

**Report to Abermule Community Council Meeting 7<sup>th</sup> December 16.**

**From: Cllr.Wynne Jones. Elected Member for Dolforwyn Ward.**

1. **Statement from WG Minister for Finance Mark Drakeford. Re future funding settlements.**

**At the Welsh Local Government Association Annual Conference in Cardiff the Minister made the followings statements:-**

- **That Councils in Wales are not yet quite half way through the austerity driven funding cuts**
- **That the budget cuts will continue for several more years, possibility as much as 11 ( that ties up with the IFS Report 2 months back)**
- **That Councils should use this coming year, when there has been a slightly better settlement for Councils, to plan for some very difficult settlements to follow.**

**In Powys we have just about reached the £65m level of achieved savings, the prospect of having to find another £65/70m of further savings is really quite horrific.**

2. **Chancellors Autumn Statement 23<sup>rd</sup> November.**

**As expected the Chancellor did nothing to halt the current austerity programme, but in order to address the threats to the economy as a result of Brexit, he did increase Capital Funding for spending on Housing and Infrastructure. Through the Barnett Formula Wales gets its share of that increased Capital, and some of that will manifest itself in a new scheme for Social Housing Grant, something that has more or less dried up in recent years. Powys CC in conjunction with the RSL's have applied for the suspension of the Right to Buy Scheme, and expect that to be approved by Welsh Government. Once that is in place the Council will move to begin building Council Houses once again, but will also continue our successful partnership with the RSL's. Prior to R to Buy, Powys had around 9,000 Council Houses, the stock is now down to around 5,300.**

3. **Powys County Council Budget.**

- **In current year we are likely to have an overspend of around £3m at the year end. This is as a result of an expected overspend in ASC of around £4m. All other service areas are likely to be more or less in budget and our Central Services are looking to be underspent by around £1m.**
- **A £3m overspend will further deplete the Councils reserves and send the General Reserve to about 2.5% of gross budget, when the recommended level is minimum of 3%.**
- **The slightly better settlement for 2017/18 (0.5% cut in cash terms)has placed us in a better position that had been planned for, for next year. However, with inflation set to reach to over 3% in the next year and**

several other huge growth items to have to be met, this is once again a very tough budget.

- Growth items include: Pay Inflation £1m plus, Living wage 600k, increased pension employers contribution ( post Brexit revaluation) £1.3m, Apprentice scheme payroll tax 600k, ASC additional Funding £2.8m(est) additional funding for education £1m.
- At the time of writing this update the draft budget for 17/18 is over £2m short, reasonably balanced for 2018/19 and a whopping £5m in deficit for 2019/20. It is clear that although we have a current 3 year plan to save 29.8m, significant further savings will be required, especially in the 'added' year of 2019/20.

#### **4. Day Services for the elderly.**

A consultation exercise was recently undertaken on the options available. A decision on this issue and the way forward will be made by Cabinet on 20<sup>th</sup> December 2016.

#### **5. Capital Schemes.**

The funding situation at present presents two absolute extremes not been seen previously. Revenue Funding has been subject to year or year cuts since 2012 and that looks likely to continue to late in 2020's. However, due to Brexit we are now seeing lending rates at a level I have never seen in my lifetime, with the Council now able to borrow at 2.1% for 50 year term. Therefore the Cabinet have made a clear policy decision that where capital spending can present a clear business case that it will lead to revenue savings, then we are prepared to take advantage of the current borrowing conditions.

One noted example of this policy in action has appeared locally with the Council now in negotiations with Welsh Government for the purchase of Ladywell House in Newtown. The current income of LH is £230k p.a( with a potential of £400k p.a) Any vacant space will be taken up by the Council which will free up several other sites in the North for possible sale or lease, thus reducing the current revenue costs of the estate. You will see other examples of this policy in next few weeks. Such capital expenditure that positively affects the revenue budget has to be considered, as every pound saved this way, is a pound less to cut from front line service delivery.

#### **6. Local Development Plan.**

The consultation on the Further Focussed Changes has now closed and the Council will consider the responses, and will in due course decide if there needs to be a further round of Further Focussed Changes, arising out of the consultation responses. It is expected that the public examination will take place in the spring. All being well and the plan comes through the public examination, it will go before full council sometime in Autumn 2017 for formal approval and then will become an adopted plan. The Council has not has an

adopted plan since July 2016 when the UDP lapsed, and this is proving to be very difficult indeed.

**7. Proposed planning application by Dolafon Trust for a Church & Housing on Kerry Road, Abermule.**

I am informed by the agents that they are now moving towards submitting the application, and that as part of the pre-application consultation, they will be holding a drop in session at Abermule Community Centre next week. The actual date I am not aware of but notices will be distributed in the village.

**8. Update on Abermule Business Park.**

Actually not very much has happened since I reported to you in detail on 6<sup>th</sup> April. But the following details bring the matter 'bang up to date'.

- It now looks as if it is finally agreed that the ownership of the whole of the site will be transferred to Powys County Council.
- That the actual transfer will not take place until April 2017.
- That the site will be designed to a high specification, all built unities are likely to incorporate a good deal of wood in the finished cladding, the site will have a high level of landscaping and flood protection will be enhanced.
- The site may also have installed Solar/PV for on-site use.

Decisions relating to the development of the site will be taken by the Councils Cabinet (and not by Portfolio Holder decision) and the Cabinet will sit to consider and make the relevant decisions in February ( either 7<sup>th</sup> or 28<sup>th</sup>).

Following decisions by the Cabinet, a planning application for the whole site will be prepared and the relevant pre-application consultation with the local community will take place.

