

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

24 FEBRUARY 2021

REPORT OF THE INTERIM CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

COUNCIL TAX 2021-22

1. Purpose of report

- 1.1 The purpose of this report is to provide Council with details of the council tax requirement for the County Borough Council, together with the requirements of the Police and Crime Commissioner for South Wales and Community/Town Councils, and to seek Council approval of the Band D council tax for Bridgend County Borough Council and the community areas for 2021-22.

2. Connection 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 focused 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 Council, as the billing authority, is required to formally approve the council tax for its area. Council tax collected from local residents makes up almost 30% of the funding for the Council's net revenue budget.

3. Background

- 3.1 The final budget proposals have been placed before Council for approval as the Council has to calculate its budget requirement in accordance with Section 32 of the Local Government Finance Act 1992 and set the level of council tax for 2021-22.
- 3.2 Section 33 of the Local Government Finance Act 1992 requires billing authorities to calculate the basic amount of council tax in a financial year. Section 34 of the Act further requires the billing authority to calculate the basic amount of council tax for dwellings in those parts of its area to which one or more special items relate, such as a Community/Town Council precept requirement.
- 3.3 The Council collects the council tax on behalf of the Town and Community Councils and the Police and Crime Commissioner for South Wales. The monies collected are then paid over to the relevant bodies in line with the amount they have included in their budget to be charged to households in the county borough of Bridgend.
- 3.4 The council tax base determines the amount of council tax which can be raised to fund the Council's budget and is the measure of the relative taxable capacity of different areas within the County Borough. The tax base represents the number of chargeable dwellings in the area expressed as Band D equivalents taking into account the total number of exemptions, discounts and disabled band reductions, with the net tax base calculated by taking account of the Council's estimated collection rate.
- 3.5 When the council tax base for 2021-22 was approved by Council in November 2020 the estimated collection rate was reduced from 98% to a lower figure of 97.5%, to reflect the current economic circumstances surrounding the Covid-19 pandemic, the higher number of citizens facing economic hardship and current collection rates. This has led to a reduction in the net tax base for 2021-22.

4. Current situation/proposal

- 4.1 Council is expected to approve the Bridgend County Borough Council budget for 2021-22 at its meeting on 24 February 2021, and the proposed budget is shown in Table 1 below:

Table 1: Net Revenue Budget 2021-22

	Revenue Budget 2021-22 £000
<u>Service Directorate Budgets:</u>	
Central Education & Family Support	23,577
Schools	103,478
<i>Education and Family Support</i>	<i>127,055</i>
<i>Social Services & Wellbeing</i>	<i>74,043</i>
<i>Communities</i>	<i>28,137</i>
<i>Chief Executive's</i>	<i>21,304</i>
Total Directorate Budgets	250,539
<u>Council Wide Budgets:</u>	
Capital Financing	7,329
Levies	7,783
Repairs and Maintenance	670
Council Tax Reduction Scheme	15,654
Apprenticeship Levy	650
Pension Related Costs	430
Insurance Premiums	1,363
Other Council Wide Budgets	14,538
Total Council Wide Budgets	48,417
Net Budget Requirement	298,956

- 4.2 The net budget requirement for Bridgend County Borough Council for 2021-22 is £298,956,245, and the amount to be funded from Council Tax is £86,764,691 as shown in Table 2 below. This equates to a Council Tax of £1,597.01 on a Band D property, an increase of 3.9%. This proposed increase of 3.9% equates to 77p per week for a person living in a Band A property and £1.15 per week for someone living in a Band D property (62% of properties in Bridgend are lower than a Band D).

Table 2 – Net Budget Funding

	£	%
Revenue Support Grant	163,404,268	54.66
Non Domestic Rates	48,787,286	16.32
Council Tax Income	86,764,691	29.02
Total	298,956,245	100.00

- 4.3 The Police and Crime Commissioner for South Wales has notified the Council that their precept for the financial year ending 31 March 2022 will rise to £15,631,672 which equates to a council tax of £287.72 on a Band D property,

a 5.5% increase. The 2021-22 precept was agreed by the South Wales Police and Crime Panel on 3 February 2021.

- 4.4 For the 2021-22 financial year, the Police and Crime Commissioner for South Wales has stated that the following amounts are to be levied by the Council in respect of policing services, in accordance with section 40 of the Local Government Act 1992, for each of the categories of dwellings shown in Table 3 below:

Table 3 – Council Tax Bandings 2021-22 –South Wales Police Precept

Police & Crime Commissioner for South Wales	(£.p)
Band A	191.81
Band B	223.78
Band C	255.75
Band D	287.72
Band E	351.66
Band F	415.60
Band G	479.53
Band H	575.44
Band I	671.35

- 4.5 The average council tax for the County Borough for 2021-22 is shown in Table 4 below.

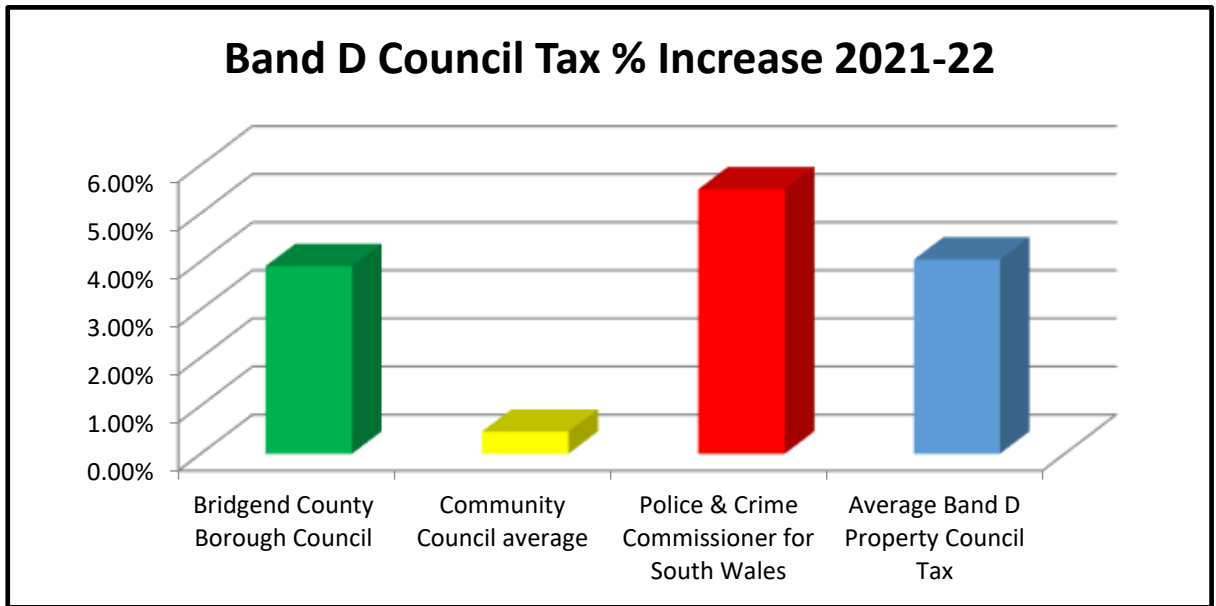
Table 4 – Average Council Tax Increase 2021-22

	2020-21	2021-22	% change
Council Tax Base - Band D equivalents	54,492.29	54,329.46	-0.3

	£	£	% change
Bridgend County Borough Council	1,537.06	1,597.01	3.90
Community Council average	52.36	52.60	0.46
Police & Crime Commissioner for South Wales	272.72	287.72	5.50
Band D property average council tax	1,862.14	1,937.33	4.04

- 4.6 The average Council Tax increase for Bridgend County Borough Council and each of the precepting bodies is provided in Table 5 below:

Table 5 – Average Council Tax Increase 2021-22



4.7 The Council, as the billing authority, is required to formally approve the council tax for its area. This must be set to meet the net budget requirement of the Council and its precepting authorities and is set out in Table 6 below.

Table 6 – Total Average Band D Council Tax Requirement 2021-22

Authority	Requirement £	Net Tax Base	Band D Council Tax £
Bridgend County Borough Council	86,764,691	54,329.46	1,597.01
<u>Local Precepts</u>			
Brackla Community Council	169,630.00	4,167.61	40.70
Bridgend Town Council	637,980.00	5,930.12	107.58
Cefn Cribwr Community Council	42,000.00	542.10	77.48
Coity Higher Community Council	111,200.00	3,994.07	27.84
Cornelly Community Council	150,000.00	2,567.22	58.43
Coychurch Higher Community Council	11,000.00	336.82	32.66
Coychurch Lower Community Council	30,016.00	646.81	46.41
Garw Valley Community Council	120,001.00	2,275.85	52.73
Laleston Community Council	218,246.00	4,952.63	44.07
Llangynwyd Lower Community Council	9,000.00	169.33	53.15
Llangynwyd Middle Community Council	58,000.00	1,046.96	55.40
Maesteg Town Council	330,919.00	5,618.30	58.90
Merthyr Mawr Community Council	3,500.00	150.19	23.30
Newcastle Higher Community Council	53,637.00	1,724.82	31.10
Ogmore Valley Community Council	92,753.00	2,576.49	36.00
Pencoed Town Council	160,000.00	3,439.80	46.51
Porthcawl Town Council	435,600.00	8,040.42	54.18
Pyle Community Council	120,000.00	2,489.95	48.19
St Brides Minor Community Council	59,362.00	2,315.14	25.64
Ynysawdre Community Council	45,000.00	1,344.83	33.46
Borough Budget Requirement (including Community Councils)	89,622,535	54,329.46	1,649.61
Police and Crime Commissioner for South Wales	15,631,672	54,329.46	287.72
TOTAL	105,254,207	54,329.46	1,937.33

- 4.8 The Council is also required to approve the council tax charges for Band D properties for the chargeable financial year beginning 1 April for each of the 20 community areas and these are shown in Table 7 below. All calculations are for a Band D equivalent property.

Table 7 – Council Tax 2021-22 per Town and Community Council

Town or Community Council	Bridgend CBC	Community Council	Police & Crime Commissioner for South Wales	Total
	£	£	£	£
Brackla Community Council	1,597.01	40.70	287.72	1,925.43
Bridgend Town Council	1,597.01	107.58	287.72	1,992.31
Cefn Cribwr Community Council	1,597.01	77.48	287.72	1,962.21
Coity Higher Community Council	1,597.01	27.84	287.72	1,912.57
Cornelly Community Council	1,597.01	58.43	287.72	1,943.16
Coychurch Higher Community Council	1,597.01	32.66	287.72	1,917.39
Coychurch Lower Community Council	1,597.01	46.41	287.72	1,931.14
Garw Valley Community Council	1,597.01	52.73	287.72	1,937.46
Laleston Community Council	1,597.01	44.07	287.72	1,928.80
Llangynwyd Lower Community Council	1,597.01	53.15	287.72	1,937.88
Llangynwyd Middle Community Council	1,597.01	55.40	287.72	1,940.13
Maesteg Town Council	1,597.01	58.90	287.72	1,943.63
Merthyr Mawr Community Council	1,597.01	23.30	287.72	1,908.03
Newcastle Higher Community Council	1,597.01	31.10	287.72	1,915.83
Ogmore Valley Community Council	1,597.01	36.00	287.72	1,920.73
Pencoed Town Council	1,597.01	46.51	287.72	1,931.24
Porthcawl Town Council	1,597.01	54.18	287.72	1,938.91
Pyle Community Council	1,597.01	48.19	287.72	1,932.92
St Brides Minor Community Council	1,597.01	25.64	287.72	1,910.37
Ynysawdre Community Council	1,597.01	33.46	287.72	1,918.19

4.9 The resulting charges for each Band are set out in Appendix A.

5. Effect on policy framework and procedure rules

5.1 The budget setting process is outlined within the Council's Constitution and Financial Procedure Rules. The budget is set in accordance with the statutory provisions set out in Local Government Finance Act 1992.

6. Equality Impact Assessment

6.1 The council tax is determined as part of the Medium Term Financial Strategy (MTFS) budgetary process. The MTFS is reported separately to Council and contains details of the high level Equality Impact Assessment which has been undertaken on the budget setting process. The proposals contained within that report cover a wide range of services and it is inevitable that the necessary budget reductions will impact on the local population in different ways. Council Tax charges do not have a negative equality impact.

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

7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

8.1 These are outlined within the report.

9. Recommendations

9.1 Subject to approval of the Council's proposed net budget requirement for 2021-22, Council is asked to approve:

- a Band D Council Tax for Bridgend County Borough Council of £1,597.01 for 2021-22, and
- the Council Tax charges for Band D properties for 2021-22 for each of the community areas as outlined in Table 7.

Gill Lewis CPFA
Interim Chief Officer – Finance, Performance and Change and Section 151 Officer

February 2021

Contact Officer: Fran Mantle CPFA
Finance Manager Governance & Exchequer

Telephone: 01656 643286

Email: frances.mantle@bridgend.gov.uk

Postal Address: Raven's Court
Brewery Lane
Bridgend
CF31 4AP

Background Papers:

Final Local Government Revenue and Capital Settlements 2021-22

Cabinet Report – MTFS 2021-22 to 2024-25 – 23 February 2021

Council Report – MTFS 2021-22 to 2024-25 – 24 February 2021