

**CYNGOR SIR POWYS COUNTY COUNCIL.**  
**CABINET EXECUTIVE**  
**20<sup>th</sup> June 2023**

**REPORT AUTHOR:** County Councillor Cllr David Thomas  
Portfolio Holder for Finance and Corporate  
Transformation

**REPORT TITLE:** Financial Outturn for the year ended 31st March 2023

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**REPORT FOR:** Information and Decision

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**1. Purpose**

1.1. To provide Cabinet with the revenue budget outturn for the 2022/23 financial year. This includes information on the additional funding streams received, delivery of approved cost reductions during the year and an explanation of the variances against the budget.

**2. Background**

2.1. The Council has completed its outturn processes to finalise the accounts for the 2022/23 financial year. This report sets out the position for each service with detailed narrative provided by each Head of Service in appendix A. The statutory financial statements are now being drawn together and the draft will be presented for audit at the end of June 2023.

2.2 This year saw the Council managing its budget in an extremely challenging economic environment. Inflation reached a 40-year high and this together with the continued impact of leaving the European Union, the legacy of the Covid-19 pandemic and the war in Ukraine, all created supply chain issues and rising costs particularly for pay, energy, fuel, contractual and borrowing costs, which created additional financial pressure across the council's services. The council responded quickly and reviewed its plans to manage the budget which were closely monitored and controlled throughout the year with quarterly reports presented to Cabinet.

2.3 The final outturn reports a net underspend, after contributions to specific reserves, of £6.7 million against the £221.9 million budget a 3.0% variance (excluding Schools and the Housing Revenue Account).

2.4 The Council's financial position has improved by £3.3 million against the published February underspend forecast of £3.4 million, supported by additional grant funding provided by Welsh Government and the UK Governments Shared Prosperity Fund.

2.5 This position will release one off funding to support the increasing pressure already facing the 2023/24 revenue budget particularly that relating to teachers and staff pay as pay award negotiations create unfunded pressure in next financial year. This goes some way to de-risk the Councils financial position in the short term but does not reduce the ongoing base budget pressure that continues to create a gap in our budget plans for next year and future years.

### 3. Revenue Outturn

- 3.1. Table 1 below summarises the outturn position across Council services, a £6.7 million underspend (excluding HRA and delegated schools) after agreed specific reserve movements have been completed.

**Table 1 – Revenue Outturn 2022/3**

Service Area	£'000	Working Budget	Actual Spend	Variance (Over) / Under Spend	Variance (Over) / Under Spend %
Adult Services		74,716	73,930	786	1.1
Childrens Services		28,587	30,594	(2,007)	(7.0)
Commissioning		3,773	3,036	737	19.5
Workforce & OD		2,521	2,063	458	18.2
Education		17,647	16,356	1,291	7.3
Highways Transport & Recycling		30,833	31,047	(214)	(0.7)
Property, Planning & Public Protectio		5,983	5,228	755	12.6
Housing & Community Development		5,878	5,949	(71)	(1.2)
Economy and Digital Services		6,373	6,070	303	4.8
Transformation & Communications		3,786	3,611	175	4.6
Legal & Democratic Services		1,434	1,296	138	9.6
Finance		6,419	6,302	117	1.8
Corporate Activities		34,035	29,785	4,250	12.5
<b>Total</b>		<b>221,985</b>	<b>215,267</b>	<b>6,718</b>	<b>3.0</b>
<b>Use of Surplus:</b>					
- Capital reserve to support borrowing				(2,345)	
- 2023-24 Pay Award				(3,831)	
- Transformation roll forward				(468)	
- Other Agreed Reserve Movements				(74)	
Housing Revenue Account (HRA)		0	(106)	106	
Schools Delegated		79,886	77,237	2,649	3.3
<b>Total</b>		<b>301,871</b>	<b>292,398</b>	<b>2,755</b>	

- 3.2. School Budget plans at the start of the year had planned a call on reserve of £5.4 million, the final outturn position only required £2.3 million from schools reserves and £0.3 million from corporate for agreed contribution.
- 3.3. Services have continued to manage their expenditure by reducing costs and maximising the use of alternative funding sources to support the improvement in the outturn position.
- 3.4. In April Cabinet agreed that underspends achieved in 2022/23 would be set aside to support future capital schemes and to fund the likely shortfall in the council's pay budgets as nationally agreed pay awards for 2023/24 exceed the budgeted costs. It is therefore confirmed that:
- £2,344,733 of the underspend achieved through lower borrowing and Minimum Revenue Provision is transferred into the Capital Financing reserve.
  - And that £3,831,331 be transferred into the Pay Award Reserve to fund teachers and other staff pay awards. Every 1% above the pay award estimate will require a further £1.5 million. We have currently funded:

- NJC pay at 5% next year, negotiations are ongoing with unions and indications suggest that the percentage is likely to be higher.
- Teachers' pay at 5% from April to August 2023 and at 3.5% from September 2023 onwards. Teachers' pay negotiations for September 2022 are still ongoing, but the pay award has already been uplifted to 6.5% plus a lump sum equivalent to 1.5% for the academic year.
- When pay awards are finally agreed funding will be considered from this specific reserve during 2023/24, however, the recurrent element for future years creates an additional pressure and will be included in our Finance Resource Model (FRM) from 2024-25.

- Other small movements to specific reserves for transfers to ICT Section 33.

3.5. An explanation about the change in the forecast position in February to the outturn position in March for each service area is provided in Appendix A by Heads of Service.

#### 4. **Cost reductions**

4.1. Cost reductions of £8.1 million were approved as part of the Councils budget for 2022/23. In addition, undelivered savings of £2.8 million from 2021-22 were rolled forward bringing the overall total to be delivered this year to £10.9 million.

4.2. The summary at Table 2 shows that 78% or £8.4 million have been delivered with £2.4 million, 22% unachieved. Some services have mitigated the non-delivery of these reductions within their service budget this year and are still required to make the reductions on a recurrent basis in future years.

4.3. As part of the budget setting process for 2023-24 consideration was given to the savings that remain unachieved and it was agreed that £1.6 million that are now deemed undeliverable are written out of the budget, this mainly relates to Childrens savings. The remaining £0.8 million of the unachieved savings will be rolled forward to 2023-24 for delivery next year, further detail about these savings and why they were undelivered is set out at Appendix B.

**Table 2 – Cost Reductions Summary**

£'000	To Be Achieved	Actually Achieved	Un-achieved	% Achieved
Adult Services	3,429	3,429	-	100%
Childrens Services	3,640	2,146	1,494	59%
Economy and Digital Services	282	116	166	41%
Education	55	55	-	100%
Finance	39	39	-	100%
Central Activities	1,045	1,045	-	100%
Highways Transport & Recycling	1,612	1,006	606	62%
Housing & Community Development	172	172	-	100%
Legal & Democratic Services	24	18	6	73%
Transformation and Communications	230	230	-	100%
Property, Planning & Public Protection	189	59	130	31%
Workforce & OD	138	130	8	94%
<b>Total</b>	<b>10,855</b>	<b>8,444</b>	<b>2,411</b>	<b>78%</b>
		78%	22%	

#### 5. **Reserves**

5.1 The reserves position at Table 3 sets out the reserve movements and balances at year end. Year-end movements resulted in an increase to reserves of £3.9 million, and the closing balance now stands at £67.8 million, with the general reserve

remaining at £9.3 million, representing 4.2% of total net revenue budget. (Excluding Schools and the HRA).

**Table 3 – Reserves Table**

Summary £'000	Opening Balance Surplus / (Deficit)	Forecast Addition / (Use) of Reserves	Closing Balance
General Fund	9,333	0	9,333
Budget Management Reserve	3,584	0	3,584
Specific Reserves	29,167	5,949	35,116
Transport & Equipment Funding Reserve	8,843	617	9,460
<b>Useable Reserves</b>	<b>50,927</b>	<b>6,566</b>	<b>57,493</b>
Schools Delegated Reserves	8,982	(2,316)	6,666
School Loans & Other Items	(371)	0	(371)
Housing Revenue Account	4,244	(277)	3,967
<b>Total Reserves</b>	<b>63,782</b>	<b>3,973</b>	<b>67,755</b>

- 5.2 Appendix C list the service requests to set aside unspent funds as specific reserves to help support budget demands next year, these total £2,686,217. It is also proposed to transfer the £906,707 underspend against the insurance budget to the specific insurance reserve. The reserve has reduced as claim excesses have been met in recent years and this transfer will replenish the reserve to meet future liabilities.
- 5.3 At the end of last year a number of specific reserves totalling £4,079,642 were set up to help support budget demands during 2022-23. These reserves have been reviewed, £1,966,670 has been utilised as intended in year, with £1,361,073 being rolled forward into 2023-24 (for one further year only). £751,899 has not been required and can be released and the reserves closed, this balance will also be transferred to the specific Pay Award reserve.
- 5.4 The Housing Revenue Account business plan originally planned to utilise £382,670 of reserves, but this was reduced by £106,000 to £276,670.
- 5.5 The breakdown of the school's balances and the transfer to reserve is set out below at Table 4.

**Table 4 – School Reserves**

School Sector	Opening Balance 31-Mar-22 £'000	Actual Transfer to / (from) 2022-23 £'000	Closed School Write Offs 31-Mar-23 £'000	Closing Balance 31-Mar-23 £'000	Original budgeted Cont. to / (from) reserves 01-May-22 £'000	Forecast Cont. to / (from) reserves Feb-23 £'000
Primary	7,924	(1,027)	(243)	6,654	(3,204)	(2,729)
Secondary	(847)	(1,109)	48	(1,908)	(1,147)	(2,168)
All Through	864	(34)	0	830	(287)	(293)
Special	1,006	41	0	1,047	(259)	(291)
<b>Sub Total</b>	<b>8,947</b>	<b>(2,129)</b>	<b>(195)</b>	<b>6,623</b>	<b>(4,897)</b>	<b>(5,481)</b>
Loans	(14)	7	0	(7)	0	7
Closed Schools	(322)	(194)	195	(321)	0	42
<b>Total</b>	<b>8,611</b>	<b>(2,316)</b>	<b>0</b>	<b>6,295</b>	<b>(4,897)</b>	<b>(5,432)</b>

5.6 Schools drew £2.3 million from their ring fenced reserves for the financial year, this was less than the original budgeted use and the predicted use in February of £5.4 million, the improvement is partly supported due to the distribution of the remaining central delegated contingency budget of £1.4 million at year end.

## **6. Transformation**

6.1 Transformation of the councils' services continues to change the way we deliver services to our residents, this work supports the Council's financial plans reducing the costs of delivery to move the council to a more sustainable footing for the future.

6.2 Table 5 below summarises the transformation costs against the budget plan.

**Table 5 Transformation Outturn**

Transformation Costs	Budget £'000	Outturn £'000	Variance £'000
Transformation projects	1,829	1,547	282
Transformational redundancy	500	314	186
	<b>2,329</b>	<b>1,861</b>	<b>468</b>

6.3 Transforming our services remains a priority for the Council and it is proposed to roll forward the balance of £468,000 into the new financial year to provide additional budget to support transformation costs in the delivery of the Sustainable Powys Project.

6.4 A final report summarising the use of the funding, the savings delivered and the benefits achieved will be presented to the Transformation Board in July and will also be presented to other Committees for scrutiny.

## **7. Virement and Grants**

7.1 As set out in Appendix C a number of requests have been considered to set up specific reserves to support identified service pressures during 2023-24, these have been considered and approved by the Chief Executive in consultation with the Head of Finance (Section 151 Officer) and are now retrospectively proposed to Cabinet for approval. The pressures that have been identified are not funded within the budget approved for 2023-24 and supporting these will ease the additional pressure being faced at individual service level limiting some of the risk in the budget next year.

7.2 The Section 151 Officer will release these reserves as appropriate spend is evidenced. Appendix C sets out these requests totalling £2,686,217. The largest of these requests is transferring unused Insurance budget of £906,707 to be transferred into the specific insurance reserve. The reserve has reduced as claim excesses have been met in recent years and this transfer will replenish the reserve to meet future liabilities. All of these reserves will be reviewed on an annual basis and if not required will be transferred back into the general fund.

7.3 At the end of last year (2022-23), a number of specific reserves totalling £4,079,642 were approved to help support budget demands during the year. These reserves have been reviewed as set out in paragraph 5.3 above. £751,899 has not been required and this balance is proposed to be transferred to the specific Pay Award reserve.

- 7.4 At budget setting Cabinet agreed to support the Urdd which is taking place near Meifod in 2024, the funding is required during 2023/24 therefore a virement is proposed to release £150,000 from reserves to support this.
- 7.5 Five other virement requests have been made:
- 7.5.1 Transport fund - The Fleet Management Services has reported an underspend against depreciation charges of £685,455 (due to delayed replacement of vehicles). The service have asked to utilise this underspend with an additional contribution to the vehicle replacement reserve to support the purchase of vehicles through 2023-24.
- 7.5.2 During the year Fleet Management Services generated £139,244 of income from the sale of vehicles/equipment and it is requested that this be transferred to the vehicle replacement reserve to be used to fund the purchase of future vehicles and/or equipment, where possible this funding will be used to purchase “green” vehicles
- 7.5.3 The Elections service intended to draw down £192,916 from the established Elections reserve to fund the cost of County Council Elections. The actual outturn for 2022/23 only required the service to draw down funding of £176,302, a reduction of £16,614 on the request made in June.
- 7.5.4 The Education budget included a £182,000 transfer from general reserve, this was to support the ALN strategy that had been put in place. The service have supported these costs from an underspend within the Youth and Inclusion area. A virement is required to remove the need to action the draw on reserves. This has been addressed in the 2023/24 budget on an ongoing basis.
- 7.6 There have been additional grants received this month from Welsh Government and these are included in the financial outturn:
- Childrens
    - £99,500 additional Welsh Government, Childrens and Communities Grant. The purpose of the funding is to seek to address the support needs of the most vulnerable children and adults in our communities through a range of early intervention, prevention, and support mechanisms. It will seek to mitigate or remove disadvantage to vulnerable people to enable them to have the same life chances as others, and therefore contribute to a more equal Wales. The addition funding was specifically for 3 areas, Home Start, Counselling and Childcare Sustainability.
  - Education
    - £1,256,167 Local Authority Education Grant Variation - £62,349.26 Additional Learning Need Implementation additional funding, £1,193,818 Teachers Pay for teachers in Maintained schools up to year 11.
    - £122,400 Local Authority Education Grant Variation – Universal Primary Free School Meals Funding
    - £18,500 Welsh-medium Late Immersion Grant Variation.

## **8. Impact of Capital**

- 8.1 Capital investment and the financing of capital activities have a significant impact on the authority’s revenue position. In 2022-23 £65.5 million was spent (including HRA) on capital investments representing 69% of the revised budget.

- 8.2 The majority of the underspend can be attributed to delays in the delivery of the capital programme. The budgets associated with these projects will, where necessary, be rolled forward into 2023-24.
- 8.3 The revenue budget supports the cost of borrowing for capital purposes and recognises the future need to borrow through the minimum revenue provision budget. The revenue budgets were approved to support the original capital programme of £133.9 million. The actual capital spend was 52% less. Grants were maximised to reduce the call on borrowing, with a number received from Welsh Government in the last three months of the year.
- 8.4 The actual net cost of borrowing was £13.2 million of which £8.2 million was chargeable to the general fund, this resulted in a £2.34 million underspend on the borrowing budgets, and this has been used to shore up the Capital Reserve to replace future years borrowing and reduces the impact on the revenue account.

## **9. Key Financial Risks**

- 9.1 The budget approved for 2023/24 recognised the ongoing impact of the current economic situation but significant risk remains and although the rate of inflation has now reduced it still presents a challenge to our assumptions. The budget includes pay award levels of 5% to 5.5% but the current negotiations suggest that higher pay awards may be awarded. The Council will need to find an additional £1.5 million for every extra 1% agreed.
- 9.2 Setting aside the specific reserves as proposed in this report enables the council to take every opportunity to limit this impact. But these funds will only support costs for one year and are not recurring. If inflation continues to impact at current levels through 2023/24 without the decline expected, our costs will continue to rise beyond the expectations built into our plans.
- 9.3 The Council remains under borrowed as we continue to utilise our cash reserves to underpin our cashflow. We have taken out additional borrowing and can continue to do so over the short, medium or longer term, but the cost of borrowing is driven by changes in bank rate, and our approach is regularly updated and explained as part of the Treasury Management update to Audit Committee.

## **10. Resource Implications**

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

- 10.1 The revenue outturn reported provides some opportunity to further mitigate the ongoing impact of inflation and increased costs through the next financial year. But the Council faces further challenge as we develop our plans for future years. Our Medium Term Financial Strategy continues to be extremely challenging with a significant budget gap of at least £25 million over the next 4 years as the financial pressure we continue to face is likely to outweigh the funding available. The financial plans will be subject to ongoing review, funding assumptions will be revisited as more information becomes available, revised budget gaps calculated and clear plans of how we can bridge the gaps will be developed. The Council must continue to take every opportunity to reduce costs and limit the financial impact on its budget, reducing the financial pressure on future years and ensure the financial sustainability of the Council.

10.2 We must progress at pace to develop our plans to achieve a Sustainable Powys for the future. This is critical to ensure that the Council can remain financially stable and provide sustainable services in the long-term.

## **11 Legal implications**

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

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

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

## **13. Integrated Impact Assessment**

13.1 No impact assessment required.

## **14. Recommendations**

14.1 That Cabinet note the full year outturn position to the end of March 2023 and the variances reported against the approved budget.

14.2 That the virement to transfer the £468,000 balance on the Transformation budget, as set out in section 6.3, is rolled forward to support transformation costs in 2023/24.

14.3 The virements proposed as set out in section 7 are approved

14.4 The virements at 7.2 relating to Insurance and at 7.5.1 relating to the Transport Fund are recommended to council for approval in order to comply with Financial Regulations, being requests for over £500,000.

Contact Officer: Jane Thomas Email: jane.thomas@powys.gov.uk Head of Service: Jane Thomas
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## Appendix A – Service Narrative to Explain the Change from February to March Outturn

February Variance	£'000	Base Budget	Outturn	March Variance
1,001	<b>Adult Services</b>	74,716	73,930	786

The underspend has reduced from Period 11 by £0.3 million due to the roll forward of an unapplied grant.

One off income from Direct Payment refunds following audits, which were put on hold during the pandemic and unpredicted Deferred Charges, along with utilisation of other Council service area grant underspends where allowable under the terms and conditions, has resulted in not requiring the transfer from risk/management reserve of £1million.

February Variance	£'000	Base Budget	Outturn	March Variance
(2,049)	<b>Children's Services</b>	28,587	30,594	(2,007)

Maximisation of grants where allowable to fund baseline budget expenditure to ensure the outturn position remained as planned, and use of grants mean we did not require the £1m from risk/management reserve as originally planned.

The improved position at the end of the year, however, does not necessarily mitigate against financial challenges within 2023/24. The focus on every part of the expenditure reduced the overall deficit during the financial year. The financial challenges remained around high-cost residential provision outside of Wales and the high cost of agency social workers required.

February Variance	£'000	Base Budget	Outturn	March Variance
699	<b>Commissioning</b>	3,773	3,037	736

Maximisation of grants where allowable to support the service this includes using grants within the wider social care budgets.

February Variance	£'000	Base Budget	Outturn	March Variance
907	<b>Education</b>	17,647	16,356	1,291

Through effective ongoing joint working and collaboration between the finance team and officers across the service area we made considerable savings to ease the internal financial pressures and ended the year with a significant saving. Our grants have played a significant factor within

the outturn position of the service where possible and has offset base budget, and alleviated pressures within the service. This will have to be reviewed ongoing as fluctuations happen on grants. Part of the savings put forward in 2023/24 were by using grants instead of base council budget.

As a service we continue to robustly challenge financial decisions as senior leaders to ensure funds are having the necessary impact against our service priorities as well as providing value for money. The aftermath of the Covid-19 pandemic continues to place additional pressures on the service and consideration needs to be given regarding the long-term challenges this could bring in certain areas such as ALN and behaviour.

<b>February Variance</b>	<b>£'000</b>	<b>Base Budget</b>	<b>Outturn</b>	<b>March Variance</b>
<b>(261)</b>	<b>Highways Transport &amp; Recycling + Director</b>	30,833	31,045	<b>(212)</b>

£367k increased spend on highways operations arising from increased spend in routine and winter maintenance activities offset by a £249k improvement on Waste Collection costs arising from firmed up agency staff expenditure and reductions in spend on bin replacement costs and £110k improvement on Property Consultancy Services due to improved income recovery levels.

<b>February Variance</b>	<b>£'000</b>	<b>Base Budget</b>	<b>Outturn</b>	<b>March Variance</b>
891	<b>Property, Planning &amp; Public Protection</b>	5,983	5,228	755

The PPPP service area has worked hard to ensure that it operated within the allocated financial envelop. The underspend is principally the result of the release of £400k of remedial works (Strategic Property) budget, due to the corporate request to reduce expenditure in June 2022 and the service area being able to utilise grants (Shared Prosperity Funding) to fund baseline costs.

<b>February Variance</b>	<b>£'000</b>	<b>Base Budget</b>	<b>Outturn</b>	<b>March Variance</b>
<b>(526)</b>	<b>Housing &amp; Community Development</b>	5,878	5,949	<b>(71)</b>

Housing General Fund better by £50k more costs claimable under grant than forecast.

Cleaning better by £113k more income achieved than forecast.

Catering improved by £300k, grant received in March for Free School Meals (FSM) £122k and £58k grant from Education, income slightly improved to what was forecast on FSM.

Leisure improved by £88k extra grant received to fund base funded staffing costs (SPF AND others) and underspend on library books.

<b>February Variance</b>	<b>£'000</b>	<b>Base Budget</b>	<b>Outturn</b>	<b>March Variance</b>
105	<b>Economy and Digital Services</b>	6,373	6,070	303

Customer Services and Information Compliance - £121k greater underspend - due to a rebate on a Local Authority contract and additional income from grants and sales plus greater underspend on training and other costs than forecast.

ICT Digital Services - £138k greater underspend - due to greater underspends in software contract costs and strategy and additional SPF Grant income.

<b>February Variance</b>	<b>£'000</b>	<b>Base Budget</b>	<b>Outturn</b>	<b>March Variance</b>
85	<b>Transformation &amp; Communication</b>	3,786	3,611	175

£30k greater underspend on members than forecast general office/training/staff expenses.

More income generated for external translation in Welsh Language Unit £15k. More staff costs funded by grant and more income into Communications.

<b>February Variance</b>	<b>£'000</b>	<b>Base Budget</b>	<b>Outturn</b>	<b>March Variance</b>
384	<b>Workforce &amp; OD</b>	2,521	2,063	458

During the final month there was an improvement of £31k on Organisation Development due to improvement on training income / costs and on general overheads. £24k improvement on the surplus of DBS income after admin costs and overheads and £11k improvement on Health and Safety staffing costs due to ongoing delays in recruitment to new roles.

The main reasons for the overall underspend of £458k for 2022/23, related to £140k underspend on Health & Safety (mainly staffing related), an underspend of £60k on Trade Union officers and their travel costs, and an underspend of £92k on Organisational Development, comprising mainly staffing costs, overheads and spend against the training budget. In addition, there was an underspend of £92k in Employment Services, largely due to an overachievement of income and to a lesser degree an underspend of £14k on staff.

<b>February Variance</b>	<b>£'000</b>	<b>Base Budget</b>	<b>Outturn</b>	<b>March Variance</b>
(22)	<b>Legal &amp; Democratic Services</b>	1,434	1,296	138

£37k improvement on land charge income, £17k improvement on Coroner's expenditure following confirmed spend for the year. £22k confirmed income from Community Council Elections now reported,

Legal Services underspend relates to £22k improvement on Registrar's income recovery and £61k improvement on Solicitor's agency staff spend due to delays in recruitment and agency hours charged less than expected.

<b>February Variance</b>	<b>£'000</b>	<b>Base Budget</b>	<b>Outturn</b>	<b>March Variance</b>
33	<b>Finance &amp; Insurance</b>	6,419	6,302	117

Increased contributions from grants to staffing costs (including SPF) and some budget transferred for HOWPS staff not yet appointed to.

<b>February Variance</b>	<b>£'000</b>	<b>Base Budget</b>	<b>Outturn</b>	<b>March Variance</b>
2,186	Corporate Activities (Borrowing, Risk Budget, Benefits etc)	34,035	30,002	4,033

£2,000k not required to fund the spend identified at risk mainly in social care.

## Appendix B – Cost Reductions to be Delivered in 2023-24

Service	Requirement	Amount - £	Explanation as to why undelivered and rolled forward
PPPP	Increased rental income from properties, Ladywell House, Business unit portfolio, County Farms	55,480	The target has been delivered in part and the balance rolled forward from 2020-21 and it may be sensible now to align it to more deliverable proposals as income and rental potential has changed post Covid, at the point the saving was offered it did not suggest there would be any risk in delivering this target
HTR	The Winter Service primary routes have not been reviewed for over 15 years, and many criteria for identifying routes have changed (schools, surgeries, housing, and bus routes) which will probably require changes to the winter hierarchy. The hierarchy needs a fundamental review in light of the current financial austerity. It is considered that the existing treatment network has certain anomalies and there is potential (subject to Council agreement) to reducing the primary treated network by approx.. 10% to 15%. For context, the current length of primaries is circa 1000km; therefore a 10% reduction would mean approximately 100/150km would no longer be gritted as part of the primary network.	130,000	This target has been rolled forward from 2020-21 and no risk identified other than a reduction in gritting on some roads where the winter road hierarchy changes the priority of roads to be gritted. The Service has concluded its consultation with the public on the new matrix. Report to be scheduled for Cabinet on the new routes in the summer.
HTR	School transport is a statutory requirement, whereas Public Transport is a non-statutory provision. In such a sparse rural county such as Powys, commercially run routes are not viable and so for any service to continue there is a need for it to be heavily subsidised. An indicative percentage saving has been applied crudely at present to both budgets based on improved efficiencies, set against existing and future budget pressures.	452,162	This target has been rolled forward from 2021-22. Work has been undertaken to reduce the number of school buses, and savings will be realised for 2023/24
HTR	£32,250 to be met by overachievement of street work and recycle income. Public Conveniences have been successfully transferred to Town & Community Councils and community groups. Only two toilets now remain being maintained by PCC (Ystradgynlais and Brecon Bus Stations), and the proposal is now to also transfer these assets. Transferring these assets will create a saving, however it must be noted that if an operator cannot be found then they will need to be closed in order to make the proposed saving.	10,750	This target has been rolled forward from 2021-22. In the impact assessment it was stated <i>“It should be noted that failure to transfer the two remaining assets will result in closure and they will be declared surplus to requirements for disposal. Failure to dispose of assets will require budget to make safe / demolish asset. It should also be noted that ending the transition service grant increases the risk that some operators may end arrangements and increases the likelihood of some further closures in the future.”</i>
HTR	Remove bring banks for glass and paper	12,660	£17,430 of the initial target of £30,000 has been delivered
Childrens	Placements - Closer to Home (step down in provision)	156,750	This target is the balance of £1.5m, mainly now delivered based on knowledge of current care plans for children and young people. The impact suggested there may be a risk based on achieving in house foster carers, and the ability to recruit staff
Childrens	Special Guardianship Order (SGO) Project - Conversion of Independent Fostering Agency (IFA) placement to SGO placement	60,030	This target has been partially delivered and delivers a new approach around permanency for children and young people. Delivering the saving was predicated on additional staff to implement the changes, converting IFAs to SGOs.

Workforce & OD	DBS fees	8,212	The impact assessment did not suggest any concerns with delivering this target
	<b>TOTAL</b>	<b>886,044</b>	

## Appendix C –Service Underspend- Reserve Request

Service	Allowed £	What the funding is needed for next year (only essential bids will be considered)	How it will help next years budget forecasts
Corporate Legal	27,750	The solicitor's team are presently forecasting to spend £27,750 on a new Civica legal system for the legal team in the current financial year 2022/23, so this cost is considered within their forecasted underspend of £72k in 2022/23. The £72k forecast underspend principally arises from underspends on staff wages, where the service has a number of vacant posts they are endeavouring to recruit to. There are now likely to be delays in completing the installation of the new Civica legal system, and the service is therefore requesting to pay £28k into a specific carry forward reserve at the end of 2022/23 to allow the funds to be drawn out of reserves in 2023/24 to pay for the completion of the Civica legal system installation.	Civica system replacement existing pressure expected in 2022/23 resource set aside to cover by service so ringfence to meet cost
Adult Services/ Commissioning	380,000	Roll forward to cover the additional cost of the Agency Domiciliary Care during period of recruitment and on boarding new council staff due to vacancies and to try to resolve the unmet need of 3000 plus hours on the CROFT.	Core changes in FRM but use of agency staff over and above not included, so will be an additional pressure
Adult Services/ Commissioning	100,000	x2 Approved Mental Health Practitioner agency social workers to trial a Mental Health hub in order to meet our statutory duties in regard to the Mental Health Act assessments. This is in part to mitigate the risk on the Corporate Register	Will fund the budget pressure not present at budget setting, so not included in FRM and will ensure stability of the team and the out of hours service and ensure Council meets its statutory duty
Economy & Digital	25,000	Late costs received for the increased capacity of hearing loops in the chamber	Un-budgeted cost that had not been identified before budget setting process
Economy & Digital	300,000	Levelling Up Funding (LUF) - matched funding requirement	Current budgets identify a funding gap for PCC commitment to match fund LUF capital funded projects
Economy & Digital	426,000	Roll forward of economy reserves to underpin 3 year funding model and to smooth out grant funding gaps for a permanent team as per structure business case approved in 2022	This funding will have most impact on the budget for 2023-26 for a three year funded staffing structure
HGF	49,760	Empty Property Assistant (Grade 6) to support the new Empty Property Officer (scale 12 which we are currently recruiting to commence from April this year this post is funded from Council Tax) . Fund assistant fixed term for 12 months. Also Empty property enforcement fund £15k	Aims to bring more empty properties back into use - to support the housing market
Education	173,000	Mutual Insurance Deficit reserve , this would clear the deficit reserve that is held on the balance sheet of the authority	The deficit reserve arose due to a yearly administrative cost that was unfunded previously when the scheme was set up, the main reason for the deficit has been addressed through the budget process with the service having undertaken steps to ensure that the administrative cost is pro rata across the premiums. Further review will also take place in respect of the premiums and the need to adjust the premiums to schools dependant on the claims.

Education	100,000	Schools Property costs - The outturn for the service was more positive than expected due to in part effective utilisation of grants. The property plus scheme has been on stop for all but emergency works for multiple years , this funding would enable us to target some urgent outstanding backlog maintenance.	There is increasing pressure on this area with backlog maintenance on school buildings and urgent compliance works. This will mitigate the financial forecast in part.
PPPP	200,000	Transfer to capital replacement fund to repay loan for the purchase of the vehicles on HOWPS transfer back in house. This would complete the repayment of the purchases	Contribution to existing reserve to meet existing liability
Insurance	904,707	Underspends on insurance - due to excess and claims provision being lower - request to use for insurance reserve top up	Principle already agreed and essential to reinstate the specific insurance reserve
	<b>2,686,217</b>	<b>TOTAL</b>	



