

1. Community Information

Draft Budget 2025/26 and Draft Medium Term Financial Strategy 2025-2030

Local authority funding

Welsh councils are funded by a combined funding stream from Welsh Government known as Aggregate External Financing; by income generated from grants, fees and charges; and by Council Tax raised from residents. Aggregate External Financing comprises an annual Revenue Support Grant and a redistribution of business rates. The AEF is also known as ‘the Settlement’.

Setting a balanced budget every year is a statutory requirement for local authorities under the Local Government Act 2003, irrespective of circumstances from year to year outside of councils’ control, such as funding pressures and cuts, pandemics, inflation or the cost-of-living crisis. Each budget has to be approved and to be approved must demonstrate that it is affordable.

A council’s budget requirement is what it needs to function and provide services. Some services are statutory, and others non-statutory, but non-statutory services are important in their own right or support statutory services in important ways. For example, leisure centres aren’t statutory; but in supporting people’s health, fitness and wellbeing, providing leisure centres supports statutory services, such as providing care and support to people with frailty, by helping to keep frailty lower than it might otherwise be.

In its annual budget-setting, a council assesses its budget requirement and calculates the difference between its income (the Settlement from Welsh Government; grants, fees and charges; and Council Tax) and its budget requirement. When the budget requirement is higher than the income, the council addresses the shortfall in two ways:

- Finding ways to reduce costs (this is known as efficiency savings)
- Finding ways to increase income (increasing fees, charges and Council Tax)

The national economic situation continues to challenge all councils in the UK. Although slowed, inflation remains high and continues to increase the cost of delivering council services. Increasing need and demand for services, and applying the requirements of Government policy (for example, pay awards), also add pressure.

All local authorities are legally required to deliver a balanced budget each year. When cost pressures exceed income, councils must reduce spend by making efficiencies in service delivery and council functions (reducing them, or making changes in how they’re delivered that reduce costs); increase income by raising fees and charges; and, where these measures are not sufficient fully to close the gap between income and costs, to increase the level of Council Tax.

The Powys Budget 2025/26

The final Settlement from Welsh Government for local authorities for the financial year 2025-26 will be published on 25th February this year (although additional monies might be forthcoming from

Welsh Government following that date). The provisional local authority settlement announced by Welsh Government on 11th December last year indicated a Settlement figure of £250.1 million for Powys County Council, which represented an increase on the 2024/25 Settlement of 3.3%, or an additional £7.9 million. At the same time, however, Welsh Government provided additional funding to support pressures related to teacher and firefighter pensions and teachers and NJC pay increases to the end of the current financial year, and carried through to the 2025/26 budget this, combined with the 3.3% increase in the AEF, equates to an additional 6% overall relative to 2024/25, equating to an increase of £14.3m overall. (The average Settlement increase across Wales taking into account the additional funding in this way is 7.2%; Powys ranks 20th out of the 22 local authorities, with only two receiving a Settlement lower than ours.)

The increase in funding remains significantly less than the difference in the cost of delivering services and functions in the current financial year, and the costs of doing so in the coming year. The cost pressures facing the council in the coming financial year over and above the council's budget this year (the amount it spent on providing services and performing its functions in this financial year) amount to £24.1 million. The pressures arise in the main from inflation and increases in need and demand for council services. Particular challenges experienced by Powys are its sparse population, dispersed across a very large geographic area, and its demography, in which a higher than average percentage of its population is aged over 65, and a lower than average percentage of its population is of working age. The provision of services to a dispersed and relatively small population is expensive relative to the costs of delivering in urban settings, as a result of greater transport costs and, because of the demand for facilities to be delivered locally or within a commutable distance, the need to provide more of them across our county than smaller, more densely populated council areas require. At the same time, a smaller population represents a smaller source of Council Tax, added to which Powys is a low-waged economy and 53% of its residents qualify for partial or full Council Tax exemption.

The council's total budget comprises all of the council's costs, including salaries and wages, the purchase of goods and services, premises costs and the revenue cost of financing its capital programme. The budget is financed by all the council's income sources including Aggregated External Finance (the Welsh Government Settlement), Council Tax, fees and charges, specific grants and contributions from other bodies. The net revenue budget is financed by the Settlement and Council Tax. The Settlement represents just under 70% of the net revenue budget, and Council Tax approximately 30%. Powys' Council Tax contribution is proportionally greater than other local authorities, because an authority's ability to raise Council Tax, and the relative proportion of its budget that will be provided in its Settlement, is calculated on its Council Tax base (the number of Band D equivalent properties in a local authority's area) and Powys has a higher Council Tax base than most other authorities.

The Powys Cabinet has published its draft budget for 2025/26. It includes £12.2 million of proposed savings and cost reductions across council departments. Once the cost reductions, the Settlement, grant transfers and increased fees and charges are factored in, a budget gap of £9.4 million remains. To close this gap, a Council Tax increase of 8.9% is proposed. Please note, however, that this is a draft budget, and will be revised in line with any future income not yet known about. For example, as

part of the six-week consultation on the Welsh Government provisional Settlement, local authority leaders across Wales are lobbying Welsh Government to implement a funding floor. Should a funding floor be implemented, and set at a higher level than the Settlement increase received by Powys of 3.3%, Powys would receive additional funding to raise its Settlement increase to the level of the floor. This would result in amendments to pressure costs and to a reduction in the budget gap, and changes to the final budget. The final budget will be presented to Full Council for approval on 20th February 2025, but might be adjusted thereafter to accommodate any late changes in the Welsh Government's final budget, published on 25th February. In that eventuality, the revised budget would be presented to Full Council for approval at its meeting on 6th March, or at a bespoke Full Council meeting arranged for that purpose.

The draft budget will be discussed at Cabinet on Tuesday 14th January. Included in the budget papers is the draft Medium Term Financial Strategy for 2025-2030. Tables on pages 18 and 19 of the report set out the budget requirements for each council service, the baseline budget from the current year, the additional pressures on services anticipated in the coming year, savings each service proposes to make in the coming year, and the budget gap between the funding available and the cost of delivering services. Pages 20 and 21 provide some narrative about each of the pressures. Also included in the papers is the Finance Resource Model (FRM), a table setting out the figures referenced above. (See the 'Council Information' section, below, for further information and the link to the budget papers).

Future Budgets

The amount the county council will receive from Welsh Government to deliver services is expected to be less in real terms each year for the next few years. Projections about future public sector spending are formulated at a national level, by national bodies such as the Office for Budget Responsibility and Wales Fiscal Analysis. Using that data, the council is assuming funding increases of around 1.3% each year from 2026/27, which for the Powys budget would equate to a projected funding gap of £39.1m by 2029/30.

Across Wales, council leaders and lead officers are openly discussing the position all local authorities are now in: available public finances are no longer sufficient to provide the range and volume of services they provided until the advent of austerity, and have continued to try to provide, in ever-diminishing ways, in the years since. Throughout the years of austerity, over annual budget rounds, councils have required all service areas to increase efficiency and to reduce costs, but this form of cost-reduction is now becoming unsustainable; services are already much reduced, staffing depleted, efficiency maximised, costs continuing to rise and finances continuing to deplete in real terms. These financial pressures are running in parallel with the developing pressures from demographic trends, particularly an increasing percentage of the population being aged over 65; increasing longevity and, with that, an increasing volume of care and support need; and a steadily reducing working age population to provide it. Each of these trends is UK-wide but particularly acute in Powys.

The funding shortfalls facing the county council are not sustainable and cannot be addressed by the council trying to continue to do what it customarily does but at reduced cost. Along with local

authorities all over Wales, Powys has for some time recognized that it can no longer provide services in the way it has been providing them, and that it must fundamentally redesign itself. Several programmes to transform the way in which services are delivered and also, in some cases, to reduce residents' need for services, are already ongoing. Added to these is the comprehensive unfolding programme the council is calling 'Sustainable Powys'.

Business Consultation on Budget

Powys businesses are invited to comment on the draft revenue budget for 2025/2026.

The budget papers can be viewed on the county council's website, on the calendar page for the Cabinet meeting on 14th January. The pathway is:

Homepage > My Council > Council Committees and Meetings > Calendar

The direct link to the page is:

<https://powys.moderngov.co.uk/ieListDocuments.aspx?CId=137&MId=8931>

All responses to the consultation should be addressed to the Interim Head of Finance, Powys County Hall, Spa Road East, Llandrindod Wells, LD1 5LG by Tuesday 11th February 2025.

Draft Powys Sustainable Resource Strategy

The public engagement process for the county council's draft Sustainable Resource Strategy opened on 10th January. The online survey can be completed online on, or downloaded from, the Powys website. The pathway is as follows:

Homepage > Get Involved (scroll down to the bottom of the page for this) > Take Part in Surveys and Consultations.

The direct link to the page is: <https://www.haveyoursaypowys.wales/draft-powys-sustainable-resource-strategy-25-30>

The Waste and Recycling Service drafted the strategy in partnership with WRAP Cymru, the Wales part of the global climate action NGO, WRAP. The strategy aims to be part of the move to a cleaner, greener and more sustainable future for Powys. The strategy's aims and actions follow the principles of 'the waste hierarchy' - to reduce waste, promote reuse and recycling, and transition towards a circular economy.

The five main aims of the strategy are:

- Reduce, Reuse, Repair: Prevent waste generation, extend product lifespans, and promote a circular economy.
- Recycling: Achieve and exceed the Welsh Government's 70% statutory recycling target.

- Household Waste Recycling Centres (HWRCs): Increase recycling and reuse rates at HWRCs.
- Awareness and Enforcement: Improve how waste is managed and reduce illegal activities like fly-tipping.
- Infrastructure: Develop and maintain infrastructure to support increased recycling and decarbonisation.

The strategy includes a commitment to engagement, to work with the people of Powys to support and where needed enable residents to contribute and be part of the county effort to reduce our impacts on climate and the natural environment. The engagement exercise will run for 12 weeks, closing on 4th April.

Winter Maintenance of Powys Roads

Decisions about ploughing and gritting roads in Powys are based on detailed forecasts and data from temperature sensors. In snow or icy conditions, road crews make up to three scheduled runs per day and remain on standby. The fleet of gritters covers over 1,400km each time they grit the county's primary routes.

Crews also grit footways in town centres and outside schools, care homes and medical centres. The service is currently restocking its reserves of grit and is replenishing salt bins across the county.

Crews also work to mitigate the impacts of extreme rain and flooding. During extreme weather events, this means being on the ground throughout the day and night.

To report that a salt bin or heap needs replenishing please complete the online form here:

<https://en.powys.gov.uk/article/9901/Report-a-Problem-with-Salt-bins-Gritting-or-Footways>

More information about the treatment of roads during the winter is here:

<https://en.powys.gov.uk/gritting>

Updates to the public during extreme weather events are made via social media, on the following Facebook pages:

Powys County Council - <https://www.facebook.com/powyscc/>

Cyngor Sir Powys - <https://www.facebook.com/cspowys/>

Powys County Council Highways, Transport and Recycling - <https://www.facebook.com/PowysHighwaysTransportRecycling/>

Social and affordable housing developments

The Powys council administration's commitment under 'Stronger, Fairer, Greener' (the council's Corporate and Strategic Equality Plan), is to build at least 350 new council homes between 2023 and 2031.

The council also aims to buy back ten former council houses (or, where appropriate because of housing need, liveability, maintainability and longevity, houses that never were council properties) every year.

A working group was established to look at how the council can turn non-residential properties into homes (both council homes and privately owned).

Underneath those broad commitments there is a range of planned development, some of it council houses and some of it social housing being planned by Housing Associations, subject to securing appropriate planning and other regulatory consents, with an additional strand focusing on bringing empty properties back into use as homes.

Housing Services has a major programme in place to develop more council housing for people living in Powys. All council homes are let at affordable social rents of around £111 a week and on secure contracts. A secure contract means that the households living in council housing never have to fear a 'no fault' eviction, which they may do in the private rented sector. All council and housing association homes are offered to households registered with the 'Homes in Powys' housing register, available online through the Council's website. Households can also manage their applications online.

Since 2012, when the UK government's 1992 ban on councils building houses themselves was lifted, the county council has completed 118 new homes. In 2024-2025, the purchase and letting of four homes under a Partnership Package Deal was completed in Ystradgynlais; construction began on 32 one-bedroom council-owned homes in Newtown; and work preparing sites in Ystradgynlais and Welshpool for the building of a further 32 council owned homes, 16 for each community, began.

In 2025-2026, schemes to build a total of 150 new council homes will be subject to a tendering exercise, across six sites, for development to start in 2026-2027.

171 additional homes are under active consideration for future development (dependent upon successfully buying sites, ensuring that the schemes are financially affordable and viable, and obtaining planning permission for the homes).

The council continues to buy properties, usually ex-council homes sold under the Right to Buy. Ten will have been purchased by the close of the financial year 2024-2025.

The Council also strategically guides the investment in Powys by housing associations in affordable rented homes. Between 2024-2025 and 2027-2028, housing associations working in Powys hope to build 282 properties.

In addition, in 2023-24, private developers built 73 new houses.

The main challenge to increasing the supply of homes is being able to build enough to meet the need in the county. Land available and suitable for building homes is in short supply across Powys because much of the county is needed for farming and open spaces. When land does become available for building, the cost is high owing to the high demand for such sites. The council is working currently on its next Local Development Plan, as is Bannau Brycheiniog. These will set out what land can be developed for housing in the future.

Another challenge to housing development is the cost of labour, high because there is very high demand for skilled workers, and for all trades working in construction. This might be an unintended consequence of Compulsory Competitive Tendering, introduced in 1980, which significantly reduced municipal workforces, which traditionally trained the greatest number of apprentices, because private companies on three- or five-year contracts were less likely to invest in their workforces or in apprenticeships. Another challenge is that the UK now imports the majority of its construction materials and components, which increases their costs.

Empty Homes

Encouraging the owners of long-term homes to release them into the market, for sale or for rent, represents another county council strategy for increasing availability of housing in the county, in alignment with a broader effort by the Welsh Government to bring empty homes back into use. The council established an Empty Homes Officer role in 2022, now has an Empty Property team, has relaunched the Problem Property Group and has adopted an Empty Property Enforcement Plan (EPEP), a strategic initiative aimed at addressing the issue of long-term vacant properties within Powys. A full report on the work of the Empty Homes team is scheduled to be presented to Cabinet on 18th February this year and I will share the link to the report in my monthly report for the community council in March.

The council is taking an active part in the Welsh Government Empty Property Grant (EPG), a scheme for homeowners or prospective homeowners of properties currently empty to support them to remove significant hazards from their properties to make them safe to live in and to improve their energy efficiency. Under the scheme, grants of up to £25,000 per homeowner are available, and the council contributes 10% of the total award. To date, the Empty Property Team has received 101 enquiries from people interested in taking advantage of the scheme. Following formal checks, 54 enquiries have been deemed eligible. A total of 32 surveys and schedules of work have been completed and forwarded for formal processing. Seven applications have been approved, amounting to awards of £318,168. Of this total, £171,087 is grant funding, which includes £16,744 as the council's 10% contribution, and the applicants' contribution is £147,081. The remaining funding is being provided by private sector finance.

Between 25th January 2024 and 11th July 2024, the Empty Property team undertook 44 proactive inspections of vacant domestic dwellings to verify their Council Tax status, focusing particularly on cases in which the council had applied a Council Tax exemption or a long-term empty premium. As a result, 18 Council Tax bills were issued to occupants, amounting to an additional annual income every year to Council totalling £50,988. The remaining 26 properties are being reviewed regularly to follow up and confirm their Council Tax status.

A dedicated web page has been launched to provide up to date information for owners of vacant properties on their responsibilities and the opportunities and support available to make productive use of their assets, such as support from the Empty Properties Team to access the council's financial support packages. These include Landlord Loans, Houses into Homes, and Welsh Government Town Centre Loans, and are available for both empty residential properties and redundant domestic and commercial properties.

An Empty Property Progression Pathway for empty properties has been developed for councillors, detailing the stages and step-by-step process for handling an empty property case.

The Empty Homes webpage can be viewed here: <https://en.powys.gov.uk/emptyproperties>

The pathway is: Homepage > Services > Housing and Land > Private Sector Housing.

Bus service consultation

A six-week online consultation on proposed changes to the local Powys bus services was launched at the beginning of January.

The consultation follows an initial online engagement exercise and a series of engagement events held across the county, seeking feedback on the current local bus network and the wants and needs of bus users.

Using this feedback and information from meetings with bus providers and other stakeholders, a series of revised bus timetables has been developed. The consultation enables residents to search for and examine these updated timetables according to their selected localities.

Providing an effective and efficient local bus network in Powys is challenging due to the sheer size of the county and the low population density outside of the five core towns of Welshpool, Newtown, Llandrindod Wells, Brecon and Ystradgynlais. The county council seeks to work with current and potential bus users to understand the barriers they face using public transport and to find compromises and solutions that improve the timetables and passenger experience.

The consultation is available at: <https://www.haveyoursaypowys.wales/powys-local-bus-network-consultation>

The pathway is: Homepage > Get Involved > Take Part in Surveys and Consultations.

The closing date is: 13th February 2025

Contacting the county council

Powys county council aims to be an open, accessible and responsive council. Set out below are a range of ways to contact the council, report faults or issues with council services, and make a complaint.

Opening a My Powys Account

A My Powys account can be used for a range of activity, including:

- Keeping a record of requests and reports made by the resident, and information obtained by the resident (such as school bus routes, as discussed above)
- Enabling the resident to view and track requests and reports

- Pre-filling forms submitted by the resident with the resident's address and contact information
- Expediting phone calls made by the resident by enabling the call handler to view and track the resident's requests and reports
- Enabling the council to send residents updates about their requests and reports

Residents can open a My Powys account here: <https://en.powys.gov.uk/login>

The pathway is via the 'Log in/Register' function at the top right of the county council's homepage, here: <https://en.powys.gov.uk/>

All residents, with or without a My Powys account, can contact the council by any of the following means:

Contacting the council online

- Use the online live Chat function on the website's Contact Us page, here: <https://en.powys.gov.uk/contact>

The pathway is via the 'Contact Us' function at the top right of the council's homepage.

- Identify the email address for the service required and contact the service direct (on the same Contact Us page, scroll down to the grid of different services at the base of the page)

Contacting the council by phone

General Enquiries: 01597 827 460

Enquiries for a specific person whom the resident can name: 01597 826 000

Contacting the council in person

Several transactions with the council can be undertaken at local libraries, Monday to Friday.

Library staff can signpost residents to the council services required and put them in touch with the appropriate council staff member/s for their enquiry.

Information about all Powys local libraries is available here:

<https://www.storipowys.org.uk/find-a-library>

Reporting an issue

Residents can report a range of service-related issues directly via the council's website, here: <https://en.powys.gov.uk/article/816/Report>

Pathway: From the county council's homepage, scroll to the first row of options below the search bar. 'Report' is second on the left. The function enables the uploading of photographs, also.

Complaining and commenting about a service

Residents can submit complaints and comments about any council service directly via the 'Contact Us' page of the county council's website, here: <https://en.powys.gov.uk/complaints>

Scroll down to the grid of options at the base of the page. The complaints and comments function is the first option in the second row in the grid. There is a separate function (second grid on the second row) specifically for complaints and comments about Social Services.

Complaining formally in this way ensures that the complaint is logged and can be tracked by the resident making the complaint.

All of the functions outlined above can be performed via a resident's My Powys account, and 'as a guest' for anyone without an account.

1. Council Information

Cabinet and Full Council meetings

Cabinet met on 10th and 17th December 2024

Cabinet meetings are open to the public and are live-streamed and recorded for public view. The links to the live-streaming and the webcasts, the Minutes, and all documents discussed, are available on the PCC website.

The pathway to access this is:

PCC homepage > My Council (top menu bar) > Committee Meeting Information (select 'Cabinet and Committee Meetings') > Calendar of Meetings > The relevant date and meeting in the calendar grid

Items discussed on 10th December included the strategic risk register report for Quarter 2 and the treasury management report for Quarter 2

The direct link to the page is:

<https://powys.moderngov.co.uk/ieListDocuments.aspx?CId=137&MId=8090>

Items discussed on 17th December included a proposal fully to fund pay and price pressures on schools' budgets in 2015/26, and unfunded pressures incurred by schools in 2024/25; and the draft Sustainable Resource Strategy noted earlier in this report

The direct link to the page is:

<https://powys.moderngov.co.uk/ieListDocuments.aspx?CId=137&MId=8991>

Cabinet meets next on Tuesday 14th January 2025. The agenda is focused on the draft budget described above, and on a report proposing changes to council house and garage rents and to service charges related to housing property.

Papers for the budget item include:

- The draft Medium Term Financial Strategy 2025-30
- The draft Capital and Treasury Management Strategy 2025-30
- The Finance Resource Model 2025-30 (a table which sets out the proposed budget for the coming financial year and indicative budgets for the following four years)
- The cost pressures faced by each council department
- The cost reductions proposed by each department
- The corporate cost reduction impact assessment, and four service-specific assessments (drawn up for those proposals which impact directly on residents)

The direct link to the page is:

<https://powys.moderngov.co.uk/ieListDocuments.aspx?CId=137&MId=8931>

Sian Cox, Councillor for Llangors with Bwlch

Cllr.sian.cox@powys.gov.uk

0780 505 3786

<https://www.facebook.com/SianCoxLlangorsBwlch/>

12th January 2025