

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: 5.3.21
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Committee: **Special Council**
Date of Meeting: **11th March, 2021**

Report Subject: **Revenue Budget 2021/2022**

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

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

Report Written by: **D McAuliffe – Senior Business
Partner**

| Reporting Pathway | | | | | | | | |
|-----------------------------|---------------------------|--------------------------|-----------------|-------------------------------|--------------------|---------------------|----------|----------------------|
| Directorate Management Team | Corporate Leadership Team | Portfolio Holder / Chair | Audit Committee | Democratic Services Committee | Scrutiny Committee | Executive Committee | Council | Other (please state) |
| | 04.03.21 | | | | | | 11.03.21 | |

1. **Purpose of the Report**
This report seeks to agree the budget requirement for 2021/2022, set the overall Council Tax level for 2021/2022 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 2021/2022, 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 2021/2022 |
| 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 2nd March 2021, made no changes to the provisional settlement released in December 2020 and therefore the figures in the budget report to Council on 4th March 2021 have not changed.

3. Options for Recommendation

3.1 That it be noted that the Council agreed at its meeting on 4th March 2021 a Council Tax increase of 3.3% for the 2021/2022 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 at the Council has calculated the following amounts for the year (2021/2022) 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 2021/2022 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:

| |
|-----------|
| 20,794.09 |
|-----------|

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:

| | |
|----------|---------------------------|
| 4,662.72 | Abertillery & Llanhilleth |
| 1,697.24 | Brynmaur |
| 2,710.35 | Nantyglo & Blaina |
| 4,731.02 | Tredegar |

c. That it be noted that for the year 2021/2022 the Gwent Office of Police and Crime Commissioner has stated the following amounts in precepts issued to the Council (totalling £5,987,866), 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 |
| 191.97 | 223.97 | 255.96 | 287.96 | 351.95 | 415.94 | 479.93 | 575.92 | 671.91 |

- 3.4 That the following amounts be now calculated by the Council for the year 2021/2022 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-
- a. 224,556,491 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. 67,477,161 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. 157,379,330 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. 120,360,000 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. 1,790.28 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. 456,101 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:

| | |
|----------|---------------------------|
| 1,809.10 | Abertillery & Llanhilleth |
| 1,793.69 | Brynmawr |
| 1,799.60 | Nantyglo & Blaina |
| 1,797.60 | Tredegar |

- j. 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:

| The County Borough Tax including Community Precepts | | | | | | | | | |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Valuation Bands | | | | | | | | | |
| | A | B | C | D | E | F | G | H | I |
| Abertillery & Llanhilleth | 1,206.07 | 1,407.07 | 1,608.09 | 1,809.10 | 2,211.13 | 2,613.14 | 3,015.17 | 3,618.20 | 4,221.23 |
| Brynmawr | 1,195.79 | 1,395.09 | 1,594.39 | 1,793.69 | 2,192.29 | 2,590.88 | 2,989.48 | 3,587.38 | 4,185.28 |
| Nantyglo & Blaina | 1,199.73 | 1,399.69 | 1,599.65 | 1,799.60 | 2,199.51 | 2,599.42 | 2,999.33 | 3,599.20 | 4,199.07 |
| Tredegar | 1,198.40 | 1,398.13 | 1,597.87 | 1,797.60 | 2,197.07 | 2,596.53 | 2,996.00 | 3,595.20 | 4,194.40 |
| 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 |

- k. 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 2021/22 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 | 1,398.04 | 1,631.04 | 1,864.05 | 2,097.06 | 2,563.08 | 3,029.08 | 3,495.10 | 4,194.12 | 4,893.14 |
| Brynmawr | 1,387.76 | 1,619.06 | 1,850.35 | 2,081.65 | 2,544.24 | 3,006.82 | 3,469.41 | 4,163.30 | 4,857.19 |
| Nantyglo & Blaina | 1,391.70 | 1,623.66 | 1,855.61 | 2,087.56 | 2,551.46 | 3,015.36 | 3,479.26 | 4,175.12 | 4,870.98 |
| Tredegar | 1,390.37 | 1,622.10 | 1,853.83 | 2,085.56 | 2,549.02 | 3,012.47 | 3,475.93 | 4,171.12 | 4,866.31 |
| Ebbw Vale | 1,370.87 | 1,599.35 | 1,827.83 | 2,056.31 | 2,513.27 | 2,970.22 | 3,427.18 | 4,112.62 | 4,798.06 |

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 2021/2022 budget setting process are outlined within this report and can be summarised below.

- A council tax increase of 3.3% (Blaenau Gwent element);
- A budget requirement for the Council of £156.923 million (excluding Community Councils) and £157.380 million (including Community Councils);
- Bridging the Gap efficiencies built into the revenue budget of £0.755 million;
- Cost pressures built into the revenue budget of £1.821 million;
- Growth items built into the revenue budget of £1.725 million (including £1.472m into the Individual Schools Budget)
- A contribution to general reserves of £0.2m and a contribution to specific reserves of £1.054m.

5.1.1. A Council Tax increase of 3.3% for 2021/2022 represents a reduction of 0.6% compared to the increase for the current financial year (2020/2021). This will increase Band D Council Tax from £1,711.86 to £1,768.35, which in cash terms would amount to £1.09 a week. At Band A and B levels, the equivalent increases are £0.72 and £0.84 a week respectively.

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

| Authority | 2020/21 | 2021/22 | Increase | |
|----------------------------|-----------------|-----------------|--------------|---------------|
| | £ | £ | £ | % |
| Blaenau Gwent CBC | 1,711.86 | 1,768.35 | 56.49 | 3.30 |
| Gwent Police | 272.96 | 287.96 | 15.00 | 5.50 |
| Total | 1,984.82 | 2,056.31 | 71.49 | 3.60 |
| <i>Community Councils:</i> | | | | |
| Abertillery & Llanhilleth | 51.75 | 40.75 | -11.00 | -21.26 |
| Brynmawr | 25.44 | 25.34 | -0.10 | -0.39 |
| Nantyglo & Blaina | 31.43 | 31.25 | -0.18 | -0.57 |
| Tredeggar | 29.42 | 29.25 | -0.17 | -0.58 |
| Average | 24.50 | 21.93 | -2.57 | -10.49 |
| Total (Average) | 2,009.32 | 2,078.24 | 68.92 | 3.43 |

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 3.43%.

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, £1.254m will be transferred into the Council’s reserves. This results in a statutory budget requirement of £157,379,330. Discretionary rate relief of £208,000 needs to be added to the budget requirement to give the total net revenue budget for 2021/2022 of £157,587,330.

5.1.7 The budget is funded as follows:

| Source | £ |
|--------------------------------|--------------------|
| Revenue Support Grant | 97,026,000 |
| Non-Domestic Rate Distribution | 23,334,000 |
| Council Tax | 36,771,229 |
| Community Council Income | 456,101 |
| | |
| Total | 157,587,330 |

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 4th March 2021 Council set a budget that enabled a contribution to Reserves of £1.254m in 2021/2022 (£0.2m to general reserves and £1.054m to specific reserves).

5.1.12 Assuming the out turn for 2020/2021 is a balanced budget, the forecast level of general reserves will be £6.599 million (4.87%), as shown in the following table. This level of reserves is above the 4% target level specified within the reserves protocol.

| | 31/03/2020 Actual £000 | 31/03/2021 Forecast £000 | 31/03/2022 Forecast £000 |
|--------------------|---------------------------------------|---|---|
| Council Fund | 6,399 | 6,599 | 6,799 |
| Earmarked Reserves | 8,272 | 9,772 | 10,826 |
| | | | |
| Total | 14,671 | 16,371 | 17,625 |

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 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 General 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 2021/2022 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:-

- Budget proposals will be developed on a five year rolling programme basis.
- the current Medium Term Financial Strategy covers the period 2021/2022 to 2025/26 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 ***EqIA(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

