

## Learning and Skills Scrutiny Committee

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Meeting Venue  
**Council Chamber - County Hall**

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Meeting Date  
**Thursday, 30 January 2020**

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Meeting Time  
**2.00 pm**

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For further information please contact  
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County Hall  
Llandrindod Wells  
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LD1 5LG

21.01.2020

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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>DECLARATIONS OF INTEREST</b>
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To receive declarations of interest from Members.

<b>3.</b>	<b>DECLARATIONS OF PARTY WHIP</b>
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To receive disclosures of prohibited party whips which a Member has been given in relation to the meeting in accordance with Section 78(3) of the Local Government Measure 2011.

(NB: Members are reminded that under Section 78 Members having been given a prohibited party whip cannot vote on a matter before the Committee.)

<b>4.</b>	<b>DRAFT 2020-2021 BUDGET</b>
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To scrutinise the Draft 2020-21 Budget.

Attached, in relation to the Cabinet's Budget proposals to Council are the following documents:

- (i) A copy of the Cabinet report to provide the overall context for the budget setting process (**Appendix 1**)
- (ii) A copy of the Service's cost reduction proposals which are relevant to the scrutiny committee (**Appendix 2**)
- (iii) Individual Impact Assessments relating to the proposals under (ii) above
- (iv) A copy of the Fees and Charges Report which provides an overview to Service proposals for income generation. (**Appendices 3A and 3B**)
- (v) A copy of the Capital Programme for the next 10 years. (**Appendices 4A and 4B**)
- (vi) A copy of the Budget Simulator Public Consultation Exercise (**Appendix 5**)

#### 4.1. **Reports**

(Pages 3 - 48)

#### 4.2. **Impact Assessments**

(Pages 49 - 58)

## Cyngor Sir Powys County Council

**Health and Care Scrutiny Committee – 27 January 2020**  
**Economy, Residents, Communities and Governance Scrutiny**  
**Committee – 29 January 2020**  
**Learning and Skills Scrutiny Committee – 30 January 2020**

### Draft Questioning Strategy:

<b>Budget Proposals</b>
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#### Introduction:

Attached to the agenda for the meeting the Committee will have received in relation to the Cabinet's Budget proposals to Council:

- (i) A copy of the Cabinet report to provide the overall context for the budget setting process (**Appendix 1**)
- (ii) A copy of the Service's cost reduction proposals which are relevant to the scrutiny committee (**Appendix 2**)
- (iii) Individual Impact Assessments relating to the proposals under (ii) above
- (iv) A copy of the Fees and Charges Report which provides an overview to Service proposals for income generation. (**Appendices 3A and 3B**)
- (v) A copy of the Capital Programme for the next 10 years. (**Appendices 4A and 4B**)
- (vi) A copy of the Budget Simulator Public Consultation Exercise (**Appendix 5**)

#### Background Reading in Preparation for the Meeting:

The Committee will need to refer to the following sections in the Cabinet Budget Report: (**Appendix 1**)

- Section 3.33 - The overall changes to Service budgets
- Section 3.34 - The general budget pressures on the Council
- Section 3.51 - The investment in Services to meet Vision 2025

In addition the Committee will need to consider the following Appendices which are circulated with the agenda:

- Details of Service cost reduction proposals (**Appendix 2**)
- Impact Assessments linking to the cost reduction proposals
- Overview of Service proposals for income generation. (**Appendices 3A and 3B**)
- Capital Programme. (**Appendices 4A and 4B**)
- Budget Simulator Public Consultation Exercise findings in relation to individual Services. (**Appendix 5**)

### **Areas of Discussion with Heads of Service:**

It is suggested that the discussion with Heads of Service should centre on the following:

- Explanation of the budget pressures and why they are needed
- Assurances around the delivery of cost reductions
- Highlighting any risks in relation to the cost reductions
  
- Overall Heads of Service will need to provide assurances that their budget delivers Vision 2025, and statutory services at an appropriate level as well as delivering improvement.

# CYNGOR SIR POWYS COUNTY COUNCIL.

## CABINET

Date: 21 January 2020

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

**SUBJECT:** Draft Medium-Term Financial Strategy 2020-2025 and Draft  
2020-21 Budget and Capital Programme for 2020-2030

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**REPORT FOR:** Decision

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### 1. Purpose

- 1.1 To seek Cabinet's approval of the draft Medium-Term Financial Strategy for 2020-25, which includes a Financial Resource Model for 2020-25, a draft revenue budget for 2020-21 and a draft capital programme for 2020-21 to 2029-30.

### 2. Background

- 2.2 Like other councils across Wales, Powys County Council continues to face significant challenges arising from demographic changes, increase service demands, citizen expectations and rising costs. Against that background, over the past twelve months the Cabinet and Executive Management Team (EMT) have placed a greater focus on longer term financial, service and workforce planning to help provide sustainable solutions to the challenges we continue to face.
- 2.3 Vision 2025, the Council's Corporate Improvement Plan and the Medium-Term Financial Strategy (MTFS) identify the Council's service and resource priorities for the next five financial years, with a focus on 2020-21.
- 2.4 The Vision 2025 Plan is reviewed annually to ensure that it continues to reflect the Council's operating environment and priorities and the 2020-25 Plan will be presented to Council for approval at the same time as the final MTFS and 2020-21 is presented on 28 February. This will ensure the Corporate Plan and MTFS are aligned, enabling the reader to make explicit links between the Council's priorities and the resources directed to support them.
- 2.5 The Council's MTFS is set within the context of UK economic and public expenditure plans, Welsh Government priorities and legislative programme. It articulates how the Council plans to use its resources (revenue and capital) to support the achievement of its corporate priorities as well as the management of its statutory and core duties, known pressures and risks. The MTFS helps the Council to work more effectively with partners in other sectors and provides a strategy for the use of reserves to meet changes in resources, risks or unforeseen demands from year to year without impacting unduly on services or council taxpayers.
- 2.6 The draft MTFS includes the:

- principles that will govern the strategy and a five-year Financial Resource Model (FRM), comprising detailed proposals for 2020-21 and outline proposals for 2021-22 to 2024-25.
- Capital Financing Strategy and the Treasury Management Strategy; and
- Capital Programme for 2020-21 to 2029-30

2.7 The Cabinet and EMT have developed the draft MTFS to guide the development of the proposed 2020-21 draft budget, the Financial Resource Model and the draft Capital Programme. At the same time as updating the MTFS, the Council is legally required under the Local Government Act 2003 to set a balanced budget for the forthcoming financial year by 11 March each year.

2.8 Production of the draft budget for the forthcoming year is dependent on receipt of the provisional local government settlement from the Welsh Government which for 2020-21 was late to be published on 16 December 2019 due to the General Election. This report provides a draft Budget for 2020-21 for Cabinet's approval, subject to which it will be considered by the Council's Overview and Scrutiny Committees before a final budget is presented to full Council for approval on 28 February 2020. The Welsh Government is due to publish the final local government settlement on 25 February so if there are any late changes these would need to be made on 28 February in the Chamber.

### 3. **Advice**

#### **Welsh Government Provisional Local Government Settlement**

3.1 The Local Government Revenue Settlement comprises Revenue Support Grant (RSG) and redistributed National Non-Domestic Rates (NNDR) revenues and is known as Aggregated External Finance (AEF). The settlement for 2020-21 represents the biggest funding growth in a single year for Welsh local authorities in over a decade with a total increase of £184.3 million (5.6%) compared to 2019-20. Including specific grants, total support for local authorities will increase by 1.8% in real terms from 2019-20.

3.2 The 2020-21 provisional settlement gave Powys Council a cash increase of £9.5 million (5.4%) on 2019-20 which when adjusted for transfers into the formula of specific grants (schools' pay and pensions £2.06 million, and Funded Nursing Care £99,000) becomes 4.2% for Powys and 4.3% for Wales. The provisional settlement also includes funding to meet additional costs arising from the UK Government's changes to employer pension contributions for teachers as well as funding the full year impact of 2019-20 teachers' pay deal. The settlement letter stated that the future impact of the teachers' pay award which will come into effect from September 2020 was also recognised.

3.3 Welsh Government funding is allocated to unitary authorities using a formula driven by a number of 'indicators' (e.g. population projections, pupil numbers, primary free school meals and income support, job seekers allowance or pension credits claimants). The movement in these indicators, relative to the movement in the indicator for Wales as a whole, affects Powys' share of the overall funding available. The changes to the key indicators and our comparative position across Wales are shown in Table 1 below.

**Table 1**

Changes in Key Datasets	All Wales			Powys			
	2019-20	2020-21	%	2019-20	2020-21	%	Rank
	Final	Provisional	Difference	Final	Provisional	Difference	
Population <sup>2</sup>	3,134,476	3,136,749	0.1%	131,721	132,084	0.3%	10
Pupil Numbers - Nursery and Primary	264,060	263,655	-0.2%	9,755	9,746	-0.1%	12
Pupil Numbers - Secondary in year groups 7-11	158,634	161,806	2.0%	6,297	6,306	0.1%	19
Free School Meals - Primary <sup>3</sup>	45,270	45,270	0.0%	1,034	1,034	0.0%	1
Free School Meals - Secondary <sup>4</sup>	26,400	26,400	0.0%	637	637	0.0%	1
Children in out of work families <sup>5</sup>	126,900	126,900	0.0%	2,900	2,900	0.0%	1
IS/ JSA/PC/UC (not in employment) claimants - 18 to 64	80,657	79,026	-2.0%	1,605	1,480	-7.8%	18
IS/ JSA/PC claimants - 65+	110,054	105,082	-4.5%	4,466	4,248	-4.9%	16
IS/ JSA/PC/UC (not in employment) claimants - all ages	191,177	184,558	-3.5%	6,084	5,740	-5.7%	18
SDA/DLA/PIP claimants - 18 to 64	143,665	142,023	-1.1%	4,544	4,502	-0.9%	12

3.4 Overall Powys is ranked 14<sup>th</sup> of 22 councils in terms of its increase, Newport is highest at 5.4%, and Monmouthshire the lowest at 3%. This position represents a significant improvement for Powys compared to previous years when the Council has languished at the bottom of the funding table. It is particularly pleasing given the evidence of the costs of providing local services in Powys<sup>1</sup> which the Cabinet presented to the Welsh Government in September 2019.

3.5 Based on the provisional settlement Powys will receive £1,395 per head of population for 2020-21 compared to the Wales average of £1,426 per capita.

3.6 While the un-hypothecated (non-earmarked) settlement is the largest single source of funding available to authorities, it is not the only one. The Council also funds its expenditure by generating income from grants, fees and charges and council tax. In setting the budget and council tax levels for next year, Welsh Government expects every authority to take account of all the available funding streams and to consider how to secure best value for Welsh taxpayers through effective and efficient service provision.

### Revenue Settlement Implications for 2021-25

3.7 The Welsh Government has given no indication of the future allocations for 2021-22 onwards, but in view of current economic and fiscal projections and in the absence of other information the MTFs sets out a worst likely scenario predicated on an assumption that AEF will reduce by -2% for 2021-22, 2022-23, 2023-24 and 2024-25. Based on these assumptions the total recurrent reductions required from 2021-22 to 2024-25 amount to around £49 million.

### Provisional Local Government Capital Settlement

3.8 The Welsh Government settlement includes a non-hypothecated general capital funding settlement, also calculated using a formula. The total provisional capital settlement for 2020-21 will be £198 million (including £20 million for public highways refurbishment grant) which is an increase of £15 million over that announced in the Final Budget last year. Welsh Government hopes that the additional funding will enable authorities to consider decarbonising.

<sup>1</sup> Rural Cost Analysis link (<https://en.powys.gov.uk/article/7842/Funding-changes-needed>)

3.9 For Powys County Council the provisional capital settlement provides the following increase on 2019-20:

- £25,000 as supported borrowing
- £233,000 as General Capital Grant

### Final Local Government Settlement

3.10 Welsh Government is due to publish its Final Budget and Final Local Government Settlement for 2020-21 on 25 February 2020. The Welsh Government has included the Council Tax base and other data changes in the provisional settlement and therefore it is unlikely that the settlement for Powys will change significantly, however, more information on 2020-21 specific grants will be provided at that time.

### Current Year (2019-20) Financial Performance

3.11 The in-year financial position as at 31 December 2019 is shown in Table 2 below:

**Table 2**

Service Area	Working Budget	Forecast Spend	Variance (Over) / Under Spend	Variance (Over) / Under Spend %
Adult Services	64,562	64,775	(213)	(0.3)
Childrens Services	20,625	25,634	(5,009)	(24.3)
Commissioning	3,438	3,270	168	4.9
Education	21,988	21,860	128	0.6
Highways Transport & Recycling	29,075	31,192	(2,117)	(7.3)
Property, Planning & Public Protection	5,784	5,798	(14)	(0.2)
Housing & Community Development	8,939	9,201	(262)	(2.9)
Digital Services	4,963	4,718	245	4.9
Transformation & Communications	1,766	1,706	60	3.4
Workforce & OD	1,366	1,501	(135)	(9.9)
Legal & Democratic Services	3,159	3,045	114	3.6
Finance	19,759	13,294	6,465	32.7
<b>Total</b>	<b>185,424</b>	<b>185,994</b>	<b>(570)</b>	<b>(0.3)</b>
Housing Revenue Account (HRA)	0	(120)	120	
Schools Delegated	69,761	69,564	197	0.3

3.12 The overall projected position as at 31 December 2019 shown in the table above reports an overspend of £570,000 (excluding Schools Delegated and the Housing Revenue Account), however with further savings projected to be delivered in the last quarter the outturn position improves to an underspend of £600,000 comprising £5.9 million net over spend on service areas and £6.5 million under spend on corporate budgets. At this point in the financial year £5.3 million of budget reduction proposals have been deemed to be unachievable in the current financial year.



## **Council's Improvement Journey**

- 3.13 The Council has made significant steps on its improvement journey over the last eighteen months, following the Care Inspectorate Wales report on Children's Services and the Corporate Governance Review undertaken by Sean Harriss in 2018. Since then the Council has increased its focus on performance management and has established a Vision 2025 Transformation Programme which is driving delivery of the Councils Corporate Improvement Plan and improving the organisation's capability and financial resilience.
- 3.14 Twice in 2019-20 the Cabinet met Welsh Government Ministers and officials to make the case for additional funding for Powys County Council, recognising the additional costs associated with providing services in the biggest and most rural county in Wales. These discussions led to the Welsh Government making more than £900,000 available to the Council to support our Digital Powys Programme. The increase in the Council's revenue settlement was also welcomed by Cabinet in the context of their representations to Welsh Government.
- 3.15 The announcement made by the UK Government in Autumn 2019 that it has committed an initial investment of £55 million to the Mid Wales Growth Deal was another positive step forward for the Council. The Mid Wales Growth Deal led by Powys and Ceredigion County Councils and the private sector will support the transformation and growth of the Mid Wales economy through an integrated programme of interventions which aim to make the greatest difference to the region to be delivered over a 10-15 year period.
- 3.16 Over the last twelve months there has been a sustained improvement in Children's Services performance which has been recognised by the Improvement and Assurance Board. There is still more to do, including addressing some persistent recruitment difficulties and the Board and Cabinet recognise the need to set a realistic budget which supports Powys children who are currently in need and in our care while Children's Services implement new service models that will over the medium term reduce the number of Children Looked After and the costs associated with their care.
- 3.17 The Estyn Inspection of the Education Service in 2019 identified five key recommendations for the Council in respect of the quality of our education provision and financial sustainability and the Improvement and Assurance Board has extended its remit to support the Council in implementing these recommendations.
- 3.18 In terms of overall performance, using Public Accountability Measures, Powys Council's performance compares favourably with the other twenty-one authorities in Wales, ranking 5<sup>th</sup> for 2018-19. A greater focus on performance in 2019-20 has also seen the Council increase its performance in a number of areas including social care services and our corporate functions.

## **Draft MTFs 2020-25**

- 3.19 The draft MTFs for the next five years is attached at Appendix A, based on the latest information available from the Welsh Government. It does not include fixed funding, expenditure or activity projections, but sets best, worst and most likely scenarios for the resources that will be available. The MTFs is reviewed regularly and will be amended as additional information becomes available, with the detail for future years being developed over the period of the strategy.

- 3.20 The development of the MTFs 2020-25 has been led by Cabinet and EMT and has taken into account the views of auditors and CIPFA on the Council's financial planning arrangements as well as budget issues arising in 2019-20, underpinned by the ongoing aim to embed a culture of integrated business planning over the medium term.
- 3.21 Implementation of the MTFs will continue to be led by Cabinet and Senior Leadership Team (SLT)<sup>2</sup>, supported by robust financial and performance data. The Council will seek to ensure that it is widely understood by internal stakeholders (Members, employees and Unions) and external stakeholders (citizens, businesses and partners). As well as linking explicitly to the Council's corporate priorities, the MTFs also links to other internal resource strategies such as the Workforce Plan, the Digital Powys Strategy, the Treasury Management Strategy, Asset Management Plans and the Council's Transformation Programme.

### **Engagement, Scrutiny and Challenge**

- 3.22 In developing the draft 2020-25 MTFs and 2020-21 budget significant efforts have been made this year to engage Powys citizens, local councillors, partners and the workforce in the budget development process. This included providing more information to the public, pre-engagement on the Council's financial position with various stakeholders and an interactive online budget simulator consultation exercise.
- 3.23 Nearly 600 responses were received from the budget simulator exercise which challenged participants to prioritise services and target reductions in order to deliver a balanced budget. The findings identified the mean values of all respondents and the budget adjustment acceptable. Schools were selected to have the lowest levels of reduction of just 0.55%, whilst central support services had a much larger figure of 5.83%. Respondents suggested that council tax could be increased above the 5% set as the base, while the mean average suggested a 6% increase would be palatable. A report of the findings is provided at Appendix H and Cabinet and SLT has taken these into account in the development of the draft 2020-21 budget.
- 3.24 Members of the Council have engaged in the budget planning process from the outset through a series of member budget seminars which have given Councillors the opportunity to review and prioritise Vision 2025 outcomes, challenge, propose ideas and input into the process. The Finance Scrutiny Panel (comprising Group Leaders of Non-Executive Groups and Audit Committee representatives) have also been engaged during the process and financial assumptions and settlement information have been shared with members and the impact on the budget modelled and considered.
- 3.25 This report presents the detailed draft budget for 2020-21 and each of the Council's three Overview and Scrutiny Committees will have the opportunity to consider the implications of the draft budget for the service areas within their remit during the last week in January. The Committees will then be able to provide feedback to the Cabinet for consideration before the final MTFs and 2020-21 budget and 2020-30 capital programme are presented to full Council for approval on 28 February 2020.

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<sup>2</sup> SLT comprises the Chief Executive Officer, three Corporate Directors and 12 Heads of Service)

## **MTFS Principles**

- 3.26 The draft MTFS provides a set of clear principles which will drive the Council's budget and spending decisions over 2020-25 and which Members and others can examine and judge the Council's financial performance against. The ten key principles are to ensure that:
1. The Council will continue to meet its statutory obligations and to demonstrate how its budget supports the priorities contained in Vision 2025.
  2. The Council's financial control system will be sufficiently robust to support the delivery of financial plans and mitigate corporate risks.
  3. All Council budgets will be reviewed annually to ensure resource allocations are delivering value money and continue to align to the delivery of priority outcomes in Vision 2025.
  4. Financial plans will provide an optimum balance between income and expenditure for both capital and revenue.
  5. Reserves will not be used to fund recurrent budget pressures or to keep down council tax rises.
  6. The Council's General Fund reserve will be maintained at a minimum of 3% of Net Revenue Expenditure over the period of the MTFS.
  7. Capital investment decisions will support the Council's corporate priorities and mitigate any statutory risks taking account of the return on investment and robust business cases.
  8. Prudential borrowing will only be used to support the capital programme where it is affordable and sustainable within the Council's overall borrowing limits and the revenue budget over the long term.
  9. Decisions on the treatment of surplus assets will be based on an assessment of the potential contribution to the revenue budget and the capital programme.
  10. Budgets will be managed by members of SLT in accordance with the Council's Financial Procedure Rules.

## **Financial Resource Model**

- 3.27 The MTFS includes a Finance Resource Model (FRM) which provides a financial forecast for the forthcoming five financial years. This is provided at Appendix B. The MTFS sets out a best case, most likely case and worst case scenarios for the Council's future years' budgets by making a number of assumptions about the level of funding that will be received from Welsh Government and cost drivers such as pay and price inflation and demographic change. All the scenarios include an annual council tax increase of 5%. The FRM is based on the worst-case scenario.

3.28 Table 3 sets out the gap between the Council's net budget requirement and the possible funding available in each of the next five years based on each of the scenarios in the MTFs.

**Table 3**

Scenario Gap - £k	2021/22	2022/23	2023/24	2024/25	Cumulative
Best	(£6.2m)	(£6.5m)	(£2.7m)	(£3.3m)	(£18.7m)
Most Likely	(£9.9m)	(£13.1m)	(£6.5m)	(£5.3m)	(£34.7m)
Worst	(£13.6m)	(£16.7m)	(£10.0m)	(£8.7m)	(£49.0m)
Cost Reduction Proposed to Reduce the Gap	(£9.0m)	(£6.5m)	(£0.7m)	£ -	(£16.2m)
Revised Worst Case gap	(£4.6m)	(£10.2m)	(£9.3m)	(£8.7m)	(£32.8m)

3.29 Table 3 shows that the Council will need to find recurrent cost reductions of between £18.7 million and £49 million and/or increase council tax by more than 5% per annum over 2021 to 2025 to balance future years' budgets.

### **Draft Revenue Budget 2020-21**

3.30 Taking account of advice from the Wales Audit Office and CIPFA on the Council's financial planning arrangements, the Cabinet and the Senior Leadership Team adopted a new Integrated Business Planning approach to developing the 2020-21 budget and the FRM for 2021-2025. This approach has involved all council services:

- Reviewing comparative performance data
- Identifying any inescapable cost pressures
- Identifying cost reduction opportunities
- Planning service changes to secure delivery of the priority outcomes in the Council's Corporate Improvement Plan Vision 2025 and statutory obligations
- Identifying any workforce implications of service changes

3.31 Cabinet and SLT began the budget planning process for 2020-21 using the worst-case scenario in the approved MTFs (ie a budget gap of £13.1 million on the 2019-20 working budget, assuming a 5% increase in Council Tax). However during the autumn it became clear that the assumption around the level of inescapable pressure on services was not high enough and there was a need to recognise that some 2019-20 savings were undeliverable and risks in Children's Services could not be mitigated in the short term. Despite identifying more than £11 million of cost reduction proposals a significant budget gap remained before the provisional local government settlement was received in December 2019.

### **2020-21 Net Budget Requirement**

3.32 The net budget requirement is the amount of budget the Council requires to fulfil its functions. It is calculated using the previous year's budget as the baseline, adding any inescapable budget pressures and subtracting any budget reduction proposals.

3.33 Table 2 below sets out the proposed draft net budget for 2020-21 (£269.6 million including the Delegated Schools' Budget).

**Table 2: 2020-21 Draft Revenue Budget**

	2019-20 Working Budget	2019-20 Forecast Outturn @31/12/19	General Pay and Price Inflation	Grant Changes & Transfers into RSG	2019-20 Undeliverable Savings	Corporate & Service Specific Pressures	Cost Reductions Proposed	2020-21 Draft Budget
	£'000							
Financial Services	4,945	4,945	141		123	95	(425)	4,880
Corporate Activities	14,813	8,349	51			1,780	(825)	15,820
Corp Legal And Democratic Serv	3,159	3,045	67			40	(279)	2,987
Highways Transport Recycling	29,075	31,192	607	110	653	1,055	(291)	31,209
Housing & Community Development	8,939	9,201	291		480	30	(672)	9,069
Prop. Planning & Public Protection	5,784	5,798	162		471	105	(464)	6,058
Education (Inc Schools Delegated)	91,749	91,424	612		120	6,597	(511)	98,567
Adult Services, Commissioning	64,562	64,775	344	120		2,905	(4,070)	63,861
Childrens' Services	20,625	25,634	252		1,704	5,681	(2,221)	26,041
Commissioning Social Care	3,438	3,270	72					3,509
Workforce & Organisational Dev	1,366	1,501	70		200		(183)	1,454
Digital Services	4,963	4,718	130			108	(771)	4,430
Transformation & Communication	1,766	1,706	34				(85)	1,715
	<b>255,186</b>	<b>255,558</b>	<b>2,833</b>	<b>230</b>	<b>3,751</b>	<b>18,396</b>	<b>(10,796)</b>	<b>269,600</b>

3.34 Table 2 shows the Council's 2019-20 working budget and proposed changes across each service to provide a base budget for 2020-21, including

Additional funding as follows:

- £2.83 million for general pay and price inflation, including the proposed Local Government pay award
- £230,000 of specific grants that are transferring into the settlement passed on to services to meet ongoing costs
- £3.75 million for 2019-20 savings which have proven to be undeliverable and known Children's Services risks that materialised in 2019-20. These are funded in 2020-21 to ensure the budget is sustainable and to provide increased assurance that it will be deliverable.
- £18.4 million of inescapable budget pressures including:
  - £406,000 to meet the 5.71% increase in the Mid and West Wales Fire and Rescue Authority annual levy.
  - £450,000 for the Council Tax Reduction Scheme (CTRS). At a proposed council tax increase level of 5%, this is included as a pressure to meet the increased levels eligible under the scheme.
  - £6.60 million for the Education Service (including the Delegated Schools' Budget): £4.3 million for the additional cost of Teachers Pay and Pensions; £1.4 million to recognise Teaching and Learning Responsibility (TLR) allowances in the schools' formula; £207,000 to support an increase in the Capitation Allowance; together with £693,000 to recognise contract inflation, pupil number changes, and increasing Rates & Utilities costs in schools.
  - £5.68 million to realign the Children's Service base budget to meet existing placements, agency staff and legal costs reflected in the Services spend in 2019-20 of £4.9 million overspend. The service has developed a strategy which will safely reduce the number of looked after children and bring fewer children into the care of the local authority, which over the medium term will

reduce costs whilst continuing to ensure children are safeguarded and achieve best possible outcomes.

- £2.9 million to meet inescapable demand and cost pressures in Adult Social Care.
- £1 million mainly to meet the increased costs in insurance together with other corporate cost pressures.
- £1.05 million for Highways Transport and Recycling - £500,000 new growth in roads' maintenance funding and £505,000 to meet contract inflation and to support the waste to energy initiative, helping the council meet the Welsh Governments' target to reduce landfill.

Reductions in funding as follows:

- £10.79 million of cost reduction proposals, the detail of which is provided at Appendix C, with Impact Assessments on each of the proposals attached at Appendix I.

3.35 Delivery of these cost reductions will be essential to deliver a balanced 2020-21 budget. Assurance must be provided to Council that the budget is robust and that the reductions included in it are deliverable. This will also enable the Council and the Statutory Chief Finance Officer (S151) to sign off the budget with confidence. For the proposed budget, several budget challenge events have been held with officers to challenge and test the deliverability of each proposal. SLT has provided assurance to Cabinet that they can deliver the cost reductions within the required timescales, whilst also reflecting on any risks.

### **Financing the Draft Net Budget for 2020-21**

3.36 The Council's gross budget reflects the totality of the Council's costs including salaries and wages, the purchase of goods and services, premises costs and the revenue cost of financing our capital programme. The gross budget is financed by all the Council's income sources including AEF, council tax, fees and charges, specific grants and contributions from other bodies.

3.37 Income from fees and charges makes a significant contribution (£60 million+ per annum) to the Council's budget and the Council's approach to income generation is included in the MTFs. The Income and Cost Improvement Policy forms the framework within which income is reviewed annually.

3.38 The budget proposed for 2020-21 includes increasing of fees and charges in line with inflation, where permitted, and where appropriate, the principle of full cost recovery has been applied. The Fees and Charges register has been updated and it, together with an explanatory note, is attached as Appendix D and E.

3.39 The financing of the net budget comes from the Welsh Government settlement and Council Tax income. Table 2 summarises the 2020-21 budget requirement and how it will be financed and shows that Council funds 32% of the councils' net budget.

3.40 Table 4 below shows how the budget requirement for 2020-21 will be financed.

**Table 4**

REVENUE FUNDING	2019/20	2020/21	Change
AEF (RSG & NNDR Allocation)	£ 174.291m	£ 184.289m	£ 9.998m
Council Tax	£ 80.896m	£ 85.311m	£ 4.415m
<b>Total Projected Revenue Funding</b>	<b>£ 255.187m</b>	<b>£ 269.600m</b>	<b>£ 14.413m</b>

- 3.41 As can be seen the balancing of the Council's 2020-21 budget is dependent upon a 5% increase in the Council Tax in 2020-21, generating £4.27 million. In proposing this increase, consideration has been given to the affordability for Powys residents and the ongoing need to meet increasing demand and inescapable cost pressures on vital local services.
- 3.42 The setting of Council Tax is not subject to approval as part of this report, as this is a matter for full council determination. However, the report recommends the level of Council Tax to be included in the budget that goes to full Council on 28th February 2020. On 4th March full Council meets to set the Council Tax in line with the final budget. This meeting does not reopen the budget but ensures the Council sets Council Tax for billing purposes.

### **Draft Capital Programme 2020-30**

- 3.43 The Capital and Treasury Management Strategies are fundamental to the effective delivery of the Council's priorities and Vision 2025. The provision of the right assets in the right place at the right time will ensure the effective and efficient delivery of a comprehensive range of quality services.
- 3.44 The draft strategy document at Appendix F provides a high-level, long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services, whilst considering the risks how these will be managed and the implications for future financial sustainability.
- 3.45 Maintaining the capital programme has a significant regeneration impact for the economy of Powys alongside the direct effect of better infrastructure to deliver services. Capital investment also has a significant input into the delivery of revenue cost reductions, and it is essential that both budget strategies are developed in tandem.
- 3.46 Broadly the programme covers three areas of expenditure. These are:
- a core programme of schemes that are regulatory / statutory in nature, and minimise legal challenge or revenue risk, these schemes are related to day to day activities that will ensure the Council meets its statutory requirements
  - a retained asset programme to improve or enhance the life of existing assets, and
  - an investment programme in schemes linked to the Council's strategic priorities; commercial schemes to generate income and increase the diversification of the Council's property portfolio or reduce the revenue costs of running and maintaining the assets.

3.47 The key aims of the Capital Strategy are to:

- Provide a clear context within which proposals for capital expenditure are evaluated to ensure all capital investment is targeted to deliver the Council's priorities.
- Clarity about how the Council identifies and prioritises capital requirements and proposals arising from various strategies including the Vision 2025, Service Improvement Plans, and other corporate strategies, and how they will be managed within the limited capital resources available.
- Challenge our current estate, continue with the programme of asset rationalisation, ensuring that assets retained are effective, efficient and economically sustainable to deliver services.
- Identify and consider options available to fund capital expenditure that minimises the ongoing revenue implications of historic capital expenditure and of any new investments.
- Use partnerships, both public and private, more effectively to support our overall strategy.
- Establish effective arrangements for managing capital schemes including assessment of outcomes and achievement of value for money.
- The aim of this capital strategy is to ensure that all elected members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

3.48 During 2019-20 the Cabinet and EMT has introduced a new Governance Framework for the development of the Capital Programme, based on the Welsh Government Better Business Case approach, each project is developed through a series of gateways ensuring that the business case is robust and fully considers the benefits and costs of the individual project and that they align with Vision 2025. This enables the council to prioritise its capital investment whilst ensuring affordability.

3.49 The Council is moving away from an annual capital cycle and using the new framework will have an ongoing process of projects in development through to approval through Cabinet and Council as needed.

3.50 The Capital Strategy is attached as Appendix F. The strategy sets out the priorities for the next 10 years with the provisional Capital Programme totalling £532 million (including the Housing Revenue Account (HRA)). This is a significant commitment. The Capital Programme is included in Appendix F as part of the Capital Strategy.

3.51 The Council continues to invest in services that underpin the priorities set out as part of Vision 2025 as follows:



#### We will support our residents and communities:

- Housing - £235 million: The Council will continue to maintain the Welsh Housing Quality Standard achieved in 2018, and over the lifetime of the HRA business plan the service will look to invest in 250 new council dwellings.
- Leisure and Recreation - £4 million: The colocation of libraries with other services continues and self-service technology enables our customers to make increased use of the resources.
- Highways and Environment - £77 million: The Council has a statutory duty to maintain the adopted highway, maintained at public expense in a safe condition for the passage of the user. The strategy will see £15.5 million invested in our Highway network over the next 5 years.
- Waste Strategy- £5 million: Powys County Council faces stringent Welsh Government (WG) statutory recycling targets. These are 64% for 2019-20 and 70% for 2024-25. In addition to this there is a target to reduce landfill to 10% by 2019-20 and 5% by 2024-25. This has required a step change in the way all local authorities approach waste and recycling. The continued capital investment in the Waste and Recycling service will ensure that the Council is able to meet the targets whilst obtaining maximum value from the service.

#### We will lead the way in effective, integrated rural health and care:

- Social Care - £3 million: The capital programme focuses on supporting those who wish to remain in their own home rather than residential care and supports the integrated Health and Care Strategy for Powys. The schemes focus on accommodation options and the use of assistive technology, which has a key role to play in the modernisation of health and social care and offers greater choice to our residents and supports independent living

#### We will strengthen learning and skills:

- Schools - £158 million: to provide learning environments that meet the aspirations of the WG's 21st Century Schools programme. Alongside this, capital funding through our major repairs programme will be focussed on where the need is greatest, as identified through the Schools Service's Asset Management Plan.

#### We will develop a vibrant economy:

- Regeneration, Property and Development - £8 million: The Council needs to intervene where the private sector is not able to (for economic reasons) to create or facilitate investment in business units in order to keep and attract business to the County.
- County Farms - £1 million: Effective management of County Farms estate will enable us to continue to provide the opportunities already enjoyed by current tenant farmers and maintain an income stream. The financial demands of the Estate need to be evaluated against the competing demands across the

council whilst noting the estate produces an annual surplus and has made a considerable contribution in capital receipts.

#### Information Technology:

- The service engages with change programmes so that investment and resource meets identified priorities. In respect of infrastructure, Digital Services will invest in up to date cloud-based technologies including 'Azure' cloud technologies, improved telephony and mobile systems, WEB and share-point and improved wireless. In terms of applications Digital Services is looking to rationalise the number of systems through investment in replacement of legacy corporate systems and improved integration between systems notably the WEB and Intranet.

3.52 The Capital Programme also identifies £18.2 million over the next ten years of unallocated investment which has been set aside to meet the costs of current pipeline projects and programmes currently being progressed through the Outline Business Case gateway. These include initial estimated funding for the Mid Wales Growth Deal and investment in our Digital Powys Programme.

#### **Draft Treasury Management Strategy**

3.53 A draft Treasury Management Strategy which is included within the attached Appendix F which sets out how the Council will ensure that it has enough funding available to fund its revenue and capital requirements and an appropriate strategy for borrowing and investing for the financial year 2020-21 and details the expected activities of the Treasury function.

3.54 The Treasury Management Strategy and Annual Investment Strategy is recommended to Full Council for approval in February.

#### **Prudential Indicators**

3.55 The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of the local authority are affordable, prudent and sustainable. The statutory Prudential Indicators are shown in full within the Capital and Treasury Management Strategy Appendix F. The tables include the revised estimate for 2019-20, as well as the indicators through to 2028-29.

3.56 The key indicator of affordability is the estimate of the ratio of financing costs to net revenue stream, in section 5.2 of Appendix F. The ratio of financing costs for the council fund is 3.06% in 2020-21 rising to 7.52% in 2028-29. The amount of HRA income required to pay for financing increases is 22.54% in 2020/21 rising to 25.27% in 2028-29.

3.57 The capital financing requirement (CFR) is shown at section 2.2 of the Appendix and is the measure of the authority's underlying need to borrow for a capital purpose. It is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue. The CFR is £295 million in 2019-20 and will rise to £354 million by the end of 2028-29, and £95 million increasing to £119 million for HRA debt.

- 3.58 The operational boundary, in section 3.2 and authorised limits for external debt in section 3.3 both reflect the Treasury Management policy and are set at a level to be affordable and prudent.
- 3.59 The authorised limit for 2020-21 will be the statutory limit under Section 3(1) of the Local Government Act 2003. It is recommended that the level for the authorised limit is set at £429 million and the Operational Boundary is set at £399 million.
- 3.60 The Minimum Revenue Provision (MRP) Policy Statement is included at Section 2.3.
- 3.61 MRP is an annual charge that Councils are required to pay for their debt liability in respect of capital expenditure funded by borrowing, for both the general fund and the Housing Revenue Account debt. This capital expenditure is set out as part of the CFR calculation and updated regularly to reflect borrowing need changes and the resultant costs, it is important to ensure that the debt is repaid over a period commensurate with that over which the capital expenditure provides benefit.
- 3.62 MRP Overpayments - A change introduced by the revised Welsh Government MRP Guidance was the allowance that any charges made over the statutory MRP, voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31st March 2019 the total Voluntary Revenue Payments utilised was £8.4 million, with the expected total overpayments being £19.5 million.

## **Reserves**

- 3.63 The Council's reserves are key to our financial planning; maintaining these at an appropriate level is central to our financial stability. They provide a safeguard against risk, unusual events and future financial pressures.
- 3.64 In assessing the appropriate level of reserves, the Authority will ensure that the reserves are not only adequate, but also necessary and will be appropriate for the risk (both internal and external) to which it is exposed.
- 3.65 The Reserves Policy (Appendix G) establishes a framework within which decisions are made regarding the level of reserves held by the Council and the purposes for which they will be maintained and used.
- 3.66 The use of reserves and the levels at which they are maintained is determined on an annual basis as part of the Council's Budget setting process.
- 3.67 The level of reserves held and their forecast use in 2019-20 is reported monthly to Cabinet as part of the budget monitoring report and Table 5 below reports the opening and projected balance of the reserves at year end. This is based on the position as at 31<sup>st</sup> December 2019.

## **Table 5**

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	- 754	8,224
Budget Management Reserve	3,584	-	-	3,584
Specific Reserves	7,909	- 839	184	7,254
Transport & Equipment Funding Reserve	6,493	- 330	-	6,163
Schools Delegated Reserves	78	- 2,646	- 208	2,776
School Loans & Other Items	- 371	7	-	364
Housing Revenue Account	1,111	2,168	120	3,399
<b>Total</b>	<b>27,869</b>	<b>- 1,727</b>	<b>- 658</b>	<b>25,484</b>

- 3.68 MTFs Principle 6 is to maintain a minimum general reserve provision of 3% of net revenue expenditure over the period of 2020-25. The projected balance as at 31 March 2020 will be 4.2% in line with this principle.
- 3.69 The level of reserves held has been assessed alongside the overall budget proposal. Reserves held in the Transport and Equipment Fund, previously set aside to support the Capital Programme, will continue to be used in 2020-21.
- 3.70 The current and projected financial position of our Schools continues to be a challenge, the additional funding included in the budget plan assists schools in meeting the pressures they face, but it is essential that all Governing Bodies take action to provide a curriculum that can be delivered within the funding provided to them. The school reserves are ring fenced but ultimately represent a potential council risk. It is essential that compliance work continues to be undertaken to ensure that school budgets are managed in accordance with regulations by Governing Bodies.
- 3.71 The use of these reserves will continually be reviewed particularly if alternative funding sources become available. The reserves position will be monitored carefully on a monthly basis as the financial year progresses. Under Section 26 of the 2003 Local Government Act, an appropriate person (S151 Officer) must determine the minimum amount of General Fund Reserve.

### **Impact Assessment**

- 3.72 There are Impact assessments for each of the service cost reduction proposals, attached at Appendix I. An impact Assessment for the whole 2020-21 budget will be presented to Council on the 28<sup>th</sup> February.

## **4. Resource Implications and Section 151 Officer Opinion**

- 4.1 The Local Government Act 2003 requires an authority's Section 151 officer to give a formal opinion as to the robustness of the budget estimates and the level of reserves

held by the Council. This section of the report provides the Section 151 Officer's formal opinion.

- 4.2 Under Section 26 of the 2003 Act it is not considered appropriate for the balance of the Council's General Fund Reserves to be less than the maximum amount determined by an appropriate person, in this case, the Head of Finance and Section 151 Officer.
- 4.3 The draft budget has been produced within the framework of the draft MTFS. The introduction of scenario planning has ensured that the budget is developed in a prudent and flexible way, highlighting the risk faced by the Council as a result of changes in funding and increasing financial pressures, and offering some choice in how our resources are prioritised and the risk mitigated.
- 4.4 The process has been strengthened further with the development of Integrated Business Plans for each service, these plans capture the services' objectives and highlight their roles and responsibilities in supporting the Council's Vision 2025 Corporate Improvement Plan, along with the intended outcomes for service users and / or residents.
- 4.5 The Integrated Business Plans ensure that all elements of delivering the service are considered in a holistic way. Statutory obligations pay and price pressures, income streams, demographic changes and the impact on service demand, new responsibilities and changes in regulation are all thought through. Services assess options for service delivery, workforce and capital requirements, and calculate the budget requirement and the cost reductions that can be achieved whilst assessing the impact and risk associated with them.
- 4.6 The Council's MTFS guides the development of these plans and the 2020-21 implications are set out in the draft budget and draft 2020-2030 capital programme. A process of challenge and review undertaken with each Head of Service and the Executive Management Team provides assurance on the completeness and robustness of the estimates, whilst highlighting the risks associated with its deliverability.
- 4.7 This strategic approach to allocating resources ensures that the budget plan fully considers the delivery of Vision 2025, the transformation programmes we need to deliver and ensures that service improvement and appropriate levels of statutory provision are all included. Revenue and capital budgets are aligned and ensure that our limited resources are prioritised to achieve maximum effectiveness in securing outcomes.
- 4.8 The level of cost reduction required in 2020-21 is again a significant challenge. When this is coupled with the need for improvement and the identification of further potential pressure in some services a prudent approach must continue to be adopted to support financial stability. Against that background, the draft budget includes a risk management allocation and the removal of prior years' unachievable savings from the 2020-21 budget adds resilience and robustness to our budget plan.
- 4.9 A series of documents and policies constitute the budget framework including the Reserve Policy. This has been set in consideration of several key factors such as the strengthened approach to risk management. The level of general reserves is appropriate to deal with unknown risks and is consistent with the levels held by other

councils. Even so, the position going forward will require reserves to be maintained at a prudent level. It is evident that, given future pressure and the need to deliver savings, the levels proposed in the budget and MTFS should not be reduced.

- 4.10 The current and projected financial position of our Schools continues to be a challenge. The additional funding included in the budget plan assists schools in meeting the inescapable pressures they face, but it is essential that all Governing Bodies take action to provide a curriculum that can be delivered within the funding provided to them. The school reserves are ring fenced but, ultimately, represent a potential council risk. It is essential that compliance work is undertaken to ensure that school budgets are managed in accordance with regulations by Governing Bodies.
- 4.11 The Council has well established budget monitoring and internal control arrangements and these act as an effective early warning system in identifying potential problems and for managing potential areas of risk. This ongoing regular review highlights problems and risks early so that corrective action can be put in place and this is supported by a clear virement process which provides some flexibility to adapt expenditure patterns to meet changing needs and objectives.
- 4.12 The Local Government Revenue Settlement for 2020-21 provides Powys with an increased level of funding not seen in over a decade. But there is no indication that this level of funding will continue beyond one year, the level of uncertainty at a UK level remains.
- 4.13 The Council's budget continues to be set within this uncertainty. We continue to face significant pressures to manage the increasing demand for services whilst driving improvement across Social Care and Education. The proposed increase in council tax will help mitigate the position but the Council must seek other opportunities to identify alternative sources of funding.
- 4.14 Taking all the above into account, the Section 151 Officer concludes the estimates used in the budget proposal for 2020-21 are adequately robust but significant risk remains. Based on the assessment of reserves the overall level is adequate but remains at the lower end of acceptability given the scale of savings required over the medium term.

## **5. Legal Implications**

- 5.1 The Solicitor to the Council (Monitoring Officer) has commented as follows:
- 5.2 The Report has been prepared in accordance with the requirements of the Local Government Act 2003 and the Local Government Finance Act 1992. In accordance with Section 25 of the 2003 Act, the Council must have regard to the advice of the Head of Finance (Section 151 Officer), as the Chief Finance Officer, regarding the robustness of the budget estimates and the adequacy of the financial reserves. This advice must be taken into account when considering the proposals in the Report and the recommendations from the Cabinet regarding the budget and the Council tax rate. In accordance with the Functions and Responsibility Regulations, agreeing the budget and setting the Council Tax rate under the 1992 Act is a matter for full Council. In accordance with Section 30 of the 1992 Act, the Council is required to set the Council tax for the next financial year on or before 11th March.

## 6. Members' Interests

- 6.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest, they should declare it at the start of the meeting and complete the relevant notification form.

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
<p><b>That Cabinet approves in draft the:</b></p> <p><b>1. MTFS for 2020-2025 as set out in Appendix A to the report be agreed in principle.</b></p>	<b>To aid business planning and development of the budget over a three-year period</b>
<p><b>2. Draft Revenue Budget for 2020-2021 with the inclusion of a 5% increase in Council Tax shown in the Financial Resource Model in Appendix B and Table 2 of this report.</b></p>	<b>Statutory Requirement</b>
<p><b>3. Fees and Charges Register in Appendices D and E.</b></p>	<b>To comply with Powys County Council Income Policy</b>
<p><b>4. Capital Strategy and Capital Programme for 2020-30 shown in Appendix F.</b></p>	<b>Statutory Requirement</b>
<p><b>5. Minimum Revenue Provision Statement as set out on Appendix F.</b></p>	<b>Statutory Requirement</b>
<p><b>6. Treasury Management Strategy and the Annual Investment Strategy in Appendix F.</b></p>	<b>Statutory Requirement</b>
<p><b>7. Authorised borrowing limit for 2020-21 as required under section 3(1) of the Local Government Act 2003 at £429 million as set out in section 3.58 of this report.</b></p>	<b>Statutory Requirement</b>
<p><b>8. Prudential Indicators for 2020-21 as set out in section 3.54 to 3.61 of the report and Appendix F.</b></p>	<b>Statutory Requirement</b>

<b>Relevant Policy (ies):</b>	
<b>Within Policy:</b>	<b>Y</b>
<b>Within Budget:</b>	<b>Y</b>

<b>Relevant Local Member(s):</b>	
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<b>Person(s) To Implement Decision:</b>	<b>Chief Executive</b>
<b>Date by When Decision to Be Implemented:</b>	<b>1<sup>st</sup> April 2020</b>

Contact Officer Name:	Tel:	Email:
Jane Thomas	01597 827789	jane.thomas@powys.gov.uk

### **Background Papers used to prepare Report:**

Welsh Government Provisional Settlement  
 WLGA Briefing Welsh Government Draft Budget and Provisional LGF Settlement 2020-21  
 Office for Budget Responsibility Economic and Fiscal Outlook March 2019  
 Analysis of the Welsh Government Draft Budget 2020-21: Wales Fiscal Analysis “Austerity is over – for now” December 2019

### **List of Documents**

Appendix A Medium Term Financial Strategy  
 Appendix B Financial Resource Model  
 Appendix C Cost Reductions Proposals  
 Appendix D Income Guidance Note  
 Appendix E Fees and Charges Register  
 Appendix F Capital & Treasury Management Strategy  
 Appendix G Reserves Policy  
 Appendix H Budget Consultation Report  
 Appendix I Impact Assessments



## Education

Reference	Proposal Title	Service	Brief Description	2020/21 Reduction £K
ED01	To review the staffing structures across the schools service to ensure effective provision for supporting schools and pupils	Education	<p>The recent Estyn view of the service was that it was in parts ineffective and was overall a cause for significant concern to the regulators.</p> <p>The capability of the service and its effectiveness in meeting the needs of schools and learners must be improved. Through the reviews of staffing, it is hoped that a re-alignment of resource coupled with changes in working practices can help support the required improvement. Whilst significant risks are being identified, the senior staff within the service will seek to identify key changes to staffing structures and practices which are intended to provide the efficiencies needed by the local authority whilst also seeking to enable the service to meet its improvement objectives for the future.</p>	511
Total				511

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## **Briefing Paper to accompany the Fees and Charges Register**

### **1 Summary**

The purpose of this report is to consider and approve the changes to charges detailed within the Council's fees and charges register. The fees and charges register will be maintained and updated for submission as part of the budget setting process on an annual basis, with the new fees agreed as a whole rather than on an individual basis.

The fees and charges register, contains details of all items for which a charge is made. It is important that these fees are reviewed at least annually as part of the budget setting process and reviewed during the year, in line with the Councils income policy. This will ensure existing targets are being met and to explore any further income potential to maximise the Councils resources.

Improving income management and service cost recovery has a key role to play in enabling the Council to achieve its financial and wider strategic objectives.

The fees and charges register has been reviewed by each Service area, and appropriate uplifts proposed. A general increase of between 2% and 3% has been applied where no alternative basis is available.

### **2 Additions, removal and reduction of fees and charges are noted below along with any items where a significant increase has been applied:**

#### **2.1 The following removal of a charge should be noted:**

**Catering** – The supply of meals to Clifford School ceased in the summer of 2019.

#### **2.2 The following areas have significant increases:**

**Other Licences (Animals & Miscellaneous)** - The fees have been calculated using All Wales toolkit to ensure that the council recovers the full cost of administering each licence. In this case there have been increases in fees for all licenses in this category.

#### **2.3 The following fees and charges are proposed to reduce:**

**Other Licences, Miscellaneous** – The fees have been calculated using All Wales toolkit to ensure that the council's fees cover the full cost of administering each licence. This has seen a decrease for the fees charged for Variation of licence conditions (visit) and Depositing site rules.

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**SUMMARY OF FEES AND CHARGES INCREASES/DECREASES BY SERVICE AREA**

Service Area	Service Charge Category	2020-21 Inflationary Increase/Decrease %	Comments
<b>PROPERTY, PLANNING AND PUBLIC PROTECTION</b>	<b>Other Licences:</b>		
	Gambling	0%	Set by Statute
	Animals	2% to 268%	The fees have been calculated using All Wales Toolkit to ensure that the council recovers the full cost of administering each licence
	Taxi	0% to 7%	
	Petroleum	0%	Set by Health & Safety Executive
	Explosives	0%	Set by Health & Safety Executive
	Miscellaneous	-19% to 49%	The fees have been calculated using All Wales toolkit to ensure that the council recovers the full cost of administering each licence
	<b>Water Sampling</b>	0%	Set by Statute
	<b>Weights and Measures</b>	2.4%	Increased inline with CPI
	<b>Food and H&amp;S</b>	0% - 3%	Service Strategy
	<b>Licensed Premises</b>	0%	Set by Statute
	<b>Building Control</b>	2%	Service Strategy
	<b>Planning</b>	0%	Set by Welsh Government
	<b>Burial fees</b>	0%	Service strategy to leave fees as they are
<b>Dog &amp; Pest Control</b>	0%	Service strategy to leave fees as they are	
<b>HOUSING AND COMMUNITY DEVELOPMENT</b>	<b>Catering</b>	0%	Increase of £0.15 was introduced from April 2019. There is no plan to increase this in 2020.
	<b>Cleaning</b>	TBA	
	<b>Libraries</b>	0%	Service strategy to leave fees as they are
	<b>Museums</b>	0%	Service strategy to leave fees as they are
	<b>Archives</b>	0%	Service strategy to leave fees as they are
	<b>Private Sector Housing</b>	0%	Based on Welsh Government guidelines, maximum charge already implemented
<b>FINANCE</b>	<b>Council Tax and NDR - Summons and Liability Order</b>	0%	Legislation in Wales states that the maximum fee is £70.00 (Any combination)
<b>HIGHWAYS, TRANSPORT AND RECYCLING</b>	<b>Car Parks</b>	0%	Increase was implemented in 2019, no increase for 2020/21
	<b>Waste Collection</b>	0% to 25%	Service strategy to increase fees where possible. Trade prices have been omitted for 2020-21 due to an agreement to allow flexible pricing to enable the service to remain competitive and also so that competitors cannot access Powys prices in respect of trade waste
	<b>Licenses, authorisations, permissions, agreements, approvals and notices (LAPAAN)</b>	3%	Service strategy to increase fees by 3%
<b>LEGAL SERVICES</b>	<b>Registrations</b>	0% to 2%	Some fees are set by Statute, other fees have increased based on CPI
	<b>Land Charges</b>	0%	Service strategy to leave fees as they are
<b>SCHOOLS</b>	<b>Schools</b>	0% to 6%	Home to school transport pre and post 16 has been increased by 6% and 5% which equates to a £10 increase per term
<b>SOCIAL CARE</b>	<b>Social Care</b>	0%	Part of service strategy and Welsh Government guidelines
<b>DIGITAL SERVICES</b>	<b>Careline</b>	2%	Inflationary increase based on CPI of 2.4%

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APPENDIX A - CAPITAL PROGRAMME 2020/21 to 2029/30

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000

**Education**

Major Improvements	3,284	2,908	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	15,193
Crickhowell High School Extension	447	434	0	0	0	0	0	0	0	0	0	881
Crickhowell High School Sports	65	51	0	0	0	0	0	0	0	0	0	117
Child Care	858	2,859	0	0	0	0	0	0	0	0	0	3,717
	4,655	6,253	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	19,907

Band A

Brecon High School	6,775	0	0	0	0	0	0	0	0	0	0	6,775
Gwernyfed Catchment Primary	151	0	0	0	0	0	0	0	0	0	0	151
Carno, Glantwymyn Federation	1,083	0	0	0	0	0	0	0	0	0	0	1,083
Welshpool CinW School	755	5,135	0	0	0	0	0	0	0	0	0	5,890
Gwernyfed High School	270	5,700	1,000	0	0	0	0	0	0	0	0	6,970
Ysgol Calon Cymru	151	2,409	3,372	0	0	0	0	0	0	0	0	5,932
	9,185	13,244	4,372	0	0	0	0	0	0	0	0	26,801

Band B

Ysgol Bro Hyddgen	250	14,114	8,077	0	0	0	0	0	0	0	0	22,442
Ysgol Brynllwarch	200	800	2,000	4,753	900	0	0	0	0	0	0	8,653
Newtown Development												
• Cedewain	100	7,900	8,136	0	0	0	0	0	0	0	0	16,136
• New WM High School	0	0	8,150	16,000	7,941	0	0	0	0	0	0	32,091
• EM Primary School (North	250	1,500	7,212	0	0	0	0	0	0	0	0	8,962
Welshpool HS Refurbishment	1,564	0	0	0	0	0	0	0	0	0	0	1,564
Ysgol Gymraeg y Trallwng	441	0	3,500	2,268	0	0	0	0	0	0	0	6,209







6,607	800	500	100	100	0	0	0	0	0	0	0	8,107
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	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000

**Leisure and Recreation**

Self Service Terminals in Libraries	75	58	0	0	0	0	0	0	0	0	0	133
Library Works	98	0	0	0	0	0	0	0	0	0	0	98
Refurbishment of Sports Centres	480	465	374	364	302	0	0	0	0	0	0	1,985
Footbridges - Replacement	15	15	15	15	15	15	15	15	15	15	15	165
Other Rights of Way Bridges	28	13	0	0	0	0	0	0	0	0	0	41
Byway Network	88	255	0	0	0	0	0	0	0	0	0	343
Fron Bridge	0	100	0	0	0	0	0	0	0	0	0	100
Llangadfan Bridge	0	50	0	0	0	0	0	0	0	0	0	50
Monks Trod Byway	8	298	0	0	0	0	0	0	0	0	0	306
Y Gaer	597	0	0	0	0	0	0	0	0	0	0	597
Captains Walk Gardens	247	0	0	0	0	0	0	0	0	0	0	247
Other Museum projects	123	0	0	0	0	0	0	0	0	0	0	123
	1,758	1,254	389	379	317	15	15	15	15	15	15	4,187

**Housing and Commissioning**

Disabled Facilities Grant	1,387	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	14,387
Safe, Warm and Secure	200	200	200	200	200	200	200	200	200	200	200	2,200
Gypsy & Traveller Site – Welshpool	4	0	0	0	0	0	0	0	0	0	0	4
Gypsy & Traveller Site – Machynlleth	77	793	0	0	0	0	0	0	0	0	0	870
Abitas IT System	82	0	0	0	0	0	0	0	0	0	0	82
CO2i Assistance	48	48	48	48	48	48	48	48	48	48	48	528
Loans to RSL	0	10,000	5,000	0	0	0	0	0	0	0	0	15,000
Landlord Loans	421	200	200	200	200	200	200	200	200	200	200	2,421
Extra Care	173	0	2,134	0	0	0	0	0	0	0	0	2,307
	2,393	12,541	8,882	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	37,800



	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Children Services</b>												
Flying Start - Open Door, Welshpool	0	292	0	0	0	0	0	0	0	0	0	292
Flying Start - Brecon	820	0	0	0	0	0	0	0	0	0	0	820
Golwyg y Bannau Refurbishment	99	0	0	0	0	0	0	0	0	0	0	99
	919	292	0	0	0	0	0	0	0	0	0	1,211
<b>Adult Services</b>												
PCC Care Homes (Shaw Healthcare) -	90	100	100	100	110	0	0	0	0	0	0	500
Community Equipment e.g. profile	126	100	100	0	0	0	0	0	0	0	0	326
Telecare	100	0	0	0	0	0	0	0	0	0	0	100
Innovative use of robotics e.g.	0	200	200	0	0	0	0	0	0	0	0	400
Castell y Dail	334	0	0	0	0	0	0	0	0	0	0	334
The Rhyd	78	0	0	0	0	0	0	0	0	0	0	78
SMAF Old Bank Welshpool	366	0	0	0	0	0	0	0	0	0	0	366
Arlais/Lant Avenue ODC	176	0	0	0	0	0	0	0	0	0	0	176
Mobile Working and Transformation	100	0	0	0	0	0	0	0	0	0	0	100
Powys ASC Smart Technology	45	0	0	0	0	0	0	0	0	0	0	45
Dom Care System	14	0	0	0	0	0	0	0	0	0	0	14
	1,430	400	400	100	110	0	0	0	0	0	0	2,440
<b>Legal Services</b>												
Congress System	22	0	0	0	0	0	0	0	0	0	0	22
Local (small) Capital Schemes	0	500	500	500	500	500	500	500	500	500	500	5,000
Capitalisation Direction	3,640	2,000	2,000	0	0	0	0	0	0	0	0	7,640
Unallocated Resources	487	0	0	0	865	2,815	2,815	2,815	2,815	2,815	2,815	18,242
<b>Total</b>	<b>54,602</b>	<b>81,315</b>	<b>65,098</b>	<b>33,543</b>	<b>21,139</b>	<b>18,949</b>	<b>15,940</b>	<b>10,579</b>	<b>12,877</b>	<b>10,182</b>	<b>10,642</b>	<b>334,866</b>

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
<b>Financed By:</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Prudential Borrowing	19,325	30,015	23,827	7,638	4,404	2,037	1,506	0	0	0	0	88,753
General Capital Grant	4,327	4,560	2,782	2,782	2,782	2,782	2,782	2,782	2,782	2,782	2,782	33,925
Grants	14,466	31,220	27,302	17,056	7,571	3,782	2,796	0	0	0	0	104,194
Capital Receipts	4,082	2,956	2,248	248	248	248	248	248	248	248	248	11,271
Revenue/Reserves	2,520	5,917	3,114	1,271	1,585	5,552	4,060	3,001	5,299	2,604	3,064	37,987
<b>Total</b>	<b>54,602</b>	<b>81,315</b>	<b>65,098</b>	<b>33,543</b>	<b>21,139</b>	<b>18,949</b>	<b>15,940</b>	<b>10,579</b>	<b>12,877</b>	<b>10,182</b>	<b>10,642</b>	<b>334,866</b>
<b>Housing Revenue Account</b>												
WHQS	12,173	12,489	8,368	10,661	5,295	5,336	4,975	7,140	5,380	13,041	12,270	97,128
New Builds/Purchases	4,859	17,726	29,536	11,672	362	377	385	392	400	408	416	66,534
Fit For Life	1,991	2,725	2,218	2,444	2,295	2,193	557	570	0	0	0	14,993
Adaptions	464	250	256	261	267	273	279	285	291	298	250	3,173
Energy Efficiency	0	250	332	339	347	355	362	285	291	298	0	2,859
Estate Improvements	525	250	434	606	406	415	368	199	209	208	0	3,620
Compliance One Hundred	0	390	460	470	491	447	457	239	175	179	0	3,308
Water Supply and Sewage Works	0	50	51	52	160	109	111	114	116	119	0	883
Damp Prevention Strategy	743	100	153	209	213	191	167	171	175	179	0	2,301
Ystradgynlais Regeneration	0	300	715	731	320	0	0	0	0	0	0	2,067
Rapid Response Fund	0	100	102	104	107	109	111	114	116	119	0	983
Community Alarms	0	600	0	0	0	0	0	0	0	0	0	600
Mobile Solution	60	0	0	0	0	0	0	0	0	0	0	60
Vehicles	60	0	0	0	0	0	0	0	0	0	0	60
<b>Total</b>	<b>20,876</b>	<b>35,230</b>	<b>42,626</b>	<b>27,550</b>	<b>10,263</b>	<b>9,804</b>	<b>7,773</b>	<b>9,509</b>	<b>7,153</b>	<b>14,848</b>	<b>12,936</b>	<b>198,569</b>
<b>Financed By:</b>												
Prudential Borrowing	13,798	15,736	17,357	7,008	2,657	2,570	942	1,104	1,440	2,777	2,085	67,473
Grant	3,895	12,878	18,597	11,207	3,680	3,680	3,680	3,680	3,680	3,680	3,680	72,337
Capital Receipts	0	0	0	170	0	0	0	0	0	0	0	170
Revenue/Reserves	3,183	6,616	6,672	9,166	3,926	3,554	3,151	4,725	2,033	8,391	7,171	58,588

<b>Total</b>	<b>20,876</b>	<b>35,230</b>	<b>42,626</b>	<b>27,550</b>	<b>10,263</b>	<b>9,804</b>	<b>7,773</b>	<b>9,509</b>	<b>7,153</b>	<b>14,848</b>	<b>12,936</b>	<b>198,569</b>
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## New Capital Bids – being assessed as part of the new governance regime

Service	Requestor	Project	Revenue Savings	Vision 2025	Health and Safety	Statutory Requirement	Comments	2020-21	2021-22	2022/23
Housing and Community Development	Kay Thomas	Co-location of Rhayader Library and Rhayader Leisure Centre	Yes	Yes	No	No	Fits the current model of shared location - part of the savings plan - release building costs saves £19k pa, and could sell the building - captial receipt, helps sustain Freedom footfall	78,625		
	Jenny Ashton	Additional funding for Leisure Centre Re-furbishment Programme	No but financial penalties	Yes	No	No	Review capital strategy for leisure - landlord responsibility what obligations do Freedom have? - and if we want to maintain leisure facilities we should have a programme over 5 years. Fits our strategies and vision. Already taken £190k saving from day to day repairs budget - so this is another way to mainatin the centres and reduce maintenance liability but in a planned and prioritised way. Will we maintain all centres over the medium to longer term?	995,000		
	Jenny Ashton	Replacement of Outdoor Pitches at Leisure Centres	No but financial penalties	Yes	Yes	No	Freedom obligation - if no pitches possible contract breach and could incur penalties. S106 not available to contribute. Could push service to seek some external grant to contribute. Will we maintain all the facilities over the medium and longer term?	595,000	950,000	265,000
	Sian Barnes	Promenade Boathouse Brecon	No	No	Yes	No	We could do minimal circa <b>£22k</b> - to maintain income of £6k pa from leaseholder. Could be an area for a rethink about the whole site	22,000		
	Sian Barnes	Rights of Way Bridges	No	Yes	Yes	Yes	Should be part of a long term annual obligation - we keep seeing regular bids - but would be good to have a long term 10 year strategy and a full look at all the assets we have to maintain.	90,000	120,000	
		Mid Wales Growth Deal - PCC element	No	Yes	No	No	Based on £165m split into thirds PCC over 15 years with a two year lead in time One third private two thirds LA's 40% PCC straight line			733,333
		Mid Wales Growth Deal - Central Govt	No	Yes	No	No	Based on £165m split into thirds UK government straight line over 15 years, 40% PCC with gateways	funding not yet needed		1,466,667
	Mid Wales Growth Deal - Welsh Government	No	Yes	No	No	Based on £165m split into thirds Welsh Government straight line over 15 years 40% PCC			1,466,667	
Property, Planning and Public Protection	Gareth Richards	Corporate Property Improvements 1) Replacement of air handling system to the Chamber, Committee Room A and Committee Room B.	Yes	No	No	No	Bids prioritised and provided more detail, cannot quantify savings from the air con - but does suggest it will cost less to run the ceiling panels and installation of LED lighting and associated ceiling tiles for Corridor areas. Total cost £115,000. 121 lights will be replaced as part of the works. It has been calculated that <b>an annual saving of £2,242</b> will be saved in energy as part of the transfer to LED. In addition the financial savings there will be an environmental saving of 4.4 tonnes of CO2.	135,000		
	Gareth Richards	Corporate Property Improvements 3) Installation of LED lighting and associated ceiling tiles for Corridor areas.	Yes	No	Yes	No	Watts per light Annual Consumption per light Total Electric kwh Control Savings Total Cost Current 0.072 224.64 27181.44 27181.44 £3,261.77 LED 0.025 78 9438 8494.2 £1,019.30 Saving £2,242.47	115,000		
	Hugo Van-Rees	Removal of asbestos and re-cladding buildings	No	No	Yes	No	Need to clarify if part of 5 year plan, not sufficient in current revenue budget, must ensure we don't do work to properties we might sell depending on how our vision changes - Develop a stronger plan for the next few years . This is cost to minimise the risk of lost income in part	429,200		
	Hugo Van-Rees	Re-roofing and demolition/replacement of buildings	No	No	Yes	No		96,740		
Childrens Services	Anne-Marie Davies	Care Home - Children's Residential	Yes	Yes	No	No	ICF bid made for £500k, but this may fund an additional home (we could refine in the OBC stage). It does link to some savings targets -and we are working up revenue implications - which will go into cabinet report and the OBC	650,000		
	Anne-Marie Davies	Care Home - Children's Residential Short-Breaks Integrated Disability	Yes	Yes	No	No	No external funding, need is evidenced in the north, may deliver cost avoidance rather than savings as will help out those families at risk of breaking down . Cabinet paper about the need and change to delivery model produced for Cabinet in January	650,000		
	Joanna Harris	ICF Childrens Home	Yes	Yes	No	No	New business case sent through - Kathern Brooks provided cabinet report on the vision for approval in January. WG capital bid for £500k and revenue costs of £2m application submitted already	500,000		
Customers and Communication	Ellen Sullivan	Cyber Security	No	No	No	PSN Accreditation	Ellen completed a revised projection that brings year 1 from 74k to 24k and £100k to £50k for the following 3 years - she explains the risk in a revised doc (sent on email) which is a greater threat of cyber attack etc - so should we move back to the full levels of £74k, £100k, £100k	24,000	50,000	50,000
	Ellen Sullivan	System Rationalisation/Modernisation	Yes	Yes	No	No	Not needed next year - but keep on radar so we can see the success of the current regime and understand where they make savings		350,000	350,000
	James Griffiths	Schools HWB	No	Yes	No	No	no cost to PCC until 2024/25 when £2.5m as part of need to start to filter in £5m	1,440,000	720,000	480,000
	Diane Reynolds	Digital Powys	Yes	Yes	No	No	OBC, new business case has better clarity - good governance before money is released so we know whats being done and the benefits and ensuring no-one else capturing the same	700,001	1,129,798	644,000
<b>Total</b>								<b>6,520,566</b>	<b>3,319,798</b>	<b>1,789,000</b>

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Powys County Council

## Budget Simulator Public Consultation 2019-20

### Communications and Overview of Findings

Jane Thomas  
11-18-2019

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### **1. Background:**

Over the past few years the council has sought to engage residents in the decision making process around setting its budget. The views of residents have been sought through surveys, workshops, a citizen panel and a previous budget simulator exercise in 2015/16.

The latest budget simulator exercise has been undertaken as part of the consultation process to support the 2020/2021 budget process which requires cost reductions of £13m to achieve a balanced budget.

### **2. Purpose of report:**

The purpose of this report is to bring together the findings from the consultation to allow the Council decision makers to view the findings and ensure they are considered as part of the final budget decision making process. The appendices provide all the public comments made through the simulator exercise, in terms of their overall views and more specifically, each service area that offered cost reductions. The comments are provided in full for transparency and it is hoped that salient points can be gleaned from the detailed list and used where needed to support impact assessments and other narratives.

### **3. Communications**

The Communications team set out the communications for the budget consultation approach as a three phased plan:

Phase I - Information Giving. Promote the new animations available on the website around council tax and how the council receives its money. (May/June)

*Over 900 visits to the website have been made through this period*

Phase II - Pre-engagement. Correspondence from the leader to councillors, employees and town and community councils to explain the budgetary position and to promote the forthcoming exercise and to seek initial qualitative feedback via a set template. Also engaged with disability and carers groups, primary and secondary Heads presented with key facts and asked about pupil engagement re- (July/August)

- *Handful of responses received from TCCs and Cllrs*
- *Feedback from meeting of town clerks held by Ness Young to seek to improve relations/understanding between parties*
- *Feedback from two sessions run with PDSL and LD & Carers groups to explain budget position and get their input as more vulnerable groups*
- *Follow up session booked to help PDSL members to complete the exercise*
- *Lack of response from schools*

Phase III – Feedback on Phase II (September)

Phase III – Launch budget simulator, promote via mix of methods (social media, media, direct comms, posters, PAVO etc, staff intranet, all cllrs, TCCs etc and invite feedback on the service reductions listed in the simulator by Sunday 3 November. (October/November)

*580 responses received – 574 English 6 Welsh of which 482 provided demographic data and 298 responded with comments, we know that at least double that figure clicked on to the simulator but didn't complete the exercise.*

Phase V – Analysis (November/December)

*Draft report and presentation now available*

Phase VI – Due regard. Consideration of feedback ahead of finalising and setting the budget and council tax levels. (December/January)

The engagement process through the Simulator Consultation is summarised in the table below:

Actions	Outcomes
Press releases issued at start /mid-point of exercise.	Some good coverage overall – Front-page County Times
All staff emails, intranet article and reminders	Good engagement and response by our employees
Posters and flyers distributed to all libraries, given to staff to put up or hand out in their local community. Example: officer handed out flyers at Aldi on a Sat am.	Number of flyers given out and posters visible in certain communities but no countywide staff distribution network exists
Posters and flyers dropped off in advance of countywide community connectors meeting at PAVO	Unsure how and if connectors distributed, talked to people about the exercise - tbc
Social media posts and gifs produced and promoted	Lots of comments and engagement received via clicks to exercise
All PCC social media account holders asked to share the exercise via their pages – tenants, YIS etc.	Some evidence of some sharing/liking the posts
Links with other existing channels – Tenant 100 panel	Tenants emailed and invited to take part.
Key partner asked to invite their employees to take part	PTHB circulated to all staff.
Schools emailed following secondary school heads meeting to remind them re- pupil involvement opportunities during Local Democracy week, PSE lessons	Little indication that any of school worked to encourage their pupils to do the exercise in school time. See demographics.
TCC reminder emails issued	Little evidence of TCCs sharing with their communities etc.
ClIr reminder emails issued	Some liked or shared link from our site via their own social media accounts.
Drop in session held in Ystradgynlais and Brecon library to support non IT residents (others cancelled due to purdah) Prior to organised session officer handed out flyers and put posters up in Tesco, Welfare Hall & Volunteer Centre in Ystradgynlais, Morrison's in Brecon.	Good for promoting exercise, handing out flyers, talking to those using the library, but no one turned up for specific help to access the exercise re- IT literacy issues/disability See demographics.

#### 4. Budget Simulator Findings

The budget simulator findings are shown below, and show the mean values of all respondents and the budget adjustment acceptable to achieve a balanced budget: Schools have the lowest reduction of just 0.55%, whilst central support had a much larger figure of 5.83%. The public suggested that council tax could be increased above the 5% set as the base, mean averages from the 580 respondents suggest a 6% increase would be palatable. Note: majority of respondents were in higher council tax bands. Only 45 respondents were in C Tax Bands A-, A or B.

<b>Highways Transport and Recycling</b>	
Waste and Recycling Services	-2.84%
Highways, Grounds Maintenance and Streetscene	-2.27%
Transport	-3.30%
<b>Adult Social Care</b>	
Support for service users in their own home	-2.38%
Residential Placements	-3.40%
<b>Children's Services</b>	
Keeping children in Powys safe	-2.66%
<b>Education</b>	
Central schools support and school improvement	-5.35%
Youth Services	-4.81%
Additional Learning Needs and Inclusion	-3.78%
<b>Schools</b>	
Schools	-0.55%
<b>Culture and Recreation</b>	
Catering and cleaning services	-5.41%
Library and cultural services	-5.03%
Countryside services	-5.12%
Economic Development and Regeneration	-5.46%
<b>Regulatory and Property Services</b>	
Planning Services	-4.72%
Property Services	-4.98%
<b>Central Support Services</b>	
Central Support Services	-5.83%

The budget simulator comments, and suggested budget reductions will form part of the budget setting process, and be evidenced through the final decisions made on the budget reductions. The findings should also be reflected on the Impact Assessments where relevant.

### 5. Demographics

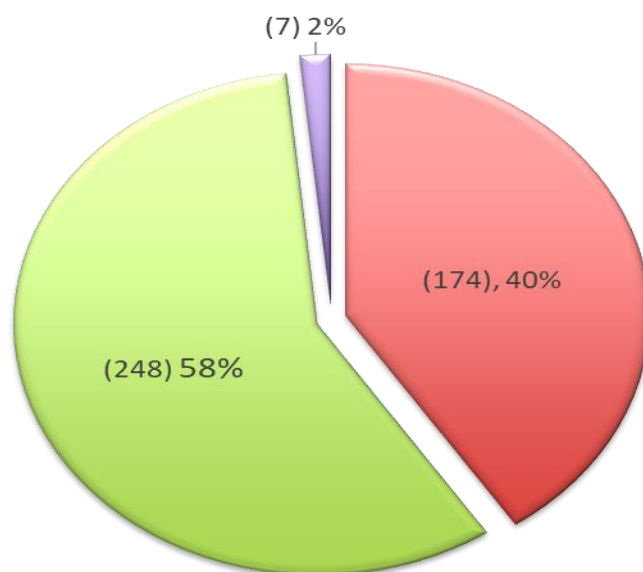
The following tables and charts present the demographic information gathered from those who completed this section in the budget simulator.

#### Gender

436 out of a possible 580 respondents gave their gender. Of these, more women appear to have responded to the exercise than men.

Comparison: Population of Powys 2018 = 132,447  
 Female = 66,856 (50%)  
 Male = 65,591 (50%)

Source: ONS Mid year estimates.

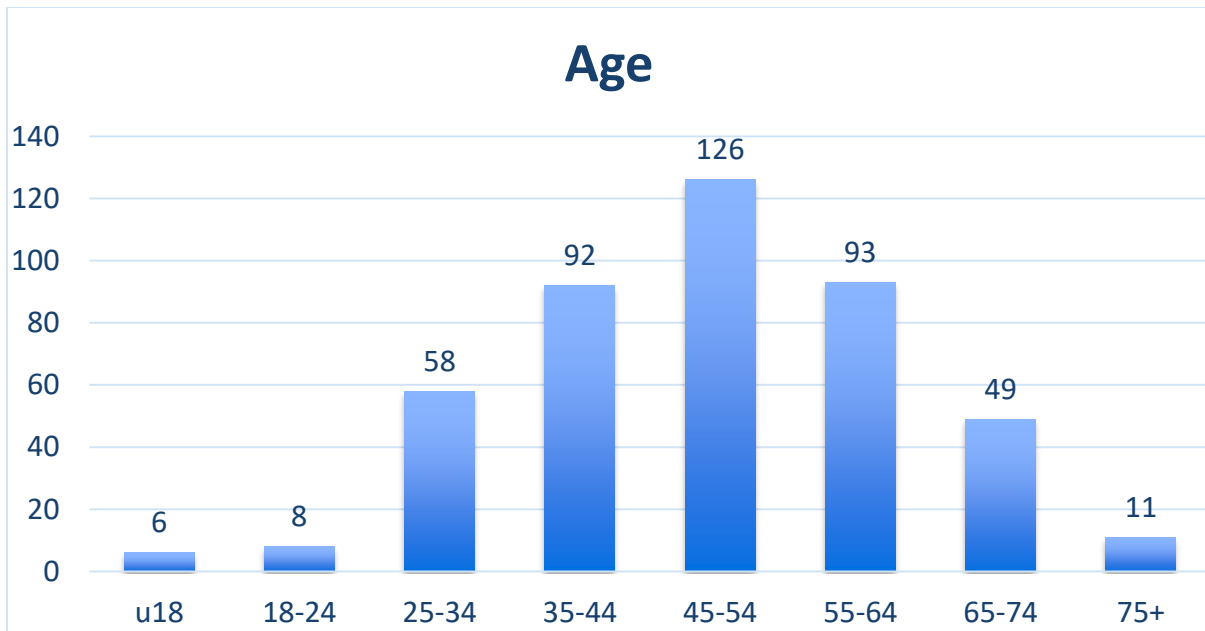


**Gender**    ■ Male    ■ Female    ■ Other - Gender fluid

#### Age

443 out of a possible 580 respondents gave their age details. The views of people under 24 years of age and those over 75 are less represented.

u18	18-24	25-34	35-44	45-54	55-64	65-74	75+
6	8	58	92	126	93	49	11

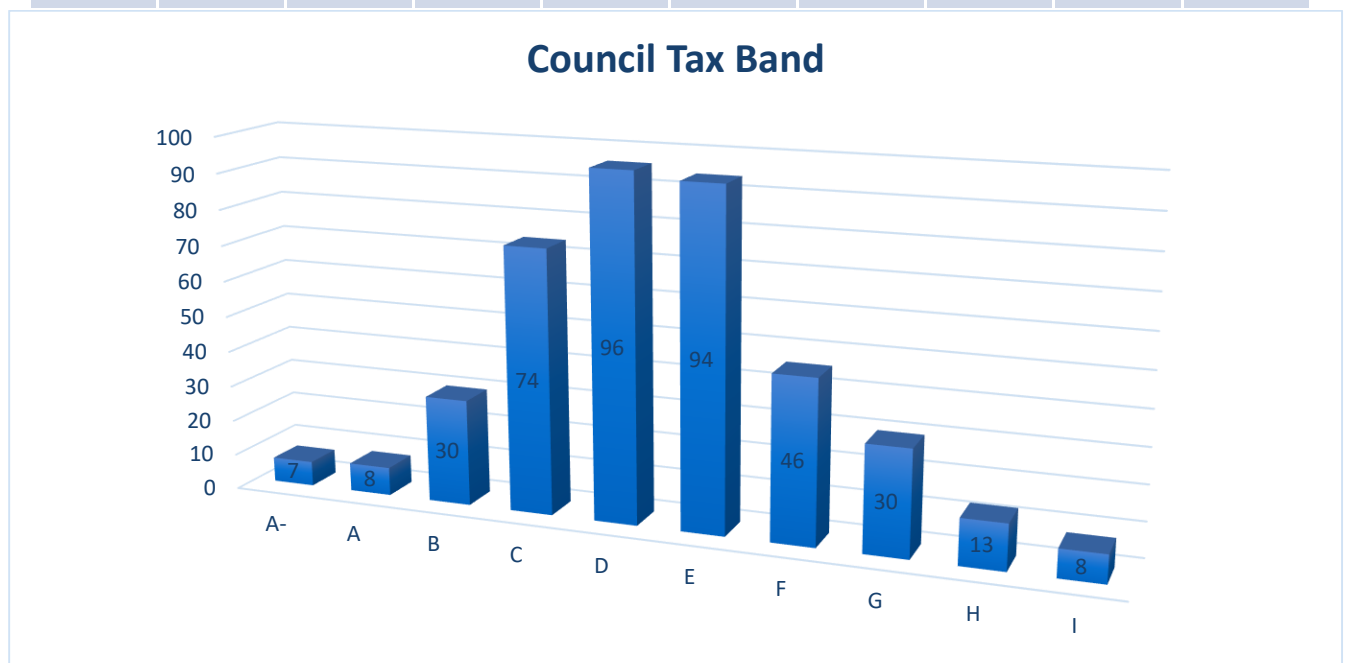


Council Tax Band

The majority of respondents were in either C, D or E council tax bands, this mirrors the overall Powys picture. Only a handful of respondents were at either end with seven people in Band A-, eight in Band A and eight in Band I.

Comparison - In Powys we have over 62,517 properties listed.

A-	A	B	C	D	E	F	G	H	I
7	8	30	74	96	94	46	30	13	8



Postcodes

383 respondents gave their postcode. The highest response rate was from people living in the LD1 area which covers homes in Llandrindod, Howey, Hundred House etc.

Brecon, Newtown, Builth and Ystradgynlais were next in terms of number of responses. The lowest responses were from Coelbren, Pont Nedd Fechan and Llanbrynmair where for each only one person had left their postcode details.

Some postcode areas saw no responses e.g. SY5 and NP7

HR3	LD1	LD2	LD3	LD4	LD5	LD6	LD7	LD8	SA9	SA10
13	74	28	52	4	6	9	8	6	23	1
SA11	NP8	SY10	SY15	SY16	SY17	SY18	SY19	SY20	SY21	SY22
1	10	4	14	48	7	20	1	13	23	18

Other

We also captured information on

Ethnicity - 394 Responses

White	Asian	Black	Gypsy Traveller	Mixed	Other	Other ethnic
394	2	1	3	6	7	1

Disability – 69 Responses

Hearing Loss	Physical Disability	Mental Health	Dexterity	Stamina	Visual	Learning Disability
13	11	9	9	8	7	3

Employment status – 94 Responses

Working	Retired	Sick / Disabled	Other	Volunteering
67	20	3	3	1



# Cyngor Sir Powys County Council

## Impact Assessment (IA)

*The integrated approach to support effective decision making*



**Please read the accompanying guidance before completing the form.**

This **Impact Assessment (IA)** toolkit, incorporates a range of legislative requirements that support effective decision making and ensure compliance with all relevant legislation. **Draft versions of the assessment should be watermarked as “Draft” and retained for completeness. However, only the final version will be made publicly available. Draft versions may be provided to regulators if appropriate. In line with Council policy IAs should be retained for 7 years.**

<b>Service Area</b>	Education	<b>Head of Service</b>	Lynette Lovell	<b>Director</b>	Chief Executive	<b>Portfolio Holder</b>	Cllr Phyl Davies
<b>Proposal</b>	To review the staffing structures across the school service to ensure effective provision for supporting schools and pupils. To review the provision for ALN ensuring a more effective service for all pupils.						
All budget holders in the school service will review the provision to support schools in the following: Implementation of the new curriculum Implementation of the vision for Powys learners. Provision for pupils with additional learning needs. Implementation of the post inspection action plan which includes raising standards in secondary schools, improving provision for ALN, improving self – evaluation processes and improving leadership, and transforming school organisation.							

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4b

1. Version Control (services should consider the impact assessment early in the development process and continually evaluate)

Version	Author	Job Title	Date
V1	Lynette Lovell	Chief education officer ( Interim)	10 <sup>th</sup> January

2. Profile of savings delivery (if applicable)

2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
£			£	£	£

3. Consultation requirements

Consultation Requirement	Consultation deadline/or justification for no consultation
Staff consultation required	Consultation will take place for any changes to posts that may occur as part of the review.

4. Impact on Other Service Areas

**Does the proposal have potential to impact on another service area? (Including implication for Health & Safety and Corporate Parenting)**  
**PLEASE ENSURE YOU INFORM / ENGAGE ANY AFFECTED SERVICE AREAS AT THE EARLIEST OPPORTUNITY**

Dependent on proposals brought forward after the review.

5. How does your proposal impact on the council's strategic vision?

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<b>Council Priority</b>	<b>How does the proposal impact on this priority?</b>	<b>IMPACT</b> Please select from drop down box below	<b>What will be done to better contribute to positive or mitigate any negative impacts?</b>	<b>IMPACT AFTER MITIGATION</b> Please select from drop down box below
<b>The Economy</b> We will develop a vibrant economy	N/A	Neutral		Neutral
<b>Health and Care</b> We will lead the way in effective, integrated rural health and care	N/A	Neutral		Neutral
<b>Learning and skills</b> We will strengthen learning and skills	The school service has recently been inspected by Estyn ( September 2019). Areas of significant concern were identified in the report including support for pupils with additional learning needs and standards in secondary schools. As a result, the support provided to schools needs to be improved to enable schools to deliver support more effectively. Therefore, the review of the school service needs to evaluate how to improve the support provided to schools. For example, support for behaviour.	Poor	Fully evaluate the impact of the staffing review so that any gaps in provision are identified. For example, the gaps in provision for ASD support throughout the county. This will ensure that provision is improved. Identification of better working practices through the transformation agenda. The service will seek to manage the risks in areas affected by any restructure.	Good
<b>Residents and Communities</b> We will support our residents and communities	N/A	Neutral		Neutral



Source of Outline Evidence to support judgements
Estyn report – September 2019

6. How does your proposal impact on the Welsh Government’s well-being goals?

Well-being Goal	How does proposal contribute to this goal?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
<b>A prosperous Wales:</b> An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.	N/A	Neutral		Neutral
<b>A resilient Wales:</b> A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).	N/A	Neutral		Neutral
<b>A healthier Wales:</b> A society in which people’s physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.	N/A	Neutral		Neutral
<b>A Wales of cohesive communities:</b> Attractive, viable, safe and well-connected Communities.	N/A	Neutral		Neutral

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# Cyngor Sir Powys County Council Impact Assessment (IA)

*The integrated approach to support effective decision making*



Well-being Goal	How does proposal contribute to this goal?	<b>IMPACT</b> Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	<b>IMPACT AFTER MITIGATION</b> Please select from drop down box below
<b>A globally responsible Wales:</b> A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.	N/A	Neutral		Neutral
<b>A Wales of vibrant culture and thriving Welsh language:</b> A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.				
<i>Opportunities for persons to use the Welsh language, and treating the Welsh language no less favourable than the English language</i>	N/A	Neutral		Neutral
<i>Opportunities to promote the Welsh language</i>	N/A	Neutral		Neutral
<i>Welsh Language impact on staff</i>	N/A	Neutral		Neutral
<i>People are encouraged to do sport, art and recreation.</i>	N/A	Neutral		Neutral
<b>A more equal Wales:</b> A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).				
<i>Age</i>	N/A	Neutral		Neutral
<i>Disability</i>	Improve provision for learners with disabilities.	Good		Neutral
<i>Gender reassignment</i>	N/A	Neutral		Neutral
<i>Marriage or civil partnership</i>	N/A	Neutral		Neutral
<i>Race</i>	N/A	Neutral		Neutral
<i>Religion or belief</i>	N/A	Neutral		Neutral
<i>Sex</i>	N/A	Neutral		Neutral
<i>Sexual Orientation</i>	N/A	Neutral		Neutral
<i>Pregnancy and Maternity</i>	N/A	Neutral		Neutral

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Source of Outline Evidence to support judgements
Estyn report – September 2019

7. How does your proposal impact on the council's other key guiding principles?

Principle	How does the proposal impact on this principle?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
<b>Sustainable Development Principle (5 ways of working)</b>				
<b>Long Term:</b> Looking to the long term so that we do not compromise the ability of future generations to meet their own needs.	N/A	Choose an item.		Choose an item.
<b>Collaboration:</b> Working with others in a collaborative way to find shared sustainable solutions.	Working with other service areas to provide support for schools. Eg Health, Youth services.	Good	Health service to provide support for mental health strategy. Youth service to provide support for behaviour in schools.	Good
<b>Involvement (including Communication and Engagement):</b> Involving a diversity of the population in the decisions that affect them.	Working effectively with the schools to ensure improved support for pupils.	Good	Engagement with schools in headteacher meetings, cluster engagement events.	Good
<b>Prevention:</b> Understanding the root causes of issues to prevent them from occurring.	N/A	Choose an item.		Choose an item.
<b>Integration:</b> Taking an integrated approach so that public bodies look at all the well-being goals in deciding on their well-being objectives.	N/A	Choose an item.		Choose an item.
<b>Preventing Poverty:</b> Prevention, including helping people into work and mitigating the impact of poverty.	N/A	Choose an item.		Choose an item.

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# Cyngor Sir Powys County Council

## Impact Assessment (IA)

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Principle	How does the proposal impact on this principle?	<b>IMPACT</b> Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	<b>IMPACT AFTER MITIGATION</b> Please select from drop down box below
<b>Unpaid Carers:</b> Ensuring that unpaid carers views are sought and taken into account	N/A	Choose an item.		Choose an item.
<b>Safeguarding:</b> Preventing and responding to abuse and neglect of children, young people and adults with health and social care needs who can't protect themselves.	N/A	Choose an item.		Choose an item.
<b>Impact on Powys County Council Workforce</b>	Removal of posts may reduce opportunities for career progression.	Neutral		Neutral

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### Source of Outline Evidence to support judgements

Estyn report on Powys County Council's education service and the subsequent action plan to underpin improvement.

8. What is the impact of this proposal on our communities?

Severity of Impact on Communities	Scale of impact	Overall Impact
Medium	Medium	Medium
Mitigation		
Post Inspection Action Plan.		

# Cyngor Sir Powys County Council

## Impact Assessment (IA)

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9. How likely are you to successfully implement the proposed change?

Impact on Service / Council	Risk to delivery of the proposal	Inherent Risk
High	High	High
<b>Mitigation</b>		
The scale of challenge presented by Estyn is significant and the need for rapid improvement agreed by all partners. Therefore all proposals need to be evaluated fully to ensure improvements are delivered at pace.		

Risk Identified	Inherent Risk Rating	Mitigation	Residual Risk Rating
Reduced capacity to deliver the post inspection action plan at the expected pace	High	Re-alignment of roles and responsibilities of these posts within other posts within the service	Medium
	Choose an item.		Choose an item.
	Choose an item.		Choose an item.
<b>Overall judgement (to be included in project risk register)</b>			
Very High Risk	High Risk	Medium Risk	Low Risk
	x		

10. Overall Summary and Judgement of this Impact Assessment?

Outline Assessment (to be inserted in cabinet report)	Cabinet Report Reference:

11. Is there additional evidence to support the Impact Assessment (IA)?

What additional evidence and data has informed the development of your proposal?
Estyn report and the subsequent PIAP.

12. On-going monitoring arrangements?

What arrangements will be put in place to monitor the impact over time?



**Cyngor Sir Powys County Council**  
**Impact Assessment (IA)**

*The integrated approach to support effective decision making*



Improvement and Assurance board.  
 Estyn  
 Transformation board.

**Please state when this Impact Assessment will be reviewed.**

Monthly.

13. Sign Off

Position	Name	Signature	Date
Impact Assessment Lead:	Lynette Lovell		
Head of Service:	Lynette Lovell		
Director:	Chief executive		
Portfolio Holder:	Cllr Phyl Davies		

14. Governance

Decision to be made by	Date required
Cabinet	

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**FORM ENDS**

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