

**MINUTES OF A MEETING OF THE CABINET HELD AT BY TEAMS ON TUESDAY,
16 JUNE 2020**

PRESENT

County Councillor M R Harris (Chair)

County Councillors MC Alexander, G Breeze, A W Davies, P Davies, J Evans,
H Hulme and R Powell

1.	APOLOGIES
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Apologies for absence were received from the Corporate Director (Children and Adults).

2.	DECLARATIONS OF INTEREST
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There were no declarations of interest reported.

3.	FINANCIAL OUTTURN FOR THE YEAR ENDED 31ST MARCH 2020
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Cabinet received the financial outturn report for the year ended 31st March 2020. The Portfolio Holder for Finance, Countryside and Transport reported that despite the additional pressures brought about by the Covid-19 pandemic the Council has completed the closure of its accounts and produced the year end management accounts.

The revenue outturn position for 2019/20 was an underspend of £1.46 million against the working budget, excluding Schools and the Housing Revenue Account. The figures included cost reductions delivered of £15.79 million, 73% of the £21.20 million target, compared with 58% delivered in the previous year.

In delivering the outturn position, consideration had been given to the balance between the use of capitalisation, maintaining a prudent level of reserves, and the subsequent demand on future year budgets. It was important that the council's reserves were protected given the given the inherent risks arising from COVID 19 and the significant challenge to balance the budget over the medium term. This approach had increased the overall level of useable reserves and maintained a general fund reserve at year end of £9.47 million representing 5.1% of total net revenue budget excluding Schools and the HRA, maintaining reserves in line with the Council's policy.

The response to the COVID 19 pandemic had some limited impact on the 2019/20 financial year. Welsh Government had provided Local Authorities with additional funding through the COVID 19 hardship fund, the first claim made for actual spend incurred in March was £33,698. Monthly claims would continue to be made to draw down funding to reimburse additional costs incurred.

The Council had incurred costs of £549,233 in managing the consequences of the February storms. These costs had been in part (£26,625) supported through

the Welsh Government Emergency Financial Assistance Scheme. The support was subject to a £517,909 threshold to be met by the Council together with capital costs that are incurred outside available grants. Costs above the threshold were funded by the scheme at 85% of the cost incurred. The majority of the claim costs related to Highways, although Schools had incurred some costs.

Cabinet was advised that part of the revenue surplus reported had been generated by an over recovery of pension contributions. It was proposed that a specific pension reserve be set up to manage any under/over recovery of pensions contributions on an annual basis. In 2019/20 the contributions collected through payroll, were in excess of the lump sum payment by £0.75 million. The reserve would support potential Pension Fund gaps that may arise over the next two years, through to the next actuarial valuation.

The Head of Finance noted that there were considerable variances within the budget plan. Going forward the Council could only ensure its financial resilience if there were consistent delivery of services within the agreed budget, successful delivery of planned cost reductions and the delivery of an accurately profiled capital programme. The budget for the new financial year was already under significant and unprecedented pressure due to the impact of the COVID 19 pandemic. The delivery of a surplus for 2019/20 and the increase in the level of reserves held would provide some added flexibility to the council's financial position. Reserves would be drawn upon only when all other options had been exhausted.

RESOLVED that Cabinet note the budget position.

RECOMMENDED to Council that the proposal to put in place a specific Pension Fund reserve of £750,000 is approved.

The Leader thanked the Head of Finance and her team for their work. The Portfolio Holder reminded businesses that the closing date for applications to the Welsh Government's business support grants was the end of June.

4. CAPITAL POSITION FOR THE YEAR ENDED 31ST MARCH 2020

Cabinet received the Capital report for the financial year ended 31st March 2020. The revised working budget for the 2019/20 Capital Programme, after accounting for approved virements, was £72.60 million. The original budget was £92.34 million and the decrease was due to the reprofiling of budgets resulting in the roll forward into future years, in particular 2020/21. The outturn for 2019/20 amounts to £62.36 million representing 86% of the total revised budget.

The report contained two virements:

Property, Planning and Public Protection

A budget increase of £0.07 million was required to fund the demolition of the former DSO yard and Archive at County Hall. This was as a result of cost increases on estimates for environmental reports, asbestos removal requirements as well as pre demolition works. The budget increase would be

funded from both the County Hall external works which was £0.03 million underspent with the balance funded from the corporate unallocated budget.

Adult Social Care

A budget increase of £0.30 million was requested to carry out urgent capital works at the Council owned Residential Care Homes. A business case was approved by EMT on the 20th May 2020. This would be financed from revenue funding set aside in 2019/20.

Cabinet noted the alignment of capital budgets to the Council's priorities to reduce revenue costs and deliver better services for residents.

RESOLVED

- 1. That the contents of this report are noted.**
- 2. That Cabinet approves the virements proposed in section 3 of the report noted above.**

5. 2019-20 QUARTER 4 PERFORMANCE MONITORING REPORT

Cabinet considered the performance report for the fourth quarter of 2019/20 which set out details of the top 20 Powys specific performance measures, top priorities and milestones in the Corporate Improvement Plan 2018-23, Public Accountability Measures and progress against the Strategic Equality Plan.

Overall performance during quarter 4 was below expected levels with 35% of the top 20 measures, 39% of the CIP measures, 35% of the Public Accountability Measures and 56% of the Strategic Equality Plan measures meeting their target. The report set out remedial actions for targets that had not been met.

The report also set out the council's response to the floods in February and to the Covid-19 pandemic. Towards the end of the quarter the council had invoked its corporate continuity business plan as a result of the pandemic which diverted all necessary resource to business critical activities.

The Cabinet was pleased that despite the pandemic, a lot of work remained on track and particularly welcomed work to deliver affordable homes at sites across the county was continuing. Local businesses were encouraged to work with the council on the development of affordable homes and were reminded that the Welsh Government's flood resilience grant scheme was still available for business that had been affected by flooding. Cabinet was lobbying Welsh Government on behalf of businesses. The Portfolio Holder for Adult Social Care and Welsh Language noted that the extra care projects the council were developing would provide older people with choice and quality residential placements and that the strong partnerships developed with the third sector and PTHB during the pandemic which would continue to deliver benefits. The Portfolio Holder for Young People and Culture reported that performance for Children's Services in May was the best ever. Staff were thanked for their efforts in keeping council services running during these unprecedented times.

RESOLVED

- 1. That Cabinet note the remedial actions set out in the report and allocate resources accordingly to ensure their effective implementation.**
- 2. That Portfolio Holders discuss any activities or measures with a red or amber status with the relevant Corporate Director and Head of Service to ensure actions are taken forward to bring performance back on track.**

6.	STRATEGIC RISK REGISTER REPORT QUARTER 4 2019/2020
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Cabinet considered the Strategic Risk Register report for the fourth quarter of 2019/20. During quarter 4, the following risk was identified and escalated to the Strategic Risk Register for monitoring by EMT:

- The impact to Powys residents, services and Council staff as a result of a COVID-19 (Coronavirus) epidemic.**

In order to effectively identify and manage risks relating specifically to the Covid-19 pandemic, a separate risk register was created to provide clarity and oversight for Gold and Silver Command. All services were asked to identify risks for their area and score inherent and residual impact using a new Matrix developed specifically for assessing Covid-19 related risks. Currently there were 62 risks recorded, four of the 62 risks were placed within the 'major' impact category with a probability of likely, and another two were placed within the 'catastrophic' impact category with a probability of likely. The register was monitored by Gold and Silver Command on a weekly basis.

RESOLVED

- 1. That Cabinet notes the current Strategic Risk Register and is satisfied with progress against mitigating actions for quarter 4.**
- 2. That Cabinet notes the following risk that has been escalated to the Strategic Risk Register:
The impact to Powys residents, services and Council staff as a result of a COVID-19 (Coronavirus) epidemic.**

County Councillor M R Harris (Chair)