

Committee: **Special Council**

Date of Meeting: **6th March, 2024**

Report Subject: **Revenue Budget 2024/2025**

Portfolio Holder: **Councillor Stephen Thomas, Leader of the Council/
Executive Member Corporate Overview & Performance**

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	Cabinet	Council	Other (please state)
	29/2/24						6/03/24	

1. Purpose of the Report

1.1 This report seeks to agree the budget requirement for 2024/2025, set the overall Council Tax level for 2024/2025 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 2024/2025, including the precepts approved by other statutory authorities that impact upon the local level of Council Tax and sets out the relevant statutory resolutions.

In setting the budget for 2024/2025, the Council agreed the following proposals at the meeting on 27 February 2024:

- A council tax increase of 4.95% (Blaenau Gwent element)
- Bridging the Gap efficiencies built into the revenue budget of £6.48m
- Cost pressures built into the revenue budget of £2.8m (including £0.86m cost pressures for schools)
- Cash flat budget for the remainder of the Individual Schools Budget
- Grants transferred into the final settlement to be passported to the appropriate service as follows - Child Burials (£21,000), Flood & Coastal Erosion (£225,000) and Performance & Improvement Framework (£40,000)
- Contribution from Specific Reserves of £1.5m

2.2 The Budget Requirement is based on the Welsh Government's final settlement received on 27 February 2024.

3. **Options for Recommendation**

3.1 **Option 1 (preferred option)**

3.1.1 Members approve the Council Tax Resolution (paragraph 5.1.7 to 5.1.11)

3.1.2 Members approve the statutory budget requirement of £184,942,156 (paragraph 5.1.7a and 5.1.13).

3.1.3 Members approve the use of the specific reserves identified totalling £1.5m (paragraph 5.1.16).

3.2 **Option 2**

3.2.1 Members do not approve the Council Tax Resolution and Statutory Budget Requirement.

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

4.1 This report supports the Council Corporate Plan high level priority “An ambitious and innovative council delivering quality services at the right time and in the right place”.

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

5.1.1 **Council Tax Setting**

5.1.2 The Council agreed at its meeting on 27 February 2024, a Council Tax increase of 4.95% for the 2024/2025 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
1,279.94	1,493.26	1,706.59	1,919.91	2,346.56	2,773.20	3,199.85	3,839.82	4,479.79

5.1.3 At its meeting in December 2023 the Council agreed the Council Tax base for tax setting purposes be 20,936.36 for 2024/25, this being the total number of chargeable dwellings in each area adjusted for a number of items e.g. discounts payable, multiplied by the assumed collection rate of 95.5%.

5.1.4 In addition, in accordance with Regulation 6 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, 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:

4,619.14	Abertillery & Llanhilleth
1,712.68	Brynmawr
2,711.88	Nantyglo & Blaina
4,761.60	Tredegar

5.1.5 The above representing the number of chargeable dwellings to which the Town & Community Council's precept will apply.

5.1.6 It is recommended that Council resolves:

5.1.7 That the following amounts be now calculated by the Council for the year 2024/2025 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 and sections 47 and 49 of the Local Government Act 1988 (as amended):

a	£184,734,156	Being the aggregate of the amounts the Council estimates for the items set out in section 32(2) (a) to (d) of the Act less the aggregate of the amounts the Council estimates for the items set out in section 32 (3) (a) and (c) of the Act calculates by the Council, in accordance with section 32(4) of the Act, as its budget requirement for the year
b	£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.
c	£144,044,000	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.
d	£1,953.45	Being the amount at (a) above plus the amount at (b) above and less the amount at (c) above, all divided by the amount at 5.1.3 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.
e	£702,229	Being the aggregate amount of all special items referred to in Section 34(1) of the Act (Town and Community Precepts)
f	£1,919.91	Being the amount at (d) above less the result given by dividing the amount at (e) above by the amount at 5.1.3 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.

5.1.8 The amounts given by adding to the amount at (f) 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 5.1.3 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:

g	2,002.42	Abertillery & Llanhilleth
	1,946.18	Brynmawr
	1,958.63	Nantyglo & Blaina
	1,955.84	Tredegar

5.1.9 The amounts given by multiplying the amounts at (f) and (g) 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:

The County Borough Tax including Community Precepts									
Valuation Bands									
	A	B	C	D	E	F	G	H	I
Abertillery & Llanhilleth	1,334.95	1,557.43	1,779.93	2,002.42	2,447.41	2,892.38	3,337.37	4,004.84	4,672.31
Brynmawr	1,297.45	1,513.69	1,729.94	1,946.18	2,378.67	2,811.15	3,243.63	3,892.36	4,541.09
Nantyglo & Blaina	1,305.75	1,523.38	1,741.01	1,958.63	2,393.88	2,829.13	3,264.38	3,917.26	4,570.14
Tredegar	1,303.89	1,521.21	1,738.53	1,955.84	2,390.47	2,825.10	3,259.73	3,911.68	4,563.63
Ebbw Vale	1,279.94	1,493.26	1,706.59	1,919.91	2,346.56	2,773.20	3,199.85	3,839.82	4,479.79

5.1.10 That it be noted that for the year 2024/2025 the Gwent Office of Police and Crime Commissioner has stated the following amounts in precepts issued to the Council (totalling £7,317,677), 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
233.01	271.85	310.68	349.52	427.19	504.86	582.53	699.04	815.55

5.1.11 That, having calculated the aggregate in each case of the amounts at (g) and 5.1.9 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 2024/2025 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	1,567.96	1,829.28	2,090.61	2,351.94	2,874.60	3,397.24	3,919.90	4,703.88	5,487.86
Brynmawr	1,530.46	1,785.54	2,040.62	2,295.70	2,805.86	3,316.01	3,826.16	4,591.40	5,356.64
Nantyglo & Blaina	1,538.76	1,795.23	2,051.69	2,308.15	2,821.07	3,333.99	3,846.91	4,616.30	5,385.69
Tredegar	1,536.90	1,793.06	2,049.21	2,305.36	2,817.66	3,329.96	3,842.26	4,610.72	5,379.18
Ebbw Vale	1,512.95	1,765.11	2,017.27	2,269.43	2,773.75	3,278.06	3,782.38	4,538.86	5,295.34

5.1.12 **Budget Requirement**

5.1.13 The statutory budget requirement for 2024/2025 is £184,734,156, expenditure funded from Reserves and discretionary rate relief needs to be added to this figure to give the total net revenue budget for of £186,442,156. Attached at Appendix 1 is a summary of the net revenue budget per portfolio.

5.1.14 The budget is funded as follows:

Source	£'000
Revenue Support Grant	119,663,000
Non-Domestic Rate Distribution	24,381,000
Council Tax	40,898,156
Net Use of Reserves*	1,500,000
Total	186,442,156

5.1.15 **Reserves**

5.1.16 Specific reserves of £1.5m will be committed during 2024/2025 to fund the approved budget and based on the revenue forecast outturn for 2023/2024 as at December 2023 and assuming no other changes other than those agreed as part of the budget setting process, the forecast level of revenue reserves are:

	31/03/2023 Provisional £000	31/03/2024 Forecast £000	31/03/2025 Forecast £000
Council Fund	13,067	12,767	12,767
Usable Revenue Reserves	25,806	23,066	21,566
School Balances	4,790	1,190	0
Total	43,663	36,932	34,333

*It is difficult to forecast school balances for future years – therefore the table above assumes all reserves will be utilised by March 2025.

5.1.17 It is forecast that by 31 March 2025, the Council's useable reserves will reduce by 21% compared to 2023.

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

5.1.19 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:

1. The robustness of the estimates included in the budget
2. The adequacy of the Authority's reserves

5.1.20 In respect of 1 above, I am able to conclude that the estimates have been compiled with the most up to date information available and are suitably robust. Reasonable assumptions have been used in financial modelling and significant cost pressures have been considered during the budget setting process for 2024/2025 and included within the budget.

5.1.21 Whilst I am able to confirm the robustness of the estimates, the Council will continue to face significant challenges during 2024/2025 with increasing costs as a result of pay awards, continuing higher levels of inflation, increasing demand and complexity of demand for services whilst delivering significant budget cuts. Strong financial management will need to continue throughout the year to deliver a balanced budget at the end of March 2025 with no unplanned draw from reserves.

5.1.22 I expect the financial challenges to continue beyond 2024/2025, with current financial modelling highlighting the need to deliver around £8m (based on current assumptions) budget cuts for 2025/2026 and £27m over the next 4 years. It is imperative that the budget process for 2025/2026 and beyond starts now with development, consultation and implementation of business cases that deliver financial and / or operational benefits for the Council in the short, medium and longer term.

5.1.23 In respect of the adequacy of reserves, this is the second year that the Authority has utilised reserves to balance its revenue budget with a draw from reserves of £1.5m required. Clearly this is not a sustainable strategy in the long term and will impact on the Council's financial resilience in future years should this continue.

5.1.24 The use of reserves will be monitored and reviewed during the financial year in order to ensure that they are maintained as 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, resulting in unplanned draw from the General reserve. This risk will be mitigated by regular monitoring and reporting to the Corporate Overview & Performance Scrutiny Committee and Cabinet.

5.2.2 Council Tax may not be collected to the required level resulting in a budget pressure. This risk will be mitigated by regular monitoring of collection rates, encouraging payment through direct debit and pursuing outstanding debts.

5.3 **Legal**

5.3.1 The calculation of Council Tax must comply with Sections 32 to 36 of the Local Government Finance Act 1992 and sections 47 and 49 of the Local Government Act 1988 (as amended).

5.4 **Human Resources**

5.4.1 There will be service change /service reduction arising from the Strategic Business Reviews included within the Bridging the Gap programme which may impact upon staff.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

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

Authority	2023/2024	2024/25	Increase	
	£	£	£	%
Blaenau Gwent CBC	1,829.36	1,919.91	90.55	4095
Gwent Police	324.52	349.52	25.00	7.70
Total	2,153.88	2,269.43	115.55	5.36
<i>Community Councils:</i>				
Abertillery & Llanhilleth	62.58	82.51	19.93	31.85
Brynmawr	25.40	26.27	0.87	3.43
Nantyglo & Blaina	33.78	38.72	4.94	14.62
Tredegar	33.60	35.93	2.33	6.93
Average	27.99	33.54	5.55	19.83
Total (Average)	2,181.87	2,302.97	121.10	5.55

6.1.1 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 5.55%.

6.1.2 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.

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 with an average increase of 5.55%.

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

6.3.1 The Council has undertaken consultation on the proposals within the 2024/2025 budget.

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

6.4.1 The Council has a Medium Term Financial Strategy that covers the period 2024/2025 to 2027/2028 which is reviewed, updated and rolled forward one year, 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 ***Decarbonisation and Reducing Carbon Emissions***

n/a

6.9 ***Integrated Impact Assessment (IAA) (All decisions, policy reviews or policy implementation will now require a completed Integrated Impact Assessment) To note a screening template no longer needs to be completed***

n/a

7. **Monitoring Arrangements**

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

7.1.1 Corporate Leadership Team, Corporate & Performance Scrutiny and Cabinet will receive quarterly monitoring briefings and reports.

Background Documents /Electronic Links

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