

# Pecyn Dogfennau Cyhoeddus

## Cabinet

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

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Dyddiad y Cyfarfod  
**Dydd Mawrth, 24 Tachwedd 2020**

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Amser y Cyfarfod  
**10.00 am**

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I gael rhagor o wybodaeth cysylltwch â  
**Stephen Boyd**  
01597 826374  
steve.boyd@powys.gov.uk



Neuadd Y Sir  
Llandrindod  
Powys  
LD1 5LG

Dyddiad Cyhoeddi

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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

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## AGENDA

<b>1.</b>	<b>YMDDIHEURIADAU</b>
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Derbyn ymddiheuriadau am absenoldeb.

<b>2.</b>	<b>COFNODION</b>
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Awdurdodi'r Arweinydd i lofnodi cofnodion y cyfarfodydd a gynhaliwyd ar 3 Tachwedd a 10 Tachwedd fel cofnodion cywir.  
(Tudalennau 1 - 8)

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

<b>4.</b>	<b>SYLFAEN TRETH Y CYNGOR AR GYFER 2021-2022</b>
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Ystyried adroddiad gan y Cynghorydd Sir Aled Davies, Aelod Portffolio ar faterion Cyllid a Thrafnidiaeth.  
(Tudalennau 9 - 16)

<b>5.</b>	<b>CYLLIDEBAU YSGOLION 2020-21</b>
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Ystyried adroddiad gan y Cyngorydd Sir Phyl Davies, Aelod Portffolio ar faterion Addysg ac Eiddo a'r Cyngorydd Sir Aled Davies, Aelod Portffolio ar faterion Cyllid a Thrafnidiaeth.

(Tudalennau 17 - 28)

<b>6.</b>	<b>RHEOLI'R TRYSORLYS ADRODDIAD CHWARTER 2</b>
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Ystyried adroddiad gan y Cyngorydd Sir Aled Davies, Aelod Portffolio ar faterion Cyllid a Thrafnidiaeth.

(Tudalennau 29 - 48)

<b>7.</b>	<b>PENDERFYNIADAU DIRPRWYEDIG A WNAED ERS Y CYFARFOD DIWETHAF</b>
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Nodi'r penderfyniadau dirprwyedig a gymerwyd gan yr Aelodau Portffolio.

(Tudalennau 49 - 50)

<b>8.</b>	<b>EITEMAU EITHRIEDIG</b>
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Mae'r Swyddog Monitro wedi penderfynu bod yr eitemau canlynol yn destun categori 3 y Rheolau Trefn Mynediad at Wybodaeth. Ei farn o ran prawf lles y cyhoedd (wedi ystyried darpariaethau Rheol 11.8, Rheolau Mynediad at Wybodaeth y Cyngor), oedd y byddai gwneud y wybodaeth hon yn gyhoeddus yn datgelu gwybodaeth ynglyn â materion ariannol neu fusnes unrhyw unigolyn penodol (gan gynnwys yr awdurdod yn cadw'r wybodaeth honno).

Yn ei farn ef mae'r ffactorau hyn yn fwy pwysig na diddordeb y cyhoedd wrth ddatgelu'r wybodaeth. Gofynnir i Aelodau ystyried y ffactorau hyn wrth benderfynu ar brawf lles y cyhoedd, a dylent benderfynu hyn wrth iddynt ystyried eithrio'r cyhoedd o'r rhan hon o'r cyfarfod.

<b>9.</b>	<b>GWEITHIO MEWN PARTNERIAETH YN ABERHONDDU</b>
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Ystyried adroddiad gan y Cyngorydd Sir Rachel Powell, Aelod Portffolio ar faterion Pobl Ifanc a Diwylliant a'r Cyngorydd Sir Phyl Davies, Aelod Portffolio ar faterion Addysg ac Eiddo.

(I Ddilyn)

**MINUTES OF A MEETING OF THE CABINET HELD BY TEAMS ON TUESDAY, 3  
NOVEMBER 2020**

**PRESENT**

County Councillor M R Harris (Chair)

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

In attendance: County Councillor P Roberts, Chair of the Learning and Skills Scrutiny Committee

The Leader welcomed the announcement from Welsh Government that enhanced monitoring arrangements had been removed due to the substantial progress made in improving social services provision. She paid tribute to the Portfolio Holders and staff and she thanked Jack Straw the independent chair of the Improvement and Assurance Board for his challenge and encouragement.

The Leader thanked Ness Young, the Corporate Director (Resources and Transformation) who was leaving the Authority for the contribution she had made to improving performance in the Council.

She also thanked Councillor James Evans who was stepping down as Portfolio Holder for Economic Development, Housing and Regulatory Services for his work on the Cabinet since his appointment in May 2017. Councillor Evans thanked the Leader for giving him the opportunity to serve and said he was proud to have overseen the building of the first Council houses in the county for a generation.

<b>1.</b>	<b>APOLOGIES</b>
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There were no apologies for absence.

<b>2.</b>	<b>MINUTES</b>
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The Leader was authorised to sign the minutes of the last meeting held on 20<sup>th</sup> October 2020 as a correct record.

<b>3.</b>	<b>DECLARATIONS OF INTEREST</b>
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There were no declarations of interest reported.

<b>4.</b>	<b>THE FUTURE OF SPECIAL EDUCATIONAL NEEDS/ ADDITIONAL LEARNING NEEDS IN POWYS STRATEGY</b>
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Cabinet considered a new strategy for Special Educational Needs/Additional Learning Needs in Powys. Cabinet was advised that there had been a high level of support for the policy in the consultation with 88% of respondents expressing support. Cabinet welcomed the proposal to add Welsh medium support and

provision as a seventh area of transformation following feedback in the consultation.

County Councillor Pete Roberts, the Chair of the Learning and Skills Scrutiny Committee reported that the Committee had a strong degree of confidence in the strategy. The one area where the Committee would like to see further development was in the post 16 – 24 offer and officers had been asked to update the Committee when it had been further developed.

## **RESOLVED**

- 1. To approve the Future of Special Educational Needs/ Additional Learning Needs in Powys Strategy (Appendix D to the report) for implementation from October 2020.**
- 2. That the costs be included in the Financial Resource Model (FRM).**

## **5. QUARTER 2 PERFORMANCE REPORT**

Cabinet consider the performance report for the second quarter of 2020/21. In presenting the report the Portfolio Holder for Corporate Governance and Engagement placed on record his thanks to Ness Young for her work in driving transformation in the authority.

During this period the Council continued to implement its Corporate Business Continuity Plan and the report set out the activities taken to support the Covid-19 response and recovery efforts and keep communities safe.

During the quarter, the Council took the decision to re-start some of the work on the Transformation Programme projects, Vision 2025 priorities and business as usual activities. The report outlined performance against Corporate Improvement Plan objectives and Performance Accountability Measures. Given the current pandemic with much of the Council's resources focused on its business continuity plan, progress against the usual monitoring framework had been challenging and 43% of measures did not have data for quarter 2. For areas where data was available, 36% of the 100 Corporate Improvement Plan (CIP) Measures and 24% of the 17 Public Accountability Measures (PAMs) met their target. This compared to 39% of the Corporate Improvement Plan (CIP) and 27% of PAM's for the same period in 2019/20. Out of the 90 Corporate Improvement Plan (CIP) objectives 54% were Green and 34% were Amber at the end of quarter 2. At the same time last year, 52% of Corporate Improvement Plan (CIP) objectives had met their target. Despite the pandemic, there had been some very good areas of performance and the Cabinet was particularly pleased to note a 12% increase in recycling rates.

To ensure a clear focus and achievable vision it was recommended that future monitoring and reporting would be based on 5 outcomes:

Economy:	The Powys economy is thriving and sustainable.
Health and Care:	Powys residents start well, live well and age well.
Learning and Skills:	Powys residents are capable, confident and fulfilled.

Residents & Communities: Powys communities are vibrant resourceful and connected

Making it happen: Powys County Council is high performing and well run.

**RESOLVED**

- 1. That future reporting and monitoring will be based on the 5 new outcomes outlined above rather than the 40 objectives outlined in Vision 2025: Our Corporate Improvement Plan.**
- 2. That Cabinet notes the continued achievements and tremendous response of the organisation during the unprecedented and challenging times of a global pandemic, while balancing the need to restart and progress business as usual and Vision 2025 priorities.**

<b>6.</b>	<b>STRATEGIC RISK REGISTER REPORT QUARTER 2 2020/2021</b>
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Cabinet considered the Strategic Risk Register for the second quarter of 2020/21. In order to effectively identify and manage risks relating specifically to the Covid-19 pandemic, a separate risk register was created to provide clarity and oversight for Gold and Silver Command. Currently there were 56 risks recorded, 4 of the 64 risks were placed within the 'major' impact category 2 with a probability of likely and 2 almost certain, and another 1 placed within the 'catastrophic' impact category with a probability of possible. The register was monitored by Gold and Silver Command on a weekly basis.

**RESOLVED that Cabinet notes the current Strategic Risk Register and is satisfied with progress against mitigating actions for quarter 2.**

**This will ensure:**

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

<b>7.</b>	<b>FINANCIAL FORECAST FOR THE YEAR ENDED 31ST MARCH 2021 (AS AT 30TH SEPTEMBER 2020)</b>
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Cabinet considered the budget outturn report for the period ended 30 September 2020. The pandemic has had a considerable impact on the Council's budget. With Welsh Government support the full year projected deficit reported at the end of the second quarter had reduced to £7.582 million (£5.993 million with the inclusion of schools and the HRA). Heads of Service had given assurances that they could deliver further cost reductions in the second half of the year and this coupled with further claims for lost income from Welsh Government would

reduce the forecast outturn deficit to £2.843 million, (a projected deficit of £1,154 million including HRA and Schools).

The report set out a number of virements including a virement of £635,000 to fund the additional 0.75% pay award for NJC staff that would require Council approval.

**RESOLVED**

- 1. That Cabinet note the half year budget position and the projected full year position to the end of March 2021.**
- 2. That the virements proposed in section 8 of the report are approved and the virement relating to the pay award is recommended to Council for approval.**

<b>8. CAPITAL FORECAST AS AT 30TH SEPTEMBER 2020</b>
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Cabinet considered an update report on the Council's capital programme as at 30<sup>th</sup> September. Actual spend and committed expenditure amounted to £44.05 million representing 38% of the total budget. The actual spend to date was £21.62 million, with £22.43 million the committed figure. The revenue expenditure to cover the borrowing for past and present capital schemes was estimated to be £12.18 million in 2020/21 and the Minimum Revenue Provision (MRP) required was estimated at £3.78 million. The Housing Revenue Account (HRA) proportion of these costs was expected to be £5.34 million.

The report also set out 2 virements that would require Council approval:

Heol y Ffynnon, Brecon, New Build Scheme

A virement was required to realign the 2020/21 budget, removing the Capital Grant funding expectation (£1.51 million) and replace with borrowing in line with the confirmed revenue grant.

Bowling Green, Newtown, New Build Scheme

A virement was required to reflect a £2.19 million Innovative Housing Grant that had been received.

**RESOLVED**

- 1. That the contents of the report are noted.**
- 2. The Virements in section 4 are recommended to Council for approval.**

**County Councillor M R Harris (Chair)**

**MINUTES OF A MEETING OF THE CABINET HELD AT BY TEAMS ON TUESDAY,  
10 NOVEMBER 2020**

**PRESENT**

County Councillor M R Harris (Chair)

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

In attendance: County Councillor JM Williams

<b>1. APOLOGIES</b>
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There were no apologies for absence.

<b>2. DECLARATIONS OF INTEREST</b>
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There were no declarations of interest reported.

<b>3. SAFE ACCOMMODATION FOR CHILDREN AND YOUNG PEOPLE WITH COMPLEX NEEDS IN POWYS</b>
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Cabinet considered a proposal to develop safe accommodation for children and young people with complex needs within the county. £225,000 Integrated Care Fund (ICF) capital funding had been allocated from Powys RPB and £300,000 from Welsh Government. There was commitment at senior levels in the Council and the Health Board to open the accommodation in May/June 2021. The Head of Children's Services confirmed that there was a demand for places.

**RESOLVED**

- 1. To support the agreement from Regional Partnership Board (RPB) and RPB partners to proceed with the development of multi-agency safe accommodation for children and young people in Powys.**
- 2. To revise Powys County Council's Capital Programme to include £225,000 of available Integrated Care Fund (ICF) capital funding for 2020/21 (previously allocated to Start Well for the development of a multi-agency Early Help Hub) and £300,000 of available Welsh Government capital funding (2020/21), to support the purchase of the property and the development of safe accommodation for children and young people with complex needs in Powys.**
- 3. To note the timescales and urgency for the purchase of a property within this financial year and the review date in January 2021 for decision to proceed before final commitments are made on behalf of the Council as set out in 4.1 of the report.**

4. The final decision with regards purchasing a property to be delegated to relevant Cabinet Portfolio Holder for Young People and Culture.
5. To acknowledge that the work required for the detailed development of the therapeutic support (model of health care) is yet to be completed and that the work to define the clinical details of delivery as a multi-agency project team will be completed as the project develops.
6. A decision to support that in order to mitigate and manage risk, agreement be given that if safe accommodation for children and young people with complex needs development or revenue funding is delayed or cannot be secured on a multi-agency basis, the property would be utilised as a mainstream Children's Residential Home revenue funded by Powys County Council Children's Services providing placements to Powys children and young people within County diverting revenue funding which would be used to fund these placements. This will be dependent on Welsh Government capital funding approval to use the funding in the way and may require a Powys County Council capital bid be submitted for up to £300,000 capital monies to replace the Welsh Government capital contribution as set out in 4.1 of the report.

4.	<b>CHILD EXPLOITATION STRATEGY AND ACTION PLAN</b>
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Cabinet considered the Child Exploitation Strategy and Action Plan for 2020-2023. The Strategy aimed to Prevent, Protect and Support children from all forms of child exploitation and had been developed in consultation with key partners.

**RESOLVED to approve the Child Exploitation Strategy and Action Plan as set out in Appendix 1 to the report.**

5.	<b>YSGOL BRO HYDDGEN</b>
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Cabinet was asked to give approval to commence the statutory process on the following proposal, in order to move Ysgol Bro Hyddgen along the language continuum:

- To make a regulated alteration to alter the medium of instruction at Ysgol Bro Hyddgen from Bilingual (dual-stream) to Welsh-medium
- This would be introduced on a phased basis, year-by-year, starting with Reception in September 2022.

The proposal would mean that English-medium provision would be phased out gradually year by year, starting with Reception in September 2022 pupils would be taught in Welsh-medium classes and become fully bilingual i.e. fluent in both Welsh and English. Additional Welsh language support would be introduced

alongside the change in language category for latecomers and those pupils needing the additional support. This would include immersion provision which had been very successful in other authorities.

County Councillor Michael Williams, the local member for Machynlleth, reported the representations made to him by parents who were worried by the proposal to move to a Welsh-medium school and concerned that it might put secondary provision in the town in jeopardy. The Leader, Deputy Leader and Portfolio Holder for Education and Property confirmed that they had read the emails sent by parents and the Portfolio Holder encouraged everyone to take part in the consultation.

**RESOLVED that Cabinet approves that the statutory process commences on the following proposal in order to move Ysgol Bro Hyddgen along the language continuum:**

- **To make a regulated alteration to alter the medium of instruction at Ysgol Bro Hyddgen from Bilingual (dual-stream) to Welsh-medium**
- **This would be introduced on a phased basis, year-by-year, starting with Reception in September 2022.**

**County Councillor M R Harris (Chair)**

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

**CYNGOR SIR POWYS COUNTY COUNCIL.****CABINET EXECUTIVE****24th November 2020****REPORT AUTHOR: County Councillor Aled Davies  
Portfolio Holder for Finance****SUBJECT: Council Tax Base for 2021-2022**

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**REPORT FOR: Decision**

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**1. Purpose**

1.1 Section 33 of the Local Government Finance Act, 1992 requires each Billing Authority to calculate the basic amount of its Council Tax by applying a formula which includes calculating the Council's Council Tax Base.

**2. Background**

2.1 This report is to formally set the Council Tax Base for the financial year 2021-22 for tax setting purposes. Setting the Council Tax base is an annual statutory requirement and is an integral part of the setting of the Council's council tax level (at band D) in accordance with specified formulae, reflecting its budget requirements for the relevant financial year.

2.2 The Council Tax Base is the adjusted number of chargeable dwellings in the Council's area belonging to each valuation band modified to take account of a number of assumptions and factors including the proportion applying to dwellings in each Council Tax Band together with the number of discounts, exemptions, disablement reductions and premiums. An estimate for losses on collection is also made.

2.3 The Council determined to introduce a 50% Premium from April 2017, for Council Tax on long term empty homes (unoccupied and unfurnished) and periodically occupied dwellings (second homes/holiday homes- that are furnished and not someone's main residence). This Council Tax Base calculation includes a projection of those properties that may be subject to the Council Tax Premium during 2021-22, based on the 50% premium charge continuing.

2.4 This calculation is made in accordance with the "Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 2016.

- 2.5 The Council Tax Base calculation for 2021-22 is based on the list prepared by the Valuation Office Agency, as at 31<sup>st</sup> October for the financial year.
- 2.6 The gross Council Tax Base calculation is supplied to Welsh Government and is used as part of the distribution of Revenue Support Grant in the annual provisional and final local Government Revenue Settlement.
- 2.7 The Council is not only required to calculate the Council Tax Base for the County Council as a whole, but also make separate calculations for areas that have their own Town or Community Council.
- 2.8 The net Council Tax Base is used by the Police & Crime Commissioner and Town/Community Council's to set their Council Tax precepts for 2021-22, which will be included in the annual demands sent to every Council Tax payer in March 2021.

### **3. The Calculation**

- 3.1 Appendix one sets out the calculation of the 2021-22 Council Tax Base.
- 3.2 The estimated collection rate on non-military dwellings is **98.4%**, a reduction of 0.1% to that used within 2020-21 calculation. This has been reduced having regard to the current on-going pandemic and impact this will have on collection of Council Tax during 2021-22.
- 3.3 For military dwellings the Regulations require Authorities to assume a **100%** collection rate on dwellings.
- 3.4 The breakdown of the Council Tax Base for each Community is set out in paragraph 4.2 below.

### **4. Advice**

It is proposed that:

- 4.1 That this report on the calculation of the Council Tax Base for the whole and parts of its area for the year 2021-22 be approved. The calculation is contained within appendix one.
- 4.2 That, pursuant to the report and in accordance with the Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 2016, the amount calculated by Powys County Council as its Council Tax Base for the whole of its area for the year 2021-22 shall be **62,584:26**, a growth of 187.56 on 2020-21 Tax-Base, and for the parts of the area listed below for the year 2021-22 shall be for the:

**Community of:**

<b>Community</b>	<b>2021-22</b>
Abbeycwmhir	127.68
Aberedw	141.72
Aberhafesp	228.94
Abermule with Llandyssil	735.75
Banwy	321.23
Bausley with Criggion	364.58
Beguildy	379.74
Berriew	759.16
Betws Cedewain	230.74
Brecon	3541.96
Bronllys	442.52
Builth Wells	1082.30
Cadfarch	451.49
Caersws	707.84
Carno	351.43
Carreghofa	320.13
Castle Caereinion	306.28
Churchstoke	875.28
Cilmery	236.70
Clyro	429.57
Cray	129.57
Crickhowell	1131.12
Cwmdu and District	563.12
Disserth & Trecoed	550.07
Duhonw	153.78
Dwyrhiw	285.24
Erwood	252.05
Felinfach	379.44
Fordeu	812.09
Gladestry	226.35
Glantwymyn	646.74
Glasbury	574.28
Glascwm	271.20
Glyn Tarrell	302.79
Guilsfield	865.91
Gwernyfed	483.19
Hay-on-Wye	896.62
Honddu Isaf	228.25
Kerry	978.33
Knighton	1326.18
Llanafanfawr	233.91
Llanbadarn Fawr	348.93
Llanbadarn Fynydd	140.62
Llanbister	192.56
Llanbrynmair	491.76
Llanddew	122.4
Llanddewi Ystradenny	145.72
Llandinam	447.90
Llandrindod Wells	2420.93

Llandrinio & Arddleen	735.65
Llandysilio	552.16
Llanelwedd	191.36
Llanerfyl	216.08
LLanfair Caereinion	792.06
Llanfechain	273.79
Llanfihangel	275.59
Llanfihangel Rhydithon	120.20
Llanfrynach	326.41
Llanfyllin	720.59
Llangammarch	267.11
Llangattock	569.01
Llangedwyn	199.93
Llangorse	570.00
Llangunllo	197.24
Llangurig	390.99
Llangynidr	592.92
Llangyniew	304.08
Llangynog	194.35
Llanidloes	1193.32
Llanidloes Without	316.44
Llanigon	278.47
Llanrhaeadr Ym Mochnant	599.40
Llansantffraid	718.9
Llansilin	357.71
Llanwddyn	127.18
Llanwrthwl	105.15
Llanwrtyd Wells	395.68
Llanyre	582.75
Llywel	259.03
Machynlleth	882.45
Maescar	474.47
Manafon	179.20
Meifod	708.03
Merthyr Cynog	139.43
Mochdre with Penstrowed	259.73
Montgomery	728.27
Nantmel	341.46
New Radnor	238.40
Newtown & Llanllwchaiarn	4364.04
Old Radnor	401.96
Paincastle	289.43
Pen Y Bont Fawr	263.03
Penybont & Llandegley	205.31
Presteigne & Norton	1287.30
Rhayader	909.16
St Harmon	316.14
Talgarth	737.44
Talybont-on-Usk	397.47
Tawe Uchaf	571.40
Trallong	200.73
Trefeglwys	491.85
Treflys	227.74

Tregynon	388.80
Trewern	657.31
Vale of Grwyney	497.40
Welshpool	2708.68
Whitton	213.30
Yscir	258.24
Ystradfelte	249.16
Ystradgynlais	2937.29

**62,584:26**

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## **5. Resource Implications**

- 5.1 Setting the Council Tax base is an annual statutory requirement and is an integral part of the setting of the Council's council tax level (at band D) in accordance with specified formulae, reflecting its budget requirements for the relevant financial year.
- 5.2 The Deputy Head of Finance confirms that the increase in the Council Tax Base will provide additional council tax revenue in 2021/22, and mitigates the small reduction in assumed collection rate. The tax base is accounted for as part of the council's financial strategy alongside the Revenue Support Grant distributed by the Welsh Government which uses the Council Tax Base to determine the Revenue Support Grant settlement. The figures proposed in this report are consistent with the projections already set out in our Finance Resource Model.
- 5.3 There are no known ICT, customer services or physical implications
- 5.4 Communications commented that no proactive communication action is required
- 5.5 The Head of Finance (Section 151 Officer) confirms that the setting of the Council tax base is a significant part of the overall budget setting process and is a statutory requirement. Setting the Band D Council Tax level takes account of the requirement of specified formulae, reflecting its budget requirements for the relevant financial year. The reduction in the Council Tax collection to 98.4% is reasonable and prudent, it is based on historic collection rates but also reflects the impact the pandemic is having on our current years collection which could continue into next financial year.

## **6. Legal Implications**

- 6.1 Legal, the recommendation can be supported from a legal point of view
- 6.2 The Head of Legal and Democratic Services (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report".

## 7. Data Protection

7.1 There are no data protection implications within the proposal

## 8. Local Members

8.1 No comments have been received from local members.

## 9. Integrated Impact Assessment

9.1 There is no impact assessment, as report is one of a technical nature.

## 10. Recommendation

10.1 That the calculation of the Council Tax Base for the whole of its area for the year 2021-22 of **62,584.26** be approved, and

10.2 That the calculation of the Council Tax Base for each Town and Community Council contained within 4.2 above, be approved to meet the legal requirement of the Council to set a Council Tax Base for 2021-22.

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Head of Service:	Jane Thomas

# Appendix One

Code: 524 Authority: Powys County Council

CT1 2021-22

		1	2	3	4	5	6	7	8	9	10	11	
		A*	Valuation band									Total (= sum of band figures)	
			A	B	C	D	E	F	G	H	I		
<b>Part A: Chargeable dwellings</b>													
1	A1	All chargeable dwellings	5,566	8,818	12,597	10,138	11,977	9,268	4,028	571	200	63,163	
2	A2	Dwellings subject to disability reduction (included in line A1)	14	47	82	81	158	122	60	8	29	601	
3	A3	Adjusted chargeable dwellings (taking into account disability reductions)	14	5,599	8,853	12,596	10,215	11,941	9,206	3,976	592	171	63,163
4	B1	Dwellings with no discount or premium (including long term empty properties and second homes with no discount)	5	2,126	4,300	7,281	6,529	8,261	7,024	3,193	453	130	39,302
4.1	B2a	Dwellings with a 25% discount (excluding long term empty properties and second homes)	9	3,278	4,329	5,031	3,405	3,374	1,977	677	98	30	22,208
4.2	B2b	Dwellings with a 50% discount (excluding long term empty properties and second homes)	0	6	10	10	11	19	28	15	28	2	129
7	B3a	Dwellings with a variable discount other than 25% or 50% (Part G, line 11)	0	0	0	0	0	0	0	0	0	0	0
7.1	B3b	Dwellings with long term empty property or second homes discount		0	0	0	0	0	0	0	0	0	0
7.2	B3c	Dwellings with long term empty property or second homes premium		189	214	274	270	287	177	91	13	9	1,524
8	B4	Total adjusted chargeable dwellings (sum of B1 to B3c=A3)	14	5,599	8,853	12,596	10,215	11,941	9,206	3,976	592	171	63,163
			0	0	0	0	0	0	0	0	0	0	0
<b>Discount and premium adjustments</b>													
	B5	Total variable discounts (=Part G, line 12)	0	0	0	0	0	0	0	0	0	0	0
	B6	Long term empty property and second homes discount adjustment (Part H, line 9g, 11g)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	B7	Long term empty property and second homes premium adjustment (Part H, line 10g, 12g)		94.5	107.0	137.0	135.0	143.5	88.5	45.5	6.5	4.5	762.0
<b>Part C: Calculation of chargeable dwellings with discounts and premiums</b>													
11	C2	Total dwellings including discounts and premiums (=A3-(B2ax0.25)-(B2bx0.5)-B5-B6+B7)	12	4,871	7,873	11,470	9,493	11,232	8,786	3,845	560	167	
	C3	Ratio to band D	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9	
13	C4	Band D equivalents (=C2xC3) (rounded to 2 decimal places)	6.53	3,247.33	6,123.25	10,195.78	9,493.25	13,727.39	12,691.25	6,407.92	1,120.00	389.67	63,402.37
13.3	C7	Total discounted dwellings excluding long term empty and second homes adjustment	12	4,777	7,766	11,333	9,358	11,088	8,698	3,799	554	163	
13.4	C8	Band D equivalents excluding long term empty and second homes adjustment	6.53	3,184.33	6,040.03	10,074.00	9,358.25	13,552.00	12,563.42	6,332.08	1,107.00	379.17	62,596.81
(sum of individual bands - carry to E1)													
<b>Part D: Memorandum items</b>													
14	D1	Exempt dwellings Classes A to N and P to W (not included in sections A to C above)		328	362	344	295	348	182	65	9	4	1,937
15	D2	Exempt dwellings Class O (not included in sections A to C above)		1	47	34	61	22	15	2	1	6	189

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### Part E: Calculation of council tax base

22	E1	Chargeable dwellings: band D equivalents (=C4 total)	63,402.37
23	E2	Collection rate (please enter to 2 decimal places)	98.40 %
24	E3	= E1 x E2 (rounded to 2 decimal places)	62,387.93
25	E4	Class O exempt dwellings: band D equivalents (please enter to 2 decimal places)	196.33
26	E5	Council tax base for tax-setting purposes (=E3+E4)	62,584.26
26.2	E5b	Discounted chargeable dwellings excluding long term empty and second homes adjustment	62,596.81
27	E6	100% council tax base for calculating revenue support grant (=E5b+E4)	62,793.14

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16

## CYNGOR SIR POWYS COUNTY COUNCIL.

## CABINET

24<sup>th</sup> November 2020

**REPORT AUTHOR:** County Councillor Phyl Davies  
Portfolio Holder for Education

County Councillor Aled Davies  
Portfolio Holder for Finance

**SUBJECT:** School Budgets 2020-21

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**REPORT FOR:** Information

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**1** Purpose

- 1.1 To inform Cabinet Members of the school budget positions for 2020-21 as originally submitted (approved by Governing Bodies) and as currently forecast following submission of spending / recovery plans.

**2** Background

- 2.1 Governing bodies of maintained schools are required, under the authority's Scheme for Financing Schools ("the Scheme"), to set and submit an annual budget for their school, together with initial budget plans for a minimum of the two following financial years. Where a school is planning to set a deficit budget in the current 2020-21 financial year, the budget must be approved and licensed by the Authority if it meets the requirements defined in the Scheme.
- 2.2 Cumulative school deficits have been growing over a number of financial years and are a significant risk to the Authority's finances. When schools submitted their governing body approved budgets in May 2019 a number of schools were projecting significant growth in their deficits leading to an estimated cumulative balance of £7.7 million at 31 March 2022. During Estyn's inspection of the Council's Education Services in July 2019 financial management was identified as an area of significant concern, recommending that

*"R5: Continue to improve the quality of financial management in schools and take appropriate action to address schools with significant deficit budgets"*

- 2.3 Warning notices were issued to schools projecting deficits of greatest concern in July 2019. Since the warning notices were issued, these schools have been working with Schools Service, Challenge Advisers, HR and Finance officers to improve their budget positions, despite the challenges posed by the Covid-19 pandemic, although this has inevitably had an impact on all school budget positions, including those of the schools currently on warning notice. The school closures earlier this year did allow a modest level of savings on areas such as

utilities but also hindered some HR processes meaning that the delivery of some recovery plans was compromised. Welsh Government have provided financial support for the vast majority of Covid-19 related costs and some of the income lost (£385k and £222k respectively) but it has resulted in a greater level of uncertainty than would otherwise be the case.

### **3 Outturn Position 2019-20**

- 3.1 At 31<sup>st</sup> March 2020 the total cumulative reserve for schools was in a deficit position of £910k. Schools' original budgets (May 2019) predicted a deficit balance of £3,168m deficit on reserves. This shows an in-year improvement of £2,258m.
- 3.2 "Team<sup>1</sup> around the school" meetings took place to support schools in addressing any concerns and in taking action as required. Notices of concern were issued and followed up throughout 2019-20 and a total of 13<sup>2</sup> warning notices were still active at the start of this financial year. This level of challenge and scrutiny will continue to ensure that deficits can be reduced.
- 3.3 As at the 31<sup>st</sup> March 2020, there were twenty-three (23) schools with cumulative deficit balances totalling £4.873m. This compares with twenty-one (21) schools as at the 31<sup>st</sup> March 2019 with deficits of £3.980m.
- 3.4 As at the 31<sup>st</sup> March 2020 there were fifty-two (52) schools whose surplus balances were greater than that defined within the scheme for financing schools where the Chief Education Officer can request a statement as to the use that a governing body proposes to make of that surplus. Of these, twenty-seven (27) had surplus balances that exceeded the limit<sup>3</sup> where the Chief Education Officer may direct a governing body as to how to spend that surplus.

### **4 Budgets 2020-21**

- 4.1 Officers of the authority continue to work with schools to ensure that governing bodies operate within the financial constraints of the funding allocated to them and in compliance with the Scheme for Financing Schools and the authority's financial regulations.
- 4.2 Due to impact of responding to the COVID-19 pandemic, schools were given an extended deadline of 22<sup>nd</sup> May by which to submit their Governing Body approved budgets for 2020-21 and indicative budgets for the following two financial years.
- 4.3 Of these original budgets approved by governing bodies for the 2020-21 financial year, seventy-one (71) schools were proposing to set a cumulative surplus balance in 2020-21 and therefore met the criteria to be approved. This compares to sixty-five (65) schools' budgets that were in an approved position in June 2019.

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<sup>1</sup> Comprising senior officers from Schools Service, Challenge Advisors, HR Officers and Finance Officers along with others as required.

<sup>2</sup> Llanerfyl CinW Foundation School closed on 31 August 2020.

<sup>3</sup> £50,000 for primary schools and £100,000 for secondary or special schools

- 4.4 Twenty-two (22) schools were proposing to set budgets resulting in a cumulative deficit balance at the end of March 2021. Nine (9) of these met the criteria within the Scheme to be licensed and thirteen (13) did not meet the criteria and are therefore unlicensed. Table 1 below compares this year's original position with that of 2019-20.

**Table 1: Comparison of Governing Body approved original budgets**

	School	Number in 2019-20	Number in 2020-21	Value 2019-20 £k	Value 2020-21 £k
Approved Budgets	Primary	61	66	1,881	2,330
	Secondary & All-through	3	3	334	492
	Special	1	2	47	256
<b>Total surpluses</b>		<b>65</b>	<b>71</b>	<b>2,262</b>	<b>3,078</b>
Licensed Deficits	Primary	6	7	61	131
	Secondary & All-through	1	2	74	76
	Special	1	0	25	0
<b>Total Licensed Deficits</b>		<b>8</b>	<b>9</b>	<b>160</b>	<b>207</b>
Unlicensed Deficits	Primary	12	6	567	283
	Secondary & All-through	7	6	4,314	4,758
	Special	1	1	309	139
<b>Total Unlicensed Deficits</b>		<b>20</b>	<b>13</b>	<b>5,190</b>	<b>5,180</b>
<b>Total Deficits</b>		<b>28</b>	<b>22</b>	<b>5,350</b>	<b>5,387</b>
<b>Net budget position</b>		<b>93</b>	<b>93</b>		

- 4.5 Details of individual schools are shown in Appendix A. The summary position for all school budgets submitted in May following approval by governing bodies is shown in table 2 below.

**Table 2: Summary original budget position 2020-21**

Type of School	Number of Schools Projected to be in Deficit	Number of Schools Projected to be in Surplus	Projected Cumulative Deficit	Projected Cumulative Surplus	Total
			£k	£k	£k
Primary	13	66	(414)	2,330	1,916
Secondary & All-through	8	3	(4,834)	492	(4,342)
Special	1	2	(139)	256	117
<b>Total</b>	<b>22</b>	<b>71</b>	<b>(5,387)</b>	<b>3,078</b>	<b>(2,309)</b>

- 4.6 These budgets were reviewed by the Chief Education Officer and the Head of Finance (s151 officer). Four primary schools that were on warning notices had made sufficient progress that both the interim Chief Education Officer and the Head of Finance agreed that these warning notices could be removed. Welsh Government have been notified of this. Those schools whose surplus balances exceeded the levels set out in the Scheme were requested to submit statements as to the use of those surplus balances by 16<sup>th</sup> October 2020<sup>4</sup>. Those schools that submitted budgets that showed an unlicensed deficit position were requested to submit recovery plans by the same deadline.
- 4.7 As would be expected when recovery plans are submitted, the projected deficit positions improve, by £248k at this time. Increased expenditure planned by those schools who were required to submit statements for use of their surplus balances means that projected surpluses also move closer to the funding position by £124k, as summarised in table 3 below. It should also be noted that four schools closed and two schools opened following mergers during this period, reducing the total number of schools from 93 to 91.

**Table 3: Summary Autumn position 2020-21 following recovery plan submissions**

Type of School	Number of Schools Projected to be in Deficit	Number of Schools Projected to be in Surplus	Projected Deficit £k	Projected surpluses £k	Total £k
Primary	13	64	-366	2,247	1,881
Secondary & All-through	7	4	-4,528	509	-4,019
Special	1	2	-246	199	-47
<b>Total</b>	<b>21</b>	<b>70</b>	<b>-5,139</b>	<b>2,954</b>	<b>-2,185</b>

- 4.8 The schools that submitted unlicensed budgets in May are listed below, along with the updated position following their recovery plan submission.

School	Autumn 2020 Position
Brynhafren CP School	Unlicensed
Clyro CinW Controlled School	Unlicensed
LLanfechain CinW School	Licensed
Ysgol Gynradd Carno	Approved
Ysgol Gymraeg Dyffryn y Glowyr	Licensed (WN)
Brecon High School	Warning notice
Ysgol Maesydderwen	Warning notice
Crickhowell High School	Warning notice
Ysgol Bro Hyddgen	Warning notice
Welshpool High School	Warning notice
Ysgol Calon Cymru	Warning notice
Ysgol Cedewain Special School	Warning notice

<sup>4</sup> The original deadline of 30<sup>th</sup> September was extended to 16<sup>th</sup> October

- 4.9 Appendix B is an extract from the Authority’s Scheme for Financing Schools which sets out the process followed when a deficit is identified. The Scheme states that “licensed deficits will not normally be approved unless the school can produce a recovery plan which, in the view of the authority, is realistic, prudent and does not exceed three years”. However, the scheme does allow the section 151 Officer and the Chief Education Officer to agree to extend this to ensure that educational provision can be maintained at an appropriate level, which is the position for the larger, more historic deficits.

## **5 Loan Scheme**

- 5.1 In 2013-14 the Authority approved the implementation of a loan scheme. The following four schools received loans in 2013-14.

<b>School</b>	<b>Amount (£)</b>	<b>Balance at 31<sup>st</sup> March 2020 (£)</b>	<b>Term</b>
Brecon High School	432,000	0	Ended
Caersws C P School	25,000	£10,000	10 Years
Talgarth C P School	25,000	£0	School closed - Written off
Ysgol Dyffryn Trannon	45,000	£18,000	10 Years

- 5.2 The loan scheme was withdrawn during 2015-16 and no further loans have been approved. Schools who have already had loans authorised will continue to have the loans in place subject to meeting the loan repayments and the terms of the loan as per the agreement made at the time.
- 5.3 Each of the schools have made repayments on the loans, Caersws C P School and Ysgol Dyffryn Trannon have submitted approved budget plans for 2019-20. Brecon High school loan has been recharged back to the school’s balance and is shown in their cumulative position.

## **6 Conclusion**

- 6.1 Appendix A shows the outturn position for all schools as at 31 March 2019, together with the original (May) and updated (Autumn) planned projected budget position and planned cumulative balance for each school for the years ending 31 March 2021, 31 March 2022 and 31 March 2023.
- 6.2 Cumulative balances remain a concern and a significant risk to the authority, but schools are working well with Council officers to bring in-year budgets into balance and halt the growth of cumulative deficits. Once this position is achieved and consolidated, work begins on reducing the cumulative deficits.
- 6.3 All schools’ forecasts are updated and reviewed on a monthly basis and any concerns highlighted with the Chief Education Officer and the Section 151 Officer and raised with individual schools at the earliest opportunity. A collaborative approach to early intervention and support is key to avoid the escalation of financial issues.

## **7 Options Considered/Available**

N/A.

**8 Preferred choice and reasons**

N/A

**9 Impact assessment**

Is an impact assessment required – No

**10 Corporate improvement plan**

10.1 To achieve the Corporate Improvement Plan (CIP) objectives the Council's financial strategy sets out the financial requirements to deliver the short- and longer-term council vision. The approval and monitoring of school delegated budgets is a key element of financial management to ensure the funding identified to deliver the council priorities is spent appropriately and remains within a cash limited budget.

**11 Local Member(s)**

11.1 All schools across the council are included in this report therefore all local members have an interest.

**12 Other Front Line Services**

12.1 No implications to other front-line services.

**13 Communications**

**14 Support Services (Legal, Finance, HR, ICT, BPU)**

14.1 Finance: Deficit and surplus balances must continue to be monitored carefully to ensure that schools take the appropriate action to ensure they meet the requirements. It is essential that officers from Finance, HR and Schools service continue to support and challenge Head teachers and Governing Bodies to address issues with school balances.

14.2 Legal: The recommendations can be supported from a legal point of view.

**15 Statutory Officers**

15.1 The Head of Legal and Democratic Services (Monitoring Officer) has commented as follows: " I note the legal comment and have nothing to add to the report".

15.2 The Head of Finance (S151 Officer) comments as follows: "The current and projected financial position of our Schools continues to be a challenge. The additional funding provided in the 2020/21 budget supports schools in meeting the pressures they face, this has assisted schools to stabilise their in-year position, but it is essential that all Governing Bodies work with Schools Service, HR and Finance officers to take action to provide a curriculum that can be delivered within the funding provided. The school reserves are ring fenced but,

ultimately, represent a potential council risk. It is essential that compliance work is undertaken to ensure that school budgets are managed in accordance with regulations by Governing Bodies.”

## 16 **Members' Interests**

- 16.1 The Monitoring Officer advises that Members may have an interest in this item if they are Governors of or have any other interest in the management of schools affected by this report. If that is the case, they should seek advice prior to the meeting.

<b>Relevant Policy (ies):</b>	Scheme for the Financing of Schools		
<b>Within Policy:</b>	Y	<b>Within Budget:</b>	Y

<b>Relevant Local Member(s):</b>	<b>All</b>
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<b>Person(s) To Implement Decision:</b>	<b>School Finance staff &amp; Schools Service Senior Staff</b>
<b>Date By When Decision To Be Implemented:</b>	<b>31 December 2020</b>

<b>Contact Officer Name:</b>	<b>Tel:</b>	<b>Email:</b>
Jennie Spraggon	01597 826479	Jennie.Spraggon@powys.gov.uk

### **Background Papers used to prepare Report:**

Scheme for the Financing of Schools  
Good Practice Guide

School	2019-20 Actual Surplus / (Deficit) at 31 March 2020	Original Budget Approved by Governors (May 2020)				Recovery plan and Clawback submittals Autumn term					
		2020-21 Budgeted In-Year Surplus / (Deficit)	2020-21 Budgeted cumulative surplus / (Deficit) at 31 March 2021	2021-22 Budgeted cumulative surplus / (Deficit) at 31 March 2022	2022-23 Budgeted cumulative surplus / (Deficit) at 31 March 2023	2020-21 Budgeted In-Year Surplus / (Deficit)	2020-21 Budgeted cumulative surplus / (Deficit) at 31 March 2021	2021-22 Budgeted In-Year Surplus / (Deficit)	2021-22 Budgeted cumulative surplus / (Deficit) at 31 March 2022	22-23 Budgeted In-Year Surplus / (Deficit)	2022-23 Budgeted cumulative surplus / (Deficit) at 31 March 2023
	£	£	£	£	£	£	£	£	£	£	£
Abermule CP School	34,865	(20,980)	13,885	33,769	53,763	(7,338)	7,529	25,641	53,170	27,935	81,105
Archdeacon Griffiths C in W A School	16,883	3,528	20,411	13,336	9,110						
Arddleen C P School	35,845	4,754	40,599	42,859	45,609	1,687	37,532	1,113	38,645	1,666	40,311
Banw C P School	47,885	2,169	50,054	0	0						
Berriew C P School	(13,392)	(6,585)	(19,977)	35,206	30,583						
Brynhafren C P School	(144,431)	(1,068)	(145,499)	(143,907)	(142,465)	1,155	(143,276)	(452)	(143,728)	(685)	(144,412)
Builth Wells C P School	88,912	(51,742)	37,170	5,646	(16,853)	(41,796)	47,116	(36,541)	10,575	(34,874)	(24,299)
Buttington/Trewern C P School	33,828	(1,667)	32,161	(26,327)	(85,970)	(12,166)	21,662	(68,399)	(46,737)	(57,195)	(103,932)
Caersws C P School	27,072	(8,133)	18,939	16,010	21,305	(11,496)	15,576	(2,000)	13,576	7,899	21,475
Carreghofa C P School	17,895	(13,819)	4,076	15,875	27,560						
Castle Caereinion C in W School	64,593	(14,267)	50,326	34,863	19,286	(27,732)	36,861	(22,255)	14,606	(22,692)	(8,086)
Churchstoke C P School	4,266	(4,643)	(377)	21,506	42,904						
Clyro C in W Controlled School	19,706	(35,240)	(15,534)	(66,313)	(53,031)	(29,058)	(9,352)	(48,364)	(57,716)	14,433	(43,283)
Cradoc C P School	34,631	(18,288)	16,343	5,578	(4,838)	(32,229)	2,402	(13,112)	(10,710)	(12,805)	(23,515)
Crickhowell C P School	34,240	10,306	44,546	31,894	19,266	15,553	49,793	(6,514)	43,279	(11,309)	31,970
Crossgates C P School	55,144	(13,413)	41,731	31,770	17,409	(10,800)	44,344	(6,049)	38,295	(8,674)	29,621
Cwm Banwy											
Forde C in W School	20,013	106	20,119	17,408	19,778	(7,984)	12,029	(5,245)	6,784	(1,315)	5,469
Franksbridge C P School	13,535	1,604	15,139	16,297	17,641	(2,894)	10,641	(5,621)	5,020	(1,373)	3,647
Gladestry C in W Controlled School	52,642	(10,420)	42,222	47,033	53,238	(19,837)	32,805	7,129	39,934	7,210	47,144
Guilsfield C P School	80,622	(37,395)	43,227	19,268	1,340	(37,232)	43,390	(19,894)	23,496	(19,020)	4,476
Hafren C P Junior School	96,062	(46,952)	49,110	32,718	0	(61,118)	34,944	(6,705)	28,239	0	0
Hay-On-Wye C P School	33,032	(6,743)	26,289	21,472	31,253	422	33,454	(13,479)	19,975	(13,041)	6,934
Irfon Valley C P School	5,303	6,293	11,596	18,503	(16,786)						
Knighton C in W Controlled School	82,389	4,648	87,037	25,432	(40,375)	5,644	88,033	5,516	93,550	(69,042)	24,508
Ladywell Green Infants School	82,473	(74,587)	7,886	(6,753)	0	(50,984)	31,448	(33,919)	(2,431)	0	0

School	Original Budget Approved by Governors (May 2020)					Recovery plan and Clawback submittals Autumn term					
	2019-20 Actual Surplus / (Deficit) at 31 March 2020	2020-21 Budgeted In-Year Surplus / (Deficit)	2020-21 Budgeted cumulative surplus / (Deficit) at 31 March 2021	2021-22 Budgeted cumulative surplus / (Deficit) at 31 March 2022	2022-23 Budgeted cumulative surplus / (Deficit) at 31 March 2023	2020-21 Budgeted In-Year Surplus / (Deficit)	2020-21 Budgeted cumulative surplus / (Deficit) at 31 March 2021	2021-22 Budgeted In-Year Surplus / (Deficit)	2021-22 Budgeted cumulative surplus / (Deficit) at 31 March 2022	22-23 Budgeted In-Year Surplus / (Deficit)	2022-23 Budgeted cumulative surplus / (Deficit) at 31 March 2023
	£	£	£	£	£	£	£	£	£	£	£
Leighton C P School	39,535	(320)	39,215	36,469	33,731	6,528	46,064	13,148	59,212	13,699	72,911
Llanbedr C in W Aided School	5,673	(1,790)	3,883	9,106	19,522						
Llanbister C P School	(12,965)	32,608	19,643	45,126	22,177						
Llandinam C P School	60,106	(18,458)	41,648	60,152	79,095	(73,563)	(13,457)	26,985	13,528	16,278	29,806
Llandrindod Wells C P School Cefnlllys	24,811	2,198	27,009	33,249	38,743						
Ysgol Trefonnen	23,095	(16,572)	6,523	3,901	(1,286)						
Llandysilio C in W School	26,462	1,239	27,701	35,439	43,469	(14,679)	11,782	(16,549)	(4,768)	(17,651)	(22,419)
Llanelwedd C in W Primary School	(40,392)	44,812	4,420	53,238	103,526						
Llanerfyl C in W Foundation School	(14,098)	6,662	(7,436)	0	0						
Llanfaes C P School	44,678	(33,736)	10,942	(10,702)	(26,054)	(43,335)	1,343	(36,276)	(34,933)	(19,824)	(54,757)
Llanfair Caereinion C P School	103,281	(43,380)	59,901	43,963	19,442	(15,770)	87,511	(36,883)	50,628	(47,374)	3,254
Llanfechain C in W School	(59,587)	7,589	(51,998)	(45,376)	(38,850)	8,775	(50,812)	7,188	(43,624)	6,863	(36,762)
Llanfihangel Rhydithon C P School	(970)	7,744	6,774	30,287	54,561						
Llanfyllin C P School	40,957	7,411	48,368								
Llangattock C in W Controlled School	77,116	(19,146)	57,970	41,577	25,366	(25,232)	51,884	(35,805)	16,079	(35,446)	(19,367)
Llangedwyn C in W Vol. Ctrl'd School	3,760	23,185	26,945	51,638	76,215						
Llangors C in W Controlled School	10,187	3,659	13,846	4,168	3,346						
Llangynidr C P School	63,983	(18,744)	45,239	22,957	7,985	(13,651)	50,332	(17,102)	33,230	(9,706)	23,524
Llanidloes C P School	128,712	(30,827)	97,885	48,005	(6,723)	(35,806)	92,902	(54,842)	38,060	(59,725)	(21,665)
Llanrhaeadr Ym Mochnant C P Sch	42,152	13,218	55,370	61,558	67,198	43,492	85,647	(3,197)	82,450	(14,168)	68,281
Llansantffraid C in W Aided School	(5,929)	5,761	(168)	3,677	7,561						
Maesyrrhandir C P School	(2,516)	11,878	9,362	(11,619)	(32,672)						
Montgomery C in W School	79,169	(19,945)	59,224	36,791	45,536	(18,288)	60,885	(22,973)	37,911	(60,634)	(22,723)

School	2019-20 Actual Surplus / (Deficit) at 31 March 2020	Original Budget Approved by Governors (May 2020)				Recovery plan and Clawback submittals Autumn term					
		2020-21 Budgeted In-Year Surplus / (Deficit)	2020-21 Budgeted cumulative surplus / (Deficit) at 31 March 2021	2021-22 Budgeted cumulative surplus / (Deficit) at 31 March 2022	2022-23 Budgeted cumulative surplus / (Deficit) at 31 March 2023	2020-21 Budgeted In-Year Surplus / (Deficit)	2020-21 Budgeted cumulative surplus / (Deficit) at 31 March 2021	2021-22 Budgeted In-Year Surplus / (Deficit)	2021-22 Budgeted cumulative surplus / (Deficit) at 31 March 2022	2022-23 Budgeted In-Year Surplus / (Deficit)	2022-23 Budgeted cumulative surplus / (Deficit) at 31 March 2023
	£	£	£	£	£	£	£	£	£	£	£
Mount Street C P Infants School	66,083	(13,768)	52,315	41,544	24,999	838	66,921	(27,708)	39,213	(17,545)	21,668
Mount Street C P Junior School	50,080	(61,570)	(11,490)	22,282	57,115	(69,493)	(19,413)	25,124	5,711	25,889	31,600
Newbridge-On-Wye CinW Ctrlid Sch	46,437	(13,825)	32,612	17,086	5,302	(28,761)	17,676	(19,264)	(1,588)	(14,720)	(16,308)
Penygloddfa C P School	21,794	(36,583)	(14,789)	24,796	(13,007)	(35,699)	(13,902)	46,515	32,613	(36,096)	(3,483)
Presteigne C P School	25,042	(47,460)	(22,418)	594	18,575						
Priory C in W Aided School	79,166	(17,769)	61,397	31,283	(406)	(15,380)	63,786	(27,650)	36,136	(33,108)	3,028
Radnor Valley C P School	39,749	466	40,215	36,375	32,608	(4,415)	35,334	(4,422)	30,912	(5,124)	25,788
Rhayader C in W Controlled School	(45,860)	18,528	(27,332)	(13,908)	2,969						
Sennybridge C P School	62,597	(30,491)	32,106	29,994	50,173	(23,299)	39,298	(5,125)	34,173	13,362	47,535
St Mary's Catholic School	47,236	22,857	70,093	86,550	103,844	18,967	66,205	(21,330)	44,875	(18,950)	25,925
St Michael's C in W V A School	14,814	3,116	17,930	32,706	(24,109)						
Treowen C P School	67,921	(63,918)	4,003	6,931	(62,510)	(53,076)	14,843	(11,221)	3,622	(76,113)	(72,491)
Welshpool C in W	192,093	(70,672)	121,421	(1,612)	(132,784)	(49,362)	142,730	(86,230)	56,500	(39,228)	17,272
Ysgol Bro Cynllaith	(10,108)	11,315	1,207	14,450	27,675						
Ysgol Bro Tawe	78,317	(17,395)	60,922	10,259	(28,699)	(13,595)	64,721	(2,001)	62,720	11,117	73,837
Ysgol Dafydd Llwyd	31,831	(16,210)	15,621	(4,972)	(24,429)						
Ysgol Dolafon	36,318	(9,021)	27,297	17,578	8,051	(7,984)	28,334	(3,389)	24,945	(3,861)	21,084
Ysgol Dyffryn Trannon	34,537	(13,237)	21,300	1,169	(18,598)	(17,729)	16,808	9,668	26,476	12,623	39,099
Ysgol Glantwymyn	45,559	2,797	48,356	32,530	2,485	5,302	50,861	(6,680)	44,181	(13,616)	30,565
Ysgol Gynradd Carno	5,444	(6,827)	(1,383)	(4,318)	(7,080)	(189)	5,257	2,750	8,006	3,280	11,286
Ysgol Golwg Y Cwm	66,571	16,151	82,722	39,889	(4,849)	21,603	88,177	(52,252)	35,925	(65,234)	(29,309)
Ysgol Gymaeg Dyffryn Y Glowyr	(84,702)	23,639	(61,063)	18,965	100,193	65,775	(18,928)	18,137	(791)	32,186	31,395
Ysgol Gymraeg Y Trallwng	82,218	(26,374)	55,844	(18,431)	(90,071)	(14,324)	67,896	(81,045)	(13,150)	(81,638)	(94,787)
Ysgol Llanbrynmair	38,173	17,271	55,444	15,602	7,362	22,957	61,131	(35,899)	25,232	(8,993)	16,239
Ysgol Meifod	(31,684)	19,328	(12,356)	5,510	27,990						
Ysgol Pennant	50,346	3,695	54,041	43,881	32,819	11,768	62,117	(14,041)	48,077	(14,228)	33,848
Ysgol Pontrobert	23,969	6,269	30,238	38,659	50,510	778	24,746	2,369	27,115	6,938	34,053

School	2019-20 Actual Surplus / (Deficit) at 31 March 2020	Original Budget Approved by Governors (May 2020)				Recovery plan and Clawback submittals Autumn term					
		2020-21 Budgeted In- Year Surplus / (Deficit)	2020-21 Budgeted cumulative surplus / (Deficit) at 31 March 2021	2021-22 Budgeted cumulative surplus / (Deficit) at 31 March 2022	2022-23 Budgeted cumulative surplus / (Deficit) at 31 March 2023	2020-21 Budgeted In-Year Surplus / (Deficit)	2020-21 Budgeted cumulative surplus / (Deficit) at 31 March 2021	2021-22 Budgeted In-Year Surplus / (Deficit)	2021-22 Budgeted cumulative surplus / (Deficit) at 31 March 2022	22-23 Budgeted In-Year Surplus / (Deficit)	2022-23 Budgeted cumulative surplus / (Deficit) at 31 March 2023
	£	£	£	£	£	£	£	£	£	£	£
Ysgol Rhiw Bechan	47,788	(17,645)	30,143	9,282	(10,016)	(17,855)	29,933	(27,012)	2,921	(22,563)	(19,642)
Ysgol Y Cribbarth	48,533	2,014	50,547	42,903	34,104	(14,458)	34,074	(26,098)	7,976	(9,040)	(1,064)
Ysgol-Y- Bannau	17,735	(40,149)	(22,414)	(5,134)	18,304						
Ysgol Y Mynydd Du	36,433	(6,616)	29,817	32,202	52,847	(11,710)	24,723	(18,383)	6,340	14,779	21,119
<b>Total Primary</b>	<b>2,645,666</b>	<b>(729,572)</b>	<b>1,916,094</b>	<b>1,401,395</b>	<b>832,985</b>						
<b>Brecon High School</b>	<b>(1,618,678)</b>	<b>(245,206)</b>	<b>(1,863,884)</b>	<b>(1,963,313)</b>	<b>(2,020,393)</b>	<b>(322,744)</b>	<b>(1,941,422)</b>	<b>(47,470)</b>	<b>(1,988,893)</b>	<b>58,554</b>	<b>(1,930,339)</b>
Gwernyfed High School	280,513	(124,890)	155,623	10,513	(133,334)	(100,021)	180,492	(92,884)	87,608	(63,155)	24,453
Ysgol Maesydderwen	(309,720)	3,933	(305,787)	(293,694)	(276,133)	25,692	(284,028)	123,804	(160,224)	63,294	(96,930)
Crickhowell High School	(1,002,764)	11,034	(991,730)	(956,008)	(820,531)	129,473	(873,291)	113,084	(760,206)	264,691	(495,515)
Ysgol Uwchradd Caereinion	(6,123)	(21,298)	(27,421)	31,511	119,764						
Llanfyllin High School	(87,784)	96,701	8,917								
Llanidloes High School	(62,745)	13,647	(49,098)	37,567	121,589						
Ysgol Bro Hyddgen	(162,071)	(35,531)	(197,602)	(125,798)	(34,764)	(143,151)	(305,222)	65,791	(239,431)	76,908	(162,523)
Newtown High School	396,501	(68,824)	327,677	182,393	(77,329)	(72,002)	324,499	(113,304)	211,195	(194,194)	17,001
Welshpool High School	(728,216)	2,798	(725,418)	(867,697)	(1,069,626)	67,734	(660,482)	431	(660,051)	(74,367)	(734,419)
Ysgol Calon Cymru	(131,302)	(542,107)	(673,409)	(1,306,293)	(2,023,641)	(273,720)	(405,022)	(632,884)	(1,037,906)	(717,348)	(1,755,254)
Ysgol Llanfyllin											
<b>Total Secondary</b>	<b>(3,432,389)</b>	<b>(909,744)</b>	<b>(4,342,132)</b>	<b>(5,250,820)</b>	<b>(6,214,399)</b>						
<b>Brynllwarch Hall Residential</b>	<b>64,093</b>	<b>80,870</b>	<b>144,963</b>	<b>173,637</b>	<b>169,825</b>						
Ysgol Cedewain Special School	(297,296)	158,164	(139,132)	13,327	152,198	51,796	(245,501)	151,719	(93,781)	207,985	114,203
Ysgol Penmaes Special School	108,959	1,637	110,596	70,701	35,068	7,798	116,757	(71,323)	45,434	(67,455)	(22,021)
Total Special	(124,244)	240,671	116,427	257,665	357,091						
<b>Total</b>	<b>(910,967)</b>	<b>(1,398,644)</b>	<b>(2,309,611)</b>	<b>(3,591,760)</b>	<b>(5,024,323)</b>						

**Powys Scheme for Financing Schools 2020-21 – Processes following identification of potential deficit**

Stage	School Action	Local Authority Action	Relevant Local Authority Officers
<p><b>1</b> School identifies deficit</p> <p>or</p> <p>LA Officer raises a concern</p>	<p>School notifies LA school finance officer</p> <p>School acts with utmost prudence freezing all appointments and unplanned expenditure</p>	<p>Officer receiving notification of concern or who identifies concern notifies Chief Education Officer</p> <p>Chief Education Officer arranges team to ensure that Stage 2 is undertaken to ascertain financial position of the school</p>	<p>Chief Education Officer</p> <p>Challenge Adviser</p> <p>School Finance Officer</p> <p>HR Adviser</p>
<p><b>2</b> Exploration of issue</p>	<p>School provides LA with all necessary information and prioritises required meetings</p>	<p>Contact to be made with school to query and/or challenge financial assumptions / budget.</p> <p>Notify Schools Finance Officer, HR Advisor and Challenge Adviser</p>	<p>Chief Education Officer</p> <p>Challenge Adviser</p> <p>School Finance Officer</p> <p>HR Adviser</p>
<p><b>3</b> Finalisation of actions to be undertaken</p>	<p>Following exploration of issue, agree actions with LA, for example:</p> <ul style="list-style-type: none"> <li>• provision of 5 year forecast outturn/cashflow and curriculum plan</li> <li>• a deficit recovery action plan including timescales agreed with LA is approved by governing body and signed by Chair</li> </ul>	<p>Following exploration of issue, agree actions with the school</p> <p>LA named officers/advisors works with the school to develop recovery plan</p> <p>Recovery plan submitted to LA for agreement. LA notifies school of conditions required as part of recovery action plan and of the support and monitoring arrangements.</p>	<p>Chief Education Officer</p> <p>Challenge Adviser</p> <p>School Finance Manager</p> <p>HR Adviser</p>
<p><b>4</b> Implementation and monitoring</p> <p>As detailed in recovery action plan</p>	<p>School implements recovery action plan complying with all limitations and monitoring requirements required by LA</p>	<p>LA monitors progress with action plan and provides school with support as required by the recovery action plan e.g. timely decisions of staff appointments, agreement to budgets etc</p>	<p>Challenge Adviser</p> <p>School Finance Officer</p> <p>HR Adviser</p>
<p><b>5</b> Formal meeting</p>	<p>Attendance at formal meeting by Head, Chair of Governors and Chair of Finance Committee</p>	<p>A formal meeting to be held with the school if:</p> <ul style="list-style-type: none"> <li>• the actions agreed in stage 3 are not completed within the agreed timescale; or</li> <li>• the school defaults on any aspects of the recovery action plan</li> </ul>	<p>Section 151 Officer</p> <p>Chief Education Officer</p> <p>School Finance Manager</p> <p>Challenge Adviser</p> <p>HR Adviser</p>

## CYNGOR SIR POWYS COUNTY COUNCIL.

AUDIT COMMITTEE  
19<sup>th</sup> November 2020

CABINET  
24<sup>th</sup> November 2020

REPORT AUTHOR: COUNTY COUNCILLOR ALED DAVIES  
PORTFOLIO HOLDER FOR FINANCE

REPORT TITLE: Treasury Management Qtr 2 Report

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REPORT FOR: Information

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### 1. Purpose

- 1.1 CIPFA's 2009 Treasury Management Bulletin suggested:  
"In order to enshrine best practice it is suggested that authorities report formally on treasury management activities at least twice a year and preferably quarterly."

The CIPFA Code of Practice on Treasury Management emphasises a number of key areas including the following:-

- xi. Treasury management performance and policy setting should be subject to scrutiny prior to implementation.

- 1.2 In line with the above, this report is providing information on the activities for the quarter ending 30th September 2020.

### 2. Economic Background and Forecasts

- 2.1 The economic background is attached at Appendix B.
- 2.2 The most recent forecast of interest rates by the Authority's advisor is as follows:

	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22	Sep 22
<b>Bank rate</b>	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
<b>5yr PWLB</b>	1.90%	2.00%	2.00%	2.00%	2.00%	2.00%	2.10%	2.10%
<b>10yr PWLB</b>	2.10%	2.10%	2.10%	2.10%	2.20%	2.20%	2.20%	2.30%
<b>25yr PWLB</b>	2.50%	2.50%	2.50%	2.60%	2.60%	2.60%	2.70%	2.70%
<b>50yr PWLB</b>	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%

### 3. Treasury Management Strategy

- 3.1 The Treasury Management Strategy approved by Full Council on 28<sup>th</sup> February 2020 is at Appendix A.

3.2 The Authority's investment priorities within the Strategy are: -

- (a) the security of capital and
- (b) the liquidity of its investments.

3.3 The Authority aims to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite has been low in order to give priority to security of investments.

#### **4. Current Investments**

4.1 The current investment market is difficult as rates are very low in line with the 0.10% Bank Rate. Some banks now have negative interest rates. When looking at temporary investing, the Treasury team take into account the bank fee to send the money, as a result of which it is sometimes not cost effective overall to lend money for very short periods of time where interest rates are circa 0.02% - 0.03%. However, the Authority does not have sufficient certainty around its cashflow to lend for longer periods where the return is higher. As such, not all available cash is earning interest.

4.2 The Authority had the following investments at 30<sup>th</sup> September 2020:-

<b>Invested with:</b>	<b>Principal £000's</b>	<b>Interest Rate</b>	<b>Start Date</b>	<b>Maturity Date</b>
Surrey CC	5,000	0.05%	20.08.20	20.11.20
Wirral MBC	5,000	0.02%	24.08.20	26.10.20
Surrey CC	5,000	0.03%	24.09.20	06.11.20
West Berkshire Cncl	3,000	0.03%	25.09.20	22.10.20
<b>Total</b>	<b>18,000</b>			

4.3 Investment returns in future years:  
Our advisors' are not currently suggesting earning rates for investments for budgeting purposes. Previous suggested rates were per below:-

2020/21	0.75%
2021/22	1.00%

These were based on investments for up to three months duration.

#### **5. Credit Rating Changes**

5.1 There have been no credit rating changes relevant to this Authority's position during the last quarter.

5.2 The credit rating list for end of September is attached as a separate file to this report.

## 6. **Borrowing / Re-scheduling**

6.1 Effective management of the Authority's debt is essential to ensure that the impact of interest payable is minimised against our revenue accounts whilst maintaining prudent borrowing policies.

6.2 The Authority's Capital Position:

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the current year's unfinanced capital expenditure and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through external borrowing or utilising temporary cash resources within the Council.

Net external borrowing (borrowings less investments) should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for the current year and next two financial years. This allows some flexibility for limited early borrowing for future years.

### **Original CFR Position (per original approved budget):**

	As at 31.03.20 Actual	2020/21 Original Estimate	2021/22 Original Estimate	2022/23 Original Estimate
	£M	£M	£M	£M
Capital Financing Requirement	378,461	447,468	497,194	517,289

### **Updated CFR position as at 30.09.20:**

	As at 31.03.20 Actual	2020/2021 Current Estimate	2021/22 Current Estimate	2022/23 Current Estimate
	£M	£M	£M	£M
Capital Financing Requirement	378,461	440,124	479,315	488,220

6.3 The Authority had outstanding long-term external debt of £328.2m at 31<sup>st</sup> March 2020. In relation to the CFR figure for 31<sup>st</sup> March 2020, this equated to the Authority being under borrowed by £50.3m. Using cash reserves as opposed to borrowing has been a prudent and cost-effective approach over the last few years. However, members will be aware that internal borrowing is only a temporary situation and officers have advised that, based on capital estimates, it will be necessary for the Authority to borrow at stages over the next few years.

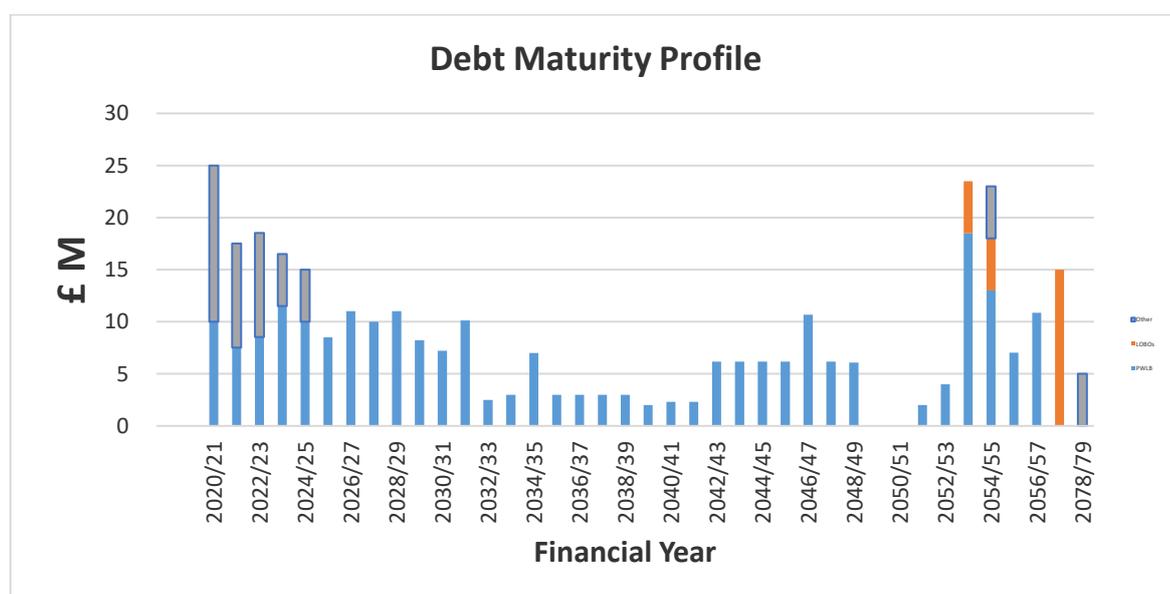
6.4 Capital Budget/Spend per efinancials:

<b>Capital:</b>	<b>Original Approved Budget £</b>	<b>Working Budget £</b>	<b>Actual Capital Spend (not including commitments) £</b>	<b>%age Actual Spend</b>
	132,872,000			
Qtr 1 end of June		123,678,035	7,908,465	6.40%
Qtr 2 end of Sept		115,050,394	21,618,172	18.80%

The financing of the approved capital budget includes £56.7m of Prudential Borrowing.

It remains a significant challenge to manage the Authority's cashflow and its need to borrow when the Capital working budget increases/decreases significantly during the financial year and, despite this, actual spend continues to be significantly below the working budget. This challenge is currently further magnified by the Covid 19 situation resulting in some Capital projects on hold.

6.5 *Debt Maturity Profile as at 30.09.20:*



Note:

Blue = PWLB; Grey = Market Loans including other local authorities;

Orange = LOBOs

#### 6.6 PWLB Loans Rescheduling:

The Public Works Loans Board released a circular regarding rates on 20<sup>th</sup> October 2010. As a result of this, rates immediately increased by 0.87-0.88 basis points across the board. The overall impact of this circular was that it is far more difficult for authorities to reschedule debt. PWLB interest rates in the last quarter have not been conducive towards any rescheduling.

### 7. **Prudential Indicators**

7.1 All TM Prudential Indicators were complied with in the quarter ending 30<sup>th</sup> September 2020.

### 8. **VAT**

8.1 The Technical Section of Finance act as the authority's VAT section. VAT can pose a risk to the authority hence the Treasury Manager has been asked to include VAT information in these quarterly reports.

8.2 The monthly VAT returns were submitted within the required deadlines during the quarter ending 30<sup>th</sup> September 2020.

8.3 Key Performance Indicators:

The VAT KPI's for 2020/21 are attached at Appendix C.

### **Advice**

N/A

### **Resource Implications**

N/A

### **Legal implications**

N/A

### **Comment from local member(s)**

N/A

### **Integrated Impact Assessment**

N/A

## **Recommendation**

It is recommended that this report be accepted.

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Head of Service: Jane Thomas

Corporate Director: Ness Young

## **Appendix A:**

### **Approved Treasury Management Strategy 2020/21:**

#### *Group/Institutions - Counterparty Criteria/Limits:*

##### **Specified Investments:**

<b>Institution</b>	<b>Maximum Investment per Group/Institution £M</b>	<b>Maximum Length</b>	<b>Credit Rating/Other Assessment of Risk</b>
UK Banks	30	Up to 364 days	As per Link's matrices
Foreign Banks	5	Up to 364 days	As per Link's matrices
Other Local Authorities	25	Up to 5 years	N/A

##### **Non-Specified Investments:**

<b>Institution</b>	<b>Maximum Investment per Group/Institution £M</b>	<b>Maximum Length</b>	<b>Credit Rating/Other Assessment of Risk</b>
UK Banks	10 (£5M limit with any one institution)	Up to 2 years	As per Link's matrices
Foreign Banks	2	Up to 2 years	As per Link's matrices
Money Market Funds (max. of 5)	10	N/A	All are AAA rated
Other Local Authorities	10	Up to 5 years	N/A

*Note: Limits for Specified and Non-Specified are combined limits. The maximum limit will also apply to a banking group as a whole.*

## **Appendix B**

### **Economic Background**

#### **UK**

A solid post lockdown recovery was sustained in August but the outlook is less upbeat with the resurgence of COVID cases resulting in government restrictions. GDP contracted by 25.6% from peak to trough, while monthly expansions of 2.4% and 8.7% in May and June reduced the gap to pre-COVID levels to 17.3%. Household consumption, which tends to be resilient in tough times, fell by 25% as restrictive measures severely impaired consumer-facing industries. The hospitality sector was the hardest hit of all and has been able to reopen on a limited basis, with the restaurant sector provided temporary respite by the “Eat Out to Help Out” scheme.

Consumer recovery has been strong, but COVID virus concerns and rising unemployment will likely see this slowing down gently. In July, retail sales pushed higher than pre-crisis levels and that momentum continued into August. New car registrations surged to higher than pre-COVID numbers and unsecured household borrowing normalised after debt reductions were seen in the previous four months. Certain sectors, such as cinemas and theatres, remain critically down and the cessation of the “Eat Out to Help Out” scheme at the end of August saw dining out drop back. The initial burst of pent up demand was always going to be a temporary boost to the economy. However, with rising unemployment forecast as the initial furlough scheme ended, the spending capacity within the economy is likely to be reined in as households assess the outlook for their finances. The increase in virus infections and perceived or actual re-imposition of lockdowns will likely see people draw back on leaving home, thus dampening spending.

With the UK economy harder hit than its trading partners, imports suffered significantly, with a peak to trough collapse of 30%. This was far deeper than seen in exports, at 18%. This scenario resulted in a trade surplus of £18.8bn in Q2 to June but that is likely to be short-lived. The troubles over Brexit may prove supportive of trade as previous deadlines have seen stockpiling of both exports and imports.

The employment picture is expected to decline in the months and quarters ahead, with unemployment forecast to rise to 2.4 million, 7%, by the middle of next year, as the furlough scheme is closed. The numbers on the scheme have declined to around three million at the end of August. Many of the initial nine million have returned to employment, but large numbers have not, as the massive fall in PAYE employment in July indicate. That may just be the start of the problem. Job vacancies are 40% down and some unemployed will not necessarily look for work straight away, so a decline in workforce could mask the underlying problem. However, people will need to secure work at some point and that could be the point at which the unemployment surge starts. The sharp decline in bonus payments was not the cause of annual earnings easing and falling by 1.2% in June. This was more a factor of the 1.6% fall in regular pay as a result of

numbers on furlough schemes which only paid 80% of salary. Earnings growth may have bottomed out but rising unemployment will prove a barrier to the upside in months to come.

September saw an increase in CPI from 0.5% to 0.7%. Whilst inflation will gradually increase, there is little likelihood of attaining the 2% target on a sustained basis. Prices rose by 1% in July on the pick-up in crude oil prices. Core inflation also picked up as furniture and clothing prices rose on increased demand as lockdown eased.

### Monetary Policy – UK and Global

Nothing changes with respect to policy which is being driven by the need to regenerate activity in the global economy in the wake of the COVID 19 pandemic. The gradual and non-standardised easing of lockdown has helped to generate recovery, with some economies faring better than others. This sees them all operating at different levels and experiencing slightly different challenges in achieving the target of returning to normality. This will result in a disjointed global recovery. With the increased relaxation of lockdowns there came an increase in COVID infections which has hindered recovery and the fear that this situation will worsen as governments re-impose restrictions.

Government and central bank schemes have continued to underpin and stabilise economies as best they can, while encouraging people to re-engage with the economy more fully. As those schemes are wound down so will come more potential problems for businesses in meeting wages of employees. This could push some firms to the brink and the risk of rising unemployment as furloughed staff are not re-employed.

The role of central banks will not change in the months ahead. They need to maintain the stability and viability of financial markets, with massive asset purchasing programmes for a continued, and possibly likely lengthier, period. This will also help to manage interest rate pressures.

Policies are unlikely to change before economic activity and confidence levels have started to normalise. Such a combination is unlikely until 2021 at the earliest. The risk to that scenario is that, in re-opening their economies too early, a second wave or resurgence of infections hits which is currently being seen in a growing number of places.

Interest rates are unlikely to rise soon and support packages may prove insufficient to get national and global economies out of the deep recession that is likely to hit most areas. As such, analysts expect more money to be pumped into the system, one way or another, to give recovery whatever boost is required.

## **Appendix C**

### **VAT - Key Performance Indicators:**

#### **Creditor Invoices**

VAT return for	No of high value Creditor invoices checked	No of Creditor invoices highlighted as requiring "proper" document for VAT recovery	%age of creditor invoices checked requiring "proper" document for VAT recovery
Apr-20	171	3	1.75%
May-20	132	0	0.00%
Jun-20	172	1	0.58%
Jul-20	189	1	0.53%
Aug-20	161	1	0.62%
Sep-20	222	1	0.45%
Oct-20			
Nov-20			
Dec-20			
Jan-21			
Feb-21			
Mar-21			

#### **Income Management Entries**

VAT return for	No of entries checked by formula per the ledger account code used	No of entries needing follow up check (but not necessarily incorrect)	%age of entries needing follow up check
Apr-20	648	1	0.15%
May-20	555	6	1.08%
Jun-20	711	21	2.95%
Jul-20	709	4	0.56%
Aug-20	705	3	0.43%
Sep-20	In progress		
Oct-20			
Nov-20			
Dec-20			
Jan-21			
Feb-21			
Mar-21			

### Debtor Invoices

VAT return for	No of Debtor invoices checked	No of checked debtor invoices with incorrect VAT code used	%age of debtor invoices with incorrect VAT code
Apr-20	49	6	12.24%
May-20	41	10	0.00%
Jun-20	70	0	0.00%
Jul-20	79	10	12.66%
Aug-20	84	1	1.19%
Sep-20	In progress		
Oct-20			
Nov-20			
Dec-20			
Jan-21			
Feb-21			
Mar-21			

Note: Debtors vat checking is carried out by Finance via a work process prior to the invoice being raised hence the improvement in errors compared to previous years

### Purchase Cards

VAT return for	No of transactions for which paperwork requested for checking	Resolvable errors discovered	Value of VAT potentially claimable but recharged to budget due to non- response	No of transactions where VAT claimed incorrectly	%age of transactions available to be checked where VAT was claimed incorrectly	Value of VAT incorrectly claimed hence recharged to budget
Apr-20	128	9	£2,314.57	7	5.47%	£418.08
May-20	89	0	0	5	5.62%	£268.05
Jun-20	99	2	£812.00	4	4.04%	£357.51
Jul-20	142	3	£321.90	8	5.63%	£542.96
Aug-20	66	3	£706.86	4	6.06%	£48.63
Sep-20	2,016	6	£1,287.12	34	1.69%	£1,074.67
Oct-20						
Nov-20						
Dec-20						
Jan-21						
Feb-21						
Mar-21						

### Chargebacks to service areas

The upload of appropriate documents to the Barclaycard purchase card system to enable vat recovery was made mandatory in September 2017 as a result of the lack of response from service areas/establishments to provide documents when requested. Where no document has been uploaded, any VAT amount input against the transaction is charged to the service area as there is no evidence to support the vat recovery.

Any other VAT errors that come to light as a result of the various checks are also charged to the relevant service areas.

Budget holders are able to see this clearly as chargebacks are coded to account code EX400600 and the activity code used alongside this gives the reason why this chargeback has occurred.

The total amount charged back to service areas in 2020/21 to end of September is £17,794.84. The breakdown of this is as follows:-

<b>Reason</b>	<b>£</b>
Not a tax invoice	6,024.17
Not a tax invoice – no response from service area	0
PCC not the named customer	0
No VAT registration number on invoice	0
No invoice uploaded to Barclaycard system	9,290.93
Invoices uploaded do not match the payment	426.72
No evidence supplied to enable vat recovery	0
Foreign VAT (not recoverable)	28.44
No VAT amount on invoice in first place	1,150.20
Supplier not vat registered	0
Supply not to PCC	503.42
Overaccounting for VAT	371.96
PCC Internal payment	0
Document spoilt	0
<b>Total</b>	<b>17,794.84</b>

Of the above £15,741.82 was potentially recoverable.

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

10 September	Portfolio Holder for Education and Property	Approved a change to the Instrument of Government of Maesyrrhandir CP School increasing the governing body of Maesyrrhandir CP School 14 governors to 18 governors as per The Government of Maintained Schools (Wales) Regulations 2005.
10 September	Portfolio Holder for Education and Property	Approved that the official school name of Llandrindod Wells CP School, Cefnlllys be changed to Ysgol Cefnlllys.
14 September	Portfolio Holder for Economic Development, Housing and Regulatory Services	Approved the purchase of a property in Rhayader.
22 September	Leader	Approved the purchase of a property in Brecon.
22 September	Leader	Approved the sale of land at Fron, Forden.
1 October	Portfolio Holder for Education and Property	Approved a budget virement in respect of building works at the former Welshpool library.
15 October	Portfolio Holder for Finance Countryside and Transport	Approved a budget virement in respect of external funding obtained by the Countryside Access and Recreation Team.
10 November	Leader	Approved the sale of Garth and Heylin, Guilsfield to two separate buyers.
13 November	Portfolio Holder for Environment	Approved a Traffic Regulation Order consultation procedure in respect of the Maes Y Fynnon Bus Link Revocation Order and if no substantive objections are received to implement the proposal.

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