

## Finance Panel

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Meeting Venue  
**Committee Room A - County Hall,  
Llandrindod Wells, Powys**

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Meeting Date  
**Wednesday, 7 August 2019**

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Meeting Time  
**11.30 am**

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For further information please contact  
**Lisa Richards**

[lisa.richards@powys.gov.uk](mailto:lisa.richards@powys.gov.uk)



County Hall  
Llandrindod Wells  
Powys  
LD1 5LG

Issue Date

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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

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### AGENDA

<b>1.</b>	<b>APOLOGIES</b>
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To receive apologies for absence.

<b>2.</b>	<b>NOTES</b>
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To receive the notes of the last meeting.  
(Pages 3 - 10)

<b>3.</b>	<b>TRANSFORMATION</b>
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To receive a presentation by the Corporate Director, Transformation.

<b>4.</b>	<b>BUDGET MONITORING REPORT</b>
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To consider the report of the Portfolio Holder for Finance.  
(Pages 11 - 20)

<b>5.</b>	<b>CHILDREN'S SERVICES - SAVINGS DELIVERY</b>
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To discuss savings delivery with the Head of Children's Services.

<b>6.</b>	<b>CAPITAL MONITORING REPORT</b>
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To consider the report of the Portfolio Holder for Finance.  
(Pages 21 - 28)

<b>7.</b>	<b>REPORT OF THE CHAIR OF THE IMPROVEMENT AND ASSURANCE BOARD</b>
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To consider the report of the Chair of the Improvement and Assurance Board.  
(Pages 29 - 34)

<b>8.</b>	<b>WORK PROGRAMME</b>
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To receive the forward work programme.  
(Pages 35 - 36)

## MINUTES OF A MEETING OF THE FINANCE PANEL HELD AT COMMITTEE ROOM A - COUNTY HALL, LLANDRINDOD WELLS, POWYS ON WEDNESDAY, 3 JULY 2019

### PRESENT

Mr J Brautigam, J Gibson-Watt, County Councillors JG Morris, G I S Williams,  
D A Thomas and R G Thomas

Officers: Jane Thomas, Head of Financial Services

<b>1.</b>	<b>APOLOGIES</b>
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Apologies for absence were received from County Councillors A W Davies,  
M J Dorrance and E Vaughan

<b>2.</b>	<b>ELECTION OF CHAIR</b>
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**RESOLVED that Mr J Brautigam be elected Chair for the ensuing year.**

<b>3.</b>	<b>VICE CHAIR</b>
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County Councillor G I S Williams was elected Vice Chair for the ensuing year.

<b>4.</b>	<b>NOTES</b>
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#### Documents:

- Notes of the last meeting held on 20 March 2019

#### Discussion:

- Comments of the Chair of the Improvement and Assurance Board had been noted in relation to savings. Monthly monitoring of savings was now undertaken in a separate report. The report will be constructed with commentary by Heads of Service. The first report detailing achievement of savings in Q1 will be key. It is hoped that actions taken, particularly within Children's Services, will be reflected in the report. The Panel has previously commented on the level of savings that are achieved and acknowledge the necessity of savings being on track.
- There has been an increasing emphasis on costs at the Improvement and Assurance Board, but the Chair remains cautious as uncertainties remain. Improvements agree are starting to be delivered.
- Finance training for budget holders was not mandatory and this had been highlighted in the CIPFA review report. Children's Services have had a number of training sessions and most managers have taken part. The Panel had previously recommended that such training be compulsory and it was not sufficient to presuppose that a manager has these skills at recruitment.
- Concerns had been raised that many savings proposals were not deliverable and had not been stress tested. Accountability seemed to be lacking. It was suggested that if performance reviews were carried out appropriately, then any lack of financial skills should be highlighted and addressed.

- A Social Services Budget Review Panel had been established to consider budget review reports on Learning Disability, Mental Health and Physical Disability services. This group had been superseded by the Adult Services Working Group under revised scrutiny arrangements, and these reports would inform consideration of future service redesign and delivery.
- The Co-ordinating Committee had agreed the establishment of a joint working group between the Learning and Skills Scrutiny Committee and Finance Panel to consider deficit school budgets.
- The Chair reported that he had had a constructive meeting with the Head of Commissioning regarding statistics

**Outcome:**

- **Noted**
- **Recommended to the Executive Management Team that consideration be given to making financial training for managers mandatory**

<b>5.</b>	<b>OUTTURN - 2018/19</b>
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**Documents:**

- Financial Outturn 2018/19 report

**Discussion:**

- There had been an improvement at year end to that forecast at the end of February
- Savings delivery was at 58% although when historic savings which had not been achieved were included, this rose to 77%. The previous year savings achieved stood at 71%.
- The budget had been predicated on the use of reserves of £7M
- The general reserve ended the year at 5.28% of revenue excluding schools and HRA reserves
- The MTFs is being reviewed and updated alongside financial plans
- The Panel remain concerned at the variance between the end of February and the closure of the accounts. Adult Services had ended the year with an underspend much of which had been achieved by general housekeeping of the financial system and removing commitments. This is a recurring theme and needs to be addressed.
- There had also been an improvement to the pupil inclusion budget arising from charges to other local authorities for children with statements in Powys' schools
- Capital charges were underspent following a low outturn on capital spend
- Children's Services were £5.6M overspent largely due to the number of agency staff and an increase in looked after children
- Highways were overspent due to non-delivery of savings
- The Panel reiterated its concerns at the lack of financial control within directorates to see such variances late in the financial year.
- There should be more accountability throughout the year regarding the year end position – a £2M change in one month was unacceptable
- The schools delegated budgets were also a cause for concern. The reserves position was stated excluding schools and HRA and whilst it was

acknowledged that the schools' budgets were delegated, ultimately these reserves have an impact on the financial sustainability of the Authority.

- Members had received information showing that the schools delegated budget showed a net surplus of £78K. This figure was not replicated within the report and the Head of Finance explained that the figure shown represented the impact on the general fund, but the outturn report showed actual expenditure against budget. Within the report a variance of 0.8% was given a RAG status of Blue which, the Panel believed, masked serious issues given that schools were showing a potential deficit of £12M in three years' time.
- The monthly budget monitoring report will now include schools budget performance
- The Head of Finance was to reassess the way in which reports are presented given the confusion that has arisen
- The Panel have previously commented on reliance on windfalls and one-off grants and this needs to be highlighted
- It was known that £1.3M deficit had been written off when Builth Wells and Llandrindod Wells High Schools had been closed and merged to become a new school – where was this money paid from? In 2017/18 there had been an underspend on school's central budget of which £1M was sent aside to meet the overspend. The remaining £300K remains on the balance sheet as a deficit.
- £5M had been moved from 21 Century Schools budget to support social services expenditure. The revised Funding Formula was to be implemented and issues were anticipated which have materialised – the revenue reserve could have been used to mitigate the effects of the revised Funding Formula. Members also queried where the £5M had originated and questioned whether it was due to underspends on the Ystradgynlais schools' modernisation project. The Head of Finance reported that the revenue reserve had been built up over a number of years where there had been underspends on previous budgets. It had been agreed that these be set aside to support schools. The transfer had been clear in the budget papers that £5M was to be redirected.
- Reserves are reviewed annually and there is no movement between reserves without the approval of the Head of Finance
- The risk regarding claims against Job Evaluation is diminishing and proposals for that and other reserves will be reviewed by Cabinet
- The amount paid out in insurance claims was also noted – there had been a significant increase in the number of claims although it was acknowledged that not all resulted in a payment. The Panel asked if there were trends developing and were advised that a detailed report was being prepared for the Senior Leadership Team which would highlight any trends and whether any mitigation is being considered.
- It was confirmed that the HRA reserve was within acceptable parameters
- The Panel noted that by not spending capital, the revenue position had been improved. This seemed somewhat perverse as capital projects could lead to revenue savings.

**Outcomes:**

- **The Head of Finance to review the style of reporting**
- **Recommendations regarding finance training to be reinforced**

<b>6.</b>	<b>CAPITAL OUTTURN REPORT 2018/19</b>
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**Documents:**

- Capital Outturn 2018/19

**Discussion:**

- Comments regarding underspend on Capital were reiterated. It was acknowledged that the public sector was not as straightforward as the private sector given the Authority's social responsibilities, but capital spend could lead to revenue returns in future years
- The number of virements is reflective of the delay in capital spend – this issue had been raised in the former Finance Scrutiny Panel on several occasions
- The Capital Budget had been £87.7M which was revised following virements to £81.1M. Expenditure during the year was £76.9M but £20 of this was spent in the last month of the financial year. £5M is unspent and uncommitted.
- The Panel questioned the choice available in spending funds identified under the capital directive – there was some choice and there had been some expenditure on redundancy and capitalisation of revenue costs. Some monies have been set aside for specific reserves.
- It was noted that £4.34M in grant funding had been taken back and replaced with borrowing. The Head of Finance assured the Panel that no extra costs had been incurred – supported borrowing was more effective than other borrowing. More detail would be provided.
- Members noted that grants were likely to reduce from the Welsh Government and questioned what effect this would have on the capital programme. The Head of Finance informed the Panel that all grants in the capital programme had been confirmed and future grants would not be included until they were confirmed.
- Cabinet continue to review the capital programme to ensure spend is appropriate and required. It was suggested that schools were being built significantly above capacity and this needed to be addressed. There is to be a tightening of procedures and the 5-case business model will be used for all projects.
- Improved forward planning is needed
- Post installation audits should also be a requirement to ensure projects have met their objectives and that savings have been achieved

**Outcomes:**

- **The report was noted**

<b>7.</b>	<b>SAVINGS OUTTURN REPORT 2018/19</b>
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The report would be considered under exempt items as it had not yet been considered by Cabinet.

<b>8.</b>	<b>CAPITAL DIRECTIVE</b>
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**Documents:**

- Welsh Government – Guidance on Flexible Use of Capital Receipts

**Discussion:**

- The Panel had requested the information to ensure the scope of the scheme was understood and that the authority was using it as efficiently as possible
- It was suggested that it could be used to introduce a transformational Funding Formula but the Head of Finance thought that this would not be appropriate as schools were not being fundamentally changed and savings would not be delivered. Funds had been used to support redundancy costs and introduction of the change in age of admission
- The Panel thought there was an opportunity to be inventive and asked the the Corporate Director, Transformation be invited to a future meeting to discuss future proposals
- The Panel queried whether funds could be used to support the introduction the new curriculum as schools were under increasing pressure to implement the new curriculum – the Head of Finance agreed to look into this

**Outcomes:**

- **The Corporate director Transformation be invited to a future meeting**
- **The Head of Finance to investigate the use of Capital Directive funds for the introduction of the new curriculum**

<b>9. FORWARD FINANCIAL PLANNING</b>
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The Head of Finance offered the Panel a further opportunity to discuss issues raised at a recent budget seminar.

- Concerns were raised that savings expected by Children's Services were unachievable
- It was hoped that the Panel could be more proactive in the budget process rather than reactive. Members would wish to be involved in discussions, prioritizing and generally be constructive. The Head of Finance would welcome greater involvement from across the Council

<b>10. JOINT WORKING GROUPS</b>
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**RESOLVED that Mr J Brautigam be the Finance Panel's representative on the Joint Working Group looking at transformational projects.**

**RESOLVED that County Councillors J Gibson-Watt, D A Thomas and R G Thomas be appointed to the joint working group with Learning and Skills Scrutiny Committee to review school budgets.**

<b>11. WORK PROGRAMME</b>
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**Documents:**

- Finance Panel Work Programme

**Outcomes:**

- **The meeting scheduled for 24 July 2019 would be cancelled**

- **A further meeting would be convened on 7 August 2019 to which the Corporate Director Transformation would be invited along with the Heads of Service for Children’s and Adults Services to discuss savings delivery**

<b>12. EXEMPT ITEMS</b>
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**RESOLVED to exclude the public for the following item of business on the grounds that there would be disclosure to them of exempt information under category 3 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).**

<b>13. SAVINGS OUTTURN REPORT 2018/19</b>
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**Documents:**

- Savings Outturn Report 2018/19

**Discussion:**

- Revised reporting procedures have been put in place which will require Heads of Service to provide the commentary around savings delivery
- This change will develop the challenge for Heads of Service in financial matters
- A Portfolio Holder should hold Heads of Service accountable through performance management
- There are mechanisms in place to ensure officers are held to account, however, there has been a lack of will to do so
- Ultimate responsibility lies with the Cabinet but there is a growing need for local government officers to be more financially aware. To date, there has been too much reliance on the Finance department
- The Panel propose to invite Heads of Service and Portfolio Holders to discuss savings delivery within their areas of responsibility
- Clarity was sought regarding how savings were identified – for the current financial year, services had been given targets to achieve and brought forward proposals for consideration. Every saving within the current budget Heads of Service had said were deliverable albeit with risk in some areas
- For the forthcoming year, services have been allocated funding scenarios with focus in different areas. A 2% efficiency saving across all services is expected plus targeted savings for different services. Inevitably there will be a gap which will be reallocated across remaining services. It was expected that there would be an element of choice in the final proposals brought forward.
- There were concerns that the Children’s Services Budget was unrealistic – there was the full year impact of pressures and savings to be achieved
- Improvements could be made as there were significant levels of mis-codings and time was spent on correcting entries – during the previous year, 198000 entries had been adjusted
- It was confirmed that estimated part year costs for HOWPS were included in the accounts. The target for HOWPS has been amended in the budget and is on track to deliver a surplus following the previous year’s loss
- The Q1 savings monitoring report was awaited and it was hoped that improvements would show

**Outcomes:**

- **Savings monitoring reports will be considered by the Finance Panel on a regular basis**

<b>14.</b>	<b>CIPFA</b>
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**Documents:**

- CIPFA Finance Model Executive Summary
- Report of the Head of Finance

**Discussion**

- The Panel questioned the extent of criticism levelled when credible scores were given to leadership, accountability etc. The Head of Finance believed that this was due to financial planning strengths at a corporate level but that there were weaknesses in delivery and accountability at lower levels
- The report was now out of date, but some issues still exist.
- Actions have been implemented, for example the Corporate Director Transformation has been in place for some months
- The Head of Finance is leading on the Action Plan but responsibility for this will be assumed by the Senior Leadership Team
- Key in the proposals will be to fully understand unit costs and value for money
- Budget managers are also key, and their role is to be redefined by the Senior Leadership Team. This will be supported with training.
- It will be the role of the Finance Panel to monitor the implementation of the Action Plan
- Social Care had been considered to be the highest risk for the Council – this is now thought to be schools' budgets

**Outcomes:**

- **The Action Plan arising from the CIPFA review to be included in the Finance Panel forward work programme for monitoring**

**Mr J Brautigam  
Chair**

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## CYNGOR SIR POWYS COUNTY COUNCIL

## CABINET EXECUTIVE

30<sup>th</sup> July 2019**REPORT AUTHOR:** County Councillor Aled Davies

Portfolio Holder for Finance

**SUBJECT:** Financial Overview and Forecast as at 30<sup>th</sup> June 2019**REPORT FOR:** Decision / Discussion / Information**1. Summary**

- 1.1 This report presents the forecast outturn on the 2019-20 revenue budget as at 30th June 2019. The forecast shows a projected overspend of £4.357 million by year end. This figure takes account of £7.848 million budget savings that had been achieved by 30 June.
- 1.2 The total budget savings requirement for 2019-20 is £12.989 million, leaving £5.141 million still to be delivered. A review of the outstanding savings is currently being undertaken and will be reported in the period 4 (July) report with a clear action plan to bring the 2019-20 revenue budget back into balance.
- 1.4 The report has been prepared on an exception basis, using forecast variance against budget to define the RAG (Red, Amber, Green and Blue) status of each service's financial position.

**2 Revenue Position**

- 2.1 Table 1 below shows a forecast overspend on the Council's net revenue budget of £4.357 million (excluding Housing Revenue Account (HRA) and the Delegated Schools budget). A RAG status has been applied to each service as follows:

<b>Red</b>	Forecast overspend above 2%
<b>Amber</b>	Forecast overspend of 1-2%
<b>Green</b>	+/- 1%
<b>Blue</b>	Forecast underspend above 1%

Services with a Red RAG Status are explained in more detail in section 4 below.

- 2.2 The forecast outturn and the impact that this level of overspend would have on the Council's Reserves if not remedied is not acceptable. Critically, delivery of the remaining £5.141 million savings would bring the budget into balance, but some of these are at risk. The Section 151 Officer is therefore urgently reviewing delivery of the savings plans with Heads of Service and the Executive Management Team to agree actions required to bring the budget back into balance. The output of this review will be reported to Cabinet in the period 4 (July) budget monitoring report.

**Table 1**

Service Area	Total Working Budget	Approved Contribution To / (From) Reserves	Forecast Spend	Variance (Over) / Under Spend		Variance BRAG Status
	£'000	£'000	£'000	£'000	%	
Adult Services	64,787	0	66,015	(1,228)	-1.90	A
Childrens Services	20,455	0	23,935	(3,480)	-17.01	R
Commissioning	3,339	0	3,306	33	0.99	G
Education	21,990	(40)	22,486	(496)	-2.26	R
Highways Transport & Recycling	29,229	(2,307)	31,793	(2,564)	-8.77	R
Property, Planning & Public Protection	5,638	(140)	5,980	(342)	-6.07	R
Housing & Community Development	8,831	(29)	9,119	(288)	-3.26	R
Digital & Communication Services	5,554	(909)	5,444	110	1.98	B
Strategy, Performance & Transformation Programmes	1,208	0	1,242	(34)	-2.81	R
Workforce & OD	1,371	(220)	1,519	(148)	-10.80	R
Legal & Democratic Services	3,159	0	3,080	79	2.50	B
Finance & Corporate Activities	20,242	2,302	16,241	4,001	19.77	B
<b>Total</b>	<b>185,803</b>	<b>(1,343)</b>	<b>190,160</b>	<b>(4,357)</b>	<b>-2.34</b>	
Housing Revenue Account (HRA)	0	2,386	(173)	173		B
Schools Delegated	69,761	(2,120)	70,559	(798)	-1.14	A
<b>Total including HRA and Delegated Schools</b>	<b>255,564</b>	<b>(1,077)</b>	<b>260,546</b>	<b>(4,982)</b>	<b>-1.95</b>	

**3 Reserves**

- 3.1 The total revenue reserves held at 1 April 2019, together with the forecast addition/(use) of reserves during the year and the projected year end balances, as at 30<sup>th</sup> June, are set out in the table in Appendix A. The revenue reserves held at the beginning of the year totalled £27.9 million, with £9.1 million held in the General Reserve and Specific and Ring-fenced reserves of £17.9 million. The planned use of reserves to support the overall revenue budget during the year (excluding Schools and HRA) is £1.343 million.
- 3.1 If the Council is unsuccessful in addressing the forecast overspend in-year it would need to be financed from the General Fund Reserve reducing it to £4.621 million (2.5% of the total net revenue budget (excluding Schools and HRA)). When the budget management reserve is included this figure rises to 4.4%. This revised position would be in line with the policy set.
- 3.2 The opening position on the Schools Delegated Reserves was a balance of £78,000. Budgets for 2019-20 projected a further draw on reserves of £2 million. During the year Schools are now projecting a further use of reserves of £798,000 which, if actually required, would see the reserves move further into deficit to £2.75 million.

**4. Revenue Forecast**

- 4.1 The tables below provide more detail on the projected outturn positions.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
<b>Adult Services</b>	<b>64,787</b>	<b>66,015</b>	<b>(1,228)</b>	<b>(1.90)</b>	<b>A</b>

As part of the budget setting process Adult Social Care identified inescapable service pressures of £9+ million. To mitigate these pressures, savings of £7.837m were identified. To date £2.099m have been achieved and at the end of Quarter 1, £3.428 million pressures had materialised. leaving a current projected shortfall of £1.329m.

Additionally, other minor budget variances of £104,000 are included in the forecast.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
<b>Childrens Services</b>	<b>20,455</b>	<b>23,935</b>	<b>(3,480)</b>	<b>(17.0)</b>	<b>R</b>

At budget setting Children services identified £6.25m of service pressures, £6.19m of these pressures are due to levels of provision actually in place from the previous year and therefore are reflected in the forecast. The majority of the pressure relates to the number of children who are looked after (CLA) and the associated cost of placements, the number of placements remain at the levels seen in March.

To mitigate these pressures the Service identified £3.65 million of savings and as at quarter 1 £2 million of these have been achieved. The £1.65 million savings still to be delivered, £577,000 slippage against the staffing restructure and the budget gap identified at the start of the financial year explains the forecast overspend of £3.48 million.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
<b>Education</b>	<b>21,990</b>	<b>22,486</b>	<b>(496)</b>	<b>(2.3)</b>	<b>R</b>
<b>Schools Delegated</b>	<b>69,761</b>	<b>70,559</b>	<b>(798)</b>	<b>(1.1)</b>	<b>A</b>

#### Education:

The majority of the overspend in Education relates to savings yet to be delivered. The detail and subsequent action required will be provided in the period 4 (July) budget monitoring report.

### Schools Delegated:

School balances were considered by Cabinet on the 18<sup>th</sup> June 2019 with a predicted £3.168 million call on reserves for 2019-20, which is now forecast to be £2.467 million. This is due to confirmation of grant funding for Teachers' pension and the Regional Consortia School improvement grant, which were slightly higher than anticipated. Some schools have also worked closely with the authority around recovery plans to reduce predicted deficits. The £798,000 overspend reported in the table above increases the draw on reserves in addition to that budgeted by schools.

Notices of concern were issued to 22 schools that had failed to submit budget plans that complied with the Scheme for the Financing of Schools. These schools were required to review and submit budget recovery plans by the 5<sup>th</sup> July. These plans are being reviewed by the authority, if necessary further action will be considered for those schools that remain non-compliant with the scheme.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
<b>Highways Transport &amp; Recycling</b>	<b>29,229</b>	<b>31,793</b>	<b>(2,564)</b>	<b>(8.8)</b>	<b>R</b>

The forecast overspend largely reflects as yet unachieved savings and will improve as the year progresses and savings are achieved. Within the operational areas the forecast is based on last year's trends at this quarter end position and is therefore fairly conservative. Overspends in Waste & Recycling Operations should show improvement through the year, as reliance in external hires and resources are reduced.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
<b>Property, Planning &amp; Public Protection</b>	<b>5,638</b>	<b>5,980</b>	<b>(342)</b>	<b>(6.1)</b>	<b>R</b>

The forecast outturn reflects as yet unachieved savings and income targets relating to property related projects. Measures such as not filling vacant posts and undertaking work for other authorities will help improve the position, but will not mitigate the impact entirely due to the scale of the savings and income targets. Not filling vacant posts is also has the potential to have an adverse impact on the performance of the service area.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
<b>Housing &amp; Community Development</b>	<b>8,831</b>	<b>9,119</b>	<b>(288)</b>	<b>(3.3)</b>	<b>R</b>
<b>Housing Revenue Account</b>	<b>0</b>	<b>(173)</b>	<b>173</b>		<b>B</b>

The Housing & Community Development Service have delivered £1.421 million savings in the current financial year, but there are concerns over the delivery of those remaining as follows:

1. Increased income for school meals due to the price increases implemented - Q1 statistics show that school meal uptake has reduced since the increase in price. If this trend continues the service will not make the required savings.
2. Increased income targets for the Cleaning Service – it is too early in the year to predict whether these targets will be met. By the end of Q2 we should have a clearer indication.
3. The Service has transformation funding for the next two years, which will be used to purchase officer time to review, plan and implement alternative delivery models across the Service. This funding offsets the savings required on Leisure & Recreation management.
4. The Economic Development team are currently bidding for Welsh Government Priority 5 funding. The initial business case is being assessed in July and the team then hope to be invited to submit a full bid. The team will not find out if the bid is successful until the autumn. If successful, the funding will be backdated to 1st April 2019. Head of Service is monitoring this carefully, the decision in July is key.
5. The £50,000 savings for y Gaer is unallocated to date. However, the Service is working on a potential partnership arrangement that, if approved, would deliver revenue savings for this and future years.
6. The Head of Service is working closely with Senior Managers to prioritise the reduction in the length of voids and thereby the loss of income. This involves working closely with key partners HOWPS and the Cleaning Service.
7. A HRA Business Plan Project Board has been established to ensure delivery of key service requirements.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
<b>Strategy, Performance &amp; Transformation Programmes</b>	<b>1,208</b>	<b>1,242</b>	<b>(34)</b>	<b>(2.8)</b>	<b>R</b>

At quarter one the Business Support Unit formed part of the Strategy, Performance and Transformation team, however, during this period, it has been disbanded to respective service areas. The Service has delivered its savings target in full, but then forecasted overspend relates to staff working their notice period in line with Council policy and this cannot be mitigated within the service.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
<b>Workforce &amp; OD</b>	<b>1,371</b>	<b>1,519</b>	<b>(148)</b>	<b>(10.8)</b>	<b>R</b>

The Service has delivered the savings identified for 2019-20, excluding the additional requirement of £200,000 that was identified in January 2019. The service plan to part mitigate the impact of the additional savings requirement by £50k in the current year, and the outcome of actions to date have been reflected in the forecast outturn. However the residual £150,000 is not achievable in 2019-20.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
<b>Finance</b>	<b>20,242</b>	<b>16,241</b>	<b>4,001</b>	<b>19.8</b>	<b>B</b>

**Financial Services:** is forecasting a balanced position for the year despite £123,000 savings not yet achieved, which relate to the “Right First Time” project. This will be progressed over coming months this gap is being offset currently by other areas of the budget.

**Corporate Activities:** is forecast to be £3.9 million underspent by year end, comprising: £2 million agreed to increase the budget management reserve; £1 million reduction in capital charges requirement resulting from slippage in the Capital programme last year and the receipt of additional grant which has reduced the need to borrow and lessened the increase in the Minimum Revenue Provision (further changes or slippage in the capital programme for 2019-20 would impact on this budget in-year); and around £1 million forecast surplus on Council Tax collection (in respect of properties that are periodically occupied ,ie: holiday homes/second homes and long term empty properties).

## 5 Options Considered/Available

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

## 6 Preferred Choice and Reasons

None to consider.

## 7 Impact Assessment

Is an impact assessment required? Yes/No

## 8 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. Capital and revenue budget

monitoring reports are used to ensure the funding identified to deliver the council priorities is spent appropriately and remains within a cash limited budget.

**9 Local Member(s)**

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

**10 Other Front Line Services**

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

**11 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.

**12 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.

**13 Scrutiny**

Has this report been scrutinised?                      No

The report will be considered by Finance panel when it meets on the 7<sup>th</sup> August, feedback will be provided to the Portfolio Holder for Finance.

**14 Data Protection**

If the proposal involves the processing of personal data then the Data Protection Officer must be consulted and their comments set out below.

**15 Statutory Officers**

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

While 60% of the planned savings have been delivered as at 30 June it is critical that the remaining £5.141 million are achieved or alternatives identified and delivered to bring the budget into balance by year end.

The council set aside an additional £2 million in 2019-20 to mitigate the risk inherent in the budget particularly in light of the continued pressure on the Children Services budget, the use of this will now be considered as part of my review of the savings plans.

My review will include all budget lines and where underspends are already being reported and unlikely to change, or where income is higher than expected and projected to continue, the freezing or realignment of these budgets for the remainder of the financial year will be considered.

Expenditure on the Capital Programme will also impact on the revenue budget, the effective monitoring of the programme and reprofiling of project spend will improve forecasting for the Capital Charges budget and borrowing costs.

School budgets continue to be a significant risk that needs to be addressed, compliance work and action is crucial to ensure that this is managed effectively. The issuing of Notices of Concern is the first step in this compliance work and it is essential that further intervention action is taken where Governing Bodies are not putting in place the appropriate action to bring their budgets back into line.

The period 4 budget monitoring report will include the outcome of my review and specify actions being taken to bring the budget into balance by year end.

The Monitoring Officer has no specific concerns with this report.

## 16 **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.

<b>Recommendation:</b>		<b>Reason for Recommendation:</b>	
a. That the contents of this report are noted.		To monitor the council's financial performance and ensure that spending remains within approved limits and that the 3% minimum general fund reserve is maintained.	
<b>Relevant Policy(ies):</b>		<b>Financial Regulations:</b>	
<b>Within policy:</b>	Yes	<b>Within Budget:</b>	n/a
<b>Relevant Local Member(s):</b>			
<b>Person(s) To Implement Decision:</b>		Jane Thomas	
<b>Date By When Decision To Be Implemented:</b>		Ongoing	
<b>Contact Officer</b>	<b>Tel</b>	<b>E mail</b>	
Jane Thomas	01597 827789	<a href="mailto:jane.thomas@powys.gov.uk">jane.thomas@powys.gov.uk</a>	

RESERVES BALANCES AS AT 30<sup>TH</sup> JUNE 2019

## APPENDIX A

Summary	Opening Balance (1st April 19) Surplus / (Deficit)	Forecast Addition / (Use) of Reserves	Forecast (Over) / Under Spend	Projected Balance (31st March 20) Surplus/ (Deficit)
	£'000	£'000	£'000	£'000
General Fund	9,065	(87)	(4,357)	4,621
	<b>9,065</b>	<b>(87)</b>	<b>(4,357)</b>	<b>4,621</b>
<b>Ringfenced &amp; Specific Reserves</b>				
Specific Reserves	7,909	(1,079)		6,830
Budget Management Reserve	3,584	0		3,584
Transport & Equipment Funding Reserve	6,493	(273)		6,220
<b>Sub-Total</b>	<b>17,986</b>	<b>(1,352)</b>	<b>0</b>	<b>16,634</b>
Schools Delegated Reserves	78	(2,031)	(798)	(2,751)
School Loans & Other Items	(371)	7		(364)
<b>Net School Delegated Reserves</b>	<b>(293)</b>	<b>(2,024)</b>	<b>(798)</b>	<b>(3,115)</b>
<b>Total Ringfenced &amp; Specific Reserves</b>	<b>17,693</b>	<b>(3,376)</b>	<b>(798)</b>	<b>13,519</b>
Housing Revenue Account	1,111	2,386	173	3,670
	<b>1,111</b>	<b>2,386</b>	<b>173</b>	<b>3,670</b>
<b>Total Revenue Reserves</b>	<b>27,869</b>	<b>(1,077)</b>	<b>(4,982)</b>	<b>21,810</b>

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**CYNGOR SIR POWYS COUNTY COUNCIL.  
CABINET EXECUTIVE**

**30<sup>th</sup> July 2019**

**REPORT AUTHOR:** County Councillor Aled Davies  
Portfolio Holder for Finance

**SUBJECT:** Capital Programme Update for the period to 30<sup>th</sup> June 2019

**REPORT FOR:** Decision

**1. Summary**

- 1.1 The revised working budget for the 2019-20 Capital Programme, after accounting for approved virements from 2018-19, is £110.924 million (compared to an original budget of £92.344 million).
- 1.2 Table 1 below summarises the position for each portfolio and service and shows actual and committed expenditure of £28.96 million as at 30 June 2019 (representing 26% of the total 2019-20 budget). At this point in the financial year the forecast outturn for the year is break even.

**Table 1: Capital Table as at 30<sup>th</sup> June 2019**

Service	Expenditure							
	Original Budget	Virements Approved	Virements Required by Cabinet	Virements Required by Council	Revised Working Budget 2019/20 as at 30th June 2019 (after virements approved and required)	Actuals & Commitments	Remaining Budget	
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	%
<b>Childrens &amp; Adults</b>								
Adult Services	290	1,355	0	0	1,645	644	1,001	60.9%
Childrens Services	0	99	0	0	99	2	97	98.0%
Education	44,818	4,012	0	-14,535	34,295	9,052	25,243	73.6%
<b>Economy &amp; Environment</b>								
Highways Transport & Recycling	15,151	2,272	0	0	17,423	6,288	11,135	63.9%
Property, Planning & Public Protection	2,046	4,235	0	0	6,281	3,181	3,100	49.4%
Housing & Community Development	8,753	4,699	0	0	13,452	1,285	12,167	90.4%
<b>Organisational Transformation</b>								
Digital & Communication Services	973	1,564	0	0	2,537	174	2,363	93.1%
Finance	3,650	362	0	0	4,012	0	4,012	100.0%
<b>Total Capital</b>	<b>75,681</b>	<b>18,598</b>	<b>0</b>	<b>-14,535</b>	<b>79,744</b>	<b>20,626</b>	<b>59,118</b>	<b>74.1%</b>
Housing Revenue Account	16,662	13,682	0	836	31,180	8,334	22,846	73.3%
<b>TOTAL</b>	<b>92,343</b>	<b>32,280</b>	<b>0</b>	<b>-13,699</b>	<b>110,924</b>	<b>28,960</b>	<b>81,964</b>	<b>73.9%</b>

- 1.3 The funding of the capital programme is shown in Table 2 below. It has been revised from the original budget of £92.343m to £110,924m as at 30 June 2019 to reflect actual expenditure incurred.

**Table 2: Funding of the Capital Budget as at 30 June 2019**

Funding						
Service	Supported Borrowing	Prudential Borrowing	Grants	Revenue Cont's To Capital	Capital Receipts	Total
	£,000	£,000	£,000	£,000	£,000	£,000
<b>Revised Working Budget 2019/20 as at 30th June 2019 (after virements approved and required)</b>						
Capital	11,503	40,646	19,685	2,987	4,924	<b>79,745</b>
HRA	0	17,093	10,256	3,831	0	<b>31,180</b>
<b>Total</b>	<b>11,503</b>	<b>57,739</b>	<b>29,941</b>	<b>6,818</b>	<b>4,924</b>	<b>110,925</b>

## **2. Service Updates**

- 2.1 Highways, Transport and Recycling - Plans are in place to spend the capital budget; any slippage will be reported and managed promptly.
- 2.2 Housing and Community Development – Capital Projects are progressing.
- 2.3 Digital and Communications – Approval of a number of capital bids was not received until the end of quarter 1 which is reflected in the spend/commitment to date (i.e. only 6.9%). The projects are now being progressed and an updated expenditure forecast will be included in the period four report.
- 2.4 Finance – This budget includes the £2 million Transformation Fund and a £1.15 million provision for redundancy costs, both financed through the Capitalisation Direction and £626,000 to support Local Capital Bids. The Transformation Fund has been fully committed and the full year forecast outturn will be included in the period four report. The Local Capital Bids should be approved in early August and the budget will then be transferred to the appropriate service.

## **3. Proposal**

- 3.1 It is recommended that Cabinet note the contents of this report and recommend all virements over £500k to the Council for approval and approve all of the other virements listed below:

- 3.2 Schools Gwernyfed High School - £4.88 million

This project has been delayed while the options to deliver the project within the agreed budget are resolved. The project will now take place during the next two years. It is therefore proposed to move the 2019-20 budget of £4.88 million into 2020-21 and 2021-22.

- 3.3 21<sup>st</sup> Century Schools Band B Projects

A number of Band B projects have been affected by the delays following Dawnus going into administration. At the same time the programme has been extended by two years and funding has been updated to take account of the additional grant funding made available for Special Schools. This has reduced the authority's contribution by £2.47m.

The overall funding envelope for Band B has been approved. However, the individual project budgets are still at an estimate stage and will be subject to approval, both by Welsh Government, and Cabinet at the Strategic Outline Case stage. The authority's contribution may again change as the programme is updated.

Table 3 below sets out the proposed reprofile of the projects in Band B together with the virements required which collectively require £9.655 million to be moved from 2019-20 into future years.

**Table 3: 21<sup>st</sup> Century Schools Band B Projects**

	Prior Years' Budget	19-20 Original Budget	18-19 Year End Virement	Period 3 Virement	Amount in Table 1	2019-20 Revised Budget	20-21	21-22	22-23	23-24	24-25	25-26	Total Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Ysgol Bro Hyddgen	1,142	12,684	1,017	-13,450	-12,434	250	14,114	8,077					23,584
Ysgol Brynllwarch	347	1,347	2,681	-3,828	-1,147	200	800	2,000	4,753	900			9,000
Newtown Development	0			0	0								
Cedewain	0	750	0	-650	-650	100	7,900	8,136	0	0			16,136
New WM Secondary School	0	1,400	0	0	0	1,400	250	6,500	16,000	7,941			32,091
EM Primary School	0	250		0	0	250	1,500	7,212	0	0			8,962
Remodelling of Schools	0			0	0		0	0	0	0			0
Welshpool HS Remodelling	0	0	0	1,624	1,624	1,624	0	0	0	0			1,624
School A					0		0	1,948	1,674	1,449			5,071
School B					0		0	0	0	873	4,946		5,819
School C					0		0	0	0	0	873	4,302	5,175
Brecon Primary Review	0	0		0	0		0	0	0	0			0
Mid Powys WM Review	0	0		0	0		0	0	0	0			0
Ysgol Gymraeg y Trallwng (Welsh-medium school Welshpool)	490	5,133		-4,929	-4,929	204	0	3,500	2,268	0			6,462
Calon Cymru					0								
		21,563	3,698	-21,232	-17,535	4,029	24,564	37,373	24,695	11,163	5,819	4,302	113,924

#### **4. Grants Received**

4.1 The following grants have been received since the last report and are included for information.

#### **4.2 £1.593 million – Highways, Transport and Recycling**

£85,000 – Local Transport Fund for the construction of active travel improvements on Spa Road/Middleton Street/South Crescent Junction and scheme design for Middleton Street Improvements.

£350,000 – Local Transport Network Fund for first phase of construction of Machynlleth Rail/Bus Station Interchange and provision of smart passenger information at key transport interchanges and core strategic routes.

£1.158 million – Active Travel Fund. £1m for phase two of Newtown Bridge scheme to include construction of active travel river crossing and £158k core allocation for minor improvements to, and design, consultation and promotion of active travel schemes.

#### **4.3 £1.272 million Housing and Community Development**

Welsh Government ICF funding to provide funding for Extra Care facilities in Welshpool and Ystradgynlais. This is working in partnership with two housing associations.

#### **4.4 £174,800 Housing and Community Development**

Welsh Government grant funding split between the Housing Revenue Account and the Council fund. The grant can only be used in relation to the delivery of adaptations under the Enhanced Adaptations Service, Enable – support for independent Living.

#### **4.5 £20,063 – Housing and Community Development**

Grants received on behalf of the Museum Service from Art Fund, Victoria and Albert Museum and Brecknock Art Trust for purchase of a plate depicting Sarah Siddons as The Tragic Muse by Thomas Baxter c.1814.

#### **4.6 £933,000 Education**

This grant is to enable the authority to provide sufficient childcare places to meet demand generated by the Childcare Offer. This grant is for three additional setting across the authority in Crossgates, Rhayader and Guilsfield.

#### **4.7 £303,804 Education**

The Voluntary Aided Schools Grant is to undertake roof works at St Michael's Church in Wales School.

#### **4.8 £200,000 Education**

This grant is linked to the Childcare Offer Grant. The grant is to provide additional places in Ystradgynlais.

#### **4.9 £1,112,300 Children Services**

The Purpose of the Funding is to build, develop and / or refurbish suitable premises from which Flying Start services will be delivered. The funding is for two projects in Brecon and Welshpool.

4.10 **£3.68 million Housing Revenue Account**

This Major Repairs Allowance grant is for the Housing Revenue Account.

5 **Capital Receipts**

Capital receipts received during the 1<sup>st</sup> quarter are £285,000. The year end forecast is £2.577 million. A property auction is due to take place in the autumn and preparatory work has started and achievement of the forecast will be dependent on the auction results and staff workload.

6 **Options Considered / Available**

N/A

7 **Preferred Choice and Reasons**

N/A

8 **Impact Assessment**

Is an impact assessment required? Yes/No

9 **Corporate Improvement Plan**

To achieve the Corporate Improvement Plan (CIP) objectives the Council undertakes forward planning within its medium term financial strategy (MTFS) - this sets out the financial requirements to deliver the short and longer term council vision. Regular 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.

10 **Local Member(s)**

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

11 **Other Front Line Services**

This report relates to all service areas across the whole County

12 **Communications**

Have Communications seen a copy of this report? Yes/No

13 **Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)**

13.1 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.

13.2 **Finance**

The virements proposed in section 2 of this report, aligns the capital programme and its funding to the actual expenditure incurred. This is a prudent approach to ensure that the Council only makes available what is required to finance the Capital expenditure.

14. **Scrutiny**

Has this report been scrutinised?            Yes / No?

15. **Data Protection**

N/A

16. **Statutory Officers**

The Head of Finance (Section 151 Officer) comments: Expenditure on the Capital Programme has slipped considerably in previous financial years, the effective monitoring and re-profiling of schemes is essential to enable us to more accurately project expenditure, the consequential need to borrow and the impact on the revenue budget. Project Managers and Service leads will be supported to improve financial monitoring and forecasting of expenditure.

The Deputy Monitoring Officer notes the content of the report and makes no specific comment upon the same.

17. **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.

18. **Future Status of the Report**

Members are invited to consider the future status of this report and whether it can be made available to the press and public either immediately following the meeting or at some specified point in the future.

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
<ul style="list-style-type: none"> <li>a. The contents of this report are noted by Cabinet.</li> <li>b. That Cabinet approves the virements proposed in section 3 of this report.</li> <li>c. That all virements over £500k are recommended to Council for approval.</li> </ul>	<p>To report on the Capital Outturn position for the 2019/20 financial year.</p> <p>To ensure appropriate virements, are carried out to align budgets and financing requirements.</p>

Contact Officer: Jane Thomas  
 Tel: 01597-826290  
 Email: [jane.thomas@powyscc.gov.uk](mailto:jane.thomas@powyscc.gov.uk)

<b>Relevant Local Member(s):</b>	
<b>Person(s) To Implement Decision:</b>	<b>Jane Thomas</b>
<b>Date By When Decision To Be Implemented:</b>	<b>ongoing</b>
<b>Is a review of the impact of the decision required?</b>	<b>N</b>
<b>If yes, date of review</b>	<b>n/a</b>

**Background Papers used to prepare Report:**

**REPORT TO: POWYS COUNTY COUNCIL CABINET**

**REPORT FROM: INDEPENDENT CHAIR OF THE PCC IMPROVEMENT AND ASSURANCE BOARD**

**REPORT DATED: JUNE 2019**

## 1. **Background**

The Improvement and Assurance Board was established in April 2018 with a clear purpose, which is “to assist the Leader in driving forward the required change and improvement in the Local Authority”.

This is the fourth report of the Independent Chair and should be read in conjunction with the previous report to avoid repetition.

The Board remit covers Adult Social Care, Children’s Social Care, corporate and transformational activity. The January report set out, in broad terms, the agreed priorities in each area. This report will continue to use those priorities as the framework for the current assessment.

This is a highlight report and does not cover all aspects of work undertaken or planned, that level of detail is covered elsewhere, for example:

- Monthly board minutes, agendas and papers;
- Monthly performance reports;
- Improvement plan progress reports;
- CIW inspection reports as published

This report will now cover key aspects in relation to the identified priorities.

## 2. **Corporate Matters**

### 2.1 **Senior Leadership**

Appointments to the new Leadership Team are now complete. A Director of Transformation is now in place and the new permanent Head of Service for Adult Social Care has now commenced with the Authority.

The Board is pleased to note that the Chief Executive is taking a personal lead on Education. This adjustment ensures that the Director of Social Services can concentrate exclusively on the delivery of the necessary improvements required in Social Care.

The Chief Executive is currently reviewing the support arrangements and is planning to put in place interim arrangements, pending the outcome of the recent ESTYN inspection, which is expected in early September.

The past 12 months has seen significant change in the Senior Leadership, which was a necessary pre-condition to the delivery of widespread and sustainable

improvement. It is undoubtedly the case that some improvement has been delivered during this transitional period. However, during the next 6 to 12 months the new team will need to drive change at a significantly higher pace and in a sustainable manner. Now that permanent senior staff are in place it is imperative that they own the process of giving assurance to the Board, the Minister, and more importantly the public rather than continuing to allow others to seek assurance.

The nature of the task is also changing. Significant progress has been made in putting in place appropriate frameworks, policies and strategies. The emphasis in the coming period continues to be on driving the service level changes this work demands in a sustainable way. Focussing on performance management and quality assurance are of equal and vital importance.

## **2.2 Vision, Finance and Service Strategy**

It remains the view of the Board that the extra costs being experienced in both Adult and Children's Social Care are highly unlikely to be offset by any efficiencies or savings within the service in the short term. Other Council services will undoubtedly need to be reviewed in order to maintain a balanced budget going forward. This financial challenge is of course not unique to Powys.

The recently appointed Finance Director has advised the Board of the new approach being taken to deal with service and financial planning. The focus will be on the money that the Council spends not cuts. It will also challenge the organisation to think about outcomes rather than services. This approach signals a major culture change, which is in line with best practice. It will however be hugely challenging and will take several budget cycles to become embedded. The process for early and extensive engagement of elected members is now underway and is of vital importance.

As indicated earlier the service strategies required in Children's Social Care are largely in place, it is now time to up the pace on making the delivery of the strategic intent the day to day lived experience. The Director of Transformation reported the corporate transformation plan at the most recent I & AB meeting.

## **2.3 Performance Management**

Progress continues to be made in developing a performance management culture, whilst there is inevitably still much more to do. The Board has recently supported a revision of the Children's Services performance report to focus more on outcomes.

There is also increasing evidence of the development of meaningful data at a service level that can be used to inform the improvement and transformation effort. A good example being work recently undertaken to map the service user experience in Adult Social Care.

The Authority recognises the need to give equal importance to the performance indicator regime and Quality Assurance work. This needs to be demonstrated in the coming period.

## **2.4 Political Leadership and Scrutiny**

- It remains the case that senior politicians are actively engaged in the improvement work and the Board
- The Leader continues to oversee the improvement work on a regular basis
- The Chief Executive is undertaking a review of scrutiny effectiveness and engagement of the whole Council

The Board welcomes the work to be done on member involvement and wishes to see it build on review work already undertaken in the last 12 months of this improvement journey.

## **2.5 Children's Services**

Rather than repeat the priorities from the January report I will highlight current key issues.

### Workforce

The implementation of the new structure is progressing; however, it remains the case that the service relies on the support of agency staff. The revised structure, to ensure sustainability, is in the process of being implemented. The original intention was to complete this work by April, but now realistic full implementation is anticipated by mid-July. The Board received a detailed analysis of progress to date. Without a stable; competent workforce, the sustainability of all improvement work will continue to be at risk; this remains, in the view of the Board, the single most important issue.

### Practice Framework

The Authority has adopted "Signs of Safety" as its operating model. Staff are being trained and the implementation is underway. However, successful implementation is very dependent on achieving workforce stability. It is also the case that implementation is resource intensive and the Board has sought assurance that the new structure contains sufficient resource. The Board received an update on progress and evidence of some significant progress at an individual case level.

### Top 5 Performance Indicators

Since the Board was established these indicators have improved significantly. However, they are not yet at best practice levels and performance in the last few months has been stable rather than improving. The Board acknowledges that workforce instability affects the position, but clearly, further significant improvement is required as the new structure is implemented. The service is now able to account for all cases falling outside planned timescales.

### Looked After Children Numbers

There is no right or wrong number, but significant increases have occurred since the CIW inspection. The First Minister has established an advisory group that is visiting all authorities with a clear remit to share good practice and frankly, drive down numbers. Powys positively engaged with this process and seeks to ensure it is at or near sector leading practice.

### CIW Inspection Recommendations

These are monitored regularly, internally, and by the Board and the report is available. It is important that the monitoring report is reviewed and revised to ensure clear accountability is given to named individuals to complete the various tasks by a specific date.

### Leadership and Support

Children's Social Services is a highly demanding area of work. Visible leadership, setting clear expectations is a crucial element in high performing services. The Head of Service has set out a clear programme of activity to deliver on this vital agenda and to actively support staff in their activities. The Board supports this and sees it as a key determinant of success.

### Further Children's Services Matters

Whilst there has been some visibility and discussion on the following issues the Board will need to be assured in the next quarter in relation to:

- The extent to which high cost provision has been recommissioned;
- The approach being taken to tackle child sexual exploitation;
- The effectiveness of prevention and early intervention services in directly assisting statutory services

The Board has now been provided with assurance that work is well underway in relation to CSE.

## **2.6 Adult Services**

The Board has been regularly briefed in relation to the pressures on domiciliary care provision. The Authority has put great effort into maintaining local supply against a backcloth of rising demand and failures in the provider sector. This work is to be commended but is not the only challenge faced by the service.

### Service Transformation

The Head of Service, in the absence of the Director, presented to the June Board a first draft transformation plan. The Board provided feedback to be incorporated in future drafts. The overall approach was recognised and endorsed by the Board. However, there remains significant work to be done on the more detailed delivery plan.

It is vital that at the July Board meeting, the Director presents a detailed delivery plan, that will allow the Authority to monitor both implementation and the achievement of outcomes.

This report must cover, as a minimum;

- A vision for Adult Care;
- Establishment of a clear practice model, delivering consistency, quality and a focus on safeguarding;
- A strategy to engage partners in the development of alternative models, including technology assisted care;
- Development of community capacity and personal resilience.

How this approach deals with the impact of demography, loneliness, isolation, increasing demand and service shortfalls must be clearly articulated. The Authority has developed good quality data on client pathways, and this will be used to inform the transformation effort.

#### Practice

Whilst it is obviously to be affected by the transformation report, there is an urgent need to immediately address the performance indicators in relation to strength based and outcome focussed practice, which are currently worryingly low. The Head of Service reported on progress to the June Board, and this analysis needs to feed into the transformation plan.

#### Capacity by Service Area

Current performance management reports do not identify clear issues by service area, learning disability, sensory impairment, mental health etc. The Authority needs to develop reporting which demonstrates performance across service areas in order that any issues arising are clearly visible and can be addressed via the transformation plan.

## **2.7 Conclusions**

Now that a full Senior Management Team is in place, it should be possible to increase the pace and extent of improvement activity. This report identifies key areas of progress along with matters upon which the Authority needs to progress and provide assurance in the next quarter. The priorities set out in the January report are agreed as the framework for all the required activity, and clear evidence against each priority is required.

It continues to be the case that it would assist both the Authority and the Board if the Director provided a short summary report at each Board meeting capturing the headline against each agreed priority, as agreed with the Chief Executive.

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<b>Finance Panel Work Programme</b>	
<b>Date</b>	<b>Items for consideration</b>
07/08/19	Transformation Q1 Savings report
13/09/19	Financial Overview and Forecast - July Capital Report MTFS
02/10/19	Financial Overview and Forecast - August Capital report
31/10/19	Financial Overview and Forecast - September Capital report CIPFA Action Plan monitoring Q2 Savings
25/11/19	Financial Overview and Forecast - October Capital Report
12/12/19	Financial Overview and Forecast - November Capital Report

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