

Public Document Pack



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COUNTY COUNCIL

Thursday, 23rd February, 2023

SUPPLEMENTARY PACK

1.	DRAFT MEDIUM-TERM FINANCIAL STRATEGY 2023-2028, DRAFT 2023-24 BUDGET AND CAPITAL PROGRAMME FOR 2023-2028
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Responses to Scrutiny recommendations.
(Pages 3 - 24)

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Economy, Residents and Communities Scrutiny Committee – 30-01-2023
Learning and Skills Scrutiny Committee – 30-01-2023
Health and Care Scrutiny Committee – 31-01-2023
Finance Panel – 01-02-2023

Scrutiny Observations to Cabinet on: 07-02-2023

The Economy, Residents and Communities, Learning and Skills, and Health and Care Scrutiny Committees and the Finance Panel met between 30-01-2023 and 01-02-2023 and considered the following documents:

- Draft 2023 – 2024 Budget

The Scrutiny Committees and the Finance Panel thank the Portfolio Holders and officers for attending scrutiny.

Health and Care Scrutiny Committee – 31-01-2023

Scrutiny made the following observations:

General:

The Committee noted that:

- The budget for Social Care included an estimate of the additional funding provided from Welsh Government for the roll out of the real living wage. However, this estimate would not cover the full cost of the scheme.
- The current budget included a 3% increase for pay awards. This would be updated once the pay settlements had been confirmed.

Children's Services

The Committee welcomed:

- The presentations and the open and comprehensive responses provided by officers to the questions asked by Members.
- Assurances by the Head of Service that the savings identified in the budget proposals were achievable and realistic, although some of the savings were more difficult to achieve than others.
- That the Service was seeking ways to be more innovative in the way it worked particularly utilising additional grant funding.
- When questioning regarding the 'Grow Your Own' ambitions the encouragement of staff to return to the office for two days a week so that peer to peer support could be provided as well as the intention to use grant funding for a practitioner post to support newly qualified staff.
- The opportunity provided to staff who already had a degree to undertake a Masters degree linking with Cardiff University.

The Committee noted:

- The detailed information provided regarding budget pressures (£2.2m), savings identified (£2m) and unachieved savings from 2021-22 (£1.277m).
- That the position in relation to the undelivered savings had improved from quarter 1 2022-23 to quarter 3.
- Following committee questioning on the financial pressures associated with unaccompanied asylum seeker children, that whilst the Council did receive some provision per child placed with the Council, this did not cover the full cost. In addition, these children also had specific entitlements as children looked after by the Council.
- For the budget pressure of £865,063 (Placements) this was an estimated cost based on previous trends relating to placement breakdowns or a change of circumstance for a child in the authority's care. This also related to the closer to home project which sought to reduce the need for high cost residential provision elsewhere and bringing children back into county. The Committee has asked for detailed breakdowns of how this pressure materialises during the next financial year and will monitor this as part of future scrutiny of the budget.
- Following committee questioning on financial pressures that the overspend in relation to Y Bannau had been accounted for within the pressures associated with residential provision and that the number of vacant posts had decreased.
- That whilst the number of staff qualifying as social workers under the "grow your own" scheme would be less than anticipated due to changes in circumstances for some of the individuals, 5 staff had qualified last year and 7 were expected to qualify in the current year. The committee questioned regarding the future ambitions of 'grow your own' as a cost efficiency and it was noted that officers are hopeful that these are achievable projections
- That the increase in travel rates for domiciliary care staff was only until the end of March 2023 and would need to be reviewed which could impact on the budget.

The Committee expressed concern regarding:

- The use of grant funding for posts as these could be short term which could affect Service provision long term if the grant funding ceased.
- Whether the pressures associated with placements are due to placement breakdowns and whether the extra resource provided to prevent placement breakdowns (in last year's budget) is having a positive impact

The Committee requested:

- That the papers should reflect officers' views on the achievability of proposed savings, highlighting whether any are of high risk in relation to achievability.
- That Scrutiny are provided further information in relation to the higher cost placed children in their quarter 1 finance update meeting. This relates to the £800,000 pressure identified regarding the cumulative placement costs. The Committee recommends that this pressure be tracked as it materialises and information on this be brought back to committee.
- That the committee be provided with a timely overview of legacy children's cases and associated costs which are forming part of the pressures, together with the timeframe that these cases impact the budget. It is noted that this overview would need to be confidential. The Committee requests that if it has

further comments/recommendations to make on this matter that they can provide them in writing to the Cabinet and Senior officers.

Adults Services:

The Committee welcomed:

- The presentations and the open and comprehensive responses provided by officers to the questions asked by Members.
- An assurance by the Head of Service that the budget proposals were realistic, but noted comments from officers that the Council would need to be realistic about the resources required to deliver some of the savings.
- That the budget setting process and the proposals presented were a continuation of the work to redesign the Service.

The Committee noted:

- The budget pressures (£8.2m), pressures due to Covid (£980k), and the proposed savings (£4.7m)
- That the Service was needing to respond to a legacy of individuals who did not receive health care interventions during the pandemic which has led to a greater need for community and social care support.
- Following committee questions regarding pressures associated with contractual uplifts and any contractual negotiations with third parties, that in relation to contractual arrangements with other organisations there was a robust contract management system in place, good relationships with contractors, and the Council used open book accounting processes to assist the assessment of requests for a cost uplift, to ensure value for money for the Council. It was noted that any government utility support provided to third party residential homes, this would have been taken into account in contractual negotiations
- That there had not been a decrease in demand for Adult Services with contacts to the front door service remaining high. This meant a higher than usual caseload for social work staff with the Service prioritising requests for support as they present themselves.
- The largest risk to the cost efficiencies were those savings requiring staffing resources to achieve them, as the Service currently had vacant posts and there was a national shortage of staff.
- Following committee questions regarding cost efficiencies associated with projected additional income from service users and the cost of living impact on this, that service users were being signposted to the Council's cost of living hub and also other sources of support to address concerns about the cost of living crisis.
- Following committee questions and concerns raised regarding the travel and phone cost reductions, and any impact to service users (particularly those in rural areas) and staff wellbeing and supervisions, that these savings were expected to be achieved from non front line staff who were working at home rather than having an impact on front line staff who dealt directly with service users. That there had been concerns raised by the Portfolio holder regarding the impact to staff wellbeing. That this would be managed on an individual case by case basis.
- In relation to committee questions on AMHP (Approved Mental Health Practitioner) training, that having a qualified AMHP on duty at all times was a legal requirement for the Council and training staff was part of the "grow your

own” strategy and less expensive than having to utilise agency provision. It was further noted that training opportunities are part of encouraging staff in their career development.

- In relation to committee questions on the saving for informal Advocacy – Independent Professional, an advocacy service was being offered to service users by other means currently on a case by case basis as part of a care package. It was noted that service users are already using this alternative informal advocacy and that they are aware of it.
- That in relation to the saving for day centres this was a part year estimate but would be reviewed following the proposed consultation with service users about the day service provision. Any proposals made following the consultation would be subject to a business case.

The Committee expressed concern:

- That the travel and phone efficiency targets would not impact on the service provided to service users and on staff themselves. The Committee sought assurance regarding the provision of guidance to staff on how to achieve the savings and that supervision would not be impacted.
- Regarding the impact of the Cost of Living linked to the charges.
- Regarding the £120,000 efficiency savings in respect to day centres and how this level of efficiency will be achieved. At the moment there is not enough information for Committee to be assured that this saving is realistically achievable or that the impact on any services users will be mitigated against.

The Committee requested:

- That the authority to consider further how to communicate with the hard to reach and vulnerable members of the community to share support and contacts relating to financial matters, and also to consider further how it utilises both the individual County Councillors and the members of the Town and Community Councils in order to communicate such matters.
- That in relation to day services the Committee be provided with the opportunity to scrutinise the outcome of an engagement exercise with service users together with any proposals resulting from the engagement.
- That local Members be engaged in the engagement exercise for day services.
- That the Impact Assessment for day services be circulated to the Committee.
- That in relation to travel and phone efficiencies the Impact Assessment should reflect any assurances provided to Members that these targets would not impact on service users and the support they receive.
- That contract related pressures should be treated as a separate column and not included with other pressures and growth items.

Commissioning:

The Committee welcomed:

- The presentations and open and comprehensive responses provided by officers to the questions asked by Members.
- An assurance by the Head of Service that in relation to the repurposing of grants there was a high level of certainty that the levels of grants being provided would continue into the future.

Scrutiny's Recommendation to Cabinet	Accept (plus Action and timescale)	Partially Accept (plus Rationale and Action and timescale)	Reject (plus Rationale)
<p>1. That in order to mitigate cost of living impact on any income projected from service users, that alternative means of providing information to hard to reach and vulnerable members of the community about financial matters other than websites be considered, including utilising local Councilor's as many older people do not have access to the internet</p>	<p>Accept and will look at other means of reaching all residents across our communities.</p>		
<p>2. That in relation to the future of day services the Committee be provided with the opportunity to scrutinise the outcome of the engagement exercise with service users together with any proposals resulting from the engagement at the earliest opportunity before any options are pursued</p>	<p>Agreed, officers see Scrutiny input as vital for this process. Timescale:23/24 financial year.</p>		
<p>3. That local Members be engaged in the future engagement exercise for day services</p>	<p>Agreed. Local Members to be engaged as part of any engagement exercise. Timescale 23/24 financial year.</p>		
<p>4. That before making any final decisions regarding Children's Services</p>	<p>Information has been shared with Scrutiny as requested, no additional comments</p>		

<p>budget, that Cabinet awaits any further comments from scrutiny regarding the impact of Children’s legacy cases on the budget</p>	<p>on the budget received.</p>		
<p>5. That before making final cabinet decisions on the Adult’s services budget, the Cabinet awaits any further comments from scrutiny in relation to the cost efficiencies associated with Day Services</p>	<p>Proposal regarding Day Services has been removed from the 23/24 budget.</p>		

Membership of the Health and Care Scrutiny Committee on 31-01-2023:
County Councillors: A Jenner (Chair), G.E. Jones, G Preston, G Ratcliffe,
L Rijnenberg, C Robinson, C Walsh, C Kenyon-Wade.

Economy, Residents and Communities Scrutiny Committee – 30-01-2023

Scrutiny made the following observations:

Property, Planning, & Public Protection

The Committee welcomed:

- The assurance that the savings proposals provided the way forward for the Service’s development in the future.
- The Council moving to greener working environments including LED lighting.
- Assurance that the Building Control response times are achieving targets.
- The Planning and Building Control services are in support of the government reshaping scheme, which includes continued learning and development to offer a high level of service.

The Committee noted that:

- The Impact Assessment process was robust.
- Building stock will be monitored closely to ensure building standards do not fall. Assets will be rationalised to seek opportunities for disposal and reduce maintenance costs.
- Burial fees have increased for the first time since 2019.
- Building Control response times are improving.
- The office temperature decreases from 21 to 19 degrees.

The Committee requested:

- Evidence in respect of the Park Offices and whether the Council had undertaken market testing regarding the ability to sell or rent the building.

The Committee remained unconvinced about:

- The delivery of statutory services due to the risks to the Council by reducing staffing levels.

The Committee expressed concern regarding:

- The risks to the Council by removing posts and the impact on statutory service delivery.
- The ability of the Council to let the Park Office, particularly as there are vacant spaces currently in Ladywell House.
- Reduced levels of budget for building maintenance which could lead
- to additional rectification costs.
- Delays in the planning process and enforcement, although numbers are improving.
- Building Control structure, fees have increased, timescales remain a concern due to capacity.
- Burial fees for Powys are the fourth most expensive in Wales.

Highways, Transport and Recycling

The Committee welcomed:

- A very thorough set of papers provided.
- The confidence from the Head of Service that the Abermule site will be fully operational by April, just awaiting the permit from Natural Resources Wales.
- The apology from the Head of Service for the recent issues in relation to School Transport. A lessons learned exercise had taken place, with a focus on how communications could improve.
- That there were no cuts for the Rights of Way and Countryside services who provide a statutory role for the Council, with the re-engagement of volunteer support after the covid pandemic.

The Committee noted that:

- An assurance was provided that all options for street lighting are being explored to allow disconnection from the grid and use greener energy sources of with possible savings.
- A review of all bus routes has taken place with the addition of the QR code survey results showing capacity numbers, which indicated that a possible fifteen buses could be removed from service.

The Committee requested that:

- Communications are improved, including around the running of the school transport service.

The Committee remained unconvinced about:

- The strategy for certain budget lines to be removed this year and put back in future year for both the bus emergency scheme and the vehicle depreciation fund.

The Committee expressed concern regarding the:

- Risk element around fleet development and keeping vehicles for longer, with the delay of adding £1m into the replacement budget. Possible additional costs could be incurred.

- Inflationary increase pressures on materials which may lead to a slight decrease in the amount of work carried out. Recent weather conditions have created additional pressures to the network and service.
- Shared Prosperity Fund being only used within the Council, and the opportunities for community groups to access this funding.

Economy and Digital Services

The Committee welcomed:

- Developments towards the replacement of the Careline (personal pendant or pull cord alarms) provision, which includes the automated in-house back office processes.

The Committee noted that:

- The Council have been working closely with BT to ensure improved communication with those residents affected.
- Work is being conducted to reduce the number of cyber and ICT contracts whilst ensuring the estate remains secure.

Workforce and Organisation Development

The Committee welcomed:

- The DBS service will be closely monitored, and changes will be made if there is a negative impact following the fee increase to external bodies to ensure the service remains competitive and cost neutral.

The Committee noted:

- Increase in charges for the provision of DBS checks for external customers.
- Growth pressures in the Organisational Team, due to significant cuts previously it was felt that investment is needed.

Transformation and Democratic Services

The Committee noted:

- Reduction in APSE fees.
- Reduction in general office expenses.
- No impact on staff or members of the public.
- Democratic services are funded from the base budget; however, some of the Transformation and Communications areas are funded by income generation.

Community Services

The Committee welcomed:

- Welsh Government will be providing financial support to ensure school kitchens are fully equipped and upgraded to provide school meals including the new universal free school meal scheme.
- Freedom Leisure have indicated to the Council that centres will not close.
- That the Neath Port Talbot College Group will occupy the café and two main rooms within y Gaer to generate Council income.

The Committee noted:

- A full review of the Leisure Service will be undertaken, co-production models could be adopted.
- The Council support Freedom Leisure with an annual management fee from both the Leisure and School services (£2.3m).
- The Sport Development staff consultation process has been concluded.
- The 10 pence increase for school meals will only apply to those pupils that purchase meals.
- Clarity was provided; new universal infant provision of free school meals is different to the older scheme which has been provided as an allocation in the settlement for several years.
- Only 56% of children are taking up the option of a hot meal, and the service are looking at ways to increase the uptake of paid meals.
- The Arts Service has been funded the same way for several years and a new way forward is required.

The Committee requested:

- Whether the Library Service would consider book donations.

The Committee remained unconvinced about:

- The removal of the Arts Officer within the Council.

The Committee expressed concern regarding:

- The Council is not able to speed up the Welsh Government timetable for the universal infant free school meal provision for all primary schools. (two year groups currently in receipt).
- The service does not have a current Arts Strategy which will be developed using funding from the Shared Prosperity Fund. This would assist and encourage external art organisations to be sustainable.
- The Cultural Services absorbing work currently conducted by the Arts Officer.

Housing Services

The Committee welcomed:

- The new project to develop a 24/7 triage provision of self-contained accommodation. The Housing Service is working with Social Services to develop plans.
- The new initiative would utilise self-contained temporary units with the potential to move within the County.

The Committee noted that:

- Cabinet have recognised homelessness levels have doubled but budget levels have not increased, with the service being asked to provide more with the same resource.
- No cuts or savings have been proposed.
- The Housing Revenue Account is funded by rent from tenants and can only be used towards services for council tenants or services that are a benefit to them.
- The Housing General fund is a mix of funding from the Council, Welsh Government, and other grant funding which provides all non-landlord related services.

- The detailed allocation of the budget for council builds will be available in the Housing Revenue Account Business Plan which is subject to separate report to Cabinet.
- Housing needs to provide a range of properties to accommodate those wishing to both upsize and downsize, taking into consideration to the current cost of living crisis.

The Committee expressed concern regarding:

- The lack of small one bedroom accommodation units for the citizens of Powys. Only 6% currently.
- The council tax spare bedroom tax is hindering the process of allocating accommodation. Universal Credit could be deducted by 25%. Affordability checks are carried out by the Council before accommodation is allocated.

Finance

The Committee noted the proposals and made no comment

Legal Services

The Committee noted the proposals and made no comment

Scrutiny's Recommendation to Cabinet	Accept (plus Action and timescale)	Partially Accept (plus Rationale and Action and timescale)	Reject (plus Rationale)
1. That all options be explored regarding the Park Offices Newtown including its sale.	Accept. All options will be appropriately considered including sale.		
2. That the Shared Prosperity fund is not limited to use by the Council and opportunities be provided to community groups to access this funding.	Accept – Shared Prosperity is due to launch for community groups in March 2023		
3. Communications and engagement are improved with citizens of Powys.	Accept – We recognise the active role that Members need to take Action: Develop detailed forward-looking communications and engagement plan for budget (by end of October 2023)		

<p>4. That in respect of Property, Planning and Public Protection mitigation is in place to ensure Statutory requirements are delivered after service re-modelling.</p>		<p>Partially Accept. Service areas will consider all possible mitigation to ensure that statutory requirements are delivered. Where statutory requirements cannot be achieved, risks will be appropriately evaluated, and resources allocated to the highest risks.</p>	
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Membership of the Economy, Residents and Communities Scrutiny Committee on 31-01-2023:

County Councillors: A Davies (Chair), D Bebb, A Cartwright, B Davies, I Harrison, Adrian Jones, Arwel Jones, K Lewis, G Mitchell, C Walsh, S Williams

Learning and Skills Scrutiny Committee – 30-01-2023

Scrutiny made the following observations:

The Committee welcomed:

- The preparation of the finance toolkit and benchmarking tool circulated to Schools and commended Officers for this work. However, this was not the answer for all schools, as some will require additional support to review spend patterns and realise potential savings.
- That Leisure Centres were to remain open, given the position which arose in December 2022 and the Officers' assurance of continued work with Freedom Leisure so there was no impact on the curriculum offer, provision and delivery.
- That Officers have confidence in the capacity within schools to undertake the Train the trainer scheme around Domestic Abuse and Sexual Violence.
- That direct funding to the Council for the Mid Wales Education Partnership was being provided.
- The assurance that the savings proposals provided the way forward for the Service's development in the future.

The Committee noted:

- That finance surgeries had been held with individual schools reviewing their financial pressures and budget savings and would be held again following the allocation of revised individual budgets.
- That the expectation was that schools would manage cost pressures for one year only and should those pressures continue then additional funding would need to be considered.
- Assurances that all funding for Education from Welsh Government had been passported to schools.
- Overall contentment with officers' reassurance that the budget can be delivered.

- That school pupil numbers are expected to fall over the next five years, with fewer children within the County, and some pupils receiving education out of county. This will be easier for High Schools to plan for, and Officers advised that the Service would work with schools where numbers are decreasing. In addition, the Welsh Government settlement would reduce dependent on pupil numbers, therefore changes would be made at an individual school level
- That the PRU (Pupil Referral Unit) model has been in place for a significant amount of time. Officers assured that the structure and savings are under review to ensure provision is in line with the emerging landscape.

The Committee requested that:

- Clarification be provided as to which schools across Powys will struggle to reach a balanced budget and assurance that these are monitored.
- The Impact Assessments include a more detailed narrative to provide assurance that changes are achievable, and savings realistic with no impact on the service. Schools to be closely monitored to assist mitigated risk as soon as possible.
- Clarity be provided on why additional documents provided were confidential.
- Clarification of the notional capital amount of £10m for 2027/28 and the projects to be undertaken.
- Officers meet with County Councillors online in their role as school governors, to provide information on setting a balanced budget and ensuring Members are aware of decisions affecting their constituency.
- Confirmation or clarity be provided regarding the increased cost of school meals for those who are not in receipt of free school meals.
- A detailed breakdown of proposals within the Leisure Review, including those that will impact on schools' budgets. The Committee expressed concern in relation to additional costs for pupils to travel to swimming lessons.
- Additional information on the Mid Wales Education Partnership (MWEPP) be shared with the Committee. Officers confirmed that the MWEPP is subject to Estyn inspection and scrutiny by Welsh Government, and assurances were given that funding is being utilised effectively.
- That a comment be included in the Cabinet report that whilst primary schools were performing well this was not necessarily the case for all secondary schools.
- That the work on decarbonisation be included within the Capital Programme.

The Committee remained unconvinced about:

- The pace and direction of the Transformation programme by the Cabinet. However, this aspiration is not reflected in the draft budget documents, with significant transformation opportunities missed or pushed back. The Committee was of the view that this delay in funding being released to all schools as a result of transformation contributed to schools having to use reserves currently.

The Committee expressed concern:

- In respect of potential savings, in particular on photocopying and energy efficiencies, figures quoted are estimated across the school estate and actual figures would have to be calculated on a school-by-school basis.

- Regarding the difficulties and pressures on the Delegated budget, particularly if schools have used reserves to meet the additional pressures. Assurance was sought that mitigation of risk has been factored in.
- Whether the stated savings could be delivered, as reserves are falling within the Secondary Sector
- That reserves can only be used once.
- Regarding Maintenance and Health and Safety which is an extremely important area and should be covered comprehensively. An assurance was given by Officers that schools are safe for both learners and staff. Extensive H&S checks were completed during the COVID period, with Risk Assessments to assist schools. There was concern that there is an £82m backlog of works which the budget will not meet.
- That schools have not been informed of their budgets for the next financial year. Officers stated that schools were given indicative figures in Sept / Oct 2022 with regard to additional funding, therefore they have submitted their budgets on that basis. Schools will receive updated indicative figures in March.
- That the Capital programme of £10m does not have any projected costs or proposals up to and including 2027/28.

Scrutiny's Recommendations to Cabinet

There were no recommendations to the Cabinet.

Membership of the Learning and Skills Scrutiny Committee on 30-01-2023:
 County Councillors: R G Thomas (Chair), A W Davies, C Kenyon-Wade, D Bebb, D Meredith, G D Jones, G Morgan, L Rijnenberg, L Roberts.
 Co-Opted Members: K Chedgzoy, M Evitts, S Davies

Finance Panel – 01-02-2023

The Panel made the following observations:

The Panel welcomed:

- The reduction in the cost of financing the capital programme which had been of concern previously, however this is due to a higher level of revenue budget and delays in the capital program.
- The anticipated increase in capital receipts as a result of the asset review which is yet to be completed.
- The rigour in the process to develop the budget.

The Panel noted that:

- There would be a need to reimagine the Council and that work had commenced. However, the Panel felt that this budget showed no evidence of radical change.
- The view of the Cabinet Member was that the level of Council Tax had been set to protect the Council Tax base for next year and took account of people's ability to pay but the Chair disagreed on the basis that '3.8%' is less than 5%

and undermines the Council's buying power. The Fire Authority levy had been set at over a 17% increase for 2023-24 and was anticipated to be at a lower rate in future years (budgeted at 5%)

- There was an assumption that a reduction in the rate of inflation would reduce future service budget pressures in the following year's budget.
- Whilst funding from Welsh Government in the settlement had been passported to schools, this did not cover all budgetary pressures and school governing bodies would need to take decisions to balance budgets which includes the use of budget recovery plans.
- Whilst schools had been protected in the current year due to Council utilities contracts, it was anticipated that costs would rise following the renewal of contracts from April.
- In their opinion schools had been unfairly treated in terms of the budget increase provided by the Council.
- In relation to the reduction of contributions to the Pensions Fund this had been considered by the actuaries from a position of prudence a point of view supported by the Scheme Advisory Board. In addition, the revised contribution rates had included a buffer to provide a greater level of protection to the fund. The Finance Panel was given assurance by the Section 151 Officer that the decision was prudent.
- Estimated pay awards have been included in service budgets and a sum was set aside and held corporately should pay awards be higher than those estimates.
- This was a standstill budget for most services which provided an opportunity for the Council to prepare for future years. Some Panel members felt that this was a lost opportunity to the urgent need to start to restructure council delivered services
- MTFs principles had been adhered to and reserves were used for one off pressures rather than recurring budget pressures.
- All budget pressures currently identified were included in the FRM.
- Whilst all budgets contained an element of risk, in the view of the Section 151 Officer the current budget contained the heightened level of risk due to the ongoing economic challenges.
- There was no intention to increase the level of general fund reserves in the budget proposed. The General Fund Reserve will be maintained at a minimum of 4%

The Chair noted that the Schools budget delegated received the second smallest increase in net budget, 5.5%, only Adult Social Care Commissioning, one of the smallest services with a net budget of £3.8M, received less at 4.3%. The average increase across all services was 8.2%.

The Panel requested:

- That all Members be advised of the proposals for the reimagining of the Council once proposals had been prepared.
- That the figures in the profile of savings delivery quoted in the Council Impact Assessment be updated as they are currently incorrect.

The Panel remained unconvinced about:

- The use of one-off funding to balance the 2023/24 budget, the Panel believed, will have a negative impact on future budgets as it immediately increase the budget gap in the following financial year.

The Panel expressed concern regarding:

- Secondary schools falling into further deficit.
- The risk to schools in the next and future years due to the levels of funding provided.
- The reduction in the contribution to reserves for vehicle replacement for the Highways, Transport and Recycling Service and whether any review had been undertaken before the proposal was made. The Panel's view was that replenishing the reserves will be even more difficult in future years as WG funding is expected to be less.
- The role of the Education Service can be to advise schools what options are available to reduce costs. A school's budget is a decision for the Head Teachers and Governing Bodies, and therefore could impact on the deliverability of the proposed cost savings identified in the delegated budget line.

The Panel disagrees:

- That a reduction in the rate of inflation would remove pressures in the base budget.
- With the Cabinet Member that the underfunding of schools would not lead to a reduction in the teaching force in Powys.
- With the reduction in the Highways, Transport and Recycling Service reduction to the revenue contribution to the transport reserve as this is a one off reduction and will add further pressures in future years.

The Chair disagreed with the Cabinet Member that this budget sets a solid base for the financial future of the Council. The use of one-off funding to close the gap and the level of the Council Tax increase, significantly increases the risk faced by the Council

Scrutiny's Recommendation to Cabinet	Accept (plus Action and timescale)	Partially Accept (plus Rationale and Action and timescale)	Reject (plus Rationale)
1. That all Members be advised of the proposals for the reimagining of the Council once proposals had been prepared	Cabinet confirm that all members of the Council will be engaged in this significant piece work		
2. That the figures in the profile of savings delivery quoted in the Council Impact Assessment be updated as they are currently incorrect		The figures in the table are not incorrect but the table will be amended to provide more clarity around the remaining budget gap	
3. Production of timely information to the Finance	Accept that information requested		

Panel	should be provided in a timely manner		
4. MTFS principles are maintained and followed	The MTFS principles set out drive the Council's budget and spending decisions		

Membership of the Finance Panel on 01-02-2023:

County Councillors A Davies (Chair), A Cartwright, Arwel Jones, J Pugh, E Vaughan, C Walsh.

Independent / Lay Member: G Hall.





Learning and Skills Scrutiny Committee – 10-02-2023
Economy, Residents and Communities Scrutiny Committee – 13-02-2023
Health and Care Scrutiny Committee
Finance Panel – 13-02-2023

Scrutiny Observations to Cabinet on: 14-02-2023

The Economy, Residents and Communities, Learning and Skills, and Health and Care Scrutiny Committees and the Finance Panel met or considered the following document between 10-02-2023 and 13-02-2023:

- Amendment to Draft Budget proposed 2023 – 2024

The Scrutiny Committees and the Finance Panel thank the Portfolio Holders and officers for attending scrutiny.



Health and Care Scrutiny Committee –
No meeting held; comments received by Committee Members recorded below:

Scrutiny made the following observations:

Adults Services:

The Committee welcomed:

- The removal of the £120k saving due to the need to undertake a review of Older Day Services first, following which a better understanding of potential savings could be gained.
- The review of Older Day Services and the potential for new models of delivering the service with the possibility of extending services through the county.

The Committee expressed concern that as the UK Mileage Allowance rate set by HMRC for standard mileage reimbursement was currently set at 45p per mile (first 10,000 miles) an increase of the mileage rate for external providers above that limit would lead to a tax liability for those individuals on the additional mileage rate paid.

Children's Services:

The Committee welcomed:

- The additional information provided to the Committee in respect of legacy cases.

The Committee requested information regarding:

- How does the Service ensure that when considering demographic pressures which will result in increased referrals, that these take into account the additional Children Looked After which are cared for by the Council, which might not have needed to be in care if preventative and early help services had been provided to them at an earlier time.
- High cost and complex out of county placements. What is being done to consider whether these are the most appropriate placements for these children and is the Service satisfied that these costs are being paid for by the correct organisation (i.e. not health related)

There were no recommendations to the Cabinet

Membership of the Health and Care Scrutiny Committee

County Councillors: A Jenner (Chair), G.E. Jones, G Preston, G Ratcliffe, B. Breeze, J Ewing, L Rijnenberg, C Robinson, E Roderick, E. Vaughan, C Walsh, J Wilkinson, G Morgan, C Kenyon-Wade.

Economy, Residents and Communities Scrutiny Committee – 13-02-2023

Scrutiny made the following observations:

Highways, Transport and Recycling (HTR)

The Committee welcomed:

- The HTR service are considering other types of fuels including hydrogen.
- Confirmation of Welsh Government funding (£300k) for the infrastructure at Brecon and Abermule.
- In-house technicians will be upskilled to maintain electric vehicles and future proof the service.

The Committee noted that:

- In response to questions regarding servicing frequency that under 3.5 tonnes were serviced every 26 weeks and over 3.5 tonnes on a more frequent basis. Vehicles over 7.5 tonnes were carried out on a 6 weekly basis.
- Vehicles currently retained for 7 years; this could be extended with regular maintenance.
- The service will be reviewing infrastructure requirements as well as vehicle reserve dependent on future requirements.

The Committee received assurance that:

- The 6 weekly maintenance schedule would give enough time to identify issues to ensure resilience in the workshops and could use external providers when necessary.
- Back up vehicles and contingency plans were in place to avoid disruption; however, disruption was usually down to staff sickness rather than vehicle availability.
- Whilst there was some risk in reducing the depreciation fund it was not a high risk.
- There was sufficient funding within reserves to replace vehicles in the current year.

There were no recommendations to Cabinet.

Membership of the Economy, Residents and Communities Scrutiny Committee on 13-02-2023:

County Councillors: A Davies (Chair), D Bebb, A Cartwright, B Davies, I Harrison, Adrian Jones, Arwel Jones, K Lewis, G Mitchell, C Walsh, S Williams

Learning and Skills Scrutiny Committee – 10-02-2023

Scrutiny made the following observations:

The Committee welcomed:

- The establishment of the energy management fund.

The Committee noted:

- That schools are expected are responsible for managing individual budgets and to try and do as much as possible to address budget pressures and identify potential savings. The School's Service was continuing to work with schools to identify potential savings, although the final decision was for the Headteacher and Governing Body.
- That rolling out the Cover Supervisor model (which was currently in place in secondary schools) to all schools could potentially save £720k across the county and was a decision for Headteachers and Governing Bodies.
- That the intention was not to distribute the fund through the formula and a clear definition and criteria would be established for the distribution of the fund. Schools would be involved in identifying the definition and criteria.
- In response to a question as to whether the fund could be used for purposes other than dealing with energy pressures, it was clarified that the fund was a one-off and primarily to deal with energy pressures and it would be inappropriate to use it for long term funding such as staffing. It was also recognised in the FRM (Finance Resource Model) that energy pressures could remain for longer than the current year in which case this would need to be addressed in next year's budget.
- The concern of the schools Forum regarding the level of the fund and its equitable distribution across schools.
- In response to a question as to whether at the end of the current financial year there was a cut in real terms in school funding, that this was not the case and school budgets were increasing although would not be covering all the budget pressures. In addition, all services were facing a reduction in budgets and all funding provided for schools in the Welsh Government settlement had been passported to schools.

The Committee requested that:

- Scrutiny be given the opportunity to consider the definition and criteria prior to a final decision by the Cabinet.
- Scrutiny be provided with additional confidential information regarding the position of individual schools' budgets to be able to assess the potential impact of the fund.

The Committee remained unconvinced about:

- The distribution of the fund equitably amongst schools.
- The impact of the fund on secondary schools.
- That the proposed budget would not lead to staff redundancies in schools.

The Committee expressed concern:

- That schools could start the process of reducing staff before being aware of whether the fund could be used to assist them in addressing budget pressures. However, in response it was highlighted that this position was unlikely to occur as the Schools and Finance Service had been working with schools since the Autumn on indicative budgets and all factors including use of the fund would be considered before schools having to look to reduce staff.
- That the fund was to assist schools which are in real difficulty, but in reality, this could be due to other budget pressures rather than energy costs. In response, it was noted that the criteria for use of the fund would determine its use, which would include energy efficiency. Any case for funding would need to be backed up by a business case and it was suggested that applications would be assessed by a panel.

The Committee suggested:

- That the most appropriate use of the fund would be if it was targeted and used on energy saving measures before being considered for other uses.

Scrutiny's Recommendations to Cabinet

Scrutiny's Recommendation to Cabinet	Accept (plus Action and timescale)	Partially Accept (plus Rationale and Action and timescale)	Reject (plus Rationale)
1. Scrutiny be given the opportunity to consider the definition and criteria prior to a final decision by the Cabinet	Agree with this recommendation – Financial year 23/24		
2. Scrutiny be provided with additional confidential information regarding the position of individual schools' budgets to be able to assess the potential impact of the fund	Agree with this recommendation – financial year 23/24		

Membership of the Learning and Skills Scrutiny Committee on 10-02-2023:
 County Councillors: R G Thomas (Chair), A W Davies, C Kenyon-Wade, D Bebb, G Morgan, L Rijnenberg, L Roberts.
 Co-Opted Members: K Chedgzoy, M Evitts, S Davies

Finance Panel – 13-02-2023

The Panel made the following observations:

The Panel welcomed:

- The work undertaken by Finance Officers and Heads of Service in relation to the improvement in the financial position during this year by reducing spending to address inflationary pressures.

The Panel noted that:

- The £287k for Freedom Leisure was now to be funded from the Council's base budget and a contribution from reserves is not required. Reserves therefore, do not need to be replenished releasing the £287k for allocation elsewhere.
- This funding is proposed to be redirected to support energy costs and energy efficiency measures in schools.
- The £500k schools fund would be allocated based on detailed criteria which has not yet been developed. The fund is not proposed to be distributed as part of the school funding formula.
- Directing the fund towards energy efficiency schemes would have a long-term benefit.
- The fund would not be used to meet school budget deficits.
- In respect of the £120k saving for Adult Social Care, concern had been raised by the Health and Care Scrutiny Committee as to whether this was achievable as the review had not been undertaken. Therefore, it had been withdrawn.
- It was difficult to judge the impact of the additional funding for schools until the criteria had been established.

There were no recommendations to the Cabinet.

Membership of the Finance Panel on 13-02-2023:

County Councillors A Davies (Chair), A Cartwright, Arwel Jones, J Pugh,
P. Lewington, C Walsh.

Independent / Lay Member: G Hall.

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