

The Council continues to respond to the major financial challenge it is experiencing to ensure that it maintains a balanced budget. The choices to achieve this position are difficult. Delivering services in the same way as we have done in the past is no longer viable.

In setting our budget for 2019/20 the council has attempted to protect the services our residents value and need, whilst ensuring that we continue to deliver our statutory services efficiently and achieve value for money.

Powys is a large but sparsely populated Council. The provision of services to the dispersed and relatively small population is expensive due to transport costs and the demand for facilities to be delivered locally or within a commutable distance.

We have a higher than average elderly population that is predicted to increase at a rate that is significantly greater than the national average. Our residents are living longer as a result of better healthcare and improved lifestyles, and many people choose to move to the County to retire. A consequence of an increasing and ageing population is that the demand and complexity of care increases and this increases the cost of delivery.

The county's younger population has declined for several years with less pupils in our schools and a sizeable outward migration of young people looking for further educational and career opportunities being the main contributors to this trend. Data changes such as this impacts on the level of funding we receive, resulting in real terms cuts in the funding from Welsh Government.

The Council is funded from 3 main sources, Welsh Government - Revenue Support Grant (RSG) and Redistributed Business Rates, and locally by the Council Tax we raise.

The funding we get from Welsh Government continues to reduce year on year, but the demand and cost of our services has increased particularly to support our elderly and the more vulnerable adults and children living in Powys.

Additional responsibilities imposed upon us also increase our costs and the impact of inflation and other pay and price pressures also means that we are having to pay more to our suppliers and contractors as they increase their charges to meet their own financial pressures.

These factors in combination present a significant challenge to produce a balanced budget each year, and the choices we have in order to do this is to increase the income coming into the authority by raising fees and charges and increasing Council Tax, or to further reduce or change the services we provide.

This year's budget plan includes a combination of these choices.

We will make savings of over £12m next year, considerably reducing the cost of the Council.

- We will reduce the cost of delivering our services by transforming the way we do things. Working more effectively with partners and by using digital technology.
- We will reduce the number of Senior Managers, and reduce staffing numbers and the costs of back office functions.
- We will reduce the number of buildings from which we operate by sharing buildings with other organisations.
- We will increase the income we generate by increasing charges for some services.
- We will withdraw funding from areas and organisations that are lower priority.

But these alone are not sufficient to balance the overall position.

We have therefore had to increase the level of Council of Tax we raise by 9.5%, which will provide an additional £7.4m and enable the Council to set a balanced budget.

We accept that the increase of 9.5% percent may be difficult for some residents of Powys, but careful consideration of the impact this has against the availability of the services we provide has led us to this decision.

A considerable number of lower income households are able to receive support from the Council Tax Reduction Scheme, this scheme is open to anyone person who is resident in Powys, pays Council Tax and meets the eligibility criteria.

If you would like further information about Council Tax and the finances of the Council, it is available on our website at www.powys.gov.uk, where you will find the Council Tax information booklet <https://www.gov.uk/topic/local-government/council-tax> and we recently posted a short animation explaining the difficult budget challenge we faced this can be viewed at <https://www.youtube.com/watch?v=Db5ASFExsc>.