

**MINUTES OF A MEETING OF THE COUNTY COUNCIL HELD AT BY TEAMS ON
THURSDAY, 25 FEBRUARY 2021**

PRESENT

County Councillor R G Thomas (Chair)

County Councillors MC Alexander, M Barnes, B Baynham, J Berriman, G Breeze, J Charlton, L V Corfield, K W Curry, A W Davies, B Davies, D E Davies, P Davies, S C Davies, M J Dorrance, E Durrant, D O Evans, J Evans, L Fitzpatrick, L George, J Gibson-Watt, M R Harris, S M Hayes, H Hulme, A Jenner, E A Jones, D R Jones, E Jones, G Jones, J R Jones, E M Jones, M J Jones, D Jones-Poston, F H Jump, K Laurie-Parry, H Lewis, K Lewis, P E Lewis, MC Mackenzie, I McIntosh, S McNicholas, DW Meredith, C Mills, G Morgan, JG Morris, R Powell, WD Powell, D R Price, P C Pritchard, G Pugh, J Pugh, G W Ratcliffe, L Rijnenberg, L Roberts, P Roberts, K M Roberts-Jones, E Roderick, D Rowlands, K S Silk, D Selby, L Skilton, D A Thomas, T J Van-Rees, E Vaughan, M Weale, J Wilkinson, A Williams, G I S Williams, D H Williams, J Williams, J M Williams, R Williams and S L Williams

1. APOLOGIES

There were no apologies for absence.

2. DECLARATIONS OF INTEREST

There were no declarations of interest reported.

3. DRAFT MEDIUM-TERM FINANCIAL STRATEGY 2021-2026 AND DRAFT 2021-22 BUDGET AND CAPITAL PROGRAMME FOR 2021-2031

The Chief Executive reminded Members of their duty to set a balanced budget and the rate of Council Tax by 11th March.

The Portfolio Holder for Finance presented the Draft Medium-Term Financial Strategy 2021-2026 and Draft 2021-22 Budget and Capital Programme for 2021-2031. He explained that in addition to the usual pressures, the budget had been set against the background of the Covid-19 pandemic and that the affordability of Council Tax had been a key consideration. He noted that pandemic and the ongoing measures imposed continued to have an unprecedented detrimental financial impact on the Council that was likely to continue through 2021-22 and into future years. The additional financial support provided by Welsh Government during 2020-21 had been significant and instrumental in sustaining the Council's financial position. Further support was expected to be available into 2021-22 but at what level and for how long was yet to be confirmed so significant risk remained.

The budget and Medium-Term Financial Strategy (MTFS) was aligned with Vision 2025, the Council's Corporate Improvement Plan and the identified the Council's service and resource priorities for the next five financial years, with a focus on 2021-22.

The MTFS included the:

- principles that govern the strategy and a five-year Financial Resource Model (FRM), comprising detailed proposals for 2021-22 and outline proposals for 2022-23 to 2025-26.
- Capital Financing Strategy and the Treasury Management Strategy; and
- Capital Programme for 2021-22 to 2030-31.

The Capital and Treasury Management Strategies were fundamental to the effective delivery of the Council's priorities and Vision 2025. Maintaining the capital programme had a significant regeneration impact for the economy of Powys alongside the direct effect of better infrastructure to deliver services. Capital investment also had a significant input into the delivery of revenue cost reductions, and it was essential that both budget strategies were developed in tandem.

£11.8 m cost reductions had been identified, each of which was supported by an impact assessment. The Senior Leadership Team had provided assurance to Cabinet that they could deliver the cost reductions within the required timescales.

In recent weeks there had been a series of Welsh Government announcements providing the Council with additional revenue funding for the current financial year. Cabinet had reviewed the budget position and had proposed an amendment to the budget that had been circulated to Council. The amendment was for a council tax increase of 2.9% and the creation of a £1.8 million Powys Recovery Fund.

The Portfolio Holder for Finance moved the amendment which was seconded by the Leader.

Members of the opposition groups expressed disappointment that they had not been allowed to present their alternative budget based on a council tax increase of 1.9% on the ruling of the Section 151 Officer that it contained too much risk. They challenged the Cabinet on the affordability of a 2.9% rise in council tax, the impact of further cuts on the arts, culture and libraries budgets, cuts in Countryside Services and public toilets, the lack of impact assessments for the amendment and for not addressing the climate emergency which the Council had declared at its last meeting. The Disability Champion and the Anti-Poverty Champion also spoke about the struggle some people faced to pay council tax.

The Portfolio Holder for Finance advised Council that less than half of households in Powys paid full council tax and that the Council was one of the few Welsh local authorities that still employed money advice officers. He reminded members that the County Council were only responsible for running three toilets with most being run by Town and Community Councils. He explained that the amendment did not contain any further saving proposals so the impact assessments were not required.

On the arts and culture, the Portfolio Holder for Young People and Culture advised that arts and theatres continued to be supported and that the Powys

Recovery Fund would give these organisations long term stability. On libraries she noted that the Council was working with communities to ensure that none closed. She offered to meet County Councillor Maureen Mackenzie to speak about funding for the Wyeside Arts Centre.

In response to criticism about the lack of recognition in the budget for the climate emergency, the Portfolio Holder for Finance said that the green agenda ran strongly through the budget and pointed to the new model of working with many staff now working from home. The Portfolio Holder for Adult Social Care and Welsh Language noted that it was vital for Social Care staff to visit clients in their homes and therefore any proposal to further cut travel budgets would be unsafe.

The Portfolio Holder for Finance noted the comments of the Chair of the Finance Panel about the cost of financing the capital programme but pointed out that unlike most other Welsh authorities Powys had a 10 year capital programme and it was not necessarily the case that programme would be totally financed by borrowing and that other sources of funding were available.

The Monitoring Officer confirmed that the Cabinet's amendment had been submitted in time.

The amendment moved by County Councillor Aled Davies and seconded by County Councillor Rosemarie Harris was put to the vote.

Recommendation 1: By 38 votes to 33 it was

RESOLVED	Reason for Decision
1. That the MTFS for 2021-2025 as set out in Appendix A to the report be agreed in principle.	To aid business planning and development of the budget over a five -year period

Recommendation 2: By 38 votes to 34 it was

RESOLVED	Reason for Decision
2. That the Revenue Budget for 2021-2022 with the inclusion of a 2.9% increase in Council Tax shown in the Financial Resource Model in the amendment is approved.	Statutory requirement.

Recommendation 4: By 37 votes to 34 it was

RESOLVED	Reason for Decision
4. That the Capital Programme for 2021-22, the Capital Strategy and draft Capital Programme for 2022-31 shown in Appendix F are approved.	Statutory requirement

Recommendations 3 and 5 to 9: By 64 votes to 6 with 1 abstention it was

RESOLVED	Reason for Decision
3. That the Fees and Charges proposed within the Fees and Charges Register are approved (Appendices D and E).	To comply with Powys County Council Income Policy
5. That the Minimum Revenue Provision Statement as set out on Appendix F is approved.	Statutory requirement
6. That the Treasury Management Strategy and the Annual Investment Strategy in Appendix F is approved.	Statutory requirement
7. That the Authorised borrowing limit for 2021-22 as required under section 3(1) of the Local Government Act 2003 be approved at £492 million as set out in section 3.7 of the report.	Statutory requirement
8. That the Prudential Indicators for 2021-22 are approved as set out in section 3.66 to 3.73 of the report and Appendix F.	Statutory requirement
9. That £1.8 million of the one-off funding available in 2020-21 is approved to fund a Powys Recovery Fund and will be held in a specific reserve.	Compliance with Council's Financial Procedure Rules

County Councillor R G Thomas (Chair)