



SPECIAL COUNCIL – 24TH FEBRUARY 2021

SUBJECT: BUDGET PROPOSALS FOR 2021/22 AND MEDIUM-TERM FINANCIAL OUTLOOK

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

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- 1.1 The attached report, which was considered by Cabinet on 17th February 2021 sought Cabinet endorsement of the 2021/22 budget proposals prior to final determination by Council on 24th February and provided an update on the Medium-Term Financial Plan (MTFP).
 - 1.2 It was noted that the 3.1% uplift in the Provisional Financial Settlement along with the proposed increase in Council Tax of 3.9% will mean that there will be no requirement for any new savings to be identified to balance the budget for the 2021/22 financial year. Furthermore, the proposals in the report will also maintain service provision across the Council, fund increasing demand and service pressures in key areas such as Social Services and Education, enable new community focussed investments in areas such as Caerphilly Cares and the proposed Community Empowerment Fund, provide the capacity and resilience required to drive forward the Team Caerphilly Transformation Programme and Place Shaping Plan, and address legacy issues in respect of income shortfalls in a number of service areas.
 - 1.3 Cabinet noted that details of the 2021/22 Final Local Government Financial Settlement will not be announced until 2nd March 2021, however it is anticipated that this will not vary significantly from the position set out in the Provisional Settlement.
 - 1.4 The Council is on a journey of recovery, improvement and transformation and the proposals set out in the report provide a sound platform to move forward with its ambitious plans.
 - 1.5 Cabinet discussed the report at length and sought further information regarding the level of Caerphilly CBC Band D Council Tax compared to neighbouring Local Authorities, the number of households in receipt of support through the Council Tax Reduction Scheme (CTRS), the financial impact of Covid-19, and assumptions around future budget planning. The Cabinet Member provided detailed responses to Members' queries and Cabinet were pleased to note the report and recommendations.
 - 1.6 Council is asked to note the comments above and to consider the recommendations of Cabinet that:
 - i) The revenue budget proposals for 2021/22 of £368.227m be agreed as detailed throughout the report and summarised in Appendix 1;

- ii) The proposal to appoint four fixed-term Project Managers be approved for an initial period of 2 years to support the delivery of the Council's Transformation Programme and Place Shaping Plan, with the total costs of £368k being funded from the £1.8m reserve previously approved by Council to support the delivery of the MTFP (paragraph 5.3.37);
- iii) The movements on the General Fund in Appendix 2 be noted and the proposal that for one year only £1.050m of the General Fund balance be used to support the 2021/22 budget be agreed due to there being no assumed Council Tax surplus in the 2020/21 financial year;
- iv) The proposed Capital Programme for the period 2021/22 to 2023/24 as set out in Appendix 3 be agreed;
- v) The proposal to increase Council Tax by 3.9% for the 2021/22 year be agreed to ensure that a balanced budget is achieved (Council Tax Band D being set at £1,230.57);
- vi) The updated MTFP be noted as set out in Appendix 4 showing an indicative potential savings requirement of £21.1m for the four-year period 2022/23 to 2025/26.

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Appendices:

Appendix Report to Cabinet 17th February 2021.