COUNCIL BUDGET 2024-25



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Over the 10 years of austerity, the Covid pandemic and now the cost of living crisis Blaenau Gwent has seen its budget reduce by around £40million, with a further £10 million required next year even after an uplift of around 2.6% in our funding from Welsh Government. Also, we are predicting an additional £25m savings are required to be found over the next 4 years.

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Extra Info: Some services provided are statutory, which means we have to provide them by law. We cannot stop these services, but under certain conditions we can change the level and way they are provided. Other services are non-statutory, which means that we can decide whether we provide them or not, and to what level.

1

HOW THE COUNCIL PLANS THE BUDGET



As a Council we look to plan our spending over a number of years. This involves forecasting expenditure, income and funding from Welsh Government.

Welsh Government funding for Welsh councils from April 2024 will increase on average by 3.1%.

However, the funding for Blaenau Gwent will only increase by 2.6% - the 15th lowest in Wales.


This increase is not enough to cover the increasing costs of delivering services from high inflation, energy, pay costs and increasing demand. The Budget gap for 2024-2025 is £10m, and is currently assessed at £34m over the next 5 years.

As part of setting our budget, we are running engagement events to inform people and get them involved.

The information we present will help raise awareness of what we may have to do to set a balanced budget for April 2024, and provide the opportunity for feedback on key issues to help decision-making.

2

THE COUNCIL'S OVERALL BUDGET



For 2024/2025 the Council's Revenue Funding is: **£ 183 million**


This money comes from:

- Local Government Settlement: £143 million**
This makes up almost three-quarters of our budget. It is provided to the Council from Welsh Government through a Revenue Support Grant and the Redistributed National Non-Domestic Rates (NNDR).
- Council Tax Income: £39.5 million**
This makes up around one-fifth of our budget. It is paid by householders living within the area. Every 1% increase in Council Tax - which is about 26p a week per household - generates approximately £380,000 which otherwise has to be found from other ways of saving money.
- In addition the Council generates:
 - Income from charges: £14 million**
This is paid by residents for specific council services, where charging policies are in place e.g. payment for licensing, planning applications, permits etc. Even so, by trying to keep charges down for residents in the past, this means that some of these council services are being subsidised and we do not recover full cost.

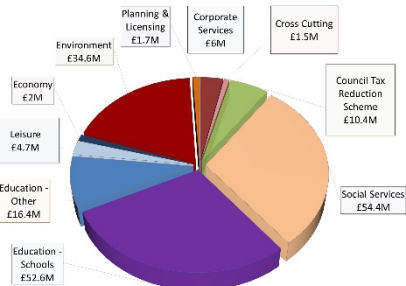
Extra Info: We also receive grants or receive funding for specific projects or initiatives. This money can only be used for specific things outlined in a contract. If we do not follow the contract, we would have to give the money back. A good example of this is the 21st Century Schools programme where all the money has to be used to improve existing or build new schools.

3

HOW THE COUNCIL SPENDS ITS BUDGET



The pie chart below shows how our budget is currently divided between different service areas:




Figures are rounded to the nearest £ 100,000

Our Question to you?
You can see how the Council's budget is allocated, which two services would be your top priorities in the budget setting process?

4

KEY FACTS ON YOUR COUNCIL TAX



Council Tax in our area currently makes up just over 22% of our budget, which is the 3rd lowest in Wales.

Council Tax bands range from 'A to I' and are based on property values. 'Band D' is commonly used as the standard for comparing levels between areas in Wales.

This can give a misleading picture, as we have the lowest proportion of houses in Band D, and the highest proportion of houses within A and B bands (83%).

This means that in real terms e.g. how much money people actually pay, Blaenau Gwent residents pay one of the lowest average amounts of Council Tax in Wales.

Also, the Council **does not** get all the money. It gets around 80%. The remaining money goes to the Police, the Fire and Rescue Service, and your local Town/Community Councils.

Councils around Wales are considering significant increases in Council Tax as part of their budget setting. The Council's current proposal for Blaenau Gwent is a 5% increase which would be one of the lowest increases in Wales. This would mean the following:


- £1.17p a week increase for a Band A
- £1.37p a week increase for a Band B
- £1.56p a week increase for a Band C
- £1.76p a week increase for a Band D

This covers 96% of all households in Blaenau Gwent

Our Question to you?
What do you think of an increase of 5% Council Tax for 2024/25 to help protect services?

5

OUR SAVING PROPOSALS FOR 2024/25



We want to do all we can to protect those services which are important. However, the challenges we face are going to be here for many years.

Therefore, we have put together a set of proposals (including cuts, cost savings, budget reductions through controlling spend and contract management, and income generation) to try and address this year's budget gap. They cover the following areas:

- Budget Management** – These proposals include budget cuts of between £3.2m and £4.2m across all services. This will require financial efficiencies to be delivered through better budget and contract management, delaying recruitment and prioritising budgets on essential expenditure required to deliver services.
- Staff Reductions** – These proposals total £1m and include the review of staffing structures and vacant posts across the Council to reduce staffing costs with minimal impact on service delivery. Where feasible we will try and make any job losses through voluntary schemes agreed with staff at risk.
- Service Change / Collaboration** – These proposals total between £0.2m and £0.6m and include reviewing services for example operating hours for the Household Waste Recycling Centres, and changes to how services are delivered for example Community Options (day care services).
- Income Generation** – These proposals include maximising grant funding and increasing our discretionary fees and charges by a minimum of 5% moving towards recovering the full cost in delivering the service.
- School Budgets** – This proposal is to provide either a cash flat budget (no increase) or to cut the schools budget by 1 or 2% to deliver between £1m and £3m towards the budget gap. This will require schools to reduce expenditure.

Our Question to you?
Please consider all our proposals and tell us whether you think they are acceptable or unacceptable to you.

6

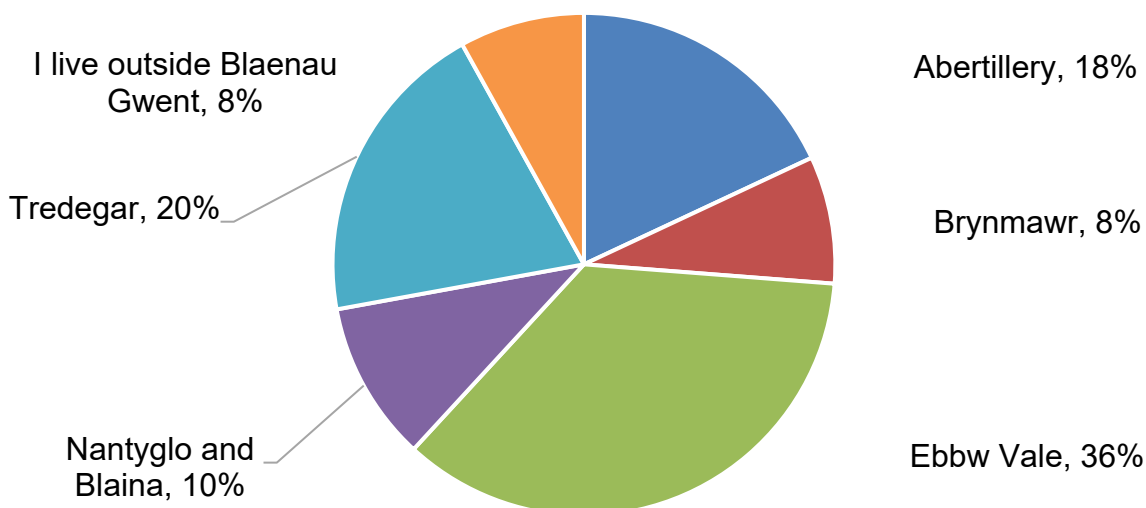
Overall Response

A total of 680 questionnaires were returned to the council, which equates to around 1% of the area's population.

This response rate is a drop from last year when over 3,700 responses were received. This does however fall more in-line with expected responses rates for budget engagement processes from previous years and is the second highest response rate for budget engagement carried out by the Council.

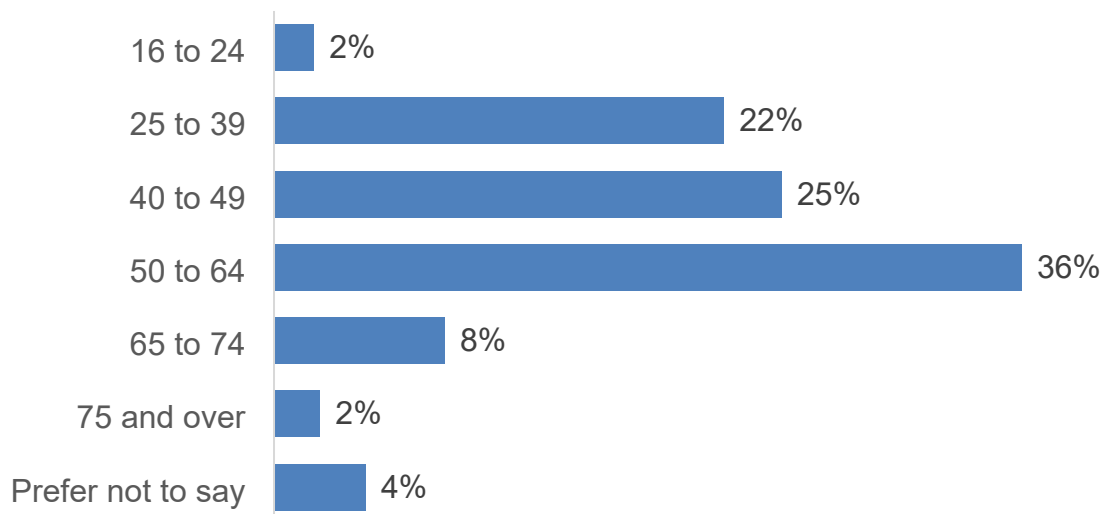
The vast majority of respondents outlined that they were residents of Blaenau Gwent (89%). Over half of respondents (51%) worked in the area, whilst 3% studied in the area. 1% said they were a visitor to the area.

Of those that resided in the area, response shows similar patterns to that of the general population with response from the Ebbw Vale area being the most at 35%, followed closely by Tredegar (20%) and Abertillery (18%). Nantyglo and Blaina (10%) was next followed by Brynmawr (8%). Furthermore, 8% of responses were received from people living outside Blaenau Gwent.



Significantly more females (64%) than males (31%) participated in the process – as in previous years. This shows a gender bias in favour of females, given the Blaenau Gwent average is 51%:49% split female to male. 4% of respondents outlined they would prefer not to outline their sex or gender.

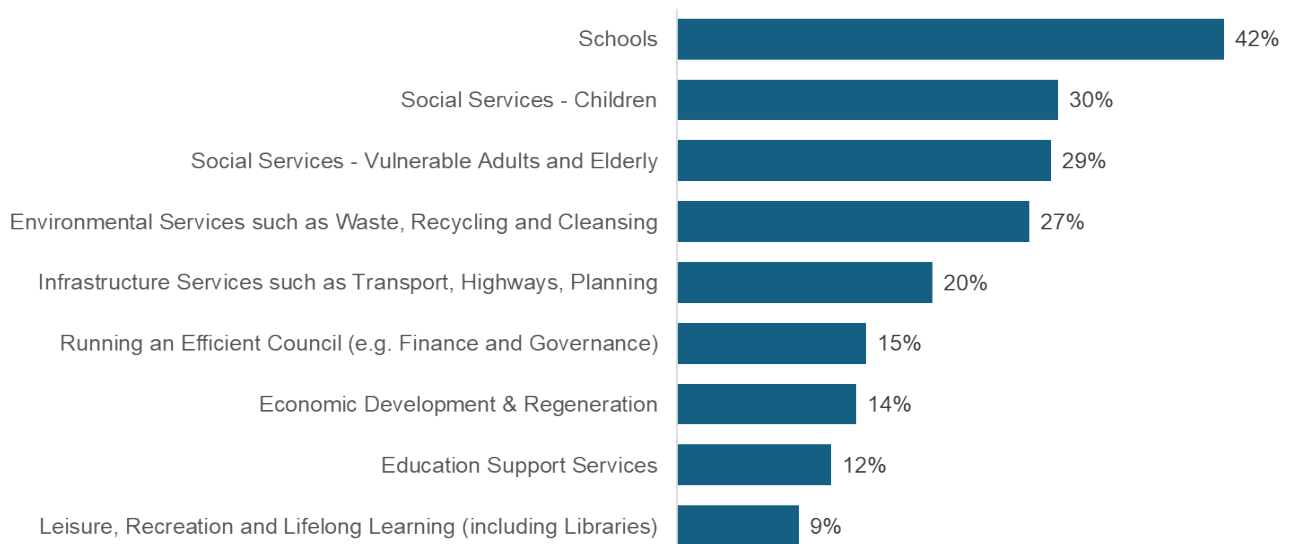
Response by age showed representation from across the main age groups for people aged 16 and over. Even so, as with last year, there was under representation from people aged 65 and over (8% compared to 23% of the adult population generally in Blaenau Gwent), and those aged between 16 to 24.



Prioritising Services

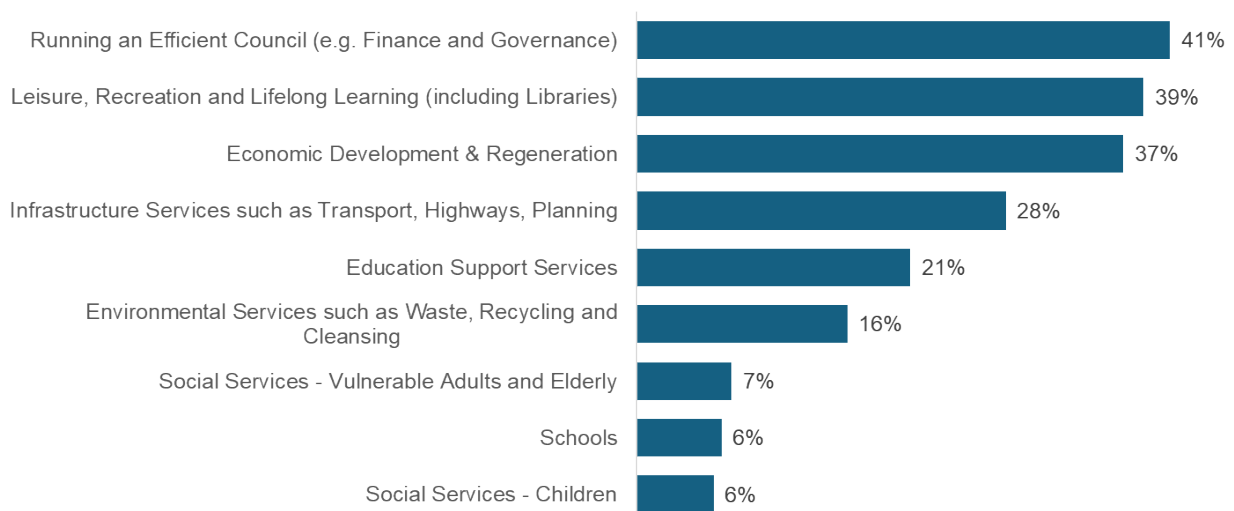
Respondents were asked to consider a broad list of service areas and outline their top two priorities for budget setting. Two responses were set to prevent respondents selected all services. As can be seen below, there was clear stand out priority for schools (42%).

The second most prioritised services were social services for children (30%) and social services for vulnerable adults and the elderly (29%). These were closely followed by Environmental Services such as waste, recycling and cleansing (27%).



For the time when engaging on the budget, respondents were also asked to consider the same broad list of service areas and outline their bottom two priorities for budget setting. As with the previous question, two choices were set to prevent respondents selected all services.

As can be seen below, the service deemed the least important by respondents when considering a budget setting process would be Running an Efficient Council (41%), followed by Leisure, Recreation and Lifelong Learning (39%), and Economic Development and Regeneration (37%).

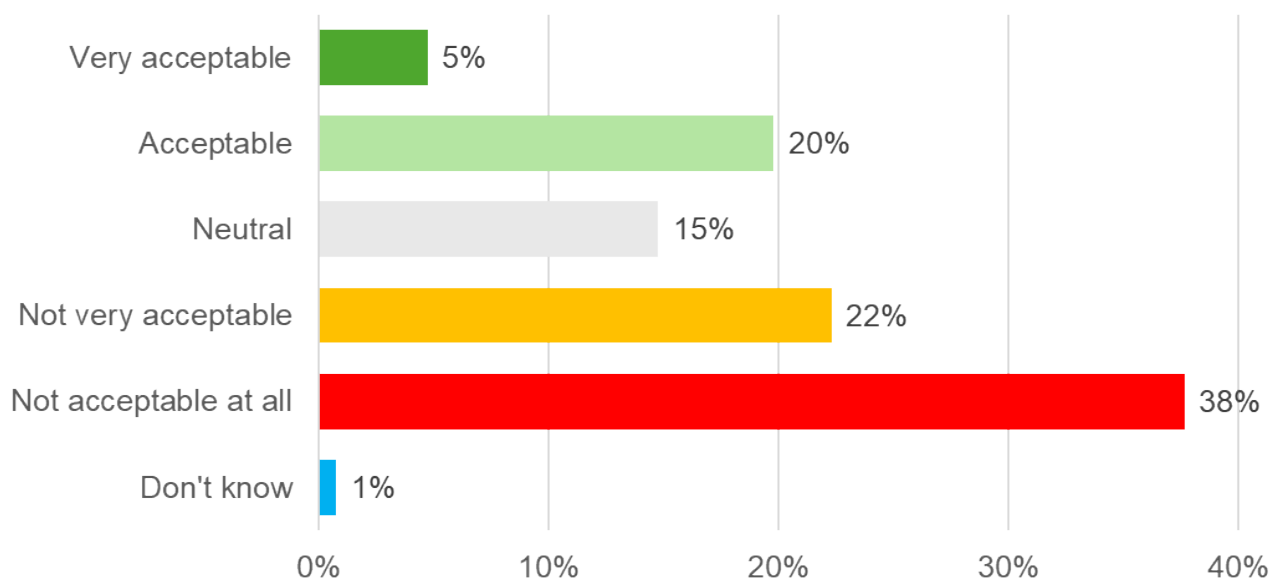


Setting Council Tax

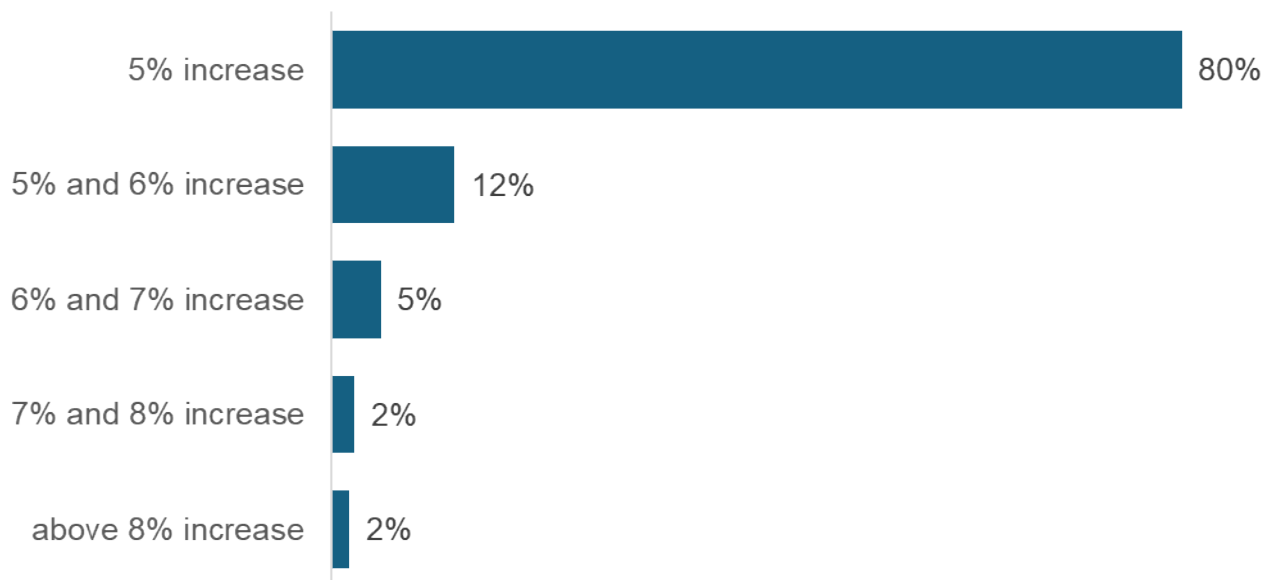
Respondents were asked to consider how acceptable an increase in Council Tax would be to help protect services.

As in previous years, three out of every five respondents generally considered any increase in Council Tax either not very acceptable or not acceptable all (60%).

One-quarter of respondents felt it was either acceptable (20%) or very acceptable (5%) to increase Council Tax to protect services. 15% of respondents had neutral views on the increase, and a small proportion of respondents (under 1%) outlined that they did not know.



Respondents were also asked to think about a Council Tax increase and outline what they felt would be appropriate as an increase. Of the options provided (ranging from 5% up to above an 8% increase), the vast majority of respondents (80%) felt that the lowest amount provided, 5%, would be about right.



Saving Proposals 2024/25

Overall, the Council presented 25 proposals for consideration to respondents, under five broad categories, which were: Budget Management (6 proposals); Staffing Reductions (5 proposals); Service Change/Collaboration (7 proposals); Income Generation (4 proposals); and School Budgets (3 proposals).

Respondents were asked to consider each proposal and outline how acceptable they were on a five-point scale. The scale covered 'very acceptable', 'acceptable', 'neutral', 'not very acceptable' and 'not acceptable at all'. Respondents could also indicate if they 'did not know' or choose not to answer the question (no response).

The following presents a series of graphs summarising response by category as well as two graphs outlining all proposals, one sorted by 'acceptable' and one sorted by 'not acceptable'.

Category A: Budget Management

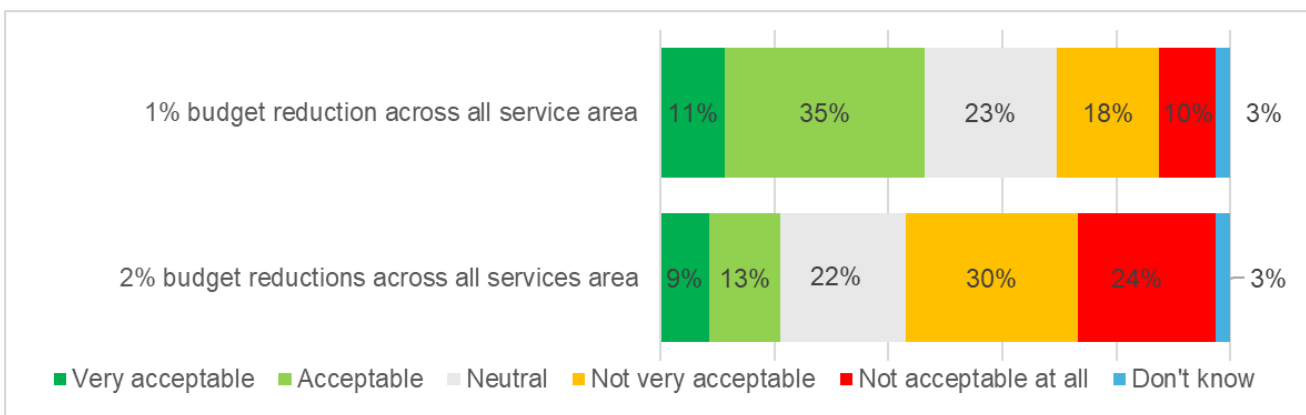
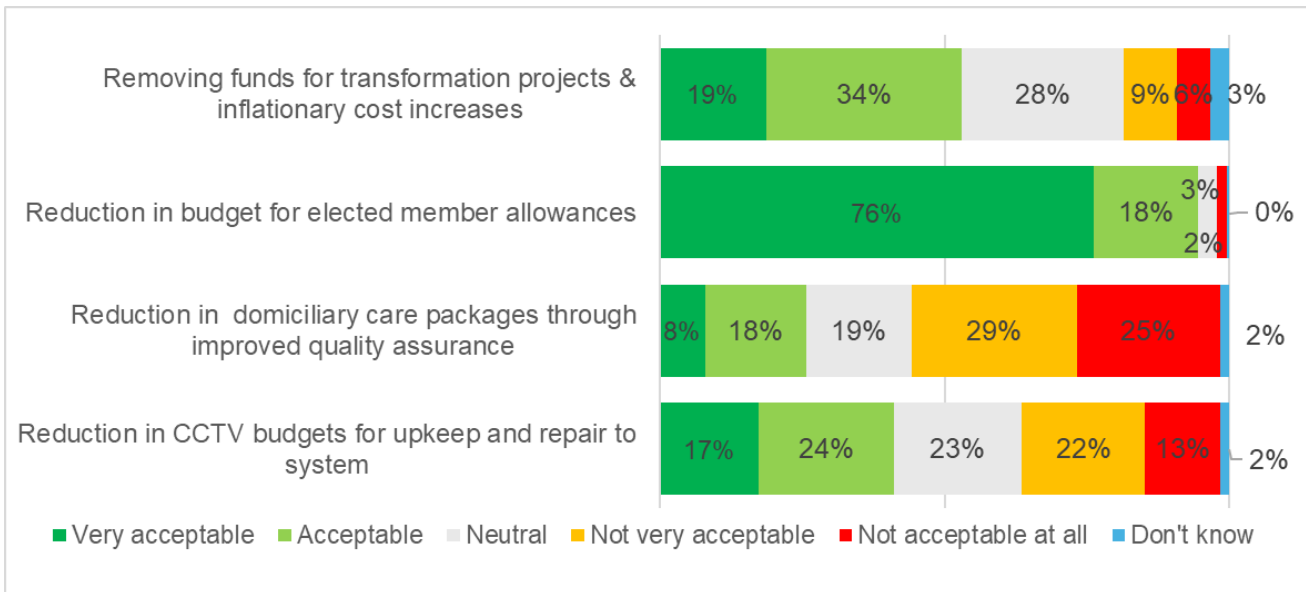
These proposals include budget cuts of between **£3.2m and £4.2m** across all services. This will require financial efficiencies to be delivered through better budget and contract management, delaying recruitment and prioritising budgets on essential expenditure required to deliver services. The following savings proposals were categorised as 'Budget Management:

Budget cuts by removing funds for transformation projects and inflationary cost increases	Saving: £1,846,000
Reduction in budget for elected member allowances	Saving: £30,500
Reduction in Social Services domiciliary care packages through improved quality assurance measures	Saving: £250,000
Reduction in CCTV budgets for upkeep and repair to system	Saving: £20,000

As well as the proposals above, there is a proposal to cut all budgets across each service area by either 1% or 2%.

1% budget reduction across all service area	Saving: £1,000,000
2% budget reduction across all service area	Saving: £2,000,000

Respondents were asked to indicate how acceptable they found each proposal on a five-point scale. A 'don't know' option was also provided. Non response has been removed in all cases. The graph below shows the response.

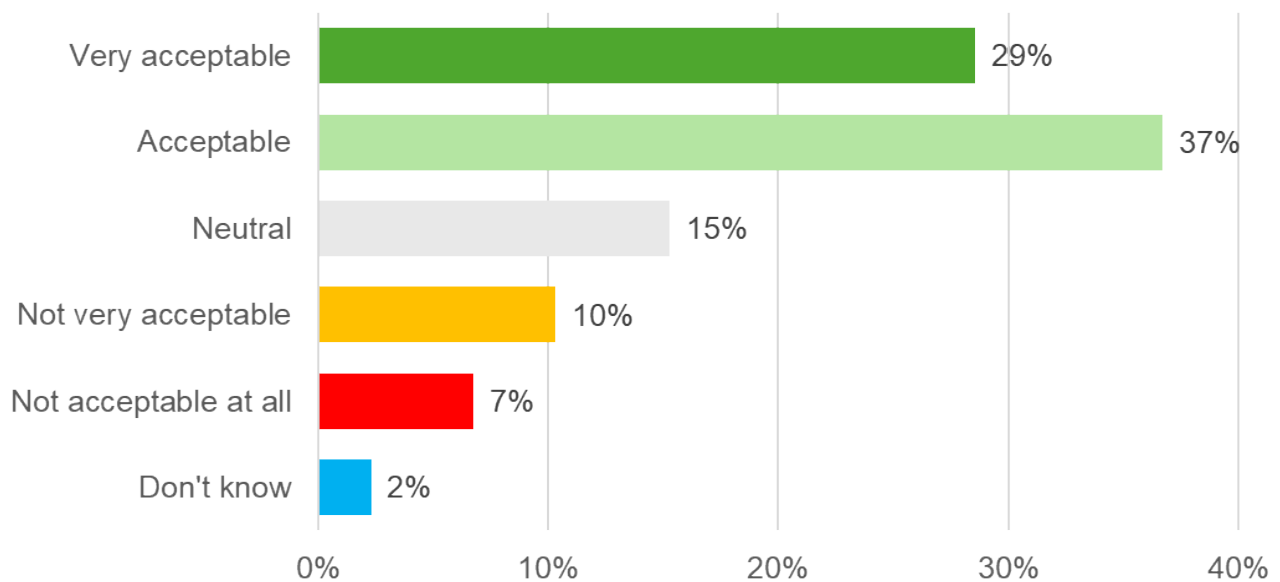


Category B: Staffing Reductions

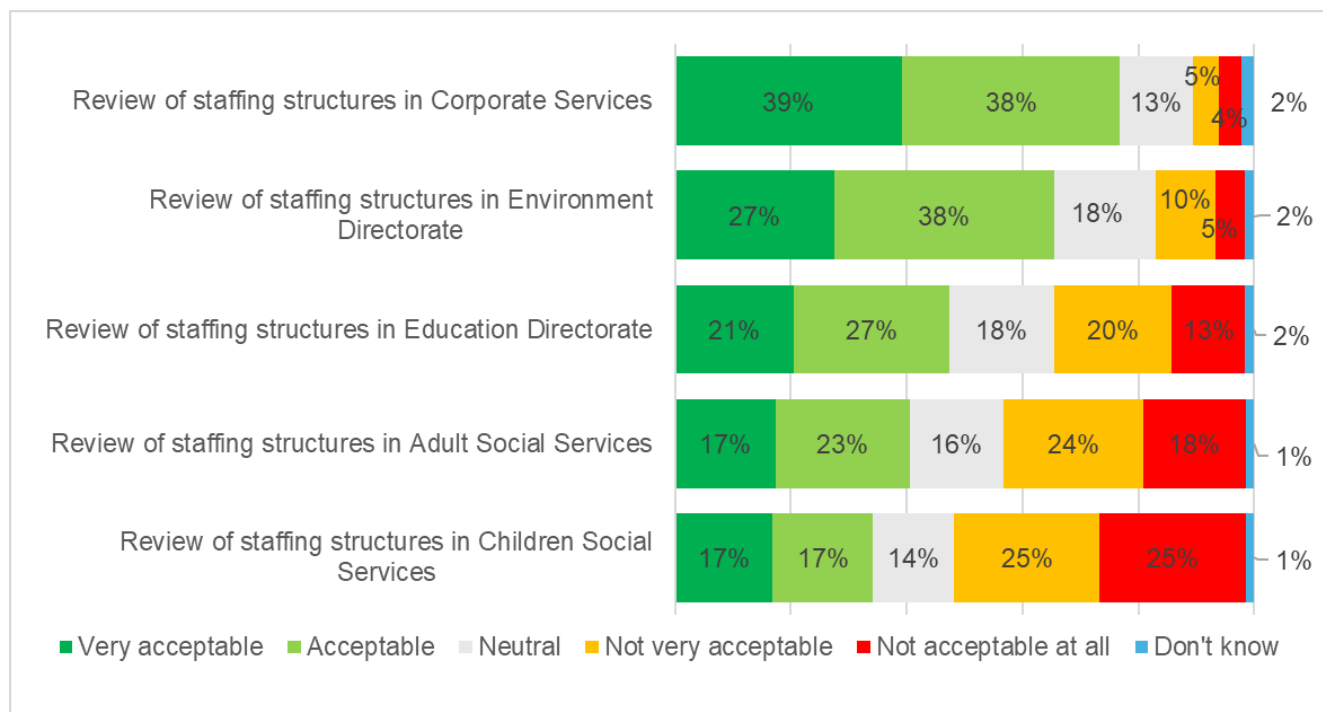
These proposals total in excess of £1m and include the review of staffing structures and vacant posts across the Council to reduce staffing costs with minimal impact on service delivery. Where feasible we will try and make any job losses through voluntary schemes agreed with staff at risk.

Review of staffing structures in Corporate Services	Saving: £545,000
Review of staffing structures in Environment Directorate	Saving: £210,000
Review of staffing structures in Education Directorate	Saving: £107,000
Review of staffing structures in Adult Social Services	Saving: £280,000
Review of staffing structures in Children Social Services	Saving: £320,000

Respondents were asked to how acceptable they thought it would be to reduce costs of existing staffing structures and current vacant positions across the Council. As can be seen from the graph below, two-thirds of respondents thought that this was acceptable.



Respondents were asked to indicate how acceptable they found each proposal on a five-point scale. A 'don't know' option was also provided. No response has been removed in all cases. The graph below shows the response.

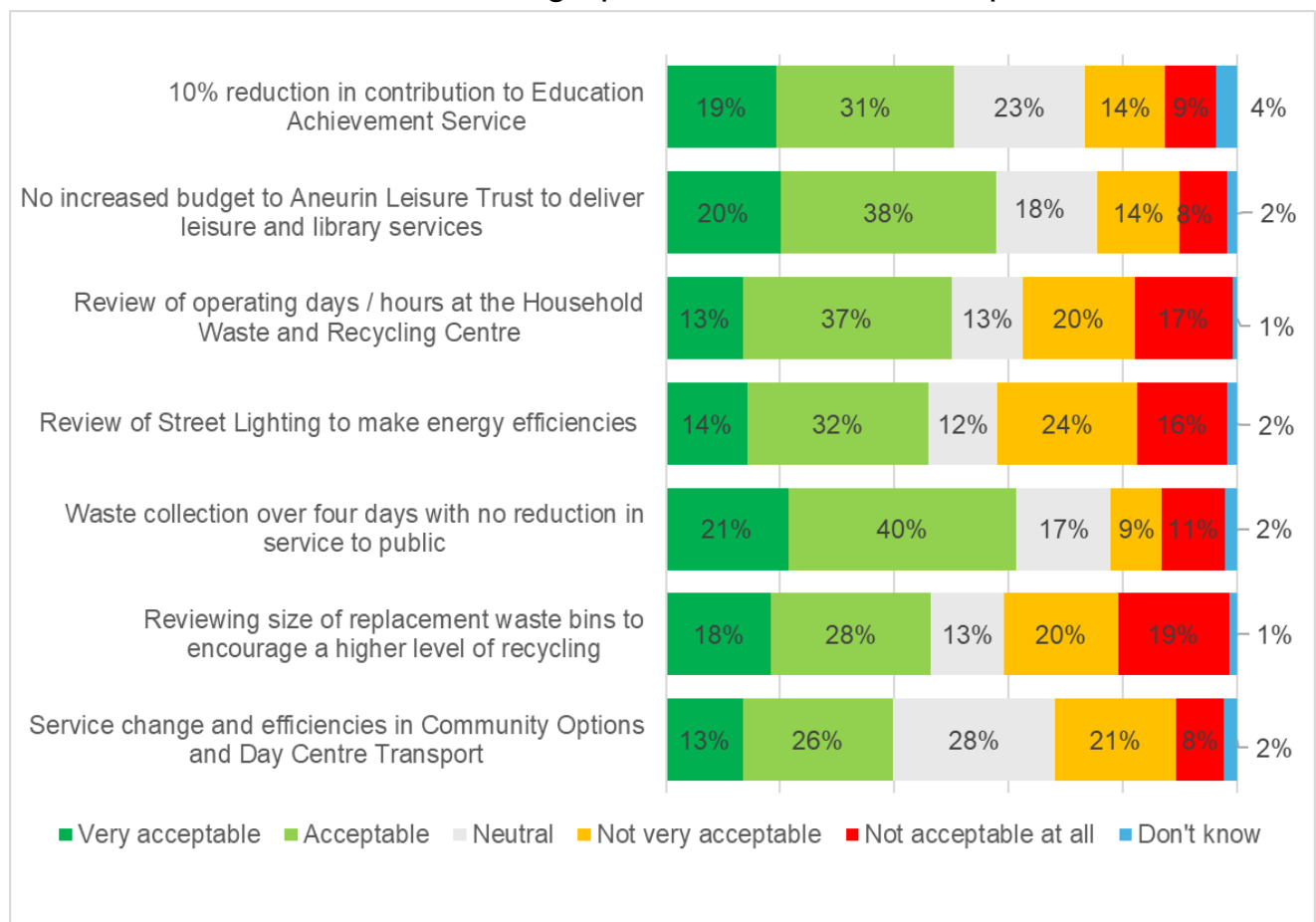


Category C: Service Change / Collaboration

These proposals total between £0.2m and £0.6m and include reviewing services for example operating hours for the Household Waste Recycling Centres, and changes to how services are delivered for example Community Options (day care services).

10% reduction in contribution to the regional Education Achievement Service in-line with all other Gwent Councils	Saving: £34,000
No increased budget to Aneurin Leisure Trust to deliver leisure and library services	Saving: £135,000
Review of operating days / hours at the Household Waste and Recycling Centre	Saving: £34,000 to £110,000
Reviewing of Street Lights to make energy savings including considering timing, dimming and switching off in stages	Saving: currently being calculated
Waste collection over four days with no reduction in service to public	Saving: currently being calculated
Reviewing the size of replacement waste bins to encourage a higher level of recycling	Saving: £18,000 to £118,000
Service change and efficiencies in Community Options and Day Centre Transport	Saving: £154,000

Respondents were asked to indicate how acceptable they found each proposal on a five-point scale. A 'don't know' option was also provided. No response has been removed in all cases. The graph below shows the response.

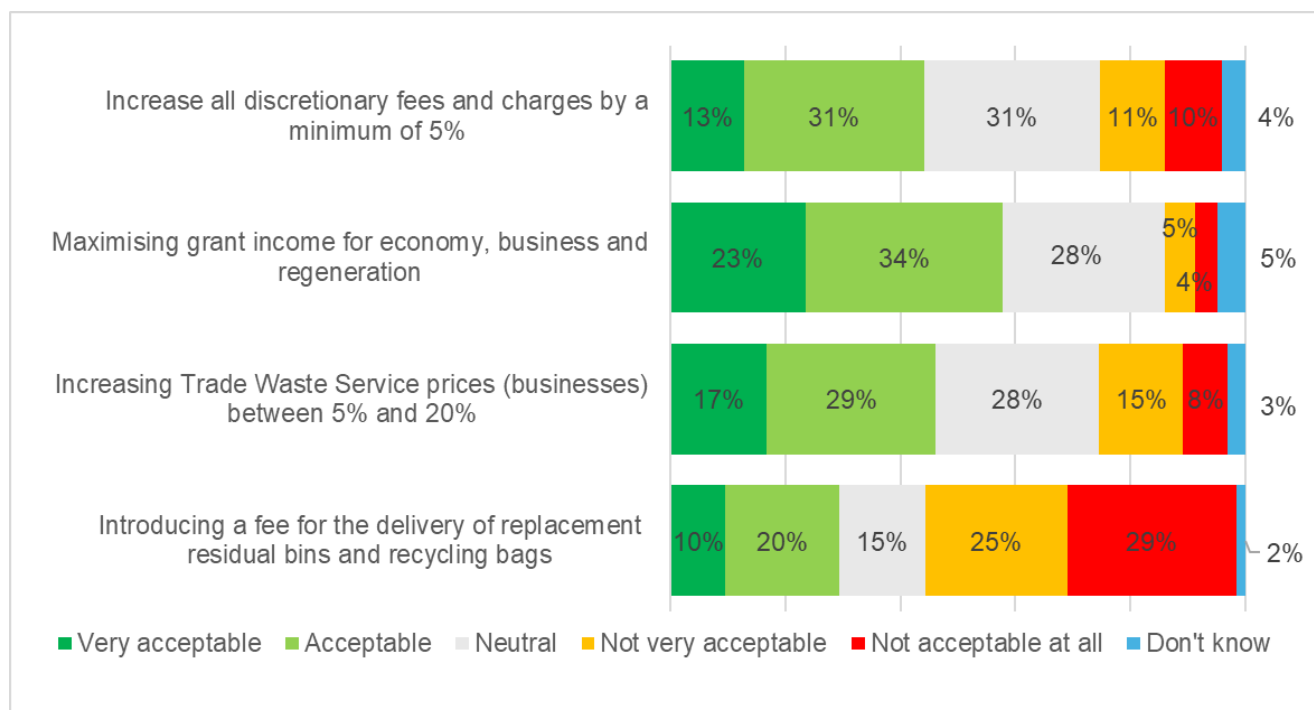


Category D: Income Generation

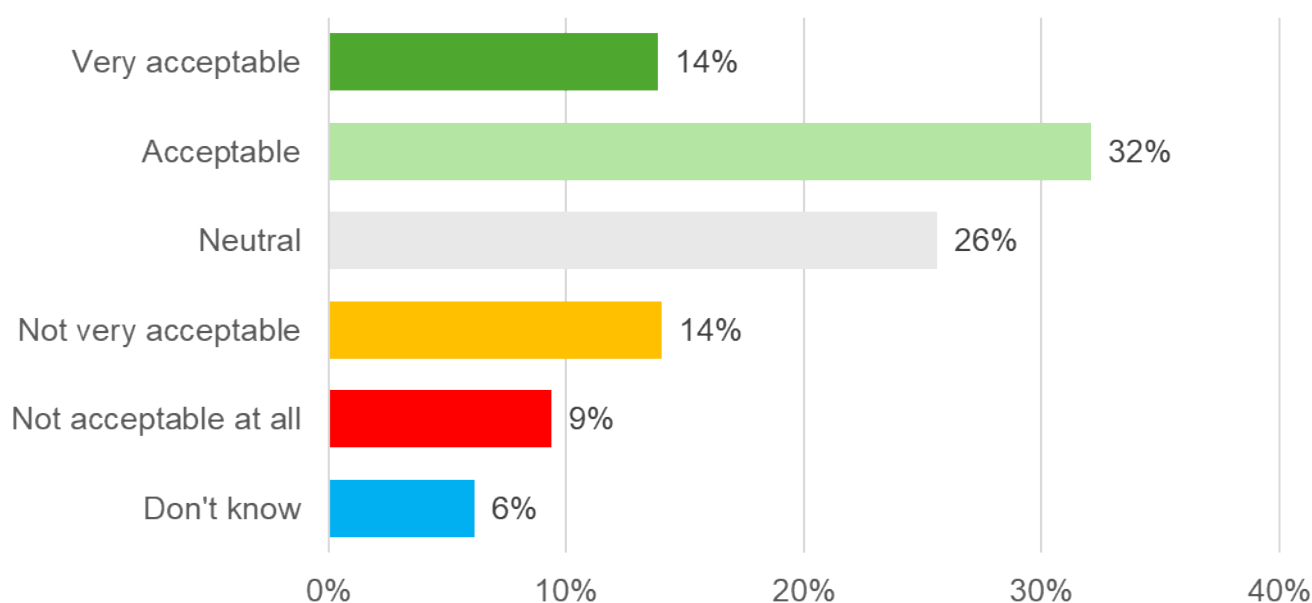
These proposals include maximising grant funding and increasing our discretionary fees and charges by a minimum of 5% moving towards recovering the full cost in delivering the service.

Increase all discretionary fees and charges by a minimum of 5%	Estimated Income: £100,000
Maximising grant income for economy, business and regeneration	Estimated Income: £17,000
Increasing Trade Waste Service prices (businesses) between 5% and 20%	Estimated Income: £2,000 to £55,000
Introducing a fee for the delivery of replacement residual bins and recycling bags (demand led)	Estimated Income: £4,000 to £27,000

Respondents were asked to indicate how acceptable they found each proposal on a five-point scale. A 'don't know' option was also provided. No response has been removed in all cases. The graph below shows the response.



Respondents were also asked how acceptable the Council's policy of full cost recovery is for services that we can provide but do not have to.

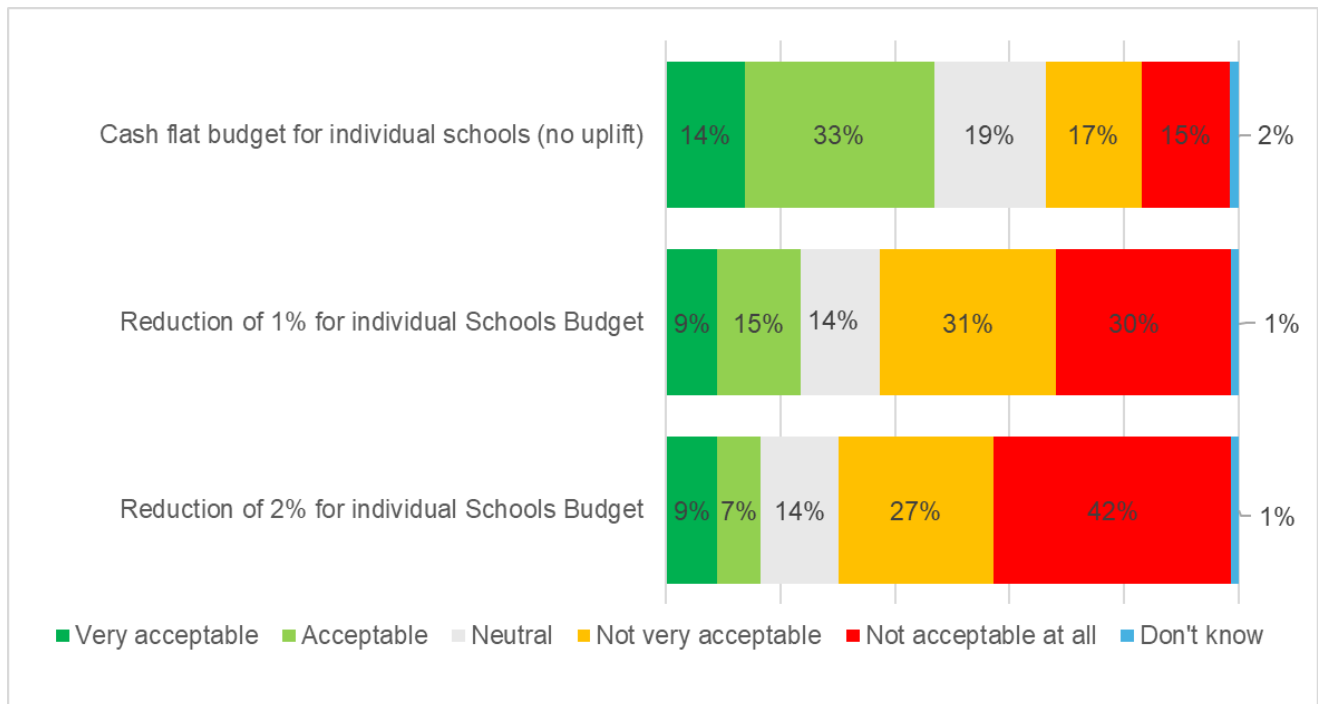


Category E: School Budgets

The proposal for school budgets is to provide either a cash flat budget with no increase or to cut the schools budget by either 1 or 2%. These different options on the budget for schools will deliver between £1m and £3m towards the budget gap. This will require each school to consider their spending and reduce expenditure.

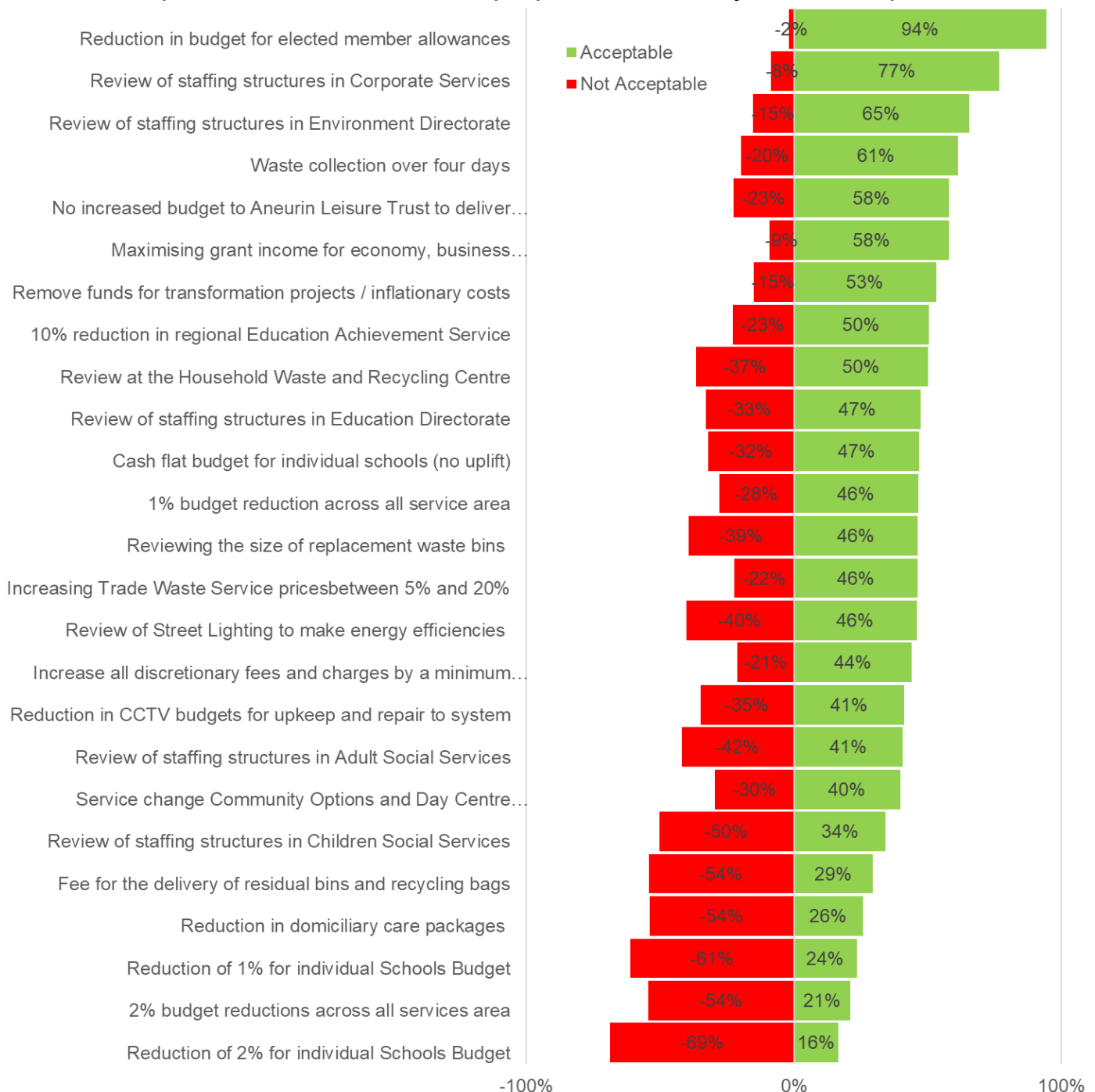
Cash flat budget for individual schools (no uplift)	Saving: £1,000,000
Reduction of 1% for individual Schools Budget	Saving: £2,000,000
Reduction of 2% for individual Schools Budget	Saving: £3,000,000

Respondents were asked to indicate how acceptable they found each proposal on a five-point scale. A 'don't know' option was also provided. No response has been removed in all cases. The graph below shows the response.



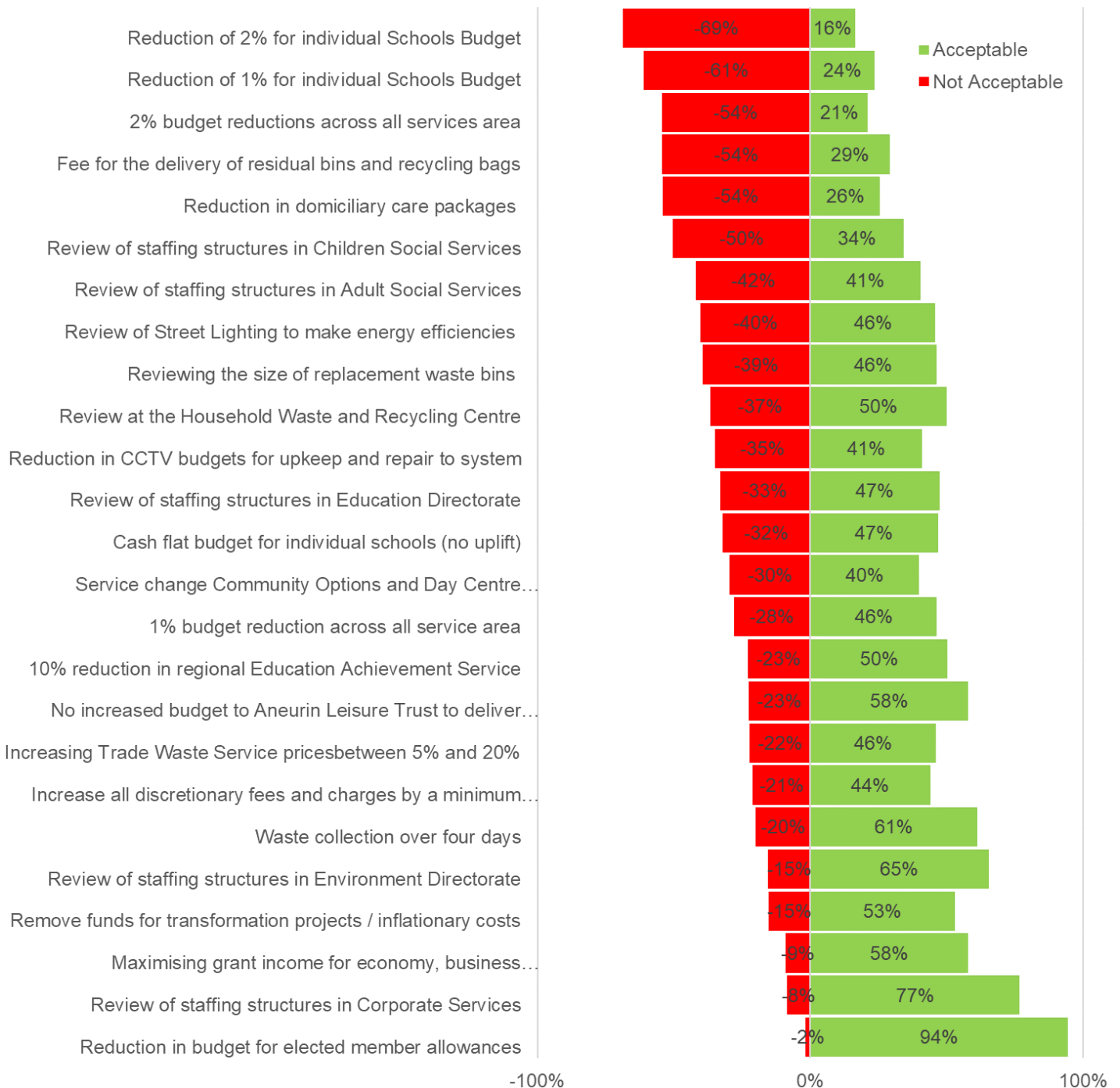
All proposals – ‘Acceptable’ to ‘Not acceptable’ (sorted by acceptable)

The chart below ‘Acceptable’ includes *Very Acceptable* and *Acceptable* aggregated together, whilst ‘Not Acceptable’ includes *Not Very Acceptable* and *Not Acceptable at All*. It shows all proposals sorted by most acceptable.



All proposals – ‘Not acceptable’ to ‘Acceptable’ (sorted by not acceptable)

In the chart below ‘Not Acceptable’ includes *Not Very Acceptable* and *Not Acceptable at All*, whilst ‘Acceptable’ includes *Very Acceptable* and *Acceptable* aggregated together. It shows all proposals sorted by least acceptable.



Summary of Comments

Respondents were given the opportunity to make comments about specific proposals, and also took the opportunity to make broader comments about the budget and council services. Below is a summary of the comments.

Council Tax - Some respondents agreed to accept a council tax increase, but only if it was reasonable and justified by the improvement of services. They said that they understood the financial pressure that the council was under and that they were willing to pay more for better services. Others rejected any increase, pointing out that they already pay too much for poor services and that they cannot afford more due to the cost-of-living crisis. They said that the council should find other ways to balance the budget and that they should not pass the burden to the residents.

Budget Cut Consequences - A common theme in the responses was the concern about the negative consequences of budget cuts on the quality and availability of essential services, such as waste and recycling, social services, education, and CCTV. Many respondents noted that these services are already under pressure and that further reductions would harm the residents and the environment. They cited examples of fly tipping, school closures, staff redundancies, increased risks to children and families, and reduced security and safety.

Public Perception on Alternatives - Some respondents suggested alternative ways to save money, such as reducing the number of councillors and senior officers, closing some council buildings, outsourcing some services, merging with other councils, developing innovative ways to raise funds, and reclaiming money from failed projects. They claimed that these measures would have a greater impact on the budget than cutting front-line services and staff.

Staffing Reduction Proposals - Many respondents expressed their dissatisfaction with the proposed staffing reductions in social services, especially for children and vulnerable adults. They argued that the cuts would put people at risk of harm, increase the workload and stress of the remaining staff, and damage the reputation of the council.

Some respondents suggested that the council should look for other ways to save money, such as reducing the number of managers, councillors, and high-paid staff, reviewing the efficiency and performance of existing staff, and collaborating with other local authorities or partners. They also pointed out some areas where they perceived the council to be overstaffed, wasteful, or unnecessary.

Support for review of staffing structures - A few respondents agreed that the council should review its staffing structures to ensure that they are efficient, effective, and fit for purpose. They also acknowledged the financial challenges that the council faces and the need to make savings. Some of them suggested that the review should take a "top down approach" and focus on the higher grades and salaries, rather than the lower paid and frontline staff. Others said that the review should look at each role and member of staff individually and assess their value for money.

Waste and recycling services: There was specific feedback from residents on the proposed changes to waste and recycling services, such as reducing the operating hours of the recycling centres, reviewing the size of waste bins, and altering the waste collection schedule. Respondents express their concerns that reducing the access to recycling centres or waste collection would lead to more fly tipping and littering, which would have a negative impact on the environment and the community. They point out that fly tipping is

already a considerable problem and blight on the area, and that reducing the services would only worsen the situation and increase the costs elsewhere.

Some residents offer suggestions for improving recycling such as providing better recycling boxes or bags, collecting more types of materials at kerbside, and enforcing stricter measures for non-recyclers. They argue that these suggestions would encourage more people to recycle, reduce the amount of waste, and make the recycling process easier and more convenient.

Street lighting and energy saving: Some responses support the proposals as a good idea, while others oppose as a safety risk or a waste of money. Those who support the proposal think that it would save the council money and reduce the carbon footprint, while those who oppose it think that it would increase the incidents of crime, vandalism, and accidents.

Charging for replacement bins and recycling bags: Some respondents agree that the council should charge for replacement bins and recycling bags, saying that it would encourage people to take care of them and reduce waste. However, others disagree or are neutral, saying that the bins and bags are often damaged, lost or stolen or other factors, such as the weather, animals, or thieves. They also say that charging for them would discourage recycling and encourage fly-tipping, which would have a negative environmental and financial impact.

Education budget cuts: The majority of the respondents strongly oppose any cuts to the schools budget and argue that it would have detrimental effects on the quality of education and care for children, especially those with additional learning needs. They also warn that reducing the schools budget would harm the staff morale and well-being, as well as the future prospects and economic development of the community.

Some respondents point out the high levels of deprivation and poverty in Blaenau Gwent and the correlation between deprivation and poor education outcomes. They stress the need for more resources and funding to support disadvantaged children and help them achieve their potential. They also suggest that schools should be allocated funding according to the level of need and challenge they face.

A few respondents propose that the schools budget should be managed more efficiently and effectively, with cuts to management costs, middle management, supply teaching, and excess spending. They also question the performance and outcomes of schools in Blaenau Gwent, given the high spend per pupil. They recommend that the council should review the budget allocation and spending of schools and look for ways to improve collaboration and savings.