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CABINET

Tuesday, 4th February, 2025

SUPPLEMENTARY PACK

7.	SCRUTINY RECOMMENDATIONS ON THE BUDGET
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To consider recommendations from the Scrutiny Committees on the budget.
(Pages 3 - 16)

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Health and Care Scrutiny Committee – 23-01-2025
Learning and Skills Scrutiny Committee – 29-01-2025
Economy, Residents and Communities Scrutiny Committee – 27-01-2025
Finance Panel – 31-01-2025

Scrutiny Observations to Cabinet on:

Health and Care, Learning and Skills, The Economy, Residents and Communities, Scrutiny Committees and the Finance Panel met and considered the following documents:

- Draft Medium-term Financial Strategy 2025-2030,
- Draft 202526 Budget
- Capital Programme For 2025-2030

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

Health and Care Scrutiny Committee

General:

The Committee noted, observed, or requested that:

- Thanked the Portfolio Holders and officers for open detailed responses.
- More detail be provided regarding the calculation used to arrive at the proposed savings / additional costs proposed.
- Concerns raised with the lack of proposed cost reductions in the MTFs for the two services for the following four years commencing April 2026.
- A BRAG model or similar to be reinstated for the presentation of both cost pressures and projected savings and for risks to be presented in priority order.
- Support shown to officers and members making representations to the Welsh Government regarding the extreme budget pressures faced by all Councils in Wales.
- More detail around each of the cost pressure and saving to aid Members and public understanding of the proposals.
- Assurance sought that both services scope for the use of Artificial Intelligence technology was ambitious enough.
- Transition arrangements were demonstrated to be robust and included collaborative working.
- Services were commended on the success of the Grow Our Own Model in reducing the need of agency staff.

Adults Services:

The Committee noted, observed, requested that:

- Further detail to be provided in respect to the methodology for the calculations used to produce the two pressures of £4.8m and £7.1m
- Benchmarking data on cost-per-head and pressures to be reviewed against other Welsh Councils. Scrutiny to make written comments if Powys County Council was an outlier.
- The average cost per client for the service compared to other rural authorities.

- Suggested that the Impact Assessment for Day Opportunities needed to be reviewed in respect of potential risk and mitigation as the project was not completed.
- Sought assurance that decision makers had full sight of all relevant and granular information.
- Assurance received that a paper would be received for scrutiny regarding the Day Opportunities consultation engagement process.
- It was demonstrated that all contracts were equitable and followed a rigid robust process for consistency. Additional information regarding the framework and uplift in provider costs was also given.

Children’s Services:

The Committee noted, observed, requested that:

- Support was given that the Portfolio Holder had written to Welsh Government regarding the reduction of grant provision to Foster Wales.
- Further consideration was to be made to the level of demographic pressures for the four years commencing 01 April 2026 and further evidence requested regarding additional costs for residential placements.
- The Impact Assessment for Returning Children Closer to home - 16 Plus including UASC to be reviewed in relation to potential risks and mitigation. The local community engagement data to be included to demonstrate achievable saving and impacts.

Scrutiny’s Recommendation to Cabinet	Accept (plus, Action & timescale)	Partially Accept (plus, Rationale, Action & timescale)	Reject (plus, Rationale)
1. A BRAG model or similar to be reinstated for the presentation of both cost pressures, projected savings and for risks to presented in priority order.			
2. Benchmarking data on cost-per-head and pressures to be reviewed against other Welsh Councils. Scrutiny to make written comments if Powys County Council was an outlier.			
3. The Impact Assessment for Day Opportunities to be reviewed in respect of potential risk and mitigation.			
4. Further consideration was to be made to the level of demographic pressures for the four years commencing 01 April 2026 and further evidence requested regarding additional costs for residential placements.			
5. The Impact Assessment for Returning Children Closer to home - 16 Plus including UASC to be reviewed in relation to potential risks and mitigation. The local community engagement data to be included to demonstrate achievable saving and impacts.			

Membership of the Health and Care Scrutiny Committee:

County Councillors: A Jenner (Chair), B Breeze, D Edwards, A Evans, J Ewing, G E Jones, G Preston, C Robinson, C Walsh, A Williams

General

The Committee noted, observed, or requested that:

- The potential impact of the Education Staff Review (Appendix 1 Pg 237) on the implementation of Inclusion Strategy, and undue pressure on the Central Team delivering both pieces of work through a Management of Change process.
- Assurance received that work commenced on the Education Staff Review in September 2024, pressures were distributed amongst the Leadership team, to change structures to meet current and emerging needs in schools.
- The Education Staff Review was based on a model to promote collaboration and expertise amongst colleagues, bringing clarity, responsibility, and accountability to roles.
- The Management of Change process was not tied to an academic year and the Service was confident savings would be achieved during the financial year 2025-26, there could be no predetermination of future savings.
- Reports lacked detail on Primary to Secondary transition, with little emphasis on Early Years. consideration was given within the new structure under a whole team around the cluster approach.
- Clarity was received in respect of the Pre-school specialist provision and Nurture programme as the £50k saving formed the year 2 saving as detailed in the budget 2024-25. Delivery had changed focus from location based to across all schools as per Waves 1-3 of the Additional Learning Needs Strategy.
- Freedom Leisure Service Level Agreement had not been reviewed since 2015. A review would consider decreasing pupil numbers within catchments, to ensure contracted hours matched usage.
- Due to a variation in the swimming provision, an engagement exercise had been conducted for a more equitable offer. Discussions were ongoing with Freedom Leisure.
- Clarification was given in respect of the £390k undelivered PRU (Pupil Referral Unit) savings from 2024-25, as a virement of £120k had reduced pressure with the remaining £233k spread across 2025-26 (£110k) 2026-27 (£79k) and 2027-28 (£50k).
- Leisure had been netted off from £177k in the Finance Resource Model (FRM) in 2024-25, with slight mitigation of £20k. The undelivered saving had been brought forward.
- An individual FRM be produced for schools to allow savings to be tracked across financial years.
- Continued realignment of grant income insured that base costs were covered and service provision provided.
- Welsh Government (WG) had rationalised the number of grants and reduced the Terms and Conditions of use, Education Services had adjusted in line with the new measures as WG hold services to account via spending plans and overview of impact.
- For grants that were specifically for schools e.g., Education Improvement Grant, WG had a national formula for funds to be passported via the Local Authority.
- More information was required around the total percentage of the £30k savings on consultants.
- Future papers to include all percentage figures of savings to indicate relevance to total service budget.
- More detailed explanation be provided on individual savings and pressures.
- Assurance was given on Third Party Spend, that the Secondary Strategy model from 5 years ago, had reduced year on year.
- Significant increase in demand in pupils requiring Special School provision. Brynllwarch was noted in the FRM as banded levels had increased costs.
- Funds would be available for the service to proactively cover any eventuality, not just those raised by Estyn even after the £350k saving on Emergency Planning and Safeguarding.

- Officers to review the effect of reducing the number of secondary schools, which could be of assistance to the Transformation Programme future Administrations after a scoping exercise was requested.
- Assurance received on mitigation of other costs which was reflected in previous years FRM's on vacancy, slippage, utilisation of grants. The Education Leadership Team continued to support and challenge budgets to ensure they were reviewed and appropriate.
- Consideration to the equity of Post 16 out of County Education across Powys be given as it was not aligned to Powys' Transport Policy.

Schools Delegated Budget

The Committee noted, observed, or requested that:

- The National Insurance (NI) contributions had not been included which amounted to £3.2million across the Council.
- Outcomes of Deep Dive work with schools be shared with Scrutiny Committee, as concern held that the curriculum would be reduced, as schools would have to resort to staffing level cuts to submit a balanced budget.
- Lack of confidence in the schools Funding Formula, to enable schools to provide the breadth of curriculum that should be provided. The mechanics of the funding formula may suit the needs of individual schools, however if the quantum of the budget was not enough schools would not achieve a balanced budget.
- Staffing levels were being reduced, at a time when the National Curriculum in Wales was due to be expanded.
- The Funding Formula Review Group looked at challenges faced by schools and forwarded recommendations or alterations in respect of areas of specific interest.
- The Schools Budget Forum, consisted of Governors, Headteachers, business managers and lay members who discussed pressures faced by schools, commented on the funding formula and other elements to support professional learning and different service level agreements. It was unclear how the Forum influenced decision-making process.
- Schools Budget Forum Chair and / or members be invited to future Scrutiny Committee meeting and minutes shared.
- Welsh Government (WG) Key stage 4 curriculum expansion plans would affect the funding formula, assurances were given of continued impact evaluation of national changes which would be brought to Committee later in the year.
- Assurance was given that credits from previous rate re-evaluations had been used in the delegated area in respect of the £205k.
- Clarification be provided regarding the reduction and expected reduction in full time equivalents (FTEs) of teaching, teaching assistants and other staff within schools in years 2024-25,2025-26.
- Confirmation of the use of school reserves from an opening balance in 2023-24 of £6.6million to a closing balance as at the 31 March 2024 of £891k.
- A detailed explanation of the funding gap was received, as the actual consequential received from WG in March 2024 was passported directly to schools in its entirety (approx. £631k), which resulted in the gap versus pressures being £1.8m. In addition, the demography change expected and estimated created further pressure than the original demography in the FRM.

Schools Capital Budget

The Committee noted, observed, or requested that:

- There was a strong relationship between investment in schools, the backlog of maintenance and the transformation programme. Concerns raised that the capital programme had significant delay, impacting on educational delivery and provision for the young people in Powys.
- A breakdown of individual capital schemes be brought to Scrutiny Committee.
- There was a significant level of borrowing, rising inflation had major impacts on interest rates which meant projected costs had increased and difficulties incurred to balance delivery against affordability, and some projects were delayed.
- The disposal of assets across the council were a key part of the Capital Strategy.
- Powys had a responsibility for schools, assurance was provided by the Portfolio Holder that schools could cope within the funding formula. However, concerns were raised that some schools did struggle with maintenance backlog issues.

Scrutiny's Recommendation to Cabinet	Accept (plus, Action & timescale)	Partially Accept (plus, Rationale, Action & timescale)	Reject (plus, Rationale)
1. The Committee wished to formally note concerns regarding how much schools were struggling to balance budgets.			
2. Request that narrative for each cost reduction and pressure be included in budget papers.			
3. Request assurance and evidence that the voice of schools was heard via the School Budget Forum and the School Funding Formula Review Group.			
4. The capital spend long term plan needed to gather pace. The Committee requested a review of secondary schools, prior to spend, to ensure schools were located correctly.			
5. To reduce delays and improve the progress of the Transformation Programme.			
6. The current Estyn Review be presented to the Scrutiny Committee.			
7. The budget report for Schools did not align with the Sustainable Powys Programme. The Sustainable Powys Programme which underpins the Sustainable Communities for Learning process which had Council services within schools had not always been favourably received.			
8. More detailed information requested on the schools' funding formula.			
9. A more detailed analysis was requested on the relationship between the resources (capital & revenue) and standards within schools. Evidence indicated that the outcomes were below what was expected.			

Membership of the Learning and Skills Scrutiny Committee:

County Councillors: R G Thomas (Chair), A Davies, B Davies, A W Davies, G E Jones, C Masefield, S McNicholas, G Morgan, L Roberts, C Robinson

Co-Opted Members: K Chedgzoy, M Evitts, S Davies

Economy, Residents and Communities Scrutiny Committee

General

The Committee noted, observed, or requested that:

- The budget was balanced between further efficiencies and protecting services residents depend upon.
- All services were doing as much as possible to make savings where possible.
- The Council were awaiting National Insurance settlement information from Welsh Government
- The Workforce and Development Plan demonstrated demands on staffing and related issues. Vacancy management provided an overview for wages and inflation assumptions to be forecast in the budget.
- Number of roles to be reduced was constantly evolving with limited agency staff usage.
- Second and empty homes in Powys could bring in an income, however significant challenges and notice had to be provided to change a premium and was suggested to evaluate impacts across Wales before a decision was made.

Highways, Transport and Recycling

The Committee noted, observed, or requested that:

- Page 153 (appendix F) – Sustainable Powys public transport had Welsh Government funding set aside to enhance the service and to ensure communities were kept mobile.
- A staffing and back-office restructure would be undertaken to ensure consistency across the service area. Artificial Intelligence would be reviewed to determine how it could provide support to staff.
- Part of the transformation fund an additional role was added to help the Councils journey through net zero around electric vehicle education, infrastructure and on street parking.
- Certain grant funding was set aside for statutory services including 'Rights of Way' and investment would be made into bridges to avoid legal action.
- All avenues were explored to ensure school transport continued during road closures including trains. Work with Transport of Wales ensured limited closures.
- Waste Awareness Officers supported and guided residents with recycling and advising that recycling bins were to be put out for collection every week.
- Profit sharing agreement was an open book approach, if a contractor made a profit over and above the submitted price, it was shared 50/50 with the Council.
- Page 153 (appendix F) – the adjusted base budget stayed in place for the service until it was suggested it was removed as a cost reduction.
- Longer term investment and adaptations to flooding were needed.
- More information was needed around the public transport budget element as it was unclear how it would be sustainable for the Council. Work was ongoing with Welsh Government, Transport for Wales, and partners.
- Page 22 (item 3.77 table 5) – HTR had significant budget pressures and explained that all services had been tasked to keep services to a minimum to reduce costs. A wide variety of areas were being investigated including Trunk Road Agency efficiencies and a resource strategy for recycling currently out for engagement.

Planning, & Regulatory Services

The Committee noted, observed, or requested that:

- Neuadd Brycheiniog be considered for social housing due to homelessness pressures. A paper providing all options would be available later in the year.

- The Gwalia building had been sold without contents which had been reused, recycled, and reduced and importantly stressed that it was not sold under pressure with a full asset review imminent.
- If Welsh Government planning fees rose too high would a decline in the number of applications received be a concern.
- There were a large range of fees in which some discretionary fees were not legally able to support a profit including Environment Health in which inspections cost the Council above average due to travel.
- More detail was explained that capital receipts figures differed due to a loss of a key sale and highlighted that interest payments to service borrowing were £37k daily and must be kept to a minimum, the Council look to use capital receipts effectively as possible and reduce the need to further borrow.

Housing Services

The Committee noted, observed, or requested that:

- Page 51 (Capital) – disabled adaptations a statutory duty for the Council helped to keep people living independently in which Powys had an aging population. The approval was subject to assessment/tests and may be subject to repayment.
- Homelessness was a whole Council concern and required early intervention to provide the best possible support and help. It was encouraged that advice was sought early to secure better outcomes.
- The Council had limited stock and aimed to provide a more permanent provision by asking partners to accept a larger number of temporary tenants to eliminate bed and breakfast provision, and to work towards everyone having a key to their own front door.
- Rental income from gypsy and traveller sites was actively being reviewed to invest back into sites.
- A number of schemes and loans were on offer interest free to landlords to maintain homes, once repaid the money would return to the pot for others to use.
- Empty properties were actively being sought with a dedicated website to report properties and officers on the ground. Frustrations were shared regarding the timescale setting up a programme and a detailed report would be forthcoming following the implementation of the strategy.

Economy and Climate Services

The Committee noted, observed, or requested that:

- The Grant Funding Team had a key role to play to seek, sought and secure funding for the Council. Green financing including private sector investment housing and big fund providers looking to invest. The Marches Partnership was looking at innovative ways to fund capital and revenue costs of the Council.
- A commitment be made that the Shared Prosperity Fund allocation, vital to working in partnership with the third sector remained. The Portfolio Holder was committed and proud of the work conducted with the third sector and a community fund had been set up with PAVO (Powys Association Volunteering Organisation).
- Funding was available for 35 staffing roles; however, some schemes and projects had concluded, and temporary contracts had ended, however a restructure would take place and roles at risk would be placed on the redeployment register.

Community Wellbeing

The Committee noted, observed, or requested that:

- Libraries received a core budget and sought grant funding from alternative sources including Shared Prosperity Funding to support roles and deliver schemes.

- A review on assets and services in each town to meet the priorities of the community would be conducted to explore all options of co-location.
- Libraries were a key hub for members of the public to use if digital availability was limited, putting considerable pressure on library staff in which the pay adjustment was welcomed.
- Participation and attendance figures for libraries was dependent on a wide variety of variables including, location, space, hours etc.
- Digital development was ongoing with increased uptake including an iPad and sim card loan schemes.
- The upcoming customer experience framework would ensure that the Council offered all options to residents.
- Solar panel investment would continue as it had shown a reduction in gas and electricity consumption in leisure centres and Powys buildings with some savings and helping towards the effects of global warming.

Corporate Services

The Committee noted, observed, or requested that:

- Conversations be pursued between the Council and relevant bodies to discuss and call for options that may lead to the Fire Authorities budget requests being met directly through their own mechanism for council tax precept levies, as was the case for the Police and Town and Community Councils. A clear narrative be provided for council tax bill payers showing the element that relates to the Fire authority.
- Two major concerns around the cost analysis were shared to be population and secondary schools' numbers which did not favour rural authorities in which had been expressed in communications to the Welsh Government and Welsh Local Government Association.
- It was important to sign post and support residents who may have personal financial concerns, and the Council Money Advise Team could help identify benefits that they could draw down.
- An advertising campaign be considered to ensure residents knew the full range of money advice and support services the Council offered.

Legal Services

The Committee noted, observed, or requested that:

- Base funding was in place to increase service capacity to improve responsiveness and efficiency to support all services of the Council.

Increases for public transport and in particular bus services, following concerns were highlighted:

- Future risks around grant funding and how long contracts may have to be set for.
- Rural transport would be key in realising many of the aims of 'Sustainable Powys.'
- Train travel was a viable option for in-county travel and should not be ignored in future appraisals.
- The proposed budget increase was significant, and the committee would welcome more information on what the outputs from such a rise in costs would be.

Scrutiny's Recommendation to Cabinet	Accept (plus, Action & timescale)	Partially Accept (plus, Rationale, Action & timescale)	Reject (plus, Rationale)
1. High-level conversations were requested to be pursued with relevant bodies to discuss and call for options that may lead to the Fire			

Authorities budget requests being met directly through their own mechanism for council tax precept levies, as was the case for the Police and Town and Community Councils. A clear narrative for those with council tax bills how their bill is made up clearly showing the element that relates to the Fire authority.			
2. Support was given to increase public transport; however, the committee were unable to agree the budget line as more information was required about the source of the funding.			
3. An advertising campaign be considered to ensure residents are fully aware of all council services offered (especially the financial support team).			
4. Review be conducted on the co-location of services to identify additional savings.			
5. For a report on all asset sales/ disposals and Community Asset Transfers to be provided to ERC for scrutiny.			
6. Review on empty and second homes to be conducted and to evaluate impacts across Wales to determine if the council could increase income.			
7. Reinforce that the shared prosperity fund is vital to be received by third parties.			

Membership of the Economy, Residents and Communities Scrutiny Committee:

County Councillors: A Davies (Chair), B Davies, C Masefield, G Mitchell, J Yeomans, L Rijnenberg, P James, C Kenyon-Wade, R Devlin

Finance Panel

General

The Panel noted, observed, or requested that:

Income, Fees and Charges

- Budget pressures projections in future years exceed £15M annually, with additional pressures expected to emerge, for context every £1M additional spend equates to 1% increase of Council Tax. To bridge the funding gap alone with Council Tax was not sustainable and would need to be resolved through cost efficiencies and reductions to service delivery.
- The 47% of residents paying full council tax was the current figure. There were the statutory reduction scheme, single occupancy and disability allowances as well as discretionary allowances that were evidenced by officers and the recommendation was determined by Portfolio Holder for the Local Authority.
- The projected additional charges/income of £5.7m was based upon full recovery cost and inflationary increases. The £80m already raised, with consideration given to inflationary factors and impact, was set out in the Fees and Charges (appendix E) of the agenda pack.
- The letter from the Leader, Deputy Leader and Portfolio Holder for Finance to Welsh Government in relation to the Consultation Document on the Revenue Settlement Grant (RSG) be shared with Finance Panel on a confidential basis.

- The settlement funding formula did not favour rural authorities, with 2 indicators of population and secondary school pupil numbers factored in and dictated by spend, which has had a detrimental impact on Powys' funding allocation of over £1m.
- Work be completed on the impact of Post 16 cross-border movement, the impact of decisions made especially on border schools to the RSG and specific grants.

Contract Management

- A breakdown of contract management savings and the process of how contracts would be managed moving forward, would be shared with Finance Panel.
- Staff involved with management of contracts have undertaken a training regime, dependent on their level of input, statistics would be shared with Finance Panel.

Pressures

- The £1.98m reductions in workforce would come from restructures, vacancy management, digitisation of process and the use of Artificial Intelligence, the need for redundancies across the organisation would be reduced.
- The 5-year plan and the estimates and reasonable assumptions used for modelling were robust for cost pressures held. As further assurance and certainty was given, that cost pressure would be reduced and put back into the individual service.
- Proposed Social Care workforce reductions, frontline staff, and those services, as well as partnership working, had been carefully reviewed to minimise impact on the residents of Powys.
- The significant reduction of individuals awaiting packages of care over the last year.
- Clarity was given that school staff reductions were not included in the £1.98m reductions, those plans would be reflected in the schools individual delegated budget, submitted late in the year.
- The Council holds a Risk budget, included in the base budget, to manage all risks across the council, with further specific reserves e.g., pay reserve, for those substantial items within the plan.
- There was an expectation that the Council would receive funding to cover the £3.5m for the National Insurance increase, built into the budget. The actual percentage of funding was yet to be notified by Welsh Government, the Councils assumption was 100%, where there was a shortfall the Risk budget would be utilised.
- It was not yet clear what would be supported in terms of the National Insurance increase for the provider market workforce e.g., domiciliary care and home care providers, and how Council resources could be impacted.
- The scenario modelling, based on the Office of Budget Responsibility (OBR) projections and the Welsh Fiscal Analysis assumptions from the 2024-25 Finance Resource Model (FRM) which have swung significantly to the 2025-26 FRM.
- The increase demand on the budget was from Education 4.4% Schools Delegated 8.3%, Adults Social Care 12.1% and Children 5.3%.
- Sickness levels were monitored monthly by the Corporate Leadership Team and included within the quarterly performance reviews with Cabinet. The level of sickness in Powys was below that of many other organisations in Wales. Report to be shared with Finance Panel.
- The Council were actively engaged in a consultancy fee reduction process.
- Workforce over the last 10 years had been reduced to minimum levels. Consequently, outside expert advice was occasionally required, and was a more effective way of managing that need.
- Reviews become standard practice of the aims, outcomes, and learned lessons, of work undertaken by consultants.

Sustainable Powys Programme

- Adult Social Care were undertaking a diagnostic deep dive over a 3-month period, as well as reviews on the home care estate and day opportunities, work, leisure and learning under the Sustainable Powys banner, with support from WG and the Welsh Local Government Association.
- The long-term aim of the Sustainable Powys programme was to reduce the funding gap based on the Revenue Settlement Grants and change how Powys delivers services more efficiently.

Capital Programme

- The Council must be certain that the revenue budget could support new capital schemes, by reviewing what can be delivered within the constraints of the revenue budget.
- Inflation and interest rates had remained at a higher level, which had impacted any new borrowing. All other opportunities are considered prior to additional borrowing.
- The capital programme was reviewed to maximise the use of grants
- Capital receipts were reflected upon annually to review the most effective use.
- Push back was given to WG in relation to improved intervention rates for grant funding of schools' capital schemes.
- The rate of borrowing had not fallen as had been expected at this time last year, and the forecasted rate of 4% was likely to remain unchanged for some time, which would drive up costs.
- Public Works Loan Board (PWLB) borrowing was expected to be at 4.2% December 2024, the Council had assumed 4.5%, the current PWLB 12-month borrowing rate is at 5.5 - 6%. Full cost of an additional 1% to be shared with Finance Panel.
- Due to Shared Prosperity Funding (SPF) and underutilised grants, the Council has had £100m of under borrowing, however that was not sustainable with pressures on the revenue budget and the grant drawdown that additional interest cost had to be funded.
- Additional borrowing forecasted was approximately £11.3m to fund the capital programme, WG are funding the supported borrowing £4.6m and the Council had to be able to fund the remaining £6.7m.
- The target within the capital strategy was to deliver £10m per annum of capital receipts. To address its medium to long-term financial sustainability, the Council should implement at pace its long-term transformation programme. which only assured receipts are accounted for in the capital programme, in 2025-26 £6.2 million is assumed.
- The S151 Officer gave assurance that escalating costs, interest rates were continually reviewed to ensure the capital programme remained sustainable.
- Net Zero 2030 has a significant impact on investing in the future, service delivery would be dependent on how the capital programmes were managed.
- Executive summaries of the key documents within the budget process and the financial planning report which included external factors, how they impacted upon the budget and influence budget plans to be shared with Members. Further work to be undertaken and shared with the Governance and Audit Committee as well as Finance Panel.
- One of Audit Wales recommendations within the Financial Sustainability Review for Powys CC (Nov 2024) stated, *“To provide greater insight into the overall effect of its savings proposals over time, the Council should explicitly report on the actual impact of savings proposals on both communities and corporate objectives.”*
- Impact Assessments to be reflected upon and developed more widely. Acknowledgement that this had also been a recommendation from Audit Wales.

Pensions

- Actuarial Review would be completed in readiness for the 2026-27 financial year. The Pension fund had functioned well over the last 2 years, the strategy the Pensions and investment Committee has implemented had fared well. The figures for the 5-year plan were assumptions given the improved and sustained funding position.

Reserves and Risk

- Additional information in respect of the reserves position at the end of the financial year will be included in the papers for February’s Full Council.
- The 4% minimum in terms of the general fund had been held over several years.
- The Risk budget, held within the base budget, was a £3m revenue budget that offsets some risk. For 2024-25 this budget had been fully allocated in addition we have had additional funding from WG, all of which ensures we forecast a balanced position at year end.
- In the 2024-25 budget the Council were carrying about £6-7m level of risk against that budget, in the 2025-26 budget that level of risk is over £10m against that £3m budget.
- It was important to understand that the general fund level was very low compared to other Local Authorities, which presented added risk. This was to be reviewed.
- Demography was held at risk across both Adult Social Care and Children’s Services. For 2024-25 the current risk for Adults Social Care was £1.647m and for Children’s Services was £3.7m.
- The forecasted surpluses across all school approx. £4.5m and the forecasted deficit across Education was £6.8m with significant work to be completed, however these figures may have been updated and will be provided.
- If reserves were increased that would impact upon revenue budget and the Council Tax levels imposed on residents.
- The level of reserves held were classed as at an acceptable level, however, remain at that lower level of acceptability.
- The budget monitoring system in place gave assurance that when aware that situations had changed, appropriate steps could be taken.
- S151 Officer gave assurance that the budget proposal was robust enough. There was a higher level of risk, due to the NI increase and pay awards more than projected.
- Audit Wales were comfortable with the budget monitoring in place.

HTR

- Powys and Ceredigion’s regional transport plan bus provision was used as a pilot scheme and confidence within the service that the funding would be over a period of years, with notification from WG due imminently.
- There were plans to re-invest into the Transport and Equipment fund.
- Main concern within the service was to ensure depots had the correct infrastructure in place to transition to an electric fleet which would be reliant of grant funding.

Scrutiny’s Recommendation to Cabinet	Accept (plus, Action & timescale)	Partially Accept (plus, Rationale)	Reject (plus, Rationale)
1. There was little evidence that the Sustainable Powys programme would reduce the future years funding gaps, as reported in the FRM. Delivery of service transformation needed to be accelerated.			
2. This budget held the highest level of risk in recent years. The Finance Panel remain unconvinced that there was sufficient mitigation if all risk			

materialised.			
3. Re-evaluate the current cost of delivery for Net Zero, due to economic and infrastructure issues. Powys' ambitions should be driven by external funding streams as the Finance Panel questioned the affordability of such projects.			
4. Work to be completed on the impact of Post 16 cross-border movement. However greater clarity on the impact on schools' transformation changes that lead to children and young people accessing Education in other Local Authorities on the RSG and specific grant funding to Powys.			

Membership of the Finance Panel:

County Councillors A W Davies (Chair), A Jones, P Lewington, J Pugh, G Ratcliffe, C Kenyon-Wade, D Bebb

Independent Member: G Hall

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