

Public Document Pack

Cabinet

Meeting Venue
**Council Chamber - County Hall,
Llandrindod Wells, Powys**

Meeting date
Tuesday, 19 June 2018

Meeting time
10.30 am

For further information please contact
Stephen Boyd
01597 826374
steve.boyd@powys.gov.uk



County Hall
Llandrindod Wells
Powys
LD1 5LG

13 June 2018

The use of Welsh by participants is welcomed. If you wish to use Welsh please inform us by noon, two working days before the meeting

AGENDA

1.	APOLOGIES
-----------	------------------

To receive apologies for absence.

2.	MINUTES
-----------	----------------

To authorise the Chair to sign the minutes of the last meeting held as a correct record.

(Pages 5 - 8)

3.	DECLARATIONS OF INTEREST
-----------	---------------------------------

To receive any declarations of interest from Members relating to items to be considered on the agenda.

4.	FINANCIAL OUTTURN FOR THE YEAR ENDED 31ST MARCH 2018
-----------	---

To consider a report by County Councillor Aled Davies, Portfolio Holder for Finance, Countryside and Transport.

(Pages 9 - 22)

5.	CAPITAL PROGRAMME OUTTURN REPORT 2017/18
-----------	---

To consider a report by County Councillor Aled Davies, Portfolio Holder for Finance, Countryside and Transport.

(Pages 23 - 32)

6.	SCHOOL BUDGETS 2018-19
-----------	-------------------------------

To consider a report by County Councillor Myfanwy Alexander, Portfolio Holder for Education and the Welsh Language.

(Pages 33 - 60)

7.	BUSINESS RATES HIGH STREET RELIEF 2018-19
-----------	--

To consider a report by County Councillor Aled Davies, Portfolio Holder for Finance, Countryside and Transport.

(Pages 61 - 80)

8.	21ST CENTURY SCHOOLS PROGRAMME - WELSHPOOL PRIMARY PROJECT AND YSGOL CALON CYMRU
-----------	---

To consider a report by County Councillor Myfanwy Alexander, Portfolio Holder for Education and Welsh Language and County Councillor Aled Davies, Portfolio Holder for Finance, Countryside and Transport.

(To Follow)

9.	ESTYN IMPROVEMENT CONFERENCE OUTCOME
-----------	---

To consider the Estyn improvement conference outcome.

(To Follow)

10.	RISK MANAGEMENT STRATEGY
------------	---------------------------------

To consider a report by the Leader, County Councillor Rosemarie Harris.

(Pages 81 - 122)

11.	SCRUTINY REPORT ON GENERAL DATA PROTECTION REGULATIONS REVIEW
------------	--

To consider the Scrutiny report on General Data Protection Regulations review.

(Pages 123 - 124)

12.	IMPROVEMENT AND ASSURANCE BOARD MINUTES
------------	--

To receive the minutes of the Improvement and Assurance Board meeting held on 25 April 2018.

(Pages 125 - 132)

13.	CORRESPONDENCE
------------	-----------------------

To receive such correspondence as in the opinion of the Leader is of such urgency as to warrant consideration.

14.	DELEGATED DECISIONS TAKEN SINCE THE LAST MEETING
------------	---

To note the delegated decisions taken since the last meeting.
(Pages 133 - 134)

15.	FORWARD WORK PROGRAMME
------------	-------------------------------

To consider the Cabinet forward work programme.
(Pages 135 - 140)

This page is intentionally left blank

**MINUTES OF A MEETING OF THE CABINET HELD AT COUNCIL CHAMBER -
COUNTY HALL, LLANDRINDOD WELLS, POWYS ON TUESDAY, 22 MAY 2018**

PRESENT

County Councillor M R Harris (Chair)

County Councillors A W Davies, P Davies, J Evans, S M Hayes, R Powell and
M Weale

1.	APOLOGIES
-----------	------------------

Apologies for absence were received from County Councillor Myfanwy Alexander.

2.	MINUTES
-----------	----------------

The Leader was authorised to sign the minutes of the last meeting held on 1 May 2018 as a correct record.

3.	DECLARATIONS OF INTEREST
-----------	---------------------------------

There were no declarations of interest reported.

4.	ADULT SOCIAL CARE IMPROVEMENT PLAN
-----------	---

Cabinet received and considered the Adult Social Care Improvement Plan. The Portfolio Holder for Adult Social Care explained that the plan had been drawn up in advance of the CIW inspection and that CIW required the plan to be reviewed and revised within 20 days of publication of the inspection report and to be submitted to them by 30 May. The plan focussed on improving outcomes for residents and would require corporate ownership and other services to work with Adult Social Care in order to ensure effective improvement. The plan would also be considered regularly by the Improvement and Assurance Board.

The Portfolio Holder advised that the report was draft and subject to further work including by Scrutiny on 29 May. He therefore asked for delegated authority to be given to the Leader in consultation with him, the Acting Chief Executive and the Director of Social Services to submit the final improvement plan.

RESOLVED	Reason for Decision:
1. That Cabinet note the draft revised Improvement Plan and delegate the final approval and submission to the Leader of the Council in consultation with the Acting Chief Executive Officer, the	To comply with the CIW Inspection report requirements and timescale.

<p>Portfolio Holder for Adult Social Care, and the Director of Social Services.</p> <p>2. That Scrutiny be invited to consider and comment on the revised Improvement Plan prior to approval.</p>	<p>To ensure appropriate democratic oversight and accountability.</p>
---	--

5.	MOVING POWYS FORWARD AS A CHILDREN'S RIGHTS BASED APPROACH COUNCIL
-----------	---

In presenting the report the Portfolio Holder for Young People and Culture pointed to many examples of good practice by the council of promoting the voice of children, and noted that they would be involved in the forthcoming appointment process for the Head of Children's Services. However, there was a need for this to be mainstreamed to ensure a consistent, whole organisation approach to promoting children's rights and embed the participation of children and young people into all aspects of planning, delivering and reviewing of services and policies. The recommendation was to formally adopt the United National Convention on the Rights of the Child and formally sign the National Participation Standards Charter in accordance with the key actions set out in the Children's Services Improvement Plan.

RESOLVED	Reason for Decision:
<p>1. To formally adopt the United National Convention on the Rights of the Child (UNCRC) as a Council, and to require all members and staff to undertake basic UNCRC awareness training as part of their mandatory induction.</p> <p>2. To formally sign the 'National Participation Standards Charter' demonstrating the Council's commitment to actively promoting the voice of the child.</p> <p>3. To establish a task group to undertake a review of the current arrangements under Annexe B and develop a plan to support implementation of a Children's Rights based approach across the Council, guided by 'The Right Way' framework.</p>	<p>1. To comply with actions agreed with the Children's Services Improvement plan.</p> <p>2. To comply with legislation and national policy requirements.</p> <p>3. To demonstrate Council's commitment to ensuring children and young people in Powys are at the forefront of what we do.</p>

6.	LOCAL DEVELOPMENT PLAN WORKING GROUP
-----------	---

A vacancy had arisen on the Local Development Plan Working Group with the resignation of County Councillor Jonathan Wilkinson from the Cabinet.

RESOLVED that County Councillor Phyl Davies be appointed to the Local Development Plan working Group.

7.	CORRESPONDENCE
-----------	-----------------------

There were no items of correspondence.

8.	DELEGATED DECISIONS TAKEN SINCE THE LAST MEETING
-----------	---

Cabinet received details of the delegated decisions taken by Portfolio Holders since the last meeting.

9.	FORWARD WORK PROGRAMME
-----------	-------------------------------

Cabinet noted the forward work programme.

The Leader closed the meeting by thanking all the Councillors and officers involved in the council activities at the Royal Welsh Agricultural Society's Spring Fair, including receptions for the Mid Wales Growth Deal, foster carers and the Urdd eisteddfod which was being hosted by Brecon and Radnorshire at the showground from 28 May to 2 June.

County Councillor M R Harris (Chair)

This page is intentionally left blank

CYNGOR SIR POWYS COUNTY COUNCIL

CABINET EXECUTIVE

19th June 2018

REPORT AUTHOR: County Councillor Aled Davies

Portfolio Holder for Finance

SUBJECT: Financial Outturn for the Year Ended 31st March 2018

REPORT FOR: Decision / Discussion / Information

1. Summary

- 1.1 This report provides the summary outturn position by Directorate for the year ended 31st March 2018. The final outturn position, is an underspend of £3,682k. This compares with a forecast overspend of £141k at the end of February. The figures include savings delivered of £8.327m, 71% of the £11.780m target, this compares with 79% delivered last year.
- 1.2 The final outturn has been significantly improved due to Welsh Government providing additional monies for a number of services totalling £3.184m. This includes £1m to help support the council's continuing transformation work.
- 1.3 In delivering the outturn position, consideration has been given to the balance between the use of capitalisation, a prudent level of reserves and the subsequent demand on future year budgets. It is important that the council's reserves are protected and a prudent approach is adopted given the financial challenge. This approach has secured an increased level of general reserves at year end of £8.7m representing 5.40% of total net revenue budget excluding Schools and Housing Revenue Account (HRA).

2. Revenue

- 2.1 The final outturn position is an underspend of £3,682k. A summary by directorate is shown below:

Summary Forecast by Directorate	Original Budget	Total Working Budget	Actuals excluding reserve movements	Variance (Over) / Under Spend	
	£'000	£'000	£'000	£'000	%
People	69,993	71,221	75,578	(4,357)	(6)
Place	37,391	38,189	36,145	2,044	5
Schools	99,778	24,961	24,863	98	0
Resources	17,004	17,091	16,755	336	2
Corporate Activities	15,815	13,070	7,911	5,159	39
Total Service Areas	239,981	164,532	161,252	3,280	2
Financed by (RSG/CT/NNDR):	(239,980)	(239,980)	(240,382)	402	(0)
Total	1	(75,448)	(79,130)	3,682	2
Housing Revenue Account (HRA)	0	0	(907)	907	

Schools Delegated	0	75,446	74,397	1,049	1
Total including HRA and Delegated Schools	1	(2)	(5,640)	5,638	3

2.2 The table contained in Appendix A provides the outturn position by service, against approved working budget, which includes budgeted transfers to or from reserves. RAG (Red, Amber, Green) status has been applied to service variance based on the defined parameters. This method helps to highlight those Service areas with significant pressures, which are at most risk to the Authority, and to ensure future year budgets are managed effectively and mitigate any risk for future years.

3. Efficiency savings

3.1 The total revenue saving target for 2017/18 is £11.780m, made up of in year and previous year's targets. Savings of £8.327m have been achieved to date representing 71% of the total required, a slight decline on the 79% delivered in 2016/17. The council's current approach is to roll forward unachieved savings rather than remove them from the overall target. This ensures transparency about the overall financial position.

3.2 Unachieved savings of £3.4m have been mitigated by underspends elsewhere in the service areas but these remain a pressure going forward within the service budgets. Savings of £1,157k for 2015/16 and £321k for 2016/17 to be delivered, and equates to 43% of the unachieved savings rolled forward. Given the age of some of the savings consideration has been given in the forthcoming Medium Term Financial Strategy (MTFS) to replacing these savings with alternatives.

3.3 Of the total £1,720k, (50%) of the outstanding target relates to the phase 1 income and third party savings targets. A decision was taken to hold these corporately in 2017/18 and consequently £970k of income and 3rd party spend of £749k were drawn back from the service budgets to be delivered by the Income and Cost Improvement Board (ICIB). Opportunities were identified by the board and have been included in service savings, these have not however contributed to the corporate target. As a result the total is included as part of the 2019/20 savings target.

3.4 The table contained in Appendix B provides the detailed outturn position on the delivery of efficiency savings across the service areas. A prudent approach is adopted and only savings that have been delivered are included in the outturn. A summary is provided in the table below:

	Target £'000	Delivered £'000	Variance £'000
2015/16	1,323	165	1,157
2016/17	841	520	321
2017/18	9,616	7,641	1,975
Total	11,780	8,327	3,453

3.5 **People** – the overall savings target was £3,333k with £1,101k, 33% unachieved at year end. The delivery gap was due to:

- Childrens Services – as has been reported throughout the year, no plans or proposals have been put forward by the Service to achieve the outstanding savings, they will therefore be carried forward into 2018/19.
- 3.6 **Place** - the overall target was £3,532k with £302k, 8.5% unachieved. The delivery gap was due to:
- Logistics review – delays in project implementation has resulted in the full saving not being achievable in 2017/18, £249k is expected to be achieved in 2018/19.
 - Property Service Joint Venture –additional income from the rental of property to Heart of Wales Property Services generated a saving of £19k, leaving a shortfall of £31k to be carried forward into 2018/19.
 - Fleet/Transport - £10k remains to be found, the saving will be achieved in 2018/19, due to timing issues, from the review of Fleet and Transport targets.
 - Closure of 2 household waste recycling centres – £11k will be carried forward to 2018/19 where the full saving will be realised.
- 3.6.1 Place have replaced original savings proposals with alternative efficiencies achieved in year, approval is required for the achievement of savings by alternative means.
- Additional savings on Waste contracts and the extra income achieved from the Design Team will be utilised to mitigate other savings which were un-achieved within Highways, Transport and Recycling, total £365k. The original savings included a review of Fleet targets £28k, reduction in the Highways budget by use of the jet patcher, £187k and £150k from the Highways Commissioning project.
 - Savings in respect of income from workshops and Ladywell house of £135k will not be achieved due to insufficient capacity within the workshops portfolio and the renovation of Ladywell House to maximise rental potential not to be completed until 2019/20. It is proposed that the savings from property rationalisation and increased income from the rental of other properties will be utilised.
- 3.7 **Schools** – the savings target was £1,865k with £207k, 11% unachieved at the end of the year. The key delivery gap issues are:
- Small School closures – the split site allowance change anticipated did not materialise in respect of Nantmel School and Ysgol Dolafon Welsh Stream.
 - Home to School Transport – the target of £158k, brought forward from 2015/16, remains outstanding.
- 3.8 **Resources** – the overall savings target for Resources was £2,760k, which includes the £1,720k transferred to the ICIB. A total of 88% of the service target of £1,040k was delivered leaving 12% outstanding at the end of the year. The remaining savings to be carried forward relate to:
- Vacancy Management – targets within Business Services £92k and ICT £32k have not been achieved but have been managed in-year through the management of vacant posts.
- 4 Reserves**
- 4.1 The total revenue reserves held at 1 April 2017, together with the use of reserves during the year and the year end are set out in the table in Appendix C.

- 4.2 The revenue reserves held at the beginning of the year totalled £38.8m, with £8.6m held in the General Reserve and Specific and Ring fenced reserves of £28.3m.
- 4.3 The General Reserve balance has increased by £1.1m, whilst the use of specific reserves to support the revenue budget at year end, (excluding Schools and HRA) is £38k, compared with the forecast use of reserves in February of £3.1m.
- 4.4 A number of reserve movements, originally included in the budget were not required as follows:-
- £151k Trade unions and job evaluation funded from job evaluation reserve
 - £87k Sopra funded from General reserve
 - £48k Senior Officer in business services funded from job evaluation
 - School redundancies, of £1.5m were to be in part funded from the equalisation reserve. Instead the cost was funded through; £291k core budget, £605k capitalisation and £604k non-delegated underspends.
- 4.5 A number of specific reserves have been requested to be drawn against the final position, it is proposed that the following are approved:
- Regional Transport monies £310k
 - Builth/ Llandrindod Schools Deficit – £200k in addition to the £800k already agreed (total reserve of £1,000k required)
 - Mid Wales growth fund – £150k
 - Transformation grant for future demands – £1,000k
 - HOWPS accrual for outstanding work – £185k
- 4.6 The level of General Fund reserves as at 31st March 2018 is £9.7m (following the above adjustments), 5.9% of the total net revenue budget excluding Schools and HRA. This compares with the strategy of 3% level agreed as part of the MTFS.

5 Revenue Forecast

- 5.1 Previous reports have focussed on those areas with RAG status red, however, given this is the final outturn report for 2017/18, an explanation of other areas with significant under/overspends has also been provided.

6. <u>People Directorate</u>	Net Working Budget:	£ 71,221k
	Net Outturn:	£ 75,563k
	Variance (Over)/Under Spend:	£ (4,342)k
	February Forecast (Over)/Under Spend	£ (5,703)k
	Change in Forecast	£ 1,361k

6.1 **Adult Social Care (ASC) Underspend £1,128k**

- 6.1.1 The Adult Social Care (ASC) outturn for 2017/18 was an underspend of £1.128m, an improvement of £1.36m from the forecast at the end of Period 11, due to the following: additional income of £210k; removal of commitments and client adjustments of £662k, reduction in the bad debt provision £117k and utilisation of grants £350k.

The service is broken down as follows:-

6.2 Older People Underspend £1,083k

6.2.1 Home Care – outturn underspend of £382k. Additional one-off monies received from Welsh Government of £519k, with a further £65k received from the Powys Teaching Health Board (PtHB) in respect of winter pressures, however, both of these income streams have funded clients that will become budget pressures in 2018/19. To offset this underspend is an overspend of £89k in respect of the Llys Glan yr Afon Scheme, due to increased packages and new clients.

6.2.2 Residential Care – outturn underspend of £120k. Demand in residential and nursing placements, offset by care home deferred charge income which exceeded budget by £316k, this is an income stream hard to predict due to waiting for the appropriate time to collect income from the sale of properties.

6.2.3 Small underspends including staff and travel slippage provides a mitigating £147k underspend.

6.3 Learning Disabilities (LD) Overspend £ (593)k

6.3.1 Supported Tenancies – outturn overspend of £536k – inflation and TUPE pressures from suppliers in respect of pay increases totalling £286k. Increase in support hours for existing clients and repayment of supporting people grant for void tenancies has resulted in budget pressures of £153k and £133k respectively.

6.3.2 Independent Residential Care – outturn overspend £543k – planned transitions identified within growth pressures of £756k, along with an unplanned transition from Childrens resulting in part year cost of £144k. Reassessment of clients' need, due to frailty leading to additional support hours costing a further £211k. Savings of £494k have been delivered through the right sizing of packages.

6.3.3 Underspends across the other Service areas totalling £462k. Clients that have ceased home care offsetting the cost of 3 new additional clients £197k. Spend in relation to staffing in Supported Tenancies, Day and Employment and the Social Worker team totalling £265k, mitigate the overspends.

6.4 Physical Disability Underspend £195k

6.4.1 Residential and nursing placements had an outturn overspend of £21k offset by an underspend of £226k within Services in the Community due to a reduction in Service users.

6.5 Support Services Underspend £422k

6.5.1 The underspend within this area relates to vacancy staff slippage and staff expenditure funded by grants.

6.6 Childrens Overspend £ (5,536)k

6.6.1 The level of pressure faced by Children's Services has been covered in previous reports to cabinet. This continues to be the case. In addition outstanding efficiency savings relating to Childrens with Disabilities in residential establishments – Golwg Bannau/Camlas of £556k remains outstanding and £494k relating to partnership working with the Powys Teaching Health Board and Third sector for which there are no current plans in place.

- 6.6.2 Looked after Children are at a 5 year high with the outturn exceeding budget by £3.7m. This is a high risk area due to fluctuating demand and complexities of Service user need making it very hard to predict.
- 6.6.3 Legal costs of £411k over budget aligns to the fluctuating number of looked after childrens.
- 6.6.4 Additional capacity required to deliver the improvement plan along with agency costs equates to £1.24m over base staffing budget. Underspends in corporately held budgets were set aside to fund this.
- 6.6.5 Maximisation of grant funding has contributed to small overspends which partially offset the overall position.

6.7 Housing General Fund (HGF) Underspend £50k

- 6.7.1 The outturn underspend of 50k is due to many small underspends across all of the Housing General Fund (HGF) budget areas.
- 6.7.2 Gypsy sites underspend £14k - reduced running costs in Kings Meadow and Leighton Arches along with over achieved income at Kings Meadow. Offset by a small amount of expenditure on temporary toilet facilities and water supply at Machynlleth Gypsy site development.
- 6.7.3 Homelessness underspend £51k – additional income re Homelessness rent activity and not fully utilising rent and B&B budgets due to activity levels

7. <u>Place Directorate</u>	Net Working Budget:	£ 38,189k
	Net Forecast Expenditure:	£ 36,145k
	Variance (Over)/Under Spend	£ 2,044k
	February Forecast (Over)/Under Spend	£ 1,107k
	Change in Forecast	£ 937k

- 7.1 The Place Directorate have reported an outturn underspend of £2,044k against a forecast outturn position overspend of £1,107k at the end of period 11, February including capitalising spend of £564k.
- 7.2 The service improvement of £937k is mainly due to overachieved income of £420k across the Directorate, a £420k improvement in the position of Public Transport as a result of late grants received from Welsh Government, and £120k of repairs and maintenance works not completed. The service also received additional monies from Welsh Government of £197k to mitigate the costs of the severe adverse weather conditions.

7.3 Leisure and Recreation Underspend £324k

- 7.3.1 Service redesign in Youth Services has delivered the Service savings targets of £180k for 2017/18 and contributed towards the target for 2018/19. The service has been remodelled to create a universal service in conjunction with third sector organisations. This has resulted in an underspend of £105k from reductions in staffing.
- 7.3.2 Catering achieved an underspend of £81k by the year end which was achieved through the 5p increase in High School meals from November 2017, and additional income received from 2 day centres from August through to March.

- 7.3.3 The Archives service showed an overall under spend of £39k from staff vacancies and savings on supplies and services.
- 7.3.4 The Freedom Leisure Contract price was reduced by £350k in 2017/18 in line with the MTFs target. Breakage contract costs in respect of Staylitttle Outdoor Pursuits Centre amounted to £61k.
- 7.3.5 The Library Service have made savings in advance of their 2018/19 target of £125k. Work was already at an advanced stage in achieving this target by co-location and joint working with the community.

7.4 Regeneration, Property and Commissioning Underspend £701k

- 7.4.1 Additional income has been achieved in a number of areas, County Farms and Development Management of £315k. Offset by under-achieved income in Building Maintenance of £120k.
- 7.4.2 Grant monies have not been fully paid out in respect of Community Regeneration resulting in an underspend of £52k and the Carbon reduction commitment budget was also not fully utilised resulting in an underspend of £108k.
- 7.4.3 Underspends on office accommodation, property management, and environmental health totalled £429k offset by an overspend of £178k in Trading Standards relating to ‘Operation Inject’ in Animal Health and the Consumer Fraud Team.

7.5 Highways, Transport and Recycling Forecast Underspend £ 1,014k

- 7.5.1 Highways, Transport and Recycling outturn position is an under spend of £1,014k including capitalising costs of £564k; structural maintenance £466k and waste bins and caddies £98k. The main areas contributing to the underspend are as follows:-
- 7.5.2 **Head of Service HTR overspend £(179k)** – mainly due to unachieved savings, which have been addressed through utilisation of savings in the Waste Service and overachieved income in the Design Team.
- 7.5.3 **Waste and Recycling underspend £782k** – underspend of £905k on waste contracts, including £500k from contract changes. Additional income was realised of £293k as a result of maximising quality of recyclates, offset by an overspend in Waste operations of £221k mainly in respect of underachieved income in Trade Waste.
- 7.5.4 **Highways Technical underspend £514k** – mainly due to overachieved income from the Design Team of £554k. Underspends were also achieved in Streetworks £91k, due to staff vacancies and car parks £68k from overachieved income and reduced spend on machine maintenance.

8 Schools Service

(non-delegated)

Net Working Budget:	£24,961k
Net Forecast Expenditure:	£24,863k
Variance (Over)/Under Spend:	£ 98k
February Forecast (Over)/Under Spend	£ (360)k
Change in Forecast	£ 458k

- 8.1 The significant change in forecast for this area, was due to improved income and joint funding on out of county placements and inter-authority recoupment of £200k. Home to School transport overspend was less than anticipated by £100k, the pupil referral

unit saw an improvement of £100k and £70k relating to outstanding works carried out by HOWPS.

8.2 Schools Central underspend £236k – mainly due to staff slippage of £195k along with the use of the Education Improvement Grant to support additional teaching costs.

8.3 Schools Operational costs overspend £842k – Home to school/college transport and severance pay resulted in outturn overspends of £314k and £573k respectively. Redundancy costs of £1.5m were originally funded against a planned use of reserve of £800k and £291k core budget. Instead of the reserve draw down, £605k of the transformational redundancies will be funded by capitalisation matched to capital receipts and the balance left within the service offset against the underspend.

8.4 Schools Pupil Inclusion underspend £574k – the net effect of inter-authority recoupment and costs relating to out of county placements resulted in an underspend of £315k and the pupil referral units were underspent by £125k due to staff vacancies.

8.5 Schools delegated centrally held budget underspend £163k – due to the reduced demand for additional learning need provision of £99k and underspends relating to funding for class size protection and match funding for posts.

9	<u>Resources Directorate</u>	Net Working Budget:	£ 17,091k
		Net Forecast Expenditure:	£ 16,755k
		Variance (Over)/Under Spend:	£ 336k
		February Forecast (Over)/Under Spend	£ 225k
		Change in Forecast to Outturn	£ 111k

9.1 Resource outturn position was an underspend of £336k, an improvement of £111k from the forecast at the end of February, due to an improved position within Financial Services as a result of vacancies within the structure. The underspends within the other service areas make up the balance through vacancy management.

10	<u>Corporate Activities</u>	Net Working Budget:	£ 13,070k
		Net Forecast Expenditure:	£ 7,911k
		Variance (Over)/Under Spend:	£ 5,159k
		February Forecast (Over)/Under Spend	£ (34)k
		Change in Forecast to Outturn	£ 5,193k

10.1 The reason for the significant change in forecast within Corporate Activities is due to an underspend on Capital Charges of £4,760k and a reduction in prudential borrowing due to delays in capital spend and Welsh Government providing £6,028k of capital grants, which saved the cost of borrowing. Because of the reduced capital financing requirement only £2.2m of the Minimum Revenue Provision adjustment was drawn down.

10.2 The position was further improved at year end with the receipt of Welsh Government totalling £1m to cover the cost of transformation, a HMRC receipt of £0.5m for a VAT repayment in respect of Leisure income and slippage on the use of the Management of Change transformation budget of £0.5m.

10.3 The Council's general fund is responsible for its share of any losses from the implementation of the Joint Venture Company, Heart of Wales Property Services

(HOWPS), the financial position of the company as at the 31st March is reporting a loss and accordingly £157k has been accounted for within the Councils Accounts for 2017/18. HOWPS year end is the 30th June and it is expected that the current deficit position will improve.

11	<u>Schools Delegated</u>	Net Working Budget:	£	75,446k
		Net Forecast Expenditure:	£	74,397k
		Variance (Over)/Under Spend:	£	1,049k
		February Forecast (Over)/Under Spend	£	(382)k
		Change in Forecast	£	1,431k

11.1 The actual outturn position of School Delegated Budgets was better than previously anticipated with a use of reserves at year end of £870k compared with the budgeted figure of £2.153m.

11.2 The table below shows the breakdown of the deficit and surplus positions at year end by type of school:

School Sector	Opening Balance	Budgeted Contribution/(Use)	Actual Contribution/(Use) of Reserves	Change in Contribution/(use) of Reserves	Closing Balance
	£'000	£'000	£'000	£'000	£'000
Primary	1,607	(287)	655	942	2,262
Special	(259)	19	128	109	(131)
Secondary	(863)	(1,673)	(1,702)	(29)	(2,565)
Sub Total	485	(1,941)	(919)	1,022	(434)
Loans & other items	(494)	(212)	49	261	(445)
Total	(9)	(2,153)	(870)	1,283	(879)

11.3 The revised reserve position will need to be incorporated into the Schools budget plans, along with corrective action to ensure a balanced budget can be achieved within the required timeframe.

12 Housing Revenue Account Underspend (HRA) £906k

12.1 The HRA core budget was underspent by £909k at year end, mainly due to a reduction in the budgeted bad debt write off of £475k, this evidences better collection of debt and less outstanding or at risk at year end. Interest charges reduced as a result of a reduction in borrowing, in part planned through virements in year, due to a proportion of the Welsh Housing Quality Scheme (WHQS) program being rolled forward into 2018/19.

12.2 Write off of stock and overspend on repairs and maintenance totalling £119k, offset by underspends on adaptations of £127k through maximisation of grant funding and capitalisation and policy and management, including tenancies and rent collection of £146k.

12.3 HRA's share of the losses from the implementation of the Joint Venture Company, HOWPS £157k as at 31st March.

12.4 The current balance on the Housing Revenue Account is £3,267k, which is significantly in excess of the £1m balance required to satisfy financial regulations.

13 Options Considered/Available

No alternative options are considered appropriate as a result of this report.

14 Preferred Choice and Reasons

None to consider.

15 Impact Assessment

Is an impact assessment required? Yes/No

16 Corporate Improvement Plan

To achieve the Corporate Improvement Plan (CIP) objectives the Council undertakes forward planning with its medium term financial strategy (MTFS) - this sets out the financial requirements to deliver the short and longer term council vision. These capital and revenue monitoring reports are used to ensure the funding identified to deliver the council priorities is spent appropriately and remains within a cash limited budget.

17 Local Member(s)

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

18 Other Front Line Services

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

19 Communications

Budget information is of interest to internal and external audiences and regular updates are provided by the Portfolio Holder for Finance. Detailed finance reports are presented to Heads of Service, Cabinet and the Audit Committee. These reports are public and are part of a range of statutory and non-statutory financial information documents including the Statement of Accounts.

20 Support Services (Legal, Finance, HR, ICT, BPU)

This report has no specific impact on support services other than reporting on those service areas financial outturns. Financial Services work closely with all service areas in monitoring financial performance against budgets.

21 Scrutiny

Has this report been scrutinised? Yes / No

22 Statutory Officers

The Head of Financial Services (Deputy Section 151 Officer) has provided the following comment:

As with previous reports to Cabinet the position is a prudent reflection of the 2017/18 revenue budget outturn.

The improved financial position achieves a transfer to reserves to support the future medium term financial strategy, that said there are concerns about the undelivered efficiency savings that will be reflected in the initial 2018/19 financial reports.

The increasing demand within Children Services and the implementation of the improvement plan continues to be the main financial challenge for the Authority. It is essential that the costings developed to support the plan are robust in order to provide the appropriate level of financial resource and governance.

The overall schools' balance position, particularly the secondary sector, remains a risk that needs to be addressed and will require concerted effort to ensure it is managed effectively.

The Monitoring Officer has no specific concerns with this report.

23 **Members' Interests**

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:
<p>a. The contents of this report are noted by Cabinet; and</p> <p>b. That the setting up of the specific reserves proposed in section 4.5 are approved;</p> <p>c. That the proposal for achievement of savings by alternative means set out in section 3.6.1 be approved;</p> <p>d. The use of capitalisation to fund school transformation redundancies is approved as set out in section 8.3.</p>	<p>To outline the end of year financial position and the council's financial performance.</p> <p>To ensure appropriate reserves are established.</p> <p>To help support the Cabinet's priorities.</p>

Relevant Policy (ies):		Financial Regulations	
Within Policy:	Yes	Within Budget:	n/a
Relevant Local Member(s):			
Person(s) To Implement Decision:		Jane Thomas	
Date By When Decision To Be Implemented:			
Contact Officer Name	Tel	Fax	E mail
Jane Thomas	01597-826341	01597-826290	jane.thomas@powys.gov.uk

Outturn by Service Area including RAG status as at 31st March 2018

Service Area	Net Budget	Outturn Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance RAG status
		£'000	£'000	%	
People					
Adult & Commissioning	57,335	56,206	1,129	1.97%	B
Children Services	13,153	18,689	(5,536)	-42.09%	R
Housing General Fund	733	683	50	6.82%	B
Place					
Leisure & Recreation	9,217	8,893	324	3.52%	B
Regeneration, Property & Commissioning	8,828	8,127	701	7.94%	B
Highways, Transport & Recycling	20,144	19,125	1,019	5.06%	B
Schools					
Schools Service	24,961	24,863	98	0.39%	G
Resources					
Financial Services	1,877	1,666	211	11.24%	B
Information Services	3,431	3,385	46	1.34%	B
Business Services	6,265	6,218	47	0.75%	G
Legal Services	3,033	3,008	25	0.82%	G
Workforce, OD and Comms	2,485	2,478	7	0.28%	G
Service Area Totals	151,462	153,341	(1,879)	-1.24%	
Corporate Activities	13,070	7,911	5,159	39.47%	B
Financed by (RSG/CT/NNDR)	(239,980)	(240,382)	402		
Total	(75,448)	(79,130)	3,682	-4.88%	
Housing Revenue Account (HRA)	0	-907	907	0.00%	G
Schools Delegated	75,446	74,397	1,049	1.39%	B
Total including HRA	(2)	(5,640)	5,638		

APPENDIX B

Efficiency / Saving	2015/16	2016/17	2017/18	Total to be Achieved 17/18	Total Achieved to Date	Remainder to find	Achieved
	£000's	£000's	£000's	£000's	£000's	£000's	%
Place							
Highways Transport & Recycling	151	364	1,839	2,354	2,084	270	89%
Regeneration, Property & Commissioning	14	35	399	448	417	31	93%
Leisure & Recreation	0	0	730	730	730	0	100%
Place	165	399	2,967	3,532	3,230	302	91%
Schools							
Schools	158	88	1,619	1,865	1,658	207	89%
Schools	158	88	1,619	1,865	1,658	207	89%
People							
Adult	0	0	2,231	2,231	2,231	0	100%
Children Services	0	1	1,101	1,101	0	1,101	0%
People	0	1	3,332	3,333	2,231	1,101	67%
Chief Executives							
Chief Executives	0	0	250	250	250	0	100%
Legal	0	12	28	40	40	0	100%
Chief Executives	0	12	278	290	290	0	100%
Resources							
Business Services	0	0	278	278	187	92	67%
Information Services	0	0	232	232	200	32	86%
Professional Services	0	20	215	235	235	0	100%
Corporate Activities	999	320	695	2,015	295	1,720	15%
Resources	999	340	1,421	2,760	917	1,844	33%
Grand Total	1,323	841	9,616	11,780	8,327	3,453	71%

RESERVE BALANCES

Summary	Opening Balance (1st April 17) Surplus / (Deficit)	Actual (Use) of Reserves	Balance (31st March 18) Surplus/ (Deficit)
	£`000	£`000	£`000
General Fund	8,685	1,010	9,695
	8,685	1,010	9,695
Ringfenced & Specific Reserves			
Budget Management Reserve	3,484	100	3,584
Specific Reserves	1,902	511	2,413
21st Century Schools Reserve	6,297	(773)	5,524
Adult Services Reserve	2,750	0	2,750
Regeneration Reserve	0	100	100
Invest to Save & Corporate Initiatives (inc JE)	5,300	531	5,831
Insurance Reserve	2,394	(807)	1,587
HOWPS	0	185	185
Mid Wales growth fund	0	150	150
Transport & Equipment Funding Reserve	6,199	(35)	6,164
Sub-Total	28,326	(38)	28,288
Schools Delegated Reserves	486	(930)	(444)
School Loans & Other Items	(494)	60	(434)
Net School Delegated Reserves	(8)	(870)	(878)
Total Ringfenced & Specific Reserves	28,318	(908)	27,410
Housing Revenue Account	1,761	1,506	3,267
	1,761	1,506	3,267
Total Revenue Reserves	38,764	1,608	40,372

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

19 June 2018

REPORT AUTHOR: County Councillor Aled Davies
Portfolio Holder for Finance

SUBJECT: Capital Programme Outturn Report 2017/18

REPORT FOR: Decision

1. Capital Programme 2017-18

- 1.1 The revised Capital Programme after accounting for approved virements of £4.1m was £82.233m (£86.359m at start of year).
- 1.2 The actual spend to the end of 31 March 2018 was £61.625m. This represents 75% of the total budget. Many of the projects are yet to be completed and virements will now be required to carry forward budgets to 2018/19 where appropriate.
- 1.3 Table 1 below summarises the position for each directorate and service at the end of the year ending 31 March 2018.

1.4 Table 1 Capital Table as at 31 March 2018

	Service	Original Budget	Virements Approved	Revised Working Budget 2017/18 as at 31st March 2018 (after virements approved and required)	Actuals	Remaining Budget	
		£,000	£,000	£,000	£,000	£,000	%
	People						
P50	Adult Services & Commissioning	0	840	840	341	499	59.4%
P60	Childrens Services	0	289	289	228	61	21.1%
HGF	Housing	2,943	-560	2,383	1,620	763	32.0%
P20	Schools and Inclusion	30,086	-2,847	27,239	21,758	5,481	20.1%
G10	Workforce, OD and Comms	0	0	0	0	0	
	Resources						
G20	Business Services	446	189	635	438	197	31.0%
G50	Information Services	1,192	783	1,975	1,053	922	46.7%
LS04	Legal Services	0	23	23	4	19	82.6%
G60	Financial Services	500	-432	68	0	68	100.0%
G80	Corporate Activities	0	0	0	605	-605	
	Place						
G70	Highways, Transport & Recycling	21,826	-878	20,948	18,146	2,802	13.4%
P40	Leisure & Recreation	4,451	6,205	10,656	5,388	5,268	49.4%
R40	Regeneration, Property & Commissioning	3,655	-639	3,016	899	2,117	70.2%
	Total Capital	65,099	2,973	68,072	50,480	17,592	25.8%
	HRA						
	Housing Revenue Account	21,260	-7,109	14,151	11,145	3,006	21.2%
	TOTAL	86,359	-4,136	82,223	61,625	20,598	25.1%

2. Virements Required

2.1 The remaining budget of £20.598m will need to be carried forward to 2018/19 to meet commitments to on-going projects that are continuing into future years. A virement is therefore requested for all projects with an outstanding budget balance of over £100k.

2.2 The tables below, provide details of all projects requiring a virement to carry forward to 2018/19. All projects with remaining budgets of less than £100k will automatically be carried forward to 2018/19.

2.3 Table 2a. Leisure and Recreation

<u>Project Name</u>	<u>Original Budget</u>	<u>Working budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Virement Required</u>
2015 LC Improvements	-	142,020	17,602	124,418	124,418
2016 RESTORATION OF ARTEFACTS	-	108,875	1,655	107,220	107,220
2012 Brecon Cultural Hub	4,133,820	9,313,141	4,045,131	5,268,010	5,268,010
2017 Captain's Walk Gardens	-	375,540	4,000	371,540	371,540
	4,133,820	9,939,576	4,068,388	5,871,188	5,871,188

Work at The Brecon Cultural Hub is still on-going and the remaining budget will be required to see through the completion of the project. A virement to carry forward the remaining budget of £5.871m is therefore requested.

2.4 Table 2b. Schools Transformation and the 21st Century School Project.

<u>Project Name</u>	<u>Original Budget</u>	<u>Working budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Virement Required</u>
CLYRO SCHOOL	3,576,519	3,109,128	2,791,427	317,700	317,700
Ysgol Y Mynydd Du	4,010,810	4,420,901	3,965,287	455,614	455,614
WELSHPOOL CATCHMENT	1,161,000	569,095	220,971	348,124	348,124
HAY ON WYE SCHOOL	4,769,946	4,552,868	3,817,140	735,728	735,728
GWERNYFED HS REFURBISHMENT	-	150,206	35,638	114,568	114,568
2015 Crickhowell HS Sport Centre	440,000	204,169	81,553	122,616	122,616
	13,958,275	13,006,367	10,912,016	2,094,351	2,094,351

This is a 2 phased project funded jointly by the Council and the Welsh Government, with the funding budget split into Bands A and B. The first phase of the project is funded from Band A and is progressing well. The virement of £2.094m is to re-profile the balance of the 2017/18 budget into 2018/19. An application to re-profile the budget has already been approved by the Welsh Government in accordance with the terms and conditions of the Grant, therefore there is no risk to loss of funding.

2.5 Table 2c. Regeneration and Regulatory Services

<u>Project Name</u>	<u>Original Budget</u>	<u>Working budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Virement Required</u>
2017 LADYWELL HOUSE	-	300,000	22,874	277,126	277,126
2017 COUNTY HALL	-	550,660	99,169	451,491	451,491
NEW INDUSTRIAL UNIT AT FFRWDGRECH	-	301,750	4,393	297,357	297,357
2017 ABERMULE BUSINESS PARK	-	330,000	3,065	326,935	326,935
	-	1,482,410	129,500	1,352,910	1,352,910

The Budget for these projects were secured late in the financial year and works did not start until the latter half of the year. Due to this delay the work, along with the bulk of the budget has slipped into the 2018/19 financial year. Approval is sought to carry forward the budget accordingly to enable the works to be completed.

2.6 Table 2d. Information Services.

<u>Project Name</u>	<u>Original Budget</u>	<u>Working budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Virement Required</u>
2007 DESKTOP ICT REFRESH STRATEGY	220,000	262,990	145,170	117,820	117,820
2016 Finance System	-	300,000	6,235	293,765	293,765
2016 Share Point	-	200,000	86,295	113,705	113,705
	220,000	762,990	237,700	525,290	525,290

There is a number of works currently on-going across the council to improve and upgrade the Council's ICT systems and infrastructure. Virement of the remaining budget of £525k is paramount to ensure availability of funding to complete the projects.

2.7 Table 2e. Housing

<u>Project Name</u>	<u>Original Budget</u>	<u>Working budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Virement Required</u>
2016 Welshpool Gypsy Site	405,000	483,681	104,580	379,100	379,100
MANAGEMENT FEES	-	761,000	571,919	189,081	189,081
Asbestos Management	-	285,270	84,436	200,834	200,834
Bathrooms South - 4	-	430,000	167,402	262,598	262,598
Roofing North - 9	-	600,000	219,202	380,798	380,798
Wallwork North - 10	-	340,000	133,167	206,833	206,833
Level Access Bungalows North	1,000,000	220,800	56,474	164,326	164,326
Adaptations	250,000	250,000	123,899	126,101	126,101
FIT FOR PURPOSE SOUTH	400,000	495,110	381,324	113,786	113,786
NEW BUILD/REPURCHASE	-	3,124,000	1,859,112	1,264,888	1,264,888
	2,055,000	6,989,861	3,701,516	3,288,345	3,288,345

All of these projects relate to the Housing Revenue Account (HRA) which is therefore ring-fenced. Works on the HRA projects are progressing well. The project report suggests that more work has been done than is currently reflected in the general ledger due to outstanding invoices from HOWPS.

2.8 Table 2f. Highways Transport and Recycling

<u>Project Name</u>	<u>Original Budget</u>	<u>Working budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Virement Required</u>
2010 ST LIGHTING EFFICIENCY UPGRADES	-	926,395	627,150	299,245	299,245
Structures Planned Mnt - North	-	175,000	33,864	141,136	141,136
2013 ABERMULE BUSINESS PARK	1,880,464	343,500	22,216	321,284	321,284
2014 LLANDRINDOD CA SITE (HWRC)	400,000	417,102	80,131	336,970	336,970
2016 Newtown HWRC	-	644,924	47,835	597,089	597,089
2017 Relocation to Cwt y Plyffin	300,000	300,000	4,917	295,084	295,084
2016 Baling and Compaction Equipment	-	213,413	85,967	127,446	127,446
2017 Presteigne Safe Routes Project	-	299,530	126,439	173,091	173,091
2017 Llandrindod Wells AT Interchange	-	450,000	304,838	145,162	145,162
HIGHWAYS DSO - CAPITAL	7,563,000	2,743,005	1,351,714	1,391,291	1,391,291
	10,143,464	6,512,869	2,685,071	3,827,798	3,827,798

A number of Highway works are weather dependent and had to be suspended during the severe winter conditions. These works are now continuing and will run alongside the 2018/19 planned works. A carry forward of the remaining £3.827m will be needed to pay for on-going works.

3. Funding

3.1 The capital programme was funded from various Funding sources including Grants and Contributions from Central Government and other third parties, the use of Council resources from Capital Receipts, Reserves and Borrowing. This is summarised in Table 2 below.

3.2 Prudential Borrowing is only used as a last resort after all available resources have been utilised, as it is also the most expensive. Keeping this to a minimum helps the revenue budget.

3.3 Table 3. Funding Sources for the Capital Programme 2017/18

<u>Funding</u>	<u>Supported Borrowing</u>	<u>Prudential Borrowing</u>	<u>General Capital</u>	<u>Capital Receipts</u>	<u>Grants</u>	<u>Reserves/ Revenue</u>	<u>Total</u>
General Fund	3,572,705	7,983,186	2,827,000	8,904,620	24,221,878	2,970,036	50,479,425
HRA		298,640		1,137,681	4,056,253	5,652,430	11,145,004
Total	3,572,705	8,281,825	2,827,000	10,042,301	28,278,131	8,622,467	61,624,429

4. Grants

4.1 Total grants and contributions applied in the year amounted to £31.105m.

This consists of £26m from the Welsh Government, £4m contributions from third parties and £1.10m from the Heritage Lottery Fund. The Welsh Government grant includes some £6m which was received in the closing month of the financial year. This was used to reduce borrowing in 2017/18 financial year.

5. Capital Receipts

A capital receipt occurs when an asset of the authority is sold. Capital receipts can only be used to finance new capital expenditure or repay loans. In the 2017/18 financial year, capital receipts of £927k were received from the sale of Properties (274k), Vehicles (54k) and County Farms (596k). £605k of the capital receipts were used to fund the capitalisation direction linked to the delivery of transformation.

5.1 Total receipts to the period ending 31 March 2018 is £1.207m.

5.2 A recent decision by Cabinet to suspend declaring any further property from the Farm estate surplus, will effectively mean the target for capital receipts will not be met in future.

6. Table 4. CFR Position

	As at 31.03.18 Actual	2018/19 Original Estimate	2019/20 Original Estimate	2020/21 Original Estimate
	£M	£M	£M	£M
Capital Financing Requirement	332,072	326,461	357,224	382,433

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

6.2 The carry forward underspends and virements have an impact on the CFR figures for future years. In addition, any capital bids and approved projects for future years, for which borrowing is required will increase the CFR. This in turn increases the MRP and the borrowing requirements. The real capital charge revenue budgets, while showing underspend in the current year, will require additional budget to meet the additional borrowing and MRP costs in future years.

7. Borrowing Requirements

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

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

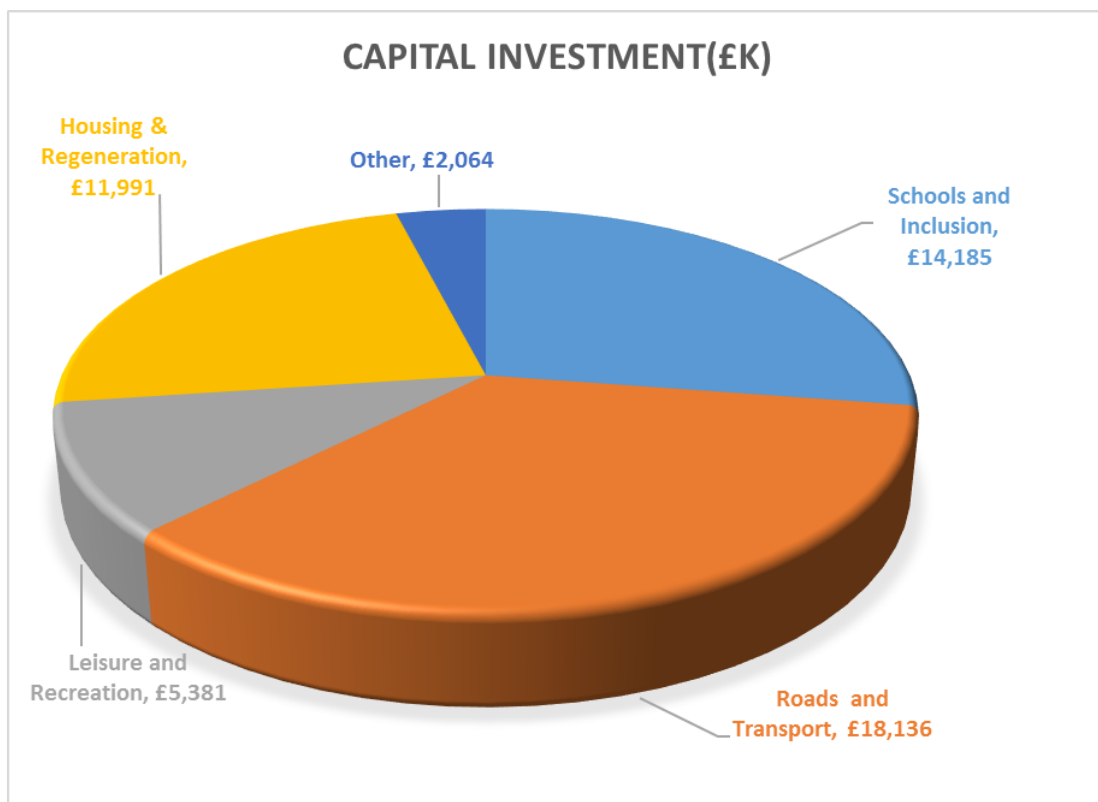
The Authority had outstanding long-term external debt of £246.4M at 31st March 2018. In relation to the CFR figure for 31st March 2018, this equated to the Authority being under borrowed by £85.7M. This is a prudent and cost effective approach in the current economic climate. However, members will be aware that internal borrowing is only a temporary situation and officers have advised that, based on capital estimates, it will be

necessary for the Authority to borrow at stages over the next few years. There have been instances of temporary borrowing throughout this financial year for cash flow purposes.

7.3 Any borrowing undertaken will have a revenue implication which includes both the payment of interest on the loan and the repayment of the principal of the loan via the Minimum Revenue Provision (MRP) required. MRP is a statutory and prudent way of setting aside the funds required to repay loan principal in the future. Work is ongoing to improve the forecast for capital spend so that Treasury Management are able to improve the cash flow predictions for the authority. The net cost of borrowing together with the MRP are the real capital charges.

8. Investment Output

8.1 The investment of £61.625m has been necessitated by the need to acquire new assets or enhance ageing, and in some cases, dilapidated assets that will enable the council to provide services to its residents more effectively, in the pursuit of its statutory obligations. The diagram below, shows some of the priority areas where the Council has invested in the 2017/18 financial year.



8.2 Education

The Council, with the aid of Welsh Government grant, is investing substantially to bring schools in the County Council to the 21st century. The investment involves, the construction of new schools, enhancement of existing schools, expansion of classroom places and development of ICT infrastructure and sports facilities. Work has already begun and will continue over the next 5 years.

All levels of education, including Pre-primary, Primary, Secondary and Special schools are being improved as part of this programme. The Council is also working in partnership with other Foundation and Faith schools to improve facilities and conditions with the view to raising standards across the County. A total of £14m has been spent in 2017/18 financial year, with a further £166m earmarked for the next five years.

8.3 Transport and Highways

A total of £18.136m was spent in 2017/18 and a further £44m is earmarked for the next five years. Investment in Transport and Highways will see our roads infrastructure renewed to improve road safety and traffic calming measures over the next few years. Improvement in public transport, footways, Bridges and structural maintenance also constitute a substantial proportion of our Highways and transport strategy. The Council is also investing on Street Lighting, car parking and Land Drainage and Flood Prevention as part of the Transport and Highways strategy.

8.4 Housing and Regeneration

About £12m has been spent on major refurbishment and general repairs of Council Dwellings. Renewal of Kitchens, Bathrooms, Heating, and replacement of Roofs have started across the County and more investment has been committed in the next few years to improve living conditions and general wellbeing of our residents.

8.5 Leisure and Recreation.

A total of £4.963m was spent on Museum and galleries, parks and open spaces and sports facilities. Part of this project will be to develop Brecknock Museum and Brecon Library as a valuable community resource for the people of Brecon and the surrounding area, provide opportunities for participation and volunteering and become a significant tourist attraction.

9. Capital Forecast and Spend profile

- 9.1 The outturn result indicates that more work needs to be done to improve the way we forecast and profile our spend intentions of capital through the year to reflect the real performance of our projects. An analysis of the spend pattern indicates that about 40% of the total spend was incurred in the final quarter of the financial year.
- 9.2 At the beginning of the financial year, a budget of £86.359m was approved for Capital development works. This budget was revised through the forecast by project managers to £82.33m and a virement of £4.136m to 2018/19 was requested and approved.
- 9.3 Despite forecasting full spend of the £82.233m, there was still some £20.597m underspend at the end of the financial year which will need to be transferred to 2018/19 financial year. While several factors could have contributed to this level of underspend, the forecast by project managers failed to capture and reflect these factors accordingly. A robust monitoring arrangement should have highlighted this oversight.

10. Governance Framework

- 10.1 A new governance framework for Capital is being developed by the Head of Financial Services with the view to implement in the 2018/19 financial year. This will provide appropriate gateways for scrutiny and robust monitoring of all Capital projects from inception to completion.
- 10.2 The new framework will underpin the monitoring arrangement for all projects and project managers will be required to report on the progress of their projects on a monthly basis. All exceptions will be discussed and reported to Cabinet/Council accordingly. This, it is hoped, will bring greater transparency and make project forecasts more realistic.

11. Impact Assessment

Is an impact assessment required?

No

12. Corporate Improvement Plan

To achieve the Corporate Improvement Plan (CIP) objectives the Council undertakes forward planning with its medium term financial strategy (MTFS) - this sets out the financial requirements to deliver the short and longer term council vision. These capital and revenue monitoring reports, are used to ensure the funding identified to deliver the council priorities is spent appropriately and remains within a cash limited budget.

13. Local Member(s)

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

14. Other Front Line Services

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

15. Communications

This report has no specific communication considerations. Detailed finance reports are presented to Heads of Service, Cabinet and the Audit Committee. These reports are public and are part of a range of statutory and non-statutory financial information documents including the Statement of Accounts.

16. Support Services (Legal, Finance, HR, ICT, BPU)

This report has no specific impact on support services other than reporting on those service areas with capital programmes. Financial Services work closely with all service areas in monitoring financial performance on capital programmes against budgets. The Capital and Financial Planning Accountant confirms that the projects included in section 3 are included in the Capital Programme.

17. Scrutiny

This report presents financial information which will help inform the future capital strategy and therefore has implications for any related organisation.

18. Statutory Officers

The Head of Financial Services & Deputy Section 151 Officer notes the contents in the report.

The Monitoring Officer has no specific concerns with this report.

19. Members' Interests

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:	
a. The contents of this report are noted by Cabinet.		To outline the capital budget position as at 31st March 2018.	
b. Virements as set out in section 2 are approved and where necessary recommended to Council for final sign off		To ensure appropriate virements, are carried out.	
Relevant Policy (ies):			
Within Policy:	Y / N	Within Budget:	Y / N
Relevant Local Member(s):			
Person(s) To Implement Decision:			
Date By When Decision To Be Implemented:			
Contact Officer Name	Tel	Fax	E mail
Jane Thomas	01597-826341	01597-826290	jane.thomas@powyscc.gov.uk

This page is intentionally left blank

CYNGOR SIR POWYS COUNTY COUNCIL.**CABINET EXECUTIVE
19th June 2018**

REPORT AUTHOR: County Councillor M Alexander
Portfolio Holder for Education
County Councillor A Davies
Portfolio Holder for Finance

SUBJECT: School Budgets 2018-2019

REPORT FOR: Decision

1. Summary

- 1.1 Governing Bodies of maintained schools are required, under the Authority's Scheme for Financing Schools, to set and submit an annual budget for their school, together with initial budget plans for a minimum of the following two financial years. Where a school is planning to set a deficit budget in the current 2018-19 financial year, this budget must be approved and licensed by the Authority in accordance with Section 4.9 of the Scheme. Schools planning significant surpluses for the 31st March 2019 are required to explain how they are planning to utilise these surpluses in accordance with Section 4.2 of the Scheme.
- 1.2 As at the 31st March 2018 there were twenty three schools with cumulative deficit balances totalling £3.71m, this compares with thirty four schools with deficits as at the 31st March 2017 with cumulative deficits of £2.2m. The primary schools have delivered improved financial outturns than planned, thus reducing the number with cumulative deficits. Officers from Finance, HR and Schools Service have worked closely with these schools through the year to implement recovery plans. The following Schools closed during FY17-18, Ardwyn Nursery and Infants School, Bronllys C P School, Gungrog C in W School, Oldford Infants School, Talgarth C P School and Ysgol Maesydre with a collective net surplus balance of £55k.
- 1.3 The outturn in 2017-18 has seen a significant decrease in the level of cumulative reserves held, a deficit position of £0.434m. The reserves held at the 1st April 2017 totalled £0.485m, a reduction in the overall balance held by schools between the financial years of £0.919m. The forecast position approved by Cabinet in July 2017, for 2017-18 was for a deficit balance of £1.5m at the end of 2017-18. The outturn position is £1m better than forecast, substantially due to a late Repairs and Maintenance grant from Welsh Government of £645,000.

- 1.4 The cumulative deficit of school budgets places a significant risk on the Authority's overall reserve. Section 4.1 of the Scheme for Financing Schools states that "To ensure the overall financial robustness of schools it is expected that the collective balances should always be in surplus, 2017-18 is the first year that this requirement has not been achieved".
- 1.5 Officers of the authority continue to challenge schools to ensure that Governing Bodies work within the financial constraints of the funding allocated to them in compliance with the Scheme for Financing Schools and class size and other curriculum requirements, where applicable.
- 1.6 Twenty one schools are proposing to set budgets with a cumulative deficit balance in 2018-19, compared with thirty four schools who set a cumulative deficit budget balance in 2017-18. Sixteen of the twenty one schools do not meet the criteria to be licensed, in accordance with Section 4.9 of the Scheme and are proposed not to be licensed. Eight schools set unlicensed budgets in 2017-18.
- 1.7 Of the total number of schools, six have submitted their budgets, but formal approval at full Governors meetings were held after the deadline of 1st May and therefore are in breach of the Scheme. The Finance Team sent out a number of communications prior to the deadline reminding schools of the deadline. Further correspondence will be circulated asking schools to align their full Governor's meeting with the deadlines within the Scheme for the 2019-20 budget year.

2. Deficit Budgets

- 2.1 Section 4.9 of the Scheme for the Financing of Schools outlines the parameters within which a deficit budget may be licensed;
 - The maximum length of time over which a school may repay a deficit is three years, except where a longer period, not exceeding five years, has been agreed in exceptional circumstances and with the support of the Head of Schools and the Section 151 Officer. In practice the timescale will depend on the extent of the deficit, and the school's planning and ability to take early, robust action.
 - In the primary sector the maximum licensed deficit which may be approved will be up to 10% of the school's budget share but with a ceiling of £50,000. In the secondary and special sectors the maximum licensed deficit which may be approved will be up to 7.5% of the school's budget share but with a ceiling of £100,000 for special schools and £150,000 for secondary schools.
 - A school with a planned deficit of less than £500 and a planned underspend in the following financial year will not have to apply to have the deficit licensed.
- 2.2 In July 2017 eight schools were highlighted as having unlicensed budget plans. Throughout 2017-18 officers within the authority continued to work with schools to reduce deficit positions;

- For FY17-18 Brecon High School, Ysgol Maesydderwen and Ysgol Cedewain (Special School) remained unlicensed
- 2.3 Builth High School and Llandrindod High School are closing in August 2018 and will be replaced by Ysgol Calon Cymru which is opening in September 2018. The two Schools are projected to be in a cumulative deficit position of £1.115m when they close, which has deteriorated against the original forecast of £800k, the difference between the approved budgets and outturn is specifically around Llandrindod. Internal Audit have been commissioned to undertake a review of the actions taken which contribute to the worsening position. Finance will continue to work closely with the Builth and Llandrindod Schools during the summer term to ensure further spend is limited in an attempt to recover the deficit position. A reserve of £1.115m will be established as part of the year-end adjustments to cover the cost of this, of which £800k has previously been approved.
- 2.4 In April 2018 a joint letter from Finance and Schools Services was sent to Crickhowell High School, prior to the School's Estyn Inspection, flagging concerns with its budget position. The letter stated that 'the authority will be in a position to license your budget when it is considered by Cabinet in June, with the school being allowed five years to bring the cumulative position in to a surplus position'. The actual cumulative outturn position for the 2017-18 year is significantly worse than expected and Finance officers are working closely with the school to ensure the recovery plan, proposed by the Governing Body is achievable and delivered over the required period.
- 2.5 Although the number of submitted deficit positions in 2018-19 has decreased, the increased level of deficit puts considerable pressure on reserves. Finance, HR and Schools Service officers are working closely with all schools to review the curriculum plans and drive down costs wherever possible in an attempt to slow and reverse this issue. Previously, two meetings per year were held with each school to discuss their individual budget positions but for 2018-19 and for subsequent years, three meetings per year will be held for schools with deficits budgets with the completion of an agreed timed action plan for the schools to adhere to.

3. Loan Scheme

- 3.1 In 2013-14 the Authority approved the implementation of a loan scheme, funded by the collective balances held by schools. It does not operate by way of a licensed deficit in respect of a particular school on condition that a corresponding sum is repaid from the budget share over the agreed period of the loan.
- 3.2 The following four schools with projected deficit balances requested and received loans in 2013-14;

School	Amount (£)	Term	Balance 31 st March 2018
Brecon High School	432,000	10 Years	259,200
Caersws CP School	25,000	10 Years	15,000
Talgarth CP School	25,000	5 Years	0 Due to closure in 2017
Ysgol Dyffryn Trannon	45,000	10 Years	27,000

- 3.3 The loan scheme was withdrawn during 2015-16 and no further loans have been approved. Schools who have already had loans authorised will continue to have the loans in place subject to meeting the loan terms and repayments as per the agreement made at the time.
- 3.4 Each of the schools have made their first four payments on the loan, Caersws C P School and Ysgol Dyffryn Trannon have submitted budgets with cumulative surplus balances, for 2018-19. It is noted that Talgarth C P School closed in 2017 with the pupils moving to the new Ysgol Y Mynydd Du, therefore the loan was written off in accordance with the Scheme for Financing Schools.
- 3.5 Brecon High School remains in deficit with an unlicensed budget, as the school are in breach of the terms of the loan. It has been proposed to amalgamate the outstanding loan into the overall budget position to have a complete picture of the financial health of the school. The loan is, however, shown here separately for the purposes of this report and is not included in the cumulative deficit shown in Appendix A.

4. Surplus Balances

- 4.1 Governing Bodies holding planned or actual cumulative surplus balances in excess of that detailed in the Scheme for Financing Schools are liable for claw back of some of the balances held.

The Scheme states that consideration should be given to potential clawback on closing balances at year end before considering if clawback should be applied to the schools in year planned surpluses.

- 4.2 Clawback on 2017-18 Outturn - The final outturn figures for 2017-18 shows twenty (20) schools that have surpluses in excess of the limits set within the Scheme for Financing of Schools. The maximum level of potential clawback is shown in Appendix A
- 4.3 The Schools subject to potential clawback on the surplus held at 31st March 2018 will be asked to provide an explanation as to the reasons for the surplus being in significant excess of the position submitted to Cabinet in July 2017.

The schools that fall under potential clawback are:

Primary Schools

Builth Wells CP School
Buttington/Trewern CP School
Crossgates CP School
Guilsfield CP School
Hafren CP Junior School
Knighton C in W School
Ladywell Green N & I School
Llanfair Caereinion CP School
Llanidloes CP School
Montgomery C in W school
Mount St CP Infants School
Mount St CP Junior School
Priory C in W (A) School
Treowen CP School
Ysgol Bro Tawe
Ysgol Dafydd Llwyd
Ysgol Golwg y Cwm
Ysgol Pennant CP
Ysgol y Cribbarth

Secondary Schools

Gwernyfed High School

- 4.4 Clawback on Budget 2018-19 - Planned budgets that are in excess of the surplus allowed (as included in the Scheme for Financing Schools for 2017-18), will be subject to clawback. Fifteen (15) schools have planned surpluses in excess of these limits, thirteen (13) Primary, one Special School and one Secondary School, many of these are those who are subject to potential clawback on their 2017-18 outturn.
- 4.5 In line with the Scheme for Financing of Schools, these schools will be requested to submit a spending plan of how they intend on using this surplus over the current and future two years, by the 20th July 2018. A further report will be brought back to Cabinet during the first half of the autumn term 2018 to advise of the outcome of the review of these plans and to provide members with an update on all school budget plans.
- 4.6 Under the School Funding (Wales) Regulations 2010, the Authority has the power to direct spending claw back monies where planned surplus budgets held by schools exceed £50,000 for primary and £100,000 for special and secondary schools. In the first instance this may support the financial deficits caused by school closures

5. Budgets 2018/19

- 5.1 Seventy four schools have planned cumulative surplus budgets with nineteen schools proposing a cumulative deficit budget at the end of 2018-19. In addition Builth and Llandrindod High Schools will both close with significant deficits at the 31st August 2018. All schools budgets have been included in the report.

The table below shows the predicted budget position for each phase excluding loans to schools detailed in Section 3.2

Type of School	Number of Schools Projected to be in Deficit	Number of Schools Projected to be in Surplus	Projected Deficit	Projected surpluses	Total
			£000	£000	£000
Primary	11	68	(215)	2,072	1,857
Special	2	1	(274)	114	(160)
Secondary/ Middle	8	5	(4,242)	442	(3,800)
Total	21	74	(4,731)	2,628	(2,103)

- 5.2 Appendix A shows the outturn position for all schools as at 31 March 2018 together with the planned projected budget position and planned cumulative balance for each school for the years ending 31 March 2019, 31 March 2020 and 31 March 2021.
- 5.3 The reserves collectively held by schools at 31 March 2018 show a cumulative deficit position of £0.4m. The budget proposals submitted for the 2018-19 financial year project a further draw on reserves of £1.7m which will increase the deficit at 31 March 2019 to £2.1m. This will be reduced to £1m when the balances in respect to the two closing high schools are written off by the authority. The schools ring-fenced reserve is standalone and projected surplus balances held by some schools support the cumulative deficit of others. The overall cumulative reserve moved into an overall deficit position in 2017-18 which is against the authority's Scheme for Financing Schools and a significant risk falls on the Council. Appendix A shows that based on current budget plans the cumulative deficit after adjusting for the two closing schools is projected to increase to £7.6m. It is therefore critical, that the authority and schools take robust, corrective action to balance these budgets and recover the projected deficits.
- 5.4 Of the twenty one schools submitting deficit budgets for 2018-19, only three of these school budgets are projected to return to surplus over the following two years and are in compliance with the Scheme for Financing Schools, the other two were in deficit positions but are approved as they are less than £500. On that basis it is proposed that the following school budgets be licensed:

Primary Schools

Llanfihangel Rhydithon CP School
Llangedwyn C in W Voluntary Controlled School

Special Schools

Brynllwarch Hall Residential

- 5.5 Sixteen schools do not meet the requirements to have their budgets licensed as their projected cumulative deficit balance at 31 March 2019 is not brought back into balance within three years, or the deficit in 2018-19 is above the threshold to license. The sixteen schools are:

Primary Schools

Brynhafen CP School
Llanerfyl C in W Foundation School
Llanfechain C in W School
Llansantffraid C in W Controlled School
Penygloddfa CP School
St Mary's Roman Catholic Aided School
Ysgol Bro Cynllaith

High and Middle Schools

Brecon High School
Builth Wells High School (closing in August 2018)
Ysgol Maesydderwen
Llanidloes High School
Ysgol Bro Hyddgen
Crickhowell High School
Welshpool High School
Llandrindod High School (closing in August 2018)

Special Schools

Ysgol Cedewain Special School

- 5.6 Over the years a number of reports have been considered by Cabinet with regard to the financial position of Brecon High School. During February 2018 the Governing Body were required to submit a recovery plan which as a minimum, brought the school's budget into a balanced in-year position in 2018-19. The school submitted a draft budget in March 2018 the summary of which is shown within Appendix A. Officers from Finance, HR and Schools have held a number of further discussions with the school in the last 5 months and have developed a joint business case which will reduce the in-year spending by up to £600,000 with an expected implementation date of 1st January 2019. The work has been led by the authority and has been approved by the Governing Body with some reluctance. The business case does improve the financial position of the school but does not, on the current

projections and funding level, bring the school into an in year surplus and the schools cumulative deficit would still increase even with all proposed changes in the business case being implemented.

- 5.7 Built Wells High School and Llandrindod High School are subject to closure at the end of the summer term 2018, in accordance with Section 4.8 of the Scheme upon closure any existing deficits are written off by the Authority. It is essential that the Finance Team continue to work with these schools to reduce and limit the level of deficit incurred. The overall position of the two schools, in the approved budget plans they have submitted, is a deficit of £1.115m. Ysgol Calon Cymru (the new school) has a forecast surplus in 2018-19 and forecasts a deficit in 2019-20 and future years, but the figures have not yet been finalised by the new School or temporary governing body and are therefore subject to change.
- 5.8 Welshpool High School have submitted a three year budget which shows the forecast deficit position increasing over the period to £1.176m. Schools Service, HR and Finance are undertaking urgent work with the school to develop and agree a curriculum model that once implemented will reduce this projected cumulative deficit level.
- 5.9 During July 2017, Notices of Concern were issued to some schools, with meetings of both Finance, HR and Schools Service taking place. These meetings have been minuted and action plans, agreed and, circulated to these schools for work to start immediately to drive down the costs through areas including a curriculum review and increase their income. Follow up meetings during the Summer Term and Autumn Term 2018 have been scheduled, for further recovery work to be planned and actioned. This work is supported by Challenge Advisors and HR Business Partners, early intervention on all deficit budgets is essential and working in collaboration with Schools will achieve better financial outcomes.
- 5.10 It is proposed that Finance and Schools Service continue to work with the Governing Bodies, with Warning Notices and Notice of Concerns issued in accordance with 2.15 of the Scheme, stating that the budget plan is not in compliance with the scheme, and requiring them to take urgent action to remedy the financial position and produce a recovery plan. Each of these schools are subject to being called in to scrutiny and they will be advised accordingly. Members need to note that this is the first step in terms of the potential suspension of delegation from a school (Section 2.16 of the Scheme).
- 5.11 The overall projected financial position for schools is shown below, this highlights that the position could deteriorate rapidly. Although, the number of unlicensed budgets has declined this year, unless appropriate action is taken the numbers will increase.

School	Actual Position 2017-18	2018-19	2019-20	2020- 21
	£'m	£'m	£'m	£'m
Total Deficit	(3.5)	(4.8)	(5.2)	(8.5)
Total Surplus	3.1	2.7	1.6	0.9
Total Balance	(0.4)	(2.1)	(3.6)	(7.6)

- 5.12 Schools are forecasting overall cumulative deficit balances increasing through to 2020-21. Continual action and monitoring will be required by the Local Authority and Governing Bodies to ensure deficit balances forecast in future years are reduced. The table below shows the number of schools projected to be in deficit over the four year period.

Deficit	Actual Position 2017-18	2018-19	2019-20	2020-21
Secondary/Middle	8	8	10	11
Primary	13	11	20	41
Special	2	2	2	2
Total	23	21	32	54

- 5.13 School financial surgeries will continue to take place twice a year for Primary Schools, in the autumn and spring terms. These sessions will monitor delivery of current budgets and consider and plan for future years. Challenge and support is essential to ensure that Governing Bodies take appropriate timely action to effectively manage their budgets.
- 5.14 The financial position of the secondary schools is of more concern, 8, of the 12 High and middle schools have submitted unlicensed budget proposals and the level of deficit is projected to significantly increase over the 3 year period. It is essential that High and Special Schools continue to work with the authority to improve this position.
- 5.15 A fundamental review of the Fair Funding Formula and a review of the Scheme for Financing Schools is being carried out. One of the outcomes of the review is the development of a minimum curriculum model for all types of school. This will provide a funding mechanism against which funding can be distributed.

6. Options considered / available

- 6.1 Signed and approved budgets were required to be submitted by 1st May, 2018. Where schools have submitted deficit budgets, officers have worked with Governing Bodies to address the deficit balance. Continual work by Governing Bodies and officers of the Authority will be required to ensure these deficits are reduced as quickly as possible.

- 6.2 The review of the Fair Funding Formula will highlight any potential gap between funding and delivering the curriculum. The purpose of the review is to design a formula which will support a minimum curriculum to be delivered whilst ensuring sufficient funding is provided for premises, additional learning needs and school specific factors 'Outside the norm' schools, e.g. split site etc. The review is due to be presented to Cabinet in July and will be asking for authority to consult on the detailed proposals. Delivery of the formula is intended for April 2019, but it may be recommended that a phased approach is taken for some aspects of the review.
- 6.3 If, following advice from officers, the Governing Body do not make appropriate changes to effectively manage their budget within the requirements of the Scheme for Financing Schools, the deficit budget will not be licensed. The Headteacher and Governors can be requested to meet with portfolio holders, Heads of Service and Executive Directors to discuss their budget management.
- 6.4 The Authority also has the option to withdraw delegation from the Governing Body and manage the budget from within the Authority. This can only be done following the issuing of a formal warning notice and non-compliance within a set timeframe and in line with the scheme for the financing of schools.

7. Impact Assessment

- 7.1 Is an impact assessment required? No
- 7.2 If yes is it attached? No

8. Local Member(s)

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

9. Other Front Line Services

Does the recommendation impact on other services run by the Council or on behalf of the Council? Yes

If so please provide their comments

Due to the schools deficit position and the forecast is such that this position will worsen, this will be putting financial pressure on the overall Council's budget, therefore other front line services may be impacted by this.

10. Communications

Have Communications seen a copy of this report? Yes

Communications Comment: The report is of public interest and requires news release and use of appropriate social media to publicise the decision.

11. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

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

11.2 Finance: Deficit and surplus balances must continue to be carefully monitored to ensure schools are in compliance with the Scheme for Financing Schools and that schools take the appropriate action to ensure they meet the requirements.

It is essential that officers from Finance, HR and Schools service continue to work with the Headteachers and Governing Bodies to address school balances.

11.3 Corporate Property: Not required

11.4 HR: Not required

11.5 ICT: Not required if appropriate

12. Scrutiny

Has this report been scrutinised? Yes, 25th May 2018

13. Statutory Officers

13.1 The Head of Financial Services (Deputy Section 151 Officer) comments;

The report predicts a continuing worsening position for schools' finances. The table in paragraph 5.1 above shows a projected overall deficit of £2.103m at 31st March 2019 that is ultimately a potential draw on the Council's general fund balance.

Of particular concern is the level of deficit within the secondary sector. Governing Bodies must be supported and challenged to ensure budgets are effectively managed. Progress against agreed recovery plans must be keenly monitored and where appropriate further intervention measures implemented. Cabinet's attention is drawn to the significant financial risk the schools sector now presents to the authority.

13.2 The Solicitor to the Council (Monitoring Officer) has commented as follows: “I note the legal comments and have nothing to add to the report”.

14. Members’ Interests

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 all planned budgets with a cumulative surplus at 31 March 2019 are approved	To comply with the Authority’s scheme for the financing of schools
2. That the clawback mechanism for 2017-18 to the schools named in Section 4 of the report should apply, pending reasons for the surplus being in excess of the position being submitted to cabinet	To comply with the Authority’s scheme for the financing of schools
3. That all schools that are potentially subject to clawback for 2018-19 as set out in Section 4 have their budgets re-assessed after spending plans have been submitted.	To comply with the Authority’s scheme for the financing of schools
4. That the proposed budgets for the following schools, who have planned cumulative deficit balances in 2018-19, are licensed: Primary: Llanfihangel Rhydithon CP Llangedwyn C in W Special: Brynlllywarch Hall	To comply with the Authority’s scheme for the financing of schools
5. That the budgets for the following schools remain or are placed in an unlicensed position. Primary Schools:	To comply with the Authority’s Scheme for the Financing of Schools

**Brynhafren CP School
Llanerfyl C in W Foundation School
Llanfechain C in W
Llansantffraid C in W Controlled
School
Pengloddfa CP School
St Mary's Roman Catholic Aided
School
Ysgol Bro Cynllaith**

Secondary Schools

**Brecon High School
Builth Wells High School
Crickhowell High School
Ysgol Maesydderwen
Llanidloes High School
Ysgol Bro Hyddgen
Welshpool High School
Llandrindod Wells High School**

Special Schools

Ysgol Cedewain

The Authority will continue to work closely with these schools to reduce the deficits over the next three years, with regular meetings support to ensure improved budget recovery plans. Schools and their governing bodies will be reminded of the need to comply with Notices of Concern, and the consequences of the withdrawal of delegation, which will be implemented for non-compliance within an agreed timeframe

Schools in deficit will have regular support, in addition to the financial surgeries that continue in the summer, autumn and spring terms. Action plans are being put in place following meetings with the Schools, and a RAG rate will be given to Schools in order for the Authority to ensure those Schools with an amber and Red RAG rating are scrutinised as failure to comply with the

constitutional mechanism we have in place jeopardises the education provision for today's and tomorrow's children and young people.	
6. Financial surgeries continue in the autumn and spring terms and schools are reminded of the possibility of claw back.	To comply with the Authority's scheme for the financing of schools
7. Existing Loans are monitored.	To comply with the Authority's scheme for the financing of schools

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

Relevant Local Member(s):	All
---------------------------	-----

Person(s) To Implement Decision:	School Finance Manager & Schools Service Senior Staff
Date By When Decision To Be Implemented:	19 th June 2018

Contact Officer: Richard Waggett Tel: 01597 826387 Email: richard.waggett@powys.gov.uk
--

Background Papers used to prepare Report:

School Balances

1st May Deadline

Cost Centre	School	2016/17 Actual Outturn	2017/18 Cabinet Budget	2017/18 Working Budget	2017/18 Probable	2017/18 Actual Outturn	2018/19 Draft Budget	2019/20 Draft Budget	2020/21 Draft Budget
EE202	Abermule CP School	(4,103)	(716)	(9,940)	987	9,911	8,870	15,063	9,147
EE102	Archdeacon Griffiths C in W A School	(3,470)	6,967	5,635	4,501	10,118	8,335	9,038	(4,691)
EE204	Arddleen C P School	7,783	19,444	12,401	19,056	30,545	32,985	32,759	38,591
EE206	Ardwyn Nursery & Infants School	21,169	9,853	11,368					
EE208	Banw C P School	37,219	21,068	32,436	28,143	28,525	15,582	(1,576)	(23,536)
EE210	Berriew C P School	(5,580)	(1,440)	(3,992)	(9,959)	(18,089)	847	15,327	28,856
EE104	Bronllys C P School	(5,399)	(6,850)	(6,850)					
EE212	Brynhafren C P School	(16,026)	(33,695)	(34,260)	(48,543)	(43,964)	(83,249)	(102,392)	(114,081)
EE106	Builth Wells C P School	59,014	51,244	80,701	100,878	92,347	76,380	56,988	15,841
EE214	Buttington/Trewern C P School	50,906	32,230	30,599	25,878	54,820	62,693	45,350	25,390
EE216	Caersws C P School	16,643	12,415	11,548	17,884	22,700	12,714	5,080	3,705
EE220	Carreghofa C P School	28,669	4,185	9,421	34,211	46,768	21,348	(29,462)	(107,629)
EE222	Castle Caereinion C in W School	23,095	8,305	13,438	17,491	18,342	12,392	(1,698)	(42,110)
EE224	Churchstoke C P School	3,354	2,222	2,605	9,204	14,701	9,253	6,592	4,635
EE402	Clyro C in W Controlled School	(24,351)	(8,660)	(11,171)	(15,969)	(13,759)	13,170	28,850	31,112
EE112	Cradoc C P School	54,232	17,724	8,085	12,161	38,909	35,296	41,158	32,176
EE114	Crickhowell C P School	39,820	2,559	15,593	21,687	35,761	32,587	13,986	(8,842)
EE404	Crossgates C P School	49,173	41,448	50,144	58,713	65,321	33,006	17,898	1,407
EE228	Forden C in W School	36,733	33,424	30,466	38,643	48,478	26,806	21,725	3,108
EE408	Franksbridge C P School	6,700	(9,784)	(2,514)	(1,626)	936	907	(1,725)	(31,890)
EE410	Gladestry C in W Controlled School	38,727	27,135	31,652	38,065	46,964	38,245	32,747	23,840
EE230	Guilsfield C P School	45,386	21,387	3,205	11,232	51,929	51,232	34,180	5,469
EE232	Gungrog C in W School	32,219	32,112	35,846					
EE234	Hafren C P Junior School	63,264	41,478	39,262	51,597	52,619	39,894	16,282	(44,727)
EE124	Hay-On-Wye C P School	1,887	10,908	9,613	3,081	13,637	19,789	14,556	18,978
EE126	Irfon Valley C P School	(2,353)	(3,714)	(4,029)	(2,479)	6,840	6,633	(2,458)	(13,795)
EE414	Knighton C in W Controlled School	77,883	46,145	54,555	82,481	85,675	73,969	45,214	(3,836)
EE236	Ladywell Green Nursery & Infants School	74,537	57,634	59,727	64,804	83,533	80,210	52,509	17,496
EE238	Leighton C P School	(15,109)	(14,395)	(12,708)	(22,963)	(17,868)	(365)	14,492	19,761
EE130	Llanbedr C in W Aided School	7,768	8,079	7,147	8,896	16,157	8,653	3,456	(3,866)
EE416	Llanbister C P School	(5,836)	(6,064)	(5,567)	459	5,023	6,106	10,154	13,170
EE242	Llandinam C P School	26,015	21,632	19,821	25,215	32,088	29,708	29,665	27,036
EE418	Llandrindod Wells C P School Cefnlllys	(4,996)	(14,825)	5,597	5,032	35,182	36,177	37,085	17,639
EE436	Ysgol Trefonnen	43,421	15,697	27,519	46,401	46,437	46,113	29,893	(7,545)
EE244	Llandysilio C in W School	45,776	25,172	22,991	33,017	37,906	10,805	(17,974)	(36,543)
EE420	Llanelwedd C in W Primary School	(10,600)	18,689	11,311	16,590	32,207	16,989	10,769	(3,527)
EE246	Llanerfyl C in W Foundation School	7,744	5,369	9,572	9,250	19,422	(969)	(25,852)	(50,624)

Page 47

School Balances

1st May Deadline

Cost Centre	School	2016/17 Actual Outturn	2017/18 Cabinet Budget	2017/18 Working Budget	2017/18 Probable	2017/18 Actual Outturn	2018/19 Draft Budget	2019/20 Draft Budget	2020/21 Draft Budget
EE132	Llanfaes C P School	37,013	21,751	28,709	32,267	37,358	39,538	17,215	(8,163)
EE248	Llanfair Caereinion C P School	50,788	32,022	36,601	49,241	71,515	49,372	9,503	(56,879)
EE250	Llanfechain C in W School	(10,769)	(11,816)	(5,556)	(10,590)	(19,653)	(37,210)	(25,096)	(4,360)
EE422	Llanfihangel Rhydithon C P School	(18,356)	(32,376)	(32,141)	(27,854)	(47,043)	(15,822)	2,407	17,261
EE254	Llanfyllin C P School	(15,757)	(21,685)	(24,592)	(20,469)	(18,788)	3,102	128	(33,695)
EE134	Llangattock C in W Controlled School	15,129	12,595	17,685	6,031	32,872	16,790	2,280	(7,001)
EE256	Llangedwyn C in W Voluntary Controlled School	(43,974)	(7,418)	(15,601)	(16,558)	(11,532)	(9,172)	37,473	83,312
EE136	Llangors C in W Controlled School	3,556	0	(11,783)	(9,769)	(433)	15,616	23,258	6,224
EE138	Llangynidr C P School	10,059	(4,795)	8,237	11,881	31,756	20,477	(2,073)	(31,838)
EE260	Llanidloes C P School	66,804	55,762	58,976	124,018	95,946	54,150	(26,298)	(144,804)
EE262	Llanrhaeadr Ym Mochnant C P School	(14,167)	(5,420)	(1,074)	(2,814)	4,815	7,333	4,098	(3,108)
EE264	Llansantffraid C in W Aided School	(50,515)	(25,179)	(22,191)	(20,591)	(30,389)	(36,845)	(12,902)	(12,519)
EE270	Maesyrhandir C P School	29,250	8,689	15,269	19,880	9,270	30,088	(4,741)	(39,202)
EE274	Montgomery C in W School	51,966	32,608	37,629	41,863	60,527	50,460	7,434	(48,593)
EE142	Mount Street C P Infants School	83,113	51,830	35,420	67,893	90,168	45,650	21,509	(16,736)
EE144	Mount Street C P Junior School	37,606	34,999	47,559	51,364	62,105	64,673	65,424	80,322
EE424	Nantmel C in W Controlled School		0						
EE426	Newbridge-On-Wye C in W Controlled School	21,338	28,338	18,971	21,847	43,013	38,660	34,985	19,655
EE276	Oldford Infants School	37,907	35,911	35,031					
EE278	Penygloddfa C P School	23,072	6,962	17,281	26,175	(12,671)	(13,997)	(18,594)	(39,183)
EE428	Presteigne C P School	9,394	2,251	8,623	11,734	13,101	25,909	35,802	33,013
EE150	Priory C in W Aided School	109,863	80,411	49,071	68,630	104,698	76,945	51,889	9,322
EE430	Radnor Valley C P School	21,482	25,674	25,678	20,964	25,360	23,943	6,422	(9,189)
EE432	Rhayader C in W Controlled School	(8,940)	16,932	14,410	12,953	3,072	18,662	(9,503)	(18,148)
EE152	Sennybridge C P School	19,572	7,473	7,395	3,083	12,127	21,432	38,826	24,151
EE284	St Mary's Catholic School	2,768	9	(3,293)	12,788	5,645	(3,322)	(7,176)	(16,673)
EE286	St Michael's C in W V A School	19,146	637	18,712	7,426	6,167	12,873	(21,849)	(82,675)
EE156	Talgarth C P School	(5,142)	(23,715)	(23,715)					
EE292	Treowen C P School	43,191	30,263	34,100	44,148	59,840	34,527	13,939	(27,268)
EE308	Welshpool C in W		0	29,999	29,949	80,359	58,036	32,874	(8,891)
EE294	Ysgol Bro Cynllaith	17,984	6,271	6,010	5,611	(9,349)	(13,597)	(13,441)	(14,803)
EE176	Ysgol Bro Tawe	40,379	46,589	54,719	48,184	84,303	78,966	57,002	15,146
EE304	Ysgol Dafydd Llwyd	92,301	42,118	61,987	64,356	63,817	31,949	8,298	11,022
EE162	Ysgol Dolafon	(3,570)	(3,493)	(2,598)	(1,516)	9,970	22,498	11,802	(8,331)
EE288	Ysgol Dyffryn Trannon	(28,285)	(15,501)	13,096	(2,467)	13,029	28,229	24,741	19,093
EE296	Ysgol Glantwymyn	7,110	13,551	17,307	6,174	18,113	27,814	20,000	16,525
EE218	Ysgol Gynradd Carno	9,395	11,439	13,961	8,115	5,884	6,165	2,696	(644)

School Balances

1st May Deadline

Cost Centre	School	2016/17 Actual Outturn	2017/18 Cabinet Budget	2017/18 Working Budget	2017/18 Probable	2017/18 Actual Outturn	2018/19 Draft Budget	2019/20 Draft Budget	2020/21 Draft Budget
EE174	Ysgol Golwg Y Cwm	31,945	46,420	48,301	66,358	78,380	80,518	59,398	18,409
EE178	Ysgol Gymaeg Dyffryn Y Glowyr	(16,106)	(25,522)	(20,597)	(30,257)	13,814	21,016	54,936	82,837
EE306	Ysgol Gymraeg Y Trallwng		0	17,342	22,711	5,769	21,095	(10,171)	(65,087)
EE240	Ysgol Llanbrynmair	18,299	16,970	23,050	31,053	38,121	32,296	19,046	3,996
EE298	Ysgol Maesydre	(37,606)	(39,458)	(35,691)					
EE272	Ysgol Meifod	(44,488)	(23,266)	(21,895)	(16,606)	(10,665)	(193)	11,075	14,487
EE300	Ysgol Pennant	68,777	59,318	47,707	74,460	83,705	64,067	55,486	52,535
EE280	Ysgol Pontrobert	22,212	16,223	18,159	8,157	15,714	10,244	8,256	6,430
EE302	Ysgol Rhiw Bechan	29,001	29,792	14,995	19,218	37,721	9,656	(15,608)	(72,409)
EE172	Ysgol Y Cribbarth	57,603	44,179	47,646	52,838	62,332	37,273	21,625	(19,573)
EE170	Ysgol-Y- Bannau	16,680	32,297	22,172	24,080	44,388	21,584	3,366	(4,705)
EE180	Ysgol Y Mynydd Du		0	9,798	11,794	8,635	2,446	7,460	6,869

Total Primary		1,608,341	1,105,021	1,302,106	1,631,769	2,263,012	1,857,009	1,060,884	(433,749)
----------------------	--	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------

Page 49
 Suppluses
 Deficits

EE830	Brecon High School	(219,627)	(790,062)			(588,630)	(1,159,915)	(1,829,045)	(2,588,202)
EE860	Builth Wells High School	(293,814)	(607,918)		(659,752)	(627,190)	(573,675)		
EE870	Gwernyfed High School	253,396	182,282		351,376	347,951	241,362	92,539	(37,394)
EE880	Ysgol Maesydderwen	(103,957)	(196,880)			(162,544)	(262,543)	(327,625)	(494,416)
EE890	Crickhowell High School	(253,084)	(183,961)		(569,562)	(614,007)	(701,384)	(567,141)	(405,716)
EE900	Ysgol Uwchradd Caereinion	82,416	7,480		5,756	14,872	21,102	(55,620)	(180,308)
EE910	Llanfyllin High School	231,184	(77,051)			59,125	3,017	(24,947)	(163,140)
EE920	Llanidloes High School	(190,581)	(177,644)			(170,292)	(156,799)	(285,714)	(468,427)
EE935	Ysgol Bro Hyddgen	(133,590)	(84,339)			(181,375)	(190,573)	(202,436)	(202,806)
EE940	Newtown	176,539	97,849		155,674	172,048	123,369	(84,620)	(290,230)
EE950	Welshpool High School	(283,858)	(505,079)			(441,877)	(654,640)	(886,757)	(1,175,953)
EE970	Llandrindod High School	(128,292)	(50,244)		(404,981)	(373,096)	(542,236)		
EE975	Ysgol Calon Cymru		0				52,616	(187,962)	(531,197)

Total Secondary & Middle		(863,269)	(2,385,569)	0	(1,121,489)	(2,565,015)	(3,800,299)	(4,359,329)	(6,537,790)
-------------------------------------	--	-----------	-------------	---	-------------	-------------	-------------	-------------	-------------

Suppluses
 Deficits

School Balances

1st May Deadline

Cost Centre	School	2016/17 Actual Outturn	2017/18 Cabinet Budget	2017/18 Working Budget	2017/18 Probable	2017/18 Actual Outturn	2018/19 Draft Budget	2019/20 Draft Budget	2020/21 Draft Budget
EE600	Brynlywarch Hall Residential	(27,395)	(26,032)	(41,254)	(27,971)	(28,966)	(5,411)	33,686	45,120
EE605	Ysgol Cedewain Special School	(445,813)	(340,578)			(271,940)	(268,744)	(356,103)	(488,439)
EE610	Ysgol Penmaes Special School	213,893	149,848		192,985	169,402	114,462	(5,451)	(163,226)
	Total Special	(259,314)	(216,762)	(41,254)	165,014	(131,503)	(159,692)	(327,867)	(606,544)
	Total	485,758	(1,497,310)	1,260,852	675,294	(433,507)	(2,102,983)	(3,626,312)	(7,578,082)

Education Scrutiny Working Group Scrutiny Observations to Cabinet on: School budgets

The Education Scrutiny Working Group met on the 25th May 2018 and considered the Cabinet Report on School Budgets 2018-19.

The Group make the following observations to Cabinet on 19th June 2018.

The Group have monitored school budgets for some years with increasing concern regarding the overall position. In December 2017 a Scrutiny Report was taken to Cabinet with the following findings:

It is apparent that the present financial position is unsustainable. This has now become a very urgent matter and although this Group were informed by the Portfolio Holders for Education and Finance that there would be a clear direction on the future shape of secondary schools by the end of the Summer 2017 which would inform the financial projections going forward, this so far, has not been forthcoming. This situation cannot continue given the continuing depletion of Council reserves and urgent action is required. Until such time as the Group receives a clear policy direction there is limited scope to take this any further. (Appendix A)

A response to this was received at Cabinet on 30th January 2018 with the following minute:

1.	<i>RESPONSE TO THE JOINT AUDIT - EDUCATION SCRUTINY WORKING GROUP REPORT</i>
----	---

Cabinet considered the response to the Joint Audit/Education Scrutiny Working Group report into the financial viability of schools.

The Portfolio Holder for Education welcomed the Scrutiny report. She advised that a clear understanding of the schools funding formula and the cost of delivering the curriculum was urgently needed and that work to develop the funding formula was underway. She told Cabinet that 15 schools had

unlicensed deficits. Officers were supporting these schools to remove all 15 deficits as a matter of urgency. Cabinet had recognised the pressures on schools and were recommending an additional £1m in the budget plus £250k for dual stream schools. The Portfolio Holder thanked those governing bodies who had developed their curriculums to keep within budget. Two secondary schools that had yet to submit recovery plans and further intervention measures were being progressed.

The Director of Education advised Cabinet that every school would be expected to meet the 1 May deadline for submitting a budget plan or action would be taken.

The Chair of Audit Committee said that he would take the report back to the working group and report back to Cabinet if necessary.

<i>Recommendation:</i>	<i>Reason for recommendation</i>
<i>That content of this report are noted and further updates are regularly presented to demonstrate ongoing commitment to bringing schools budgets back into balance</i>	<i>To comply with the Authority's scheme for the financing of schools</i>

(Appendix B)

The Group are therefore disappointed that despite all the work supporting schools to recover from or avoid a deficit position the cumulative balance of school budgets has for the first time recorded a deficit position of £0.434m. Scrutiny also note that this deficit position was projected to be in the region of £1.5m but a windfall grant of £0.6m has helped towards the improvement on the forecast position. This is fortunate but in part masks the true extent of school spending and cannot be relied upon in future years. Scrutiny consider that the urgent action called for in their report in December 2017 has not been taken and that the situation continues to deteriorate.

The Cabinet report acknowledges that the cumulative deficit balance is in breach of the Authorities own Scheme for Financing Schools 2017-18 which states: *'To ensure the overall financial robustness of schools it is expected that the collective balances should always be in surplus'*. This was itself a relaxation of the position in the Scheme for Financing Schools 2016/17 which required: *'Up to a maximum of 40% of the collective school balances may be used to back the arrangements for licensed deficits'*.

However, the Scrutiny Group welcome the acknowledgement within the report from the Section 151 Officer that 'Cabinet's attention is drawn to the significant financial risk the schools sector now presents to the authority'.

Scrutiny also welcome the offer made by the Portfolio Holder to produce an update report on school budgets to enable this to be monitored in year and suggest that the regular monitoring of progress against recovery plans is shared with scrutiny for monitoring purposes.

At the meeting scrutiny Members heard from the Portfolio Holders for Schools and Finance that a Review of the Fair Funding Formula was nearing completion and would be brought to scrutiny and Cabinet in the near future. The Portfolio Holders appeared to be holding great store that the review would demonstrate the amount of money required to run a school providing the statutory breadth of education and that this

would then demonstrate whether or not schools were being properly funded. This is a large piece of work and will help inform future school budget discussions. However until this Review reports it is not possible to ascertain what impact it will have on the school budget position and therefore action needs to be taken now to ensure that school deficit budgets are recovered to a balanced position.

The Portfolio Holder for Education expressed confidence that the level of support now provided within the authority (Education, HR and Finance specialists) together with a more proactive stance on compliance will result in a recovery from the present overall position. Scrutiny welcome this confidence which it hopes is well founded. However, a degree of scepticism remains as scrutiny have been told year on year that support is being provided and action has been taken and yet the overall cumulative position continues to decline.

The Portfolio Holder for Finance acknowledged that the position regarding school budgets was worrying.

Scrutiny commend those schools which have taken timely and hard decisions to ensure they live within their means, particularly when this is matched with good educational outcomes for the young people of Powys. It is important for all learners that the budget available for education is shared fairly and no pupils should be disadvantaged because some schools are failing to manage their budgets. However, scrutiny are concerned that prudent schools may be in the position of having an element of their budget clawed back in order to 'in the first instance support the financial deficits caused by school closures' (sect 4.6 of Cabinet Report). Scrutiny would comment that it is poor financial management in schools to be closed, not school closures that cause deficits and prudent schools should not be penalised for the mismanagement of school budgets elsewhere. Scrutiny are however concerned that some schools are carrying high balances and not spending their funding on improving the educational experience for existing pupils currently in school.

Scrutiny also note the statement from the Section 151 Officer that 'it is an essential requirement that all schools are within a three year balanced budget'. This is accurate but it is unclear how this will be achieved.

Recommended:

- 1. That the Portfolio Holder for Finance and the Portfolio Holder for Education ensure compliance with the Powys Scheme for Financing Schools and that the cumulative school balances is returned to a surplus position as some schools and the authority are in breach of the authorities own rules.**
- 2. That support and challenge continues to be provided to those schools both in a current deficit position and projecting a deficit position ahead of the findings of the Fair Funding Formula Review as scrutiny are yet to have sight of the outcome of this review and therefore have no comprehension of how and when this will impact on the cumulative school balance position.**
- 3. That support and challenge is provided to those schools in a clawback position to encourage and ensure that funding provided for pupils currently in school is spent on these pupils and unnecessary cuts are not implemented in these schools in order to 'save money for a rainy day'.**
- 4. That regular school balances reports are made available to scrutiny for in year monitoring purposes.**

5. That Cabinet and the Section 151 Officer take any necessary action to mitigate the 'significant financial risk the schools sector now present to the authority'.

Membership of the Education Scrutiny Group on 25th May 2018
County Councillors **D Jones (Lead Member)**, B Davies, L Roberts, P Roberts and R Williams, Parent Governor Representatives N Bufton and S Davies and J Brautigam (Independent Member Audit Committee)

Joint Audit - Education Scrutiny Working Group

Interim Report on: Financial Viability of Schools

Observations made to: Cabinet/Management Team

Background:

Joint Chairs instructed Audit and Education Scrutiny to undertake a joint piece of work assessing the Financial Viability of Schools.

The Wales Audit Office Review of Education Finance Powys published in June 2017 together with projected deficits in the Schools Service had caused the Section 151 Officer to alert the Council to the potential threat raised by schools budgets.

In July 2017 the Cabinet received a report which projected that by 2019/20 schools delegated budgets would be showing a deficit of £5.4M (not including figures for Welshpool High School which shows a deficit of £0.5M by 2017/18). Whilst it is accepted that these projections do not take into account mitigating measures that schools will put in place in the meantime this level of deficit is a risk to the Council and this, together with the WAO report, prompted the current review. We are also aware that the council are proactively looking at this issue but to date have no hard evidence on its views or planned actions.

Scope:

The project is to be undertaken in stages with Stage 1 focussing on Secondary Schools which are showing a more serious position. Discrete areas of work are to include at a high level: standards, school rolls, curriculum provision, Welsh language provision, staffing structures, teacher/pupil ratios, financial expertise within schools and support from Corporate Services. In addition we have examined the allocated proportion to delegated/non-delegated budgets and potential areas of economy.

The Scrutiny Group have met with the following people to date.

Councillor Myfanwy Alexander – Portfolio Holder for Education
Councillor Aled Davies – Portfolio Holder for Finance
David Powell – Section 151 Officer

Jane Thomas – Head of Financial Services
 Ian Budd – Director of Schools
 Gareth Jones – Head of Schools
 Huw Lloyd Jones – Wales Audit Office
 Graham Taylor – Chair of Schools Forum
 John Williams – Vice-Chair of Schools Forum and Head of Gwernyfed High School
 Jackie Parker – Head of Crickhowell High Schools
 Andrew Fryer – Chair of Governors Crickhowell High School
 Michael Gedrim – ALN Service.

Introduction

Financial details taken from the published accounts and budgets show that overall funding Education in Powys has remained relatively static, at c.£100m. (per pupil the 3rd highest in Wales), for the last five years. However, the delegated budget available to schools has over that period fallen by some £3.7m. The impact on schools has been exacerbated by the transfer of some costs which were paid for centrally to the individual schools' budgets.

Year	Schools Service	Delegated	Total
All £ million			
2017-18	31.0	68.9	99.9
2016-17	30.4	69.9	100.3
2015-16	30.1	70.3	100.4
2014-15	31.2	71.5	102.7
2013-14	27.5	72.6	100.1

The WAO reported that for 2016/17 the gross budgeted expenditure per pupil is the 6th highest in Wales but the percentage of that delegated to schools is the second lowest in Wales at 78%. As a result the delegated expenditure per pupil is the 5th lowest in Wales: the average for Primary is £4,000 and Secondary £4,800.

The Council's centrally retained and administered budget per pupil is the second highest in Wales at £1,305 of which the largest component is home to school transport which at £513 is by some margin the highest in Wales.

The Council has known for some time of the threat presented from delegated budget deficits at an increasing number of schools. The WAO report in June was preceded by another WAO report in 2012 and a PWC report in 2015. This is illustrated by the following:

School Balances

Actual outturn 2016/17	+£0.48m
Draft Budget 2017/18	-£1.497m

Projection to 2019/20 -£5.454m
(Prior to any mitigation being put in place)

Initial Findings (Delegated)

The increasing deficit position would suggest that the funding is inadequate to maintain the current footprint of schools with the existing staffing structures together with the present curriculum offer. It is appreciated that it is unlikely that additional funding will be available to support schools. An extra £1m per year for 3 years (a total of £6m by the end of year 3) was put into the Schools Service for 2017/18 to help support secondary schools but it appears this was distributed via the Funding Formula to support small schools and only 20% was actually available to support the secondary sector.

How then has this position arisen? Possible causes identified include:

- Falling pupil numbers (including losing sixth form pupils out of county)

The table below taken from WG data shows that the recent decline in the population under 25 is likely to accelerate through the next decade.

Powys

	2015	2020	2025	2030
People aged 0-2	3,790	3,590	3,290	3,060
People aged 3-7	6,630	6,510	6,130	5,640
People aged 8-10	4,130	4,110	4,010	3,750
People aged 11-13	4,270	4,170	4,150	3,990
People aged 14-19	7,880	8,020	7,930	7,840

However, pupil data from the WAO report would suggest that following the decline between 2009 and 2012, pupil number have remained relatively static. The impact on the delegated schools budgets has been a reduction of over £1,7m between 2013/14 & 2016/7. Although this trend is unlikely to be uniform across the county due to pupil movement across borders in both directions. That movement is difficult to predict and is driven by a number of factors.

- Unwillingness to intervene directly in schools' financial management.

The Council has issued letters of concern to those schools that it deemed appropriate but it has been reluctant to use its powers to intervene directly in the management of individual schools finances. In the opinion of virtually all who were questioned on this, lack of action has been perceived as a weakness. The offending schools have, as a result, sensed that little action would be taken. The Council's reluctance on this has, in part, been due to concerns that it has neither the capacity, nor in the case of curriculum management, the necessary skills, to successfully manage and resolve the problems. The Group felt that this is a significant weakness in the Council's approach.

- Schools failing to take difficult decisions and plan for falling rolls

The reaction of schools to the financial constraints has been mixed. Some schools have taken early and difficult decisions to restructure their leadership, staffing and curriculum offer to meet projected falling rolls and are in a better

position to manage decreasing budgets. Some schools have failed to take this action and their budget positions are a risk to themselves and the overall financial health of the authority. It is clearly unfair to allow well managed and financially proactive schools to be worse off due to the inaction of others.

We have discussed above the lack of curricular skills centrally within the Council. It has been suggested that a similar shortcoming of curricular/timetabling skills is evident within individual schools. We consider that such skills have to be provided either through training or the use of computer programmes within the schools themselves.

- School structures

It has been suggested that management structures have not been reviewed to take account of falling rolls. There is also apparently no template or guidance given to Governing Bodies on the management structures for schools. There is concern that the way in which TLAs are used in some schools. TLAs must be sufficiently flexible to support changing circumstances in curriculum and budget. The use of temporary TLAs could be a potential benefit. Schools must also use their teaching staff contact time efficiently and this should be monitored by Governing Bodies. The use of part time contract staff can have a beneficial effect on school budgets. The above needs to be monitored by ERW, Challenge Advisers, Governing Bodies and Senior Managers.

- Indecision and inaction

We consider that the Council's lack of a consistent policy direction and implementation has led to inaction and delays in defining School Modernisation. The capital programme surrounding it has led to uncertainty around the future of some schools, inhibited change and exacerbated falling roles.

A particular example of this is the provision of Welsh Medium education in the North of the county. A decision has been pending for some years on the provision of a new Welsh medium only school which would have a massive impact on the remaining schools in the area including a real prospect of closure. Such delays lead to uncertainty which prevents accurate longer term budget planning.

- Funding Formula Review

A comprehensive review of the funding formula is essential but we believe the current review will not address the fundamental issues. We would anticipate a more root and branch review of the formula to be progressed urgently.

Financial Structures

There has been a lack of clarity between the roles and responsibilities of schools and the finance service allowing schools to overspend. This has resulted in schools not only spending their delegated budget and reserves but also overspending of the non-delegated Council's money.

The issue of dual stream schools against the financial budgets are concerning. A policy on dual stream schools and Welsh Medium Education should be progressed within financial constraints

Initial Findings (Non-Delegated)

There are a number of areas which the Joint Scrutiny Group have concern that expenditure on each is proportionately the highest or approaching the highest in Wales. These are:

- Home to School Transport – including Post 16 transport

Costing over £9m - equivalent last year to £513 per pupil this cost is by some margin the highest in Wales. By comparison Ceredigion and Monmouthshire, the next highest, are c.£475 and £330 per pupil respectively.

It has been suggested to us that movement of pupils between schools to attend lessons could/should be a delegated responsibility to individual secondary schools. This, or perhaps a wider examination of local solutions could potentially save money. Consideration should be given to the continuation of free transport for Post 16. EMA is available to post 16 students.

- The Freedom Leisure Contract

This contract currently worth £1.8m is part of 'Other Schools Budget' costs allocated centrally. A review of this has already been started with, we understand, a revised allocation for Wet Side – swimming already agreed with agreement on the larger Dry Side to follow.

- ALN and Behaviour support.

As stated above the centrally retained expenditure for Additional Learning Needs of £4.3m represents £243 per pupil and is the third highest in Wales. As at the time of the WAO report (June 2017) the Council was reviewing the way it delivers some of its ALN services.

Conclusions

It is apparent that the present financial position is unsustainable. This has now become a very urgent matter and although this Group were informed by the Portfolio Holders for Education and Finance that there would be a clear direction on the future shape of secondary schools by the end of the Summer 2017 which would inform the financial projections going forward, this so far, has not been forthcoming. This situation cannot continue given the continuing depletion of Council reserves and urgent action is required.

Until such time as the Group receives a clear policy direction there is limited scope to take this any further.

Membership of the Joint Audit - Education Scrutiny Group

Audit representatives: County Councillor J Morris (Lead Member), Independent (Lay) Member J Brautigam, County Councillor H Hulme

Education Scrutiny Group representatives: County Councillors P Roberts, D Jones and S McNicholas

This page is intentionally left blank

CYNGOR SIR POWYS COUNTY COUNCIL

CABINET EXECUTIVE

19th June 2018

REPORT AUTHOR: County Councillor Aled Davies
Portfolio Holder for Finance

SUBJECT: Business Rates High Street Rates Relief Scheme in
Wales 2018-19

REPORT FOR: Decision

1. Introduction

- 1.1 The Welsh Government introduced a Business Rates high street relief scheme for the financial year 2017-18 to support rate-payers within the retail sector in Wales, resulting in the Council granting relief of **£252,000** to **403** Powys ratepayers.
- 1.2 The Welsh Government have announced that a further Business Rates high street rates relief scheme will be available for the financial year 2018-19 to support businesses within the retail sector in Wales. Properties that will benefit from this relief will be occupied high street properties such as shops, pubs restaurants and, with a rateable value of £50,000 or less on 1 April 2018.
- 1.3 The funding will be provided by a Welsh Government Grant, and the sum of up to **£152,500** is being made available to the Council to award high street rates relief to Powys ratepayers during the financial year 2018-19.
- 1.4 The maximum relief available per property in 2018-19 will be £750, a reduction from the maximum relief available in 2017-18 which was £1,500.

2. Proposal for High Street Rates Relief Scheme 2018-19

- 2.1 The Welsh Government will provide two tiers of Business Rates relief, depending on the rateable value of the property, of up to **£250** (Tier 1) and **£750** (Tier 2) to eligible high street retailers occupying premises with a rateable value of up to £50,000 in the financial year 2018-19, subject to State Aid limits. The relief is available from 1 April 2018 to 31 March 2019.
- 2.2 The high street rates relief can be provided in addition to Small Business Rates Relief, Transitional Relief as well as any hardship or discretionary relief awarded by the local authority. The relief will be applied against the net bill after other reliefs have been applied. Where the net bill after all other reliefs is less than the £250 or £750 the relief granted will be equal to net rates bill for 2018-19. Once high street rates relief has been granted a revised business rates demand will be issued showing the amount of relief granted and the reduced liability to pay for remainder of 2018-19.

2.3 The relief will be calculated on a daily basis. The following formula will be used to determine the amount of relief to be granted to a property:

- Amount of relief to be granted = $A \times (B / C)$

Where:

A is the funding amount for Tier 1 or Tier 2

B is the number of days in the financial year that the property is eligible for the relief; and

C is the number of days in the financial year.

2.4 Relief will be granted to businesses as a one-off payment based on occupation as at 31 March 2018 (provided the same occupier continues to be in occupation on 1 April 2018).

2.5 The scheme will be administered by Powys County Council as a 'reimbursing local authority' that uses discretionary relief powers (under section 47 of the Local Government Finance Act 1988). It will be for individual local billing authorities to decide to grant relief under section 47 but the Welsh Government will reimburse local authorities for the relief that is provided (using a grant under s31 of the Local Government Act 2003).

2.6 A "High Street Retailer" has not been prescribed by Welsh Government, the Council will deem properties located in out of town retail parks, out of town shopping centres, industrial estates and enterprise parks as ineligible because they are not considered to comprise the "high street" for the purposes of this relief. Retailers that operate outside of retail parks and industrial estates will be eligible provided they meet criteria set out below.

2.7 The 'high street rates relief scheme' has **two tiers** of relief, both with qualifying criteria being:

Tier 1 - Maximum £250

- The rateable value is between £6,001 and £12,000* for the financial year 2018-19
- The property is occupied for retail purposes as at 31 March 2018 (and same occupier continues to be in occupation on 1 April 2018)
- In receipt of small business rates relief and/or transitional relief on 1 April 2018
- The maximum amount of relief is £250 within financial year 2018-19
- Any sum of this award and any other funding must be less than the state aid de minimis (currently 200,000 Euros over a three year period)

*There will be a small number of ratepayers with a rateable value of £12,000 or above who are in receipt of Transitional Relief. These ratepayers will also qualify for Tier 1 relief.

Tier 2 - £750

- The rateable value is between £12,001 and £50,000 for the financial year 2018-19

- The property is occupied for retail purposes as at 31 March 2018 and the same occupier continues to be in occupation on 1 April 2018 (and has been continuously liable for the business rates at property since 1 April 2017)
- Not in receipt of small business rates relief or transitional relief on 1 April 2018
- Had an increase in their liability on 1 April 2017 as a result of the 2017 Revaluation
- Any sum of this award and any other funding must be less than the state aid de minimis (currently 200,000 Euros over a three year period)

2.8 The premises must be wholly or mainly being used as a shop, pub, restaurant or cafe. This is a test on use rather than occupation. Therefore properties which are occupied but not wholly or mainly used for retail purposes will not qualify for the relief.

2.9 There are certain types of properties that, in compliance with the Welsh Government guidance, the Council will exclude the ratepayer from high street rates relief, these are as follows:

- The property is not occupied on 1 April 2018
- Property has a change in occupier after 1 April 2018, the new occupier will not qualify for the relief
- The property is not reasonably accessible to visiting members of the public (even if there is ancillary use of the property which is retail)
- The property is located in an out of town retail park, industrial estate or enterprise park.
- The property is in receipt of mandatory charitable relief (80%)

In addition, and in compliance with the Welsh Government guidance, the Council will deem that the types of uses below (or those similar in use) are not considered to be high street retail use for the purpose of this relief. Therefore they would not be eligible for the relief. Excluded uses are:

- Financial services (e.g. banks, building societies, cash points / ATMs, bureau de change, payday lenders, betting shops, pawn brokers)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents / financial advisers, tutors)
- Post office sorting office
- Tourism accommodation such as B&Bs, hotel accommodation and caravan parks
- Sports clubs
- Children's play centres
- Day nurseries
- Outdoor activity centres
- Gyms
- Kennels and catteries

- Show homes and marketing suites
- Employment agencies

2.10 The Council will be reimbursed in full by Welsh Government for any relief that is awarded, in other words if correctly applied there will be no direct cost to the Council.

2.11 As the scheme has qualifying criteria and awards are to be granted under discretionary relief powers (contained within section 47 of the Local Government Finance Act 1988) it is proposed that:

- Ratepayers who received high street rates relief in 2017-18 and remain in occupation as at 1st April 2018 automatically be granted high street rates relief for financial year 2018-19, at appropriate Tier rate.
- New applications (upon receipt of a valid application form for High Street rates relief 2018-19) the decision to award relief be made by the Portfolio Holder for Finance in consultation with the Strategic Director - Resources provided all terms of the scheme are met.

2.12 Guidance notes regarding the scheme are shown in **Appendix 1** to this report.

3. One Powys Plan

3.1 The high street rates relief scheme for 2018-19 proposes no risk to the Council, and supports the Councils aim to regenerate Town Centres by providing financial support through rates reduction to high street retail commercial premises.

4. Options Considered/Available

Two options to deliver the scheme are available as follows:

4.1 Option One – To adopt a high street relief scheme as detailed within section Two, with an automatic award to ratepayers who received the relief in 2017-18, and for the Portfolio holder for Finance in consultation with the Head of Finance and (S151 Officer) to make decisions on new applications received which meet all the terms of the scheme.

4.2 Option Two – To adopt a high street relief scheme as detailed within section Two with an automatic award to ratepayers who received the relief in 2017-18 and for the Income & Awards Manager to make decisions on new applications received which meet all the terms of the scheme.

5. Preferred Choice and Reasons

5.1 **Option One** is the preferred choice as the relief is to be granted under the local authority's discretionary relief powers contained within section 47 of the Local Government Finance Act 1988. This is in-keeping with all other Business Rates discretionary relief decisions taken. Option One will also ensure the Portfolio

Holder is involved in the decision making process whilst working within the policy framework with the advice of the statutory S151 Officer.

- 5.2 By automatically granting the relief to rate-payers that received it during 2017-18 will both maximise take-up and minimise the administrative burden of this temporary relief scheme.

6. Sustainability and Environmental Issues/Equalities/Crime and Disorder,/Welsh Language/Other Policies etc

- 6.1 There is no impact on Sustainability and Environmental issues/Equalities or Crime.

7. Children and Young People's Impact Statement - Safeguarding and Wellbeing

- 7.1 There is no impact on children and young people

8. Local Member(s)

- 8.1 The relief scheme in respect of Business Rates will apply equally across the whole County.

9. Other Front Line Services

- 9.1 Front line services have been made fully aware of the temporary scheme to operate during the financial year 2018-19 and how rate payers may submit an application to be considered for the relief.

10. Support Services (Legal, Finance, HR, ICT, BPU)

- 10.1 Finance commented: It has been confirmed that the high street rates relief scheme poses no financial risk to the Council, any relief that is awarded will be reimbursed in full by Welsh Government.

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

11. Public Service Board/Partnerships/Stakeholders etc

- 11.1 There are no implications for Public Service Board/Partnerships or stakeholders.

12. Corporate Communications

- 12.1 Communication Commented "The report is of public interest and requires a proactive news release and use of social media to confirm the decision".

13. Statutory Officers

- 13.1 Head of Financial Services and acting sct 151 officer notes the comments from finance.

13.2 The Solicitor to the Council (Monitoring Officer)commented as follows : “ I note the legal comments and have nothing to add to the report.”

14. Members’ Interests

14.1 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:
<p>1. That a Business Rates high Street rates relief scheme 2018-19 be established in accordance with section 2 of this report.</p> <p>2. Ratepayers that received high street rates relief in 2017-18 and remain in occupation as at 1 April 2018 automatically be granted this relief for financial year 218-19.</p> <p>3. New applications for Business Rates high street rates relief 2018-19 under the scheme referred to above shall be delegated to and determined by the Portfolio holder for Finance in consultation with the Head of Finance & sct 151 Officer</p>	<p>To adopt a high street rates relief scheme for financial year 2018-19 that meets the requirements to maximise funding available, to support local businesses seeking rate relief and complies with Welsh Government guidance.</p>

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

Relevant Local Member(s):	All Members
----------------------------------	-------------

Person(s) To Implement Decision:	Director - Resources
Date By When Decision To Be Implemented:	Immediately

Contact Officer Name:	Tel:	Fax:	Email:
A M Griffiths	01874 623309		andrewg@powys.gov.uk

Background Papers used to prepare Report:

Appendix 1

Non-Domestic Rates High Street Rate Relief in Wales 2018-19 Guidance Note



Llywodraeth Cymru
Welsh Government

Non-domestic Rates

High Street Rates Relief in Wales - 2018-19

Guidance

Contents

About this guidance.....	1
Introduction	1
Section 1	2
How will the relief be provided?.....	2
How will the scheme be administered?	2
Which properties will benefit from relief?	2
How much relief will be available?.....	7
Changes to existing hereditaments, including change in occupier	7
State Aid.....	9
Section 2 – State Aid	10
‘De Minimis’ declaration.....	11
Refusal of High Street Rates Relief form	12

Non-domestic Rates – High Street Rates Relief

Guidance

About this guidance

1. This guidance is intended to support local authorities in administering the High Street Rates Relief scheme (“the relief”) announced by the Cabinet Secretary for Finance on 15 March 2018. This guidance applies to Wales only.
2. This guidance sets out the criteria which the Welsh Government will use to determine the funding for local authorities for relief provided to high street retail properties. The guidance does not replace any existing non-domestic rates legislation or any other relief.
3. Enquiries on the scheme should be sent to:
localtaxationpolicy@gov.wales
4. The relief is being offered from 1 April 2018 and will be available until 31 March 2019.

Introduction

5. This relief is aimed at high street retailers in Wales, for example shops, pubs, restaurants and cafes.
6. The Welsh Government will provide two tiers of non-domestic rates relief, of up to £250 (Tier 1) or up to £750 (Tier 2), to eligible high street retailers occupying premises with a rateable value of £50,000 or less in the financial year 2018-19, subject to State Aid limits.
7. This document provides guidance on the operation and delivery of the scheme.

Section 1

High Street Rates Relief

How will the relief be provided?

8. As this is a temporary measure, we are providing the relief by reimbursing local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual local authorities to adopt a scheme and decide in each individual case when to grant relief under section 47. The Welsh Government will then reimburse local authorities for the relief that is provided in line with this guidance via a grant under section 31 of the Local Government Act 2003.

How will the scheme be administered?

9. It will be for local authorities to determine how they wish to administer the scheme to maximise take-up and minimise the administrative burden for ratepayers and for local authority staff. Subject to State Aid considerations set out in paragraphs 29 to 33.
10. Local authorities are responsible for providing ratepayers with clear and accessible information on the details and administration of the scheme. If, for any reason, an authority is unable to provide this relief to eligible ratepayers from 1 April 2018, consideration should be given to notifying eligible ratepayers that they qualify for the relief and that their bills will be recalculated.
11. Local authorities will be asked to identify the total amount of relief provided under the scheme in their Non-Domestic Rates Return (NDR3) for data collection purposes only.

Which properties will benefit from relief?

12. Properties that will benefit from this relief will be occupied high street properties such as shops, restaurants, cafes and drinking establishments, with a rateable value of £50,000 or less on 1 April 2018. More detailed eligibility criteria and exceptions to the relief are set out in paragraphs 15 to 19.
13. Two tiers of relief will be provided depending on the rateable value of the property, whether liability is increasing from 1 April 2017 as a result of the revaluation and whether the business is already entitled to other Welsh Government support.
14. Relief should be granted to businesses as a one-off payment based on occupation as at 31 March 2018 (provided the same occupier

continues to be in occupation on 1 April 2018). It is recognised that there may be some instances where a local authority is retrospectively notified of a change of occupier. In such cases, if it is clear that the occupier was in occupation on 1 April 2018, the local authority may use its discretion in awarding relief.

Tier 1 – lower level of support: £250 (or the total remaining liability if this is less than £250)

Eligible ratepayers will be high street retailers whose properties have a rateable value of between £6,001 and £12,000* for the financial year 2018-19 and who meet the following criteria:

- In receipt of Small Business Rates Relief (SBRR) on 1 April 2018; and / or
- In receipt of Transitional Relief on 1 April 2018.

*There will be a small number of ratepayers whose properties have a rateable value of £12,000 or above who are in receipt of Transitional Relief. These ratepayers will qualify for Tier 1 relief.

It is recognised that there may also be a small number of ratepayers whose properties have a rateable value of £12,000 who are not in receipt of Transitional Relief and who are on the very upper threshold of the SBRR taper and hence receive no SBRR relief. Such ratepayers will be eligible for Tier 1 relief.

Tier 2 – higher level of support: up to £750

Eligible ratepayers will be high street retailers whose property has a rateable value between £12,001 and £50,000 for the financial year 2018-19 and who meet the following criteria:

- Not in receipt of SBRR or Transitional Relief on 1 April 2018; and
- Have an increase in their liability on 1 April 2017 as a result of the 2017 Revaluation.

15. It is intended that, for the purposes of this scheme, high street properties such as, “shops, restaurants, cafes and drinking establishments” will mean the following (subject to the other criteria in this guidance).

i. Hereditaments that are being used for the sale of goods to visiting members of the public

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licences, newsagents, hardware stores, supermarkets, etc)
- Opticians
- Pharmacies
- Post offices
- Furnishing shops or display rooms (such as carpet shops, double glazing, garage doors)
- Car or caravan showrooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale or hire)

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public

- Hair and beauty services
- Shoe repairs or key cutting
- Travel agents
- Ticket offices, eg. for theatre
- Dry cleaners
- Launderettes
- PC, TV or domestic appliance repair
- Funeral directors
- Photo processing
- DVD or video rentals
- Tool hire
- Car hire
- Cinemas
- Estate and letting agents

iii. Hereditaments that are being used for the sale of food and / or drink to visiting members of the public

- Restaurants
- Drive-through or drive-in restaurants
- Takeaways
- Sandwich shops
- Cafés
- Coffee shops
- Pubs
- Wine Bars

16. To qualify for the relief a hereditament listed in (i) to (iii) should be wholly or mainly used as a shop, restaurant, café or drinking establishment. This is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.
17. The above list is not intended to be exhaustive as it would be impossible to list all the many and varied high street retail uses that exist. There will also be mixed uses. However, it is intended to be a guide for local authorities as to the types of uses that the Welsh Government considers for this purpose to be high street and retail. Local authorities should determine for themselves whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.
18. As the grant of the relief is discretionary, local authorities may choose not to grant the relief if they consider that appropriate, for example where granting the relief would go against the local authority's wider objectives for the local area.

Types of hereditaments that are not considered to be eligible for High Street Rates Relief

19. The list below sets out the types of uses that the Welsh Government does not consider to be high street retail use for the purpose of this relief and would not be deemed eligible for the relief. However, it will be for local authorities to determine if hereditaments are similar in nature to those listed below and if they would not be eligible for relief under the scheme.
- i. ***Hereditaments that are being used wholly or mainly for the provision of the following services to visiting members of the public***
- Financial services (eg. banks, building societies, cash points, ATMs, bureaux de change, payday lenders, betting shops, pawn brokers)
 - Medical services (eg. vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (eg. solicitors, accountants, insurance agents, financial advisers, tutors)
 - Post office sorting office
 - Tourism accommodation, eg. B&Bs, hotel accommodation and caravan parks
 - Sports clubs
 - Children's play centres
 - Day nurseries
 - Outdoor activity centres
 - Gyms

- Kennels and catteries
- Show homes and marketing suites
- Employment agencies

There are a number of further types of hereditaments which the Welsh Government believes should not be eligible for the High Street Relief Scheme.

ii. *Hereditaments with a rateable value of more than £50,000*

It is recognised there are some high street retail businesses with rateable value above the £50,000 relief who will not be eligible for this relief. However, local authorities have the option to use their discretionary powers to offer discounts outside this scheme to such businesses if it is in the interests of the local community to do so.

iii. *Hereditaments that are not reasonably accessible to visiting members of the public*

If a hereditament is not reasonably accessible to visiting members of the public, it will be ineligible for relief under the scheme even if there is ancillary use of the hereditament that might be considered to fall within the descriptions in paragraph 15 (i), (ii) or (iii).

iv. *Hereditaments that are in out-of-town retail parks or industrial estates*

What constitutes a high street retailer will vary significantly across local authority areas and it is left to the discretion of authorities to determine this based on their local areas. However, hereditaments in out-of-town retail parks and industrial estates are not considered to constitute the high street for the purposes of this relief even if there is ancillary use of the hereditament that might be considered to fall within the descriptions in paragraph 15 (i), (ii) or (iii). As the grant of the relief is discretionary, it is for authorities to determine for themselves whether particular properties constitute a high-street retailer.

v. *Hereditaments that are not occupied*

Properties that are not occupied on 1 April 2018 should be excluded from this relief. However, under the Empty Property Relief scheme, empty properties will receive a 100% reduction in rates for the first three months (and in certain cases six) of being empty.

vi. *Hereditaments that are in receipt of mandatory charitable rates relief*

These properties already receive mandatory charitable relief which gives an 80% reduction in liability and authorities may also choose to provide discretionary charitable relief which can reduce the remaining liability to nil. As such, these properties will not be eligible for High Street Rate Relief.

How much relief will be available?

20. The total amount of government funded relief available for each property for 12 months under this scheme is up to £250 for Tier 1 properties and up to £750 for Tier 2 properties.
21. This relief can be provided in addition to SBRR and Transitional Relief. High Street Rates Relief should be applied against the net bill after these two reliefs have been applied. Any hardship or discretionary relief awarded by the local authority should be considered by the local authority once all other rates reliefs have been awarded.
22. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a particular hereditament in the financial year:
- Amount of relief to be granted = $A \times (B / C)$
- Where:
- A is the funding amount for Tier 1 or Tier 2
 - B is the number of days in the financial year that the hereditament is eligible for relief; and
 - C is the number of days in the financial year
23. When calculating the relief, if the net liability before High Street Rates Relief is £250 or less for Tier 1 or £750 or less for Tier 2, the maximum amount of this relief will be no more than the value of the net rate liability. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
24. Ratepayers that occupy more than one property will be entitled to High Street Rates Relief for each of their eligible properties, subject to State Aid de minimis limits.

Changes to existing hereditaments, including change in occupier

25. Eligibility for the relief will be calculated based on the circumstances of the property and ratepayer as at 1 April 2018. Changes to properties which occur after this date will have no impact on eligibility for this relief.
26. Empty properties becoming occupied after 1 April 2018 will not qualify for this relief.
27. If there is a change in occupier part way through the financial year, after relief has already been provided to the hereditament, the new occupier will not qualify for the relief.

28. This treatment is intended to simplify the administration of the scheme but also reflects that the relief is to help support those affected by the revaluation. It is assumed that the rateable values for properties being occupied after 1 April 2018 will have been known in advance of occupation and would have been taken into account prior to occupation.

State Aid

29. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. High Street Rates Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulation (1407/2013).
30. The De Minimis Regulation allows an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years). Local authorities should familiarise themselves with the terms of this State Aid exemption, in particular the types of undertaking that are excluded from receiving De Minimis aid, the relevant definition of undertaking and the requirement to convert the aid into Euros.
31. To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation).
32. Section 3 of this guidance contains a sample De Minimis declaration which local authorities may wish to use. Where local authorities have further questions about De Minimis or other aspects of State Aid law, they should seek advice from their legal department in the first instance.
33. Desk instructions covering the administration of De Minimis schemes are available at:

<http://gov.wales/funding/state-aid/de-minimis-aid/?lang=en>

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

Section 2 – State Aid

Sample paragraphs that could be included in letters to ratepayers about High Street Rates Relief for 2018-19

The Cabinet Secretary for Finance announced on 13 December 2017 that an additional £5 million of funding would be available to extend the High Street Rates Relief scheme for 2018-19.

Relief of up to £750 will be provided to eligible occupied retail properties with a rateable value of £50,000 or less in 2018-19. Your current rates bill includes this High Street Rates Relief.

Awards such as High Street Rates Relief are required to comply with the EU law on State Aid¹. In this case, this involves returning the attached declaration to this authority if you have received any other De Minimis State Aid, including any other High Street Rates Relief you are being granted for premises other than the one to which this bill and letter relates, and confirming that the award of High Street Rates Relief does not exceed the €200,000 an undertaking² can receive under the De Minimis Regulations EC 1407/2013.

Please complete the declaration and return it to the address above. In terms of declaring previous De Minimis aid, we are only interested in public support which is De Minimis aid (State Aid received under other exemptions or public support which is not State Aid does not need to be declared).

If you have not received any other De Minimis State Aid, including any other High Street Rates Relief you are being granted for premises other than the one to which this bill and letter relates, you do not need to complete or return the declaration.

If you wish to refuse to receive the High Street Rates Relief granted in relation to the premises to which this bill and letter relates, please complete the attached form and return it to the address above. You do not need to complete the declaration. This may be particularly relevant to those premises that are part of a large retail chain, where the cumulative total of High Street Rates Relief received could exceed €200,000.

Under the European Commission rules, you must retain this letter for three years from the date on this letter and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this letter longer than three years for other purposes). Furthermore, information on this aid must be supplied to any other public authority or agency asking for information on 'De Minimis' aid for the next three years.

1. Further information on State Aid law can be found at <https://www.gov.uk/state-aid>

2 An undertaking is an entity which is engaged in economic activity. This means that it puts goods or services on a given market. The important thing is what the entity does, not its status. Thus a charity or not for profit company can be undertakings if they are involved in

economic activities. A single undertaking will normally encompass the business group rather than a single company within a group. Article 2.2 of the de minimis Regulations (Commission Regulation EC/ 1407/2013) defines the meaning of 'single undertaking'.

'De Minimis' declaration

Dear []

NON-DOMESTIC RATES ACCOUNT NUMBER: _____

The value of the non-domestic rates High Street Rates Relief to be provided to [name of undertaking] by [name of local authority] is £ [] (Euros []).

This award shall comply with the EU law on State Aid on the basis that, including this award, [name of undertaking] shall not receive more than €200,000 in total of De Minimis aid within the current financial year or the previous two financial years). The De Minimis Regulations 1407/2013(as published in the Official Journal of the European Union L352 24.12.2013) can be found at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>.

Amount of De Minimis aid	Date of aid	Organisation providing aid	Nature of aid
€	1 April 2018 – 31 March 2019	Local authorities (for the High Street Rates Relief total, you do not need to specify the names of individual authorities)	High Street Rates Relief

I confirm that:

1) I am authorised to sign on behalf of _____[name of undertaking]; and

2) _____[name of undertaking] shall not exceed its De Minimis threshold by accepting this High Street Rates Relief.

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

Refusal of High Street Rates Relief form

Name and address of premises	Non-domestic rates account number	Amount of High Street Rates Relief

I confirm that I wish to refuse High Street Rates Relief in relation to the above premises.

I confirm that I am authorised to sign on behalf of _____ [name of undertaking].

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

CYNGOR SIR POWYS COUNTY COUNCIL.**CABINET EXECUTIVE
19th JUNE 2018**

REPORT AUTHOR: County Councillor Rosemarie Harris
Leader of Council/Portfolio Holder for Risk Management

SUBJECT: Risk Management Toolkit

REPORT FOR: Decision

1. Summary

1.1 The Accounts and Audit (Wales) Regulations require Local Authorities to put in place and ensure that there is a sound system of internal control, which includes arrangements for the management of risk.

1.2 We are continuously improving and updating our approach to risk management to help better understand and manage the risks the Council faces, prepare for future challenges and to increase the likelihood of achieving objectives. Risk management is a core management discipline that supports organisational delivery. The risks that the organisation faces are changing all the time, so the art of good risk management is to combine planning for what we know might happen with preparation for unknown situations, and to safeguard the organisation and in turn make it more resilient.

2. Background

2.1 The Council's current Risk Management Strategy was initially approved in 2007, and was last fully reviewed and updated in 2016.

2.2 In October 2017 SWAP undertook an audit of the risk management arrangements in Powys County Council, this audit concluded that current risk management arrangements in Powys County Council place the organisation at high risk of not being able to achieve its objectives and to successfully execute its strategies.

2.3 The audit was only able to offer partial assurance in relation to the areas reviewed and the controls in place. It was found that key risks are not well managed, and that system requires the introduction or improvement of internal controls to ensure the achievement of objectives.

2.4 The current Risk Management and Business Continuity Officer had already drawn up an action plan to improve the risk management process, this has been agreed with the Acting Director, Resources and included many of the recommendations of the report produced by SWAP.

2.5 Part of this improvement plan is the creation of a Risk Management Toolkit and the procurement of the JCAD Core risk management system. These two actions are the subject of this report.

2.6 It is necessary for the Council to have a clear statement of its overall policy in relation to managing risk in the delivery of services, have a formal strategy outlining how it will identify and control these risks, and provide a methodology and standard means of assessing risk and encouraging a more consistent approach to how this should be undertaken.

2.7 Based on best practice from other local authorities and guidance from Alarm (public sector risk management association), the Powys County Council Risk Management Toolkit has been created. Should this be adopted by Executive Management Team and Cabinet, it will replace and build on the current Risk Management Policy, Strategy and Methodology.

2.8 The toolkit contains three sections. Section one, introduced the toolkit and the discipline of risk management. Section two contains the specific policies, guidance, and methodologies for Powys County Council. Finally section three gives documents to support effective risk management and a numerical risk assessment framework.

2.9 Should this risk management toolkit be adopted it will ensure that the Council is working towards the ISO31000 standard for risk management. In addition successful implementation of the toolkit will mean that Powys County Council is able to achieve the following:

- *Governance and infrastructure:* Powys County Council adopts a cross organisation management of risk approach with executive level sponsorship, policies, standardised processes and defined accountabilities communicated through the organisation. Management of risk is integral to planning and performance in Powys County Council, and there is a clear vision of risk appetite.
- *Risk identification, assessment and prioritisation:* in Powys County Council, risk and opportunities are identified systematically and consistently across the organisation, programmes, and partnerships. Risks are assessed and prioritised to focus time and resource on the critical risks. Risk assessment takes into account risk correlation, and is both qualitative and quantitative.
- *Risk treatment and control:* controls are tested and actions plans developed, and implemented where necessary – risk management and risk transfer decisions are fully informed.
- *Reporting, monitoring, and communication:* Powys County Council has a strong governance framework in place to facilitate risk reporting and monitoring at all levels. Reporting is supported by JCAD Core. Powys County Council Management fully understand and monitor the risks the organisation faces and the benefits of effective risk management. Independent assurance is sought where required.

- *Culture:* Powys County Council has a risk aware culture, where colleagues understand the benefits of risk management and have the knowledge, skills, and tools to embed the management of risk process.
- *Partners/Third Parties:* when working with external organisations, Powys County Council has robust risk management processes in place. This framework is jointly applied when working in partnership.

2.10 The Powys County Council Risk Management Toolkit is attached as Appendix A and builds on the current Policy, Strategy, and Methodology, by introducing the following:

- Risk Management Champion – each Service Area will be asked to appoint a Risk Management Champion. These Champions should normally be someone who attends the Service Management Team or one of the PAs, as they have the responsibility for the recording of the risks in their Service Area using the JCAD Core Software.
- Corporate Risk Appetite Statement – a general risk appetite statement has been developed for the Council.
- Service Risk Appetite Statement – each service needs to develop their own risk appetite statements, these should be recorded on the service risk registers.
- Opportunity risk management.
- Greater integration into the programmes and projects.
- Partnership and third party risk management.
- A new risk assessment matrix (for both treats and opportunities).
- New risk recording and reporting system (JCAD Core).
- Training programme for Officers and Elected Members.

2.11 To assist us in developing a more integrated approach to risk management, JCAD Core, a cloud based, electronic risk management system has been procured (March 2018) for a three year contract at an initial cost of £5,450 (excluding VAT) followed by two annual payments of £4,950 (excluding VAT). This will replace the many spreadsheets that we currently use.

2.12 The JCAD Core system will be used for:

- Corporate Risk Register;
- Service Risk Registers – all service areas are to have their own risk register;
- Programme Risk Registers – all programmes are to have their own risk register;
- Opportunity Register.

2.13 This system can be used to generate a wide range of reports that show risk control and performance, this feedback will allow for better strategic decisions to be made and to allow for opportunities to be identified. For the first time, risk data will be able to be viewed live, from any location, this should help to make Powys County Council more risk aware organisation.

2.14 For Service Risk Registers, the Risk Management Champions will be responsible for the input of data. For programme level risk, this responsibility lies with the Programme Manager, whilst the Business Continuity and Risk Management Officer will remain responsible for the maintenance of the Corporate Risk Register. Automated alerts will be utilised, to ensure that all deadlines are adhered to.

2.15 Each Risk Champion and/or Service PAs/Programme Managers will receive a username and read/write access. Other Officers and Elected Members will be able to log in (read only) and securely view the system, at any time. All key users will receive training in using the system. Additional training will be available on an ad-hoc basis from the Business Continuity and Risk Management Officer.

3. Proposal

3.1 That Cabinet approves the attached Powys County Council Risk Management Toolkit, and that this replaces the current Risk Management Policy, Strategy and Methodology.

4. Options Considered / Available

4.1 No alternative options are considered appropriate as a result of this report.

5. Preferred Choice and Reasons

5.1 None to consider.

6. Impact Assessment

Is an impact assessment required? No

7. Corporate Improvement Plan

7.1 The Risk Management Toolkit outlines the process for the management of risk throughout the Council. Adherence to the policy will help to support delivery of the Vision 2025. Effective risk management increases the likelihood of achieving objectives.

8. Local Member(s)

8.1 The Risk Management Toolkit applies to all service areas across the whole county.

9. Other Front Line Services

9.1 The Risk Management Toolkit applies to all service areas across the whole county.

10. Communications

Have Communications seen a copy of this report? No

11. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

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

11.2 Finance – The Finance Business Partner agrees with the proposal and the costs can be contained within the existing Risk and Insurance budgets.

11. Scrutiny

Has this report been scrutinised? Yes

If Yes what version or date of report has been scrutinised?

The Risk Management Toolkit has been scrutinised by Audit Committee on 27th April 2017.

What changes have been made since the date of Scrutiny and explain why Scrutiny recommendations have been accepted or rejected?

Based on comments from Audit Committee, further detail on the roles and requirements of different officers and members have been added, the Toolkit will also be subject to annual review.

12. Statutory Officers

12.1 The Solicitor to the Council (Monitoring Officer) commented as follows : “ I note the legal comments and have nothing to add to the report.”

12.2 The Head of Financial Services (Deputy Section 151 Officer) notes the comment of the Finance Business Partner.

13. Members' Interests

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:
To approve the Risk Management Toolkit as set out in Appendix A to the report.	As part of its arrangements for good Corporate Governance it is necessary for the Council to have a clear statement of its overall policy in relation to managing risks in the delivery of services and also to have a formal strategy outlining how it will identify and control those risks.

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

Relevant Local Member(s):	All Members
----------------------------------	--------------------

Person(s) To Implement Decision:	Business Continuity & Risk Management Officer
Date By When Decision To Be Implemented:	1st August 2018

Contact Officer: Greg Thomas Tel: 01597 82 6149 Email: greg.thomas2@powys.gov.uk

Background Papers used to prepare Report:



Powys County Council

Risk Management Toolkit (June 2018)

From risk to results, resilience and reward

Page 87

Contents

Section 1

- 1.1 – Guidance and toolkit
- 1.2 – Definitions and benefits
- 1.3 – Powys Risk Management Standard

Section 2

- 2.1 – Policy Statement
- 2.2 – Risk Management Structure
- 2.3 – Risk Appetite
- 2.4 – Risk Management Process
- 2.5 – Integration of Risk Management
- 2.6 – Risk Management Culture

Appendices

- A – Glossary
- B – Risk Appetite
- C – Risk Universe
- D – Risk Assessment Matrix



Foreword

At a time when Powys County Council is facing unprecedented challenges, the effective management of risk is needed more than ever. A risk-managed approach to decision making will help us to achieve the objectives of Vision 2025 and deliver services more efficiently, using innovative and cost-effective means.

The guide and toolkit has been developed to ensure that at all levels of the organisation we are able to identify risks which would prevent us from achieving our objectives (including failing to take advantage of opportunities). There is clear guidance on the terminology associated with risk management and the process itself, along with a set of practical tools techniques to help us manage risks, deliver objectives, meet targets and maintain resilience.

Page 89
We must not lose sight of the fact that risk is inextricably linked to opportunities and innovation. The Council cannot be risk adverse, and it needs to take full advantage of opportunities for improving services, and therefore we need to be proactive in the way that we manage our risk.

Having a better understanding of the importance of, and fully implementing, risk management it will make a huge contribution to the Council. Better identification of risks and their management will mean that better use of resources is achieved. If we use the resources available to us more efficiently and effectively then the service to our customers can only be improved.

CLlr Rosemarie Harris
Executive Leader, Powys County Council



Acknowledgements

This guide and toolkit has been produced by the Risk and Resilience Section of Powys County Council based on the Alarm Risk Management Toolkit, which builds upon Alarm's Core Competencies in Public Service Risk Management (2011), which outlines the key skills, knowledge and behaviours expected on a risk practitioner. Alarm is a membership organisation with the purpose to support risk and insurance professions, within organisations that provide or support communities and citizens. More information on Alarm can be found at: www.alarm-uk.org.

Further material has been adapted from the Birmingham City Council Risk Management Toolkit and the Shropshire Opportunity Risk Management Strategy.





Section 1

Introduction to Risk Management in Powys County Council

From risk to results, resilience and reward

Page 91

1.1 Guidance and toolkit

1.1.1 Purpose and Use

This toolkit provides an approach to implementing best practice management of risk across Powys County Council. It has been developed by the Risk and Resilience Section based on the Alarm Risk Management Toolkit. The toolkit is designed to provide all the information and supporting templates required to develop, implement and maintain risk management within Powys County Council. Powys County Council use risk management processes and principals at every level of the organisation. Risk management is applied at the operational level, used to improve performance, integrated with strategic planning, projects, programmes, partnerships, and third parties.

1.1.2 How to use this toolkit

In order for risk management to be effective in Powys County Council, a phased approach is required, with each phase building on previous steps. This toolkit is organised according to these phases.

Section 1 introduces the toolkit, provides definitions, outlines the risk management landscape and relevant risk management standards/guidelines. Section 2 is much more specific to Powys County Council and contains documentation relating to:

- Risk management governance and infrastructure;
- Risk management process;
- Integration of risk management;
- Risk management culture.

The appendices provide support material that should be used at all governance levels to ensure that an effective risk management process is in place.



1.2 Definitions and benefits

1.2.1 ISO31000

Risk and risk management have hundreds of different definitions worldwide. Powys County Council have taken the definitions from ISO31000 for risk and risk management.

Risk is defined as:
Effect of uncertainty on objectives

Risk management is defined as:
Coordinated activities to direct and control an organisation with regards to risk

These are the only definitions that Powys County Council will use as part of its risk management policy and procedures. It is important to note that not all risks are negative, they can be positive opportunities.

1.2.2 Glossary

To ensure consistency of understanding a glossary of key terms is provided in Appendix A.

1.2.3 Benefits of risk management



1.3 The Powys Risk Management Standard

1.3.1 Background

Based on the 7 main risk management standards¹, the following areas of best practice have been adopted by Powys County Council, to form the Powys Risk Management Standard that all will be utilised at a corporate, service, programme, project and operational level.

1.3.2 The Powys Risk Management Standard

Governance and infrastructure

Page 94
Powys County Council adopts a cross organisation management of risk approach with executive level sponsorship, policies, standardised processes and defined accountabilities communicated through the organisation. Management of risk is integral to planning and performance and there is a clear vision of risk appetite.

Risk identification, assessment and prioritisation

In Powys County Council, risk and opportunities, are identified systematically and consistently across the organisation, programmes, and partnerships. Risks are assessed and prioritised to focus time and resource on the critical risks. Risk assessment takes into account risk correlation, and is both qualitative and quantitative.

Risk treatment and control

Controls are tested and actions plans developed and implemented where necessary – risk management and risk transfer decisions are fully informed.



Reporting, monitoring, and communication

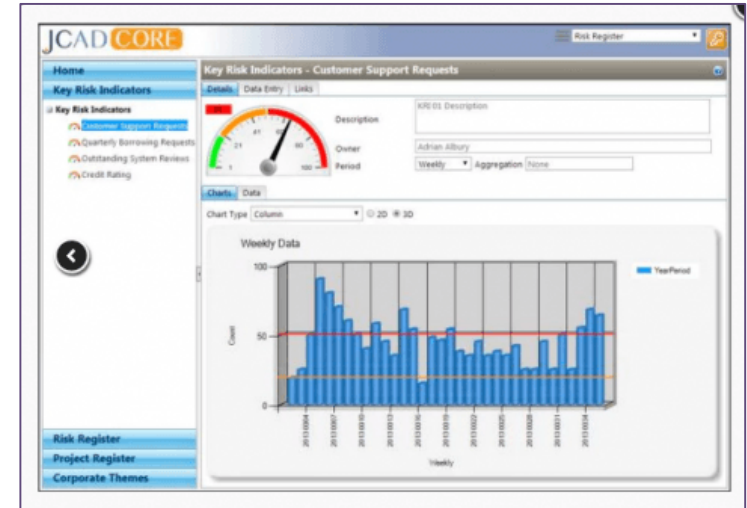
Powys County Council has a strong governance framework in place to facilitate risk reporting and monitoring at all levels. Reporting is supported by JCAD Core. Powys County Council Management fully understand and monitor the risks the organisation faces and the benefits of effective risk management. Independent assurance is sought where required.

Culture

Powys County Council has a risk aware culture where colleagues understand the benefits of risk management and have the knowledge, skills, and tools to embed the management of risk process.

Partners/Third Parties

When working with external organisations, Powys County Council has robust risk management processes in place. This framework is jointly applied when working in partnership.



¹Management of Risk (M_o_R), BS 31100:2011, BS 6500:2014, HM Treasury: The Orange Book, Australian/New Zealand Standard AS/NZS 4360, A risk management standard: what does risk management look like.





Section 2

The Risk Management Approach in Powys County Council

From risk to results, resilience and reward

Page 96

2.1 Policy Statement

2.1 Policy Statement

Powys County Council recognises risk management is a vital activity that both underpins and forms part of our vision, values and strategic objectives.

Risk is present in everything we do and it is therefore our policy to identify, assess and manage the key areas of risk on a pro-active basis. We seek to embed risk management into the culture of Powys County Council and the behaviour of all people involved in the management, operation and development of Powys County Council. Risk management needs to be embedded throughout all processes, projects and strategic decisions, including procurement and contracting which will ensure partnerships and third party relationships are fully compliant with the risk management policy and strategy of Powys County Council.

The aim for our risk management framework is that it will be fit for purpose, reflect our size and the nature of our various operations and use our skills and capabilities to the full. In order for risk management to be most effective and become an enabling tool, we must ensure we have a robust, consistent, communicated and formalised process across Powys County Council.

In order to obtain a clear picture of which risks will threaten the ability of Powys County Council to achieve its objectives it is important the level of risk which the Cabinet and Executive Management Team considers acceptable for the organisation to be exposed to, that is the risk appetite of Powys County Council, is defined.

This risk management Policy Statement and supporting documentation form an integrated framework that supports Powys County Council in the effective management of risk. In implementing our management of risk system we seek to provide assurance to all our stakeholders that the identification and management of risk plays a key role in the delivery of Vision 2025 and other strategic objectives.

We will involve, empower and give ownership to all of our staff in the identification and management of risk. Management of risk activity will be regularly supported through discussion and appropriate action by the Executive Management Team and Cabinet. This will include a thorough review and confirmation of the significant risks, evaluating their mitigation strategies and establishing supporting actions to be taken to reduce them to an acceptable level. Managing risks will be an integral part of both strategic and operational planning and the day-to-day running, monitoring, develop and maintaining of Powys County Council.

Page 97



2.2 Risk Management Structure

2.2.1 Risk Management Structure

In order for risk management to be embedded fully within Powys County Council, all employees at all levels of the organisation have a responsibility for managing risk in their own work, their wider service, directorate, and at a corporate level. As such the risk management structure of Powys County Council is build on, and aligned with existing structures and reporting lines. Roles and responsibilities for risk management are set out in 2.2.2.

2.2.2 Roles and Responsibilities

Page 98
Cabinet

- Approve the risk management policy, strategy, and framework.
- Review the key risks to the organisation and the controls that are in place and provide assurance to stakeholders that the risks are being effectively managed.
- To ensure that risk is considered as part of the decision making process.
- To review the content of the Corporate Risk Register, ensuring procedures are in place to monitor the management of significant risks.
- To review the Council's approach to risk management and approve changed or improvements to key elements of its processes of procedures.

Elected Members

- To understand the strategic risks that the Council faces.
- To understand how these risks are being managed.
- To consider the risks associated with recommendations put forward to the Council.

Audit Committee

- Gain assurance that risk management is being properly undertaken.
- Take an overview of, and provide scrutiny of the risk management arrangements across Powys County Council.
- Understand the requirements of the Civil Contingencies Act, and how the organisation manages its contingency plans.
- Review risks arising through key partnerships and ensure that these risk are adequately managed.
- Ensure insurance and other risk financing is used effectively.



Internal Audit/SWAP

- Create an audit plan that is aligned to the top risks.
- Review/challenge the effectiveness of the management of risk framework.
- Review the progress of planned actions.
- Test and validate existing controls.

Business Continuity and Risk Management Officer

- Coordinate the management of risk activity.
- Develop and maintain the risk management policy, strategy, framework, methodologies, and tools for the management of risk.
- Highlight any significant new or worsening risks to Executive Management Team/Cabinet for review and action.
- Assist in the delivery of the management of risk process and aggregation of risk profiles across the organisation.
- Provide guidance, training, and advice on the management of risk.
- Provide the link between risk management and the other related disciplines (insurance, business continuity, emergency planning, and health and safety).
- Promote and share management of risk best practice across the organisation.

Risk Champions

- Be responsible for the recording of risk management within their Service Area using the JCAD Core software.
- Communicate the benefits of risk management process and risk reporting procedures across their operational area.
- Help ensure the commitment of key stakeholders is obtained.
- Share best practice across the Risk Champion network.

Executive Management Team

- Regularly review the risk management policy, strategy, and framework to ensure that it underpins Vision 2025, and the wider strategy and objectives of Powys County Council.
- Agree on the risk appetite for the organisation.
- Review the key risks across the organisation, consider their importance against strategic objectives and action further controls as required.
- Allocate sufficient resources to address top risks.
- Report on key risks and controls in line with the organisation's risk management strategy.
- Create an environment and culture where risk management is promoted, facilitated, and appropriately undertaken by the organisation.



Service Management Teams

- Manage risk effectively in their area of responsibility.
- Complete the risk management process and risk reporting procedures as per Powys County Council guidelines.
- Complete, track, and monitor the progress of the service risk register.

Directorate Management Teams

Ensure the risk management process and risk reporting procedures are completed, as per the Powys County Council Risk Management Strategy, for each area under their responsibility.

- Monitor the key risks in each area of their responsibility.

Operational Managers

- To manage risk effectively in their area of responsibility.
- To complete the risk management process and risk reporting procedures as per Powys County Council guidelines.
- Complete, track, and monitor the progress of action plans.

Programme/Project Managers

- To record all risks associated their programmes/projects.
- To ensure that when necessary risks are escalated to the relevant service/corporate risk register.

All staff

- To comply with the risk management processes and guidelines of Powys County Council
- To identify both opportunities and hazards, and to raise these with their line manager.
- To take appropriate action to benefit from opportunities, or limit the likelihood and consequences of risks.

Wales Audit Office

- To undertake assessments on the performance of Powys County Council.
- To use risk information to feed into the improvement agenda.



2.2 Risk Management Structure

2.2.3 Escalation

Service/Corporate Risks

Typically identified risks will escalate through the organisation as follows. However this is not prescriptive, risks can be identified at any level. Not all risks will complete the escalation process, they will be treated (and held) at the most appropriate level.



Programme Risks

Due to additional governance, programme risks will escalate as follows:



2.3 Risk Appetite

2.3.1 Risk Appetite

In accordance to ISO31000 our risk appetite is the amount and type of risk that Powys County Council is willing to pursue or retain. Our risk appetite helps us to determine what a material risk is; what is a high risk is and what a low risk is. By deciding risk appetite, Powys County Council are able to more effectively prioritise risk for mitigation, better allocate resources, and demonstrate more robust decision making around project/programme initiation.

Our risk appetite will change over time, and as such the Powys County Council Risk Appetite Statement will be subject to annual review. In addition to the corporate risk appetite, each individual Service Area should define their risk appetite and record it on their risk register.

2.3.2 Powys County Council Risk Appetite Statement

As a large and diverse organisation, it is recognised that appetite for risk will vary according to the activity undertaken and hence different appetites and tolerances to risk apply throughout the organisation. Corporately, Powys County Council has an open risk appetite, and specific risk appetites are set out in the relevant risk register. This enables us to be consistent across the Council, and to encourage a balance between caution and innovation. It also avoids resources being spent on further reducing risks that are already at an acceptable level based on risk appetite.

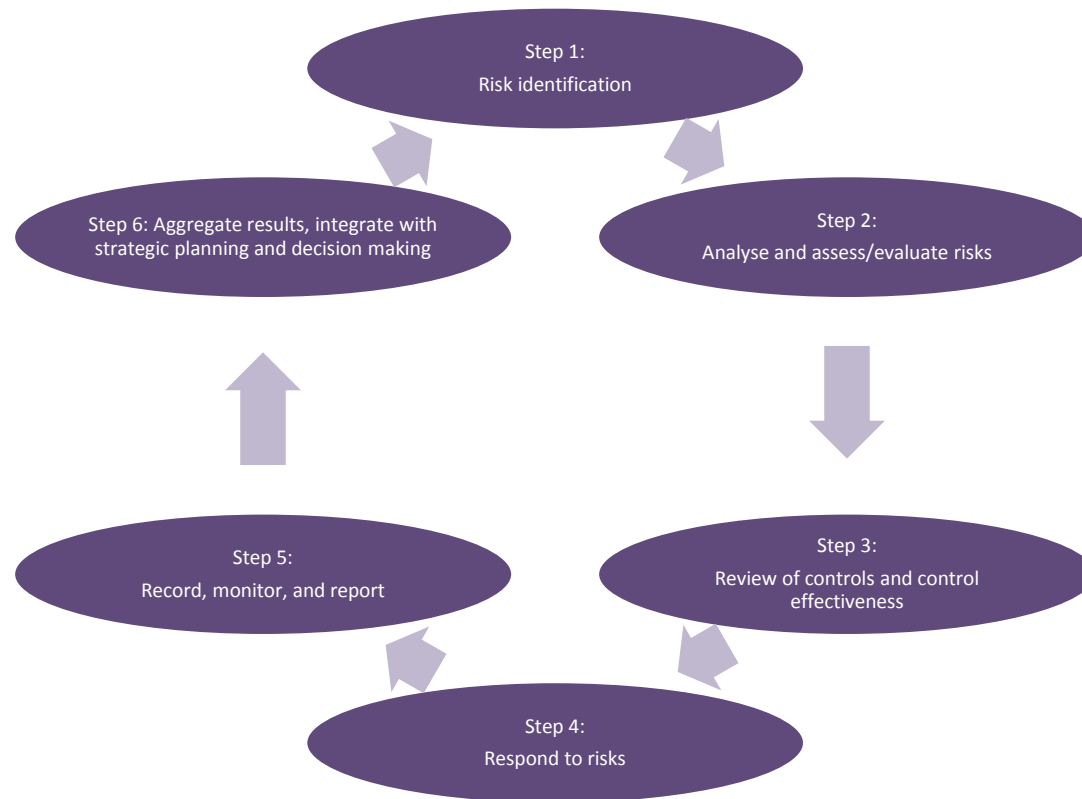
Powys County Council will take fair, measured and targeted levels of risk in order to achieve Vision 2025 and our other strategic objectives. We will be innovative and consider all potential business and service options choosing those options in risk terms that are most likely to result in successful delivery (particularly a visible increase in the level and quality of services to our residents), but at the same time will provide an acceptable level of return to the Council, a reduction in Council's operating costs and in the generation of target savings, operating efficiencies as required by the current climate of financial prudence in local government.



2.4 Risk Management Process

2.4.1 Summary

Risk Management in Powys County Council is a continuous process involving the identification of risks, prioritisation of these risks, and implementation of actions to further mitigate the top risks. The risk management process that adopted by Powys County Council is summarised in the below diagram.



2.4 Risk Management Process

2.4.2 Risk Identification

The purpose of risk identification is to generate a comprehensive inventory of risks based on those events which might create, prevent, accelerate or delay the achievements of our objectives. It is vital that we identify risks at project, programme, service, and corporate level.

Risk Identification Techniques

There are a variety of techniques and methodologies that can be used to identify risks within Powys County Council. This process should begin by reviewing the existing risk registers and asking the following questions:

- Have any of the recorded risks changed significantly in terms of impact or likelihood?
- Are any risks missing from the risk register?
- Is anything planned over the next 12 months that will give rise to a significant risk?

The risk identification process should also include:

- Analysis of previous losses, events, incidents, or lessons learnt?
- Technical briefings, national reports, and networking.

A general overview checklist of risks, or risk universe, to assist in identifying key risks is included as Appendix C.

There are many other examples of risk identification techniques which could be useful in identifying risks at all levels of Powys County Council. These include:

- Questionnaires;
- Interviews;
- Workshops;
- SWOT analysis;
- PESTLEC analysis;
- Bowtie analysis.

The Business Continuity and Risk Management Officer is able to facilitate risk identification workshops, or to provide guidance on any of these techniques.



2.4 Risk Management Process

2.4.2 Risk Identification

Recording Risks

Powys County Council records all risk using the electronic risk management system, JCAD Core. This system forms the risk register at a corporate, service, and programme level.

JCAD Core is administered by the Risk and Resilience Team, and managed throughout the organisation by Risk Management Champions. Key officers have been provided with training in the use of this system. Further training is available on request from the Business Continuity and Risk Management Officer.

During the risk identification process you should aim to complete the following columns in the risk register:

- Risk ID: unique number/letter that will follow the risk for the duration of the processes to enable monitoring and reporting.
- Date identified: when was the risk identified?
- Source: who was the risk identified by?
- Risk level: What level of Powys County Council will this risk impact? Is it a corporate risk, or specific to a certain Directorate, Service, Programme, or Project.

- Risk title: a brief articulation of the risk. This needs to be specific so not to overcomplicate the risk register. But it also needs to fully articulate the risk in question to ensure that it is clearly understood by the reader. The risk title may form the basis of reporting.
- Consequence: the consequence to your organisation should the risk materialise? More than one consequence can be recorded for each risk.
- Current controls: a list of the current controls that are in place to mitigate the risk. These should be specific and auditable. A control should either reduce the likelihood of the risk materialising and/or reduce the impact should the risk materialise.

The risk register is a critical tool for capturing and reporting on risk activity, it is a live database where new risks are captured, others are managed to extinction, and some require close and regular monitoring. The data within the register is used to inform the business of threats and opportunities that it faces in the delivery of Vision 2025. It is part of the Council's internal governance and performance frameworks and is used to ensure the organisation operates effectively.



2.4 Risk Management Process

2.4.2 Risk Identification

Risk Registers

Powys County Council expects all Service Areas (as outlined on the January 2018 Organisational Structure) and Vision 2025 Programmes to be using the JCAD Core Risk Management System to record their risks. The risk registers are owned by the individual Head of Service or Programme Manager, and it is their responsibility to ensure that these are reviewed on a quarterly basis. For Powys County Council Services, relevant Portfolio Holders will expect to see the risk registers as part of their Quarterly Performance Review.

Page 106
The Directorate Risk Registers detail the highest risks faced by each Directorate in delivering their Directorate Plan. They also include significant issues that have impacted the Directorate objectives. These risk registers are owned by the relevant Directors, and are reviewed on a quarterly basis by the Directorate Management Team.

The Corporate Risk Register contains risks, that should they occur, could have a fundamental impact on the Council's ability to operate, achieve its strategic objectives, or to achieve Vision 2025. Risks with a current risk score of 14 or above on the Matrix (Appendix D), will be escalated for inclusion in the Corporate Risk Register. The Corporate Risk Register is the means by which members and leaders of Powys County Council will be focused on the strategic and business critical risks, and review the effectiveness of risk management arrangements to monitor these risk. The Corporate Risk Register is owned by the Executive Management Team and used by them and Cabinet to ensure the highest risks are being managed effectively.

Other processes where risk is captured and recorded, also underpin the risk registers: service delivery plans, budget planning and monitoring, programme/project delivery, partnership working, contracts and commissioning, health and safety, civil protection, and business continuity planning.



2.4 Risk Management Process

2.4.3 Analyse, Assess/Evaluate Risks

The risks that have been identified need to be assessed so that Powys County Council can prioritise mitigation actions towards better controlling those risk areas that are most likely to prevent or hinder the achievement of Vision 2025 and our related objectives. Powys County Council use a set criteria (risk matrix) for the analysis of risks (both threats and opportunities). This assessment criteria has been agreed by Cabinet and Executive Management Team. The risk matrix is appended to this document.

Assessment Techniques

Risks need to be assessed in terms of the probability of them occurring and the impact they may have if they do. This gives an indication of the inherent risk before any planned control measures and/or any mitigating controls are considered. We need to adopt a consistent approach to the assessment of probability and impact so that risks can be compared across the whole authority. The

Likelihood is scored based on the likelihood of the risk occurring (low, medium, high, very high).

Impact is determined by using the impact table to assess the severity of the impact on the Council should the risk occur. Taking each risk in turn, the severity should be considered in terms of the risk occurring, scoring each area as Low, Medium, High or Very High. The ratings of each consequence are likely to be mixed, for example the consequence of a risk happening may be moderate in terms of financial implications, but may have a significant impact on the Council's reputation.

Each risk is to be assessed against all the categories given in the severity of risk guidance, and the highest score is to be used in the risk assessment matrix.

Once the likelihood and impact have been established the overall risk level can be calculated, either using the Risk Matrix or by using the below calculation:

Overall Risk Level = Likelihood x Impact

These scores and the risk colour (based on the traffic light system) are then recorded using the JCAD Core system. It is important to note that the same risk matrix is used for both threats and opportunities.



2.4 Risk Management Process

2.4.4 Response to Risk

Many of the risk that you will identify will have existing controls/mitigation in place. However these are not always effective, and it is vital that current controls are reviewed for their effectiveness, so that a decision can be made about whether additional controls are required. Risks which are deemed to be at an unacceptably high level will require additional treatment. Risk that are at an unacceptably high level are those that exist outside of either the Service or wider Powys County Council risk appetite.

Risk Treatment

Page: 108

For those negative risks which require additional treatment, there are four primary responses; terminate, transfer, treat, or tolerate:

- Terminate: implies that a risk is undesirable, for example it does not fit with Vision 2025, it offers unattractive rewards, or it is outside of our risk appetite. Examples of how to terminate a risk include, divesture or stopping a certain process, activity, or project completely.
- Treat: is putting into place risk control measures that reduce the likelihood and/or consequences of the risk to acceptable levels. The vast majority of risk treatment options fall into this category. Examples include strategy, processes, people, or systems improvement.
- Transfer: this involves transferring the cost of the risk to a third party. For example through insurance, contract or outsourcing.
- Tolerate: Powys County Council decides to accept the risk as it is and do nothing to further mitigate it. Risks that are accepted will still require monitoring and review.

If a risk is to be treated, it is vital that an action plan is developed by the risk owner in collaboration with relevant stakeholders. Actions plans should be used as a tool for assigning and monitoring additional actions that have been identified to mitigate the risk.

- At a minimum, the action plan should include:
- The action to be completed;
- The officer responsible for completing this action;
- The target completion date.

This information should be included in the risk register. Treatment options for opportunity risk are covered in Section 2.5.3.



2.4 Risk Management Process

2.4.5 Record, Monitor and Report

In Powys County Council risk are reported using the JCAD Core system. The purpose of risk reporting is to:

- Monitor and report on the effectiveness of the risk management process to senior managers and elected members.
- Provide relevant and sufficient risk information in a timely manner that is user-friendly and drives decision making and action.
- Ensure the views of senior management and elected members on risk and filtered back to the organisation in a timely manner.
- Focus on the most significant risks, ensuring adequate responses are actioned.
- Compare results against benchmarks.
- Show trends of early warning indicators for key risks.

Currently risk is reported on a quarterly basis to:

- Service Management Teams;
- Directorate Management Teams;
- Executive Management Team;
- Audit Committee;

This reporting will provide these groups with the assurance that all risk exposures have been identified, impacts assessed, and mitigating controls evaluated. Any of these groups can ask for clarification or a risk, raise or lower its reporting level, or ask for additional treatment to be undertaken on a risk.

The management of risk process must be continuous, and as such in addition to this quarterly reporting, all risk registers will be fully reviewed on an annual basis. This review of risk registers will take place at the same time as this toolkit is reviewed, that is during the Quarter 1 reporting period.

All risks should be reported using the JCAD Core software. Two reports should be generated on a quarterly basis the **Risk Report** and the **Risk Register**. The risk report provides a high level summary of all the risks that are faced by that by the programme/service or corporately. Whilst the Risk Register gives a greater level of detail of the risk.

Full reporting instructions can be found in the JCAD Core user guide.



2.5 Integration of Risk Management

2.5.1 Integration with Programmes and Projects

Projects and programmes form a large part of the operations across Powys County Council, and inevitably risk is present in all programmes and projects. For Vision 2025 to achieve its intended outcomes, Powys County Council have chosen to implement a formal management of risk approach for programmes and projects. Each of the Vision 2025 programmes, has its own risk register, recorded on the JCAD Core system. Currently project risks are recorded using Excel spreadsheets, and are escalated at the discretion of the project manager. Templates are available from the Programme Office, and advice can be sought from either the Programme Officer or the Business Continuity and Risk Management Officer.

Benefits of programme/project risk management

The benefits of taking a management of risk approach to programme and project management are:

- Improved stakeholder relations;
- On time, on quality, and on budget programme/project completion;
- Early allocation of risk and risk mitigation responsibility to the most appropriate owner;
- Risk mitigation is focused on the biggest risks to achieving the project/programme objectives.
- Greater certainty around decisions.
- Demonstration to stakeholders that the programme/project is being managed correctly.

Programme/project risk methodology

Powys County Council recommends that the processes outlined in this toolkit are applied to programme and project risk management, however there are some additional considerations:

- Risk Identification:
 - Should focus on the risks that may impact the achievement of the programme or project objectives;
 - Should be completed by key programme/project team members;
- Controls:
 - The cost/benefit of proposed action controls should be considered within the parameters of the programme/project;
 - Risk ownership should be allocated across the programme/project team.
- Monitoring and reporting:
 - Risk reporting should be integrated with established programme/project reporting lines;
 - Risks should be monitored at the beginning of each stage of the project.



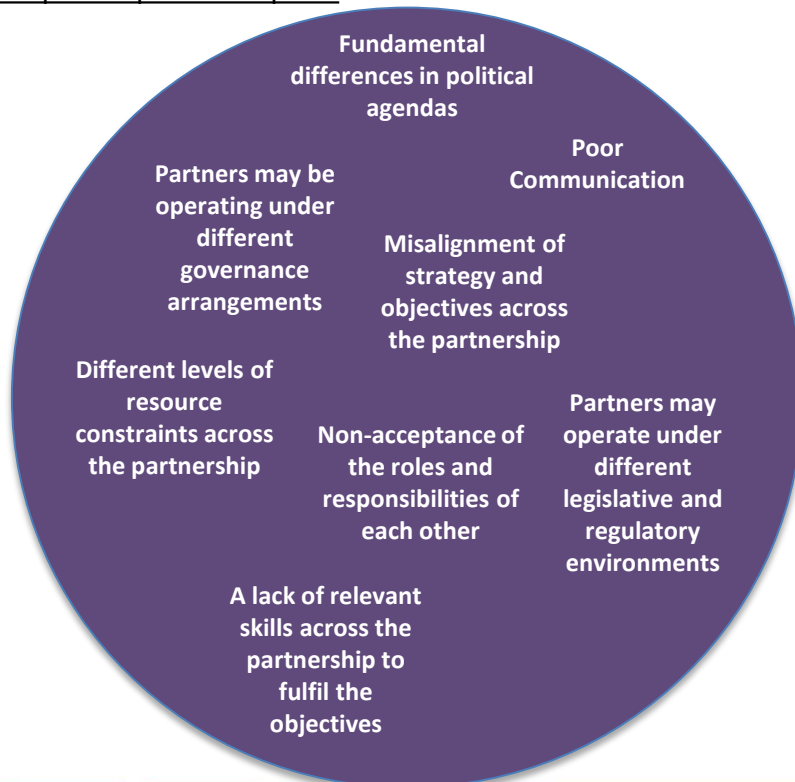
2.5 Integration of Risk Management

2.5.2 Partnerships and Third Parties

Increasingly Powys County Council are delivering public services through different forms of partnerships, involving the public, private, and third sector. Many risks can result from a partnership, all of which (if applicable) need to be managed to ensure the success of the partnership.

Examples of partnership risk

Page 111



Partnership risk methodology

Powys County Council recommends that the processes outlined in this toolkit are applied to partnership risk management, however there are some additional considerations:

- Risk Identification:
 - Should focus on the risks that may impact the achievement of the objectives of the partnership;
 - All key partners should be involved.
- Controls
 - Risk ownership and responsibility for auctioning additional controls should be allocated to an individual partner, within the partnership.
 - Risk mitigation requiring input from multiple partners should be agreed by the partnership.
- Monitoring and reporting:
 - The process for ongoing monitoring and progress of action plan completion needs to be agreed by the partnership.
 - The frequency and content of risk reports needs to be agreed by the partnership and responsibility for this allocated.



2.5 Integration of Risk Management

2.5.3 Opportunity Risk Management

It has been identified that Powys County Council need to start proactively managing opportunity risk; if we only manage our threats then the best outcome that can be expected is to meet our objectives, but not to improve upon them. By identifying both opportunity risk and threat risk, we can take a strategic approach to doing something about the risk. It is vital that we move away from the assertion that risk only having negative consequences.

The Powys County Council Risk Assessment Matrix (Appendix D) provides a facility to assess both negative and opportunity risks. Opportunity risks should be included within Project/Programme/Service Risk Registers. A stand alone Corporate Opportunity Risk Register exists.

Opportunity risk methodology

Powys County Council recommends that the processes outlined in this toolkit are applied to opportunity risk management, however there are some additional considerations:

- Risk Identification:
 - A SWOT analysis is a good way to facilitate the identification of opportunities;
 - Real opportunities should be identified, not simply the flip side of threats.
- Prioritisation:
 - Impact criteria should reflect the positive impact that opportunities will bring to Powys County Council.
 - The aim with opportunities is to maximise the scores for impact and likelihood.
- Action plans:
 - Rather than risk treatment, opportunity responses will need to be considered. For examples exploit, share, enhance, and accept.

Benefits of opportunity management

Powys County Council will achieve the following benefits by adopting an opportunity management approach:

- Maximum efficiency – threat and opportunity management are combined.
- Cost-effectiveness – a single process to achieve proactive management of both types of risk.
- Improved chances of achieving/exceeding strategic objectives.
- Removing the negative perception of management of risk.
- Familiar techniques meaning minimal additional training.
- More realistic budgetary and schedule contingency management by including potential upside impacts as well as downside impacts.
- Proactive opportunity management of risk.



2.6 Risk Management Culture

2.6 Risk Management Culture

For Powys Council to achieve our long term goals, it is vital that risk management is embedded within our organisational culture. It is essential that we embrace the risk management strategy and to create a culture that is willing to talk about our mistakes, and lessons learned without consequences.

Training

It is vital that Powys County Council Officers and Members understand the risk management strategy, the risk management process, and their roles/responsibilities in it.

Page 113

Initially Risk Management Champions will be offered training into the risk management approach at Powys County Council, and will be fully trained in using the JCAD Core Risk Management System. This training will then be rolled out to all Officers, Cabinet, and wider Elected Members.

The training will be tailored to each of these different groups. If you would like any specific training provided, please get in touch with the Business Continuity and Risk Management Officer.





Appendices

Page 114

From risk to results, resilience and reward

Appendix A1: Glossary

Accept: A risk response that means the organisation takes the chance the risk will occur, with full impact on objectives of it does.

Avoid: A risk response that seeks to eliminate a threat by making the situation certain.

Control owner: A control owner is the individual assigned for the implementation of the measures to mitigate the risk. They support and take direction from the risk owner.

Frequency: A measure of likelihood expressed as the number of occurrences of an event in a given time.

Impact: Impact (often referred to as consequence) to the organisation should the risk materialise.

Inherent Risk: The level of risk before treatment measures have been taken into consideration.

Likelihood: A qualitative description of the probability or frequency of that risk actually materialising.

Maturity level: A well-defined evolutionary plateau towards achieving a mature process.

Partnerships (Third parties): Contractual relationship between two or more persons carrying out a joint venture, each incurring liability for losses and the right to share in the outcome.

Programme: A temporary, flexible organisation structure created to coordinate, direct and oversee the implementation of a set of related outcomes and benefits related to the organisation's strategic objectives.

Project: A temporary organisation that is created for the purpose of delivering one or more products according to a specified business case.

RAG Analysis: 'RAG Analysis' describes a process whereby complex data can be displayed in 'traffic light' or Red-Amber-Green (RAG) format.

Residual Risk: The remaining level of risk after risk mitigation and control measures have been taken into consideration.

Risk ISO 31000: Effect of uncertainty on objectives.

Risk Analysis: A systematic use of available information to determine how often specified events may occur and the magnitude of the impact.

Risk Appetite: The amount of risk to the organisation, or subset of it, is willing to accept.



Appendix A2: Glossary

Risk Assessment Criteria: The terms of reference by which the significance of risk is assessed.

Risk Category: Represents a collection or group of risk types with a common denominator (e.g. strategic, operational, people, legal/regulatory, financial, hazard).

Risk Cause: A description of the source of the risk, i.e. the event or situation that gives rise to the risk.

Risk Management/Management of Risk ISO 31000: Coordinated activities to direct and control an organisation with regards to risk. The culture, processes and structures that are directed towards the effective management of potential opportunities and threats to the organisation achieving its objectives.

Risk Map: A model that visually displays the relationship between the likelihood and impact of specific risks.

Risk Owner: A single individual who is nominated and responsible for the monitoring and reporting of a risk.

Risk Perception: An individual's subjective view of risk, based on a set of values and / or concerns.

Risk Prioritisation: The process that allows risks to be ranked into a logical order by establishing how significant they are in terms of likelihood and impact.

Risk Register: A basic, ongoing working document that records the risk identification, assessment and sometimes action planning process.

Risk Response: Actions that may be taken to bring the risk to a level that is acceptable to the organisation. These responses fall into one of a number of risk response options.

Risk Tolerance: The threshold levels of risk exposure that, with appropriate approvals, can be exceeded, but which when exceeded will trigger some form of response (e.g. reporting the situation to senior management for action).

Stakeholder: Any individual, group or organisation that can affect, be affected by, or perceive itself to be affected by a risk.

Uncertainty: A condition where the outcome can only be estimated.



Appendix B: Risk Appetite

The below, adapted from the Institute of Risk Management document, 'Risk Appetite and Risk Tolerance', outlines an approach to developing a risk appetite statement. These questions should be used by Powys County Council Service Areas in order to develop a risk appetite statement.

1. Is the Service Management Team clear about the nature and extent of the significant risks it is willing to take in achieving its strategic objectives?
2. What are the strategic objectives? Are they clear? What is explicit and what is implicit in those objectives?
3. What are the significant risks are the Service willing to take? What are the significant risks the Service is not willing to take?
4. What steps has the Service taken to ensure oversight over the management of the risks?
5. Does the Service need to establish clearer governance over the risk appetite and tolerance of the Service?
6. How mature is management of risk in Powys County Council? Is the view consistent at differing levels of the organisation? Is the answer to these questions based on evidence or speculation?
7. What specific factors should the risk appetite take into account in terms of the business context? Risk processes? Risk systems? Management of risk maturity?
8. At which levels would it be appropriate for the Service to consider risk appetite?
9. What are the main features of the Service risk culture in terms of tone at the top? Governance? Competency? Decision making?
10. How much does the Service spend on management of risk each year? What are the business, regulatory or other factors that will influence the relative importance of the Service Area's propensity to take risk and its propensity to exercise control at strategic, tactical and operational levels?
11. Does the Service Area understand clearly why and how it engages with risks?
12. Is the Service Area addressing all relevant risks or only those that can be captured in management of risk processes?
13. Does the Service Area have a framework for responding to risks?
14. What approach has the Service Area taken to measuring and quantifying risks?
15. Has the Service Area followed a robust approach to developing a risk appetite?
16. Who are the key external stakeholders and have sufficient soundings been taken of their views? Are those views dealt with appropriately in the final documentation?
17. Is the risk appetite tailored and proportionate to the Service Area?
18. Did the risk appetite undergo appropriate approval processes, including at Service Management Team?
19. What is the evidence that the Service Area has implemented the risk appetite effectively?



Appendix C: Risk Universe

This Risk Universe supports the risk identification stage of the risk management process. It provides you with a guide to the risks you should be considering during the risk identification process. This list is however not exhaustive, and should be used only as a guide.

Strategic Risks

Uncertain future events that could negatively impact the achievement of our vision and strategic objectives.

- Heavy snow fall leads to major transport disruption.
- A change in government policy diverts funding focus away from our activities.
- A Committee Member fails to fulfil their responsibilities to Powys County Council.
- Change of Government.
- An event leads to dissatisfied citizens, users, central/regional government or other stakeholders.
- Failure to establish and implement an effective marketing campaign.
- Failure to adapt to changes in social trends prevents the achievement of strategic objectives.
- Loss of position in the community due to competition from similar local organisations.
- Failure to align agendas and objectives with key partners.
- Inability to take advantage of a key funding opportunity.
- Loss of a key supplier/contractor, especially if there is a dependence on it for delivery of a key service.
- Executive Management Team do not receive sufficient information to make a robust and informed decision.
- A conflict of interest emerges between the organisation and one of its partners.
- Inaccurate financial forecasting and reporting is used to make a strategic decision.
- Loss of a key delivery partner.
- Failure to deliver key stakeholder expectations.
- A major environmental incident.



Appendix C: Risk Universe

Operational Risks

Uncertain future events that could negatively impact the day to day operations of your organisation.

- Failure of a key contractor to deliver a service, entirely or within the pre agreed timescale.
- Loss of critical IT systems.
- Loss of confidential information.
- Loss of insurance cover for key operations.
- Failure to react appropriately in the event of a disaster (e.g. to follow appropriate business continuity arrangements).
- A significant increase in the costs associated with the maintenance of corporate buildings.

People Risks

Uncertain future events that could negatively impact staff.

- Inadequate training and development is provided to staff.
- Loss of a key member of staff.
- Inability to recruit and retain suitable employees, volunteers, trustees or committee members.
- Committee Members lack the necessary skills or commitment to perform their duties to the required standard.

Legal/Regulatory Risks

Uncertain future events that could negatively impact our ability to comply with the legal/regulatory landscape.

- Breach of data protection laws.
- A lack of awareness leading to non-compliance with a key piece of legislation e.g. health and safety, employment, and equal opportunities, etc.
- Failure to recognise and respond to a change in legislation.
- An employee initiates legal action against Powys County Council resulting in a tribunal case.



Appendix C: Risk Universe

Financial Risks

Uncertain future events that could negatively impact the financials of your organisation.

- Increase in pension fund liabilities.
 - Inability to meet monthly pension payments.
 - Negative movements in the interest rate, significantly decreasing return on investment.
 - Loss of a key funding stream.
 - A member of staff commits a fraudulent act.
- A significant increase in the cost base for Powys County Council e.g. increase in supplier costs.

Page 120

Hazard Risks

Uncertain future events that could negatively impact on Powys County Council, caused by a hazards of some sort.

- Fire in a corporate building.
- Flood denies access to a building/renders it unfit for use.
- A major health and safety incident occurs at one of our sites.
- A member of staff is injured while performing their duties (assault or accident).
- Theft of a key piece of equipment e.g. computer, van, etc.



Appendix D1: Risk Assessment Matrix

Risk Matrix and Likelihood Guidance

Note: This matrix is to be used for both negative (threats) and positive (opportunity) risks. With threats we try to minimise the score, opportunities try to maximise the score.

Risk Matrix

		THREATS				OPPORTUNITIES					
Likelihood	Very High (4)	4	12	20	28	28	20	12	4	Very High (4)	
	High (3)	3	9	15	21	21	15	9	3	High (3)	
	Medium (2)	2	6	10	14	14	10	6	2	Medium (2)	
	Low (1)	1	3	5	7	7	5	3	1	Low (1)	
Likelihood x Impact = Overall Risk Level		Low (1)	Medium (3)	High (5)	Very High (7)	Very High (7)	High (5)	Medium (3)	Low (1)	Likelihood x Impact = Overall Risk Level	
		Impact (Negative)				Impact (Positive)					

Likelihood Guidance

Likelihood Ratings				
Likelihood	Low (1)	Medium (2)	High (3)	Very High (4)
Description	Might happen on rare occasions.	Will probably happen, possibly on several occasions.	Will probably happen at regular intervals.	Likely to happen, possibly frequently.
Numerical Likelihood	Less than 10%	Less than 50%	50% or more	75% or more

Appendix D2: Risk Assessment Matrix

Severity of Impact Guidance

Note: Risk to be assessed against all categories, and the highest score used in the matrix.

	Impact Levels			
Impact Category	Low (1)	Medium (3)	High (5)	Very High (7)
Service Provision	Limited effect (positive or negative) on service provision. Impact can be managed within normal working arrangements.	Noticeable and significant effect (positive or negative) on service provision. Effect may require some additional resource, but manageable in a reasonable time frame.	Severe effect on service provision or a Corporate Strategic Plan priority area. Effect may require considerable additional resource but will not require a major strategy change.	Extremely severe service disruption. Legal action. Effect could not be managed within a reasonable time frame or by a short term allocation of resources, and may require major strategy changes. The Council risks special measures. Officer/Member forced to resign.
Communities	Minimal impact on community.	Noticeable (positive or negative) impact on the community or a more manageable impact on a smaller number of vulnerable groups/individuals which is not likely to last more than six months.	A more severe but manageable impact (positive or negative) on a significant number of vulnerable groups/individuals which is not likely to last more than twelve months.	A lasting and noticeable impact (positive/negative) on a significant number of vulnerable groups/ individuals.
Environmental	No effect (positive or negative) on the natural and built environment.	Short term effect (positive or negative) on the natural and or built environment.	Serious local discharge of pollutant or source of community annoyance that requires remedial action.	Lasting effect (positive or negative) on the natural and or built environment.
Financial (loss/gain)	Under £0.5m.	Between £0.5m - £3m.	Between £3m - £5m.	More than £5m.
Legal/ regulatory	No significant legal implications or action is anticipated	Tribunal/Powys County Council legal team involvement required (potential for claim).	Criminal prosecution anticipated and/or civil litigation.	Criminal prosecution anticipated and or civil litigation (> 1 person).
Personal safety	Minor injury to citizens or colleagues.	Significant injury or ill health of citizens or colleagues causing short-term disability/absence from work.	Major injury or ill health of citizens or colleagues may result in. long term disability/absence from work.	Death of citizen(s) or colleague(s). Significant long-term disability/absence from work.
Programme/ project management	Minor delays and/or budget overspend, but can be brought back on schedule with this project stage. No threat to delivery of the project on time and to budget and no threat to identified benefits/outcomes.	Slippage causes significant delay to delivery of key project milestones, and/or budget overspends. No threat to overall delivery of the project and the identified benefits / outcomes.	Slippage causes significant delay to delivery of key project milestones; and/or major budget overspends. Major threat to delivery of the project on time and to budget, and achievement of one or more benefits / outcomes.	Significant issues threaten delivery of the entire project. Could lead to project being cancelled or put on hold.
Reputation	Minimal and transient loss of public or partner trust. Contained within the individual service.	Significant public or partner interest although limited potential for enhancement of, or damage to, reputation. Dissatisfaction reported through Council Complaints procedure but contained within the Council. Local MP involvement. Some local media/social media interest.	Serious potential for enhancement of, or damage to, reputation and the willingness of other parties to collaborate or do business with the council. Dissatisfaction regularly reported through Council Complaints procedure. Higher levels of local or national interest. Higher levels of local media/social media interest.	Highly significant potential for enhancement of, or damage to, reputation and the willingness of other parties to collaborate or do business with the council. Intense local, national and potentially international media attention. Viral social media or online pickup. Public enquiry or poor external assessor report.

A2 Scrutiny Working Group – 26th March, 2018

Report to Cabinet on: General Data Protection Regulations Review – 19 June, 2018.

Observations made to: Cabinet

- The Working Group made its initial observations to cabinet on 9th January, 2018.
- The Working Group meeting on 26th March was to review progress in the Council's preparedness for the implementation of the General Data Protection Regulations (GDPR) from 25th May, 2018.
- The Working Group previously had asked whether the Council could insure itself against the possibility of high fines. This had been investigated and found not to be possible. However the Council could insure itself against compensations claims from individuals.
- Officers and the Information Commissioner's Officer were realistic and accepted that all of the work to prepare for GDPR would not be completed by 25th May.
- The Data Protection Officer had been appointed and additional staff were also in the process of being recruited. The Schools Service had identified funding for a specific Data Protection Officer and Information Compliance Officer for Schools.
- Training for school governors would be required which was the responsibility of schools.
- With regard to Town and Community Councils there is an amendment currently being considered by Parliament to exempt Town and Community Councils from the need to appoint a Data Protection Officer.
- The County Council's Data Protection Officer will need to review reports to Cabinet to assess whether a data protection impact assessment is required (where the high risk processing of personal data would be undertaken) and make relevant comments to ensure compliance with data protection legislation. The Cabinet's template will need to be amended to take account of this requirement.
- The Council in setting its budgets will need to take into account the increase in registration fees from the Information Commissioner's Officer. The fees for organisations is increasing from £500 to £2900 and the individual fees are increasing from £35 to £40.
- The Working Group asked the Lead Professional – Data Protection for an overall assessment of progress to date. It was noted that there was much work to do

especially on a Data Protection Impact Assessment and policies. Everything else was moving on slowly.

- Privacy notices would be a big issue for services.
- Some services were yet to submit their information asset audits which was a concern.

Scrutiny recommendations to Cabinet on the Council's preparation for GDPR:

- **All Services needed to complete and submit their information asset audits..**
- **Schools needed to be reminded that they were responsible for ensuring that school governing bodies received training on GDPR.**
- **The view of the Data Protection Officer should be sought on all reports being submitted to the Cabinet / Cabinet Portfolio Holder for decision.**
- **The Cabinet report template should be amended to include the comments of the Data Protection Officer.**

Membership of the A2 Scrutiny Working Group 26th March, 2018
County Councillors G. Williams, K. Curry, S. Davies, J. Pugh, E. Durrant, G. Jones.



IMPROVEMENT AND ASSURANCE BOARD

MINUTES

Wednesday 25 April 2018, 14:00 – 17:00

Committee Room A, County Hall, Llandrindod Wells

Present

Jack Straw (Chair)	JS	Independent Adviser
Bozena Allen	BA	Independent Adviser
Geoff Burrows	GB	Welsh Local Government Association (WLGA) Adviser
Cllr Aled Davies	AD	Deputy Leader
Jeremy Evans	JE	Performance Audit Manager, Wales Audit Office
Cllr James Gibson-Watt	JGW	Leader of the Liberal Democrat Group
Cllr Rosemarie Harris	RH	Executive Leader
Phil Hodgson	PH	WLGA Adviser
Reg Kilpatrick	RK	Welsh Government
Emma Palmer	EP	Acting Head of Strategic Policy and Performance
David Powell	DP	Acting Chief Executive
Jaki Salisbury	JSa	Independent Adviser
Jane Thomas	JT	Head of Financial Services & Acting Section 151 Officer
Rachel Thomas	RT	WLGA Adviser
Caroline Evans	CE	Secretariat, PCC
Felicity Llewellyn	FL	Minute Taker

In Attendance – PCC Representative

			Present for Item: -
Louise Barry	LB	Head of Operations for Adult Services	9
Ian Budd	IB	Director of Education	5 – 8
Alison Bulman	AB	Director of Social Services	6 – 9
Cllr James Evans	JE	Portfolio Holder for Corporate Governance	5
Phil Evans	PE	Interim Director of Social Services	6 – 9
Sean Harriss	SH	Adviser, Welsh Government	1 – 4
Cllr Stephen Hayes	StH	Portfolio Holder for Adult Services	9
David Johnston	DJ	Interim Head of Children Services	6 – 8
Dylan Owen	DO	Head of Transformation for Adult Services	9
Cllr Rachel Powell	RP	Portfolio Holder for Young People	6 – 8

<p>1.</p>	<p>Minutes from last meeting and Action Log</p> <p>The minutes of the last meeting, dated 28 March 2018, were agreed as a true record.</p> <p>The Chair expressed the Board’s thanks to Phil Evans for his contribution and efforts whilst in post as Interim Director of Social Services, and welcomed Alison Bulman as the permanent Director of Social Services.</p> <p>Dr. Mohammed Mehmet is joining the authority next week as Acting Chief Executive. Thanks were expressed to David Powell for his contribution whilst undertaking the role of Acting Chief Executive.</p>
<p>2.</p>	<p>Review of short-term support package</p> <p>SH presented key messages from his presentation, which was circulated with the agenda, and requested that the Board particularly refer to the ‘Challenges and Learning’ slides.</p> <p>Politically and managerially, overall, PCC engaged enthusiastically and worked together well to make progress in the vast majority of areas.</p> <p>Progress has been made on identifying the budget priorities for 2019/20 and beyond. The importance of the MTFS over the next three to six months was highlighted, with a particular focus on delivering the plan.</p> <p>There has been an enormous shift in quality and quantity of information, including the format.</p> <p>Recommendation: That the board revisit how the Council intends to rollout the key messages regarding organisation development and change management in the medium-term. Action: Acting Chief Executive.</p> <p>Recommendation: That the Board notes that the introduction of key changes, such as the appointment of a new Acting Chief Executive and a permanent Director of Social Services, has taken longer than hoped. RH explained that it had not been possible for the new Acting Chief Executive to start sooner than 30 April 2018.</p> <p>The involvement of the opposition groups was welcomed.</p> <p>Recommendation: That the Board acknowledge that the authority does not possess the abundance of skills and capacity needed to drive improvements, and the need to ensure that expertise, experience and capacity is available and remains available. Action: Acting Chief Executive.</p> <p>SH commended the willing and capable Senior Officers instrumental in developing the work.</p> <p>The Chair welcomed comments and observations.</p>

	<p><u>Recommendation:</u> That the authority consider producing a one-page list of transformation projects with a simple explanation of how transformation is being progressed. It was noted that the Executive Management Team had discussed this in detail during their morning session.</p> <p>It was discussed that there is a commitment to the Cabinet Secretary in relation to the recommendations, and that it was expected that Dr. Mohammed Mehmet would reflect upon the recommendations and their implementation, negotiating with Welsh Government any changes to the agreed support package.</p>
3.	<p>Review Terms of Reference of Improvement & Assurance Board</p>
	<p>It was queried as to whether this Board ought to report its formal recommendations to Powys County Council's (PCC) Cabinet, and it was confirmed that, should a formal recommendation be needed, a report would be provided to the Leader and Members.</p> <p>The Terms of Reference were adopted.</p>
4.	<p>Advisers Update</p>
	<p>PH noted that Service Managers and Team Managers are very conscious of quantitative data and the need to move to qualitative data, which will come at a later stage.</p> <p>DJ is currently considering MASH and similar multi-agency models.</p> <p><u>Recommendation:</u> To source professional expertise in terms of safeguarding now that the Corporate Safeguarding Board has been created.</p> <p><u>Recommendation:</u> To consider whether one of the two Portfolio Holders for Social Services would consider a safeguarding lead within their portfolio.</p> <p><u>Recommendation:</u> That Team Managers are supported to be more aware of how much money is being spent and what it is being spent on.</p> <p><u>Recommendation:</u> That prevention and early intervention is developed. The Children and Young People's Partnership is not yet showing delivery of focused targeted work to reduce Looked After Children (LAC).</p> <p><u>Recommendation:</u> That future workshops include front door, PPD, Performance and Benchmarking, Transition to Children's Services and Partnership and Integration.</p> <p><u>Action:</u> AB to consider the above.</p> <p><u>Action:</u> Thematic workshops will be developed to identify standard baselines that both services (Childrens and Adults) operate. Staff to have the same understanding of expectations. Key themes have been shared with AB. A pre-meeting has already been set up between AB, PH, Childrens and Adults to ensure data, issues, performance etc. has been reviewed and responses are available to the Board.</p>

	<p><u>Recommendation:</u> That Members engage with the visits to Monmouthshire to encourage a more outward-looking focus. GB highlighted the role and value of scrutiny in the decision making process. This work will continue, with further development training throughout the year.</p>
5.	<p>Corporate Leadership & Governance</p>
	<p>DP explained the new format of monthly performance reporting, which had been included within the agenda. It will continue to develop as PCC moves forward, but is intended to identify early warning indicators, and areas which would benefit from greater challenge (for example sickness absence, which is currently being reviewed). Further information is available to drill-down to on the live system.</p> <p><u>Recommendation:</u> That a quick glance single page of key issues is provided for greater clarity. <u>Action:</u> EP.</p> <p>The progress document was discussed.</p> <p><u>Recommendation:</u> That consideration is given to including stages i.e. stage 1 would be the first three months. This would allow manageable, trackable, progress.</p>
6.	<p>Children’s Services</p>
	<p>The Performance Report had been issued with the agenda, and the Chair invited questions.</p> <p>The Board recognised the efforts in developing both the performance and performance reporting, though noting that there is much done.</p> <p><u>Recommendation:</u> That the ‘early help, prevention and support’ aspect be built into the forward work programme of ‘Thursday’ meetings. <u>Action:</u> AB / IB.</p> <p>BA welcomed the data, particularly the ‘What’s working well?’, ‘What are we worried about’ and ‘What do we need to do?’ sections.</p> <p><u>Recommendation:</u> That there is cross-referencing to the Improvement plan to provide greater clarity. <u>Action:</u> EP.</p> <p>Three key performance indicators have shown significant improvement e.g. assessment, LAC reviews, and statutory visits, but remain below expectations. Supervision remains a significant challenge.</p> <p>It is important that the data is up-to-date and accurate; it was requested that if data is updated a verbal update should be provided to the Board.</p> <p><u>Action JS:</u> The Chair will circulate an appropriate, balanced, message to staff in appreciation of the hard work.</p>

Action CE: To build into the work programme that the Improvement Board will need to meet with the broader regional partnership in relation to safeguarding as there is a collaborative expectation.

Recommendation: That the 'What's working well?', 'What are we worried about' and 'What do we need to do?' sections should be brought to the top of the report, with supporting data behind. The five overriding 'important' items are within the report, but are not clearly indicated within the Executive Summary. Not all items have clear guidelines – for consistency, ensure all have target dates. An indication of the depth and breadth of each issue, and cross referencing to the Improvement plan, would be beneficial.

Action CE: The Overall Progress Report was discussed; it was agreed that this report need not be presented in future if the sentient points were included in the performance report, linked to the Improvement Plan.

7. Children's Services Workforce Structure and Strategy, incorporating agency staff reduction

The Board had previously requested that a basic workforce structure be identified to enable progress in reducing the number of agency staff within the service, but it was clear that this didn't fulfil the request. Meetings with Social Services staff are scheduled over the next fortnight to discuss the current and predicted workflows and workforce requirements.

Action DJ: Report detailed workforce requirements (for the next twelve months) to the Board at the next meeting.

Action DJ, IB and AB: To bring a workforce paper to the next Board.

Statement from DJ on progress made on the Workforce Structure:

"Children's services will continue to use a range of activities to help manage the budget with the support of corporate colleagues to ensure we continue to provide timely and appropriate services to children and their families.

Initially we have put in place an arrangement to manage down the number of agency social work staff as caseloads are further reduced. The proposed timetable for agency reduction is being actively managed and implemented and to date is on track. This is being achieved through closure of a number of wellbeing cases in each team. We are reviewing cases of children who have been open with a care and support plan for more than 6 months to assess if they can be closed. We are also focusing on ensuring the cases which can be managed at the TAF level are "stepped down" to the TAF process.

In addition to this, the authority and Health colleagues are reviewing the function of the MAAP to improve the commissioning of, procurement of, and contract management of placements for children with complex needs.

We have also initiated a review of children in residential social care placements and identified a small number of placements where we have assessed that these placements can come to an end by end of June 2018. The gross savings from these placements will amount to approximately £15K per week but with a net saving of about £10K given that we

will also need to provide a range of other services for these children to help support them wherever they live and to provide leaving care services where that is appropriate.

We will continue to review and “gate-keep” placements for children in residential settings and also review children in IFA and in-house provision with a view to reducing safely the LAC population and the reliance on other providers.

We continue to recruit and approve more carers for Powys and the marketing strategy continues to show dividends and we have also seen a small number (3) of foster carers from other agencies changing to become Powys foster carers, increasing our pool of carers and reducing the costs of the Powys children already in placement.

The workforce strategy is bringing some dividends with the recent open evening being well attended but not yet clear on who will actually apply successfully to Powys children’s services. We have appointed 2 NQSW staff this week in the South of the authority. We continue to build on our advertising and comms strategy to help recruit more permanent staff.

Finally, the significant benefit of having more reliable and current data from BI which the service is using more actively to manage plans and focus us on activity which will help manage the duration of interventions in some cases.”

A provisional finance outturn figure will be available within a week, and a balanced budget position is expected.

The Police have recommended the Welshpool team for an award for their significant work supporting a conviction.

The Corporate Insight Centre Team were thanked for their work on the developing the reports.

There are significant signs of improvement in a number of areas, but it is recognised that there are areas for further development.

8. 90 Day Update to WG – Children’s Services

Written feedback had been received from CIW regarding their recent visit, including a range of tasks to respond to (this is underway); it has to be submitted by 30 April.

A renewed warning notice has been issued by the Minister (i.e. another 90 days); comprehensive 90 day reports have been provided.

9. Adult Services

Action EP: The format of reporting for Adult Services to be aligned with that of the Childrens Service reports as from the next Board meeting.

Adult Services Improvement Plan

	<p>It was acknowledged that there is a need for a considerable reshaping of the Improvement Plan. A response to the inspection outcome will need to be provided within 20 days of the receipt of the report. The authority continues to develop the service and make positive changes.</p> <p>Action AB/EP: It was agreed that the Board would be included within the development of the plan prior to its submission.</p> <p>Action AB/LB: The Chair requested that the Board be sent information regarding the Inspection Report at the earliest possible time.</p>
10.	Financial Overview
	<p>A provisional finance outturn figure will be available within a week, and a balanced budget position is expected.</p> <p>The forward planning for 2019/20 is progressing, and proposals are being presented next week, the development of the Medium Term Financial Strategy continues.</p> <p>The CIPFA FM model phase one is completed; interviews were completed last week, a survey of the whole organisation will now take place, it is anticipated that the concluding report is available in early June.</p>
11.	Corporate Improvement Plan
	<p>No matters arising; not discussed.</p>
12.	Draft Performance Management & Quality Assurance Framework
	<p>No matters arising; not discussed.</p>
13.	Members Training
	<p>No matters arising; not discussed.</p>
14.	Any Other Business
	<p>Date of next Assurance Board: Wednesday 30 May 2018</p> <p>Note: Adult Services will be tabled first on the next agenda.</p> <p>Action CE: Cabinet Attendance It was agreed that Councillor Stephen Hayes, Councillor Rachel Powell and Councillor James Evans will be invited to attend the whole meeting in future.</p>

This page is intentionally left blank

Delegated Decision List

16 May	Portfolio Holder for Learning and Welsh Language	Appointed the following school governors Mr G Taylor to Llangynidr CP School and Mr C Jones to Castle Caereinion C in W School.
18 May	Leader	Let the County Farm at Crow Wood, Churchstoke following interview
24 May	Portfolio Holder for Learning and Welsh Language	Appointed the following school governors County Councillor Beverley Baynham and County Councillor Mark Barnes to Newtown High School.
25 May	Leader	Approved the delegation of highways functions formerly with the Shire Committees to the Portfolio Holder for Highways, Recycling and Assets.
29 May	Portfolio Holder for Learning and Welsh Language	Approved the Welsh Language Promotion Strategy.
30 May	Portfolio Holder for Corporate Governance, Housing and Public Protection	Approved the purchase of 2 properties in Machynlleth.
31 May	Portfolio Holder for Learning and Welsh Language	Approved amendments to the School Organisation Policy.
8 June	Portfolio Holder for Corporate Governance, Housing and Public Protection	Approved the Gypsy and Traveller policy and procedure.

This page is intentionally left blank

Cabinet Date	Cabinet/Man	Title	Portfolio Holder	Lead	Decision Maker
29/06/18		Moelfre City	Phyl Davies (CSP - County Councillor)	Alastair Knox (CSP - Highways Technical)	Portfolio Holder
29/06/18		Highways Capital Programme 2018/19	Phyl Davies (CSP - County Councillor)	Alastair Knox (CSP - Highways Technical)	Portfolio Holder
29/06/18		Lake Vrwynwy	Phyl Davies (CSP - County Councillor)	Alastair Knox (CSP - Highways Technical)	Portfolio Holder
29/06/18		Dynamic Purchasing System for Domiciliary Care	Stephen Hayes (CSP - County Councillor)	Lee Anderson (CSP - Policy and Care Services)	Portfolio Holder
10/07/18	26/06/18	Treasury Management Review 2017/18	Aled Wyn Davies (CSP - County Councillor)	Ann Owen (CSP - Finance)	Cabinet
10/07/18	26/06/18	Budget Outturn Report	Aled Wyn Davies (CSP - County Councillor)	Jane Thomas (CSP - Finance)	Cabinet
10/07/18	26/06/18	Capital Programme Update	Aled Wyn Davies (CSP - County Councillor)	Jane Thomas (CSP - Finance)	Cabinet
10/07/18	26/06/18	Director of Social Services Annual Report	Stephen Hayes (CSP - County Councillor)	Alison Bulman (CSP - Policy and Care Services)	Cabinet
10/07/18	26/06/18	Fair Funding Review and Scheme for Financing Schools (pre-consultation)	Myfanwy Catherine Alexander (CSP - County Councillor)	Ian Budd (CSP - Schools Service)	Cabinet
10/07/18	26/06/18	ALN Strategic Review - Progress Report	Myfanwy Catherine Alexander (CSP - County Councillor)	Imtiaz Bhatti (CSP - Schools Service)	Cabinet
10/07/18	26/06/18	Post 16 Review	Myfanwy Catherine Alexander (CSP - County Councillor)	Marianne Evans (CSP - Schools Service)	Cabinet
10/07/18	26/06/18	Mid Powys Welsh medium Primary Review	Myfanwy Catherine Alexander (CSP - County Councillor)	Marianne Evans (CSP - Schools Service)	Cabinet
10/07/18	26/06/18	Workforce Strategy	Myfanwy Catherine Alexander (CSP - County Councillor)	Ian Budd (CSP - Schools Service)	Cabinet

10/07/18	26/06/18	Safeguarding Compliance	Myfanwy Catherine Alexander (CSP - County Councillor)	Imtiaz Bhatti (CSP - Schools Service)	Cabinet
10/07/18	26/06/18	Skills & Employability Strategy	Myfanwy Catherine Alexander (CSP - County Councillor)	Marianne Evans (CSP - Schools Service)	Cabinet
10/07/18	26/06/18	Corporate Safeguarding 6 monthly update	Rachel Powell (CSP - County Councillor)	Emma Palmer (CSP - Strategic Policy and Performance)	Cabinet
10/07/18	26/06/18	Hay Town Council	Phyl Davies (CSP - County Councillor)	Clive Pinney (CSP - Corporate Legal and Democratic Services)	Cabinet
10/07/18	26/06/18	School Organisation Proposal Ysgol Llanerfyl and Ysgol Dyffryn Banw	Myfanwy Catherine Alexander (CSP - County Councillor)	Marianne Evans (CSP - Schools Service)	Cabinet
10/07/18	26/06/18	Farms Policy	Rosemarie Harris (CSP - County Councillor)	Natasha Morgan (CSP - Regeneration and Corporate Property)	Cabinet
10/07/18	26/06/18	Welsh Government Targeted Regeneration Investment Programme	Martin Weale (CSP - County Councillor)	Lisa Griffiths (CSP - Place)	Cabinet
10/07/18	26/06/18	Rights of Way Improvement Plan	Aled Wyn Davies (CSP - County Councillor)	Mark Stafford-Tolley (CSP - Countryside Services)	Cabinet
10/07/18	26/06/18	Commissioning Commercial and Procurement Strategy	Aled Wyn Davies (CSP - County Councillor)	Vincent Hanly (CSP - Commercial Services)	Cabinet
31/07/18		Parking Charges and Concessions	Phyl Davies (CSP - County Councillor)	Tony Caine (CSP - Highways Technical)	Portfolio Holder
18/09/18	04/09/18	Treasury Management Report for Quarter 1 2017/18	Aled Wyn Davies (CSP - County Councillor)	Ann Owen (CSP - Finance)	Cabinet
18/09/18		Update from the Anti-Poverty Champion		Joy Jones (CSP - County Councillor)	Cabinet
18/09/18	04/09/18	Budget Outturn Report	Aled Wyn Davies (CSP - County Councillor)	Jane Thomas (CSP - Finance)	Cabinet
18/09/18	04/09/18	Review of 3rd Sector Social Care Grants	Stephen Hayes (CSP - County Councillor)	Dylan Owen (CSP - Policy and Care Services)	Cabinet

18/09/18	04/09/18	Home to School Transport (post-consultation)	Myfanwy Catherine Alexander (CSP - County Councillor)		Cabinet
18/09/18	04/09/18	Flood Risk Management Plan	Phyl Davies (CSP - County Councillor)	Alastair Knox (CSP - Highways Technical)	Cabinet
18/09/18	04/09/18	Highways Asset Management Plan	Phyl Davies (CSP - County Councillor)	Alastair Knox (CSP - Highways Technical)	Cabinet
18/09/18	04/09/18	Schools Service Asset Management Plan	Myfanwy Catherine Alexander (CSP - County Councillor)		Cabinet
18/09/18	04/09/18	Child burial fees	James Evans (CSP - County Councillor)	Nia Hughes (CSP - Environmental Health)	Cabinet
18/09/18	04/09/18	Digital Learning in Schools	Myfanwy Catherine Alexander (CSP - County Councillor)	Eurig Towns (CSP - Schools Service)	Cabinet
18/09/18	04/09/18	PCC Strategic Equality Plan 2016/20: October – March progress report of 2017/18	James Evans (CSP - County Councillor)	Bets Ingram (CSP - Corporate Insight Centre)	Cabinet
18/09/18	04/09/18	New SLAs - Traded and non traded	Myfanwy Catherine Alexander (CSP - County Councillor)		Cabinet
18/09/18		Update from the Chair of Improvement and Assurance Board		Caroline Evans (CSP - Finance)	Cabinet
18/09/18	04/09/18	CIP Performance Reports	Aled Wyn Davies (CSP - County Councillor)	Emma Palmer (CSP - Strategic Policy and Performance)	Cabinet
18/09/18	04/09/18	Rights of Way Improvement Plan	Aled Wyn Davies (CSP - County Councillor)	Mark Stafford-Tolley (CSP - Countryside Services)	Cabinet
18/09/18	04/09/18	Integration of Mental Health Services	Stephen Hayes (CSP - County Councillor)	Louise Barry (CSP - Policy and Care Services)	Cabinet
18/09/18	04/09/18	Adoption of Additional Land Drainage Bye-laws	Phyl Davies (CSP - County Councillor)	Alastair Knox (CSP - Highways Technical)	Cabinet
18/09/18	04/09/18	Sustainable Drainage Approval Body	Phyl Davies (CSP - County Councillor)	Alastair Knox (CSP - Highways Technical)	Cabinet

18/09/18	04/09/18	Strategic Equality Plan Light Review	James Evans (CSP - County Councillor)	Bets Ingram (CSP - Corporate Insight Centre)	Cabinet
18/09/18	04/09/18	South Office Review	Phyl Davies (CSP - County Councillor)	Natasha Morgan (CSP - Regeneration and Corporate Property)	Cabinet
18/09/18	04/09/18	Corporate Car Parking Savings Options	Phyl Davies (CSP - County Councillor)	Natasha Morgan (CSP - Regeneration and Corporate Property)	Cabinet
18/09/18	04/09/18	North Office Paper Final Recommendations	Phyl Davies (CSP - County Councillor)	Natasha Morgan (CSP - Regeneration and Corporate Property)	Cabinet
18/09/18	04/09/18	Regional Partnership Board Annual Report	Stephen Hayes (CSP - County Councillor)	Dylan Owen (CSP - Policy and Care Services)	Cabinet
28/09/18		Highways Winter Plan	Phyl Davies (CSP - County Councillor)	Shaun James (CSP - Highways Technical)	Portfolio Holder
28/09/18		Approval of Food Safety and Health & Safety plans.	James Evans (CSP - County Councillor)	Beverley Cadwallader (CSP - Commercial and Food)	Portfolio Holder
28/09/18		Prosecution enforcement policy	James Evans (CSP - County Councillor)	Clive Jones (CSP - Trading Standards)	Portfolio Holder
09/10/18	25/09/18	WHQS Completion	James Evans (CSP - County Councillor)	Simon Inkson (CSP - Housing Solutions)	Cabinet
09/10/18	25/09/18	Adult Social Care Strategies	Stephen Hayes (CSP - County Councillor)	Dylan Owen (CSP - Policy and Care Services)	Cabinet
09/10/18	25/09/18	Schools Service Asset Management Plan	Myfanwy Catherine Alexander (CSP - County Councillor)	Ian Budd (CSP - Schools Service)	Cabinet
09/10/18	25/09/18	Schools Budgets update	Myfanwy Catherine Alexander (CSP - County Councillor)	Anne Phillips (CSP - Finance)	Cabinet
09/10/18	25/09/18	Supplementary Planning Guidance	Martin Weale (CSP - County Councillor)	Peter Morris (CSP - Regeneration and Corporate Property)	Cabinet
09/10/18	25/09/18	Improvement and Assurance Board		Caroline Evans (CSP - Finance)	Cabinet

09/10/18	25/09/18	Corporate Landlord	Phyl Davies (CSP - County Councillor)	Natasha Morgan (CSP - Regeneration and Corporate Property)	Cabinet
06/11/18	23/10/18	Treasury Management Report for Quarter 2 2017/18	Aled Wyn Davies (CSP - County Councillor)	Ann Owen (CSP - Finance)	Cabinet
06/11/18	23/10/18	Homelessness Strategy	James Evans (CSP - County Councillor)	Simon Inkson (CSP - Housing Solutions)	Cabinet
06/11/18	23/10/18	Annual Estyn Inspection Outcomes	Myfanwy Catherine Alexander (CSP - County Councillor)	Ian Budd (CSP - Schools Service)	Cabinet
06/11/18	16/10/18	Primary and Secondary School Standards, attendance and exclusions	Myfanwy Catherine Alexander (CSP - County Councillor)	Imtiaz Bhatti (CSP - Schools Service)	Cabinet
06/11/18	23/10/18	Development of National Significance	Martin Weale (CSP - County Councillor)	Gwilym Davies (CSP - Development Control)	Cabinet
28/11/18	13/11/18	Budget Outturn Report	Aled Wyn Davies (CSP - County Councillor)	Jane Thomas (CSP - Finance)	Cabinet
28/11/18	13/11/18	Capital Programme Update	Aled Wyn Davies (CSP - County Councillor)	Jane Thomas (CSP - Finance)	Cabinet
28/11/18	13/11/18	Newtown Bypass De-trunking	Phyl Davies (CSP - County Councillor)	Shaun James (CSP - Highways Technical)	Cabinet
28/11/18	13/11/18	Fair Funding Review & Scheme for Financing Schools (post-consultation)	Myfanwy Catherine Alexander (CSP - County Councillor)	Anne Phillips (CSP - Finance)	Cabinet
28/11/18	13/11/18	ALN Strategic Review - Progress Report	Myfanwy Catherine Alexander (CSP - County Councillor)	Imtiaz Bhatti (CSP - Schools Service)	Cabinet
28/11/18	13/11/18	CIP Performance Data	Aled Wyn Davies (CSP - County Councillor)	Emma Palmer (CSP - Strategic Policy and Performance)	Cabinet
28/11/18	13/11/18	HAMP	Phyl Davies (CSP - County Councillor)	Alastair Knox (CSP - Highways Technical)	Cabinet
30/11/18		Traffic Regulation Orders	Phyl Davies (CSP - County Councillor)	Tony Caine (CSP - Highways Technical)	Portfolio Holder

30/11/18	Food Hygiene Rating System Audit by FSA	James Evans (CSP - County Councillor)	Beverley Cadwallader (CSP - Commercial and Food)	Portfolio Holder
30/11/18	Implications of Grenfell	Martin Weale (CSP - County Councillor)	Ian Maddox (CSP - Building Control)	Portfolio Holder
18/12/18	Update from the Anti-Poverty Champion		Joy Jones (CSP - County Councillor)	Cabinet
18/12/18	04/12/18 Budget Outturn Report	Aled Wyn Davies (CSP - County Councillor)	Jane Thomas (CSP - Finance)	Cabinet
18/12/18	04/12/18 Capital Programme Update	Aled Wyn Davies (CSP - County Councillor)	Jane Thomas (CSP - Finance)	Cabinet
18/12/18	04/12/18 Review of Day Time Activities for Older People	Stephen Hayes (CSP - County Councillor)	Dylan Owen (CSP - Policy and Care Services)	Cabinet
18/12/18	04/12/18 Corporate Safeguarding 6 monthly update	Rachel Powell (CSP - County Councillor)	Emma Palmer (CSP - Strategic Policy and Performance)	Cabinet
18/12/18	04/12/18 Gambling Policy	James Evans (CSP - County Councillor)	Beverley Cadwallader (CSP - Commercial and Food)	Cabinet
15/01/19	08/01/19 Joint Dementia Action Plan	Stephen Hayes (CSP - County Councillor)	Dylan Owen (CSP - Policy and Care Services)	Cabinet
05/02/19	22/01/19 Toilet Strategies	Phyl Davies (CSP - County Councillor)	Alastair Knox (CSP - Highways Technical)	Cabinet