

Cabinet

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

Dyddiad y Cyfarfod
Dydd Mawrth, 2 Tachwedd 2021

Amser y Cyfarfod
11.00 am



Neuadd Y Sir
Llandrindod
Powys
LD1 5LG

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

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

Derbyn ymddiheuriadau am absenoldeb.

2. COFNODION

Awdurdodi'r Arweinydd i lofnodi cofnodion y cyfarfodydd a gynhaliwyd ar 5 Hydref a 12 Hydref 2021 fel cofnodion cywir.

(Tudalennau 1 - 6)

3. DATGANIADAU O Fudd.

Derbyn unrhyw ddatganiadau o fudd gan Aelodau o ran yr eitemau sydd i'w trafod ar yr agenda.

4. LLETY YM MHOWYS I GEISWYR LLOCHES

Ystyried adroddiad gan y Cyngorydd Myfanwy Alexander, Aelod Portffolio ar faterion Gofal Cymdeithasol i Oedolion a'r Gymraeg a'r Cyngorydd Iain McIntosh, Aelod Portffolio – Datblygu Economaidd, Tai a Chynllunio.

(Tudalennau 7 - 34)

5.	GOROLWG ARIANNOL AM Y FLWYDDYN YN GORFFEN 31 MAWRTH 2022 (AR 30 MEDI 20210
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Ystyried adroddiad gan y Cynghorydd Aled Davies, Aelod Portffolio – Cyllid a Thrafnidiaeth.

(Tudalennau 35 - 64)

6.	RHAGOLYGN CYFALAF AR 30 MEDI 2021
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Ystyried adroddiad gan y Cynghorydd Aled Davies, Aelod Portffolio – Cyllid a Thrafnidiaeth.

(Tudalennau 65 - 76)

7.	BLAENRAGLEN WAITH
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I ystyried blaenraglen waith y Cabinet.

(Tudalennau 77 - 78)

**MINUTES OF A MEETING OF THE CABINET HELD BY TEAMS ON TUESDAY, 5
OCTOBER 2021**

PRESENT

County Councillor M R Harris (Chair)

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

1.	APOLOGIES
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There were no apologies for absence.

2.	MINUTES
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The Leader was authorised to sign the minutes of the meeting held on 21st September 2021 as a correct record.

3.	DECLARATIONS OF INTEREST
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There were no declarations of interest reported.

4.	APPROVAL OF THE DRAFT PORTFOLIO BUSINESS CASE FOR THE MID WALES GROWTH DEAL
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Cabinet considered the Portfolio Business Case for the Mid Wales Growth Deal. The Portfolio Business Case had been approved by the Growing Mid Wales Board and now the Powys and Ceredigion Cabinets were being asked to give approval for it to be submitted to the UK and Welsh Governments.

The purpose of the Portfolio Business Case was to provide an overview of the scope, function and arrangements for the Mid Wales Growth Deal Portfolio, on the basis of an initial set of Programme and Project proposals. The Portfolio currently consisted of a shortlisted set of 2 programmes and 9 projects that would be considered for further development. Approval by the Cabinet at this stage did not guarantee funding for these initial set of programmes/projects, but signified that these options were to be developed further at the cost/risk of the proposers and that the GMW Board would review the detail of the proposals as part of their business case development.

The Leader explained that the Portfolio Business Case had been developed following the process laid down by the two governments. She and the Leader of Ceredigion had held regular meetings with Ministers and had given evidence to the Senedd Scrutiny Committee and to a Select Committee in Westminster. Both Cabinets had been kept briefed throughout the process as had a wide range of stakeholders through the Growing Mid Wales Partnership. The Board had also been supported by the Economic Strategy Group and the Leader thanked the

Group and its Chair, Fiona Stewart, for their advice. She thanked all of the officers involved in developing the Portfolio Business Case.

RESOLVED

- 1. To approve the draft Portfolio Business Case for the Mid Wales Growth Deal for approval to submit to UK and Welsh Governments, as set out in the following appendices:**
 - **Appendix 1: Portfolio Business Case (v1)**
 - **Appendix 2: Programme Outline Summary - Digital (v 1 draft)**
 - **Appendix 3: Programme Outline Summary – Land and Property (v1 draft)**
 - **Appendix 4: Integrated Assurance and Approvals Plan (v1 draft).**
- 2. In the event that the draft Portfolio Business Case is approved, Cabinet is also asked for authority to submit the draft Portfolio Business Case to the UK and Welsh Governments:**
 - **To be formally reviewed through the Accounting Officer Review (AOR), on behalf of the Welsh Cities and Growth Deals Implementation Board (WCGIB) – the Joint Board between UK and Welsh Governments that govern Welsh City and Growth Deals.**
 - **To be utilised as a basis for drafting the Final Deal Agreement – that will be negotiated with both Governments and brought back to the GMW Board and to the Cabinets of both Authorities for review and final approval.**
- 3. To authorise the Chief Executive, in consultation with the Leader, the Monitoring Officer and Section 151 Officer (in conjunction with the equivalent officers in Ceredigion County Council) to make minor amendments to the Portfolio Business Case that may be required prior to submission to the UK and Welsh Governments.**

County Councillor M R Harris (Chair)

MINUTES OF A MEETING OF THE CABINET HELD BY TEAMS ON TUESDAY, 12 OCTOBER 2021

PRESENT

County Councillor M R Harris (Chair)

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

In attendance: County Councillors E Vaughan and JM Williams

1.	APOLOGIES
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There were no apologies for absence.

2.	MINUTES
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The Leader was authorised to sign the minutes of the meeting held on 28th September 2021 as a correct record.

3.	DECLARATIONS OF INTEREST
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There were no declarations of interest reported.

4.	YSGOL BRO HYDDGEN LANGUAGE CATEGORY
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Cabinet considered the outcome of the statutory objection to the Statutory Notice proposing to change the language category of Ysgol Bro Hyddgen from dual stream to Welsh-medium on a phased basis, year-by-year, starting with Reception in September 2022. The Leader confirmed that the Cabinet had read all of the correspondence including that received the previous day. The Portfolio Holder for Education and Property confirmed that that in accordance with the Welsh Government School Organisation Code all correspondence had been received in the statutory notice period had been read and logged and that a summary of the objections received and the Council's responses were contained in the objection report. Further to that, the objections had been conscientiously considered alongside the arguments in respect of the proposals.

258 objections had been received during the statutory objection period. This included two petitions, one in support of the proposal which received 278 signatures and one against the proposal, which received 1,219 signatures. Of the remaining 256 'objections' received, 4 were in support of the proposal. The objections were summarised in the objection report.

Having considered the objections, it was recommended that the Council proceed with implementation of the proposal as outlined in the Statutory Notice for the following reasons:

- i) To improve educational outcomes
- ii) To improve educational provision
- iii) To improve leadership and management
- iv) To improve efficiency in the delivery of education
- v) To increase the number of pupils accessing Welsh-medium education

County Councillor Michael Williams spoke as the local member. He noted that people felt passionately about the subject as reflected in the amount of correspondence and two petitions, one in favour of the proposal and one against. He urged the Cabinet to take on board the views of the people of Machynlleth, noting that the petition against the proposal represented some 66% of the adult population of Machynlleth.

County Councillor Elwyn Vaughan spoke as the Chair of Governors and he advised that whatever the Cabinet's decision, the Governors would do their utmost to deliver. He noted that bilingualism was the norm and that there was no reason why it should not be a success in Ysgol Bro Hyddgen. He acknowledged that there would be some concerns but welcomed the proposed Trochi immersion support. He noted that only three pupils had entered the English stream in September which was neither sustainable nor fair on the learners.

The Director of Education referred to learner entitlement noting that Estyn had made a recommendation to improve Welsh medium education in Powys including Welsh medium provision for ALN. She noted that there would not be a sudden change for those pupils currently in the school with the proposal being introduced from September 2022. She spoke about the Trochi immersion project which would be available to any pupil wishing to transfer to the Welsh medium stream. It had been piloted successfully on-line and the first face-to-face Trochi immersion experience would take place shortly. A higher learning teacher assistant was being recruited to work on Trochi in the school with pupils at foundation phase up to year 8/9. An early years co-ordinator had been appointed to work with families on ALN through the medium of Welsh or English.

The Portfolio Holder for School Transport noted that a commitment had been given in the consultation to reviewing the transport policy to address potential difficulties for pupils moving to the school from non-Welsh speaking backgrounds. With the phased approach being taken it would be the end of the decade before the full impact would be felt and, therefore, he did not feel that it needed to be dealt with at this point. He noted that the feeder schools to Ysgol Bro Hyddgen were all Welsh medium schools.

Having considered the objections received and the responses given, it was

RESOLVED

- 1. To receive the Objection Report in respect of changing the language category of Ysgol Bro Hyddgen.**
- 2. To approve the proposal to make a regulated alteration to alter the medium of instruction at Ysgol Bro Hyddgen from**

Dual Stream to Welsh-medium on a phased basis, year-by-year, starting with Reception in September 2022.

5.	PERFORMANCE FEEDBACK ONGOING ENGAGEMENT PROPOSAL
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Cabinet considered a proposal for an ongoing engagement exercise to gather views from the local community to meet Welsh Government requirements consider the views of local people, other persons carrying on a business in the council's area, the staff of the council and recognised trade unions.

This information which would be reported on quarterly performance reports.

RESOLVED to approve an ongoing engagement exercise to gather views from the local community which will be reported on quarterly and included as part of the council's performance self-assessment work.

6.	DELEGATED DECISIONS
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Cabinet noted the delegated decisions taken by portfolio holders.

7.	FORWARD WORK PROGRAMME
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Cabinet noted the forward work programme.

8.	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 5 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).

9.	'PACKAGE DEAL POLICY GUIDE' FOR AFFORDABLE HOUSING
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Cabinet considered a proposal for the Council actively progressing package deal arrangements, by means of adopting a 'Package Deal Policy Guide' to extend the scope and size of its new homes development programme. It was proposed that the New Development Project Board, chaired by the Portfolio Holder for Housing, Planning and Economic Regeneration, would consider all package deal arrangement proposals, providing the oversight, assurance and accountability in the same way that it does for the current development projects, delivered by means of a traditional construction contract approach. There would be a due diligence process for every proposed project and if a scheme was not viable it would not proceed.

RESOLVED

- 1. The Council adopts the 'Package Deal Policy Guide' attached to the report as Appendix Two.**
- 2. The New Development Project Board be given delegated authority to enter into individual scheme specific package deal arrangement proposals, subject to each scheme being subject to due diligence and assessment in full compliance with the criteria set out in the 'Package Deal Policy Guide'.**

County Councillor M R Harris (Chair)

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET
November 2nd, 2021

REPORT AUTHOR: County Councillor Myfanwy Alexander (Portfolio Holder for Adult Social Care and Welsh Language)
and
County Councillor Iain McIntosh (Portfolio Holder for Economic Development, Housing and Planning)

REPORT TITLE: Accommodation in Powys for Asylum Seekers

REPORT FOR: Decision

1. Purpose

- 1.1 The purpose of this report is to request Cabinet approval for the Council to support and cooperate with the Home Office (HO), and its contracted agent, Clearsprings Ready Homes (CRH)¹, in the provision of accommodation across Powys for households and people seeking asylum² in the United Kingdom.
- 1.2 The initial requirement is for six privately owned family-sized homes to be secured in Powys for asylum seekers. These properties would be sourced and managed, on behalf of the HO, by CRH.

2. Background

2.1 National Situation

- 2.1.1 The HO is asking local authorities across the country to support it in procuring suitable accommodation for people entering the UK as asylum seekers. The accommodation is needed whilst applications for asylum are processed. The HO is asking for voluntary participation, but if insufficient offers are forthcoming, local authorities may be mandated to enable or provide accommodation.

¹ Clearsprings Ready Homes is a privately owned provider of short-term accommodation and support services, which has been working with the Home Office since 2000. It currently provides accommodation and transport services in the 'London & South' and 'Wales' regions of the United Kingdom.

² 'Asylum' is the protection offered by a country or state to a refugee who has left their home country because of persecution they have suffered or may suffer on the grounds of race, religion or some other factor.

- 2.1.2 Statistics from the HO show that 35,099 asylum applications were received during 2020, an increase of 11% on the previous year. This meant that by the end of June 2020 there were 45,769 asylum seekers in the UK receiving support under Section 95 of the Immigration and Asylum Act 1999.
- 2.1.3 Under Section 95 asylum seekers can apply for support while waiting for their claim or appeal to be considered. Support can be for accommodation and/or subsistence, according to their circumstances and on condition that the asylum seekers satisfy a destitution test. If provided, dispersal accommodation³ is offered in a 'Dispersal Area', located away from London and the South-east of England. Accommodation and support is provided by the HO, via a network of specialist contractors such as CRH.
- 2.1.4 Once a claim has been determined the family or individual receives 28-days-notice to vacate their HO-supported accommodation. Thereafter, asylum seekers become responsible for securing their own accommodation or in cases where asylum is denied, to return to their country of origin. The local authority in the area where the asylum seekers were accommodated during the time their asylum claim was being processed may be required to assume responsibility, under homelessness legislation, for vulnerable asylum seekers. In cases where the decision is to deny asylum, it is possible that such households could be left without any source of income and unable to work.
- 2.1.5 It is difficult to provide a socio-economic profile of those families or individuals seeking asylum. However, it is possible that asylum seekers will have skills or qualifications that would support them to be able to make a positive contribution to local communities, pending the outcome of their asylum claims.

2.2 Community Engagement

- 2.2.1 The Welsh experience of the HO using Penally Barracks in Pembrokeshire as accommodation for asylum seekers has been mixed, with reports that community cohesion was placed under stress in part due to a lack of communication with the wider community.
- 2.2.2 The proposals for Powys, set out in this report, would be on a smaller scale but it is recognised, both locally and nationally, that good communications are essential to make sure that positive and constructive community cohesion is maintained. The HO is the lead agency for public relations associated with the management of asylum seekers. Local communication strategies can be developed to help

³ Dispersal accommodation is located in particular areas in the community where the local authority has agreed to take asylum seekers up to a defined cluster limit (defined as an assumption that there will be no more than one asylum seeker per 200 residents, based on the 2001 census figures for population).

inform local people of the impacts of asylum seekers being accommodated in their communities. The Welsh Government has established a working group for local authority communications teams – including Powys County Council - to agree a common approach.

2.3 Asylum Accommodation in Powys

- 2.3.1 Wales has provided accommodation for asylum seekers in four 'Dispersal Areas': Newport, Cardiff, Swansea and Wrexham. The increase in demand has led to the request to local authorities – including Powys County Council - from the HO for more accommodation to be provided.
- 2.3.2 For areas new to asylum dispersal, the HO's approach is to enter into dialogue with each local authority to agree a way forward that works for the area and enables participation. It is expected that the number of asylum seekers that would be accommodated across Powys would be small and proportionate to local communities. No specific location would be targeted.
- 2.3.4 To reduce the risk of negative impacts on community cohesion, the HO preference is for a low key, widely spread dispersal across each local authority area. The Council can express a preference for household types - for example families or single people. However, the final decision will rest with the HO, which uses demand intelligence to inform allocations.
- 2.3.5 CRH has advised that during the first 12 months of participation it would aim to source a maximum of five family-sized properties in Powys. These properties would be privately owned, with CRH entering into a management agreement with the property owners. CRH works with Migrant Help⁴ and the Refugee Council⁵ to provide a comprehensive service embracing property procurement, engagement, housing management and move-on support following the determination of asylum claims. The Council would be consulted on the location of any proposed properties and kept advised of progress.
- 2.3.6 The impact upon housing demand and homelessness, by reducing the number of homes available for households looking for a home, is expected to be minimal due to the small numbers of asylum seekers which are proposed to be accommodated. CRH has advised that anecdotal evidence suggests that once their asylum claims are determined many asylum seekers migrate to urban areas, reducing longer term demand for accommodation in the dispersal area.

⁴ Migrant Help is a national organisation that provide 1-2-1 help for asylum seekers to make applications for asylum. It provides asylum services in Wales from its base in Cardiff.

⁵ The Refugee Council provides support for newly recognised refugees, including for example helping people into employment. It has an office in Cardiff to support its work in Wales.

- 2.3.7 The Council has through its work with the Syrian Vulnerable Persons Resettlement Scheme, which has been replaced by the UK Resettlement Scheme, gained experience and expertise in helping resettle people from troubled regions. There are well established multi-agency networks in place to help, support and advise as necessary. This includes provision for English classes (ESOL) and established voluntary refugee support groups.
- 2.3.8 The Council's Social Services and Education teams and the Powys Teaching Health Board have not indicated concerns with Powys being able to accommodate in their services the limited number of asylum seekers proposed in this report to be accommodated in Powys.
- 2.3.9 CRH would review the success of the project after 12 months, taking account of impacts upon community cohesion and the experiences of the asylum seekers. Any expansion of the project would be informed by demand, the willingness of the Council to support further provision and the views of the HO.

3. Advice

- 3.1 Option One: To support the HO to accommodate asylum seekers across Powys.
- 3.2 Option Two: Not to support the HO to accommodate asylum seekers.
- 3.3 Option One would demonstrate a clear commitment by the Council to support the safety and wellbeing of people whose lives have been or are in danger or who are at risk of harm in their country of origin. It would also constitute a meaningful contribution to the aims of the Welsh Government's 'Nation of Sanctuary' Plan. The costs of providing this support will not fall on the Council as HO funding, via the contracted service provider CRH, will cover integration and accommodation costs until such time as asylum applications are determined. There would be no increased demand upon social housing as CRH will be sourcing properties from the private sector. Whilst this will mean less private sector rental properties for local communities, numbers would be minimal in any one area. There may be some risks to community cohesion, if there are objections to people moving to Powys from outside of the UK. The risks of this are believed to be low due to the small number of households likely to be accommodated in Powys and the dispersed approach to sourcing accommodation.
- 3.4 Option Two would mean that additional private sector housing would be available to the wider community and there would be no risk to community cohesion. However, the HO has indicated that Local Authorities could be mandated to accommodate asylum seekers in the event that insufficient accommodation is secured. This would mean less involvement and control for the Council and risk reputational

damage if the Council is perceived as reluctant to support this nationwide appeal for assistance.

- 3.5 Option One is the recommended course of action for the Council.

4. Resource Implications

4.1 Housing

- 4.1.1 Overall demand for housing of all types and tenures across Powys is high. There are currently 3,700 households registered with 'Homes in Powys' the majority of whom are looking for or are eligible for one or two-bedroom properties. It is most likely that it will be family sized homes, three or four bedrooms, that will be required for asylum dispersal. CRH will only be seeking to utilise properties from the private sector so there will be no immediate demand upon social housing.
- 4.1.2 It is possible that some individuals or families may be picked up under homelessness legislation following determination of their asylum claims should they decide to stay within the County. This may apply to asylum seekers whose application for asylum is denied, and who could then be left without any source of income and unable to work.

4.2 Finance and Staff

- 4.2.1 CRH, will manage the entire service for asylum seekers, including procurement of housing, community engagement and cohesion, allocation and management of housing (including furnishing and maintenance) and the move-on process once asylum applications are determined. There will be minimal financial impact for the Council with involvement limited to initial consultation regarding suitability of properties, and then an ongoing liaison role with CRH to ensure the smoothing running of the project. This can be accommodated within current staffing resources and service budgets, with the Resettlement Project officer being assigned the lead role of liaising with the HO, CRH and the Welsh Strategic Migration Partnership to ensure the smoothing running of the project.
- 4.3 The Head of Finance (Section 151 Officer) notes the content of the report and that there is no additional financial impact on the Council as a result of the recommendation.

5. Legal implications

- 5.1 There are no direct legal implications for Powys County Council as CRH would be sourcing all properties, contracting with landlords, providing housing management services including occupation licences providing necessary financial support and managing the move-on process.

- 5.2 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”.

6. Data Protection

- 6.1 The ‘data controller’ would be the Government’s contracted agent, CRH. Powys County Council would only hold basic details such as name and address of families/individuals. The Council would not, therefore, be processing any personal data.

7. Comment from local member(s)

- 7.1 The locations of asylum seeker accommodation is as yet not known so it has not been possible to consult with individual members.

8. Impact Assessment

- 8.1 An Impact Assessment is attached to this report as Appendix One.

9. Recommendation

- 9.1 It is recommended that Cabinet agree to:
- 9.1.1 The Council supports and cooperates with the Home Office , and its service provider (Clearsprings Ready Homes) in the provision of accommodation in Powys for asylum seekers.

Contact Officer: Meg Lewis (Resettlement Project Officer)

Tel:

Email:

Head of Service: Nina Davies (Head of Housing and Community Development)

Corporate Director: Nigel Brinn (Corporate Director – Economy and Environment)



Economy, Residents and Communities Scrutiny Committee

Scrutiny Observations to Cabinet on: 2nd November, 2021.

The Economy, Residents and Communities Scrutiny Committee met on 18-10-2021 and considered the following documents:

- Accommodation in Powys for Asylum Seekers

The Economy, Residents and Communities Scrutiny Committee thank the Portfolio Holder for Adult Social Care and Welsh Language and officers for attending scrutiny.

Scrutiny made the following observations:

- The Committee supported the report's recommendations in offering places to asylum seekers in Powys.
- The Council should seek to ensure that where voluntary organisations assist those that have been resettled, that the Home Office should reimburse those organisations as most voluntary organisations are dependent on grants or voluntary contributions.
- The Committee welcomed that the Housing Service had amended the Impact Assessment for a more equal Wales to now read impact Unknown rather than None as the individual needs of those being resettled are currently not known.
- The Committee suggested that the Council should develop a strategy for resettling individuals under different circumstances in Powys, rather than dealing with circumstances as they arose.

Scrutiny's Recommendation	Accept (plus Action and timescale)	Partially Accept (plus Rationale and Action and timescale)	Reject (plus Rationale)
1 That the Council develop a strategy for the resettlement of individuals in Powys	Accept <u>Action:</u> An evaluation of all existing resettlement schemes to be carried out alongside an analysis taking into consideration existing resettlements, support networks, housing availability, access to necessary services, employment and future population projections. Once complete consider an overall strategy for appropriate resettlement across Powys.		

	<u>Timescale:</u> Research and recommendations completed by April 2022.		
2 That the Council seek to ensure that any voluntary organisations involved in supporting resettled individuals should be reimbursed by the Home Office.		<p>Partially Accept</p> <p><u>Rationale:</u> The Home Office dictates what it considers appropriate use of its funds. As a Local Authority we can request that voluntary organisations are reimbursed for their input, but any decision would rest with the Home Office.</p> <p><u>Action:</u> Advice will be sought from the Home Office on whether voluntary organisations can be reimbursed for their involvement in supporting resettled individuals. Discuss and work with PAVO to support the relevant organisations as appropriate.</p> <p><u>Timescale:</u> Request to be made by December 2021.</p>	

In accordance with Rule 7.27.2 the Cabinet is asked to provide a written response to the scrutiny report, including an action plan where appropriate, as soon as possible or at the latest within 2 months of the date of the Cabinet meeting i.e. by 02-01-2022

Membership of the Economy, Residents and Communities Scrutiny Committee on 18-10-2021:

County Councillors:

M Dorrance, J Charlton, J Pugh, K Roberts-Jones, D Selby, K Lewis, D Evans, L Corfield, D Jones-Poston, G Jones, S Williams, K Curry.

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE
2nd November 2021

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

REPORT TITLE: Financial Forecast for the year ended 31st March 2022
(as at 30th September 2021)

REPORT FOR: Decision

1. Purpose

- 1.1 To provide Cabinet with the revenue budget outturn forecast for the 2021-22 financial year. This includes information on the additional hardship funding received from Welsh Government and the impact on the projected position.

2. Background

- 2.1 The pandemic continues to have a financial impact upon the Council, and the ongoing support from Welsh Government is fundamental in supporting the Council's financial position. Additional costs and lost income continue to be claimed and this support is in place until 31st March 2022.
- 2.2 We must continue to monitor our financial position carefully as we progress through this year and ensure that we react quickly if the position changes, redirecting resources as necessary to maintain our priority services for our residents and businesses.
- 2.3 Table 1 below summarises the projected full year position across the Council's services including HRA and delegated schools a £30,000 deficit is forecast.

Table 1 – Forecast Position

Revenue Budget	£'000
Base Budget	279,806
Cost Pressures	6,251
Cost Underspends	(8,434)
Cost Reductions Shortfall	2,958
WG Future Support	(745)
Forecast Outturn	279,836
Deficit	(30)

- 2.4 Appendix A provides a breakdown of the financial position for each service, broken down into categories covering cost pressures, cost underspends, service reductions and covid hardship funding from Welsh Government expected to date.
- 2.5 Further detail about each service area is provided in Appendix B, with Heads of Service setting out their individual narrative that explains their financial position. This includes their activities being undertaken to deliver cost reductions and mitigate shortfalls, the level of pressures and if any that are being managed “at risk” are likely to materialise significantly.
- 2.6 The projected position for the Councils General Fund (excluding HRA and Schools Delegated) is an overspend of £30,000. If services fail to mitigate the overspends currently being projected this pressure will fall on the General Fund reserve.
- 2.7 Services that are projecting an overspend position must take action now to recover their forecasted position and deliver within budget. If necessary completing and submitting virements for consideration to realign budgets.

3. Cost Reductions

- 3.1 Cost reductions of £13.397 million were approved as part of the Councils budget for this year and the delivery of these is required to achieve a balanced budget in year. These include undelivered reductions from 2020-21 of £1.569 million that have been carried forward.
- 3.2 The summary at Table 2 shows that 45% or £6.041 million have been delivered and a further 33% £4.399 million are assured of delivery by Services. £2.958 million, 22% are unachieved and are at risk of delivery in this year. Services are being challenged as to why the position for some proposals has changed and will be required to consider mitigating action to ensure that they can deliver within the budget allocated.
- 3.3 The budget set by Council included the provision of a risk budget to manage the risk of delivery, together with potential additional service pressures and this will be drawn upon to support the budget gap .

Table 2 – Cost Reductions

	To Be Achieved	Actually Achieved	Assured	Un-achieved	% Achieved
Adult Services	5,091	2,471	2,520	100	49%
Childrens Services	3,184	1,979	1,205	-	62%
Commissioning - Adults & Children	-	-	-	-	-
Economy and Digital Services	1,167	92	114	961	8%
Education	381	210	-	171	55%
Schools Delegated	39	39	-	-	100%
Finance	324	300	24	(0)	93%
Central Activities	(175)	(175)	-	-	100%
Highways Transport & Recycling	1,745	263	300	1,182	15%
Housing & Community Development	310	217	18	75	70%
Legal & Democratic Services	298	108	14	176	36%
Transformation and Communications	57	57	-	-	100%
Property, Planning & Public Protection	818	470	201	147	57%
Transformation and Communication	-	-	-	-	-
Workforce & OD	160	10	5	145	6%
Total	13,397	6,041	4,399	2,958	45%
		45%	33%	22%	

4. **Welsh Government Support**

- 4.1 The Welsh Government budget confirmed that the Hardship fund will continue until 31st March 2022 but expect the value of claims to reduce as councils bear the cost of new working and custom and practice that become the norm. This fund continues to support additional costs arising from the pandemic associated with Social Care, Homelessness, PPE, Free School Meals, limited general additional expenses, and the Mortuary Facility. The fund also continues to support the net effect of lost income.
- 4.2 Thus far this year the council has submitted cost claims totalling £3.7 million, of which £1.5 million directly supports the adult care providers through temporary fee increases. Lost income for quarter one has been received totalling £551,719, the quarter two claim will be submitted later in October.
- 4.3 Claims totalling £283,503 were made for staff on furlough from the Governments' Job Retention Scheme for the half year. The furlough scheme has now ceased. Recognising that several the staff concerned have health conditions, steps are being taken to support their safe return to work. This involves seeking and considering up to date medical advice from occupational health, risk assessing their return to work in line with current governmental advice and in making adjustments where reasonable. The continued absence of any employees who are unable to return to work at that stage will be managed in line with the Council's normal absence management process.

5. **Reserves**

- 5.1 The Reserves position at Table 3 sets out the reserve forecast as at 30th September 2021. The opening reserves stand at £52.258 million, with the general reserve £13.634 million representing 6.9% of total net revenue budget (excluding Schools and the HRA).
- 5.2 Council agreed a virement request on the 15th July to set up three specific reserves utilising the 2020/21 outturn underspend, totalling £4.241 million. These specific reserves reduce the general reserve balance, and this now represents 4.7% of total net budget (excluding Schools and the HRA).

Table 3 – Reserves Table

Summary	Opening Balance (1st April 21) Surplus / (Deficit)	Planned Addition / (Use) of Reserves	Forecast (Over) / Under Spend	Projected Balance (31st March 22) Surplus/ (Deficit)
General Fund	13,634	(4,294)	0	9,340
Budget Management Reserve	4,330	0	0	4,330
Specific Reserves	15,651	2,893	(357)	18,187
Transport & Equipment Reserve	11,282	(8,710)	0	2,572
Total Usable	44,897	(10,111)	(357)	34,429
Schools Delegated Reserves	3,251	(52)	207	3,406
School Loans & Other Items	(371)	7	0	(364)

Housing Revenue Account	4,481	(2,404)	641	2,718
Total	52,258	(12,560)	491	40,189

6. **Grants**

6.1 There have been additional grants received this quarter:

6.1.1 Additional allocation of £306,317 for the Children and Communities Grant. This is an extra one-off increase for childcare sector small scale grants, support for the costs of completing the Childcare Sufficiency Assessments (CSAs) and Covid recovery funding for Early Help and Support Services.

6.1.2 Additional Regional Consortia School Improvement grant received of £1,574,904. This additional funding is to support the following objectives for the 21/22 financial year:

- Curriculum & Assessment - Supporting a national curriculum with equity & excellence at its core that sets high standards for all learners
- Developing a high-quality education profession - improving the teaching & learning in our schools
- Leadership - supporting inspirational leaders working collaboratively to raise standards. Includes future leadership & professional networks
- Supporting a self-improving system - supporting a system in which the education profession has the skills, capacity & agency to continually learn & improve their practice

6.1.3 Mental Capacity Act (MCA) and Deprivation of Liberty Safeguards (DOLs) the purpose of the £277,615.60 funding is to contribute to supporting the ongoing operations of (MCA) and (DOLs) through activities such as increased assessments to support timeliness of applications and training.

6.1.4 £25,000 Age Friendly Communities funding in relation to making Wales an age friendly nation.

6.1.5 £22,727 Connected Communities Loneliness and Social Isolation Fund where everybody has the opportunity to develop meaningful social relationships and where people are supported at those times in their lives when they are most vulnerable to loneliness and social isolation, by friends, family, communities and institutions and organisations within wider society.

6.1.6 £1,642,835 Social Care Recovery. The purpose of the grant is to support appropriate recovery of social care services in local authority areas across Wales, aligning with the priority areas set out in the Social Care Recovery Framework. This funding will replace the current funding provided under the Local Sectoral Support element of the Hardship Fund, which will cease when this fund is available.

6.1.7 £71,874 funding allocation in relation to respite care for unpaid carers this is to enable Local Authorities to meet the spike in demand for respite services caused by the impact of the pandemic on the mental and physical health of carers.

7. Financial Risks

- 7.1 The Council was able to achieve an underspend in last year's outturn, and at this point in the year, the current forecast predicts an overspend position. The course of the pandemic and measures instigated by government will continue to impact on the Council and we must retain flexibility in our budget this year to react to a changing situation.
- 7.2 The greatest financial risk remains in our ability to deliver a balanced budget over the medium and longer term. On current modelling the Medium Term Financial Strategy continues to show a significant budget gap. We continue to plan in a challenging and uncertain time and will update our projections as more information becomes available.
- 7.3 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 but additional borrowing will have to be undertaken during this financial year.
- 7.4 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 report.

8 Resource Implications

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

- 8.1 The outturn for 2020/21 was extremely welcome and we have used the opportunity this provided to support one of costs that will aid recovery, meet short term additional demand and start to provide support for our longer term financial resilience. This funding was not recurring and we cannot assume that we will get the same level of support from Welsh Government this year.
- 8.2 The overspend now being projected, if not resolved, will put pressure on the Council's revenue reserves. Action must be taken now to recover the projected overspends wherever possible. Any service that cannot manage the additional financial pressures within their existing budget be requested to submit a report explaining the situation. Cabinet can then consider the wider action that may need to be taken.
- 8.3 Maintaining healthy levels of useable reserves is an important safety net to support financial sustainability.
- 8.4 Delivery of the financial savings included in the budget is also a key aspect of ensuring ongoing financial sustainability, the council does not currently have assurance that full delivery can be achieved this year. If not achieved this will put an immediate additional pressure on next years budget.
- 8.5 We must consider the continuing implications of the pandemic and how these impact on the Council and embed this into our planning and new ways of working. The additional costs and reductions in our income must be considered and factored into our service budgets on an ongoing basis and we will have to rebalance our resources to maintain a balanced position.

8.6 Our planning must now focus on the medium and longer term as we develop the budget over the coming months, bridging the budget gap, transforming our services and building on the opportunities shown over the last year, whilst also maintaining an appropriate level of reserves.

9. Legal implications

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

10. Data Protection

10.1 There are no data protection issues within this report.

11. Comment from local member(s)

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

12. Impact Assessment

12.1 No impact assessment required.

13. Recommendation

13.1 That Cabinet note the current budget position and the projected full year forecast to the end of March 2022.

13.2 That the grants set out in section 7 of the report are noted.

13.3 That Heads of Service take action now to recover the projected overspends.

13.4 That where additional in year financial pressure cannot be accommodated within existing budget, a detailed report is requested to give clear explanation of projected overspend before action is taken by Cabinet to address the projected deficit.

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

Appendix A – Forecast to year end as at 30th September 2021

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER				
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final	
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2021/22	Sept Variance
Adult Services	67,254	1,184	39	(761)	2,620	70,336	(190)	(2,520)	(420)	67,206	48
Children's Services	25,966	2,520	0	(479)	1,205	29,212		(1,205)	(187)	27,820	(1,854)
Commissioning	3,290		0	(57)	0	3,233		0		3,233	57
Education	9,880	303	0	(649)	171	9,705	0	0		9,705	175
Highways Transport & Recycling + Director	28,079	1,151	(8)	(1,360)	1,481	29,343	(282)	(300)	(20)	28,742	(663)
Property, Planning & Public Protection	4,712	169	(621)	(126)	348	4,482		(201)		4,281	431
Housing & Community Development	5,257	435	(6)	(169)	93	5,610	(261)	(18)	0	5,331	(74)
Economy and Digital Services	4,287	50	(2)	(343)	1,075	5,067		(114)		4,953	(666)
Transformation & Communication	1,508	0	(3)	(37)	0	1,468		0		1,468	40
Workforce & OD	2,031	47	(11)	(179)	150	2,038		(5)		2,033	(2)
Legal & Democratic Services	3,086	104	(28)	(124)	190	3,228	(12)	(14)		3,202	(116)
Finance & Insurance	6,095	307	0	(25)	24	6,401		(24)		6,377	(282)
Corporate Activities	35,739	609	565	(3,203)	0	33,710		0		33,710	2,029
Total	197,184	6,878	(75)	(7,511)	7,357	203,833	(745)	(4,399)	(627)	198,062	(878)
Housing Revenue Account	0			(641)		(641)				(641)	641
Schools Delegated	82,622			(207)		82,415				82,415	207
Total	82,622	0	0	(848)	0	81,774	0	0	0	81,774	848
Total	279,806	6,878	(75)	(8,359)	7,357	285,607	(745)	(4,399)	(627)	279,836	(30)
						(5,801)				(30)	

Appendix B Head of Service Commentary

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER			
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2021/22
Adult Services	67,254	1,184	39	(761)	2,620	70,336	(190)	(2,520)	(420)	67,206
										Sept Variance
										48

Adult Social Care Overview

Cost Pressures

(a) Current Pressures - Included in the forecast outturn at quarter 2

- £190k regarding loss of income due to Covid-19 and services not occurring e.g. meals at Older Day Centres, which is anticipated will be reclaimed from the Welsh Government Covid 19 Hardship fund.
- £200k to cover the increase in 'unpaid Carer' breakdown following the lockdown and the need for additional 'Home Based' respite.
- £374k in relation to community based services following the risk assessment to not open Older Day Centres and Day Bases and alternative community based service delivery, in the main due to double running costs e.g. having to run and maintain empty buildings and vehicles/fleet ordinarily utilised for service delivery and fund current reprovision. Additionally, in relation to frontline staff previously furloughed to 30th September who are still shielding and unable to deliver care within a two metre radius.
- £420k due to increase in Domiciliary Care hours in line with the additional 'front door' presentations and service user frailty due in part to the wider impacts of Covid 19, as older adults engage in more physical activity as lockdown restrictions are lifted. Likewise, as a result also of the lack of and reduction in Health preventative services/treatments during the pandemic.
- £39k re staff redeployed from other services within the Council following business continuity being invoked, so there should be corresponding underspends.

(b) Future pressures - Not included in the forecast outturn

- Following a revised risk assessment, Older People & Disability centre/services remain closed. Future need will be based on what matters conversations that are currently occurring which may result in increased costs/double running costs in the short term due to potential increase in bespoke 1:1 sessions which will be over and above current budgeted staffing levels.

- Unknown future impact of Covid 19 on services, are not included in the forecast and only clarity from Welsh Government (WG) re Hardship funding to September 2021 in the current format. This relates to support to local authorities to maintain their commissioned and in-house adult social care placements.
- Winter pressures and potential demand on home-based care and interim bed options, future demand is unknown and so further cost pressures may arise.
- Stability of commissioned providers, particularly the care home sector. There is currently 2+ providers who may be at risk of failure.
- Future demography.
- 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.

Cost Underspends

- £201k as 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 reduced.
- £560k regarding services not occurring due to Covid 19 restrictions and contract reductions following outcomes of mini-UK Government Policy note PPN02/20 & PPN04/20, undertaken in line with guidelines.

Cost Reductions

- **Assured**
The original target of £5.091 million is currently on target to achieve delivery, of which £2.471 million (49%) of the original target to date achieved and included in the forecast outturn. There is assurance of delivery of a further £2.520 million, but a risk on delivery if Covid continues and referrals continue at the current levels.
- **Undeliverable**
£0.1 million of the original target set is at this point unachievable due to business continuity being invoked and capacity to undertake management of change. The budget pressure will be carried forward to 2022/23 and be part of the Finance Resource model (FRM).

WG Funding not yet claimed

- £190k regarding loss of income which is anticipated will be reclaimed from the Welsh Government Covid 19 Hardship fund.

Other mitigating actions to deliver a balanced budget.

- Maximisation/utilising of any grant underspends, if within the grant terms and conditions for previously budgeted and funded baseline costs.
- Strength based approach to care assessments to mitigate pressures.

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER			
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2021/22
Children's Services	25,966	2,520	0	(479)	1,205	29,212		(1,205)	(187)	27,820
										Sept Variance
										(1,854)

Children's Services Overview

Cost Pressures

a) **Current Pressures** - Included in the forecast outturn at quarter 2

Tudalen 25

- £2.25m relates to the increased expenditure which is a combination of the costs associated with the new children who are becoming looked after and the increasing costs in relation to meeting the complexity of need of the current cohort of Children Looked After (CLA). This is in the context of a national shortage of placements for looked after children across the UK.
- £196k increased demand for short breaks due to the pressures on families as an indirect result of the pandemic.
- £72k budget pressure in regards to Section 21, for families in need of care and support following the lockdown and trying to keep children with their families wherever it is safe and in their best interests to do so.

b) **Future pressures** - Not included in the forecast outturn

- The situation for families due to the pandemic makes predicting future pressures even more uncertain. We are working hard to keep children with their families wherever it is safe and in their best interests and have so far brought into care fewer children than in the same period last year. The numbers of children in care has reduced this quarter, this may change moving forward.
- The national shortage of placements is making it more difficult to find suitable placements that meet children's needs, this is particularly for children with the most complex needs. There is likely to be a further pressure on placement costs, but it is impossible to forecast at this point.
- The sustained increased demand at Front Door and Early Help means additional staff have been required. This has been covered by the Welsh Government Covid recovery fund to date. If demand continues to grow this will create an ongoing budgetary pressure. It is critical to respond as early as possible to prevent escalating need and avoid the accompanying costs.

Cost Underspends

All budget underspends are currently being utilised to mitigate the overall budget overspend.

Cost Reductions

a) Assured

The original target of £3.2 million is currently on target to achieve delivery, of which £2 million (62%) of the original target to date achieved and included in the forecast outturn. There is assurance of delivery of the £1.2 million balance outstanding.

b) Undeliverable

Work to ensure shared costs for continuing care for children and young people continues with very limited success.

c) Mitigations being delivered

We expect to over-deliver on our 'closer to home' work to mitigate the above.

WG Funding not yet claimed

Other mitigating actions to deliver a balanced budget.

- Maximisation/utilising of any current grant underspends, if within the grant terms and conditions for previously budgeted and funded baseline costs.
- Children's Services usually receives additional grant funding later in the year and we always try to maximise this to deliver a balanced budget.

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER			
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2021/22
Commissioning	3,290		0	(57)	0	3,233		0		3,233
										Sept Variance
										57

Commissioning Overview

It is anticipated that the Commissioning Service for Social Services will return a balanced budget. The service is working with children's services and adults' services to deliver efficiencies within those areas.

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER			
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2020/21
Education	9,880	303	0	(649)	171	9,705	0	0		9,705
										Sept Variance
										175

Education overview

Cost Pressures

a) **Current Pressures** - The Schools Service (excluding Schools Delegated Budgets) has a forecasted outturn overspend at the year-end of £175k. There are five main budget lines within the school service budget with senior managers accountable for each one. At the end of September 2021, most budget lines are on track to the forecast with a reasonable variance. The schools' operational costs budget continues to be an area that is difficult to forecast as well as Out of County placements for pupils with Additional Learning Needs.

The main reasons for this are:

- £250k overspend Property plus - The Property Plus budget is forecasted to be overspent during 2021/22 due to insufficient budget allowance for repairs and maintenance in school budgets. To minimise the overspend, works are prioritised to undertake emergency, urgent, statutory compliance remedial works and environmental health works only. This has been the case since October 2019 and the effects of the spending restriction will have an ongoing detrimental impact on the backlog maintenance costs of the school estate. The forecast is subject to review and may increase if inclement weather is experienced during the winter months. This overspend has increased by £135k to match the risk identified on the risk register.
- £171k overspend on ALN strategy – In this area there were £479k savings identified when the strategy for ALN was initially costed. Due to Covid-19 there is a delay in making these savings and they are not likely to be made in full in 2021-2022. The service has worked hard on mitigating this issue for this year and have managed to identify £308k of the target saving, with £171k outstanding. The service will continue to work on this issue and implement the savings in full as soon as possible.
- £169k underspend Asset Management – This has reduced by £1k since last month due to plans for temporary fencing to be put in place. The overall underspend is due to rates rebates of £277k. This is due to a reduction in budget allowance in recent years and the discontinuation of funding of the Schools R&M Central budget. This has left a funding gap for larger maintenance works and programmed

maintenance works, and essential surveys and investigation works which do not meet the criteria for capital funding with the following commitments:

- £24.2k electrical remedial works to school buildings which need to be journaled to the critical safety remedial works fund in 2021/22.
- £46.7k asbestos monitoring, new boiler at Welshpool C in W (Oldford Road), Llanfihangel Rhydithon boiler encapsulation works, Rhayader Coach House condition survey, feasibility for new mobile staff accommodation at Franksbridge CP School, various schools BMS controls surveys, electrical remedial works, asbestos management handovers to new Head Teachers.
- £10k flood prevention investigations and works to part of the former Cwmtwrch site.
- £25k of flood prevention works to the school playing field at Buttington CP School

Other mitigating actions to deliver a balanced budget.

The school service budget remains in an underspend position. This is due to current vacant posts and additional grant funding which has helped to offset the pressures that the service is facing. Efficiencies are yet to be achieved regarding the ALN strategy because of Covid, but work is ongoing to achieve this on a permanent basis. This year they have been covered by underspends in the service.

Schools' transformation programme needs to be delivered to ensure our schools' estate is fit for purpose for the 21st Century and the National Mission.

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER			
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2020/21
Schools Delegated	82,622			(207)		82,415				82,415
										Sept Variance
										207

Schools Delegated Overview

Schools submitted their approved budgets to the Authority on 1st May 21. Budget plans have now been reviewed by the Chief Education officer and the Section 151 officer and actions following that review are in progress and a report went to Cabinet on the 13th July 21. Officers continue to work with Schools in deficit to bring budget plans back to a balanced in year position.

The sector has received considerable additional grant funding in the last few weeks of March of which some could be rolled forward to spend by the 31st August 21. Finance worked with schools during the summer term to ensure all grants were fully utilised by the end of August.

Surgeries are currently being held with all schools.

Four schools were required to submit recovery plans by the 30th September 21, these have been received and will be reviewed by officers. Updated balances will be provided for these schools in the next report.

Primary

The forecast contribution from reserves for the Primary Sector is currently £610k which has increased by £18k since last month, this is mainly to do with the rolled forward grants now being fully allocated.

Secondary

The Secondary sector has a forecast call on reserves currently of £419k. This has decreased by £31k since last month. Officers have been working with the Secondary sector and schools are working hard to reduce the deficit balances.

All Through

The all age sector has a forecast contribution to reserves of £152k which has increased by £58k since last month.

Special

The special sector has a £79k forecast contribution to reserves. This has decreased by £15k since last month.

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER			
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2020/21
Highways Transport & Recycling + Director	28,079	1,151	(8)	(1,360)	1,481	29,343	(282)	(300)	(20)	28,742
										Sept Variance
										(663)

Highways Transport & Recycling Overview

Current Pressures

Highways Operations

A forecast over-spend of £90k against budget is reported at end of May, principally due to £130k unachieved savings for the reduction in winter maintenance service, £14k for street lighting and £67k for the transfer of public conveniences.

Waste Collection

Forecasting £765k overspend, predominantly through a lack of income, which is estimated to be around £354k. Domestic waste is forecasting £232k overspend. Savings around reducing agency staff and rationalising rounds to the sum of £200k has proven to be difficult due to the social distancing and only allowing two per cab. Once three in a cab is allowed the department will be able to reduce its agency numbers.

Transport

Home to School Transport is reporting a £455k overspend against budget at the end of May 2021, predominantly arising from the unachieved savings target of £549k for efficiencies within the Public and School Transport provision not yet delivered.

Car Parks

£588k over-spend on Car Parks, £418k resulting from the reduced opportunity to earn income from on/off street parking and enforcement, arising from the impact of COVID-19. Last financial year the service received grant support from Welsh Government to mitigate the loss of income. If the service is successful at securing funding from Welsh Government to support lost income for the period April to September 2021, this forecast position will improve by circa £233k.

Cost Underspends

Transport

Public Transport is reporting an underspend of £57k against budget at the end of May.

Highways Technical

- £15k underspend on Traffic management resulting from underspend contractors.

- £73k underspend on Street Works which results from a £16k underspend on staffing, £49k overachievement of income associated with traffic regulations offset by a reduced income of £7.5k associated with penalties. Thy forecast assumes that £350k income will be generated from traffic management activities, it is noted that last financial year the service generated £683k of income.

Cost Reductions

The impact of the savings target not expected to be achieved for 21/22 is £1.74m, we have achieved £226k to date, and are expecting to achieve a further £394.5k, which results in an unachieved savings target of £1.12m which accounts for most of the reported forecast overspend.

a) Assured

We have achieved £226k to date and are expecting to achieve a further £394.5k.

b) Undeliverable

- £1.12 in undeliverable, predominantly within Transport where a saving target of £549k has been set, alongside £207k in Waste Services, and £200k in Highways Operations.

c) Mitigations being delivered

- All options are being explored to ensure savings targets are maximised. However, further mitigations are being explored in the event the full saving is not achieved.

WG Funding not yet claimed

This position does not consider income support from the Welsh Government Hardship fund for the April to September period (estimated at £543k)

Other mitigating actions to deliver a balanced budget.

Proposed Mitigation	Actions	Value
Q2/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	£543K
Reduce or temporarily postpone the permanent adjustment to highways budget increase for 21/22.	Do not undertake targeted increase in programmed works (sweeping / Street Cleansing) £500,000 for full year.	£250,000 (based on 6 mths)
	Net Total	£793k

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER			
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2020/21
Property, Planning & Public Protection	4,712	169	(621)	(126)	348	4,482		(201)		4,281
										Sept Variance
										431

PPPP Overview

Cost Pressures

a) **Current Pressures:**

Trading Standards are forecasting an overspend of £102K. This is because of unachievable income targets. Work is ongoing to identify ways to address this forecast overspend.

Cost Underspends

Cost Reductions

a) **Assured:**

Savings of £818k are targeted for this financial year with £304k achieved to date and £366k of savings assured.

b) **Undeliverable:**

The full savings identified by PCC exiting building (£141K) is not achievable given the costs of running alternative buildings. This has resulted in a shortfall of £51K.

c) **Mitigations being delivered**

Strategic Property are currently not on target to achieve income targets related to commercial buildings and offices. New tenants are however in the process of signing leases and salary underspends and better than expected results from other Strategic Property savings exercises (Business rate reviews) are likely to offset any shortcomings.

Other mitigating actions to deliver a balanced budget.

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER			
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2020/21
Housing & Community Development	5,257	435	(6)	(169)	93	5,610	(261)	(18)	0	5,331
										Sept Variance
										(74)

Housing and Community Development Overview

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- a) **Assured** - Savings delivered/income generation on track across Arts, the Housing General Fund, Archives and Information Management, Sport Powys and the Cleaning Service.
 - b) **Undeliverable** - Officers to meet with Finance Business Partners to discuss the deliverability of part of the savings targets for the Library service. Delays have been caused due to the focus on business-critical work.
 - c) **Mitigations being delivered** - Continue to take action to reduce void times to minimise rent lost as a consequence of empty properties.

Other mitigating actions to deliver a balanced budget.

Officers continue to apply for available grants and funding to support the services wherever appropriate. This does have an impact on staff capacity to deliver other work.

WG Funding not yet claimed

The cost of Free School Meal payments in relation to COVID-19 are continuing to be supported by Welsh Government. Until the end of September the expectation is that the income lost because of COVID-19 will still be recovered through the lost income hardship claim. Some furlough income has been received which offsets the lost income. The Service hopes to return to normal meal delivery in High Schools as soon as possible, which would have a significant impact on income. However this will be dependant on covid restrictions and decisions made by individual schools. Income will continue to be monitored carefully by the Service and Finance Business Partners.

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		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER				
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final	
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2020/21	Sept Variance
Housing Revenue Account	0			(641)		(641)				(641)	641

HRA – The HRA is ring fenced and forms part of its own trading account, any surpluses and deficits are contained within a ring fenced reserve.

- a) Current Pressures**
b) Future pressures - Not included in the forecast outturn.

Cost Underspends

Cost Reductions

- a) Assured**
b) Undeliverable
c) Mitigations being delivered

WG Funding not yet claimed

Other mitigating actions to deliver a balanced budget.

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER			
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2020/21
Economy and Digital Services	4,287	50	(2)	(343)	1,075	5,067		(114)		4,953
										Sept Variance
										(666)

Economy & Digital Overview

a) **Current Pressures** – The service work over the past year has focussed on supporting innovative solutions to aid the Council's response to Covid including the re-deployment of staff to support business critical services. This has meant delays in delivery of digital transformation savings from last year added to further savings this year. Some savings are also waiting to be confirmed before being moved to other service budgets.

b) **Future pressures** - Not included in the forecast outturn.

Cost Underspends

Current cost underspends due to vacant posts are being used to off-set current undelivered cost reductions.

Cost Reductions

- a) **Assured** - only a small proportion of savings have been assured due to the delays with transformational change and final transformation projects are confirmed for 21/22 a virement request will be considered to seek approval for the deficit.
- b) **Undeliverable** - the savings for Regeneration remain very challenging and have been covered in the previous year by grant income. The service will continue to look for these opportunities in the current year, but this puts a strain on limited resources and effects the organisations' ability to maximise economic recovery a virement request will also be considered for approval for this deficit.
- c) **Mitigations being delivered** - a review of the regeneration service is being undertaken to ensure future establishment is in line with Vision 2025 priorities.

WG Funding not yet claimed

All grant funding for Regeneration is currently unknown as many initiatives are launched throughout the financial year.

Other mitigating actions to deliver a balanced budget.

Recruitment to posts are being carefully considered to help bridge the current gap in funding.

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER			
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2020/21
Transformation & Communication	1,508	0	(3)	(37)	0	1,468		0		1,468
										Sept Variance
										40

Transformation and Communication Overview

a) Current Pressures

b) **Future pressures** - Not included in the forecast outturn. Future pressures are emerging around the potential cessation of external funding to support Communications. Work to continue with finance and a discussion ensued with Executive Management Team in respect to of the operating model.

Cost Underspends – additional income received rather than a cost underspend and a Director vacancy attributes to the £40k.

Cost Reductions

a) **Assured** – 100% of savings for 2021/22 are achieved.

b) Undeliverable

c) Mitigations being delivered

WG Funding not yet claimed

Other mitigating actions to deliver a balanced budget.

Budget will be balanced.

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER			
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2020/21
Workforce & OD	2,031	47	(11)	(179)	150	2,038		(5)		2,033
										Sept Variance
										(2)

Workforce and OD Overview

- a) **Current Pressures** – minimal cost pressures have been identified which will be more than offset by cost underspends
b) **Future pressures** - not included in the forecast outturn.

Cost Underspends

The service is underspending £190k against other budgetary lines (mainly staffing costs), which will help to largely mitigate the undeliverable costs reductions identified below.

Cost Reductions

- d) **Assured** - £10k of the cost reductions have been achieved and are therefore assured
e) **Undeliverable** – the balance of cost reductions of £150k are being reviewed and will not be fully deliverable. This comprises £120k in relation to an apprenticeship programme which are not achievable and £30k in lieu of a salary sacrifice additional voluntary contribution pension arrangement which will be introduced later this year. A recent review confirms that £5k of this will be achieved in the current year and is therefore assured and that the full value will be achieved from 2022-23 onwards.
f) **Mitigations being delivered** – as can be seen from the above analysis, we are helping to mitigate the costs reductions not achieved, mainly through underspending £190k against other budgetary lines (mainly staffing costs), providing for an overall forecast variance of (£2k).

WG Funding not yet claimed - not applicable

Other mitigating actions to deliver a balanced budget - the net budget is close to balance.

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER			
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2020/21
Legal & Democratic Services	3,086	104	(28)	(124)	190	3,228	(12)	(14)		3,202
										Sept Variance
										(116)

Legal Overview

a) Current Pressures

b) Future pressures - Not included in the forecast outturn.

Cost Underspends

Cost Reductions

a) Assured

b) Undeliverable

c) Mitigations being delivered

WG Funding not yet claimed

Other mitigating actions to deliver a balanced budget.

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER				
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final	
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2020/21	Sept Variance
Finance & Insurance	6,095	307	0	(25)	24	6,401		(24)		6,377	(282)

Finance Overview

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- a) **Current Pressures** – £12k relates to procuring expert insurance analysis in readiness for the insurance tender, £265k relates to the likely overspend on cost of insurance claims in year, whilst the balance is from additional resource required to support Pensions work, which gets funded by the pension scheme.
- b) **Future pressures** - Not included in the forecast outturn.

Cost Underspends

There are some savings from unused budgets such as travel

Cost Reductions

- a) **Assured** – all savings are expected to be achieved
- b) **Undeliverable**
- c) **Mitigations being delivered**

WG Funding not yet claimed

Other mitigating actions to deliver a balanced budget.

		FORECAST FOR THE YEAR ENDED 31ST MARCH 2022 AS PER CP/LEDGER SEPTEMBER 2021					ADJUSTMENTS FROM HEADS FOR ASSUMPTIONS OUTSIDE LEDGER			
		Add	+ / -	Less	Add	Revised	+ / -	Less	Less	Final
£'000	2021/22 Base Budget	Cost Pressures	Staff Redeployment	Cost Underspends	Cost Reductions not delivered (unachieved)	Outturn	WG Hardship not yet recovered to offset position	Cost Reductions not yet delivered but assured	Use of Risk Reserve to cover unfunded Pressures	Outturn Position 2020/21
Corporate Activities	35,739	609	565	(3,203)	0	33,710		0		33,710
										Sept Variance
										2,029

Corporate Overview

Pressures

- a) **Current Pressures** - it is forecast that we will have increased demand on the need for discretionary housing payments, especially when furlough ceases in addition the benefit received for managing homelessness does not cover the cost, in total we are forecasting £363k overspend. The forecast also includes £56k budgeted for the profit/dividend expected from Howps that is unlikely to be achieved and a shortfall on precepts of £45k due to higher than anticipated inflation uplifts that were not budgeted for.
- b) **Future pressures** - Not included in the forecast outturn. - none

Cost Underspends

- a) There is an underspend on the cost of borrowing budget, forecast at £1.2 million due to the reprofiling of the capital programme, which has reduced the plan for 2021/22, and consequently less borrowing required.
- b) As yet the budget risk reserve of £1,500k has not been fully drawn down, £800k has been set aside to fund the .75% pay award. The budget for 2021/22 was set with services bearing the risk on several activities, and this budget may need to be drawn upon in year.
- c) There is a forecast £700k surplus re over collection of the pension fund contributions which will be transferred to specific reserve at year end and used to reduce the pension fund deficit when the actuarial review takes place, with the aim to mitigate the need to increase future contributions and reduces the call on future budgets.
- d) A £700k surplus on council tax collection is forecast based on the collection of council tax premiums (empty and second homes) in previous years, assuming we will have a similar level this year.

Cabinet / Delegated Decision	Cabinet/EMT				
Date	Date	Title	Portfolio Holder	Lead	Decision Maker
09/11/21	12/10/21	Llanbedr CiW School	Councillor Phyl Davies	Emma Palmer	Cabinet
19/11/21		Homes in Powys Policy Update	Councillor Iain McIntosh	Nina Davies	Portfolio Holder
23/11/21	09/11/21	Castle Caereinion Objection report	Councillor Phyl Davies	Emma Palmer	Cabinet
23/11/21	09/11/21	Quarter 2 Performance Report	Councillor Beverley Baynham	Emma Palmer	Cabinet
23/11/21	09/11/21	Quarter 2 Strategic Risk Register	Councillor Aled Davies	Jane Thomas	Cabinet
23/11/21	09/11/21	Council Tax Base	Councillor Aled Davies	Jane Thomas	Cabinet
23/11/21	09/11/21	Treasury Management Quarter 2 Update	Councillor Aled Davies	Jane Thomas	Cabinet
23/11/21	09/11/21	ACRF		Alison Bulman	Cabinet
23/11/21	19/10/21	Churchstoke CP School	Councillor Phyl Davies	Emma Palmer	Cabinet
23/11/21	09/11/21	Mid Wales Corporate Joint Committee	Councillor Rosemarie Harris	Nicola Williams	Cabinet
23/11/21	09/11/21	Children's Services Budget Virement	Councillor Rachel Powell	Jan Coles	Cabinet
14/12/21	30/11/21	Delegated Schools Budget Formula Review	Councillor Phyl Davies	Mari Thomas	Cabinet
			Councillor Myfanwy Catherine Alexander		
14/12/21	30/11/21	Older People's Accommodation		Dylan Owen	Cabinet
18/01/22	04/01/22	Draft WESP	Councillor Phyl Davies	Emma Palmer	Cabinet
18/01/22	04/01/22	Budget 2022/23	Councillor Aled Davies	Jane Thomas	Cabinet
18/01/22	04/01/22	CIP Update	Councillor Rosemarie Harris	Emma Palmer	Cabinet
		Supported Accommodation (Garth Owen, Newtown)	Councillor Myfanwy Catherine Alexander		
18/01/22	04/01/22			Dylan Owen	Cabinet
08/02/22	25/01/22	Quarter 3 Performance Report	Councillor Beverley Baynham	Emma Palmer	Cabinet
08/02/22	01/02/22	Quarter 3 Strategic Risk Register	Councillor Aled Davies	Jane Thomas	Cabinet
08/02/22	25/01/22	Powys Nature Recovery Action Plan	Councillor Heulwen Hulme	Sian Barnes	Cabinet
22/02/22	15/02/22	Population and Well Being Assessment	Councillor Rosemarie Harris	Emma Palmer	Cabinet
22/02/22	15/02/22	LDP Delivery Agreement	Councillor Iain McIntosh	Peter Morris	Cabinet
			Councillor Myfanwy Catherine Alexander		
08/03/22	15/02/22	Housing Support Programme Strategy		Dylan Owen	Cabinet

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