

Committee: **Council**

Date of meeting: **6 March 2025**

Report Subject: **Statutory Budget Requirement 2025/2026**

Portfolio Holder: **Leader, Councillor S. Thomas**

Report Submitted by: **Corporate Director Corporate Services**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
							6/03/25	

## 1. Purpose of the Report

- 1.1 This report seeks to agree the budget requirement for 2025/2026, set the overall Council Tax level for 2025/2026 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 2025/2026, including the precepts approved by other statutory authorities that impact upon the local level of Council Tax and sets out the relevant statutory resolutions.
- 2.2 In setting the budget for 2025/2026, the Council agreed the following proposals at the meeting on 20 February 2025:
- A council tax increase of 4.95% (Blaenau Gwent element)
  - An increase of £0.51m to the Council Tax Reduction Scheme to support households on low income.
  - Budget reductions of £1.93m relating to the Bridging the Gap proposals
  - Cost pressures built into the revenue budget of £2.3m
  - Financial support of £0.4m for Aneurin Leisure Trust
  - An uplift of £4.7m to the Individual Schools Budget to cover pay pressures and rebalance school budgets
  - Grants transferred into the final settlement totalling £2.14m to be passported to the relevant service.

2.3 The Budget Requirement is based on the Welsh Government’s final settlement received on 20 February 2025.

### 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 £197,805,630 (paragraph 5.1.7a and 5.1.13).

#### 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 20 February 2025, a Council Tax increase of 4.95% for the 2025/2026 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
1,343.27	1,567.14	1,791.02	2,014.90	2,462.66	2,910.41	3,358.17	4,029.80	4,701.43

5.1.3 At its meeting in December 2024 the Council agreed the Council Tax base for tax setting purposes to be 21,197.98 for 2025/26, 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:

4,680.72	Abertillery & Llanhilleth
1,742.40	Brynmawr
2,737.59	Nantyglo & Blaina
4,798.27	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 2025/2026 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	£197,805,630	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	£154,534,000	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	£2,051.12	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	£767,820	Being the aggregate amount of all special items referred to in Section 34(1) of the Act (Town and Community Precepts)
f	£2,014.90	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	2,107.63	Abertillery & Llanhilleth
	2,043.60	Brynmawr
	2,053.25	Nantyglo & Blaina
	2,052.16	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	1,405.09	1,639.26	1,873.45	2,107.63	2,576.00	3,044.35	3,512.72	4,215.26	4,917.80
Brynmawr	1,362.40	1,589.46	1,816.53	2,043.60	2,497.74	2,951.87	3,406.00	4,087.20	4,768.40
Nantyglo & Blaina	1,368.84	1,596.97	1,825.11	2,053.25	2,509.53	2,965.80	3,422.09	4,106.50	4,790.91
Tredegar	1,368.11	1,596.12	1,824.14	2,052.16	2,508.20	2,964.23	3,420.27	4,104.32	4,788.37
Ebbw Vale	1,343.27	1,567.14	1,791.02	2,014.90	2,462.66	2,910.41	3,358.17	4,029.80	4,701.43

5.1.10 That it be noted that for the year 2025/2026 the Gwent Office of Police and Crime Commissioner has stated the following amounts in precepts issued to the Council (totalling £7,998,210), 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
251.54	293.46	335.39	377.31	461.16	545.00	628.85	754.62	880.39

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 2025/26 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	1,656.63	1,932.72	2,208.84	2,484.94	3,037.16	3,589.35	4,141.57	4,969.88	5,798.19
Brynmawr	1,613.94	1,882.92	2,151.92	2,420.91	2,958.90	3,496.87	4,034.85	4,841.82	5,648.79
Nantyglo & Blaina	1,620.38	1,890.43	2,160.50	2,430.56	2,970.69	3,510.80	4,050.94	4,861.12	5,671.30
Tredeggar	1,619.65	1,889.58	2,159.53	2,429.47	2,969.36	3,509.23	4,049.12	4,858.94	5,668.76
Ebbw Vale	1,594.81	1,860.60	2,126.41	2,392.21	2,923.82	3,455.41	3,987.02	4,784.42	5,581.82

### 5.1.12 **Budget Requirement**

5.1.13 The statutory budget requirement for 2025/2026 is ££197,805,630, discretionary rate relief needs to be added to this figure to give the total net revenue budget for of £198,013,630. Attached at Appendix 1 is a summary of the net revenue budget per portfolio and attached at Appendix 2 is the detailed Budget Book for 2025/2026.

5.1.14 The budget is funded as follows:

Source	£'000
Revenue Support Grant	130,414,000
Non-Domestic Rate Distribution	24,120,000
Council Tax	43,479,630
<b>Total</b>	<b>198,013,630</b>

### 5.1.15 **Reserves**

5.1.16 In setting the budget for 2025/2026, there is no requirement to utilise Reserves to balance the budget. However, during the financial year specific reserves will be utilised to fund expenditure incurred in line with the intended purpose of the reserve and this has been assumed at £0.5m.

5.1.17 The table below shows the forecast Revenue Reserves based on a number of assumptions:

- 2024/2025 usage is based on quarter 3 outturn position and additional funding for Aneurin Leisure Trust
- An annual estimated draw of £0.5m from specific reserves
- School Balances for 2024/2025 is showing an improving position and this is due to the award of the NJC pay award grant and the impact of Deficit Recovery plans. The forecast for school balances for 2025/2026 and 2026/2027 shows the impact of the cost pressure funding awarded of £2.4m.

	<b>31/03/2024 Provisional £000</b>	<b>31/03/2025 Forecast £000</b>	<b>31/03/2026 Forecast £000</b>	<b>31/3/2027 Forecast £000</b>
Council Fund	12,600	12,524	12,524	12,524
Usable Revenue	30,175	28,985	28,485	27,985
School Balances	1,348	(2,050)	(3,000)	(1,510)
<b>Total</b>	<b>44,123</b>	<b>39,359</b>	<b>38,859</b>	<b>38,999</b>

Note - 31/3/2024 Reserve balances are provisional at this stage as the Statement of Accounts being competed and are subject to External Audit.

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

5.1.19 This section of the above Act requires that in my role as Corporate Director Corporate Services 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 2025/2026 and included within the budget.

5.1.21 The positive settlement has allowed the Council to:

- Set a balanced budget for 2025/2026, including anticipated pressures with no requirement to draw from reserves
- Protect services
- Maintains a small contingency to mitigate unforeseen cost pressures e.g. cost increases over and above inflation, increase in employers' national insurance and the impact on suppliers/service providers, potential pay awards above the 3% built into budget, delay in delivering bridging the gap proposals etc.
- Invest in schools by rebalancing school funding over the next 2 years
- Support services operated by Aneurin Leisure Trust

5.1.22 I expect the financial challenges to continue beyond 2025/2026, with current financial modelling highlighting the need to deliver around £5.4m (based on current assumptions) budget cuts for 2026/2027 and £11m over the next 4 years. It is imperative that the budget process for 2026/2027 and beyond starts now with development, consultation and implementation of proposals under Bridging the Gap that deliver financial and / or operational benefits for the Council in the short, medium and longer term.

5.1.23 The level of reserves, both general and earmarked is satisfactory, albeit the current forecast for school balances is a cause for concern. To mitigate this risk the funding strategy for schools has been revised and the Medium-Term Financial Strategy includes plans to address declining school balances over the next 2 years.

## 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 & 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 is no impact on staffing arising from this report.

## 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	2024/25	2025/26	Increase	
	£	£	£	%
Blaenau Gwent CBC	1,919.91	2,014.95	95.04	4.95
Gwent Police	349.52	377.31	27.79	7.95
<b>Total</b>	<b>2,269.43</b>	<b>2,392.26</b>	<b>122.83</b>	<b>5.41</b>
<i>Community Councils:</i>				
Abertillery & Llanhilleth	82.51	92.73	10.22	12.39
Brynmawr	26.27	28.70	2.43	9.25
Nantyglo & Blaina	38.72	38.35	-0.37	-0.96
Tredegar	35.93	37.26	1.33	3.70
<b>Average</b>	<b>33.54</b>	<b>36.22</b>	<b>2.68</b>	<b>7.99</b>
<b>Total (Average)</b>	<b>2,302.97</b>	<b>2,428.48</b>	<b>125.51</b>	<b>5.45</b>

- 6.1.1 Table 2 attached at Appendix 3 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 5.45%.

6.1.2 Table 3 attached at Appendix 4 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 5.45%.

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

6.3.1 The Council has undertaken consultation on the proposals within the 2025/2026 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 2025/2026 to 2029/2030 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 Executive Leadership Team, Apollo, Corporate & Performance Scrutiny and Cabinet will receive quarterly finance monitoring briefings and reports.

**Background Documents /Electronic Links**

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