

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO TOWN AND COMMUNITY COUNCIL FORUM

16 OCTOBER 2017

REPORT OF THE HEAD OF FINANCE OF BRIDGEND COUNTY BOROUGH COUNCIL

2018-19 BUDGET

1. Purpose of Report

- 1.1 The purpose of this report is to provide the Town and Community Council Forum with an update on progress of the Council's Budget. A presentation will support this report on the day.

2. Connection to Corporate Improvement Plan / Other Corporate Priorities

- 2.1 This report links to all of the Council's Corporate priorities. The Council's corporate priorities and areas of focus form the core elements of the Corporate Plan. They are developed to deliver the Council's vision and outcomes that matter most to local citizens.

3. Background

- 3.1 The Council has a four-year Medium-Term Financial Strategy (MTFS), which includes a one year budget. This is updated annually and approved by full Council, most recently on 1 March 2017. The strategy identified the resources to support the delivery of the improvement priorities as well as those required to support 'business as usual' activities. The current MTFS covers the period 2018-19 to 2021-22.
- 3.2 Over the last four years, BCBC, like other councils, has experienced a period of unprecedented financial challenge. During this time, the council has had to identify and deliver approximately £36 million of recurrent budget reductions.

4. Current Situation

- 4.1 On top of the reductions already made, the council is current forecasting a further funding shortfall of approximately £35 million between 2018-19 and 2021-22.
- 4.2 In addition to reducing financial settlements from Welsh Government each year, the council faces additional and increasing financial pressure in future years as a result of:
- Any future unfunded Legislative pressures
 - Upward pressure on staff pay costs as pay restraint is relaxed
 - Structural pay issues driven by compliance with the national living wage

- Rising price Inflation impacting external supply contracts

- 4.3 Councils receive their draft Welsh Government settlement on 10th October, however the full impact of any changes will not be clear until some time thereafter, as the picture emerges on specific grant allocations.
- 4.4 The council's draft budget will be presented to Cabinet on 28th November 2017, after which time the council's overview and scrutiny committees will consider the implications for their own areas of responsibility. A summary of recommendations will then be fed back to cabinet for consideration of any changes made to the final budget, which will then be brought to full Council on 28 February 2018 for approval.
- 4.5 As reported to Cabinet in July 2017, for planning purposes, the council's MTFS assumes an increase of 4.2% to council tax in 2018-19 and 4.5% annually for each year after. Within the wider budget timetable, specific dates related to Council tax are as follows:

Provision local tax base communicated to TCCs	End November
2018-19 Tax base approved by Council	29 November
Deadline for TCC precept submission to BCBC	Early January (provisionally Friday 5 th January)
Report to set council tax	28 th February

5. Effect upon Policy Framework and Procedure Rules

- 5.1 The Council's MTFS allocates resources for the delivery of the Corporate Plan, which provides the general direction for service delivery. Priorities with specific policy implications will be the subject of separate reports in accordance with the requirements of the constitution and legislation.

6. Equality Impact Assessment

- 6.1 The final budget proposals will cover a wide range of services and it is inevitable that the necessary budget reductions in developing these proposals will impact on the local population in different ways. The Equality Impact Assessment will be carried out and included with the final budget and reported to Council in February 2018.

7. Financial Implications

- 7.1 The Council's priorities and corporate plan are supported by its MTFS. The 2018-2022 MTFS is in the process of development and there will be a joint public consultation on the financial priorities and emerging MTFS proposals during October – November.

8. Recommendations

- 8.1 Members are requested to note the report.

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16 October 2017

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Background Documents

Report to Council - Medium Term Financial Strategy 2017-2021 - March 2017 (final)
Report to Cabinet – Medium Term Financial Strategy 2018 – 2022 (planning)