

## SPECIAL BUDGET EDITION

It is important that Merthyr Tydfil residents are kept up to date on the Council's financial position and the unprecedented challenges that we face, both in terms of our communities and the impact on our services.

For this Council, cuts in Central Government funding mean that we have to make budget savings of £5.6m for the 2019/20 financial year (April 2019 – March 2020) and are continually looking at ways how we can do this. As such, the Council needs to approve saving proposals to meet this shortfall and set a balanced budget by the end of February 2019.

### Challenging Times

It has been well documented in the media over the last decade that austerity has meant significant budget cuts for Councils across the Country. This year is no different, with Councils in Wales facing cuts estimated at £300m.

Councils across the Country are now facing financial breaking point if the current situation continues.

**As reported by the National Audit Office, "more and more Councils are having to dip into their reserves to fund their care commitments and it is estimated that if local**

**authorities keep draining their savings at the current rate 1 in 10 will have exhausted them in 3 years' time".**

Difficult decisions are now being made and Councils are being forced to slash local valued services to respond to these continued cuts from Central Government.

Like all other Councils across Wales, we start the New Year with ever-decreasing budgets, yet still having to deliver key services to the residents of our County Borough. In particular, with the ongoing financial pressures in Social Care, local authorities have been forced to lobby Welsh Government for

further funding to help with these unprecedented costs.

With the increased costs in Social Services the Council has to recalculate their budgets accordingly to accommodate these additional pressures.

With the hourly rate increased in domiciliary care and the demand for people now being supported to remain living in their own home, this has created an additional cost to the Council of £350K.

In addition to this, costs for children who are looked after both in foster care and residential care has increased by £1.8m having major financial impacts to the social care budgets.

Further pressures in Education

have also had a significant financial impact. Extra costs in Additional Learning Needs have increased by £1m.

Whilst all authorities across the Country are facing the same issues in these areas, the Council has to find this money to support those most vulnerable communities.

### What are the plans to meet the budget shortfall?

#### Cutting Services

Various options have been considered to try and make the necessary savings. Each service area has been tasked with reducing their budgets

significantly. What this means is that the Council will have to reduce service delivery in certain areas or even consider cutting non-critical services completely.

### Reducing Our Workforce

As well as a reduction in services, the Council has no alternative but to reduce its workforce. It has been estimated that a reduction of approximately 100 members of staff will be required to leave the organisation to help bridge the gap.

With an already lean organisation, this will be extremely challenging.

### Income generation opportunities

The Council is continually looking at opportunities to generate income from various sources.

Council Tax forms part of each Council's income stream therefore, as part of the efficiency saving process, we have no alternative but to also look at increasing Council Tax in order to help close the gap between the Welsh Government settlement and what's needed in order to for the Council to be able to run.

In these challenging times, to enable Councils to deliver critical services, it is inevitable that this year we could potentially see a significant rise to the current Council Tax.

It has been reported across Wales that Councils have indicated possible rises between 3.5% - 16%.

**A Welsh Local Government Association spokesman said:**

**"Since 2009-10 local government budgets have been cut by almost £1bn as a result of austerity which has forced local authorities to make very difficult decisions, including increasing council tax, in order to try and meet the shortfall in central government funding and to maintain the quality of services expected by residents."**

#### Example:

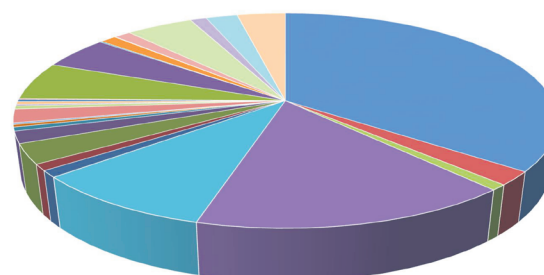
The average property Band for Council Tax in Merthyr Tydfil is a Band D, which currently pays £1,733.99 per annum. The table shows what an increase would mean for a Band D household:

Increase	2019/20	Annual difference	Monthly difference
5 %	£1,820.69	£86.70	£7.22
8 %	£1,872.71	£138.72	£11.55
10 %	£1,907.39	£173.40	£14.45

### What your Council Tax pays for

#### Council Tax - Spend per £ - 2018 -2019

- Education 35.38p
- Social Services - Adult Services 16.1p
- Grounds Maintenance 0.99p
- Highways and Engineering 1.78p
- Employability & Worklessness 0.23p
- Trading Standards 0.19p
- Housing Services 0.35p
- Council Tax Benefit Payments 4.87p
- Emergency planning 0.08p
- Corporate costs 1.15p
- School Transport 2.07p
- Social Services - Children Services 9.36p
- Street Cleansing 0.95p
- Fleet Management 0.58p
- Leisure and Culture Services 2.03p
- Licensing 0.02p
- CCTV and Lifeline 0.14p
- Levies 0.15p
- Corporate Property 1.16p
- Fire Service 2.24p
- Social Services - Early Years and Youth 0.85p
- Registrars and Bereavement Services 0.02p
- Waste Management 2.99p
- Community Regeneration 0.38p
- Planning and Building control 0.51p
- Public Health 0.41p
- Capital Financing Costs 5.68p
- Legal and Democratic Services 1.14p
- Support Services 4.77p
- Police 3.42p







## Welcome to this issue of your Contact community newspaper.



This special edition of CONTACT has been produced to provide information on the Council's current financial position and how it will impact on our staff and you, the residents of our County Borough.

Merthyr Tydfil CBC has a projected deficit of approx. £5.6m. With the continued budget cuts from Central Government, local authorities across the Country are feeling the strain more than ever before. Explained in this edition are the plans that have been put in place to try and meet this budget shortfall. Our priority will always be to deliver efficient and effective services, however, with the continued budget cuts, this has become extremely challenging.

The Council must produce a balanced budget by the end of February and as Leader I will do everything I can to make sure that this happens. All elected members, officers and staff must now pull together to ensure that this Council is sustainable in moving forward.

Thank you to those across the County Borough who participated in the Budget Consultation. With limited budgets, the views of our residents, are key when prioritising our services.

Details of the Council Tax setting will be agreed at a Full Council Meeting later this month. In the meantime, should you require any further information on our budget setting process, please contact your local Councillor.

Thank you

Kevin O'Neill  
Leader of Merthyr Tydfil  
County Borough Council

## Have your say on how the Council spends its Budget

We have engaged with residents over the last few months through our annual budget consultation, to find out what services you think are important and how the Council should spend its budget.

Nine Roadshows were held across the County Borough between October 9th and December 12th, 2018,

A total of 746 residents took part, either by attending one of our roadshows or by completing the online survey.

Thank you to those that participated in the budget consultation process. Your views are important when prioritising services in the future.

### Budget Consultation Feedback

Budget Priority Area	Number of votes
Schools and Education	1118
Adult Social Care	911
Children's and Adults' Social Care	835
Refuse & Waste	551
Highways & Infrastructure	524
Leisure & Culture	484
Enviro. Health & Community Safety	459
Community Regeneration	430
Street Scene	357
Physical Regeneration	301



## What next?

With a budget deficit of £5.6 m the Council must:

- Set a balanced budget and the Council Tax by the end of Feb 2019
- Identify savings to bridge the gap which will include:
  - Reduction of service area budgets
  - Reduce the Council workforce
  - Reconfigure the organisation
  - Prioritise Services
  - Generate income.

It is important that residents and businesses are engaged and informed throughout these difficult financial times.

For further updates on the Budget and Council Tax setting please visit [www.merthyr.gov.uk](http://www.merthyr.gov.uk) or the Council's social media sites on Facebook and Twitter.