

Meeting of:	COUNCIL
Date of Meeting:	13 MARCH 2024
Report Title:	BUDGET 2024-25
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, HOUSING AND CHANGE
Responsible Officer:	DEBORAH EXTON DEPUTY HEAD OF FINANCE
Policy Framework and Procedure Rules:	The budget setting process is outlined within the Council's Constitution and Financial Procedure Rules.
Executive Summary:	<ul style="list-style-type: none"> • Council approved the Medium Term Financial Strategy for 2024-2028 at its meeting on 28 February 2024. This included a budget for 2024-25 of £359.725 million. This was based on the Provisional Local Government Settlement for 2024-25, announced by Welsh Government on 20 December 2023. • Welsh Government announced its Final Local Government Settlement for 2024-25 on 27 February 2024, which included the transfer of three grants into the settlement, along with an additional £14.4 million across Wales to support pressures in social care and education. • This report presents an updated budget to Council for information. No changes are being made to the levels of council tax, or budget pressures and reductions approved by Council on 28 February 2024.

1. Purpose of Report

- 1.1 The purpose of this report is to inform Council of the updated net budget requirement for 2024-25 following the Welsh Government's announcement of the Final Local Government Settlement on 27 February 2024, further to Council's approval of the original net budget requirement, based on the Provisional Local Government Settlement, at its meeting on 28 February 2024.

2. Background

- 2.1 Members will recall that as part of the approval process for the Medium Term Financial Strategy (MTFS) 2024-25 to 2027-28 at the meeting of Council on 28

February 2024, approval was given for a net budget requirement of £359,725,154 for 2024-25. This was to be funded as follows:

	£	%
Revenue Support Grant	205,006,429	56.99
Non-domestic Rates	52,971,909	14.73
Council Tax Income	101,746,816	28.28
Total	359,725,154	100%

- 2.2 The report to Council stated that the budget was based on the provisional settlement received on 20 December 2023. It also mentioned that Welsh Government had indicated on 7 February 2024 that an additional £14.4 million (across Wales) would be included in the Final Local Government Settlement to support pressures in both social care and education, including teachers' pay. The report stated that this additional funding would be retained in the central provisions for pay and prices to support those specific areas during the financial year.
- 2.3 With regards to specific grants, no grants were transferred into the Revenue Support Grant in the provisional settlement, but the final MTFS indicated that there could be transfers into the final settlement, and these would be reported to Council at a later date.

3. Current situation / proposal

- 3.1 Welsh Government announced its Final Local Government Settlement on 27 February 2024. The headline figure is an overall increase in Aggregate External Finance (AEF) across Wales, after taking into account new transfers into the settlement, of 3.3%, compared to 3.1% in the provisional settlement. This is attributed to the £14.4 million additional Revenue Support Grant announced on 7 February 2024 in respect of social care and education. For Bridgend this means a 3.2% increase in AEF, compared to a 3.1% increase reported in the provisional settlement. In cash terms this is an increase in funding of £649,540.
- 3.2 Alongside this increase, three grants, totalling £296,723, have transferred into the final settlement, as follows:
- Implementation of the Performance and Improvement Framework (£40,000) (for one year only) – Social Services and Wellbeing Directorate
 - Delivery of Flood Prevention (£225,000) – Communities Directorate
 - Child Burials (£31,723) – Communities Directorate

These grants will be passported to the services affected.

- 3.3 With regard to the funding of changes to teachers' pensions, in the Final Settlement the Minister for Finance and Local Government re-stated that funding for this is expected to be provided by UK Government during 2024-2025 and that she had written to the Chief Secretary to the Treasury to press for assurances on the level and timing of this funding.

3.4 As a result of the change in Revenue Support Grant (RSG) the Council's net budget requirement will increase, from £359,725,154 as approved by Council on 28 February 2024 to £360,671,417. As mentioned in the MTFs report to Council on 28 February 2024 the additional £649,540 in respect of social care and education pressures, including teachers' pay, will be held centrally in the provisions for pay and prices to mitigate additional costs in these areas as they arise. The additional funding in respect of specific grants transferring into the settlement of £296,723 has been included in the relevant directorate budgets. These changes result in a final net revenue budget of:

	Revised Budget 2023-24	Specific Transfers to/ (from) WG	Inter-Directorate Transfers	Pay / Prices / Other pressures	Budget Pressures (Appendix C)	Budget Reduction Proposals (Appendix D)	Opening Revenue Budget 2024-25	Potential In-Year Allocations for Pay and Prices *	Potential Final Budget 2024-25
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Service Directorate Budgets:									
Central Education & Family Support	29,400		0	177	2,200	-1,560	30,217	1,423	31,640
Schools	114,740		0	1,969	0	-3,441	113,268	5,070	118,338
Education and Family Support	144,140	0	0	2,146	2,200	-5,001	143,485	6,493	149,978
Social Services & Wellbeing	98,436	40	0	17	8,330	-2,248	104,575	4,188	108,763
Communities	32,283	257	300	324	0	-2,460	30,704	2,760	33,464
Chief Executives	25,338		0	3	330	-3,246	22,425	1,249	23,674
Total Directorate Budgets	300,197	297	300	2,490	10,860	-12,955	301,189	14,690	315,879
Council Wide Budgets:									
Capital Financing	7,142					-90	7,052		7,052
Levies	9,189				446		9,635		9,635
Repairs and Maintenance	670						670		670
Council Tax Reduction Scheme	16,054						16,054		16,054
Apprenticeship Levy	750						750		750
Pension Related Costs	430						430		430
Insurance Premiums	1,363						1,363		1,363
Other Council Wide Budgets	6,539	0	-300	16,739	550		23,528	-14,690	8,838
Total Council Wide Budgets	42,137	0	-300	16,739	996	-90	59,482	-14,690	44,792
Net Budget Requirement	342,334	297	0	19,229	11,856	-13,045	360,671	0	360,671

* Actual amounts will depend upon final agreed pay awards and inflationary increases / contractual increases

3.5 This will be funded as follows:

	£	%
Revenue Support Grant	205,952,692	57.10
Non Domestic Rates	52,971,909	14.69
Council Tax Income	101,746,816	28.21
Total	360,671,417	100%

3.6 There are no other changes to the budget.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The Equality implications, including the Socio-economic duty and Welsh Language implications, for the Medium Term Financial Strategy 2024-25 to 2027-28 were included within the report to Council on 28 February 2024.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The Well-Being of Future Generations (Wales) Act 2015 Assessment for the Medium Term Financial Strategy 2024-25 to 2027-28 were included within the report to Council on 28 February 2024.

6. Climate Change Implications

- 6.1 The climate change implications for the Medium Term Financial Strategy 2024-25 to 2027-28 were included within the report to Council on 28 February 2024.

7. Safeguarding and Corporate Parent Implications

- 7.1 The safeguarding and corporate parent implications for the Medium Term Financial Strategy 2024-25 to 2027-28 were included within the report to Council on 28 February 2024.

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 £360,671,417 for 2024-25.

Background documents

None