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**We need your help to set our Budget for 2021-22 - Information and response form**

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| **SO WHAT’S BEEN GOING ON WITH COUNCIL BUDGETS?** |

**Over the past seven years, all Councils across Wales have had to make substantial cost reductions and efficiency savings in order to balance their budgets. The following have all contributed to sizeable annual funding gaps (the difference between Councils funding and the amount of money Councils need to spend on providing existing levels of service). This has been because of:**

▪ **Reductions in government grants**. There have been substantial cuts (or cuts in real terms) to the amount of grant that Councils in Wales receive from Welsh Government

▪ **Increases in workforce costs**. There have been increases in national minimum and living wages, and significant increases in pay awards and employers contributions to pensions

▪ **Increases in non-workforce costs**. This means that costs for things like fuel and utilities have been going up. Those who operate contracts on behalf of Councils have also been putting prices up

▪ **An increase in the number of people needing help**. The number of older people in the population is increasing, which is increasing demand on our adult social services

**Pembrokeshire County Council’s budget has been further squeezed because:**

For many years Pembrokeshire has had the lowest Council Tax (Band D) in Wales and continues to do so. When calculating the amount of grant to give to each Council in Wales, Welsh Government assumes we all generate Council Tax at the same average level. In Pembrokeshire we haven’t been doing this. This has meant our total funding to finance the budget (Welsh Government grant + Council Tax) has been considerably smaller in comparison with other Councils in Wales, including neighbouring Councils in Carmarthenshire and Ceredigion (in relative terms).

Over the past seven years, we have bridged a funding gap of £98.1m. The main way we have achieved this has been from making substantial cost reductions and efficiencies, which has accounted for £73.8m. Smaller, but still significant contributions, have come from increased Council Tax income (£23.0m including base changes), a contribution from the Council Tax second homes income (£0.6m) and a one off contribution from reserves (£0.7m).

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| **WHAT’S CHANGING FOR THE 2021-22 BUDGET?** |

**Welsh Government has given a strong indication that we will receive an increase of 4.0% in grant (Aggregate External Finance – AEF) from them for 2021-22 (when adjusted for transfers into the settlement). This would be the third largest increase for a Council in Wales.**

There are a number of reasons for this such as Welsh Government receiving more money from UK Government and because we have increased the income we generate from Council Tax.

There is a projected funding gap of £14.5m for the 2021-22 budget (net revenue expenditure). This is considerably less than the £21.4m funding gap the Council faced for the 2019-20 budget.

While the increase in grant (AEF) received from Welsh Government will certainly help the Council budget for 2021-22, other pressures on our budget remain.

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| **SECTION ONE: CABINET’S 2021-22 BUDGET STRATEGY**  |

The Council’s Cabinet has outlined the following plan to tackle the projected funding gap:

**1). It is proposed that individual service budgets are flat-lined for 2021-22.**

Individual services are things like schools, education, social services, environmental services, highways and central support services.

This means that individual services would not receive any increase in their net expenditure budgets for 2021-22.

All inflationary, demographic and legislative pressures for 2021-22 would have to be contained by the individual services through cost reductions and / or efficiency savings.

**2). Increased funding of £10m** **for 2021-22 (includes income from a 5% Council Tax increase) means that a number of services can be given additional funding to offset these inflationary, demographic and legislative pressures and / or to tackle particular issues they are facing.**

**3). It is proposed that Council Tax is increased to help meet the cost of proposals to offset inflationary, demand, demographic and legislative pressures and / or to tackle particular issues faced by services.**

**QUESTION 1. Please tell us whether you agree / disagree with Cabinet’s overall strategy to tackle the funding gap for the 2021 – 22 Council Budget**

**🞏** Agree **🞏** Neither **🞏** Disagree **🞏** Don’t know

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| **SECTION TWO: Options for Council Tax 2021-22** |

An increase in Council Tax will help to bridge the estimated funding gap of £14.5m and to move us further towards the average Council Tax (Band D) level for Wales, which Welsh Government calculations already assume we receive.

**Question 3. Please rank each of the options. Please put 1 by your most preferred, 2 by your second, 3 by your third and 4 by the fourth. Please do not use the same number (i.e. 1, 2, 3 or 4) more than once.**

**TABLE 2: OPTIONS FOR COUNCIL TAX 2021-22**

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| **Option**  | **Proposed Council Tax Increase and income generated** | **Cost Reductions / Efficiencies Required** | **Total** |
| Option 1 | 3% to generate £1.9 million | £12.6 million | £14.5 million |
| Option 2 | 5% to generate £3.1 million | £11.4 million | £14.5 million |
| Option 3 | 7.% to generate £4.4 million | £10.1 million | £14.5 million |
| Option 4 | 10% to generate £6.3 million | £8.2 million | £14.5 million |

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| **Option** | **Rank** |
| Option 1 |  |
| Option 2 |  |
| Option 3 |  |
| Option 4 |  |

**3a. Please use this space to make any comments you have on the four options put forward for Council Tax 2021-22**

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| **SECTION THREE: OTHER IDEAS AND SUGGESTIONS** |

**Question 4. Please use this space to put forward your own ideas and suggestion for other possible cost reductions / efficiencies / service transformations or options for Council Tax**

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| **SECTION FOUR: ABOUT YOU** |

**Question 5. Are you responding as** (please tick only one)

🞏 An individual

🞏 A Council employee or County Councillor

🞏 A representative of an organisation (please specify)

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**Why do we ask these questions? –** [**www.pembrokeshire.gov.uk/equalities/why-do-we-ask-equality-questions**](http://www.pembrokeshire.gov.uk/equalities/why-do-we-ask-equality-questions)

**Question 6. Are you?** (please tick only one)

🞏 Male 🞏 Female 🞏 Prefer another term 🞏 Prefer not to say

**Question 7. Are you?** (please tick only one)

🞏 Aged 16 or under 🞏 Aged 25 – 64 🞏 Aged 75 or over

🞏 Aged 17 – 24 🞏 Aged 65 – 74 🞏 Prefer not to say

**Question 8. Do you have dependent children aged 18 or under?** (please tick only one)

🞏 Yes 🞏 No 🞏 Prefer not to say

**Question 9. Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?** (please tick only one)

🞏 Yes 🞏 No 🞏 Prefer not to say

**Question 10. Do you provide regular, unpaid, substantial care for a relative, friend or neighbour who is unable to manage at home without help because of sickness, age or disability?** (please tick only one)

🞏 Yes 🞏 No 🞏 Prefer not to say

**Question 11. What is your total household income each year?** (please tick only one)

🞏 Under £10,000 🞏 £15,001 - £25,000 🞏 Over £40,000

🞏 £10,001 - £15,000 🞏 £25,001 - £40,000 🞏 Prefer not to say

**Question 12. In which language do you prefer to communicate?** (please tick only one)

🞏 English 🞏 Welsh 🞏 Prefer not to say

🞏 Other, please specify

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**Question 13. What is your ethnic group?** (please tick only one)

🞏 White (Welsh, English, Scottish, Irish, British)

🞏 Other White, including Gypsy or Irish Traveller

🞏 Mixed / multiple ethnic groups

🞏 Asian / Asian British

🞏 Black / African / Caribbean / Black British

🞏 Prefer not to say

🞏 Other ethnic group, please specify

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**Question 14. If you feel that your response to this survey has been influenced (positively or negatively) because of any of the following: your ethnic origin, sex, age, marital status, sexual orientation, disability, gender reassignment, religious beliefs or non-belief, use of Welsh language, BSL or other languages, nationality or responsibility for any dependents, please give details below.**

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Once complete, please scan in and email to surveys@pembrokeshire.gov.uk or post to: Pembrokeshire County Council, County Hall, Haverfordwest, SA61 1TP

**The closing date for responses is 7th February 2021.**

Your responses will be compiled into a report and used to inform an integrated impact assessment. These documents will be made available to Council for consideration in its final decision making. A final decision will made at the Council meeting on 4th March 2021.