

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

15 MARCH 2023

REPORT OF THE CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

BUDGET 2023-24

1. Purpose of report

- 1.1 The purpose of this report is to inform Council of the updated net budget requirement for 2023-24 following the Welsh Government's announcement of the Final Local Government Settlement on 28 February 2023, further to Council's approval of the original net budget requirement, based on the Provisional Local Government Settlement, at its meeting on 1 March 2023.

2. Connections to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:

1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
2. **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
3. **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

- 2.2 The allocation of budget determines the extent to which the Council's well-being objectives can be delivered. The Corporate Plan and Medium Term Financial Strategy (MTFS) identify the Council's service and resource priorities for the next four financial years, with particular focus on 2023-24.

3. Background

- 3.1 Members will recall that as part of the approval process for the Medium Term Financial Strategy (MTFS) 2023-24 to 2026-27 at the meeting of Council on 1 March 2023, approval was given for a net budget requirement of £342,047,227 in 2023-24. This was to be funded as follows:

	£	%
Revenue Support Grant	202,269,300	59.13
Non Domestic Rates	47,625,526	13.92
Council Tax Income	92,152,401	26.94
Total	342,047,227	100%

3.2 The report to Council also stated that the budget was based on the provisional settlement received in December 2022 and that whilst we did not anticipate any significant change in funding between the provisional and final settlement, there may be a change in respect of the potential transfer into the final local government settlement of the Fire and Rescue Authority (FRA) Scape grant, which funds increased employer costs related to FRA pensions. It was not envisaged that any changes would impact upon council tax.

3.3 The Welsh Government announced its Final Local Government Settlement on 28 February 2023. Only minor changes have been to the provisional settlement including incorporation of the Scape grant into the settlement and an adjustment in relation to specified bodies data (in this instance the Welsh Local Government Association, which provides services for local authorities). When announcing the final settlement the Minister for Local Government and Housing stated: *“Other than a small increase of £113 thousand to the distributable RSG as a result of .. adjustments to specified bodies data, I allocated all available funding into the provisional settlement to give as much early certainty as I could to authorities. I have no further funding currently available”*. The impact of these adjustments means an increase in the Revenue Support Grant (RSG) for the Council of £287,106 resulting in an increase in Aggregate External Finance (RSG plus share of Non Domestic Rates) for the Council from £249,894,826 to £250,181,932. Of the £287,106 increase, £280,314 relates to the transfer in of the Scape grant, with the balance of £6,792 arising as a result of the adjustment in relation to specified bodies.

4. Current situation/proposal

4.1 As a result of the change in RSG the Council’s net budget requirement will also increase, from £342,047,227 as approved by Council on 1 March 2023 to £342,334,333. A sum of £281,997 will be added to the budget to pay the Fire and Rescue Authority levy, increasing that budget to £8,522,690 for 2023-24, in line with the agreed contribution for 2023-24, as outlined in the MTFS report to Council on 1 March 2023. The remaining £5,109 will be added to the pay and price budgets. These changes result in a final net revenue budget of:

	Revised Budget 2022-23	Inter-Directorate Transfers (Pensions / Nat. Insurance)	Pay / Prices	Budget Pressures	Budget Reduction Proposals	Opening Revenue Budget 2023-24
	£000	£000	£000	£000	£000	£000
Service Directorate Budgets:						
Central Education & Family Support	27,497	-89	132	200	-40	27,700
Schools	110,437	-463	1,932		-2,118	109,788
Education and Family Support	137,934	-552	2,064	200	-2,158	137,488
Social Services & Wellbeing	84,956	-393	54	8,174	0	92,791
Communities	31,013	-115	22		-375	30,545
Chief Executives	23,489	-112	1	700	-75	24,003
Total Directorate Budgets	277,392	-1,172	2,141	9,074	-2,608	284,827
Council Wide Budgets:						
Capital Financing	7,203					7,203
Levies	8,210			979		9,189
Repairs and Maintenance	670					670
Council Tax Reduction Scheme	16,054					16,054
Apprenticeship Levy	650					650
Pension Related Costs	430					430
Insurance Premiums	1,363					1,363
Other Council Wide Budgets	7,542	1,172	11,909	1,325		21,948
Total Council Wide Budgets	42,122	1,172	11,909	2,304	0	57,507
Net Budget Requirement	319,514	0	14,050	11,378	-2,608	342,334

4.2 This will be funded as follows:

	£	%
Revenue Support Grant	202,556,406	59.17
Non Domestic Rates	47,625,526	13.91
Council Tax Income	92,152,401	26.92
Total	342,334,333	100%

4.3 No other changes to the budget are proposed.

5. Effect upon policy framework and procedure rules

5.1 The budget setting process is outlined within the Council's Constitution and Financial Procedure Rules.

6. Equality Act 2010 implications

6.1 The Equality Act 2010 implications for the Medium Term Financial Strategy 2023-24 to 2026-27 were included within the report to Council on 1 March 2023.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The Well-Being of Future Generations (Wales) Act 2015 Assessment for the Medium Term Financial Strategy 2023-24 to 2026-27 were included within the report to Council on 1 March 2023.

8. Financial implications

8.1 These are reflected within the report.

9. Recommendation

9.1 Council is asked to note the revised Net Budget Requirement of £342,334,333 for 2023-24.

Carys Lord
Chief Officer – Finance, Performance and Change and Section 151 Officer
March 2023

Contact Officer: Deborah Exton CPFA
Deputy Head of Finance

Telephone: 01656 643604

Email: deborah.exton@bridgend.gov.uk

Postal Address: Civic Offices
Angel Street
Bridgend
CF31 4WB

Background Documents: None