

BRIDGEND COUNTY BOROUGH COUNCIL

INFORMATION REPORT TO COUNCIL

9 MARCH 2022

REPORT OF THE CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

BUDGET 2022-23

1. Purpose of report

- 1.1 The purpose of this report is inform Council of the updated net budget requirement for 2022-23 following the Welsh Government's announcement of the Final Local Government Settlement on 1 March 2022, and subsequent to Council's approval of the original net budget requirement based on the Provisional Local Government Settlement at its meeting on 23 February 2022.

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 2022-23.

3. Background

- 3.1 Members will recall that as part of the approval process for the Medium Term Financial Strategy (MTFS) 2022-23 to 2025-26 at the meeting of Council on 23 February 2022, approval was given for a net budget requirement of £319,510,077 in 2022-23. This was to be funded as follows:

Revenue Support Grant	179,590,994	56.21
Non Domestic Rates	52,772,627	16.52
Council Tax Income	87,146,456	27.27
Total	319,510,077	100%

3.2 The report to Council also stated that the budget was based on the provisional settlement received in December 2021 and that whilst we did not anticipate any significant change in funding between the provisional and final settlement, any changes would be reported back to Council at a later date. It was not envisaged that any changes would impact upon council tax.

3.3 The Welsh Government announced its Final Local Government Settlement on 1 March 2022. When announcing the final settlement the Minister for Local Government and Housing stated: *“Other than a small increase of £96 thousand to the distributable RSG as a result of a technical adjustment, 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 this technical change means an increase in the Revenue Support Grant (RSG) for the Council of £4,336 resulting in an increase in Aggregate External Finance (RSG plus share of Non Domestic Rates) for the Council from £232,363,621 to £232,367,957.

4. Current situation/proposal

4.1 As a result of the change in RSG the Council's net budget requirement will also increase, from £319,510,077 as approved by Council on 23 February to £319,514,413. It is proposed that this additional £4,336 be added to the corporate pay and prices budget, given uncertainties around pay increases for 2022-23 and rising inflation costs, resulting in a final net revenue budget of:

	Revised Budget 2021-22	Specific Transfers to/ (from) WG	NI Increase (Health and Social Care Levy)	Pay / Prices	Budget Pressures	Budget Reduction Proposals	Revenue Budget 2022-23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Service Directorate Budgets:							
Central Education & Family Support	22,388		85	18	3,421	-68	25,844
Schools	104,012		657	825	92	0	105,586
Education and Family Support	126,400	0	742	843	3,513	-68	131,430
Social Services & Wellbeing	74,564	222	180		3,833	-365	78,434
Communities	28,364	296	98		387	-150	28,995
Chief Executives	21,415		93		435	-48	21,895
Total Directorate Budgets	250,743	518	1,113	843	8,168	-631	260,754
Council Wide Budgets:							
Capital Financing	7,329						7,329
Levies	7,797				380		8,177
Repairs and Maintenance	670						670
Council Tax Reduction Scheme	15,654			400			16,054
Apprenticeship Levy	650						650
Pension Related Costs	430						430
Insurance Premiums	1,363						1,363
Other Council Wide Budgets	14,320	0	1,000	4,767	4,000		24,087
Total Council Wide Budgets	48,213	0	1,000	5,167	4,380	0	58,760
Net Budget Requirement	298,956	518	2,113	6,010	12,548	-631	319,514

4.2 This will be funded as follows:

	£	%
Revenue Support Grant	179,595,330	56.21
Non Domestic Rates	52,772,627	16.52
Council Tax Income	87,146,456	27.27
Total	319,514,413	100%

4.3 No other changes to the budget are proposed.

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.

6. Equality Act 2010 implications

6.1 The Equality Act 2010 implications for the Medium Term Financial Strategy 2022-23 to 2025-26 were included within the report to Council on 23 February 2022.

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 2022-23 to 2025-26 were included within the report to Council on 23 February 2022.

8. Financial implications

8.1 These are reflected within the report.

9. Recommendations

9.1 Council is asked to note the revised Net Budget Requirement of £319,514,413 for 2022-23.

Carys Lord
Chief Officer – Finance, Performance and Change and Section 151 Officer
March 2022

Contact Officer: Deborah Exton CPFA
Deputy Head of Finance

Telephone: 01656 643604

Email: deborah.exton@bridgend.gov.uk

Postal Address : Raven's Court
Brewery Lane

Bridgend
CF31 4AP

Background Documents:

Provisional Local Government Revenue and Capital
Settlements 2022-23

Final Local Government Revenue and Capital Settlements
2022-23