



Ms Bethan Davies  
Finance Committee  
National Assembly for Wales  
Cardiff Bay, Cardiff  
CF99 1NA  
By Email: [SeneddFinance@assembly.wales](mailto:SeneddFinance@assembly.wales)

Dear Committee Clerk,

I am responding to the Finance Committee's call for information on the Welsh Government's draft budget proposals for 2018/19.

I am doing so in a somewhat unorthodox fashion by enclosing the text of a letter sent by a member of my staff to her local Member of Parliament and Assembly Member. I think it very comprehensively captures the issues from this end of the telescope and I cannot improve upon the analysis. It was written in the context of our local trade union "Fair Funding" campaign which has the strong support of both the political leadership at this authority and the staff. Please follow this link for more detail:

<https://www.nptunison.org.uk/branch-news.html>

I would add only a couple of points. It is recognised that the Welsh Government and the National Assembly faces difficult choices in the context of its own budget setting process and that Welsh local authorities have benefitted, relative to their English counterparts, over the last year or two from a degree of budgetary protection. However, there is more that could and should be done in terms of at least providing greater flexibility for local authorities to manage budgetary pressures by, for example, reducing the number of specific grants (and putting the money into the local government settlement instead, which would also save considerably on administration costs) as well as scrutinising the cost of legislation rather more closely. As a number of Assembly Committees have, I believe, concluded the originally estimated cost (neutral in some cases) of certain legislation has turned out to be neither quite so accurate nor benign in practice.

Taken together, I think this covers most of the consultation questions listed at paragraph 3 of

**Chief Executive's Office**  
**Swyddfa'r Prif Weithredwr**

Steven Phillips  
Chief Executive  
Civic Centre, Port Talbot. SA13 1PJ  
Tel 01639 763306

Steven Phillips  
Prif Weithredwr  
Y Ganolfan Ddinesig, Port Talbot. SA13 1PJ  
Ffôn 01639 763306

Annex 2 of the document that your Committee issued.

Yours sincerely,



**Steven Phillips**  
**Chief Executive**

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[www.npt.gov.uk](http://www.npt.gov.uk)

*The Council welcomes correspondence in English or Welsh*

*Mae'r Cyngor yn croesawu gohebiaeth yn y Gymraeg neu'r Saene*

## TEXT OF LETTER

### **Local Government Services – Impact of Continuing Cuts on the Neath Port Talbot Community**

*I am writing to you as a resident of the county borough, an employee of Neath Port Talbot County Borough Council, a user of Council services and a tax payer.*

*Each year, since 2008, the Council has faced a significant funding gap as a result of increased pressures on Council budgets (ageing population, levels of deprivation, new unfunded legislative burdens etc.) and inadequate revenue and capital allocations from the UK and Welsh governments.*

*As setting a balanced budget is a legal requirement, the Council has been forced to make significant policy and service changes to bridge the funding gaps that it has faced. Over the period, some £78 million has been cut from the Council's net revenue expenditure. Services that were directly provided by the Council are now operated by others, with far less accountability to local people; we have lost around 2,000 permanent, quality jobs from the local economy as a result of the subsequent downsizing of the Council workforce; we have introduced and increased fees and charges for a whole range of services, including the treatment of public health hazards such as rat infestations which used to be free at the point of service delivery; we have reduced service levels across a whole range of services, including the introduction of fortnightly waste collection, less frequent cutting of grass verges - to name but a few. Yes, there was potential for efficiency and economy measures in the early years of the programme, alongside more creative approaches to meeting the needs of our community. However, the cumulative impact of what has happened since 2008 cannot be disguised – we have seen sustained and deep cuts to local public and community services. Ironically, at a time that the Welsh Government has introduced the Well-being of Future Generations (Wales) Act 2015, it is the very services that help people to secure good well-being that have been most affected.*

*On the capital front, the area has clearly benefited from grant funding that has facilitated new builds, such as the 21<sup>st</sup> Century Schools Programme; the availability of EU funds to create new infrastructure such as Harbour Way. But even on the capital front, this is only part of the story. The funds available to maintain legacy infrastructure and to ensure our disabled population can have timely adaptations to their properties is woefully inadequate. We are simply storing up problems that future generations will need to confront. We are now at a tipping point.*

*If there are further cuts to local government budgets, I believe there will be very serious long term damage caused to our communities. I will confine myself to just three potential scenarios (there are many more):*

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## **Scenario 1**

*In 2008, we delivered around 70% of Home Care Services. Staff were employed on good terms and conditions, well trained, supervised and accountable. As cuts began to bite, more of the services were placed in the private sector where unit costs are cheaper because staff terms and conditions are poorer. Today the proportion of home care service delivered by the Council is less than half of what it was and is reducing.*

*The care sector is becoming increasingly fragile with representations being made by proprietors to increase fees. UNISON have ably demonstrated the appalling terms and conditions that some private sector workers receive and the poor quality of supervision and training provided by many of these organisations. The current rhetoric is to move people onto a direct payment on the basis that this provides more choice and control and greater personalisation of care. Whilst undoubtedly direct payments are a good choice for some people, the majority of service users and carers in this county borough do not believe that their needs could or should be met in this way.*

*There is no doubt that the driver for change in the care sector has been about driving down cost at the expense of the terms and conditions of the people who work in the sector and at the expense of the quality of care received by vulnerable people and their carers. It is also worth noting that this trend has completely cancelled out the good work done by the Council ten years ago to achieve equal pay for women. The very people who benefited from the equal pay settlement are the same people who have seen their jobs permanently transferred to the private sector at significantly worse terms and conditions.*

*Further budget cuts will lead to even greater rationing of investment, particularly in adult services. Less money at a time when our population is ageing will see many more elderly, disabled people and their carers struggling to maintain their well-being. Whilst few would argue that the community and third sector already play a key role in supporting people who would otherwise become isolated and lonely, it is not reasonable to expect the community and third sector to step forward to breach the gap that is left when the statutory services retreat even further. The resources available to third sector organisations in particular have been just as badly hit as local government.*

*Some good work has been done to integrate care and health services and this has undoubtedly helped improve the flow of patients into and out of the acute health settings. However, the investment in the health service has not been matched with a corresponding investment in social care. There has been a failure at Government level to address the ageing population and the level of support needs for older and disabled people systemically. Further erosion of the services that support well-being can only have a further negative impact on the performance of our NHS. The failure of successive governments to put the NHS on a sustainable footing has simply led to the crisis within the NHS now infecting the local government sector.*

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## Scenario 2

*Our valley communities have seen much change as a result of the decline of the very industries that created the communities we see today. As budget cuts have bitten deeper and deeper, it has become impossible to sustain public subsidy for local services such as swimming pools, libraries, community centres – the services that people value. As subsidy has become increasingly unaffordable, services have become centralised in the urban areas. This means that people in valley communities have to travel further to access services, increasing the cost to them. For those dependent on public transport in particular, the lack of subsidy available for that transport has led to further cuts in bus services, further restricting access to services and employment opportunities.*

*If there are further budget cuts, we can expect to see a further centralisation of services to achieve economies of scale. Face to face services will be replaced by digital alternatives in areas where there are significant pockets of digital exclusion and those who are unable to access employment and services will experience greater inequality. The most able of our younger generation will not choose to live their lives in valley communities and in turn this will bring about greater deprivation and disadvantage in those communities and terminal decline of those populations. Deprivation levels in some parts of Neath Port Talbot are amongst the worst in Wales. People facing disadvantage rely more heavily on public services and they have been most affected by the cuts to local government services. Inequalities are increasing across the county borough according to the well-being assessment recently published by the Public Services Board. Unless budgets are protected this can only get worse in future years.*

*I should add that it is somewhat ironic that Members of Parliament and Assembly Members have lobbied to stop some of the cuts to community services when the reason why these cuts have been introduced is a direct result of UK and Welsh Government budget decisions. Local councillors are not making these decisions because they believe it is the right thing to do, they are making these decisions because the budget position gives them no alternative.*

## Scenario 3

*Just 11 % of the Council's budget is spent on street scene services -refuse, recycling, potholes, rights of way and the wide range of other services that keep our neighbourhoods clean, safe, pleasant and healthy places to live. One third of the budget has been removed since 2008. Where refuse collection was weekly, it is now fortnightly. The Blueprint imposed by Welsh Government in its drive to be seen as a green government, is costly and does not work for all neighbourhoods and house occupiers. It also seems somewhat of the wrong focus with a lot more that could have been done to reduce the amount of waste generated in the first instance.*

*At a time when we are being told to encourage people to take more physical activity and eat more healthily, the maintenance of rights of way and walking routes has been reduced.*

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*Highways are being “patched” rather than supported by more appropriate highways maintenance programmes. Just some examples of the way the gap in funding has impacted on services.*

*If further cuts are imposed, we could see the introduction of monthly refuse and recycling collections and more punitive approaches to the delivery of the overly ambitious recycling targets. Maintenance programmes will be even further stretched with more classes of assets being treated on an emergency response only basis, rather than on a planned maintenance basis. The asset management plans of the Council clearly spell out the risks to our communities if sufficient investment is not made available to support the current community infrastructure.*

*It does not have to be this way. Taxation and public spending are political choices. Choices you are able to influence.*

*The Council’s workforce has already made a huge contribution to keeping local services operating. As well as enduring the pay restraint imposed by the UK Government, the Council’s workforce, took a voluntary pay cut, together with local councillors, and have contributed around £8 million from their own pockets, subsidising the operation of local services at their own expense over the last four years. This cannot and should not continue.*

*We have played our part as residents, tax payers, service users and employees. I am now asking you, as my elected representative to play your part and stand up for Neath Port Talbot – for our services, our communities and our jobs. Please ensure that there is fair funding for local government.*

*I look forward to hearing from you.*

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