

Pecyn Dogfennau Cyhoeddus

Cabinet

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

Dyddiad y Cyfarfod
Dydd Mawrth, 13 Ebrill 2021

Amser y Cyfarfod
10.00 am

I gael rhagor o wybodaeth cysylltwch â
Stephen Boyd
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Neuadd Y Sir
Llandrindod
Powys
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Dyddiad Cyhoeddi

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.	COFNODION
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Awdurdodi'r Cadeirydd i lofnodi cofnodion y cyfarfodydd a gynhaliwyd ar 12 Mawrth ac 18 Mawrth 2021 fel cofnodion cywir.

(Tudalennau 1 - 8)

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

4.	RHAGOLYGN ARIANNOL AR GYFER Y FLWYDDYN A DDAETH I BEN 31 MAWRTH 2021 (AR 28 CHWFROR 2021)
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Ystyried adroddiad gan y Cynghorydd Sir Aled Davies, Aelod Portffolio ar faterion Cyllid a Thrafnidiaeth.

(Tudalennau 9 - 40)

5.	RHAGOLYGN CYFALAF AR 28 CHWFROR 2021
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Ystyried adroddiad gan y Cyngorydd Sir Aled Davies, Aelod Portffolio ar faterion Cyllid a Thrafnidiaeth.

(Tudalennau 41 - 52)

6.	PENDERFYNIADAU DIRPRWYEDIG A WNAED ERS Y CYFARFOD DIWETHAF
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Nodi'r penderfyniadau dirprwyedig a wnaed gan Aelodau Portffolio.

(Tudalennau 53 - 54)

7.	BLAENRAGLEN WAITH
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Ystyried blaenraglen waith y Cabinet.

(Tudalennau 55 - 58)

**MINUTES OF A MEETING OF THE CABINET HELD BY TEAMS ON FRIDAY, 12
MARCH 2021**

PRESENT

County Councillor M R Harris (Chair)

County Councillors MC Alexander, G Breeze, P Davies, A W Davies, H Hulme,
I McIntosh and R Powell

In attendance: John Brautigam, Chair of the Finance Panel

1. APOLOGIES

There were no apologies for absence from Cabinet members.

2. DECLARATIONS OF INTEREST

There were no declarations of interest reported.

3. VALUING RESIDENTIAL CARE

Cabinet considered fees paid by the Council to care homes. An independent specialist had been engaged to examine the costs of providing residential care in Powys to introduce sustainable care home fees for providing elderly residential and nursing care in the four relevant categories (general nursing, dementia nursing, general residential and dementia residential).

The new fees recommended were comparable to fee rates of other Councils across and reflected the reality of the costs to the providers currently in Powys. There were significant financial implications to the decision, however, all the costs would be contained within the increased Adult Social Care budget for 2021/22. Costs would be mitigated by enabling more people to remain in their own homes for longer.

The fee rates recommended, following the review were:

Powys Care Home Weekly Fee Rates	Residential Care	Residential Care Dementia	Nursing Care (Not including health component of Funded Nursing Care)	Nursing Care Dementia (Not including health component of Funded Nursing Care)
Pandemic Rate & Continuing Gold	£694	£704	£695	£733

Standard Rate				
Standard Powys Rate	£659	£669	£660	£698

The fee rates would increase or decrease by annually according to consideration of:

- The change in Consumer Price Index across homes' expenditure
- The change in the National Living Wage for eligible staff
- Consideration of the Bank of England Interest Rate and its impact on Return on Capital Employed

The fee rates would remain for 3 or 4 years (accepting the changes made by 3.6 of the report), at which point a full review would be undertaken (with recommendations being implemented in April 2024 or April 2025).

Responding to questions, the Portfolio Holder for Adult Social Care and officers confirmed that the service was working closely with schools and colleges providing training courses for people wanting to pursue a career in caring. They also advised that five apprenticeships in Care had been agreed for 2021/22, with places being made available for care leavers.

RESOLVED to approve the new fee rates for care homes in Powys as set out above and in paragraphs 3.8 to 3.10 of the report.

4.	PERFORMANCE OF LIBRARY SERVICE UNDER WELSH PUBLIC LIBRARY STANDARDS FRAMEWORK, 2019/20
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Cabinet considered the Annual Report from Welsh Government on the performance of the Library Service during 2019/20. The report found that for the year 2019/20, the library service met 10 of the 12 core entitlements in full, 1 in part, and did not achieve one. The entitlement not met required a current published strategy document for the service, to replace the 2015 document. This was being updated, and this entitlement would be met again going forward.

Of the 9 Quality Indicators with targets, the library service achieved 6 in full, 1 in part, and did not achieve two. Of the 2 not achieved, one was due to the impact of coronavirus on the supply of requested books in the last quarter of 2019/20 (Q12), whilst the other related to investment by the authority in library materials/resources for residents (Q19). The library service had never met the spending targets per capita in the latter, in common with many authorities across Wales.

The report concluded that performance was broadly maintained in 2019/20, and the library service continued to provide a quality service, with usage generally above the median across Wales. It was particularly pleasing that loans to children increased in 2019/20, reflecting the priority which the service places on supporting the development of literacy and reading for pleasure amongst children and young people.

The Principal Librarian and her team were thanked for their work.

RESOLVED that the outcomes in the Welsh Public Library Standards Annual Report from Welsh Government on Powys Library Service 2018/19 are duly noted and considered in forward planning.

5. MID WALES GROWTH DEAL INTER AUTHORITY AGREEMENT

This item was withdrawn.

6. EXEMPT ITEMS

The Leader advised that the following item was not confidential and therefore there was no need to exclude the press and public.

7. REVIEW OF MRP POLICY

Cabinet considered a revision to the Council's Minimum Revenue Provision (MRP) Policy to ensure that the MRP and interest on borrowing were charged to the revenue budget equally over the life of the asset on which the borrowing was required. The revised policy proposed was as follows:

For capital expenditure incurred before 1 April 2020 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- To calculate the MRP over a 50 year life on an on annuity basis using the Authority's average rate of borrowing.

From 1 April 2020 for all unsupported borrowing (including PFI and finance leases), the MRP policy is:

- To charge MRP over the weighted average asset life on an annuity basis using the Authority's average rate of borrowing.

For HRA Historic and Settlement Debt, the MRP policy will be:

- To calculate the MRP over a 60 year life on an on annuity basis using the Authority's average rate of borrowing.

For HRA Post Settlement Debt, the MRP policy will be:

- To calculate the MRP over a weighted average asset life on an on annuity basis using the Authority's average rate of borrowing.

Repayments included in annual PFI or finance leases are applied as MRP.

In addition, the guidance allows for MRP to be deferred for assets under construction and this part of the guidance is adopted because the asset is not used by the authority until it is operational and therefore the MRP will match the life of the asset.

The proposed change in policy would result in a reduction of MRP and interest charges to revenue budget of £3.65m in 2020/21, £3.40m in 2021/22 and

£3.33m in 2022/23. It would also result in a reduction in the HRA charges of £1.50m in 2020/21, £1.55m in 2021/22 and £1.57m in 2022/23. It was proposed that the released revenue budget would be ringfenced to support the ongoing capital requirement

The Chair of the Finance Panel advised that the Panel had considered the proposal and supported it having had assurance that the savings would be ringfenced to support the Capital Programme.

The Section 151 Officer confirmed that the proposal had been shared with Audit Wales.

RECOMMENDED TO COUNCIL

1. That the revised Minimum Revenue Provision Policy set out above and outlined in 3.8 is adopted for 2020/21 and future financial years.
2. That the savings identified are ringfenced to support the funding arrangements for the Council's Capital Programme.

8.	GLOBAL CENTRE OF RAIL EXCELLENCE BRIEFING
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This item was deferred.

County Councillor M R Harris (Chair)

MINUTES OF A MEETING OF THE CABINET HELD BY TEAMS ON THURSDAY, 18 MARCH 2021

PRESENT

County Councillor M R Harris (Chair)

County Councillors MC Alexander, G Breeze, P Davies, A W Davies, H Hulme, I McIntosh and R Powell

1. APOLOGIES

Apologies for absence had been received from the Corporate Director (Adult and Children's Services) and from County Councillor Gwynfor Thomas who had hoped to speak as local member on item 4 Llangedwyn CiW Primary School, Llanfechain CiW Primary School and Llansantffraid CiW Primary School - Proposal Paper.

2. MINUTES

The Leader was authorised to sign the minutes of the meeting held on 2nd March 2021 as a correct record.

3. DECLARATIONS OF INTEREST

County Councillor Myfanwy Alexander declared a personal and prejudicial interest in item 4 Llangedwyn CiW Primary School, Llanfechain CiW Primary School and Llansantffraid CiW Primary School - Proposal Paper. Councillor Alexander left the meeting while the report was being considered.

4. LLANGEDWYN CIW PRIMARY SCHOOL, LLANFECHAIN CIW PRIMARY SCHOOL AND LLANSANTFFRAID CIW PRIMARY SCHOOL - PROPOSAL PAPER
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Cabinet was asked to give approval to commence the statutory process on the following proposals:

- To close Llangedwyn C. in W. School from the 31st August 2023 with pupils to transfer to their nearest alternative schools
- To close Llanfechain C. in W. School from the 31st August 2023 with pupils to transfer to their nearest alternative schools
- To make a regulated alteration to increase the capacity of Llansantffraid C. in W. School by 90 places from 1st September 2023, following completion of the construction project at Llansantffraid C. in W. School.

Approval was also sought:

- To develop a Business Justification Case (BJC) for submission to Welsh Government to develop an extension to Llansantffraid C. in W. School
- To release £50,000 from the 21st Century Schools 'Other Projects' line in the capital programme, to support the initial feasibility and design stages of the new extension at Llansantffraid C. in W. school.

The Leader confirmed that letters and emails had been received and had been read by the Cabinet.

Comments from County Councillor Gwynfor Thomas, the local Member for Llanfechain C. in W. and Llansantffraid C. in W. Schools were read out. Councillor Thomas was supportive of the proposal to increase the size of Llansantffraid C. in W. School but asked the Cabinet to give careful consideration to the proposals to close Llanfechain and Llangedwyn Schools which had benefited from federation, with pupil numbers growing at Llanfechain.

County Councillor Aled Davies speaking as the local member for Llangedwyn C. in W. expressed his extreme disappointment that the school had only learned that the report was coming to Cabinet through a press release. Due to the low pupil numbers he was content for the proposals to go to consultation and for any inaccuracies in the report to be drawn out in the consultation process. He asked if the expansion of Llansantffraid was not achievable whether the whole proposal would fall. He remained concerned over the loss of children across the border out of the Welsh education scheme.

The Portfolio Holder and officers apologised for the failure to notify the Chairs of Governors before the press release was issued. It was confirmed that a larger extension was required at Llansantffraid to secure additional Church in Wales places for pupils should Llanfechain and Llangedwyn schools close. This had also been raised by the Diocese and officers put on record their thanks for the co-operation of the Diocese. A feasibility study would take place over the next three months which would provide more detail about the building works required at Llansantffraid. At that point a business justification case would be prepared for submission to Welsh Government to secure the funding required. Only after that was it proposed to go out to consultation.

RESOLVED

1. that Cabinet approves commencing the statutory process on the following proposals:

- **To close Llangedwyn C. in W. School from the 31st August 2023 with pupils to transfer to their nearest alternative school;**
- **To close Llanfechain C. in W. School from the 31st August 2023 with pupils to transfer to their nearest alternative school;**
- **To make a regulated alteration to increase the capacity of Llansantffraid C. in W. School by 90 places from 1st September 2023, following completion of the construction project at Llansantffraid C. in W. School.**

2. That officers proceed with the development of a Business Justification Case (BJC) for submission to Welsh Government to develop an extension to Llansantffraid C. in W. School
3. That Cabinet approves the release of £50,000 from the 21st Century Schools 'Other Projects' line in the capital programme, to support the initial feasibility and design stages of the new extension at Llansantffraid C. in W. School.

County Councillor Alexander returned to the meeting.

4.	FORWARD WORK PROGRAMME
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Cabinet noted details of the forward work programme.

5.	EXEMPT ITEMS
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RESOLVED to exclude the public for the following item of business on the grounds that there would be disclosure to them of exempt information under category 3 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).

County Councillor Graham Breeze left to attend another meeting.

6.	GLOBAL CENTRE OF RAIL EXCELLENCE
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Cabinet received an update on the Global Centre of Rail Excellence project.

RESOLVED

1. that the Cabinet confirms that it is prepared to accept the repayable finance offer expected to be made by Welsh Government to progress the GCRE project.
2. The Cabinet authorises the Corporate Director (Economy and Environment) and the Head of Finance (Section 151 Officer) to accept the funding agreement as set out in Appendix A, with those officers also having delegated authority to accept minor amendments to the offer letter.
3. This funding will be held within our accounts in accordance with the requirements of the award letter from Welsh Government and established local authority accounting practice.
4. A further report will be presented to Cabinet and Full Council in due course. Subject to achieving satisfactory

due diligence on the project, the funding will be invested to enable it to successfully proceed.

County Councillor M R Harris (Chair)

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE
13 April 2021

REPORT AUTHOR: County Councillor Aled Davies
Portfolio Holder for Finance

REPORT TITLE: Financial Forecast for the year ended 31st March 2021 (as at 28th February 2021)

REPORT FOR: Information and Decision

1. Purpose

- 1.1. To provide Cabinet with the revised revenue budget outturn forecast for the 2020/21 financial year. This includes information on the additional funding streams received from Welsh Government since the last report and how this impacts on the projected position.
- 1.2. Explain how the Covid 19 pandemic continues to impact on the Council's revenue budget for 2020/21.

2. Background

- 2.1. The pandemic and the restrictions imposed continue to impact on the delivery of services across the Council, resulting in additional costs and loss of income, that continue to be supported through the Welsh Government Hardship Fund. To date just under £14 million has been claimed received.
- 2.2. Through February a number of Welsh Government funding announcements have been made with additional grants totalling £7.8 million provided to support council services. Some of this funding has to be carried forward and utilised in 2021/22, whilst other funding is now offsetting expenditure the Council expected to support in the current year. The receipt of this additional support improves our financial position to a projected surplus of £5.906 million (excluding Delegated Schools and Housing Revenue Account (HRA)). The full detail of the additional funding is set out in Appendix 7.
- 2.3. Appendix A provides a breakdown of the financial position for each service, broken down into categories covering cost pressures, cost underspends, service reductions and loss of income.

3. Revenue Forecast

- 3.1. Table 1 below summarises the projected full year position across the Council's services including HRA and delegated schools which now reports a £7.902 million surplus, (this figure moves to a £5.906 million (3.2%) surplus when HRA and delegated schools are excluded).
- 3.2. Further detail for each service area is provided in Appendix B, with Heads of Service setting out their individual narrative that explains their financial position and activities being undertaken.

Table 1 – Summary Forecast

Revenue Budget	£'000
Base Budget	269,440
Cost Pressures	6,775
Cost Underspends	(19,637)
Cost Reductions Shortfall	2,851
Lost Income	2,109
Forecast Outturn	261,538
Surplus	7,902

3.3. The budget agreed at Council on 25th February 2021 approved a number of recommendations as a result of the improved financial position:

- 3.3.1. To make an additional payment of £767,000 into the Minimum Revenue Provision account, which is an advance payment to be utilised in 2021/22 thus negating the requirement to fund this through the budget in 2021-22. This action has been completed and it is accounted for in the forecast.
- 3.3.2. To set aside £1.8 million of the one-off funding now available in 2020-21 to put in place a Powys Recovery Fund, this fund will support Communities and Council Services. This £1.8 million will be held in a specific reserve and drawn down over the next 2 years. The reserve will be used flexibly across both categories. The transfer to reserve will take place at year end.
- 3.3.3. Should any further opportunities be presented before year end, a principle (for this and future years) be set that this further funding is earmarked to support the Capital Programme and Transformation as a priority. With the aim of minimising the impact on future revenue budgets by reducing the cost of borrowing. With this in mind the following proposals are recommended for action as part of year end:
- Transformation - 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 are forecast to cost £2.7 million this year, these costs were originally budgeted to be funded through Capital Receipts utilising the Welsh Government Capitalisation Directive. It is now proposed that these costs are met from the revenue budget releasing the capital receipts to support the Capital Programme.
 - Ring fencing £1.5 million of the surplus for remedial works by way of setting up a specific reserve to fund both revenue and capital essential remedial work to minimise the level of risk that the Council would be placed under. The overall requirement is £2.8 million over the next two financial years, of which £590,000 relates to schools and will be funded separately through a Welsh Government grant

4. Welsh Government Support

- 4.1. The Welsh Government Local Authority Hardship Fund continues to support additional costs incurred by the Council and its stakeholders due to the Covid Pandemic. It supports the additional cost associated with Social Care, Homelessness, PPE, Free School Meals, general additional expenses, and the Mortuary Facility. Thus far £10.5 million has been received. In addition, funding has

been claimed for the loss of income for quarters one to three, £2.54 million being received to date.

- 4.2. Welsh Government has made additional funding available to councils to support the pandemic, section 7 provides an update on the grants received since the last Cabinet report. In total the Council has received over £7.8 million through January and February. Some of this funding will displace spend in the current year which will be carried forward into 2021/22 as stipulated in the funding terms and conditions.
- 4.3. Claims totalling £205,099 were made for staff on furlough from the Governments' Job Retention Scheme for January and February 2021. This takes the total recovered under the scheme, year to date, to £772,191.
- 4.4. Welsh Government have met most of the Storm/flood costs incurred through January and February 2021. Storm Dennis costs are forecast at £2.4m which are fully funded. Storm Christoph has incurred relatively small outlay, revenue responsive costs of £35k of which £4k is to be met from the WG hardship grant, and a forecast spend of £105k on recovery works which the service has applied for additional grant funding, however confirmation of funding is still pending.

5. Cost reductions

- 5.1. In March 2020, the Council approved cost reduction proposals of £10.79 million. In addition, undelivered cost reductions in 2019/20 of £1.60 million have been rolled forward for delivery in the current year. This increases the value of cost reductions required during 2020/21 to £12.394 million.
- 5.2. The summary at Table 2 shows that 76% or £9.386 million have been delivered and a further 1% £158,000 are assured of delivery by Heads of Service. £2.851 million, 23% is unachieved and are at risk of delivery in this year, although some targets will be rolled forward into 2021/22.

Table 2 – Cost Reductions Summary

	To Be Achieved	Actually Achieved	Assured	Un-achieved	% Achieved
Adult Services	4,070	3,589	0	481	88%
Childrens Services	2,496	1,987	-	508	80%
Digital Services	771	501	53	217	65%
Education	701	701	-	-	100%
Finance	426	232	-	193	55%
Central Activities	870	1,000	45	(175)	115%
Highways Transport & Recycling	1,109	490	8	610	44%
Housing & Community Development	218	143	-	75	66%
Regeneration	326	135	-	191	41%
Legal & Democratic Services	331	80	-	251	24%
Property, Planning & Public Protection	784	432	29	323	55%
Transformation and Communication	85	85	-	-	100%
Workforce & OD	209	10	23	176	5%
Total	12,394	9,386	158	2,851	76%
		76%	1%	23%	

- 5.3 The budget approved by Council in February removed £1.634 million of the unachieved savings from service budgets which are now not considered to be deliverable, thus ensuring a robust and deliverable budget for next year.

6. Reserves

- 6.1. The Reserves position at Table 3 below sets out the reserve balance as at 28th February 2021. The opening reserves stand at £32.5 million, with the general reserve £9.472 million representing 5.1% of total net revenue budget (excluding Schools and the HRA for 2019/20).
- 6.2 The Housing Revenue Account business plan planned to utilise £1.379 million of reserves, but this position has now reverted to a contribution to reserves, a net movement of £18,000.

Table 3 – Reserves Table

(excludes contributions to reserve for the expected year end surplus)

Summary	Opening Balance (1st April 20) Surplus / (Deficit)	Forecast Addition / (Use) of Reserves	Forecast (Over) / Under Spend	Projected Balance (31st March 21) Surplus/ (Deficit)
General Fund	9,472	(70)	0	9,402
Budget Management Reserve	3,584	0	0	3,584
Specific Reserves	7,523	(1,352)	(321)	5,850
Transport & Equipment Funding Reserve	9,266	(5,516)	0	3,750
Total Usable	29,845	(6,938)	(321)	22,586
Schools Delegated Reserves	(910)	(960)	600	(1,270)
School Loans & Other Items	(350)	7	0	(343)
Housing Revenue Account	3,918	(1,379)	1,397	3,936
Total Specific	2,658	(2,332)	1,997	2,323
Total	32,503	(9,270)	1,676	24,909

- 6.3 The breakdown of the school's balances and the required call on reserve is set out below at Table 4. These figures are based on the latest three year projections provided by all schools.

Table 4 – School Reserve Requirements in Year

School Sector £'000	Opening Balance 31/3/20	Revised Budgeted Contribution to / (from) 2020-21	Forecast Variance from budget to / (from) reserves	Projected Closing Balance 31/3/21
Primary	2,646	(532)	(12)	2,102
Special	(124)	245	(24)	97
Secondary	(3,432)	(686)	649	(3,469)
Total	(910)	(973)	613	(1,270)

- 6.4 **Primary** - The forecast contribution from reserves for the Primary Sector is currently £544k which has decreased by £90,000 since last month.
- 6.5 **Secondary** - The Secondary sector has a forecast call on reserves currently of £37k. This has decreased since last month by £192,000. Officers have been working with

the Secondary sector and schools are working hard to reduce the deficit balances. This significant reduction in the call on reserves in the main is due to the savings realised through the Summer term closure due to COVID-19 which plans have now been updated to reflect.

- 6.6 **Special** - The special sector has a £221k forecast contribution to reserves. This has increased by £146k since last month.
- 6.7 Any use of reserves should be carefully considered, and a balanced approach adopted that assesses the current impact of using reserves against future financial resilience. All other measures to manage the deficit down should be taken first.

7. Virements and Grants

- 7.1 A virement request is made to fund £400,000 critical remedial works across Council properties. A further £1.25 million will be required through 2021/22 to complete the urgent backlog maintenance programme. The Corporate Landlord approach has identified some work that needs to be undertaken. Estimates have been calculated using actual quotes where available, but as work is undertaken and further quotes are received the estimates will be refined. Details will be set out in a Council report for approval in May for the full programme. A specific reserve for £1.5 million, as set out in section 3.3.3 will fund the backlog works, and schools maintenance work will be funded by an additional Welsh Government grant.
- 7.2 A virement request is made to fund essential maintenance work totalling £220,000 at the Powys owned care homes. Identification and planning for these activities were delayed due to the pandemic limiting visitors to care homes. When surveys were conducted a number of deficiencies were identified and work required on fire doors, fire compartmentation, and fire alarms. This work has commenced as it is deemed essential but is in addition to the normal care home budgets and not been identified. The budget is identified within Adult Social Care and part of their overall forecast.
- 7.3 The following grants have been received from Welsh Government and will be used to support activity, mainly in this financial year:
- Children's Services for additional Children and Community Grant - Childcare and Play £109,681. Childcare sustainability - To secure continued provision for the childcare sector by supporting providers facing sustainability issues.
 - Children's Services for additional Children and Community Grant – £56,403. Additional Flying Start resources, equipment, and project support.
 - Children's Services - Childcare Administration Offer - Lateral flow Grant £15,000. Facilitate the delivery arrangements for lateral flow testing kits needed to support childminders and peripatetic staff requiring access to education and childcare premises.
 - Social Care - Regional Partnership Board, responsible for allocating Welsh Government funding of which Powys has been successful in funding for – Adult Social Care £527,130 to mitigate the one off expenditure in relation to Winter Pressures. and Childrens Services £250,000 to fund the rise in Looked After Children arising through the pandemic.
 - Adult Social Care Substance Misuse Action Fund - £1,110,105 agreement to the annual plan to fund key mental health contracts and specialist residential placements, additionally including one off funding for Winter Pressures/Covid 19.

- Adult Social Care additional funding for Mental Capacity Act/ Deprivation of Liberty Safeguarding - to support the ongoing operation of the Mental Capacity Act 2005 (MCA) and the Deprivation of Liberty Safeguards (DoLS) £22,123
- Adult Social Care Substance Misuse Action Fund, £80,750 Funding for the specific purpose of purchasing of injectable buprenorphine, which will be a trial alongside all currently available treatment and provided on a monthly basis, compared to daily requirements of other treatments.
- Highways Flooding Grant - £2,464,114. Revenue grant to support the costs associated with the recovery works associated with Storm Dennis.
- Highways Flooding - £95,000. To support flood and erosion management for sites affected by floods this financial year.
- Highways - Green Recovery funding £13,941 - to support projects that deliver Green Recovery based on reported priorities.
- Transport - Home to School Transport Grant £3,056,985 - To support learner's return to school or college on registered local bus services, to increase frequencies where demand exceeds capacity, to improve access to jobs and support economic recovery. The February forecast assumes that £1,811,284 of this funding will be utilised in 2020/21 and the balance will be rolled into 2021/22.
- Transport - BES Emergency Scheme Phase 1.5 - £506,978 To support learner's return to school or college on registered local bus services, to increase frequencies where demand exceeds capacity, to improve access to jobs and support economic recovery.
- Transport funding BSSG - £1,136,064. To support and maintain the core strategic bus network and to improve connectivity.
- Transport - Traws Cymru Routes - £978,000- To procure and manage the TrawsCymru™ T4 service linking Merthyr Tydfil to Newtown and the T6 service linking Brecon to Swansea for period 1st July 2020 to 30th September 2020; and to work with Bus Users UK (Wales) to carry out passenger consultation events when appropriate.
- Libraries Circular Economy Fund financial year 2020-21 project 238, all of the funding £137,012 is to be rolled forward to 2021-22.
- Leisure – Sports recovery funding of £162,525 to be used in year for staffing and supporting post covid-19 activity. £41,000 has been spent and the remainder to be carried forward.
- Leisure - Sports development funding of £22,000 to be used in year for additional projects supporting health and wellbeing with Powys.
- Leisure - Sports development funding of £293,550 to be used in year for support of physical activity events across Powys from toddler to 18 years of age.
- Leisure - £40,350 to fund free swimming for children and will be passported through to Freedom Leisure.
- Leisure - Disability Sport Wales Grant, £21,886 supporting disability and inclusion sport through put.

- Corporate - Council Tax Reduction Scheme £628,861 to fund the increase in demand for the scheme due to the pandemic.
- Corporate – to fund the gap in council tax collection of 0.66% below the expected collection rate £621,503
- Corporate – undelivered savings, £1,093,201 to contribute towards the undelivered savings in year.
- Corporate - £1,093,201 to support digital services. This grant is unencumbered and will be used to support the overall financial position of the Council.

7.4 There has also been funding from other bodies received:

- Housing General Fund - Syrian Refugee Grant income from the Home Office of £905,000 forecast to spend £237,000 roll forward £668,000 into 2021/22. This Grant is to facilitate the Syrian resettlement programme.
- Community Development – Arts Council Wales Cwll Celf Grant funding for Arts Commissioning £30,000

8. Key Financial Risks

- 8.1. In earlier Cabinet reports we identified the key financial risks that are set out in the Corporate and Covid Specific Risk Registers and continually monitored and assessed.
- 8.2. The greatest risk remains on our ability to deliver a balanced budget in future years, we must continue to limit the possibility of future deficit and the wider impact on our reserves. This is fundamental in supporting our financial resilience over the Medium and Longer Term and our ability to approve and deliver balanced budgets.
- 8.3. Treasury Management, maintaining the Councils cash flow to meet liabilities, is also under scrutiny and continues to be monitored daily. We must ensure that the Council has sufficient liquidity to meet its immediate costs such as salaries and wages, HMRC taxation, and maintaining payment to suppliers and precepting authorities. The current position remains stable.
- 8.4. The Council remains under borrowed as we continue to utilise our cash reserves to underpin our cashflow. We can borrow both in the short to medium or long term, our approach is regularly updated and explained as part of the Treasury Management update to Audit Committee.

9. Resource Implications

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

It is clear that the virus and the measures imposed continue to have an unprecedented detrimental financial impact on the Council and this is likely to continue throughout 2020-21 and into future years.

The financial support provided by Welsh Government has been significant and has been instrumental in improving the Council's financial position for the current year. The establishment of the Powys Recovery Fund will support communities and council

services to recover from the pandemic. Using revenue funds to support transformation costs this year will release capital receipts back for use in the Capital Programme reducing the need to borrow and improving our financial sustainability. Addressing existing remedial issues across the Councils assets will also ensure our buildings are effectively maintained removing pressure on the Capital Programme in future years.

Welsh Government have confirmed continued support in 2021/22 is available but this is of course dependant on how much support is required across all authorities in Wales within the limit of the fund, so risk remains.

The Council must continue to take every opportunity to reduce costs and limit the financial impact on its budget, not only to address the deficit in the current year but to reduce the financial pressure on future years and ensure the financial sustainability of the Council.

Our Medium Term Financial Strategy was already extremely challenging with significant budget gap of £38 million over the next 4 years. The financial plans will be subject to ongoing review, funding assumptions will be revisited as more information becomes available, revised budget gaps calculated and clear plans of how we can bridge the gaps will be developed.

We cannot underestimate the significant challenge facing the Council in balancing the financial position over many years to come, there will be difficult choices to make, and the clear prioritisation of resources that deliver realistic outcomes is the key to our success.

10 Legal implications

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

11. Comment from local member(s)

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

12. Integrated Impact Assessment

12.1 No impact assessment required.

13. Recommendations

13.1 That Cabinet note the budget position and the projected full year position to the end of March 2021.

13.2 That the virements set out in section 7 of the report are approved

Contact Officer: Jane Thomas Email: jane.thomas@powys.gov.uk Head of Service: Jane Thomas

Appendix A – Forecast to year end as at 28th February 2021

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)			
		Add	+ / -	Add	Less	Less	Add	Revised		Less	Final	
£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Adult Services	63,379	1,642	269	434	106	(2,225)	481	64,086		(0)	64,086	(707)
Children's Services	26,013	972	0	0		(1,420)	508	26,073		0	26,073	(60)
Commissioning	3,193	0	0	0		(216)	0	2,977		0	2,977	216
Education	8,625	322	(18)	206		(860)	0	8,275		0	8,275	350
Highways Transport & Recycling + Director	28,019	831	(93)	1,412	(1,100)	(1,980)	619	27,708	(353)	(8)	27,347	672
Property, Planning & Public Protection	6,248	1,621	(479)	2,749	(1,440)	(2,701)	352	6,350	(347)	(29)	5,974	274
Regeneration	626	16	(8)	0		(230)	191	595		0	595	31
Housing & Community Development	4,012	192	(136)	87	(41)	(246)	75	3,943		0	3,943	69
Digital	3,934	69	(4)	101		(725)	270	3,645		(53)	3,592	342
Transformation & Communication	1,530	37	(5)	0	0	(165)	0	1,397		0	1,397	133
Workforce & OD	1,944	0	(46)	0		(217)	199	1,880		(23)	1,857	87
Legal & Democratic Services	3,060	29	(19)	143	(93)	(353)	251	3,018	(20)	0	2,998	62
Finance	5,691	472	(67)	40	(40)	(250)	193	6,039		0	6,039	(348)
Corporate Activities	31,307	165	606	164		(5,546)	(130)	26,566		(45)	26,521	4,786
								0				
Total	187,581	6,368	(0)	5,336	(2,608)	(17,134)	3,008	182,552	(720)	(158)	181,675	5,906
Housing Revenue Account	0	407				(1,803)		(1,396)			(1,396)	1,396
Schools Delegated	81,858			100		(700)		81,258			81,258	600
Total	81,858	407	0	100	0	(2,503)	0	79,862	0	0	79,862	1,996
Total	269,439	6,775	(0)	5,436	(2,608)	(19,637)	3,008	262,414	(720)	(158)	261,537	7,902

Appendix B

Head of Service Commentary

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)			
		Add	+ / -	Add	Less	Less	Add	Revised		Less	Final	
£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Adult Services	63,379	1,642	269	434	106	(2,225)	481	64,086		(0)	64,086	(707)

Adult Social Care Overview

Cost Pressures

Included in the forecast outturn are the following budget pressures:

- £0.862 million relating to the cost of providing home care of an additional 960 hours per week. These hours were identified as a cost pressure as part of 2020/21 budget setting process, but for over a year there had been a lack of human resource available to deliver these hours. Due to the recent economic situation, there have been successful recruitment campaigns and all these additional hours are now being delivered.
- Transitional costs relating to young adults transferring from Childrens Services of £0.780 million, who require ongoing care. These are part year costs, and the full year effect will be more than £1 million, again this was an unfunded pressure in the Financial Resources Model as part of the budget setting process.

Future pressures March 2021 - Not included in the forecast outturn.

- Unknown future impact of Covid 19 on service costs that are not reclaimable from the Welsh Government (WG) Hardship funding.
- Stability of commissioned providers, particularly the care home sector. There is currently 2+ providers who may be at risk of failure.
- Additional and backdated costs for "Sleep-ins" following the outcome of the judicial review, possibly backdated to November 2011. Awaiting judgement and liability to be calculated by the payroll team for the in-house service and legal direction re external providers.

Redeployment

Following business continuity being evoked staff from other services areas within the Council have been redeployed to Social Care. To date this is a cost pressure of £0.275 million, less £0.006 million where Adults employees redeployed to Track and Trace (T&T). The corresponding savings should be available in other (substantive) service area budgets to balance this pressure.

Income

A forecast budget pressure of £328,000, has been included which is a shortfall over and above income recovered on the Q1-3 claim to Welsh Government (WG). It is unknown if this level of lost income will remain after Q3, this will depend on the continuity of services and client choice as family members return to work and changes regarding shielding or current family arrangements break down.

Since the beginning of November, the cost of front line employees shielding has been mitigated by furlough income from WG.

Cost Underspends

The service has only been recruiting in respect of frontline services, which has resulted in staff slippage due to vacancies and a reduction in travel as face to face meetings have not been taking place during the pandemic. These costs will resume in 2021/22.

Cost Reductions

£3.589 million of the original target of £4.070 million has been delivered to date and included in the forecast outturn. With £0.484 million of the original target set being unachievable due to business continuity being invoked. The budget pressure will be carried forward to 2021/22 and be part of FRM.

It is important to note that Social Services meets the eligible needs of Powys' residents and is a statutory duty of the Local Authority. Whilst the services provide highly regulated, statutory provision, it is paramount that Social Services can demonstrate value for money, ensuring that we are making best use of resources in discharging our statutory duties.

Lost income reclaimable from WG

£106,000 has been received from WG in respect of lost income to Q3. It is very difficult to project to year end as dependent on future delivery of services, Welsh Government funding decisions and service user choice.

Other mitigating actions to deliver a balanced budget.

Changes in the Welsh Government guidance has now enabled Direct Payment audits to occur and the target budget set of £0.300 million is anticipated to be achieved by year end.

£1.030 million one off reduction in costs, which is partly due to Covid 19 service restrictions and/or service provision being amended or put on hold; or alternative Covid 19 funding streams received by providers from WG e.g.furlough staff, business grants, so the contract price was reduced due to accessing the public funding or only fixed costs being incurred. Pulling back unused cost is part of the work undertaken in year as set out in guidance PPN2/20. These

costs will be incurred in 2021/22, if services resume or alternative funds to support their service are not secured or available.

During budget planning for this financial year, it was confirmed that the Council would underwrite any demographic increased financial pressures. If this was honoured an additional £1m would be made available, enabling the service to significantly reduce the over-spend and would change the budget position for 2021/2 also. For instance, if the transitions of service users from children's services into adult services would be funded for 2020/21, as promised, then the budget pressure would be significantly reduced, and the recurring impact would mean fewer pressures for 2021/22.

The ability to deliver the planned budget in this year has been hindered by the services having to prioritise both the response to Covid-19 and mission-critical activity. The impact has been both from increased demand and loss of income, which has been exacerbated by the inability to prioritise the delivery of the savings plan (including retendering of contracts).

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)			
		Add	+ / -	Add	Less	Less	Add	Revised		Less	Final	
£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Children's Services	26,013	972	0	0		(1,420)	508	26,073		0	26,073	(60)

Children's Services Overview

Cost Pressures

Real pressures have emerged in Children's Services due to an increase in demand during the pandemic and the impact of the reduction of services in the community such as education, health, and leisure services. There has been an increase of circa 20% (compared with the same period last year) since May/June time and this is being sustained. This surge is now flowing through the service into an increase in children subject to a child protection plan and children who are looked after.

Increase in decision making and practitioner capacity at the Front Door and in Early Help. Pressure in Early Help has increased further.

Redeployment

Children's Services redeployment was managed within the service.

Income

N/A

Cost Underspends

All underspends are due to additional one-off Grant Funding, or utilisation of existing grant allocations over a variety of projects. Due to business continuity some projects have not occurred at the planned pace, so eligible base line budget costs have been utilised to ensure funding allocation drawn down if within the grant terms and conditions.

Cost Reductions

Savings were identified of £2.50 million in the 2020/21 budget setting process. To date £1.99 million has been achieved in the main as a result of step downs due to the closer to home project. With £0.51 million of the original target set being unachievable due to business continuity being invoked. The budget pressure will be carried forward to 2021/22 and be part of FRM.

Other mitigating actions to deliver a balanced budget.

Nothing further to offer at this stage all included above in recovery plans.

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)			
		Add	+ / -	Add	Less	Less	Add	Revised		Less	Final	
£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Commissioning	3,193	0	0	0		(216)	0	2,977		0	2,977	216

Commissioning Overview

The forecast outturn is a combination of staff slippage from vacancies and mileage underspends, due to home working and face to face meetings/contract monitoring not occurring. Additionally, to maximise grant allocations, due to business continuity and planned expenditure not occurring due to the pandemic, if the grant terms and conditions could be met, then percentages of baseline staff who have contributed to the project have been utilised. This frees up the baseline budget in 2020/21 but will be required in 2021/22. This underspend will mitigate the overspends in Adults & Children's services.

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)			
		Add	+ / -	Add	Less	Less	Add	Revised		Less	Final	
£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Education	8,625	322	(18)	206		(860)	0	8,275		0	8,275	350

Education overview

Cost pressures

School Improvement – With the removal of performance data for end of KS4 and KS5 assessments, a secondary strategy is being developed to ensure progress in standards in secondary schools as identified in the Estyn report in September 2019. Extra capacity to support secondary schools is essential.

Structural repairs and maintenance costs in relation to electrical remedial works and legionella works identified as part of the assessment undertaken when schools re-opened in the summer term and the service have now fully costed this impact.

Income

N/A

Underspends

Travel for officers across the service presents as underspends in school improvement, ALN, Youth service and governor support amounting to £50,000. There are also underspends due to vacancies in the youth service, school improvement and ALN until the staffing structure is fully implemented.

Lost income

N/A

Cost reductions

School service will achieve a balanced budget with full year savings all complete.

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)			
		Add	+ / -	Add	Less	Less	Add	Revised		Less	Final	
£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Schools Delegated	81,858			100		(700)		81,258			81,258	600

Schools Delegated Overview

Cost Pressures

- Overall, at 31 March 2020, schools were £910k in deficit and currently budgeted to draw a further £973k from reserves by 31 March 2021. The latest forecasts show a contribution to reserve of £613k by 31 March 2021.
- School deficits continue to be an area of concern and a significant risk to the authority. Schools, the Schools Service and the Schools finance team are working together to improve this position.

Future Pressures

Potential costs within schools not claimable through Welsh Government may arise and need to be funded.

ALN retained budget due to individual cases of pupil need.

Income

£100k lost income from donations / fundraising by schools.

Cost Underspends

Cost underspends relating to schools being closed due to the current lockdown are being identified and the finance team are working with the schools to ensure probable outturns are compiled including these.

Lost income reclaimable from WG

Claims have been made for loss of income to WG for all four quarters in the year. WG will not cover the loss on donations.

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)			
		Add	+ / -	Add	Less	Less	Add	Revised		Less	Final	
£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Highways Transport & Recycling + Director	28,019	831	(93)	1,412	(1,100)	(1,980)	619	27,708	(353)	(8)	27,347	672

Highways Transport & Recycling Overview

Overview

Highways, Transport and Recycling are reporting a forecast outturn **underspend of £311k** at the end of period 11, the position has improved since reporting in December where an underspend of £10k was forecast. It is expected this underspend will increase to £672k by year end.

Cost Pressures

- **£493k Adverse – Waste Collection.** A forecast outturn over spend of 493k is reported at the end of February (£451k in December). The main reason for this change in position is due to a decrease in forecast income against trade waste forecast income.
- **£429k (£559k in December) overspend on Car Parks,** £1.01m resulting from the reduced opportunity to earn income from on/off street parking and enforcement, arising from the impact of COVID-19, which is offset by £703k grant income expected from Welsh Government to support loss of income for the April to December period, and £18K grant job retention grant received from Welsh Government for the April to July period and a £156k unachieved savings target.

Lost Income

- Forecast under achievement of income, mainly because of COVID-19 of **circa £1.4m**. The main areas this has affected is Trade Waste income and car park income.

Cost Underspends

- **An under spend of £841k** on Home to School and College Transport because of the reduction (operators paid at 75%) in supplier costs due to school closures, additionally a saving is forecast on dual base payments due to children not travelling between schools.
- **An under spend of £335k** on Public Transport mainly as a result of the grant funding received to fund the Traws Cymru Bus Service, that was previously funded by base budget.
- Backdated income received from NMWTRA for holiday pay supplements in previous years of £118k
- **There is an under spend of £286k** reported because of vacant management & supervisor posts and reduced private contractor spend in Highways Operations.
- **An under spend of £290k** against street works as a result of increased income.

Cost Reductions

- HTR has a savings target of £1.1 million and have achieved £489k to date and expected to achieve a further £10k in the remaining year. The remainder of savings will need to be rolled over into 2021/22 to the sum of £610k, with main elements being:
 - a. Green Waste - £91k
 - b. HWRC's - £70k
 - c. Parking Charges - £156k; and
 - d. Reduction in Winter Service Provision - £130k

Lost Income reclaimable from WG (Possibly)

- The position of a **£311k underspend overall for HTR** does not consider any further income support from the Welsh Government Hardship fund; if more support is granted for Qtr. 4 the forecast outturn position will improve.

Cost Reductions Mitigations

Proposed Mitigation	Actions	Value
Q3 / Q4 support of lost income by WG (or income levels return to normal)	WG continue to support lost income for the rest of the financial year	£1,000,000
WG offset pressures associated with Trawscymru routes and other bus services	WG have recently agreed to fully fund the Traws Cymru service for Q1 and Q2 which is not included in the forecast; and the assumption is this will continue for Qtr3 & Qtr4.	£300,000
Re-profile disposal costs that are forecast based on a 'worst case' scenario	Profile a return to normal year landfill costs for Q3/Q4.	£200,000
Re-forecast HGSS income.	Review potential lost income from NMWTRA / capital	£100,000
Reduce or temporarily postpone the permanent adjustment to highways budget increase for 20/21, rolling forward the full permanent adjustment to 21/22.	Do not undertake targeted increase in programmed works (sweeping / Street Cleansing) £500,000 for full year.	£250,000 (based on 6 mths)
Forecast that engineering design team will over-achieve forecast income.	Profile an income target for over-achieving.	£100,000
	Net Total	£1,950,000

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£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Property, Planning & Public Protection	6,248	1,621	(479)	2,749	(1,440)	(2,701)	352	6,350	(347)	(29)	5,974	274

PPPP Overview

Cost Pressures

- Trading Standards have a large overspend as a result of experiencing a loss of income and the cost of an ongoing large-scale illegal tobacco investigation.
- Strategic Property have experienced several cost pressures relating to items such as HOWPS, ICT, legal fees, telephones, and other services. Catering's ParentPay system is not budgeted for which equates to £95k.

Lost Income

- The occupation of Ladywell House has been impacted by Covid-19. This has contributed to an income loss.
- Covid-19 has impacted on the Environmental Protection ability to generate income.
- Covid-19 has impacted on the Trading Standards ability to generate income.
- Covid-19 has impacted on the Catering Services ability to generate income.

Cost Underspends

Underspends because of work not being able to be commissioned due to covid-19, vacant posts, and increased income for example, have been secured in the following areas:

- Planning Policy.
- Development Management.
- Environmental Health (Commercial).

- Environmental Health (Environmental Protection).
- Corporate Property.
- Catering supplies.

Cost Reductions

Covid-19 has limited the service areas ability to achieve savings/income targets. Management of change processes were recommenced to achieve an element of savings proposals. It is hoped that the relaxation of covid-19 restrictions will enable income generation to recommence at previously identified levels.

Lost income reclaimable from WG (possibly)

Assumptions have been made that lost income experienced by the public protection service will be reclaimable from WG.

Cost Reductions – any further ideas that could take place later in the year?

Voluntary redundancy has been offered to PPPP staff by HoS. Covid-19 has limited the scope of this proposal.

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)			
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£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Regeneration	626	16	(8)	0		(230)	191	595		0	595	31

Regeneration Overview

Cost Pressures

Community Hall costs remain slightly higher than budgeted due to maintenance costs which is currently being reviewed and can be met through in year savings.

Income

The team is generating income from the administration of external funding programmes and the temporary secondment of core funded staff to support the delivery of the Communities for Work+ programme.

Cost Underspends

Reduction in spend due to focus on Covid activity, reduction in expenditure to support budget savings and underspend in mileage.

Cost Reductions

The service has savings to achieve of £326k in 2020-21 (c.34% of its budget). £135k has been achieved to date leaving an outstanding amount of £191k. The generation of grant income and a reduction in expenditure has given the capacity to achieve a further £160k of in year savings leaving £35k shortfall at this point. The team is currently forecasting an in year underspend at the end of the financial year although this will not achieve the required long term savings target.

Lost income reclaimable from WG (possibly)

Investigating hardship fund reclaim for 1 post

Cost Reductions – any further ideas that could take place later in the year?

Work is ongoing to assess cost reduction options to achieve the remaining budget savings of £191k required in 2020-21, although this must be balanced

against the recent budget announcements and requirements for the team to support funding bids.

Other mitigating actions to deliver a balanced budget

Project management fee/staff time income generated from externally funded projects.

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)			
		Add	+ / -	Add	Less	Less	Add	Revised		Less	Final	
£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Housing & Community Development	4,012	192	(136)	87	(41)	(246)	75	3,943		0	3,943	69

Housing and Community Development Overview

Cost Pressures

Future pressures Jan – March 2020

F Ongoing economic impact of COVID-19 may lead to further increases in homeless presentations. Potential increase in B&B costs and additional pressure on temporary accommodation

udal The impact on Housing rental income is being closely monitored.

Redeployment

81 Current and previous redeployed staff accounted for. Potential for additional future redeployment of staff depending on impact of COVID-19.

Income

Lost income against budget is forecast, in areas such as libraries and Private Sector Housing.

Cost Underspends

Reductions in cost due to partial or full cessation of some services due to COVID-19. There are underspends from across the service, including reductions in mileage expenditure.

Cost Reductions

The service had savings to achieve of £218k in 2020-21, £143k has been achieved to date leaving an outstanding amount of £75k.

Cost Reductions – any further ideas that could take place later in the year?

Head of Service has emailed all staff inviting expressions of interest in voluntary redundancy or a reduction on hours. There could be the potential for some

small additional savings. Unknown at this stage so not included in the forecast.

Other mitigating actions to deliver a balanced budget

As the Service is forecast to underspend, no other mitigating actions are being proposed.

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)				
		Add	+ / -	Add	Less	Less	Add	Revised		Less	Final		
	£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Housing Revenue Account		0	407				(1,803)		(1,396)			(1,396)	1,396

Tudalen
321
HRA

- The impact on Housing rental income is being closely monitored.
- Progress with some works has been delayed due to COVID-19 restrictions.

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)			
		Add	+ / -	Add	Less	Less	Add	Revised		Less	Final	
£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Digital	3,934	69	(4)	101		(725)	270	3,645		(53)	3,592	342

Digital Overview

Digital Services continue to be active in delivering efficiency savings and developing transformation to support cost reductions across the organisation. Demand is being managed and clear priority focus to business critical areas have driven our response and ensure resource is used within budgets available.

Cost Pressures

- 40k shortfall at budget setting – looking to resolve within year

Income

- Lost income against budget of £70k due to roll-over of S33 from previous year is being managed
- Reprographics and post income based on previous year will give a cost pressure and has improved the position in Q3

Cost Underspends

- £171k from vacant posts and reduced travel and £200k contract costs reduced bringing forward 21/22 savings.

Cost Reductions

- £330k assured savings expected to be delivered by year end with work ongoing to finalise commitments

Other mitigating actions to deliver a balanced budget

Looking to recover £70k shortfall from S33 reserves for additional work carried out due to Covid, awaiting approval at Joint Partnership Board, WCCIs structure and management of change process is now complete to introduce a sustainable support team going forward with agreed budgets.

Detail of actions to be undertaken to deliver a balanced budget

Introduction of Hybrid mail to reduce expenditure but deliver a more flexible service to support our agile workforce

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)			
		Add	+ / -	Add	Less	Less	Add	Revised		Less	Final	
£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Transformation & Communication	1,530	37	(5)	0	0	(165)	0	1,397		0	1,397	133

Transformation and Communication Overview

Cost Pressures

Cost pressure of £37k for Power BI premium licence

Income

N/A

Cost Underspends

£37k additional grant monies from Public Services board, underspend on Welsh Language unit, Public Relations and Graphic Design, additional income generation and savings from non-staff costs such as travel due to staff working from home.

Cost Reductions

All cost reductions achieved

Lost income reclaimable from WG (possibly)

N/A

Cost Reductions – any further ideas that could take place later in the year?

None

Other mitigating actions to deliver a balanced budget

T&C will achieve a balanced budget and will meet the budget pressures. Full year savings already achieved.

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)			
		Add	+ / -	Add	Less	Less	Add	Revised		Less	Final	
£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Workforce & OD	1,944	0	(46)	0		(217)	199	1,880		(23)	1,857	87

Workforce and OD Overview

Cost Pressures

None

Income

The budgeted income from delivering training will be underachieved by £40k. This will be offset against cost underspends.

Cost Underspends

Significant underspends of £174k on training, staffing, non-staffing costs and against the corporate training budget are forecast.

Cost Reductions

£10k of the planned £209k savings have been achieved to date, and a further £23k are assured, leaving a balance of £176k.

Lost income reclaimable from WG (possibly)

N/A

Cost Reductions – any further ideas that could take place later in the year ?

No further ideas

Other mitigating actions to deliver a balanced budget

The budget is forecasted as being in balance

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)			
		Add	+ / -	Add	Less	Less	Add	Revised		Less	Final	
£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Legal & Democratic Services	3,060	29	(19)	143	(93)	(353)	251	3,018	(20)	0	2,998	62

Legal Overview

Cost Pressures

£27k for corona services and £7k for staff registrars.

Income

Total Lost income of £143K is made up of Land Charges Lost income of £68k plus £37k lost income from Registrars (Loss of income from ceremonies) and £37k from legal fees.

Cost Underspends - is mainly made up of:

- £16k Elections reduced staff and travel costs
- £47k Man Team reduced staff and travel costs
- £99k Reduced members' travel
- £11k Dem services reduced staff & travel costs
- £25k Solicitor to Council reduced staff & travel costs
- £57k Saving from restructures

Lost income reclaimable from WG (possibly)

Assumption that £150k (50%) of lost income will be recovered from Welsh Government.

Cost Reductions – any further ideas that could take place later in the year ?

£54,460 of additional annual savings

		FEBRUARY FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 AS PER CP/LEDGER							FEBRUARY FORECAST (outside the ledger)			
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£'000	2020/21 Base Budget	Cost Pressures not covered by Covid funding (excluding redeploy)	Staff Redeployment	Annual lost income against budget	Income loss funded via WG	Cost Underspends	Cost Reductions not yet delivered (assured / unachieved)	Forecast	WG Lost Income assumed reclaimable for Q4	Cost Reductions not yet delivered but assured	Forecast Position 2020/21	Variance
Finance	5,691	472	(67)	40	(40)	(250)	193	6,039		0	6,039	(348)

Finance Overview

Cost Pressures

• General issues around costs not funded by WG

There are some staffing cost pressures due to part time staffing undertaking additional hours to support covid 19 activities, including processing of the business grants and administering the £500 carers grant, Welsh Government have provided additional administration grant funding now to support some of these expenses.

Insurance claims continue to rise and we have now added a provision of £300k to this cost centre. Employers liability is forecast at an additional £150k almost doubling, Public Liability increased by £150k. In addition the cost of insurance premiums which were renewed in December have increased by £150k per annum, of which £50k is attributable to this financial year. Additional base budget has been approved to fund the extra cost of premiums in 2021/22.

Redeployment

We have a member of staff working on Track and Trace, but have backfilled his post, and this is being claimed against Welsh Government

Cost Underspends

Across the service there are non-pay savings such as the travel, vacancies slippage budgets from undertaking service delivery remotely through Teams. Travel to schools, to claimants etc have mainly ceased.

Cost Reductions

All staff have been under considerable pressure through Covid, buying PPE, administering business grant support, processing, and coordinating Covid Claims and collating financial assumptions to understand the changing forecast outturn. There has not been capacity to develop the £150k transformation

activities.

Lost income reclaimable from WG (possibly)

We have claimed loss of income for court costs and loss of commercial income within income and awards.:

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Corporate Activites	31,307	165	606	164		(5,546)	(130)	26,566		(45)	26,521	4,786

Council Budget

Corporate Overview

Cost Pressures

Previously we reported a cost pressure of £1.315 million. This figure has largely been addressed, the additional pay award of 0.75% which has been back dated to 1st April, £635k as a one off budget virement has been funded in year by the Risk budget and fully funded in 2021/22 as part of budget setting. In addition Welsh Government have also funded the shortfall on Council Tax Reduction £628,861.

Income

Previously we have reported an expected shortfall on council tax collection forecast at £1m, based on collection rates being 0.66% below expectation. Welsh Government have funded some of this shortfall, £621,503 has been received.

Cost Underspends

Corporate underspends have improved by a further £1.551 million since the last report. The Council has benefited from two unhypothecated grants received from Welsh Government, both of which have been held centrally to contribute towards the £1.8 million Powys Recovery Reserve and MRP contribution £767,000 agreed as part of the budget setting process for 2021/22, the latter having been actioned through the ledger.

- £1,093,201 to support digital services
- £1,093,201 to contribute towards the undelivered savings in year

The capital programme continues to identify schemes that need to be reprofiled into future years and the consequence is a reduction to our in year borrowing requirement. This then has a beneficial impact on the cost of borrowing, currently estimated at a £2.928m underspend although this then mitigates increased

Minimum Revenue Provision demands of £1.67m (this includes the additional £767,000 MRP contribution) due to a greater completion of some schemes in year.

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CYNGOR SIR POWYS COUNTY COUNCIL

CABINET EXECUTIVE
13 April 2021

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

REPORT TITLE: Capital Forecast as at 28th February 2021

REPORT FOR: Decision

1. Purpose

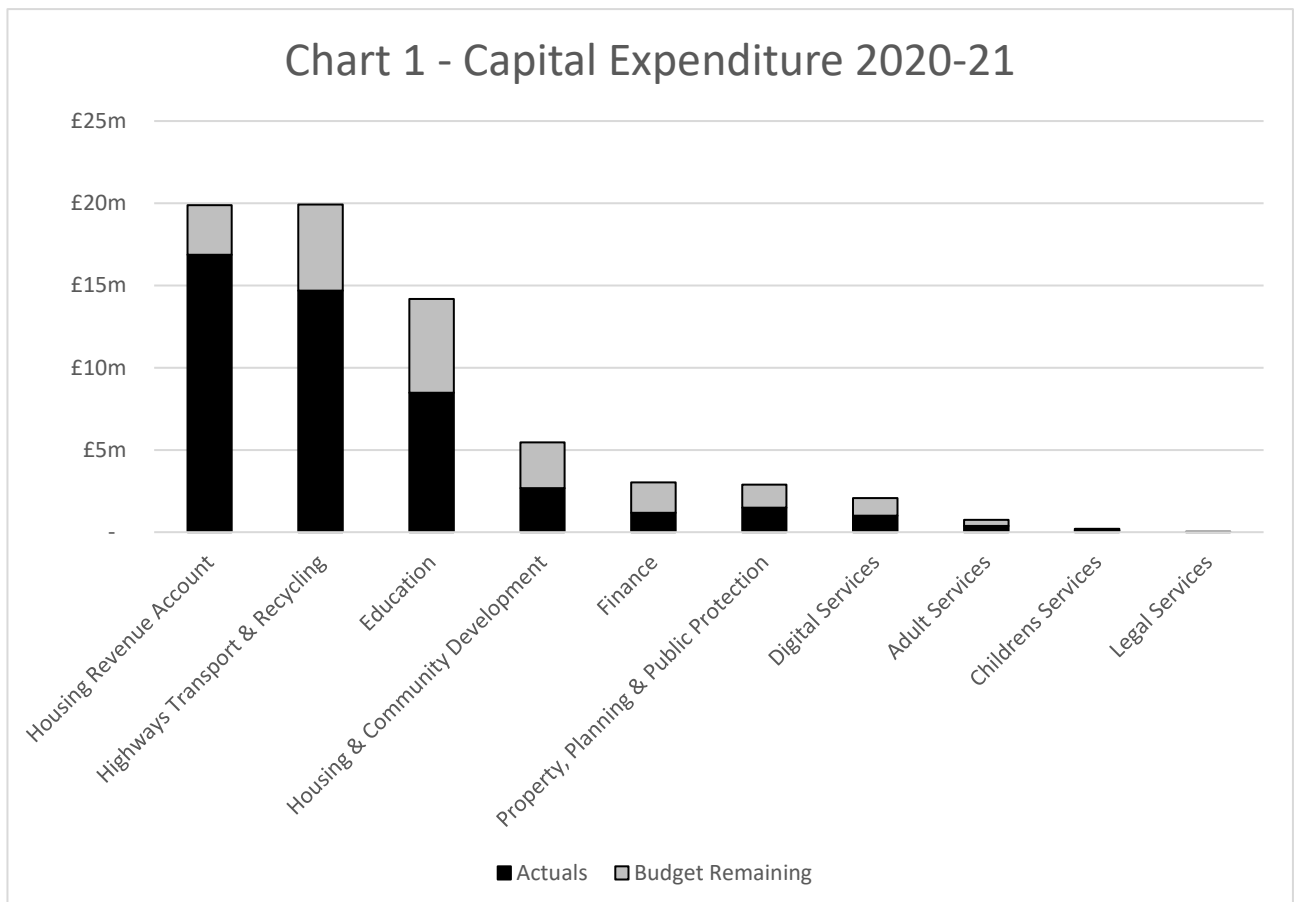
1.1 This report provides an update on the financial position of the Council's capital programme for 2020/21.

2. Financial Update

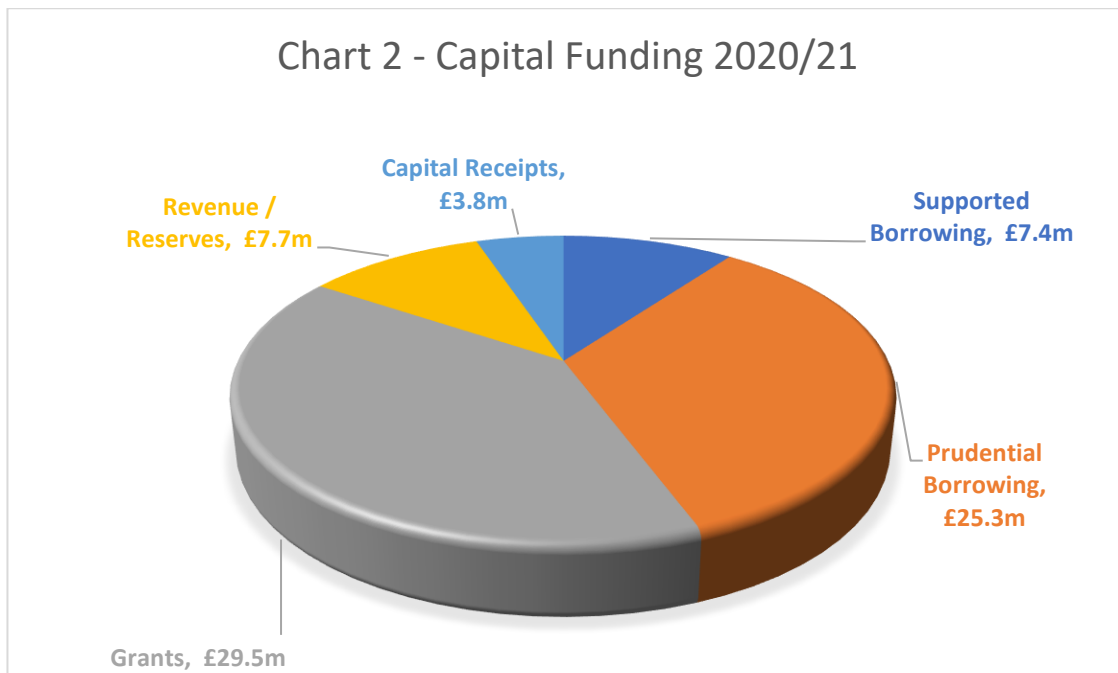
2.1 The revised working budget for the 2020/21 Capital Programme, after accounting for approved virements, is £73.69 million.

2.2 Actual spend amounts to £48.27 million, representing 65% of the total budget.

2.3 Chart 1 below summarises the financial position for each service.



2.4 Chart 2 below sets out how the 2020/21 capital programme is funded, 44% is funded through borrowing, the interest cost for this is charged to the revenue account.



- 2.5 The revenue expenditure to cover the borrowing for past and present capital schemes is which includes the Minimum Revenue Provision (MRP) is estimated at £15.19 million. The Housing Revenue Account (HRA) proportion of these costs is expected to be £5.40 million.
- 2.6 Based on the estimates above, 3.6% of our net revenue budget of £269 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.
- 2.7 A £0.77 million MRP over provision as approved by Council in the 2021/22 Budget report will also be made in this financial year.

3. Grants Received

- 3.1 The following grants have been received since the last report and are included for information.
- 3.2 Highways, Transport and Recycling
- 3.3 An award of £0.11 million has been received from Welsh Government (WG) to be used in repair and reuse activities. The funding will be used for the construction of re-use shops at household waste recycling centres (HWRCs).
- 3.4 The Welsh Local Government Association (WLGGA) have allocated funds to be spent on “green recovery priorities” in accordance with the priority actions identified in the *Green Recovery: Priorities for Action Report*¹ published in December by Sir David Henshaw, chair of Natural Resources Wales (NRW). Of Powys County Council’s share of the allocation £0.084 million is to be spent on vehicles and equipment to address ash die back.
- 3.5 WG has awarded £0.05 million to replace the culvert at Old Tanyrallt cottages. This work will reduce the risk of future flooding to over 20 properties.

¹ Henshaw, D 2020, *Green Recovery: Priorities for Action Report*, Natural Resources Wales, <<https://cdn.cyfoethnaturiol.cymru/media/692667/final-green-recovery-priorities-for-action-report-english.pdf>>

3.6 £0.50 million Resilient Roads Fund received from WG to support transport projects that mitigate and adapt to the effects of climate change, including addressing disruptions caused on the highway network.

3.7 Regeneration

A grant of £0.05 million to assist local business in Ystradgynlais with COVID-19 recovery has been awarded from WG. A further £0.50 million has been awarded to establish a grant fund to support businesses with growth or recovery plans by providing financial contribution towards capital expenditure. A grant of £0.38 million has also been secured towards the development of business units on Abermule Business Park.

3.8 Education

A grant of £2.20 million has been received to address backlog capital maintenance on schools across the county. This will be used to displace the Council's borrowing commitment for these schemes which will be carried forward into 2021/22 and used for future schemes (see 5.2).

3.9 Adults Services

3.10 £1.74 million has been allocated various schemes as part of the Intermediate Care Fund (ICF) Grant. The schemes allocated have not progressed as planned this year, agreement has been received to programme manage any amounts with certain eligible schemes the council is funding in the capital programme with the displaced council funding to be used on the ICF schemes in 2021/22.

4. Virements

4.1 There are currently no virements that require approval.

5. Reprofiling Budgets Across Financial Years

5.1 The following services have requested the reprofiling of their capital programme budgets into future years, as the expected spend on projects will be significantly less than planned. Since the last report £24.83 million has been reprofiled, details are shown below. We encourage services to reprofile budgets as soon as they become aware of forecast changes, rather than waiting until the end of the year.

5.2 Education

5.3 £2.20 million of borrowing allocated to Schools Major Improvements has been transferred into 2021/22 following the award of the grant outlined in 3.8.

5.4 A total of £3.53 million relating to schemes within the 21st Century Schools Programme has been reprofiled into 2021/22 to reflect the anticipated spend in this financial year.

5.5 Adult Social Care

5.6 A total of £0.42 million has been transferred into 2021/22 for the Telecare, Smart Technology, Robotics, Community Equipment and Mobile Working schemes. This will allow these schemes to continue in the next financial year.

5.7 £0.25 million for capital works to care homes has been carried forward to 2021/22 as there are no further spend anticipated this financial year.

5.8 Highways, Transport & Recycling

- 5.9 £0.09 million rolled forward for In Cab Vehicle Technology. Current collection rounds will not be sequenced and loaded into the software until the new Waste Transfer Station in Abermule opens and routes change.
- 5.10 £5.80 million for replacement of the council fleet has been carried forward, this is due to significant lead times for these vehicles the majority of this should be spend in the first half of the next financial year.
- 5.11 £0.20 million carried forward for works to Gas Street Car Park in Newtown. This project is linked to a regeneration project in the area which has been delayed due to COVID-19. All works are expected to be completed in 2021/22.
- 5.12 £1.30 million for works at Cwrt y Plyffin Transfer Station in Brecon has been carried forward to 2021/22. It is expected that the works will be completed in the first half of 2021/22.
- 5.13 £1.00 million rolled forward for de-trunking works in Newtown carried forward. Works have been delayed due to COVID-19 and the response to Storm Dennis.
- 5.14 Financial Services
- 5.15 £0.53 million for two pipeline schemes has been reprofiled into the 2021/22 and an approved business case will be required before this funding is released.
- 5.16 Housing and Community Development
- 5.17 A total of £4.86 million has been transferred into 2021/22 for Welsh Quality Housing and other HRA schemes to reflect the anticipated year end spend.
- 5.18 £4.25 million for New Build Housing has been rolled forward. The majority relates to the Newtown, Llanidloes and Clyro schemes where the in-year expenditure has not been incurred inline with expectations when the budgets were originally set over 12 months ago due to the pandemic.
- 5.19 Digital Services
- 5.20 £0.40 million has been carried forward to 2021/22, the tender process for these schemes was delayed.

6. Capital Receipts

- 6.1 Capital receipts totaling £1.59 million have been received since the start of the financial year. There are currently sales agreed to the value of £1.58 million which are at the legal stage of the process, although they may not all complete before the end of the financial year.
- 6.2 The year-end forecast is estimated at £2.13 million, down from £2.72 million estimated in the December report.
- 6.3 The year-end forecast is very much reliant on being able to market property in a timely way to allow acceptable offers to be received and sales being completed. The current Covid lockdown in Wales will clearly increase the risk that the completion of some agreed sales will be delayed or indeed lost. There is clearly increased market uncertainty which may lead to a reduction on demand and offers.
- 6.4 The Council's transformation programme is funded through a capitalisation directive that allows capital receipts to fund revenue transformation spend and transformation

redundancies. This year the budget requirement is £2.84 million of capital receipts to support the transformation programme and severance costs.

6.5 The forecast outturn is £2.70 million and we propose to fund transformation activities from the revenue surplus, keeping the capital receipts intact to support the Capital Strategy in future years.

7. Capital Bids

7.1 Small Capital Bids

7.2 An allocation of £500,000 is approved annually as part of the Capital Programme for small capital bids. Services may bid for small capital projects up to £100,000 which are prioritised. It is recommended that Cabinet delegate the approval of the Small Capital Bids to the Strategic Asset Board, the process is outlined in Appendix B.

8. Resource Implications

8.1 The Head of Finance (Section 151 Officer) notes the content of the report and can support the recommendation to approve the virements. Expenditure on the Capital Programme has slipped considerably in previous financial years, and it is likely the current forecast outturn will reduce further as the year progresses. 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.

9. Legal implications

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

10. Comment from local member(s)

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

11. Integrated Impact Assessment

11.1 No impact assessment is required.

12. Recommendation

- That the contents of this report are noted.
- That Cabinet delegates the approval of the small capital bid allocation to the Strategic Asset Board.

12.1 Reason for Recommendation

- To report on the projected Capital Outturn position for the 2020/21 financial year.
- To ensure appropriate virements, are carried out to align budgets and financing requirements.

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Appendix A:

Table 2 - Capital Table as at 28th February 2021

Service	Original Budget	Virements Approved	Revised Budget	Actuals	Remaining Budget £	Remaining Budget %
	£,000	£,000	£,000	£,000	£,000	%
Adult Services	689	56	745	389	356	47.8%
Childrens Services	1,092	(885)	207	102	105	50.7%
Education	44,865	(30,684)	14,181	8,469	5,712	40.3%
Highways Transport & Recycling	16,257	3,661	19,918	14,692	5,226	26.2%
Property, Planning & Public Protection	967	1,916	2,883	1,490	1,393	48.3%
Housing & Community Development	13,072	(7,604)	5,468	2,672	2,796	51.1%
Regeneration	3,179	2,124	5,303	1,405	3,898	73.5%
Digital Services	1,000	1,066	2,066	999	1,067	51.6%
Legal & Democratic Services	0	22	22	0	22	100.0%
Finance	16,521	(13,499)	3,022	1,184	1,838	60.8%
Total Capital	97,642	(43,827)	53,815	31,402	22,413	41.6%
Housing Revenue Account	35,230	(15,352)	19,878	16,864	3,014	15.2%
TOTAL	132,872	(59,179)	73,693	48,266	25,427	34.5%

Table 3 - Funding of the Capital Budget as at 28th February 2021

Service	Supported Borrowing	Prudential Borrowing	Grants	Revenue Contribution	Capital Receipts	Total
	£,000	£,000	£,000	£,000	£,000	£,000
Capital	7,402	18,817	22,922	889	3,785	53,815
HRA	0	6,458	6,589	6,831	0	19,878
Total	7,402	25,275	29,511	7,720	3,785	73,693

Head of Service Commentary

Service Area	Net Budget	Actual Spend	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Adult Services	745	582	356	48
<u>HOS Comment</u>				
The service is working to spend as much of the budget as possible within this financial year, but recognises the need to programme manage significant amounts of the budget into next year.				

Service Area	Net Budget	Actual Spend	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Childrens Services	207	102	105	51
<u>HOS Comment</u>				
Children's Services forecast that the capital allocation of funding detailed above will be fully spent within 20/21				

Service Area	Net Budget	Actual Spend	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Education	14,181	8,469	5,712	40
<u>HOS Comment</u>				
<p>Major Improvements programme has 99 schemes in 2020/21, including schemes carried forward from 2019/20. There are no schemes awaiting approval, no schemes to commission, 1 schemes commissioned, 2 schemes on hold, 11 schemes at the design stage, 12 are out to tender, 13 under construction and 60 schemes have been handed over to the end user. Any uncommitted funding within projects will be reallocated back to the programme contingency to cover for emergencies, unforeseeable and legislative requirements, and budget fluctuations over the course of the year and to ensure school service continuity. There are projects re-profiled from financial year 2020/21 into financial year 2021/22 due to health and safety with COVID-19 pandemic and maintaining safe operational schools.</p> <p>21st Century Schools programme The 21st Century Schools Programme is continuing to progress and deliver at pace; the programme has now delivered 11 school building projects since 2016.</p>				

Expenditure in January has focused on the construction of the access works to Welshpool CIW Primary School, and to progress the Bro Hyddgen Community Campus project through RIBA Stage 2.

Ysgol Gymraeg y Trallwng is slightly delayed due to the need to undertake site enabling works and gaining funding approval from WG; this has now been received and works are due to start soon. Ysgol Cedewain will also see the appointment of a design and build contractor imminently, therefore project pace and expenditure will elevate over the coming months.

Demolition of the former Brecon High School building has now also commenced.

Any remaining budget amount will need to be transferred to the next financial year and will be utilized to continue to deliver the programme.

Closure reports on completed schemes will also be submitted to Welsh Government in the next financial year, and full retentions will be released.

Service Area	Net Budget	Actual Spend	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Highways, Transport and Recycling	19,918	14,692	5,226	26

HOS Comment

Highways core of £1.5M, HAMP £2.4M (adjusted), structural maintenance £1.5M, Structures £0.5m and Street Lighting £1.25M is currently on target.

HTR have been successful in gaining in year grants from various sources within WG from Circular Economy Funding, Transport, Flood Alleviation and Highways refurbishment, which is supporting capital projects.

North Bulking/Transfer Station works are substantially complete.

Rhayader Green Waste bay is completed.

Funding (100%) for Storm Dennis recovery works in 20/21 have been received from WG.

Service Area	Net Budget	Actual Spend	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Property, Planning and Public Protection	2,883	1,490	1,393	48

HOS Comment

The service area is looking to work with finance business partners to roll forward capital allocated to Abermule and a small number of minor projects that have not be able to be completed in the current financial year.

Service Area	Net Budget	Actual Spend	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Housing and Community Development	5,468	2,672	2,796	51
Housing Revenue Account	19,878	16,864	3,014	15

HOS Comment

The affordable housing new build programme is progressing well with more than 100 units in construction around the county. The team have successfully applied for WG grant funding, the confirmation of which assists in ensuring that these new build schemes remain affordable within the HRA Business Plan. The affordability of future schemes will depend on the availability of grant funding, more information from WG is expected in 2021. Some capital spend within the service has been delayed due to the ongoing Covid 19 pandemic, the service has worked with Finance colleagues to reprofile expenditure accordingly.

Service Area	Net Budget	Actual Spend	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Regeneration	5,303	1,405	3,898	73

HOS Comment

Projects have been identified and assured of spend before year end subject to meeting grant funding requirements.

Service Area	Net Budget	Actual Spend	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Digital Services	2,066	999	1,067	52

HOS Comment

Plans to deliver against target are on against the re-profiled spend.

Service Area	Net Budget	Actual Spend	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Legal	22	0	22	100

HOS Comment

Service Area	Net Budget	Actual Spend	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Finance	3,022	1,184	1,838	61

HOS Comment

£2.9 million of the budget relates to Transformation schemes which under the Welsh Government Capitalisation Directive are funded from Capital Receipts. This is now under review and these costs may be funded from revenue which will release the capital receipts to support the Capital Strategy in future years.

Appendix B

Small Capital Bids Process

An allocation of £0.50 million is approved annually as part of the Capital Programme for small capital bids. Services may bid for funding for small capital projects between £10,000 and £100,000.

Accompanying each bid will be documentation which includes the following.

The Case for Change

- Describe the proposed intervention and the business needs you are seeking to satisfy. How does satisfying these needs contribute to Vision 2025, or service goals and objectives?

Options Analysis & Recommended Option

- Describe the options considered: advantages & disadvantages, and conclusions.
- Describe the recommended option: scope, main deliverables and why this option has been selected over other options.
- Do you require planning permission?
- Describe the recommended option: benefits and risks.
- What are the risks to the service & the significance of the impacts should the project not proceed?
- Describe the recommended option: timescale, start and end date.
- Total value of works including fees.
- How have the value of works and fees been calculated & are there any risks of over/under spend?
- What are the revenue implications of the project?
- Will there be any revenue costs or savings?

Delivery Arrangements

- Describe the arrangements in place for successful delivery of the project.

The bids are then prioritised based on the following criteria.

RED	Essential works necessary due to breach of statutory standard to ensure building operation - or to achieve sufficient standard for divestment.
AMBER	Priority work that could be managed by Risk Assessment or reactive failure. May necessitate loss of service, mothballing areas or time zoning.
GREEN	Although priority works fall beyond the scope of red / amber.

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

12 March	Portfolio Holder for Corporate Governance and Engagement	Approved a budget virement to pay £90,000 to Hay-on-Wye Town Council to develop an extension to the cemetery.
15 March	Portfolio Holder for Economic Development, Planning and Housing	Approved a budget virement of £46,665 for the installation of infra-red heating in the amenity blocks at the Kings Meadow Gypsy and Traveller site.
15 March	Portfolio Holder for Education and Property	Approved an amendment to the Instrument of Government for Llanbister CP School.
22 March	Portfolio Holder for Finance and Transport	Approved the establishment of a Business Rates Retail, Leisure and Hospitality Rates Relief scheme 2021-22.
22 March	Portfolio Holder for Economic Development, Planning and Housing	Approved the purchase of a property in Welshpool.
24 March	Portfolio Holder for Young People and Culture	Approved the implementation of a community delivery model for Llanfair Caereinion, Llanwrtyd and Talgarth libraries, and works with the local members and communities to support the model for a period of 5 years.
25 March	Portfolio Holder for Economic Development, Planning and Housing	Approved the purchase of a property in Welshpool.
29 March	Portfolio Holder for Education and Property	Approved the surrender of the headlease of Llanwddyn Village workshops.

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

Cabinet / Delegated				
Decision Date	Title	Portfolio Holder	Lead	Decision Maker
13/04/21	February Financial position Rev / Cap	Councillor Aled Davies	Jane Thomas	Cabinet
30/04/21	Gypsy & Traveller Agreement	Councillor Iain McIntosh	Nina Davies	Portfolio Holder
30/04/21	Housing Strategy	Councillor Iain McIntosh	Nina Davies	Portfolio Holder
04/05/21	Mid Wales Regional Economic Framework	Councillor Iain McIntosh	Diane Reynolds	Cabinet
04/05/21	Use of Robotics in Administration	Councillor Graham Charles Breeze	Diane Reynolds	Cabinet
04/05/21	ECO3 Revision Report	Councillor Iain McIntosh	Nina Davies	Cabinet
04/05/21	Schools Major Improvement Programme	Councillor Phyl Davies	Emma Palmer	Cabinet
18/05/21	Ysgol Bro Hyddgen Language Proposal – Consultation Report	Councillor Phyl Davies	Emma Palmer	Cabinet
18/05/21	Post 16 Report	Councillor Phyl Davies	Emma Palmer	Cabinet
18/05/21	Caereinion All Through School objection report	Councillor Phyl Davies	Emma Palmer	Cabinet
18/05/21	21st Century Schools Virements	Councillor Phyl Davies	Emma Palmer	Cabinet
18/05/21	New Ways of Working		Kay Thomas	Cabinet
18/05/21	Powys Affordable Housing Programme Delivery Plan Guide	Councillor Iain McIntosh	Nina Davies	Cabinet
21/05/21	Home Grown Homes	Councillor Iain McIntosh	Nina Davies	Portfolio Holder
21/05/21	Gypsy and Traveller Accommodation Assessment	Councillor Iain McIntosh	Nina Davies	Portfolio Holder
21/05/21	Homes in Powys Policy Update	Councillor Iain McIntosh	Nina Davies	Portfolio Holder
21/05/21	Local Housing Market Assessment	Councillor Iain McIntosh	Nina Davies	Portfolio Holder
25/05/21	Quarter 4/End of Year Performance Report	Councillor Graham Charles Breeze	Emma Palmer	Cabinet
25/05/21	Quarter 4/ End of Year Strategic Risk Register Report	Councillor Aled Davies	Jane Thomas	Cabinet
25/05/21	Biodiversity & Resilience of Eco Systems	Councillor Iain McIntosh	Sian Barnes	Cabinet
25/05/21	End of Year Financial Position Revenue and Capital	Councillor Aled Davies	Jane Thomas	Cabinet
25/05/21	Treasury Management Quarter 4 update	Councillor Aled Davies	Jane Thomas	Cabinet
15/06/21	Llanbedr Consultation Report	Councillor Phyl Davies	Emma Palmer	Cabinet
15/06/21	Churchstoke Consultation Report	Councillor Phyl Davies	Emma Palmer	Cabinet
15/06/21	Llanfihangel Rhydithon Consultation Report	Councillor Phyl Davies	Emma Palmer	Cabinet
15/06/21	HoWPS	Councillor Phyl Davies	Nigel Brinn	Cabinet

Ysgol Dyffryn Trannon Language Category Consultation				
22/06/21	Report	Councillor Rosemarie Harris	Emma Palmer	Cabinet
22/06/21	Ysgol Calon Cymru Proposal Paper	Councillor Phyl Davies	Emma Palmer	Cabinet
22/06/21	Draft WESP	Councillor Phyl Davies	Emma Palmer	Cabinet
22/06/21	Service Charge - Sewerage Refund	Councillor Iain McIntosh	Nina Davies	Cabinet
06/07/21	CIP Annual Report	Councillor Rosemarie Harris	Emma Palmer	Cabinet
06/07/21	Ysgol Bro Hydden Objection report	Councillor Phyl Davies	Emma Palmer	Cabinet
06/07/21	Schools Budget Outturn Reports	Councillor Phyl Davies	Mari Thomas	Cabinet
13/07/21	Castle Caereinion Consultation Report	Councillor Phyl Davies	Emma Palmer	Cabinet
13/07/21	Llanfihangel Rhydithon Consultation Report	Councillor Phyl Davies	Emma Palmer	Cabinet
13/07/21	Llanfyllin Phase 2 Proposal paper	Councillor Phyl Davies	Emma Palmer	Cabinet
27/07/21	Quarter 1 Performance Report	Councillor Graham Charles Breeze	Emma Palmer	Cabinet
27/07/21	Quarter 1 Strategic Risk Register	Councillor Aled Davies	Jane Thomas	Cabinet
27/07/21	Revenue and Capital Update Quarter 1	Councillor Aled Davies	Jane Thomas	Cabinet
21/09/21	Mount Street & Cradoc objection report	Councillor Phyl Davies	Emma Palmer	Cabinet
21/09/21	Llanbedr Objection Report	Councillor Phyl Davies	Emma Palmer	Cabinet
21/09/21	Churchstoke Objection Report	Councillor Phyl Davies	Emma Palmer	Cabinet
21/09/21	Treasury Management Quarter 1 Update	Councillor Aled Davies	Jane Thomas	Cabinet
12/10/21	Ysgol Dyffryn Trannon Objection Report	Councillor Phyl Davies	Emma Palmer	Cabinet
02/11/21	Quarter 2 Performance Report	Councillor Graham Charles Breeze	Emma Palmer	Cabinet
02/11/21	Quarter 2 Strategic Risk Register	Councillor Aled Davies	Jane Thomas	Cabinet
02/11/21	Quarter 2 Revenue and Capital Update	Councillor Aled Davies	Jane Thomas	Cabinet
23/11/21	Castle Caereinion Objection report	Councillor Phyl Davies	Emma Palmer	Cabinet
23/11/21	Llanfihangel Rhydithon Objection report	Councillor Phyl Davies	Emma Palmer	Cabinet
23/11/21	Council Tax Base	Councillor Aled Davies	Jane Thomas	Cabinet
23/11/21	Treasury Management Quarter 2 Update	Councillor Aled Davies	Jane Thomas	Cabinet
14/12/21	Llangedwyn / Llanfechain consultation report	Councillor Phyl Davies	Emma Palmer	Cabinet
14/12/21	Llanfyllin Phase 2 consultation report	Councillor Phyl Davies	Emma Palmer	Cabinet
14/12/21	Ysgol Calon Cymru Consultation report	Councillor Phyl Davies	Emma Palmer	Cabinet
18/01/22	Draft WESP	Councillor Phyl Davies	Emma Palmer	Cabinet

08/02/22 Quarter 3 Performance Report	Councillor Graham Charles Breeze	Emma Palmer	Cabinet
08/02/22 Quarter 3 Strategic Risk Register	Councillor Aled Davies	Jane Thomas	Cabinet

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