

CYNGOR SIR POWYS COUNTY COUNCIL.

COUNTY COUNCIL
Date: 7th March 2019

REPORT AUTHOR: County Councillor Aled Davies
Portfolio Holder for Finance

SUBJECT: Addendum to Budget for 2019-20, Medium Term Financial
Strategy 2019-2024 and Capital Programme for 2019-2024

REPORT FOR: Decision

1. Introduction

1.1 This report proposes amendments to the original budget proposed to Council on the 21st February 2019 which was subsequently not approved.

1.2 Group Leaders have met and discussed the proposal and as a result the following amendments are now proposed:-

- Removal of Libraries savings (LRP08) - £200k
- Make available £100k for a new Community Enablement Fund - £100k
- Reduce the increase in the proposed charge for school meals by 5p (SCP20) - £60k
- Reduce the level of savings required within Sports development (LTP11) by £50k.
- In order to maintain a balanced budget the changes above will be funded by removing the proposed annual contribution to the General Fund Reserve of £500k.
- Remove the proposal to charge Blue Badge Holders for car parking (HTP02) - £50k
- Increase the saving from HTR Transformation (HTP10) by £50

1.3 The removal of the proposed transfer into the General Fund Reserve can now be considered due to an improvement in the projected Outturn for the current financial year (based on the January 2019 position recently reported). This will reduce the level of overspend and consequently ease the pressure on reserves.

1.4 The remaining balance of £90k will be held as contingency within the budget.

1.5 The Youth service (LRP02) saving of £165k has also been considered but due to additional external Welsh Government funding being secured that saving can still be achieved without a change to the provision. Therefore, this proposal remains as per the original including the reduction in support for YFC's and the Urdd.

2. Statutory Officers

2.1 The Deputy Chief Executive and Section 151 Officer comments as follows:

Having assessed the impact of the above amendments on the original budget proposed the Section 151 Officer concludes the estimates used in the budget proposal for 2019/20 are adequately robust, but significant risk remains. Although the changes above result in a removal of the proposed £500k annual contribution to the General Fund Reserve, the improvement in the outturn position projected for the current financial year (2018/19) will maintain the level of reserves as projected in the original budget proposal, on this basis the overall level of reserves is adequate but at the lower end of acceptability given the scale of savings required in the future.

2.2 The Solicitor to the Council (Monitoring Officer) notes the amendments to the budget proposal.

3. Members' Interests

3.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
1. That the Medium Term Financial Strategy for 2019 to 2024 as set out in Appendix 1 to the report be agreed in principle.	To aid business planning and development of the budget over a three year period
2. That the proposed Revenue Budget for 2019/20 shown in the Financial Resource Model in Appendix 12 which includes the changes reported in this addendum is approved.	Statutory Requirement
3. That the Fees and Charges proposed within the Fees and Charges Register are approved (Appendix 4 and 5)	To comply with Powys County Council Income Policy
4. The proposed Capital Strategy for 2019/20 shown in Appendix 6 including the revised Capital Receipts Policy is approved.	Statutory Requirement
5. That a Council Tax increase of 9.5% is included in the budget and approved.	There is a Statutory Requirement to set Council Tax but the level is a matter for local determination.
6. The authorised borrowing limit for 2019/20 as required under section 3(1) of the Local Government Act 2003 be	Statutory Requirement

approved at £497m as set out in section 11.6 of the report.	
7. The Prudential Indicators for 2019/20 are approved as set out in section 10 of the report and Appendix 7.	Statutory Requirement

Relevant Policy (ies):	
Within Policy:	Y
Within Budget:	Y

Relevant Local Member(s):	
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Person(s) To Implement Decision:	Chief Executive
Date By When Decision To Be Implemented:	1st April 2019

Contact Officer Name:	Tel:	Email:
Jane Thomas	01597 827789	jane.thomas@powys.gov.uk

Background Papers used to prepare Report:

Welsh Government Provisional Settlement
 Welsh Government Final Settlement
 WLGA Briefing Welsh Government Draft Budget and Provisional LGF Settlement 2019-20
 Office for Budget Responsibility Economic and Fiscal Outlook October 2018
 Independent Assessment of Budget - CIPFA

List of Documents

Appendix 1 Medium Term Financial Strategy
 Appendix 2 Financial Resource Model
 Appendix 3 Budget Savings
 Appendix 4 Income Report
 Appendix 5 Fees and Charges Register
 Appendix 6 Capital Strategy
 Appendix 7 Prudential Indicators
 Appendix 8 Reserves Policy
 Appendix 9 CIPFA Independent Assessment of Budget
 Appendix 10 Section 151 Officer Personal Statement
 Appendix 11 Finance Scrutiny Panel Observations
 Appendix 12 Revised Financial Resource Model including amendments

4. Additional Recommendations approved by Council on the 21st February, 2019

4.1 There were a number of additional recommendations proposed and approved at the Council Meeting on the 21st February, 2019 which are as follows:-

- That within 6 months of budget setting a formal review of savings delivery is reported to full Council so that the Council takes every available measure to stay within the overall budget and if necessary this will be followed up by a further review within 2 months thereafter.
- That Council supports the work underway to gain a fairer financial settlement from Welsh Government that reflects the true cost of delivering services in Powys and that a working group is formed to support this work.
- That Council notes the Welsh Budget has reduced in real terms and if spending had kept pace with GDP, the Welsh Government would have an extra £4 billion to invest in Public Services. Council calls on our members of the WLGA to work with partners in Welsh Government and lobby the UK Government to secure fair funding for Wales.

4.2 As these were approved on the last occasion Council is asked to confirm that the recommendations should be maintained.

Recommendation:	Reason for Recommendation:
<p>1. That within 6 months of budget setting a formal review of savings delivery is reported to full Council so that the Council takes every available measure to stay within the overall budget and if necessary this will be followed up by a further review within 2 months thereafter.</p>	<p>To monitor the Councils Financial Performance and ensure that savings delivery is monitored effectively.</p>
<p>2. That Council supports the work underway to gain a fairer financial settlement from Welsh Government that reflects the true cost of delivering services in Powys and that a working group is formed to support this work.</p>	<p>To secure a fair funding model for the residents of Powys,</p>
<p>3. That Council notes the Welsh Budget has reduced in real terms and if spending had kept pace with GDP, the Welsh Government would have an extra £4 billion to invest in Public Services. Council calls on our members of the WLGA to work with partners in Welsh Government and lobby the UK Government to secure fair funding for Wales.</p>	<p>To secure a fair funding model for the residents of Powys,</p>

Relevant Policy (ies):			
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	
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Person(s) To Implement Decision:	Chief Executive
Date By When Decision To Be Implemented:	1st April 2019

Contact Officer Name:	Tel:	Email:
Jane Thomas	01597 827789	jane.thomas@powys.gov.uk