

Pecyn Dogfennau Cyhoeddus

Cabinet

Man Cyfarfod
**Siambwr y Cyngor - Neuadd y Sir,
Llandrindod, Powys**

Dyddiad y Cyfarfod
Dydd Mawrth, 16 Mehefin 2020

Amser y Cyfarfod
10.00 am

I gael rhagor o wybodaeth cysylltwch â
Stephen Boyd
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Neuadd Y Sir
Llandrindod
Powys
LD1 5LG

Mae croeso i'r rhai sy'n cymryd rhan ddefnyddio'r Gymraeg. Os hoffech chi siarad Cymraeg yn y cyfarfod, gofynnwn i chi roi gwybod i ni erbyn hanner dydd ddau ddiwrnod cyn y cyfarfod

AGENDA

1.	YMDDIHEURIADAU
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Derbyn ymddiheuriadau am absenoldeb.

2.	DATGANIADAU O DDIDDORDEB
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Derbyn unrhyw ddatganiadau o ddiddordeb gan Aelodau yn ymwneud ag eitemau i'w hystyried ar yr agenda.

3.	ALLDRO ARIANNOL AR GYFER Y FLWYDDYN YN DOD I BEN 31 MAWRTH 2020
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Ystyried adroddiad gan y Cyngorydd Sir Aled Davies, Aelod Portffolio ar faterion Cyllid, Cefn Gwlad a Thrafnidiaeth.

(Tudalennau 1 - 20)

4.	SEFYLLFA ARIANNOL AR GYFER Y FLWYDDYN YN DOD I BEN 31 MAWRTH 2020
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Ystyried adroddiad gan y Cyngorydd Sir Aled Davies, Aelod Portffolio ar faterion Cyllid, Cefn Gwlad a Thrafnidiaeth.

(Tudalennau 21 - 28)

5.	2019-20 CHWARTER 4 ADRODDIAD MONITRO PERFFORMIAD
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Ystyried adroddiad gan y Cynghorydd Sir Graham Breeze, Aelod Portffolio ar faterion Llywodraethu Corfforaethol ac Ymgysylltu.

Dyma'r ddolen i'r adroddiad Sway.

<https://sway.office.com/N3Kh9BI90fs8FsCq?ref=Link>

6.	COFRESTR RISG STRATEGOL ADRODDIAD CHWARTER 4 2019/2020
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Ystyried adroddiad gan y Cynghorydd Sir Graham Breeze, Aelod Portffolio ar faterion Llywodraethu Corfforaethol ac Ymgysylltu.

(Tudalennau 29 - 62)

CABINET EXECUTIVE

16th June 2020

REPORT AUTHOR: County Councillor Aled Davies
Portfolio Holder for Finance, Countryside and Transport

REPORT TITLE: Financial Outturn for the year ended 31st March 2020

REPORT FOR: Decision

1. Purpose

1.1 To provide Cabinet with the revenue budget outturn position for the financial year ending 31st March 2020. The report provides an explanation of any significant movements against February's forecast and reports on the impact on the Council's reserves.

2. Overview

2.2 The Council has encountered unprecedented challenges since the COVID crisis began, business critical activity has been prioritised and this has directed resource away from normal activities. Despite the additional pressures the Council has completed the closure of its accounts and produced the year end management accounts to report the financial position. This provides a firm basis from which to move into the new financial year and our focus now turns to the financial aspects of supporting the crisis, understanding the financial implications on the 2020/21 budget and assessing the medium and longer term implications in order to review the Council's Medium Term Financial Strategy.

2.3 The revenue outturn position for 2019/20 is an underspend of £1.46 million against the working budget (excluding Schools and the Housing Revenue Account (HRA)). This compares with a projected underspend of £0.58 million at the end of February 2020. The figures include cost reductions delivered of £15.79 million, 73% of the £21.20 million target, this compares with 58% delivered in the previous year.

2.4 In delivering the outturn position, consideration has been given to the balance between the use of capitalisation, maintaining a prudent level of reserves, and the subsequent demand on future year budgets. It is important that the council's reserves are protected given the given the inherent risks arising from COVID 19 and the significant challenge to balance the budget over the medium term.

2.5 This approach has increased the overall level of useable reserves and maintained a general fund reserve at year end of £9.47 million representing 5.1% of total net revenue budget excluding Schools and the HRA. This maintains reserves in line with the Council's policy.

2.6 The response to the COVID 19 pandemic has had some impact on the 2019/20 financial year although this has been limited. Welsh Government has provided Local Authorities with additional funding through the COVID 19 hardship fund, the first claim made for actual spend incurred in March was £33,698. Monthly claims will continue to be made to draw down funding to reimburse additional costs incurred.

2.7 Costs incurred in managing the consequences of the February Storms were not known or included in the previous February report. The immediate response and relief costs incurred

in 2019/20 were £549,233. These costs have been in part (£26,625) supported through the Welsh Government Emergency Financial Assistance Scheme (EFAS), the support is subject to a £517,909 threshold to be met by the Council together with capital costs that are incurred outside available grants. Costs above the threshold are funded by the scheme at 85% of the cost incurred. The majority of the claim costs relate to Highways, although Schools have incurred some costs.

3. Revenue Position

3.1 The outturn position is an underspend against budget of £1.46 million and demonstrates an improved position against the February forecast of £0.58 million, this is summarised by service in the Table below.

Service Area	Working Budget	Actual Spend	Variance (Over) / Under Spend	Variance (Over) / Under Spend %	Variance BRAG Status
Adult Services	64,936	64,918	18	0.0	G
Childrens Services	20,680	25,333	(4,653)	(22.5)	R
Commissioning	3,143	2,758	385	12.2	P
Education	21,594	21,766	(172)	(0.8)	G
Highways Transport & Recycling	31,568	33,242	(1,674)	(5.3)	R
Property, Planning & Public Protection	6,952	7,068	(116)	(1.7)	A
Regeneration	1,097	1,052	45	4.1	P
Housing & Community Development	5,984	5,771	213	3.6	P
Digital Services	5,071	4,694	377	7.4	P
Transformation & Communications	1,968	1,779	189	9.6	P
Workforce & OD	1,367	1,276	91	6.7	P
Legal & Democratic Services	3,302	3,123	179	5.4	P
Finance	5,035	5,262	(227)	(4.5)	R
Corporate Activities	12,728	5,925	6,803	53.4	P
Total	185,425	183,967	1,458	0.8	
Housing Revenue Account (HRA)	0	(463)	463		G
Schools Delegated	69,761	68,435	1,326	1.9	R

3.2 The Revenue outturn (excluding Schools Delegated and the HRA) reports a surplus of £1.46 million against the overall budget, however as seen in the table above there are significant variances in some areas. Costs in excess of the approved budget are reported for Childrens Services, Education, Highways Transport and Recycling, Property Planning and Public Protection and Finance, these overspends are being offset by underspends across other services of the council and most notably within Corporate Activities where expenditure was 53% below that budgeted.

3.3 Social Services were seen as a key area of financial risk in the 2019-20 budget, and it was recognised that in order to improve outcomes and address the findings in the poor Children's Service inspection report that a whole Council approach would be required. The council's budget included a £2 million corporate revenue budget to address this potential risk.

3.4 **Childrens Services**

The Outturn position for Childrens services shows costs exceeding the budget by £4.65 million, an improvement of £0.18 million from that projected in February as further costs were

able to be allocated against specific grants. As part of the 2019/20 budget setting process Childrens Services had identified significant potential service pressures of £6.25 million, £5.78 million of these have materialised. To mitigate these pressures, cost reductions of £3.65 million were proposed by the service and approved by council, but only £1.26 million (34.5%) have been delivered. The shortfall in the cost reductions achieved together with an increase in the average placement cost has resulted in the position reported.

Welsh Government grants including the Integrated Care Fund (ICF) and Supporting Sustainable Social Services has contributed £0.961 million during the year.

3.5 Highways, Transport and Recycling

Highways, Transport and Recycling reported an overspend of £1.67 million against the service budget, an improvement to the £2.05 million projected in February. The majority of this relates to undeliverable cost reductions of £1.32 million. The service incurred significant costs in March in response to the floods but these have been offset by an improved trading position on NMWTRA work.

3.6 Corporate Services

The outturn position surplus of £6.80 million remains consistent with previous forecasts, the receipt of additional capital grant and slippage in the capital programme has reduced the need to borrow and lessened the increase in the Minimum Revenue Provision. This together with a surplus on the level of Council Tax collected and the unallocated corporate risk budget held within this service area results in the surplus reported.

3.7 Schools Delegated

School budgets for 2019/20 were set with an expected £3.17 million call on reserves, however, schools are now collectively reporting an improved position which has reduced the need to draw so heavily on their reserves, with £0.99 million being used. This use of reserves sees school balances moving from a surplus position of £0.08 million on the 1st April 2019 to a deficit of £0.91 million. Appendix A provides school balances for each school, and highlights those schools who currently have a warning notice. Schools with deficit balances will be reviewed as part of agreeing their budgets for the next three years. The primary sector balances remain in a surplus of £2.6 million but of most concern is the £3.4 million deficit balance for the secondary sector as shown in the table below.

School Sector	Opening Balance	Cabinet Budgeted Contribution/ (Use)	Actual contributions to/from reserves	Closing Balance 31/3/20
	£'000	£'000	£'000	£'000
Primary	2,582	(1,330)	64	2,646
Special	(123)	(165)	(1)	(124)
Secondary	(2,381)	(1,673)	(1,051)	(3,432)
Total	78	(3,168)	(989)	(911)

3.8 Housing Revenue Account

A surplus of £0.46 million is reported for the HRA this is due staff slippage and underspends on the building maintenance and fixtures and fittings budgets.

Further explanation across all service areas is provided by the individual Heads of Service in Appendix B.

4. Reserves

- 4.1 In closing the accounts this year consideration has been given to the impact that the COVID 19 pandemic will have on the Council's finances in subsequent years. In order to add resilience to our planning the use and holding of reserves has been a key part of our assessment.
- 4.2 This approach has enabled us to increase the level of useable reserves to provide greater flexibility should it be needed to support the financial position due to COVID 19 in 2020/21. Loss of income, and the impact on the delivery of cost reductions will inevitably impact on the revenue budget and in these exceptional circumstances there may be a need to use reserves to support the budget.
- 4.3 The revenue reserves held at the beginning of the year totalled £27.87 million, with £9.06 million held in the General Fund Reserve and £17.99 million in Earmarked (Specific and Ring-fenced) Reserves. The opening balance on the School and HRA reserves totalled £0.81m.
- 4.4 The final position reports an increase in the overall level of useable reserves of £2.8 million to £29.85 million. Schools delegated budgets have drawn £0.98 million from reserves leaving the overall school reserves in a deficit balance of £0.91 million. The HRA has increased by £2.81 million to £3.92 million.
- 4.5 Part of the revenue surplus reported has been generated by an over recovery of pension contributions, it is proposed that a specific pension reserve is set up to manage any under/over recovery of pensions contributions on an annual basis. The deficit contribution to the Pension Fund is paid on a lump sum basis, and in order to fund this, contributions are collected via a percentage of pay. This can result in an annual under or over recovery per year. The lump sum has been put in place to protect the fund against a potential falling payroll. In 2019/20 the contributions collected through payroll, were in excess of the lump sum payment by £0.75 million. The reserve will support potential Pension Fund gaps that may arise over the next two years, through to the next actuarial valuation.
- 4.6 The Transport and Equipment Funding Reserve is set aside to fund a rolling programme of Highways, Transport and Recycling vehicle and equipment replacement. During the year £2.45m depreciation and £0.32 of income from the sale of assets were added to the reserve. Assets totalling £2.38m were purchased in year, originally these costs were budgeted to be funded from the specific reserve, but in order to provide greater flexibility these costs have been funded through supported borrowing.
- 4.7 The reserves position can be reviewed as we move through the new financial year and we can redirect reserves to support capital spend if appropriate.

Summary	Opening Balance (1st April 19) Surplus / (Deficit)	Actual Addition / (Use) of Reserves	Balance (31st March 20) Surplus/ (Deficit)
General Fund	9,065	407	9,472
Budget Management Reserve	3,584	0	3,584
Specific Reserves	7,909	(385)	7,524
Transport & Equipment Funding Reserve	6,493	2,774	9,267
Council Usable Reserves	27,051	2,796	29,847
Schools Delegated Reserves	78	(989)	(911)
School Loans & Other Items	(371)	22	(349)
Housing Revenue Account	1,111	2,807	3,918
Total Reserves	27,869	4,636	32,505

4.8 School Budgets and the level of deficits continue to be a significant risk although the outturn position reduced the call on reserve to £0.99 million, from an original forecast of over £2.00 million. The revised position will have a significant impact on the forward projections for school reserves. Schools have been given additional time to submit their budget plans for 2020/21 and is important that all schools review these plans in light of the improved outturn position in 2019/20.

4.9 The HRA specific reserve has increased to £3.92 million and will be used to support the HRA Business Plan.

5. **Cost reductions**

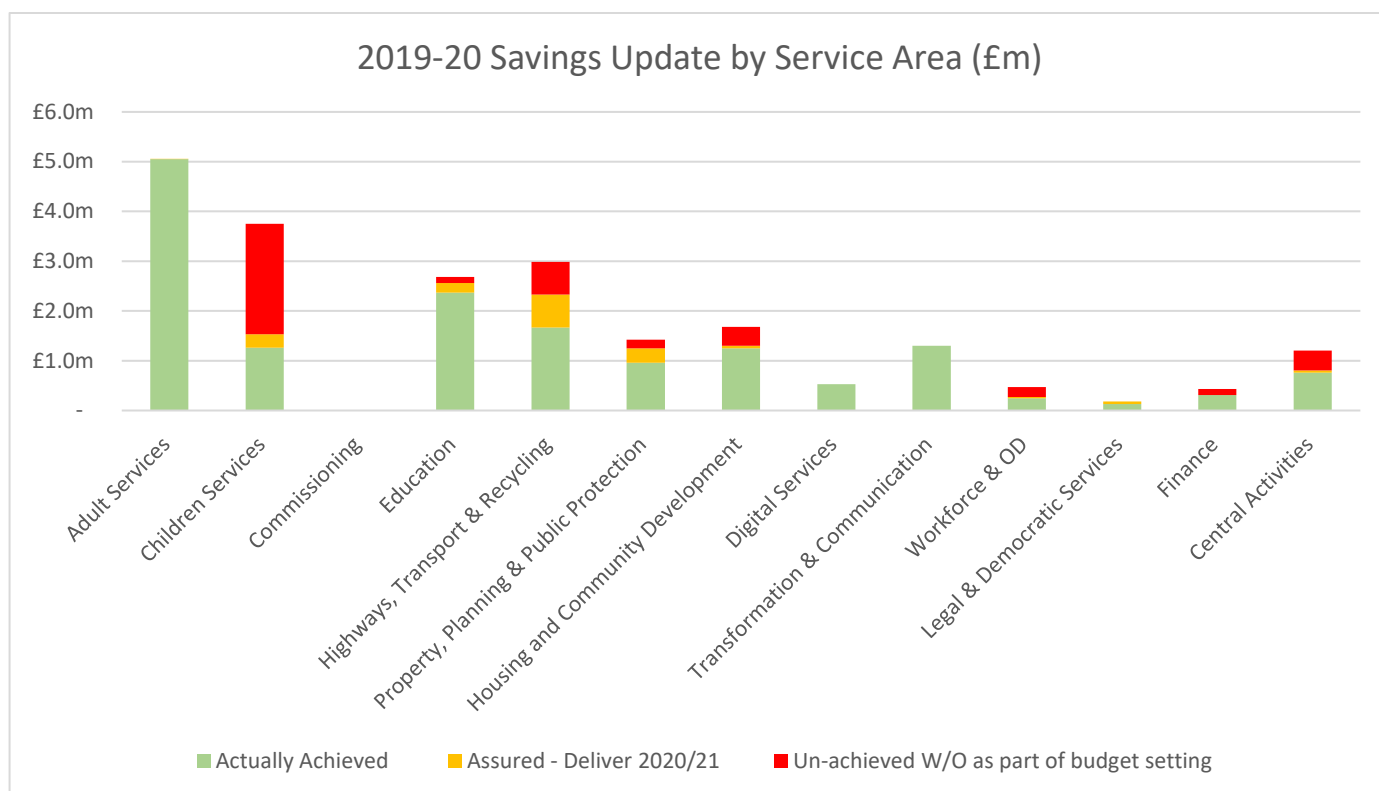
5.1 Cost reductions of £12.99 million were included in the budget approved by Council in March 2019, a further £8.70 million were identified by Social Care to mitigate the potential cost pressures identified by both Childrens and Adult services. Together these total £21.69 million to be delivered during 2019/20. £15.83 million (73%) have been delivered by year end, comprising £9.52 million of service cost reductions and £6.31 million of pressures managed by Social Care.

5.2 Undelivered cost reductions of £5.86 million have been managed in part by some services who have identified mitigating actions using alternative means of covering the shortfall in 2019-20 together with the £2.00 million risk management budget which is held in the Corporate Services budget. £1.60 million of the undelivered cost reductions have been rolled forward into the new financial year (specific targets at service level are set out in Appendix C), assurance has been provided by the Heads of Service that they can be delivered in 2020-21.

5.3 Budgets were rebased as part of budget setting for 2020/21 with many of the undeliverable cost reductions addressed as part of that process.

5.4 An overall summary by service is set out in the diagram below:

2019-20 Savings Update by Service Area (£m)



6. Transformation

6.1 Transformation of the councils services is critical in providing an appropriate level of service to our residents at a much lower cost ensuring that the councils budget is maintained on a sustainable footing for the future. Transformation activities totalling £3.18 million were funded through Capital Receipts utilising the Welsh Government Capitalisation Directive a key part of the our financial strategy through to 2021-22.

6.2 The table below summarises the costs incurred against the budgets agreed. Some costs were unable to be capitalised as they did not meet the criteria set by the directive and these have been charged back to service budgets.

Transformation Costs 19-20	Actual Outturn	Budget	Variance
	£,000	£,000	£,000
Transformation Projects to be capitalised	1,640	2,000	360
Organisational Transformation	1,120	990	-130
School Redundancies plus Pension Strain	420	650	230
	3,180	3,640	460

7. Impact of Capital

7.1 Capital investment and the financing of capital activities have a significant impact on the authority's revenue position. In 2019/20 £62.36m was actually spent (including HRA) on capital investments versus the revised budget of £72.60 million. This resulted in an underspend of £10.23 million (14%) on the council's Capital Budget.

- 7.2 The majority of the underspend can be attributed to delays in the delivery of the capital programme. The budgets associated with these projects will be rolled forward into 2020/21. The virements required to do this are outlined in the Capital monitoring report and are subject to approval by Cabinet or full Council.
- 7.3 The revenue budget supports the cost of borrowing for capital purposes and recognises the future need to borrow through the minimum revenue provision budget. The revenue budgets were approved to support the original capital programme of £92.34 million. The actual capital spend was 30% less, and grants were maximised to reduce the call on borrowing. The actual cost of borrowing was £11.79 million, an underspend of £3.30 million which helped support the wider service revenue budget deficits.

8. Resource Implications

The Head of Finance (Section 151 Officer) has provided the following comment:

- 8.1 The delivery of a surplus budget for the 2019/20 is consistent with previous forecasts and is commendable considering the financial impact of the February Storms and the onset of the COVID 19 pandemic, and although the overall position is pleasing to report, the variances within the budget do not demonstrate the robust delivery of the budget plan. The Council can only ensure its financial resilience with the consistent delivery of services within budget, successful delivery of planned cost reductions and the delivery of an accurately profiled capital programme. Without these fundamental elements the Council has had to realign its budget plan during the year in order to maintain a balanced budget and limit the impact on reserves. This flexibility cannot be relied upon in future years.
- 8.2 The setting of the budget for 2020/21 addresses many of these elements, undelivered savings have been removed from service budgets, service cost pressures have been fully recognised and cost reduction proposals have been included with the assurance of delivery by Heads of Service. But already our budget for the new financial year is under significant and unprecedented pressure due to the impact of the COVID 19 pandemic. An early assessment highlighted many of the issues now facing the council, loss of income, delays in delivering cost reduction proposals and the redeployment of staff across council services have had an immediate impact on our budget plans.
- 8.3 The delivery of a surplus for 2019/20 and the increase in the level of reserves held will provide some added flexibility to our financial position.
- 8.4 Reserves will be drawn upon only when all other options are exhausted. Services will need to ensure they remain within budget in 2020/21, avoiding cost where possible and ensuring that all additional costs arising out of the response are identified for inclusion in claiming support from the Welsh Government's COVID 19 hardship fund.
- 8.5 The budget position will be reviewed on a month by month basis and the budget may need to be realigned as the position changes.
- 8.6 Schools have yet again delivered an improved outturn on their delegated budgets to that which was being forecasted, but the overall deficit balance of school reserves must be addressed. The additional funding provided to schools through the 2020/21 budget has improved the funding made available to schools and this will in part address the position, particularly in the secondary sector, but significant risk remains, compliance work and recovery action is crucial to ensure that schools budgets are managed effectively. Discussions continue with the schools issued with formal Warning

Notices. Further action will be taken where recovery plans are not being developed and implemented and evidence of delivery will be needed before warning notices and notices of concern are lifted.

8.7 The impact of COVID 19 has seen a government response greater than has ever been seen before. The increase in the national debt will undoubtedly have repercussions that could last for decades. How this will impact on future local government settlements remains to be seen but we can learn from the positives seen over the last couple of months, a whole council response, delivered at pace collectively with our partners has supported our residents and businesses through this challenging time. The Council must grasp the benefits seen as it turns its focus to recovery, reviewing its priorities and plans and reassessing both revenue and capital budgets. We will need to revisit and realign our Medium Term Financial Strategy to ensure the Council is sustainable and resilient for the short, medium and longer term.

9 Legal implications

The Monitoring Officer has no specific concerns with this report.

10. Comment from local member(s)

This report relates to all service areas across the whole County.

11. Integrated Impact Assessment

No impact assessment required

12. Recommendations

That Cabinet note the budget position.

That the proposal to put in place a specific Pension Fund reserve is approved.

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Appendix A – Delegated School Balances

School	2019/20 Actual Outturn	
Abermule CP School	34,865	
Archdeacon Griffiths C in W A School	16,883	
Arddleen C P School	35,845	
Banw C P School	47,885	
Berriew C P School	(13,392)	
Brynhafren C P School	(144,431)	wn
Builth Wells C P School	88,912	
Buttington/Trewern C P School	33,828	
Caersws C P School	27,072	
Carreghofa C P School	17,895	wn
Castle Caereinion C in W School	64,593	
Churchstoke C P School	4,266	
Clyro C in W Controlled School	19,706	
Cradoc C P School	34,631	
Crickhowell C P School	34,240	
Crossgates C P School	55,144	
Forden C in W School	20,013	
Franksbridge C P School	13,535	
Gladestry C in W Controlled School	52,642	
Guilsfield C P School	80,622	
Hafren C P Junior School	96,062	
Hay-On-Wye C P School	33,032	
Irfon Valley C P School	5,303	
Knighton C in W Controlled School	82,389	
Ladywell Green Infants School	82,473	
Leighton C P School	39,535	
Llanbedr C in W Aided School	5,673	
Llanbister C P School	(12,965)	
Llandinam C P School	60,106	
Llandrindod Wells C P School Cefnlllys	24,811	wn
Ysgol Trefonnen	23,095	
Llandysilio C in W School	26,462	
Llanelwedd C in W Primary School	(40,392)	
Llanerfyl C in W Foundation School	(14,098)	wn
Llanfaes C P School	44,678	
Llanfair Caereinion C P School	103,281	
Llanfechain C in W School	(59,587)	
Llanfihangel Rhydithon C P School	(970)	
Llanfyllin C P School	40,957	
Llangattock C in W Controlled School	77,116	
Llangedwyn C in W Voluntary Controlled School	3,760	
Llangors C in W Controlled School	10,187	
Llangynidr C P School	63,983	

Llanidloes C P School	128,712	
Llanrhaeadr Ym Mochnant C P School	42,152	
Llansantffraid C in W Aided School	(5,929)	
Maesyrrhandir C P School	(2,516)	
Montgomery C in W School	79,169	
Mount Street C P Infants School	66,083	
Mount Street C P Junior School	50,080	
Newbridge-On-Wye C in W Controlled School	46,437	
Penygloddfa C P School	21,794	
Presteigne C P School	25,042	wn
Priory C in W Aided School	79,166	
Radnor Valley C P School	39,749	
Rhayader C in W Controlled School	(45,860)	
Sennybridge C P School	62,597	
St Mary's Catholic School	47,236	
St Michael's C in W V A School	14,814	
Treowen C P School	67,921	
Welshpool C in W	192,093	
Ysgol Bro Cynllaith	(10,108)	
Ysgol Bro Tawe	78,317	
Ysgol Dafydd Llwyd	31,831	
Ysgol Dolafon	36,318	
Ysgol Dyffryn Trannon	34,537	
Ysgol Glantwymyn	45,559	
Ysgol Gynradd Carno	5,444	
Ysgol Golwg Y Cwm	66,571	
Ysgol Gymaeg Dyffryn Y Glowyr	(84,702)	wn
Ysgol Gymraeg Y Trallwng	82,218	
Ysgol Llanbrynmair	38,173	
Ysgol Meifod	(31,684)	
Ysgol Pennant	50,346	
Ysgol Pontrobert	23,969	
Ysgol Rhiw Bechan	47,788	
Ysgol Y Cribbarth	48,533	
Ysgol-Y- Bannau	17,735	wn
Ysgol Y Mynydd Du	36,433	
Total Primary	2,645,666	
Secondary		
Brecon High School	(1,618,678)	wn
Gwernyfed High School	280,513	
Ysgol Maesydderwen	(309,720)	wn
Crickhowell High School	(1,002,764)	wn
Ysgol Uwchradd Caereinion	(6,123)	
Llanfyllin High School	(87,784)	
Llanidloes High School	(62,745)	
Ysgol Bro Hyddgen	(162,071)	wn
Newtown	396,501	
Welshpool High School	(728,216)	wn

Ysgol Calon Cymru	(131,302)	wn
Total Secondary	(3,432,389)	
Brynlywarch Hall Residential	64,093	
Ysgol Cedewain Special School	(297,296)	wn
Ysgol Penmaes Special School	108,959	
Total Special	(124,244)	
Wn = Warning Notice		

Appendix B**Head of Service Commentary**

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Adult Services	64,936	64,918	18	0.0	G

HOS Comment

The service began the financial year with a budget pressure of approximately £10m. The savings and early intervention and prevention through strengths-based practice and Technology Enabled Care (TEC) has enabled a balanced budget at the end of the year. This is pleasing and demonstrates a robust approach to financial management for the 3rd year in a row. However, the failure to give an uplift to providers during the year has left the care market in a fragile position and this may need to be addressed in the future.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Childrens Services	20,680	25,333	(4,653)	(22.5)	R

HOS Comment

The Children's Services budget for 19/20 was set with unfunded pressures of £6.25m. The service identified where savings of £3.651m could potentially be made but these were high risk and left a budget deficit of £2.699m. The service delivered £1.26 million savings. The two main areas for expenditure over budget for the service are agency staff and placements costs. The Service reduced the number of Children who are Looked After is bringing fewer children into care. During 2019-20, 29 fewer children had entered the care of Powys County Council, than during 2018-19. This represents a cost avoidance of £49,000 average full year effect per child or a total of £1.421 million. The service recruited 65 permanent staff in 2019-20 and the number of agency staff reduced from 34 to 29. The service is committed to reducing costs in these areas whilst continuing to ensure children are safeguarded and the changes and improvements to practice are made. We have made full use of grants.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Commissioning	3,143	2,758	385	12.2	P

HOS Comment

The service went through 2 restructures during the year and held vacancies as a result of that action. The service has also maximised grants in order to enable this very positive position at the year end.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Education	21,594	21,766	(172)	(0.8)	G
Schools Delegated	69,761	68,435	1,326	1.9	R

HOS Comment

Overall, the outturn shows an over spend of £172k. The main reasons behind this are as follows

- Pupil inclusion - The ALN area has a further £220k underspend due to reduction in out of county placements costs and increased income from inter authority recoupment.
- Schools Operational - Revenue costs relating to feasibility studies for specific capital projects that are no longer feasible as per the original project outline and therefore cannot be capitalised. This amounts to £266k.
- Schools Delegated Other – Delayed saving achievement in 19-20 of £120k which has been found during 20-21 budget setting.

The service are continually working on meeting the requirements of the post inspection action plan (PIAP) and delivering the strategy for transforming education in Powys, focusing on learner entitlement.

The service is keen to move ahead with a staffing re-structure. Key roles need to be established in order to support the necessary changes to education in Powys, and to provide effective business support for senior managers within the service.

HOS Comment

In schools' delegated budgets there is a significant shift in the outturn than was predicted. Much of this can be attributed to the work of the finance officers and school service officers identifying areas for efficiency savings with individual schools' leadership teams. However, there is further work to do in reducing the deficit budgets in some schools and in ensuring all school business managers are trained in budget management so that predictions for year-end are more accurate and that coding is undertaken appropriately.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Highways Transport & Recycling	31,568	33,242	(1,674)	(5.3)	R

HOS Comment

Highways, Transport and Recycling are reporting an outturn overspend of £1.674m; 5.3%, at the end of 2020 financial year, compared to £2.062m at the end of period 11, February 2019. The majority of this overspend is due to unachieved savings amounting to £1.321M. If savings are excluded from the forecast the overspend reduces to £325k

The areas of overspend remain consistent, with £395K in Waste Collection Services and £679k on Home to School and Public Transport. This overspend is offset by underspends/surpluses in Highways Design and Waste Compliance and Strategy.

The overspend in Waste Collection Services has reduced through the year due to efficiency improvements, and this will continue into 2020/21.

Transport Services overspend is a result of the re-tendered costs exceeding the budget available for Public Transport. A review of the services provided is underway along with the expectation of increased funding from Welsh Government.

£1.665M savings are achieved in year, from a target of £2.986M with a further £240k of budget pressures being absorbed.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Property, Planning & Public Protection	6,952	7,068	(116)	(1.7)	A

HOS Comment

The overspend principally relates to Catering, Strategic Property and Trading Standards.

Strategic Property reports an outturn over spend principally as a result of savings not being achieved with regards to corporate property cleaning and the closure of Neuadd Maldwyn and rental income targets not been reached. Progress is continuing to be made with regards to Neuadd Maldwyn but the savings are yet to be realised. Negotiation are ongoing between Strategic Property and the Cleaning Service regarding securing a safe cleaning regime. This has however been complicated by Covid-19. Rental income is increasing as units become occupied but unfortunately this has not taken place within the timeframe originally thought.

Catering is reporting an outturn overspend of £177k. The reason for the overspend is a reduction in income from the income forecast. The Catering service were tasked with making savings of £230k to be met by an increase in the price of school meals. The 15p increase in the meal prices has led to a reduction in take up.

Trading Standards are reporting an outturn over spend of £155K. The overspend reported is as a result of an overspend on Feed Hygiene, an unachieved saving of £20k, under achieved income in Animal Licensing and an overspend on the Consumer Fraud Team. A review of this service area is to take place to understand the late increase in the overspend.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Regeneration	1,097	1,052	45	4.1	P
Housing & Community Development	5,984	5,771	213	3.6	P
Housing Revenue Account (HRA)	0	(463)	463		G

HOS Comment

Housing & Community Development achieved savings of £1,248,000 in the 2019/20 financial year, as well as delivering a £258,000 underspend. The underspend is more than anticipated due to the receipt of additional grant income for a number of service areas, late in the financial year. Some areas within the Service were overspent; this was forecast early on within the financial year, with other budgets adjusted

accordingly where possible. Leisure had an overspend of £72,000 due to costs at the former Staylitttle Outdoor Centre (which had no core budget allocated) and increased leisure centre costs. Y Gaer reported an overspend of £71,000 which had been forecasted. Work is ongoing to look at options for this facility.

The Housing General Fund shows a £98,000 underspend, much of which is due to work not progressing on Gypsy and Traveller sites. Homeless work is showing an underspend in areas such as staff training, tax, legal fees and other services, however, expenditure on rent and B&B's was £79,000 over budget due to the increased number of homeless presentations.

In terms of the Housing Revenue Account there is an underspend of £463,000 much of which is due to reduced bad debt provision and vacant posts. Rent collected has been £304,000 less than anticipated in part due to void times, this is a priority for the 20/21 financial year.

Plans are in place to meet the efficiency savings required for the 20/21 financial year, however, it must be noted that the Covid19 pandemic may have an impact on deliverability

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Digital Services	5,071	4,694	377	7.4	P

HOS Comment

Postage and general office expenses were £70k lower than forecast in the last period of the year which potentially reflects the change in working practices due to COVID19. Savings have also been made due to staff vacancies with some posts having delayed recruitment and other posts held when vacant to support savings due in 2020/21.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Transformation & Communications	1,968	1,779	189	9.6	P

HOS Comment

The service held one vacancy as planned ready for 2020/21 cost reduction requirements, had two vacancies which the service failed to recruit to and overachieved on income generation.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Workforce & OD	1,367	1,276	91	6.7	P

HOS Comment

Once our final income was clarified the service was able to deliver an overall underspend against budgetary provision.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Legal & Democratic Services	3,302	3,123	179	5.4	P

Corporate Legal & Democratic Services year-end outturn for 2019-20 was an underspend of £179k. This was a decrease of £17k compared with the forecast underspend of £196k at the end of February 2020. £36k was paid into the County Council elections reserve to fund the costs of the next County Council election.

Elections have received monies from the Acting Returning Officer for previous years amounting to over £100k which contributed to the overall under spend position. The Solicitor to the Council budget also underspent by £75k on non staff areas.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Finance	5,035	5,262	(227)	(4.5)	R
Corporate Activities	12,728	5,925	6,803	53.4	P

HOS Comment

The Finance Service budget reports an overspend of £227k against budget. Insurance excesses were significantly more than the budget allocated. The shortfall will be funded from the insurance reserve. The pressure on the insurance budget has been recognised in the budget for 20/21. Other areas of the service were within budget despite £0.12 million of savings not being achieved.

The outturn position surplus of £6.80 million for Corporate Activities remains consistent with previous forecasts, but there were a number of movements against budgets in March.

The cost of borrowing was set to support the original capital programme but the outturn capital spend was 30% less, and grants were maximised to reduce the call on borrowing. The actual cost of borrowing was £11.79 million an underspend of £3.30 million which helped supported the wider service budget deficits particularly in Childrens Services. The outturn also takes into account the £2.00 million set aside to manage the risk inherent in the budget, together with a surplus of £0.70 million on Council Tax collection

Two elements of the outturn affected specific reserves:

- £0.59 million required from the Insurance reserve, needed to cover the costs of claims and their defence in excess of the budget.
- £0.75 million transferred to a specific pension reserve which was collected through contributions not required to be paid into the pension fund.

Appendix C

Cost Reductions Rolled Forward to be Delivered in 2020/21

Reference	Title	Service	2020/21 Reduction £
Carried Forward from 18/19	Small school closures	Education	120,000
Carried Forward from 18/19	Corporate increase in income	Education	10,220
Carried Forward from 19/20	Review and restructure of staff teams	Education	43,000
Carried Forward from 19/20	Staffing review	Education	17,000
Carried Forward from 18/19	Commissioning of Services	Highways Transport & Recycling	20,000
Carried Forward from 18/19	Blue Badges	Highways Transport & Recycling	50,000
Carried Forward from 18/19	Parking Charges	Highways Transport & Recycling	-23,680
Carried Forward from 19/20	Rationalisation of Household Waste Recycling Centres- Share facility with other LA, renegotiate third party contract	Highways Transport & Recycling	100,000
Carried Forward from 19/20	Introduction of chargeable garden waste collection service	Highways Transport & Recycling	91,490
Carried Forward from 19/20	Review car parking charges, increase income.	Highways Transport & Recycling	100,000
Carried Forward from 19/20	Review street light provision (non-statutory) and limit PCC funding to conflict areas only. Encourage Town & Community Councils to support any additional local lighting requirements.	Highways Transport & Recycling	49,000
Carried Forward from 19/20	Further efficiencies through better productivity, improved sickness absence management, developing additional income streams, internal cost reduction and reduced 3rd party spend.	Highways Transport & Recycling	255,960
Carried Forward from 19/20	Reduction in urban verge cutting.	Highways Transport & Recycling	25,000
Carried Forward from 19/20	Exit Neuadd Maldwyn	Property, Planning & Public Protection	141,590
Carried Forward from 19/20	Reduced cleaning in our corporate buildings	Property, Planning & Public Protection	75,000
Carried Forward from 19/20	Increased rental income from properties, Ladywell House, Business unit portfolio, County Farms	Property, Planning & Public Protection	75,480
Carried Forward from 19/20	Reduction of Y Gaer operating budget. Longer term MTFS aspiration is either shared use of charitable trust status.	Housing & Community Development	50,000

Carried Forward from 19/20	Reduction in service delivery through review in staffing	Workforce & OD	26,000
Carried Forward from 19/20	Legal and Democratic Services Restructure	Legal & Democratic Services	52,000
Carried Forward from 19/20	Senior restructure as part of organisational transfer	Central Activities	44,587
Carried Forward from 19/20	Shared Costs - Joint funding. Continuing Health Care	Childrens Services	190,000
Carried Forward from 19/20	Reduce Costs - 10% Travel	Childrens Services	20,000
Carried Forward from 19/20	Reduce Costs - Restructure and reduce agency/consultants	Childrens Services	64,549
		TOTAL	1,597,196

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

CYNGOR SIR POWYS COUNTY COUNCIL

CABINET EXECUTIVE

16th June 2020

REPORT AUTHOR: County Councillor Aled Davies, Portfolio Holder for Finance, Countryside and Transport

REPORT TITLE: Capital Position for the year ended 31st March 2020

REPORT FOR: Decision

1 Purpose

- 1.1 The revised working budget for the 2019/20 Capital Programme, after accounting for approved virements, is £72.60 million. The original budget was £92.34 million. The decrease is due to the reprofiling of budgets resulting in the roll forward into future years, in particular 2020/21.
- 1.2 The outturn for 2019/20 amounts to £62.36 million representing 86% of the total revised budget.
- 1.3 Currently it is estimated that 3.4% of our net revenue budget of £255 million is supporting the past and present capital spend. It is essential that the investment in our Capital Programme is affordable over the short, medium and longer term and can demonstrate tangible benefits linked to the council's priorities.
- 1.4 Table 1 below summarises the financial position for each portfolio and service. Countryside Services are now reported under Highways, Transport and Recycling rather than Housing and Community Development due to structure changes.

Table 1: Capital Table as at 31st March 2020

Service	Original Budget	Virements Approved	Revised Budget (after virements approved and required)	Actuals	Remaining Budget	
	£,000	£,000	£,000	£,000	£,000	%
Adult Services	290	411	701	722	(21)	(3.00)%
Childrens Services	0	206	206	102	104	50.49%
Education	44,818	(30,352)	14,466	13,269	1,197	8.27%
Highways Transport and Recycling	15,542	3,812	19,354	15,453	3,901	20.16%
Property, Planning and Public Protection	2,046	3,686	5,732	4,333	1,399	24.41%
Housing and Community Development	8,363	(2,824)	5,539	3,605	1,934	34.92%
Digital Services	973	785	1,758	1,278	480	27.30%
Legal Services	0	0	0	0	0	0.00%
Finance	3,650	215	3,865	3,202	663	17.15%
Total Capital	75,681	(24,061)	51,621	41,964	9,657	18.71%
Housing Revenue Account	16,662	4,314	20,976	20,399	577	2.75%
TOTAL	92,343	(19,747)	72,597	62,363	10,234	14.10%

1.5 Table 2 below sets out how the 2019/20 Capital Programme has been financed, 51% is funded through borrowing, the interest cost of this is charged to the revenue account.

Table 2: Funding of the Capital Programme as at 31st March 2020

Service	Supported Borrowing	Prudential Borrowing	Grants	Revenue Cont's To Capital	Capital Receipts	Total
	£,000	£,000	£,000	£,000	£,000	£,000
Capital	7,264	11,793	18,799	465	3,642	41,964
HRA	0	12,548	3,995	3,856	0	20,399
Total	7,264	24,341	22,794	4,321	3,642	62,363

1.6 Financing the capital programme has, as always sought to maximise the use of grant and other external sources of funding.

1.7 The Council has also set aside revenue reserves to support the programme where appropriate, this reduces the need to borrow for some assets particularly those that have a short asset life. The balance between the use of reserves and borrowing is reconsidered at year end.

1.8 Due to the impact of COVID 19 pandemic on the Council's budget in 2020/21 it is essential that action taken now creates the greatest flexibility moving into the new financial year. Holding funding in reserves provides this flexibility.

1.9 Accordingly, we have not utilised the revenue reserves set aside in the Transport and Equipment Funding Reserve to fund Highways, Transport and Recycling Assets. Assets totalling £2.384m have been funded through borrowing.

1.10 Improvements to council dwellings are usually partially funded from the Housing Revenue Account Reserve. The draw from this reserve has also been reduced this year and costs supported by borrowing.

1.11 Two types of borrowing have been used to fund the remaining elements of the programme.

1.12 Supported Borrowing, where the revenue costs arising from the borrowing are funded by the Welsh Government through the annual revenue settlement.

1.13 Once the allocation of supported borrowing had been used the remainder was financed using Prudential (Unsupported) Borrowing. Again, the Council borrows the funding but is required to finance the revenue costs from its own resources

2 Head of Service Comments

2.1 Appendix A provides commentary on the services' capital projects.

3 Virements

3.1 It is recommended that Cabinet note the contents of this report and recommend all virements over £0.5 million to the Council for approval and approve all the other virements listed below:

3.2 Property, Planning and Public Protection £0.07 million

A budget increase of £0.07 million is required to fund the demolition of the former DSO yard and Archive at County Hall. This is as a result of cost increases on estimates for environmental reports, asbestos removal requirements as well as pre demolition works. The budget increase will be funded from both the County Hall external works

which is £0.03 million underspent with the balance funded from the corporate unallocated budget.

3.3 Adult Social Care

A budget increase of £0.30 million is requested to carry out urgent capital works at the Council owned Residential Care Homes. A business case was approved by EMT on the 20th May 2020. This will be financed from revenue funding set aside in 2019/20.

4 Reprofiling Budgets Across Financial Years

4.1 The following services have requested the reprofiling of their capital programme budgets into 2020/21.

4.2 Legal Services £0.02 million - The upgrade of the congress system in the council chamber was due to take place in March. Unfortunately, this did not take place and is likely to now happen in June. The £0.02 million budget has been reprofiled.

4.3 Other Services - Where underspends in the 2019/20 programme have occurred services will need to confirm that they still require this allocation, an update will be provided in the next report.

5 Grants Received

5.1 Highways, Transport and Recycling £0.40 million

5.2 The Active Travel Grant allocation has increased by £0.55 million to £2.29 million. £1.30 million of this has been allocated to Machynlleth Rail Arch re-opening using the increased allocation and a reduction in grant funding for the Newtown Bridge project. The Newtown Bridge project allocation has been reduced by £0.75 million to £0.25 million due to delays to the scheme.

5.3 Local Transport Network Fund allocation has reduced by £0.15 million to £0.20 million on Machynlleth Interchange project. Again, this reduction is the result of delays to this scheme.

5.4 Customers and Communication £0.66 million - £0.66 million of computer hardware has been received as part of the Hwb in Schools Infrastructure Grant. This equipment was purchased on our behalf by another authority using grant funding and we must include this within our accounts.

6 Capital Receipts

6.1 Capital receipts received during March are £0.04 million. The total receipts for the year are now £5.4 million. This comprises £0.07 million vehicle receipts, £2.58 million property receipts, £0.09 million Housing Revenue Account and £2.66 million county farms.

6.2 £3.18m of Transformation and Redundancy costs have been capitalised under the Welsh Government Capitalisation Directive and have been financed with Capital Receipts.

6.3 This leaves £3.53m of Capital receipts available to fund future Transformation and Redundancy costs.

6.4 The forecast capital receipts from the sale of surplus property in 2020-21 is £4.3m. Achieving any capital receipt relies on being able to market the properties, receive acceptable offers and complete a sale. In the current climate this may prove a challenge.

7 Resource Implications

7.1 The Head of Financial Services (Section 151 Officer) has provided the following comments:

Expenditure on the Capital Programme has slipped considerably in previous financial years, the effective monitoring and re-profiling of schemes is essential to enable us to more accurately project expenditure, the consequential need to borrow and the impact on the revenue budget. Project Managers and Service leads will be supported to improve financial monitoring and forecasting of expenditure.

8 Legal Implications

8.1 The Monitoring Officer has no specific concerns with this report.

9 Comment from Local Member(s)

9.1 This report relates to service areas across the whole county.

10 Integrated Impact Assessment

10.1 No impact assessment is required.

11 Recommendation

- That the contents of this report are noted.
- That Cabinet approves the virements proposed in section 3 of this report.
- That all virements over £0.50 million are recommended to Council for approval.

11.1 Reasons for recommendation

- To report on the Capital Outturn position for the 2019/20 financial year.
- To ensure appropriate virements are carried out to align budgets and financing requirements.

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Corporate Director:	Ness Young

Appendix A – Updates on Capital projects by Service

Head of Service Commentary

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget
	£'000	£'000	£'000	%
Adult Services	701	722	(21)	(3.0)

HOS Comment

The overspend was as a result of additional works required to the substance misuse building development in Welshpool where a cellar was discovered under the building and works were required to remove and make good.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget
	£'000	£'000	£'000	%
Childrens Services	206	102	104	50.5

HOS Comment

The underspend relates to a number of ongoing projects which include the establishment of a Powys Children's Residential Home in South Powys and the refurbishments to Bannau Camlas. The projects have suffered some delays in relation to building works due to Covid 19. Works will continue as soon as feasibly possible and all monies will be fully spent 20/21.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget
	£'000	£'000	£'000	%
Education	14,466	13,269	1,197	8.3

HOS Comment

The main area of underspend is in the Schools Major Improvements Programme.

In financial year 2019/20, there were 82 projects. At the end of the financial year there were 2 schemes on hold, 4 schemes at the design stage and 3 are out to tender which will be delivered in financial year 2020. There were 16 projects under construction and due to COVID-19 they were stopped on site resulting in an underspend. There are 57 schemes have been handed over to schools.

There is only one 21st C Schools Programme project in construction at the moment, and this was also impacted by Covid-19, but work has now re-started on site. Some other projects were put on hold whilst the new Transformation Strategy was developed, and Ysgol Bro Hyddgen design has been revisited to consider the possible inclusion of leisure facilities. All other projects are in feasibility or design stage.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget
	£'000	£'000	£'000	%
Highways, Transport and Recycling	19,354	15,453	3,901	20.2

HOS Comment

A spend of £15.453m against a total budget of £19.354m is reported at the end of period 12. The majority of the budget underspend is in the areas of Active Travel, Major Structural and Flood Alleviation schemes. These schemes involve significant design, planning and in many cases land acquisition, and will span into 2020/21. Storm Dennis and COVID-19 had a severe impact on the progress of all capital schemes programmed for quarter 12.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget
	£'000	£'000	£'000	%
Property, Planning and Public Protection	5,732	4,333	1,399	24.4

HOS Comment

Capital spend has been rolled forward in relation to the construction of commercial units at Abermule that were unable to be constructed in the last financial year.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget
	£'000	£'000	£'000	%
Housing and Community Development	5,539	3,605	1,934	34.9
Housing Revenue Account	20,976	20,399	577	2.7

HOS Comment

Capital spend to be rolled forward for some of the projects unable to be completed in the last financial year.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget
	£'000	£'000	£'000	%
Digital Services	1,758	1,278	480	27.3

HOS Comment

Some variances in our capital programme has occurred with an overspend on our refresh strategy where equipment has been purchased early to support home working -£76k also some projects have been delayed whilst we respond to COVID19 emergency totalling £140. Our Education technology capital grant to support learners was also delayed ensuring robust national procurement of equipment, and this delayed our own ability to commission installation works to the value of £340k. The remaining spend include orders that have been placed but have not been received before year end and are due imminently.

Service Area	Net Budget	Actual Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget
	£'000	£'000	£'000	%
Finance	3,865	3,202	663	17.2

HOS Comment

£3.64 million of the budget relates to Transformation, eligible costs were £3.18 million resulting in an underspend of £457k, in addition the corporate unallocated budget of £225k is held here.

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE
Tuesday, 16th June 2020

REPORT AUTHOR: County Councillor Graham Breeze
Portfolio Holder for Corporate Governance and
Engagement

REPORT TITLE: Strategic Risk Register Report Quarter 4 2019/2020

REPORT FOR: Decision

1. Purpose

1.1 The purpose of this report is to set out the council's latest position on managing its key risks, contained in the Strategic Risk Register. It also outlines the arrangements introduced by the Council towards the end of quarter 4, for managing the key risks relating to the Covid-19 pandemic.

2. Background

2.1 Our Strategic Risk Register is key to safeguarding the organisation and building resilience into our services. At a time when the Council is facing unprecedented challenges, the effective management of risk is needed more than ever. A risk-managed approach to decision making will help us to achieve the well-being objectives in Vision 2025, deliver services more efficiently and using innovative and cost-effective means, and help the Council manage its Covid-19 response.

3. Advice

3.1 To ensure a risk managed approach to decision making and good governance of the Council, it is proposed that Cabinet:

- Review progress to mitigate strategic risks
- Note the new strategic risk escalated by EMT on 3rd March 2020.
- Note the new Covid-19 risk register introduced by Silver Command on 24th March 2020.

Review of progress to mitigate Strategic Risks

3.2 As at the end of quarter 4 2019-2020, there are 13 risks on the strategic risk register. Following the decision made by Silver Command to proceed with risk monitoring (where work priorities allow), all strategic risk owners have provided a short summary of progress since quarter 3, to give assurance that mitigating actions are being actioned and monitored.

3.3 Please see appendix A for full details of the 13 strategic risks, and progress against the mitigating actions identified to control them.

3.4 Please see appendix B to view a heat map which presents the results of the quarter 4 risk assessment process visually. It highlights that two out of the thirteen risks are placed within the 'major' impact category with a probability of almost certain, one is placed within the 'major' impact category with a probability of likely and one with 'catastrophic' impact.

Escalation of risks to the Strategic Risk Register

3.5 During quarter 4, the following risk was identified and escalated to the Strategic Risk Register for monitoring by EMT.

- **The impact to Powys residents, services and Council staff as a result of a COVID-19 (Coronavirus) epidemic**

Mitigating actions:

1. Update Business Continuity Plans (at Service and Corporate Level).
2. Establishment of an Internal Silver Command.
3. Powys County Council Representation on Powys Teaching Health Board Gold and Silver Command.
4. Liaison with all Local Resilience Forum (LRF) Partners.
5. PCC Liaison with Welsh Government and Public Health Wales.
6. Communication and engagement with schools.
7. Communications to residents, staff and members.

	Inherent Risk	Residual Risk
Risk Probability:	Almost Certain	Almost Certain
Risk Impact:	Catastrophic	Major
Risk Profile:	Severe	Severe

To note the new Covid-19 risk register

3.6 In order to effectively identify and manage risks relating specifically to the Covid-19 pandemic, a separate risk register was created to provide clarity and oversight for Gold and Silver Command. All services were asked to identify risks for their area and score inherent and residual impact using a new Matrix developed specifically for assessing Covid-19 related risks. Currently there are 62 risks recorded, four of the 62 risks are placed within the 'major' impact category with a probability of likely, and another two are placed within the 'catastrophic' impact category with a probability of likely. The register is monitored by Gold and Silver Command on a weekly basis.

4. Resource Implications

4.1 Finance Business Partner comment - The Strategic Risk Register outlines the key risks to the Council's activities, as well as risk to delivery of objectives contained within the Corporate Improvement Plan. There are no direct financial implications

from the report although these may arise as new risks are identified on an on-going basis.

The Head of Finance (Section 151 Officer) notes the comment above, financial implications are identified through the relevant service and are considered through the financial management processes in line with the authorities' financial regulations.

5. Legal implications

5.1 Comment sought from Monitoring Officer.

6. Data Protection

6.1 N/A

7. Comment from local member(s)

7.1 N/A

8. Integrated Impact Assessment

8.1 N/A. The Service Risk Register is not setting out any changes or proposals to service delivery.

9. Recommendation

It is recommended that:

- **Cabinet notes the current Strategic Risk Register and is satisfied with progress against mitigating actions for quarter 4**
- **Cabinet notes the following risk that has been escalated to the Strategic Risk Register:**
 1. **The impact to Powys residents, services and Council staff as a result of a COVID-19 (Coronavirus) epidemic**

The recommendations above will ensure:

- **Appropriate understanding and management of strategic risks which could prevent us from achieving our objectives**
- **A risk managed approach to decision making and good governance of the Council**
- **The risk related to Powys residents, services and Council staff as a result of a COVID-19 (Coronavirus) epidemic is monitored and reviewed regularly.**

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Head of Service:

Corporate Director: Ness Young, Corporate Director (Resources and Transformation)

CABINET REPORT NEW TEMPLATE VERSION 2

Strategic Risk Register

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
CS0009 Jan Coles Escalated From :- Children's Services Tudalen 33	Ability to meet the requirements of the MTFs / Retaining grant funding around posts within Children's Services	- Budget overspend / efficiencies not achieved - Loss of funding leading to an impact on budget and potentially reducing Early Help and Intervention and Prevention, which could increase costs of statutory services - Financial implications for the Authority - budget will suffer an overspend - Impact on other services/functions- Significant budget overspend - Reconfiguration of anti-poverty grants likely to have an impact	10/05/2020 Review Summary: The COVID-19 pandemic has created significant uncertainty however grants which WG use to fund Children's Services are expected to continue. 19/01/2020 Qtr 3 19/20 Review Summary: . To date this year we have achieved savings however there is an increase in pressures, we continue to monitor this. Children looked after is currently sat at 239 following large sibling group coming in to the Care of the LA in November (5). Demand for the service can be unpredictable and the LA has a statutory duty to safeguard Children. However, this is significant work going on in the Service to shape the Market in Powys to ensure that we are able to provide high quality, cost effective provisions in County to meet the needs of our local population and support Children and Young People in our care to achieve the best possible outcomes. In addition to the pressure on our placement budget as described above, we also continue to have continued challenges in recruiting and filling our vacant posts and therefore have a continued reliance on agency staff. Funding by Welsh Government through grants is an aspect of delivering Children's Services. We have worked hard to make the most of the income and use on reducing demand and delivering channel shift. We are at the beginning of a programme of transformation, the benefits of which will not	Cllr Rachel Powell Alison Bulman	<div style="background-color: red; color: white; text-align: center; width: 20px; height: 20px; margin: 2px;">9</div>	<div style="background-color: red; color: white; text-align: center; width: 20px; height: 20px; margin: 2px;">9</div>	<ul style="list-style-type: none"> • Budget challenge in respect of placement Budget overspend. • Increase number of foster carers. • Improvement to Edge of Care services. • Reporting to Assurance Board, FSP, and Audit Committee • Early help hub • All other opportunities for grant funding being reviewed, managed and approached • Core funding to be aligned to EI&P and not just to rely on Welsh Government grants • Future shape of service review • Decrease use of agency staff • Head of Service and Senior Managers routinely monitor with finance. • Head of Service and Senior Manager control significant spend and staffing • Budget challenge and scrutiny • Budget plan in place to address pressures • Opportunities for grant funding is continually explored with WG and all other bodies. • The RPB has a key priority for EI&P across all ages • Re-structure of Children's Services implemented to develop more locality working and enable resilience • Development of transformation plan • Review of residential placements 	Action In Progress Action In Progress Action In Progress Action In Progress Action In Progress Action In Progress Action In Progress Action In Progress Action In Progress Control In Place Control In Place Control In Place Control In Place Control In Place Control In Place Control In Place Control In Place

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 34			<p>be fully felt for a number of years. Grants can be removed by Welsh Government. Work under way with the RPB to deliver big projects that will deliver big impact changes, e.g. multi agency funding of the early help hubs.</p> <p>The following wording 'Addressing the deficit in the FRM (£1.1million) for 2018/19' has been taken out of the risk title as it refers to 18/19 and is out of date. The current risk in relation to the FRM will still be addressed this risk as it is covered by the ability to meet the requirements of the MTFs. 13/10/2019</p> <p>2nd Qtr 19/20 Review Summary: To date this year we have achieved savings however there is an increase in pressures, we continue to monitor this. Looked after children numbers have reduced from 250 in December 2018, to 236 at end of September 2019. This demonstrates that the investment in intervention and prevention and early help services is taking effect.</p> <p>New process in place for reviewing high cost placement, being led by Senior Manager Corporate Parenting. 07/04/2019</p> <p>4th Qtr 18/19 Restructure to place focus on early help, prevention and intervention to prevent escalation at every point is taking place and is on track. Agency staff reduced to 39 Agency staff applying and being appointed to permanent positions Two consultants due to leave in May Continued focus on returning children from out of county placements Admission panel established, chaired by Head of Service, to enable practice to be</p>					

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Tudalen 35			guided and ensure oversight of all admissions to care Budget training for all managers Budget included as part of performance management in the service <u>31/03/2019</u>					

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Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
ED0022 Lynette Lovell Escalated From :- Education Tudalen 36	The council will be unable to manage the schools budget without extra resource and finance and this will affect every individual school in Powys that has a deficit budget.	If the school fails to do a budget deficit plan, warning letters will be issued to the schools and the Authority will consider whether to withdraw delegation. Should this occur, the Local Authority LA will have to resource financial advice and manage the schools budget for each school that has their delegated funding removed. This would need to be specialist advice from a service that is under-resourced so there may be financial implications.	<p>26/04/2020</p> <p>4th Qtr 19/20 Review Summary: In Quarter 4 Cabinet and, subsequently in February, Full Council agreed the additional funding for the schools delegated budget as part of their budget proposals for 2020/2021. This funding would be used for the funding of pay awards, increased teachers pension costs, some items of non-staffing funding and the creation of a TLR allowance for the secondary sector. Schools were issued in February with their 2020/21 funding allocation including the above additional funding commitments, and were also provided with estimated funding for 2021/22 onwards.</p> <p>Ongoing work between the Schools Service, Finance, HR and the individual schools to look at the budget which is anticipated for 2020/21 and the setting of a balanced budget by each school continues to take place. Prior to the lockdown, budget meetings had taken place with the majority of the schools. However, due to Co-VID-19 the management of change has been temporarily stopped. Final budget plans from all schools are due by 1st May 2020, schools were given an extension until the 22nd May. However, due to the current COVID 19 lockdown in respect of schools, we have not received further guidance on schools delegated budgets and will continue to assess the impact on the budgets of schools being closed.</p> <p>12/01/2020</p> <p>3rd Qtr 19/20 Review Summary: The authority issued an additional 11 warning notices in September 2019 to schools and meetings have been held with those schools with the Head of Service and Section 151 officer. These meetings were to discuss</p>	Cllr Phyl Davies Lynette Lovell	12	9	• PIAP Action Plan	Action In Progress

Strategic Risk Register				Portfolio	Inherent	Residua	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 37			the actions required by the respective schools to halt the deficit and to look at how these deficits could be clawed back. As part of the budget process for 2020/2021 the Cabinet will be considering the funding pay awards, pensions and the creation of a teaching and learning responsibility (TLR) allowance. The TLR Allowance would be for the secondary schools and would be within the funding formula.					

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Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 39			<p>Assurance Board with key themes being developed. These themes are Vision, ALN and Leadership. Estyn improvement conference has taken place on 28 November and as a result the PIAP has been approved.</p> <p>The PIAP reports to the Transformation Board within the Council and there is a monthly leader's meeting to monitor progress.</p> <p>01/12/2019</p> <hr/> <p>2nd Qtr 19/20 Review Summary: The post inspection action plan has been drafted and was presented to Estyn on 28/29th November 2019.</p>					

Strategic Risk Register				Portfolio	Inherent	Residua	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
FIN0001 Jane Thomas Escalated From :- Financial Services Tudalen 40	The Council is unable to manage the level of financial cuts required by the Welsh Government and the relatively poor funding position	- The Council incurs significant overspend - Projected budget will suffer an overspend - Penalties and fines may be imposed - Council reputation damaged	<p>03/05/2020</p> <p>4th Qtr 19/20 Review Summary: The outturn position for 2019/20 is not yet completed however it is still anticipated that there will be an underspend again budget. The impact of Covid-19 pandemic is likely to have a significant impact on the councils budget and the situation is under constant review as we moved through the next weeks and months. The council will undoubtedly have to review its medium term financial plan in response to the emerging financial position.</p> <p>05/01/2020</p> <p>3rd Qtr 19/20 Review Summary: Cabinet are finalising a balanced budget proposal for 2020/2021 with a 5 year medium term plan which identifies the projected budget gaps for the 5 year period. Integrated business planning will continue to be embedded and improved across the organisation to ensure that the council can deliver its vision outcomes and objectives whilst maintaining a balanced budget and financial stability over the medium and longer term.</p> <p>29/09/2019</p> <p>2nd Qtr 19/20 Review Summary: Integrated Business Planning in place, Service proposals submitted, Cabinet continue to develop a draft budget plan. Engagement with the wider Council membership, and consultation with the public commencing and development of the budget simulator.</p> <p>07/04/2019</p> <p>1st Qtr 19/20 Scenario planning in place and projected budget gap calculated, development of budget commenced with Cabinet. Development of Integrated Business Planning and new approach to budgeting, focusing on outcomes. Budget planning over a 3 years rather than 1</p>	Cllr Aled Davies Jane Thomas	16	9	<ul style="list-style-type: none"> • Medium Term Financial Strategy • Cost Recovery work • 3rd party spend reduction • Income Generation • Monthly reports to cabinet and Management Team on budget progress and progress on savings • Budget Challenge Events • Moved to a 3 year balanced budget 	Withdrawn Withdrawn Withdrawn Withdrawn Withdrawn Withdrawn

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 41			financial year					

Strategic Risk Register				Portfolio	Inherent	Residua	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
HO0018 Andy Thompson Escalated From :- Housing Tudalen 42	Compliance in Powys County Council Housing Stock	Risk of Injury or loss of life - Reputational damage - Loss of grants (including Major Repairs Allowance circa £3.63m) - Risk of legal action and significant fines	<p>29/03/2020</p> <p>4th Qtr 19/20 Review Summary: Compliance One Hundred project has completed analysis of liabilities and responsibilities. Funds allocated in Housing Revenue Account Business Plan, approved by cabinet March 2020.</p> <p>01/03/2020</p> <p>4th Qtr 19/20 Review Summary: The Compliance One Hundred Project Team, reporting to the Housing Compliance Board, continues to make good progress. An assessment of six primary areas for compliance has been completed, the first stage of which is to make sure that there is a full and common understanding by both the Council and relevant contractors, including HoWPS, of all assets and systems which need to be included in compliance inspection, servicing and maintenance regimes. In the case of domestic heating systems, a Step-in has been issued to allow the Council to directly manage inspection and servicing for two months (March and April) to allow HoWPS the opportunity to brings its service up to the standard required.</p> <p>02/02/2020</p> <p>3rd Qtr 19/20. Review Summary: The Compliance One Hundred Project Team, reporting to the Housing Compliance Board, continues to make good progress. An assessment of six primary areas for compliance has been completed, the first stage of which is to make sure that there is a full and common understanding by both the Council and relevant contractors, including HoWPS, of all assets and systems which need to be included in compliance inspection, servicing and maintenance regimes. In the case of domestic heating</p>	Cllr James Evans Nina Davies	16	9	• Compliance One Hundred	Action In Progress

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 43			<p>systems, a Step-in has been issued to allow the Council to directly manage inspection and servicing for two months (March and April) to allow HoWPS the opportunity to bring its service up to the standard required.</p> <p>22.04.20: Covid-19 has impacted adversely on the work of the Compliance One Hundred project, primarily through the difficulties contractors are experiencing in gaining access to properties for safety checks on heating systems and smoke alarms and to undertake fixed electrical testing (FET) of each home's electrical system. Three out of four electrical contractors, working on behalf of the Council through HoWPS, have withdrawn labour as part of their approaches to managing Covid-19 risks to the safety of their teams. It may be necessary to review the current requirement for all FETs to be complete by July 2020.</p> <p>FET work was suspended for just under three weeks but w/c 13.04.20 HoWPS was instructed to recommence this work to try and reduce the risk of adding to the backlog of FETs still to be done. Housing officers are continuing to work hard to try and persuade tenants to allow access for this important work.</p> <p>A decision is pending on the current Step-in for heating servicing - whether or not the Step-in should end April 30th and the work returned to HoWPS. There remain concerns about the ability of HoWPS to effectively and efficiently manage this work competently but there are also concerns about the impact of Covid-19 on alternative contractors be able to continue to undertake the work.</p>					

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Tudalen 44			<p>The failure of HoWPS to undertake water system testing and monitoring within municipal housing properties has prompted a decision to prepare a Step-in Notice and to commission alternative providers for this service, to minimise the risks of water contamination and the occurrence of legionella.</p> <p>19/01/2020</p> <hr/> <p>3rd Qtr 19/20 Review Summary: Progress is now being made to mitigate the risks arising from the Council's past approach to compliance.</p> <p>The overall assessment has been amended to reflect the higher level of risk identified from the Compliance One Hundred interim report and the initial findings of the Compliance One Hundred Project Team.</p>					

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ICT0010 Helen Dolman Escalated From :- Digital Services Tudalen 45	Non compliance with data protection legislation (General Data Protection Regulations (GDPR) and UK Data Protection Act (DPA) 2018	'- Potential fine of up to £17,000,000 or 4% of annual turnover - The Council is subject to regulatory data protection audits - Reputational damage - Regulatory enforcement action - Detriment to the data subjects - Civil action and associated consequences	<p>29/03/2020</p> <p>4th Qtr 19/20 Review Summary: A breach of data protection legislation can occur in many different ways, and whilst the Council can put in place many technical and operational measures to ensure compliance, an instance of staff not adhering to those measures can result in very serious breaches of personal data, for which the regulator is able to take action against the Council as a Controller. The Council is not always able to control the errors caused by staff.</p> <p>The more robust the controls and measures the Council has in place to ensure compliance, then the more effectively it is able to argue cases of human error, when staff don't follow those measures or meet those controls put in place.</p> <p>05/01/2020</p> <p>3rd Qtr 19/20 Review Summary: A breach of the GDPR and or Data Protection Act 2018 can occur not just through the disclosure of information, but by failing to comply with many aspects of the legislation. For example no provision of privacy notices, technical and organisational measures not being in place, data processing agreements not in place when personal data is being transferred to organisation processing our personal data, failing to meet timescales in the undertaking of subject access requests, failing to enable the public to exercise their rights of rectification, erasure etc.</p> <p>The Information Management Assurance and Governance plan (IMAG), planning overseen by Corporate Information Governance Group (CIGG), and the work of the Corporate Information Operational Governance Group (CIOG) support the Council's plans to reduce the potential to fail to meet the above</p>	Cllr Graham Breeze Diane Reynolds	12	12	<ul style="list-style-type: none"> • Personal Data Breach Management • Data Protection Impact Assessments • - Information Asset Register • - Development of internal records of processing • - Ensure signed agreements are appropriately stored • - Develop data controller vs data Processor check list for services • Review of postal checking regimes in place • Provision of information to EMT, HoS, and Team Meetings • - Presentations to schools • GDPR Surgeries • - Review current ISP in line with revised versions • Staff training • Communication Plan • - Policies and Procedures • - Review existing Data Processing agreements • Cyber Security Action Plan • DPO considerations on reports to Cabinet • - Information sharing protocols • - Data sharing agreements • - Identify where information sharing takes place 	Action In Progress Action In Progress Action In Progress Action In Progress Action In Progress Action In Progress Action In Progress Action In Progress Action Completed Action Completed Action Completed Action Completed Control In Place Control In Place Control In Place Control In Place Control In Place Withdrawn Withdrawn Withdrawn

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 46			<p>obligations. 13/10/2019</p> <hr/> <p>2nd Qtr 19/20. Review Summary: Work continues on the IMAG plan with CIGG, which has been cancelled in September and October. Monthly discussions with Senior Information Risk Owner (SIRO) ensure issues raised to EMT level. 07/04/2019</p> <hr/> <p>4th Qtr 18/19 Review Summary: Controls and actions taken in an attempt to prevent a breach of data protection legislation and the resulting financial, and reputational risk are wide ranging due to the volume and purposes of processing personal data by the organisation. CIGG agreed the IMAG plan for 2019-2021 in March 2019, as such DPO to develop plans to monitor compliance with data protection legislation using the Information Asset Registers as a baseline. 31/03/2019</p> <hr/> <p>03/03/2019</p> <hr/>			<ul style="list-style-type: none"> - Implement revised WASPI Accord and templates 	Withdrawn	
						<ul style="list-style-type: none"> - Revised centralised ISP register to link to information Asset and Record of Processing Activities (ROPA) 	Withdrawn	
						<ul style="list-style-type: none"> - Create policy on services undertaking due diligence potential processors - Create log of data processors and agreements linking to information asset and ROPA 	Withdrawn	

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Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
ICT0029 Julie Davies Escalated From :- Digital Services <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen 47</div>	Cyber Security Threat. Risk of financial loss, disruption or damage to the reputation of Powys County Council from a failure of its information technology systems and or/loss of Data due to a cyber attack or Incident.	Loss of Information systems until they can be successfully restored. Loss of data, inability to access data or public disclosure of Personal Data. Cyber risk could materialize in a variety of ways, such as: <ul style="list-style-type: none"> Deliberate and unauthorized breaches of security to gain access to information systems. Unintentional or accidental breaches of security. Operational IT risks due to factors such as poor system integrity. 	22/03/2020 4th Qtr 19/20 Review Summary 30/3/2020: Continuing to work on actions identified in Cyber Security Plan and to conduct reviews into further improvements to add to plan. Capital investment has been used to strengthen process for vulnerability management and incident detection, which enables prompt corrective action on identified risks. Cyber Essentials + accreditation achieved during this financial year along with IASME Governance (Information Assurance for Small and Medium Enterprises Consortium). Progress made in Cyber Security Training for all staff and Council members. 29/12/2019 3rd Qtr 19/20 Review Summary: Continued improvements to Patching and compliance monitoring procedures. Continuing to work on actions identified in the Cyber Security Improvement plan. Continuing to develop Advanced Threat detection and Security improvements using O365 tools 15/12/2019 3rd Qtr 19/20 Review Summary: 07/07/2019 07/04/2019	Cllr Graham Breeze Diane Reynolds	<div style="background-color: red; color: white; padding: 2px;">12</div>	<div style="background-color: red; color: white; padding: 2px;">9</div>	<ul style="list-style-type: none"> Capital Investment Major Incident response processes Disaster Recovery Procedures Capital investment in Security Operations Management Tools Cyber Security Improvement Plan Cyber Security Certification Staff Training 	Action In Progress Action In Progress Action In Progress Action In Progress Control In Place Control In Place Control In Place

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Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
PCC0002 Greg Thomas	The impact on the Council as a result of Brexit.	<ul style="list-style-type: none"> - Increased service demand; - Relocation from the EU to Powys of families - estimated at 500; - Fuel shortages; - Loss of access to external (EU) funding programmes; - Reduced income to Powys County Council; - External market factors; - GDPR compliance; - Potential financial crash; - Unable to recruit/retain staff (EU Nationals); - Employee workload; - Delays/disruption to food and/or essential supplies. 	<p>12/04/2020</p> <p>4th Qtr 19/20 Review Summary: No change to risk rating. The Strategic Brexit Risk Register is still in place, and Powys County Council continue to work with our partner agencies, Welsh Local Government Association, and Welsh Government to ensure that we are aware of, and acting to the latest advice and guidance.</p> <p>12/01/2020</p> <p>3rd Qtr 19/20 Review Summary: Following the successful vote on the 2nd reading of the Withdrawal Agreement Bill, the Prime Minister confirmed that Operation Yellowhammer should be halted with immediate effect due to the decreased likelihood of the UK leaving the EU without a deal on 31 January 2020. This means that the operational phase of Yellowhammer will not now be stood up in January 2020 and no further preparation is needed for a no deal exit on 31 January 2020.</p> <p>However, whilst we are standing down no deal preparations, Powys County Council are continuing to work to ensure that any adverse impacts of Brexit are mitigated as far as possible. Powys County Council are also working to identify opportunities to the organisation that may arise from Brexit. Work has been done to ensure that citizens are best placed to understand the changes that Brexit will bring.</p> <p>At this stage we are now awaiting guidance from the Welsh Local Government Association (WLGA) and Welsh Government, to ensure that we are best placed for the transition period. A Strategic Brexit Risk Register is held, and reviewed by the Strategic Brexit Coordination Group.</p>	<p><i>Cllr Rosemaire Harris</i></p> <p>Nigel Brinn</p>	12	9	<ul style="list-style-type: none"> • Close monitoring • Continue to monitor economic indicators • Ongoing dialogue with external advisers • Cabinet briefed • Advice from pension advisers • Continue to work with WEFO 	<p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Control In Place</p> <p>Control In Place</p> <p>Control In Place</p>

Tudalen 48

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 49			<p>06/10/2019</p> <p>2nd Qtr 19/20 Review Summary: The Strategic Brexit Coordination Group (BCG) has conducted impact assessments, and where appropriate controls and monitoring are in place. PCC is prepared as far as practicable for any Brexit scenario, and we wait further guidance for UK and Welsh Government. A Strategic Brexit Risk Register is held, and reviewed on a monthly basis. Further explanation is provided in the risk report.</p>					
			<p>07/07/2019</p> <p>1st Qtr 19/20 Review Summary: Risk has been reviewed and risk rating increased due to the current uncertainties regarding Britain's exit from the European Union, and a potential 'No-Deal' Scenario on October 31st 2019. The Strategic Brexit Coordination Group (BCG) has conducted impact assessments, and where appropriate controls and monitoring are in place. PCC is prepared as far as practicable for any Brexit scenario, and we wait further guidance for UK and Welsh Government.</p>					
			<p>07/04/2019</p>					
			<p>31/03/2019</p> <p>03/03/2019</p>					

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Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 51			<p>Estyn at a post-inspection meeting in November 2019. The Schools Transformation Board has been re-established, regular reports will be submitted to Learning and Skills Scrutiny Committee and the Leader is establishing a Group Leaders' meeting that will meet monthly to consider progress in implementing the recommendations.</p> <p>CIW continue to monitor Social Services and we expected full inspections of Children Services and Adult Services over the 12 months.</p> <p>1st Qtr 19/20 Risk Review Summary: During the quarter we received notification by Estyn of their intention to inspect PCC's Education Service week 1st July. The Education Service prepared thoroughly for the inspection by updating the Self-evaluation, gathering evidence and briefing partners in advance of the inspection. A small corporate Project Team met weekly from mid-April to ensure that the Service was well prepared for the Inspection. This highlighted some processes that needed to be strengthened and embedded over the summer, in advance of the publication of the Inspection report in September</p>					

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Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
PCC0004 Ness Young	Significant long term decrease in the working age population impacts on Council's ability to recruit and retain or commission the workforce it requires	Council is unable to secure the services needed by the local population, including care and assessment provision, education, waste, highways, housing culture and support services.	<p>03/05/2020</p> <p>4th Qtr 19/20 Review Summary: In quarter 4 the Powys Regional Health Board published its Strategic Framework for the Health and Care workforce in Powys.</p> <p>The Council responded to the current coronavirus pandemic by invoking its business continuity plans which means that we are focused on delivering business critical activities. As part of this response we are redeploying employees to business critical services.</p> <p>The implementation of the council's workforce strategy and the RPB Workforce Futures Strategic Framework will resume when we return to business as usual.</p> <p>19/01/2020</p> <p>3rd Qtr 19/20. Review Summary: In Quarter 3 the Council published its workforce strategy and as part of the RPB we have produced a final draft of the Workforce Futures Strategic Framework for the Powys health and social care workforce.</p> <p>The Council has mapped current activity around skills development across the county and has recently met colleagues from Ceredigion Council and agreed to develop a skills strategy for the Mid Wales Region, aligned to the Mid Wales Growth Deal.</p> <p>The Council has launched an apprenticeship talent pool and a joint apprenticeship programme with Powys Teaching Health Board.</p> <p>An action plan has also been develop to improve the recruitment and retention of Qualified Social Workers in Children's Services.</p>	Cllr Graham Breeze Ness Young	25	20	<ul style="list-style-type: none"> Promoting Powys as a place to live, visit and do business Developing a health and care workforce for the future Support communities to be able to do more for themselves and reduce demand on public services Developing a workforce strategy which ensures Council is an excellent employer increase use of direct payments and the dynamic purchasing system are intended to secure more creative approaches Develop an Adults' Service recruitment and retention strategy, based on a strong brand promoting positive values and working/l Growing our own workforce, including the scoping of a rural academy of learning which would offer social care qualifications t Consideration of a joint bank of staff available to maintain staffing levels and reduce risk Investigation of the Apprenticeship framework to see what can be offered to younger people to attract them into social care ro Conduct research to understand the workforce profile in health and social care Developing digital solutions and services Formal partnership with the Open University and secondment of students Improving skills and supporting people to get good quality jobs Improving education attainment of all pupils Improving the skills and employability of young people and adults Build better connections with schools within Powys and universities within Wales and just across the border in order to attract Telehealth and telecare 	<p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p> <p>Action In Progress</p>

Tudalen 52

Strategic Risk Register				Portfolio	Inherent	Residua	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 53			<p>29/09/2019</p> <p>2nd Qtr 19/20 Review Summary: Draft health and social care strategic framework has been developed. Overall risk progress: Draft health and social care strategic framework has been developed</p> <p>2nd Quarter progress of supporting mitigating actions are as follows:</p> <p>Developing digital solutions and services -A Digital First Executive Group has been established under the Health and Care Strategy and a Strategic Framework is in development</p> <p>Improving education attainment of all pupils -In secondary schools, new qualifications have been introduced during the past three years. Welsh Government have also introduced interim key stage 4 performance measurement arrangements with a change from Level 2 qualifications (A*- C) to Capped 9 Average Point Score. Key stage 4 and 5 data within the report remains provisional as we await the verified data available in December 2019.</p> <ul style="list-style-type: none"> In Powys, there was an improvement of 6.1 points in the average Capped 9 points score for individual pupils. The average Capped 9 point score has increased in 7 out of 11 Powys secondary schools. Across ERW, the average Capped 9 point score increased by 10.9 points. Powys is ranked 3rd across the ERW local authorities. <p>Developing a workforce strategy which ensures Council is an excellent employer -Draft Council workforce strategy has been produced</p>					

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 54			<p>Growing our own workforce, including the scoping of a rural academy of learning which would offer social care qualifications</p> <p>-Rural academy proposal is being developed by the Workforce Futures Board as part of the Workforce Futures Strategic Framework</p> <p>Consideration of a joint bank of staff available to maintain staffing levels and reduce risk</p> <p>-Proposal being developed</p> <p>Investigation of the Apprenticeship framework to see what can be offered to younger people to attract them into social care roles</p> <p>-Joint apprenticeship scheme now in place</p> <p>Conduct research to understand the workforce profile in health and social care</p> <p>-Research complete and underpins draft Workforce Futures Strategic Framework</p> <p>-All other mitigating actions that support this risk have nothing to report this quarter.</p> <p>08/09/2019</p> <hr/> <p>1st Qtr 19/20 Review Summary: No change this quarter</p> <p>05/05/2019</p> <hr/> <p>03/02/2019</p> <hr/>					

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
PCC0005 Ness Young	The impact to Powys residents, services and Council staff as a result of a COVID-19 (Coronavirus) epidemic	Increased staff absenteeism; Increase demand for services from residents Increased workload for council staff as a result of staff absence and increased service demand Closure of Council premises resulting in reduced services to residents and office accommodation	<u>03/05/2020</u> 4th Qtr 19/20. Review Summary: The Council has developed a separate risk register for the Coronavirus pandemic. The risks captured in this assessment include: Increase in services demands Financial impact on the council Availability of Personal Protective Equipment Distance learning for pupils Childcare provision Safeguarding Workforce absence There are mitigating actions in place for all the risks identified and the risk register is reviewed weekly by the Council's internal GOLD Command Group (part of the Council's Emergency Response arrangements)	Cllr Rosemaire Harris Ness Young	25	20	<ul style="list-style-type: none"> Update Business Continuity Plans (at Service and Corporate Level); Establishment of an Internal Silver Command Powys County Council Representation on Powys Teaching Health Board Gold and Silver Command; Liaison with all Local Resilience Forum (LRF) Partners; PCC Liaison with Welsh Government and Public Health Wales; Communication and engagement with schools. Communications to residents, staff and members 	Action Completed Control In Place Control In Place Control In Place Control In Place Control In Place
Tudalen 55								

Strategic Risk Register				Portfolio	Inherent	Residua	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
PPPP0007 Gwilym Davies Escalated From :- Property, Planning, and Public Protection Tudalen 56	Heart of Wales Property Services (HOWPS)	<ul style="list-style-type: none"> - Failure of statutory functions - Compliance risk. - Failure to perform repairs and maintenance. - Failure to achieve projected savings. - Reputational damage to PCC. - Cost to PCC for poor performance. - Officer time costs (due to additional workload). - Financial Risk to HRA and wider Authority. - Critical Wales Audit Office Report. - Non-delivery of key projects due to lack of resources. - Financial Risk to HRA and wider Authority. - Critical Wales Audit Office Report. 	03/05/2020 4th Qtr. 19/20: Review Summary: The performance of HOWPS is continued to be monitored closely via the monthly Contract Management Forums and additional monitoring mechanisms with HOWPS such as 1) Weekly compliance meetings 2) Weekly legionella meetings 3) Monthly/Weekly asbestos monitoring. Also additional monitoring meetings within PCC have been set up. The Corporate Compliance rectification plan is being monitored and at the end March, HOWPS are broadly on track with the rectification plan, but supply chain issues due to COVID – 19 has meant that targets within the Rectification plan has been narrowly missed. HOWPS are now utilising a new Compliance Tracker which is much easier to use and compliance can be easily identified across buildings and across tests. PCC have had to audit the information within the Tracker to ensure that the information is correct – This is putting extra pressure on the Strategic Property, but is necessary to ensure that the information being given to PCC is correct. Additional monitoring has been put in place to audit the access of the Alpha Tracker Database (asbestos information) to ensure that Alpha Tracker is accessed before every job is started. Our monthly audit has identified gaps in this access procedure, therefore this has been increased to weekly monitoring. Issues with Legionella Monitoring, information has not been sent to PCC by HOWPS. Clarification over roles and	Cllr Phyl Davies Nigel Brinn	12	12	<ul style="list-style-type: none"> • Potential to invoke step in clauses for specific parts of the contract in line with contract • Awaiting consultation resource plan. • Performance monitoring • Utilisation of contract document to escalate issues. • Development of evidence and fall-back systems • Introduced weekly officer level meetings • Development of contingency plans for contract failure • Head of Service on HOWPS Board of Directors. • Portfolio Holder on HOWPS Board of Directors. • Escalation of risk and concerns to Chief Executive and Strategic Directors. • Recovery plan submitted by Kier on behalf of HOWPS. • Additional resources allocated by Kier (3.5 FTE Change Managers). • Close monitoring by Directors/Portfolio Holder/Chief Executive/Strategic Directors. 	Action In Progress Action In Progress Action In Progress Action In Progress Action In Progress Action In Progress Action In Progress Control In Place Control In Place Control In Place Control In Place Control In Place

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 57			<p>responsibilities is underway to ensure that risks are assessed and actioned. 12/01/2020</p> <p>3rd Qtr. 19/20: Review Summary:</p> <ul style="list-style-type: none"> Continued monitoring of HOWPS performance via monthly Contract Management Forums. Additional monitoring now in place of HOWPS performance with service-specific meetings to monitor various issues including statutory testing, complaints, asbestos tracking, void management and the inspection and servicing of domestic heating systems. A Rectification Plan has been received from HOWPS for services, provided for both Corporate and Housing, which are falling below the acceptable performance level. The Rectification Plan in its original form was rejected by the Council. A revised Rectification Plan is now awaited from HOWPS. 06/10/2019 <p>2nd Qtr 19/20: Review Summary:</p> <ul style="list-style-type: none"> Performance monitoring in place. Pre-Board meetings attended by key internal stakeholders have been set up to discuss high level issues. Actions from meeting escalated to HOWPS Board. Communication plan reviewed monthly. 07/07/2019 <p>1st Qtr 19/20 Review Summary:</p> <ul style="list-style-type: none"> Performance monitoring in place. Pre-Board meetings attended by key internal stakeholders have been set up to discuss high level issues. Actions from meeting escalated to HOWPS Board. Communication plan reviewed monthly. 07/04/2019 					

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
PPPP0008 Gwilym Davies Escalated From :- Property, Planning, and Public Protection Tudalen 58	Lack of adequate resilience planning	'- Non-compliance with Civil Contingencies Act (CCA) 2004 - Failure to deliver critical services in the event of a declared emergency or event - Disruption to business as usual activities	<p>03/05/2020</p> <p>4th Qtr. 19/20 Review Summary: The Incident Management guide was approved by SLT and implemented. It has now been implemented twice in both Storm Dennis and Covid-19 and has proved to be an effective response tool. It will be reviewed again in the light of experience from both events when appropriate to do so. All training listed in the 3rd quarter update has been cancelled so there may be a need to rebook that in due course. However all SLT officers are now well experienced in internal Gold; internal Silver and PCC is well represented at SCG and TCG</p> <p>In view of the exposure of all SLT to 2 major incidents I think this is a risk that can be safely removed.</p> <p>12/01/2020</p> <p>3rd Qtr. 19/20 Review Summary:</p> <ul style="list-style-type: none"> The 2019 SWAP audit was completed, and feedback was Crisis management is well controlled in partnership with the Local Resilience Forum 4 Gold officers trained; 5 officers are booked in for Silver training (courses April and October 2020). Loggist training delivered (in conjunction with PTHB) to 6 PCC staff. An additional 4 staff will be trained in 2020. 1 officer working towards Level 3 Education & Training in order to deliver more in-house training in conjunction with PTHB. <p>06/10/2019</p> <p>2nd Qtr 19/20 Review Summary:</p> <ul style="list-style-type: none"> Service and Corporate Business Continuity Plans fully updated; Creation of new Incident Management Guide (in draft form); Review of contingency planning 	Cllr Phyl Davies Nigel Brinn	6	4	<ul style="list-style-type: none"> '- Education and training programme - Business Continuity Management (BCM) Group - Service Business Continuity Plans (BCP) - Corporate BCP - Major Incident Plan - Self-evaluation of BCM incorporated into SIP process - PCC representation on Dyfed Powys Local Resilience Forum (LRF) - 24/7 Duty Emergency Planning Officer to facilitate PCC response 	Control In Place Control In Place Control In Place Control In Place Control In Place Control In Place Control In Place Control In Place

Strategic Risk Register				Portfolio	Inherent	Residua	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 59			<p>documents underway;</p> <ul style="list-style-type: none"> • Four Gold/Strategic Officers Trained; • Loggist masterclass training undertaken by Civil Contingency team member, this will be delivered to other officers throughout quarter three; • Participation in Exercise Wales Connect; • Continued engagement at multi-agency Local Resilience Forum meetings. <p>07/07/2019</p> <hr/> <p>1st Qtr 19/20 Review Summary:</p> <ul style="list-style-type: none"> - Three SLT members have completed gold training. - Loggists, silver and gold training being requested. - Operation Wales Connet planned for July 2019 (Training) <p>07/04/2019</p> <hr/>					

Mae'r dudalen hon wedi'i gadael yn wag yn fwiadol

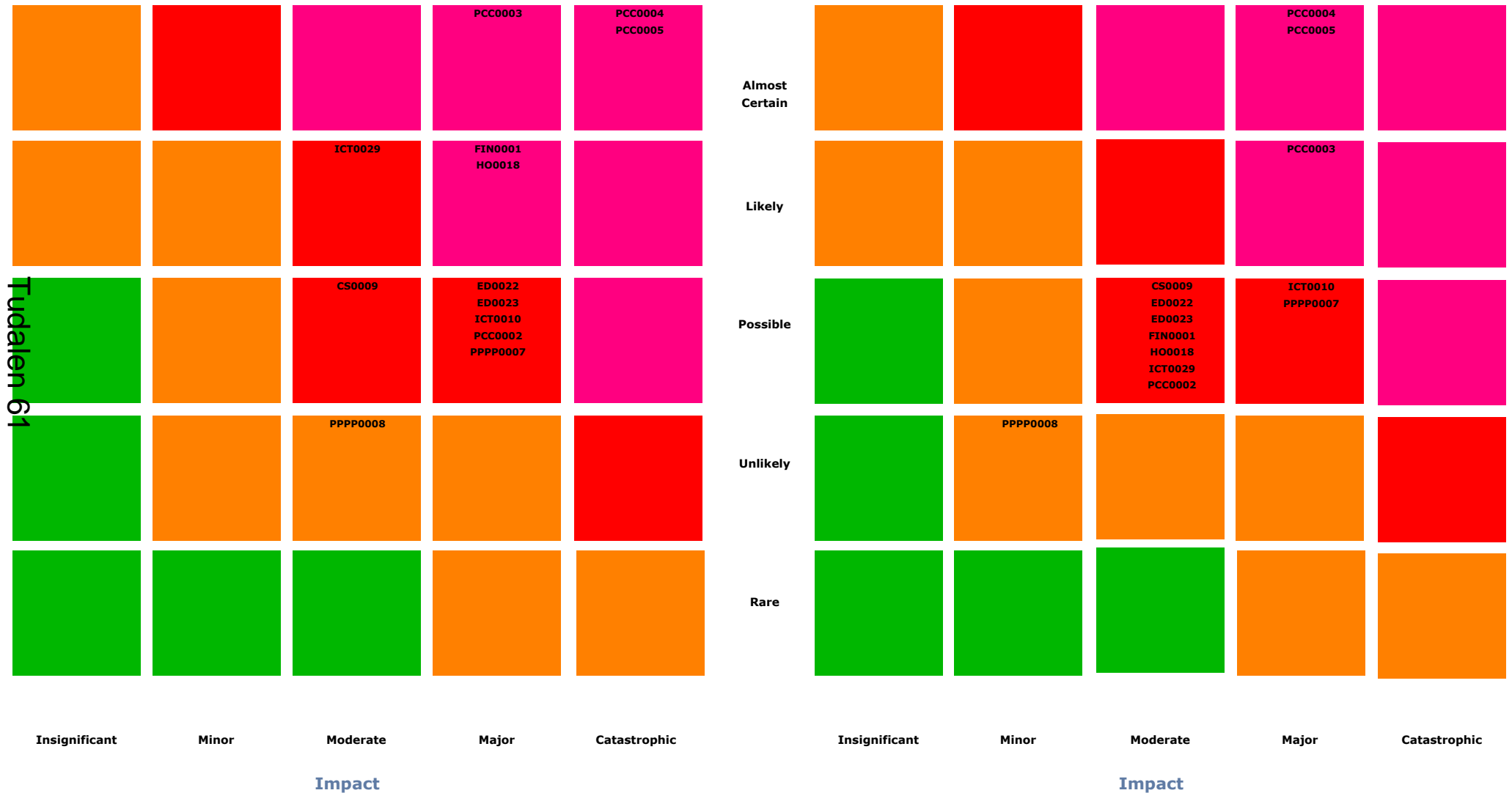
Heatmap Inherent and Current



Inherent Ratings Summary Heatmap

Residual Ratings Summary Heatmap

Probability



Detailed Risk Information

Residual and Target Rating Changes since 16/11/2019

Risk Ref	Risk Identified	Owner	Service Area	Prev Inherent Rating	->	Inherent Rating	Prev Residual Rating	->	Residual Rating
PCC0004	Significant long term decrease in the working age population impacts on Council's ability to recruit and retain or commission the workforce it requires	Ness Young	Powys County Council	25	→	25	20	→	20
PCC0005	The impact to Powys residents, services and Council staff as a result of a COVID-19 (Coronavirus) epidemic	Ness Young	Powys County Council	No Previous		25	No Previous		20
PCC0003	The council receives a negative regulatory / inspection report	Caroline Turner	Powys County Council	20	→	20	9	↗ 7	16
ICT0010	Non compliance with data protection legislation (General Data Protection Regulations (GDPR) and UK Data Protection Act (DPA) 2018	Helen Dolman	Digital Services	12	→	12	12	→	12
PPPP0007	Heart of Wales Property Services (HOWPS)	Gwilym Davies	Property, Planning, and Public Protection	9	↗ 3	12	9	↗ 3	12
FIN0001	The Council is unable to manage the level of financial cuts required by the Welsh Government and the relatively poor funding position	Jane Thomas	Financial Services	16	→	16	9	→	9
HO0004	Compliance in Powys County Council Housing Stock	Andy Thompson	Housing	No Previous		16	No Previous		9
ED0002	The council will be unable to manage the schools budget without extra resource and finance and this will affect every individual school in Powys that has a deficit budget.	Lynette Lovell	Education	No Previous		12	No Previous		9
ED0023	The council fails to make the necessary improvements in response to Estyn recommendations.	Lynette Lovell	Education	No Previous		12	No Previous		9
ICT0029	Cyber Security Threat. Risk of financial loss, disruption or damage to the reputation of Powys County Council from a failure of its information technology systems and or/loss of Data due to a cyber attack or Incident.	Julie Davies	Digital Services	12	→	12	6	↗ 3	9
PCC0002	The impact on the Council as a result of Brexit.	Greg Thomas	Powys County Council	12	→	12	9	→	9
CS0009	Ability to meet the requirements of the MTFS / Retaining grant funding around posts within Children's Services	Jan Coles	Children's Services	9	→	9	9	→	9
PPPP0008	Lack of adequate resilience planning	Gwilym Davies	Property, Planning, and Public Protection	6	→	6	4	→	4

Report Selection Criteria

(REP_RECORD_CROSSCUT.Business Unit Code = @StrategicBusinessUnitCode AND (REP_RECORD_CROSSCUT.Status Flag <> "WITHDRAWN"))
and REP_RECORD_CROSSCUT.Record Type=1