

Governance and Audit Committee

Meeting Venue
Teams Live

Meeting Date
Wednesday, 29 September 2021

Meeting Time
2.00 pm

For further information please contact
Lisa Richards
01597 826371
lisa.richards@powys.gov.uk



County Hall
Llandrindod Wells
Powys
LD1 5LG

23 September 2021

Mae croeso i chi siarad yn Gymraeg neu yn Saesneg yn y cyfarfod.
Rhowch wybod pa iaith rydych am ei defnyddio erbyn hanner dydd, ddau ddiwrnod
gwaith cyn y cyfarfod.
You are welcome to speak Welsh or English in the meeting.
Please inform us of which language you wish to use by noon, two working days
before the meeting.

AGENDA

1.	APOLOGIES
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To receive apologies for absence.

2.	DECLARATIONS OF INTEREST
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To receive declarations of interest from Members.

3.	MINUTES
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To authorise the Chair to sign the minutes of the previous meeting.
(Pages 3 - 8)

4.	STATEMENT OF ACCOUNTS 2020/21
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To consider the report of the Head of Finance.
(Pages 9 - 240)

5.	WORK PROGRAMME
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To consider the forward work programme and whether any additional items should
be included.
(Pages 241 - 242)

MINUTES OF A MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE HELD AT TEAMS LIVE ON MONDAY, 13 SEPTEMBER 2021

PRESENT

County Councillors JG Morris (Chair), G Breeze, M J Jones, DW Meredith, WD Powell, D A Thomas, T J Van-Rees, A Williams and R Williams and Mr J Brautigam

Cabinet Portfolio Holders In Attendance: County Councillors A W Davies and R Powell

Officers: Jane Thomas, Head of Finance, Jan Coles, Head of Children's Services, Nigel Brinn, Corporate Director, Economy and Environment, Emma Palmer, Head of Transformation and Communication and Wyn Richards, Head of Democratic Services

Other Officers In Attendance: Ian Halstead and David Hill, SWAP and Phil Pugh, Audit Wales

1. APOLOGIES

Apologies for absence were received from County Councillors M Barnes, R G Thomas and J M Williams

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

The Chair was authorised to sign the minutes of the previous meeting, held on 30 July 2021, as a correct record subject to County Councillor G Breeze being included as present.

Arising thereon:

WCCIS

The update prepared for the Chief Executive had not yet been circulated. An update would be requested.

HOWPS

The Chair had not yet spoken to the Chair of the Economy, Residents and Communities Committee

4. INTERNAL AUDIT REPORT - CHILDREN'S BUDGET MANAGEMENT
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Documents:

- SWAP Final Report – Children's Services Budget Management

Discussion:

- The audit had commenced before the pandemic, was subsequently put on hold but completed in 2021
- The Assistant Director, SWAP informed the Committee that nine recommendations to tighten up financial controls had been suggested. In the past there had been a mismatch between available resources and required resources but in 2020/21 an underspend had been recorded. Whilst this was positive there were concerns that this was a misleading picture which had been affected by the pandemic and Welsh Government Grants and end of year housekeeping. The Assistant Director was of the opinion that the Committee needed more assurance that the Children's Service budget was being managed effectively.
- A general improvement in budget setting was acknowledged
- Effective impact assessments were in place
- No specific budget had been set aside for agency staff and therefore this was not being corporately monitored
- Budget management maintenance was key to enable commitments to be managed and ensure that an accurate position could be given at any point in time
- The budget gap was closing albeit slowly although a surplus had been generated in 2020/21 due in part to additional grant funding arising from the pandemic and housekeeping undertaken late in the year
- Budget pressures are now embedded into the baseline budget
- Work has restarted on improving process to ensure effective housekeeping
- The audit identified that there was a lack of mitigating action in addressing projected overspends identified in reports being submitted to Cabinet
- There was a lack of consistency in budget monitoring making it difficult for the Cabinet and Scrutiny to monitor assurance
- A questionnaire showed conflicting opinions but demonstrated some awareness of the issues
- A reasonable assurance had been given with 6 priority 2 recommendations and 3 priority 3 recommendations. Whilst it was generally a positive report, further assurance was needed.
- The Chair noted that the audit had been conducted at a difficult time for the authority and the service. The Committee was seeking assurance that budget management was sound. All services must be financially efficient and show good governance.
- The Vice Chair noted the difficulties that the service had faced. The current Chief Executive, Director, Heads of Service and Head of Finance were all relatively new to their posts. For some time, the service had lacked strategic direction and a large deficit had been reported in 2018/19. This deficit had reduced to £4M in 2019/20 followed by an underspend in the last financial year.
- The Committee asked who was responsible for budget management within the service. The Head of Service responded that she had that responsibility.
- The issue of housekeeping was causing some concern as last minute changes may not have led to a favourable outcome on the budget. The Head of Service informed the Committee that the pandemic had exposed strengths and weaknesses in both operations and administration. The pressures were clear, and the service was, with the support of business partners, effectively managing those pressures. However, work to

improve housekeeping issues has been delayed. Staff are equipped to manage budgets. An action plan has been put in place to rectify some systems. The service deals with very complex cases and this can lead to uncertainty in budgets. Good partnership working exists. The Finance Business Partner attends management meetings. Social Workers are not finance experts and rely on the Finance Business Partner. Budget holders have had training to ensure they are effective.

- The questionnaire highlighted that 25% of officers did not know what the Council's Financial Regulations were, understand virements or know the status of the current budget. It was noted that there had only been a limited response to the questionnaire and a full picture may not be represented. The Committee remained concerned and noted that there was insufficient evidence to show that training has been embedded within the service.
- There was further concern that a deficit position may be considered to be acceptable. The Head of Service did not recognise that position in the current service but acknowledged it may have been historically.
- The Portfolio Holder was confident the culture in the service had changed and did not recognise some of the statements in the report. She acknowledged that more work needed to be done but that the service would always carry risk.
- The Portfolio Holder for Finance noted that the report was relatively positive and welcomed the commitment of the Head of Service and Portfolio Holder for Young People and Culture. He questioned some of the language used in the report and highlighted the potential volatility of the service.
- The Committee acknowledged the need for the Service to react and believed that children were safer in Powys now than had been the case. The budget had increased by 100% over a relatively short time. The Committee questioned whether there was benchmarking across other authorities in Wales in order to enable comparators to be available.
- SWAP noted that measuring performance was key in managing any service but that this had been outside the scope of the report. Information would be valuable but he expected that diligence would be undertaken by the service as a matter of course.
- The Portfolio Holder for Young People noted that comparators would be valuable but there were too many variables across different authorities – for example Families First was included within Children's Services in Powys but was in Education or Communities services in other authorities
- Accuracy of data is key, and the corporate insight centre has dramatically improved the information available
- Investment in early care and prevention is seeing cost reductions in expensive placements. The numbers of children coming into care have been limited due to the introduction of these services. The service remains 'needs led' and will always endeavour to deliver best value. Both qualitative and quantitative measures must be assessed.
- The Committee sought assurance that a full range of strategies was being used to drive down the long-term use of agency staff. The Head of Service indicated that this was a key priority. There had been a significant reduction in reliance on agency social workers, but the pandemic had badly affected the service. It is currently challenging to recruit both permanent and agency social workers. This is a similar problem across

other authorities. The Portfolio Holder for Younger People highlighted the need for the value of the social worker role to be appreciated.

- The service is currently predicting a £1.2 M overspend at year end which is almost entirely based on two placements. There are ongoing shortages of placements but this is being addressed
- The Chair suggested that the scrutiny committee should monitor savings accruing from early intervention and prevention measures
- Based on concerns raised regarding assurance the Committee suggest that the Health and Care Scrutiny Committee should consider the budget management report and monitor the implementation of the action plan to ensure that the Service is working within budget.
- The Head of Finance advised that it was more important than ever to understand the financial position at any given time during times of crisis

Outcomes:

- **The report and comments from the Governance and Audit Committee be referred to the Health and Care Scrutiny Committee for consideration and monitoring**

5.	CAPITAL PROGRAMME GOVERNANCE AND ASSURANCE
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The Head of Finance updated the Committee on work being undertaken to provide governance and assurance around the capital programme.

- A peer review of the cost plan of one project is being undertaken
- The Education Service is developing a Programme Finance Management Plan which sets out the approach to financial management on the 21st Century Schools programme, and the various roles and responsibilities etc
- A review is being undertaken of the Council's 21st Century Schools Programme through the Welsh Government Gateway Assurance Process: Gate 0 Programme Strategic Assessment this will be undertaken through October.
- These pieces of work will provide the Committee with greater visibility of the Governance arrangements in place and will enable them to assess their effectiveness.

6.	GOVERNANCE AND AUDIT COMMITTEE - CONSTITUTION
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Documents:

- Report of the Chair of Governance and Audit Committee, Head of Finance and Head of Legal, Scrutiny and Democratic Services

Discussion:

- The Local Government and Elections (Wales) Act will lead to one third of the membership of the Governance and Audit Committee being lay members with one of those lay members chairing the committee
- County Council will be asked to approve proposals on 23 September 2021
- A number of options had been considered with the preferred option being 9 members, 6 county councillors and 3 lay members

- The Chair of the Committee was concerned regarding continuity of work and suggested adding a third recommendation to the report to ensure the three lay members were appointed before January 2022 to enable training and transition arrangements to be put in place.
- Members asked for a breakdown of the political make up of the Committee – this would of course depend on the political arrangements following the election, but, under current arrangements this would be 2 Independent members, 1 Conservative, 1 Liberal Democrat, 1 Labour and 1 Action for Powys

Outcomes:

- **An additional recommendation be included to ensure the lay members are appointed before January 2022 to enable training and transition to take place**

7.	WORK PROGRAMME
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Documents:

- Work Programme

Discussion:

- Several Internal Audit Reports were due to be considered at today's meeting but had been deferred. The proposed timescales were as follows:
 - Y Gaer – special meeting to consider in early October (subsequently arranged for 8 October 2021)
 - Ysgol Calon Cymru – late October
 - Covid Business Grants – late October
 - Highways – end of 2021

8.	EXEMPT ITEMS
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RESOLVED to exclude the public for the following item of business on the grounds that there would be disclosure to them of exempt information under category 1 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).

9.	GENERAL CENTRE FOR RAIL EXCELLENCE (GCRE)
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The Corporate Director Economy and Environment provided an update on the Project to the Committee.

County Councillor JG Morris (Chair)

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CYNGOR SIR POWYS COUNTY COUNCIL**GOVERNANCE AND AUDIT COMMITTEE****29th September 2021****REPORT AUTHOR: Jane Thomas, Head of Financial Services****SUBJECT: Statement of Accounts and Pension Fund Accounts
2020/21**

REPORT FOR: Information

- 1.1 The draft Statement of Accounts for 2020/21 were signed off by the Head of Finance (Section 151 Officer) on 21 June 2021 as required by Accounts and Audit (Wales) Regulations 2014 (as amended).
- 1.2 The impact of the pandemic has once again meant Welsh Government made provision for a potential delay in completing the accounts, extending the date for the preparation and certification of draft accounts to the 31 August 2021 with the publication of final audited accounts extended to the 30 November 2021 for all local government bodies in Wales. Each authority was advised that by including a note on the Authority website to say why they have not been prepared or published within existing deadlines then the Authority is complying with legislation. The Accounts and Audit (Wales) Regulations 2014 (as amended), stipulate timescales of 31 May for responsible financial officer certification and 31 July for publication. As advised the Authority placed a notice on its website prior to 31 July 2021.
- 1.3 The Pension Fund Accounts are not being considered at this meeting as the audit has yet to be completed and a date for Audit Committee approval will be scheduled prior to 30 November 2021.
- 1.4 The Auditor General intends to issue an unqualified opinion on the 2020/21 Accounts of the Authority following the Committees consideration and approval, The Head of Finance (Section 151 Officer) and the Chair of Governance and Audit Committee will sign the Statement of Accounts. Arrangements will then be made to publish these accounts.
- 1.5 As part of its role in scrutinising the Council's Statement of Accounts, Governance and Audit Committee has participated in two Audit seminars. One on 23 July 2021, where they received a presentation on the draft accounts submitted to Audit Wales and another held on the 21 September 2021 which presented the main changes made since the draft and reviewed the items and issues raised during the audit period. Members of the Committee used this opportunity to review and question the amendments, enabling them to fully understand the reasons for the changes and any impact they have on the accounts.

- 1.6 There is one misstatement identified in the audited accounts that remains uncorrected. It concerns a £694m Welsh Government short term debtor in respect of the Welshpool CIW school building project part financed by the 21st Century Schools Project. Management is of the view that the funding will be received and debtor is valid.
- 1.7 All other misstatements have been corrected and these are recorded in Appendix 3 of the Auditor General's Report.
- 1.8 The Auditor General's report includes emphasis of matter paragraphs relating to the uncertainty on valuations of operational property assets, investment properties and surplus assets. This reflects the unknown future impact that Covid 19 might have on the real estate market at the valuation date.
- 1.9 The Accounts were made available for Public Inspection and the Auditors made themselves available for questions on the Accounts, the opportunity was not taken up by anyone this year.
- 1.10 The Project approach used in 2020/21 will continue in 2021/22, the project outline, timetable and actions will be put in place shortly and will incorporate any issues encountered this year alongside any recommendations identified in the forthcoming Audit Wales accounts memorandum report.
- 1.11 The Statement of Accounts and Annual Governance Statement are presented as separate documents and approval will be sought for each.

Recommendation:	Reason for Recommendation:
<p>The Governance and Audit Committee considers and approves the 2020-21 Statement of Accounts. Which can be formally signed by Chair of the Committee and the Section 151 Officer.</p> <p>The Statement of Accounts be published as soon as possible but certainly by the 30 November 2021.</p> <p>That Governance and Audit Committee considers and approves the 2020-21 Annual Governance Statement. Which can be formally signed by The Leader of the Council and the Chief Executive.</p> <p>The Annual Governance Statement be published as soon as possible but certainly by the 30 November 2021.</p>	<p>To ensure compliance with the Statutory Requirements.</p>

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Jane Thomas
Head of Financial Services/
Pennaeth Gwasanaethau Ariannol

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Your ref / Eich cyf:
Our ref / Ein cyf:
Date / Dyddiad: 29th September 2021

Representations regarding the 2020-21 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Powys County Council for the year ended 31 March 2021 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21; in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- Our knowledge of fraud or suspected fraud that we are aware of and that affects Powys County Council and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

- All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.
- The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.
- All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.
- The financial statements are free of material misstatements, including omissions. The effect of the uncorrected misstatement identified during the audit is immaterial to the financial statements taken as a whole. There is one item that remains uncorrected which relates to Note 16 'Short Term Debtors'. A summary is set out below:
 - A £694k Welsh Government (WG) debtor, which relates to the new primary school Welshpool constructed as part of the 21st Century Schools Programme. This is funded 50% WG and 50% Powys County Council. This scheme was impacted by the collapse of Dawnus which has increased the costs above the original agreed funding envelope. Officials from WG are aware of this increase and a variation form has been submitted to WG to drawdown the remaining funding. There is sufficient funding within the overall agreed 21st Century School Programme to fund this increase. We believe this is a valid debt, but currently await confirmation of this to confirm the validity of the debt. It is for this reason that we have not amended this item.

Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for ensuring that Powys County Council maintains adequate accounting records.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Governance and Audit Committee on 29 September 2021.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Head of Finance

Chair of Governance and Audit Committee

Date: 29 September 2021

Date: 29 September 2021

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Audit of Accounts Report – Powys County Council

Audit year: 2020-21

Date issued: September 2021

Document reference: 2597A2021-22

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Contents

We intend to issue an unqualified audit report on your Accounts. There are some issues to report to you prior to their approval.

Audit of Accounts Report

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Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2020-21 statement of accounts in this report.
- 2 We have already discussed these issues with the Head of Finance and the Financial Reporting and Policy Accountant.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £5.1 million for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
 - Senior Officers Emoluments £1,000
 - Related Party transactions and balances £10,000
- 6 We have now substantially completed this year's audit work.
- 7 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.
- 8 However, in our Audit Plan dated May 2021, we brought to your attention two potential conflicts of interest. The first matter relates to a member of my financial audit team who holds a voluntary role as Treasurer of a charity which has a contract to provide a service within Adult Social Care. The second matter relates to another member of my financial audit team whose husband is employed by Powys Teaching Health Board and who is also a governor of a secondary school in Powys. I can confirm that planned safeguards have operated as intended in respect of both these matters. I can also confirm that, all other members of my team are independent of the Council and your officers.

Impact of COVID-19 on this year’s audit

- 9 The COVID-19 pandemic has had a significant impact on all aspects of our society and continues to do so. You are required by law to prepare accounts and it is of considerable testament to the commitment of your accounts team that you have succeeded in doing so this year in the face of the ongoing challenges posed by the pandemic. We are extremely grateful to the professionalism of the team in supporting us to complete our audit in such difficult circumstances.
- 10 The pandemic has unsurprisingly affected our audit and we summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year’s audit process.

Exhibit 1 – impact of COVID-19 on this year’s audit

<p>Timetable</p>	<p>Given the continuing impact of COVID-19, the Welsh Government provided flexibility in terms of both the accounts preparation deadlines and the audit deadlines.</p> <ul style="list-style-type: none"> • The timescale for completing your accounts was revised by the Welsh Government from 31 May 2021 to 31 August 2021. • We received the draft accounts on 21 June 2021. • Our deadline for completing our audit was extended by the Welsh Government from 31 July to 30 November 2021. • We expect your audit report to be signed on 30 September 2021. <p>As stated previously, officers should be commended for the timely completion of the draft financial statements.</p>
<p>Electronic signatures</p>	<p>The Head of Finance provided an electronic signature, along with a supporting e-mail to confirm that she had certified the statement of accounts. We will continue to accept the use of electronic signatures and electronic transfer of files during the approval and signing process.</p>

<p>Audit evidence</p>	<p>As in previous years, we received the majority of audit evidence in electronic format. We have used various techniques to ensure its validity. Where we have been unable to obtain access to paper documents because of COVID-19 restrictions, we have devised alternative audit methodologies to obtain sufficient audit evidence. Specifically:</p> <ul style="list-style-type: none"> • officers provided electronic working papers as agreed with our team; • officers provided audit evidence via e-mail or the secure 'Sharepoint' folder which was accessible to Audit Wales staff remotely; • officers were available through Microsoft Teams for video conference meetings, and to share on-screen information/evidence; and • Audit Wales also secured remote read-only access to the Council's ledger system which enabled the audit team to view evidence (eg invoices issued/paid) and hence reduce the burden on officers to provide this information. <p>The practical implications of lockdown, together with the additional workload pressures on your staff created by the overriding need to respond to the pandemic, meant that whilst the majority of our audit work was completed in a timely manner, delays were experienced in receiving some audit evidence and responses to a number of audit queries.</p> <p>We acknowledge that some delays were to be expected as a result of the ongoing exceptional circumstances. However, some of the delays could have been significantly reduced or avoided if the required information had been produced in line with the Council's closedown plan (eg completion of members register of interest returns) or if better audit trails had existed to support the nature of the accounting entries (eg Pooled Budget disclosures, year-end debtor balances and related parties).</p> <p>Despite this, the audit is due to be completed well within the Welsh Government's revised deadline of 30 November.</p>
<p>Other</p>	<ul style="list-style-type: none"> • Video conferencing has enabled the audit team to correspond effectively with officers throughout the audit. • Video-conference-based Governance and Audit Committee meetings have enabled us to proficiently discharge our responsibility for reporting to those charged with governance.

- 11 We will be reviewing what we have learned for our audit process from the COVID-19 pandemic and whether there are innovative practices that we might adopt in the future to enhance that process.

Proposed audit opinion

- 12 We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 13 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 14 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 15 Our proposed audit report is set out in **Appendix 2**.
- 16 Whilst our audit opinion is unqualified, we have included an Emphasis of Matter paragraph as per ISA (UK 706 within our Auditor's Report. This is in relation to the material uncertainty expressed by your external valuer relating to 20% of the Council's Operational Land and Buildings and all of the Council's Investment Properties and Surplus Land and Buildings.
- 17 Further information is provided in **Exhibit 2** below.

Significant issues arising from the audit

Uncorrected misstatements

- 18 There is one misstatement identified in the accounts, which remains uncorrected. We set out below details of this misstatement, which relates to an uncorrected misstatement we reported within our 2019-20 Audit of Accounts Report. This matter have been discussed with management.
- 19 The 2019-20 financial statements included a short-term debtor totalling £1.214 million which, at the time, the Council believed was a valid debt. Our 2019-20 Audit of Financial Statements Report highlighted that despite the Council's view, it had been unable to provide us with any evidence to support the validity of the debt. As such we reported this as an uncorrected error in respect of the 2019-20 financial statements.
- 20 Our 2020-21 audit work identified that this debtor remained unpaid but subsequently, the Council has reduced the value of the debt from £1,214,000 to £694,000. The Council is still unable to provide any information to support that the debtor acknowledges the debt and that payment will as a result be forthcoming.

Corrected misstatements

21 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 3**. It is pleasing to note that the number of errors identified was less than in 2019-20.

Other significant issues arising from the audit

22 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were some issues arising in these areas this year as shown in **Exhibit 2**.

Exhibit 2 – significant issues arising from the audit

Material uncertainty in relation to the revaluation of certain categories of assets	<p>The Authority's valuer valued 20% of the portfolio of Operational Land and Buildings and all of its Investment Properties and Surplus Assets as at 1 April 2020 providing a value of £98 million.</p> <p>The valuers included a material uncertainty clause in their report due to the pandemic impacting on property markets and activity in many sectors.</p>	<p>As required by the Code of Practice, the Authority has referred to this material uncertainty in Note 4 of the Statement of Accounts. I have drawn attention to this in my audit report by way of an Emphasis of Matter paragraph. My opinion is not modified in respect of this matter.</p>
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<p>The majority of annual declarations of members' interests had not been completed when we commenced our audit in June 2021</p>	<p>Members are required to update their interests within 28 days of any changes. The Council also undertakes a review on a regular basis, asking members to submit a return to the Council's Democratic Services Department. These returns are used as a basis of updating the related parties disclosures within the draft financial statements.</p> <p>At the commencement of our audit, some declarations appeared not to have been updated. As a result, confirmation of interests were requested from all members</p>	<p>As a result of the number of outstanding returns, our audit of this aspect of the draft accounts has been significantly delayed. This has also led to a number of late amendments being required to the Related Party disclosures as highlighted in Appendix 3.</p>
<p>Global Centre for Rail Excellence (GCRE)</p>	<p>Prior to the conclusion of our audit, the authority informed us that it had agreed with the Welsh Government that the timeline for the longstop investment completion date had been revised to 30 September 2022.</p>	<p>As a result, an additional Post Balance Sheet Even disclosure has been included within the financial statements.</p> <p>Consequently, the Council has additional time to progress to the full business case position or return the funding without penalty to the Welsh Government.</p>

Appendix 1

Final Letter of Representation

[Audited body's letterhead]

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

29 September 2021

Representations regarding the 2020-21 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Powys County Council for the year ended 31 March 2021 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21, in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- our knowledge of fraud or suspected fraud that we are aware of and that affects Powys County Council and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

- All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.
- The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.
- All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.
- The financial statements are free of material misstatements, including omissions. The effect of the uncorrected misstatement identified during the audit is immaterial to the financial statements taken as a whole. There is one item that remains

uncorrected which relates to Note 16 'Short Term Debtors'. A summary is set out below:

- A £694k Welsh Government (WG) debtor, which relates to the new primary school Welshpool constructed as part of the 21st Century Schools Programme. This is funded 50% WG and 50% Powys County Council. This scheme was impacted by the collapse of Dawnus which has increased the costs above the original agreed funding envelope. Officials from WG are aware of this increase and a variation form has been submitted to WG to drawdown the remaining funding. There is sufficient funding within the overall agreed 21st Century School Programme to fund this increase. We believe this is a valid debt, but currently await confirmation of this to confirm the validity of the debt. It is for this reason that we have not amended this item

Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for ensuring that Powys County Council maintains adequate accounting records.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Governance and Audit Committee on 29 September 2021.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Head of Finance

Date: 29 September 2021

Signed by:

Chair of Governance and Audit
Committee

Date: 29 September 2021

Appendix 2

Proposed Audit Report

The independent auditor's report of the Auditor General for Wales to the members of Powys County Council

Report on the audit of the financial statements

Opinion on the financial statements

I have audited the financial statements of Powys County Council for the year ended 31 March 2021 under the Public Audit (Wales) Act 2004.

Powys County Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Movement on the Housing Revenue Account Statement and the Housing Revenue Account Income and Expenditure Statement and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21.

In my opinion the financial statements:

- give a true and fair view of the financial position of Powys County Council as at 31 March 2021 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 4 'Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty' of the financial statements, which describes the material valuation uncertainty in respect of the revaluation of 20% of the authority's Operational Assets, and all Investment Properties and Surplus Assets. My opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The responsible financial officer is responsible for the other information in the statement of accounts. The other information comprises the information included in the Narrative Report and Annual Governance Statement. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated later in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and

the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21; and

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

- I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:
 - adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
 - the financial statements are not in agreement with the accounting records and returns; or
 - I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK)

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management and those charged with governance, relating to Powys County Council's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals.
- obtaining an understanding of Powys County Council's framework of authority as well as other legal and regulatory frameworks that Powys County Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Powys County Council

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance, the Cabinet and Council; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Powys County Council's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Powys County Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
30 September 2021

24 Cathedral Road
Cardiff
CF11 9LJ

Appendix 3

Summary of Corrections Made

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. None of the corrections have impacted on the Net Cost of Services figure in the Comprehensive Income and Expenditure Statement or the amount of reserves held at the year-end.

Exhibit 3: summary of corrections made

Value of correction	Nature of correction	Reason for correction
N/A	Added Note 43 Post Balance Sheet Events.	Narrative note added to set out the change to the Global Centre for Rail Excellence Repayable Grant offer letter after the financial year-end and also the triggering of the break clause in the contract in respect of the Heart of Wales Property Services Joint Venture in June 2021.
£3.0 million	Short Term Investments increased and Cash and Cash Equivalents decreased.	To account for the whole £33 million of funding received in relation to the loan from the Welsh Government in respect of the Global Centre for Rail Excellence (GCRE) within Short Term Investments. The draft financial statements initially recorded £30 million as Short Term Investments and £3 million within cash and cash equivalents.

Value of correction	Nature of correction	Reason for correction
Various	Note 31 Senior Officer Emoluments corrected.	To record changes made to the Senior Leadership Team in year, which were not reflected in the Draft Statement of Accounts. In addition, benefits in kind were added as these were not available at the time the Draft Accounts were prepared.
£7.2 million	Note 35: Related parties disclosure note for members who also have interests with Mid & West Fire and Rescue Services (M&WWFRS) and Brecon Beacons National Park Authority (BBNPA) increased.	Note 35 originally excluded the precepts for M&WWFRS and BBNPA.
£48.4 million	Note 15 Fair value of loans increased	Note 15 amended to include figures provided in the independent valuation report which were incorrectly recorded in the draft statement of accounts.
£15.4 million	Long Term Creditors decreased and Short Term Creditors increased.	The classification between long-term and short-term creditors in relation to the Section 106 agreement for the Nant Helen site has been updated based on the current anticipated repayment schedule.

Value of correction	Nature of correction	Reason for correction
£2.1 million	Note 15 Financial Liabilities. The overall carrying value of financial liabilities has reduced.	Note 15 amended to be consistent with the Balance Sheet values.
£2.1 million	Footnote added to Note 17 Cash at Bank.	A footnote has been added to disclose the balance of third-party monies held by the Authority held under Appointeeship arrangements, as required by the Code of Practice.
£1.4 million	Long Term Borrowings decreased, and Creditors increased.	The Authority had received a Town Centre Loan under the Vibrant and Viable Places Scheme for which the Authority acts as agent for the Welsh Government. However, the loan was not awarded until June 2021, and therefore this was removed from the Authority's borrowing balances at the year-end with the resultant increase in the agency loans creditor balance.
Various	Additional/amended disclosures in Note 35 Related Parties.	To update disclosures relating to the related parties of Members, following the receipt of updated declarations of members' interests and to correct other errors in this note.

Value of correction	Nature of correction	Reason for correction
Various	Amendments to the Narrative Report.	A number of amendments have been made to the Narrative Report to ensure that it is consistent with the Financial Statements.
Various	Amendments to various Notes.	A number of amendments were made to the Notes to the Financial Statements to correct casting and ensure consistency.



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.



Statement of Accounts 2020/21



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Narrative Report

Introduction

The Statement of Accounts 2020/21 provide details of the Council's financial position for the year ended 31 March 2021. The information presented on pages 1 to 124 is in accordance with the requirements of the 2020/21 Code of Practice on Local Authority Accounting in the United Kingdom (the Code) based on International Financial Reporting Standards (IFRSs), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The Statement of Accounts consist of:

- The **Movement in Reserves Statement** which shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves;
- The **Expenditure and Funding Analysis** shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by the Council in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates/services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.
- The **Comprehensive Income and Expenditure Statement** which shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from council tax. The council tax position is shown in the Movement in Reserves Statement;
- The **Balance Sheet** which sets out the financial position of the Council at 31 March 2021.
- The **Cash Flow Statement** which shows the changes in cash and cash equivalents of the Council during the financial year;
- The **Notes to the Core Financial Statements** which provide further information to the Core Financial Statements;
- The **Housing Revenue Account (HRA)** and notes which show in more detail the income and expenditure on HRA services included in the Comprehensive Income and Expenditure Account;

Exceptional Circumstances

The pandemic has had an enormous impact on the Council and its financial position. Not only in terms of the costs to respond to COVID-19, but also on many of our revenue streams that help provide the funding we need to fund vital front-line services.

The Council's response to the pandemic saw us move away from business as usual to focus on business-critical activities and the implementation of specific plans in response to the emerging situation. We reacted quickly to demands to support the local economy and address the significant pressures on key council services to maintain delivery particularly for Adult Social Care and Homelessness. The majority of our schools were closed for weeks at a time, but we maintained key Hubs to provide care for the children of key workers who are delivering frontline services and vulnerable children.

The situation impacted on all service areas, increased demands on some, with the suspension and the paring back of others. Many staff were redeployed from their usual duties and were able to offer front line support in social care and Track and Trace, alongside this we had great support from a cohort of volunteers. 174 staff were furloughed at certain points in the year, claims totalling £866,683 were made from the Governments' Job Retention Scheme.

There have and continue to be cost pressures arising from the pandemic, but these have had minimal impact on the financial outturn due to the support from Welsh Government which provided additional funding through the COVID-19 Hardship Fund to meet the additional costs incurred, including PPE, free school meals, homelessness, temporary mortuary costs and other additional costs including supporting our most vulnerable adults and children.

The Council's finances were further impacted, especially in the first few months with substantial reductions in income across many services. These include parking, commercial waste, licensing fees, registrars and planning fees. Traded services such as school meals, leisure services and childcare provision ceased for many months to comply with the restrictions imposed and collection rates for Council Tax and Business Rate dipped significantly early in the year, although recovered well towards year end, with only small gaps against the plan. In addition Welsh Government has provided unhypothecated funding to support the council summarised in the table below.

Welsh Government COVID-19 Support	£'000
Hardship Fund – Cost	14,502
Hardship Fund – Income	3,494
Track and Trace	1,632
Council Tax Reduction Scheme	629
Council Tax Collection	621
Undelivered Savings	1,093
Digital Services	1,093
Job Retention	863
COVID-19 Bus Emergency Scheme	561
Other	2,218
Total	26,706

STATEMENT OF ACCOUNTS

The council has been administering 9 grant schemes to support various business sectors through the COVID-19 crisis, acting as an agent on behalf of Welsh Government.

Welsh Government COVID-19 Support	Amount provided £'000	Number of Organisations Supported
Business grants	84,358	10,302
Business rates relief	11,442	1,375
Care payments £500 - External	1,830	3,431
Care payments £500 - Powys County Council	205	309
Total	97,835	15,417

The Council agreed to pay its suppliers as promptly as possible to support their cash flow, an average of 91% were paid on time through the year.

The virus is still with us and challenges remain. In response the Council has made provision to increase its reserves at year end to add some resilience by way of a specific COVID-19 Recovery Fund of £1.8m, this fund will support Communities and Council Services and be drawn down over the next 2 years. The reserve will be used flexibly across both categories.

The Council reviews and refreshes its Medium Term Financial Strategy as part of an annual cycle. Our Vision 2025 activities have changed and were adopted in March 2021 in recognition of the impact of the pandemic and the Council's revised strategic objectives.

Planning over the medium term is difficult with heightened levels of uncertainty, not only in respect of settlement funding levels but also the continued impact on our own income streams for Council tax and fees and charges, will these recover to normal levels post pandemic or will the impact continue into future years. The economic impact of the pandemic is also likely to have wider repercussions for people's ability to pay for services.

Given the breadth and depth of the impact of the pandemic to date, alongside the uncertainty surrounding its future course, the Council will continue to face difficult choices for year to come.

To ensure our future sustainability robust medium term financial planning is crucial.

Understanding the Impact of COVID-19 in Powys

'on a page'
April 2021

In order to consider how Powys may look in the future, it is necessary to clearly see the current situation, what has changed or stayed the same and what this might mean for the County **over the short (6 months), medium (1 year) and long term (5 years).**



Economy



Business Support - The Council have paid **10,302** businesses so far across **8 schemes**. A total value of **£85m**



Employment trends - As at 31 January 2021 there were **7,100** total employments furloughed, **14%** of the eligible amount. From March to January 2021 claimant count increased by **127% (1,815 persons)**



Impact on key sectors - **Accommodation & food services** is believed to have been the hardest hit sector, running at only **15%** of normal in quarter 2 of 2020

Short, medium, long term

July - Dec 2020 compared to March and April 2020, it is estimated that:

Short term Powys' GVA decreased by 20% and unemployment increased by 138%

Medium term Powys' GVA has fallen by an estimated 9%

Long term Powys' GVA is estimated to fall by 1.3%

Vibrant, connected & resourceful communities



Volunteers - over **475** health and care volunteers across PCC and PTHB. **144%** volunteer increase on powys.volunteering-wales.net (PAVO)



Community provided services - **6,534** persons told to shield by Welsh Government in Powys communities



Environmental impacts - Powys declared a **climate emergency** (in September 2020 and joined Team Wales), aiming to be 'net zero' emissions by 2030. *We will build back better*

Short, medium, long term

Short term Communities with high numbers of vulnerable persons continue to need additional help

Medium term A possible rise in the need for food banks in the most 'financially stretched and urban adverse' areas

Long term Risk that smaller Environmental NGOs may be lost without additional funding

Residents start well, live well & age well



Referral numbers – Referrals to **Adult social care** have increased by **12%**. **Children's Services** referrals have increased by **10%**, with more children being identified as being at risk. Both figures have been compared to Quarter 4 of the same period last year.



Homelessness and housing impacts – **152 households** in **temporary accommodation** as at 21st April 2021, compared to **98 households** same time last year

Short, medium, long term

Short term The Council developed new processes to support our COVID response to residents and those dealing with social isolation.

Medium term Trend shows referrals will increase, this includes referrals into mental health services.

Long term more Adult social care needs will be met in the community. Increase in homelessness for family groups due to unemployment



Capable, confident & fulfilled residents



Pupil and student trends –

2021 Spring term, **94%** of Powys learners engaged with their learning either in school or remotely. **1,270 digital devices** and **390 MiFi dongles** distributed.



Free school meals- 17% increase in free school meal take up between April 2020 and March 2021.



Well-being of pupils and students - Demand for children and young people's counselling service continues to increase with **306 active cases** - an **increase of nearly 40%** between January and April 2021.

Short, medium, long term

Measures are made available to ensure all learners effectively recover from the impact of Covid-19 and lessons are being learnt in the effective use of ICT.



High Performing & well run council

Financial outlook for the council - Revenue forecast likely to be a surplus in excess of **£7M** across all council services, supporting this has been the Hardship funding from Welsh Government refunding covid costs and lost income at over **£16M**.



Service Performance Impacts – Significant changes to the way the council is operating. **2000 daily connections to Office 365**. (+10% active connections)



Well-being staff survey – **872** staff responded to the winter survey. **74%** staff reported they have **increased productivity (an increase of 5% since the summer)** and **91%** feel good about being a front line employee providing support to more vulnerable residents

Short, medium, long term

Short term Significant loss of income
Medium and long term Revisit our MTFs, austerity means we are likely to have a significantly worse financial settlement in future years

Review of the Year

Facts/figures

Good performance against our measures:

- Working in partnership with key agencies we have engaged with and supported 1,233 businesses, including through direct financial support
- 634 local suppliers engaged in the Council's procurement process, compared to 526 in 2019/20
- Support is being given to 12 community broadband projects, compared to 3 in 2019/20
- 168 people have now progressed into employment since 2018, with support from the Communities for Work+ and Workways employability activities.
- The mean gender pay gap has reduced from 8.1% to 7.6%
- 96% of children who the intervention and prevention service work with remained with their families safely
- 93% of children looked after received a statutory visit within timescale.
- We have increased the number of foster carers from 75 to 81
- 499 adult clients received direct payments to manage their care and support, which is an increase from 2019/20
- 575 new adult clients were supported in their own home through assistive technology (over 1,800 to date).
- The number of children educated through the medium of Welsh in year 1 has increased by 1.21% since 2019/20.
- The number of families accessing the Incredible Years Programme has increased to 168.
- 55 schools are now categorised as standard A or B for overall condition, compared to 46 in 2019/20.
- 100% of schools now have improved infrastructure installed to support digital learning.
- Staff sickness has reduced from 9.29 days to 7.36 days per full time equivalent (12-month cumulative).
- A 'People's Panel' with 500 members has been established.
- £2.1 million of efficiencies were identified through reviewing and redesigning our services to become more efficient.
- 35 automated processes are now available to our customers to help them access services more easily and 42,644 residents now have a 'My Powys Account' where they can view and manage their service requests 24/7.

POWYS COUNTY COUNCIL

Average performance against our measures:

- As part of our Powys Pound initiative the proportion of revenue spend with Powys based suppliers and providers increased by 1% in 2020/21 (from 38%, £79.7m to 39%, £88.4m).
- 118 new council homes are under construction, compared to the target of 250 homes by 2023.
- The number of qualified social worker vacancies remains at 32.
- The average delivery time for completing adaptations (for accessible homes) was 134 days, missing our target of 130 days
- The number of engagement and consultation activities to engage residents and staff was lower than anticipated, at 27 activities.
- Work has continued with our partners (Network rail and Transport for Wales) on the Transport Interchange Improvements and Pedestrian and Cycle Links projects, with feasibility study of options being undertaken, however progress has been delayed.
- 4 new apprentices were employed (making 63 in total since 2017, and 2 short of our target). 74 staff were following an apprenticeship framework during the year.

Poor performance against our measures:

- 57% of people have undertaken equality and diversity (e-learning) training, against our target of 80%
- Due to COVID-19, the Local Authority Trading Company has been on hold since March 2020.
- Attendance (footfall) at libraries and museums (including virtual visits for libraries) was lower than in 2019/20, at 117,204 visits.
- 86% of complaints were responded to within statutory timescales missing our target of 100% and lower than 2019/20

*Financial Performance***Council budget 2020/21**

The Council's net revenue budget is funded from Welsh Government Grant, Redistributed Business Rates, other grants, locally generated income and Council Tax income.

The Welsh Government funded 68.4% of the Council's 2020/21 net revenue budget compared to 68.3% in 2019/20. The funding is provided in a settlement known as Aggregate External Finance (AEF).

The UK Chancellor signalled an end to austerity, although at the point of the Welsh Settlement there was no clarity about the totality of the UK Government's public spending plans beyond 2020/21, and the economy, the impact of Brexit, taxation policy and policy priorities would be key factors. In December 2019 Wales Fiscal Analysis produced a briefing which shows that for the first time in almost a decade, the Welsh Government was able to increase funding for most spending areas and avoid further cuts. The AEF increased across Wales by an average of 4.3%, Powys received a 4.2% increase, Powys ranked 14th in terms of its increase against other Local Authorities.

Our Council Tax was set at £1,364.68 for properties in valuation Band D (£1,302.17 2019/20). We collected £93.05m with a collection rate of 97.0% (97.2% in 2019/20), the collection rate for Non Domestic Rates was 98.7% (98.2% for 2019/20).

Like other councils across Wales, Powys County Council continues to face significant challenges arising from demographic changes, increased 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 faced.

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. 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 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.

The Council adopted a new Integrated Business Planning approach to developing the 2020/21 budget and the Finance Resource Model (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

POWYS COUNTY COUNCIL

The Revenue Budget for 2020/21 was approved by the Council on the 28 February 2020. The Council's net expenditure for the year was £269.44m. Cost reductions of £12.39m were included in the budget.

Additional funding supported Service demands, particularly:

- £6.60m for the Education Service (including the Delegated Schools' Budget) to cover the additional cost of Teachers Pay and Pensions, recognise Teaching and Learning Responsibility allowances in the schools' formula; to support an increase in the Capitation Allowance; together with contract inflation, pupil number changes, and increasing Rates & Utilities costs in schools.
- £5.68m realigns the Children's services base budget. This ensures that a realistic budget is allocated which supports Powys children who are currently in need and in our care while the service implements a strategy which will safely reduce the number of looked after children, and bring fewer children into the care of the local authority. Over the medium term this will reduce costs whilst continuing to ensure children are safeguarded and achieve best possible outcomes. The budget will also ensure that the service can maintain an appropriate workforce and fund the posts covered by agency staff until the recruitment plan successfully draws permanent staff into these posts. Legal costs and the demand created by legislative changes for care leavers "When I'm ready" can also be accommodated within the revised budget. The intervention and strategies being implemented by the service will begin to reduce costs within 2020/21 and cost reductions of £2.22 million are expected.
- £2.9m to meet inescapable demand and cost pressures in Adult Social Care
- £1m mainly to meet the increased costs in insurance together with other corporate cost pressures.
- £1.05m for Highways Transport and Recycling - £500k new growth in roads' maintenance funding and £505k to meet contract inflation and to support the waste to energy initiative, helping the council meet the Welsh Governments' target to reduce landfill.

The revenue financial performance of the Council is summarised on the next page.

The Council's budget was closely monitored and controlled during the year with regular reports presented to Cabinet. The figures include cost reductions delivered of £9.468m, 76% of the £12.394m target, this compares with 73%, £15.83m delivered in the previous year. In 2020/21 24% of the target was unachieved. The budget approved by Council in February 2021 removed £1.634m of the unachieved savings from service budgets which are not considered to be deliverable, thus ensuring a robust and deliverable budget for next year.

Capital investment and the financing of capital activities have a significant impact on the authority's revenue position. In 2020/21 £61.83m was spent (including HRA) on capital investments versus the revised budget of £72.91m. This resulted in an underspend of £11.08m (15%) on the council's Capital Budget.

Service Area	Original Budget £'000	Total Working budget £'000	Net Expenditure before Reserve movement £'000	Total Movement to/(from) Reserves £'000	Approved use of Reserves £'000	Service Variance from Budget Under/(Over) spend £'000
Childrens and Adults						
Adult Services	66,906	63,369	62,372	997	29	968
Childrens Services	28,491	26,021	25,077	944	-	944
Commissioning	3,790	3,193	2,823	370	-	370
Education	100,516	8,762	8,558	204	315	(111)
Economy & Environment						
Highways, Transport & Recycling	37,284	28,011	23,964	4,047	2,962	1,085
Property, Planning & Public Protection	4,196	6,217	5,312	905	102	803
Regeneration	1,088	625	340	285	248	37
Housing General Fund	8,120	4,004	2,883	1,121	938	183
Organisational Transformation						
Digital & Communication Services	31	3,938	3,991	(53)	(360)	307
Strategy, Performance & Transformation Programmes	481	1,528	1,279	249	93	156
Workforce & Organisational Development	175	1,968	1,954	14	(55)	69
Legal & Democratic Services	2,853	3,059	2,874	185	86	99
Finance	1,721	5,690	5,179	511	393	118
Corporate Activities	13,789	31,350	26,078	5,272	1,951	3,321
Totals	269,441	187,735	172,684	15,051	6,702	8,349
Housing Revenue Account (HRA)	-	-	(562)	562	(1,379)	1,941
Schools Delegated	-	81,706	77,566	4,140	(1,135)	5,275
Total including Schools & HRA	269,441	269,441	249,688	19,753	4,188	15,565

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All services across the Council have reported underspends against their budgets and many have maximised the use of grant received late in the year from Welsh Government to support their in year position.

Delays in capital projects also contributed to the surplus position. The revenue budget supports the cost of borrowing for capital purposes and recognises the future need to borrow through the minimum revenue provision budget. The revenue budgets were approved to support the original capital programme of £132.872m. The actual capital spend was 53% less. Grants were maximised to reduce the call on borrowing, with a number received from Welsh Government in the last two months of the year. The actual net cost of borrowing was £15.59m of which £10.166m was chargeable to the general fund generating an underspend of £1.98m which helped support the wider service revenue budgets.

On 12 March Cabinet approved a revision to the Council Minimum Revenue Provision Policy (MRP). Under both the existing and proposed policy the asset life/annuity method is used to calculate the MRP for the Council's prudential borrowing and the HRA's post settlement debt. The method for the Council's supported borrowing and the HRA historic/settlement debt changes under the new policy.

Within the existing policy (as agreed in 2017 for the previous policy change) the overall movements on MRP included an expected reclaim of £4.5m of the £19.5m overprovision. Because of the benefit drawn from the new revised MRP policy only £2.09m was charged against MRP. This figure includes £767k, agreed in February 2021 to make an additional payment into the MRP account, being an advance payment to be utilised in 2021/22 thus negating the requirement to fund this through the budget in 2021/22.

Of the original £19.5m overprovision £5m is still available to be claimed for the Council Fund.

Transformation of the councils' services is critical in providing an appropriate level of service to our residents at a much lower cost ensuring that the councils budget is maintained on a sustainable footing for the future. Transformation activities totalling £2.3m were funded through revenue rather than using Capital Receipts as previously planned. This will allow us to maintain a greater level of receipts to be used to support the capital programme in future years.

Revenue Reserves

The reserves position sets out the reserve movements and balances at year end. Budgeted movements from reserve were planned totalling £4.188m, whilst the actual year end movement is an increase of £19.752m to £52.257m, with the general reserve £13.634m representing 7.3% of total net revenue budget (excluding Schools and the HRA).

The council has used the opportunity provided by the improved outturn position to set aside funding to support pressures that will impact on next years budget, removing some financial risk and adding to the resilience of our Medium Term Financial Plan.

31 March 20 £'000	Revenue Reserves	31 March 21 £'000
	Ring Fenced or Restricted Use Reserves	
(1,260)	School Reserves	2,879
1,449	Other Specific Reserves	487
	Committee Specific Reserves	
18,925	Other Specific Reserves	30,776
19,114	Total Earmarked Reserves	34,142
	Central or General Reserves	
9,471	Council Fund	13,634
3,919	Housing Revenue Fund	4,481
32,504	Total	52,257

Within specific reserves the key movements are:

- Two specific reserves have been set up, as agreed in the February cabinet report:
 - £1.8m of one-off funding to put in place a Powys Recovery Fund, this fund will support Communities and Council Services and drawn down over the next 2 years.
 - £1.5m of the surplus for remedial works by way of setting up a specific reserve to fund both revenue and capital essential remedial work to minimise the level of risk that the Council would be placed under.
- Some grants received, mainly late in year, have not been utilised and rolled forward for use in 2021-22 these total £3.86m and are held in the grants unapplied reserve. In comparison last year we held £0.93m and the movement is £2.93m.
- A number of specific reserves have been requested to be set up from some service underspends totalling £3.1m.

The Housing Revenue Account business plan originally planned to utilise £1.379m of reserves, but this position has now reverted to a contribution of £562k to reserves. This is due to less budget required to support repairs and maintenance delivery.

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The year end position for schools has moved significantly since earlier forecasts, this is due to the allocation of grant funding received in February and March that funded many schools core costs.

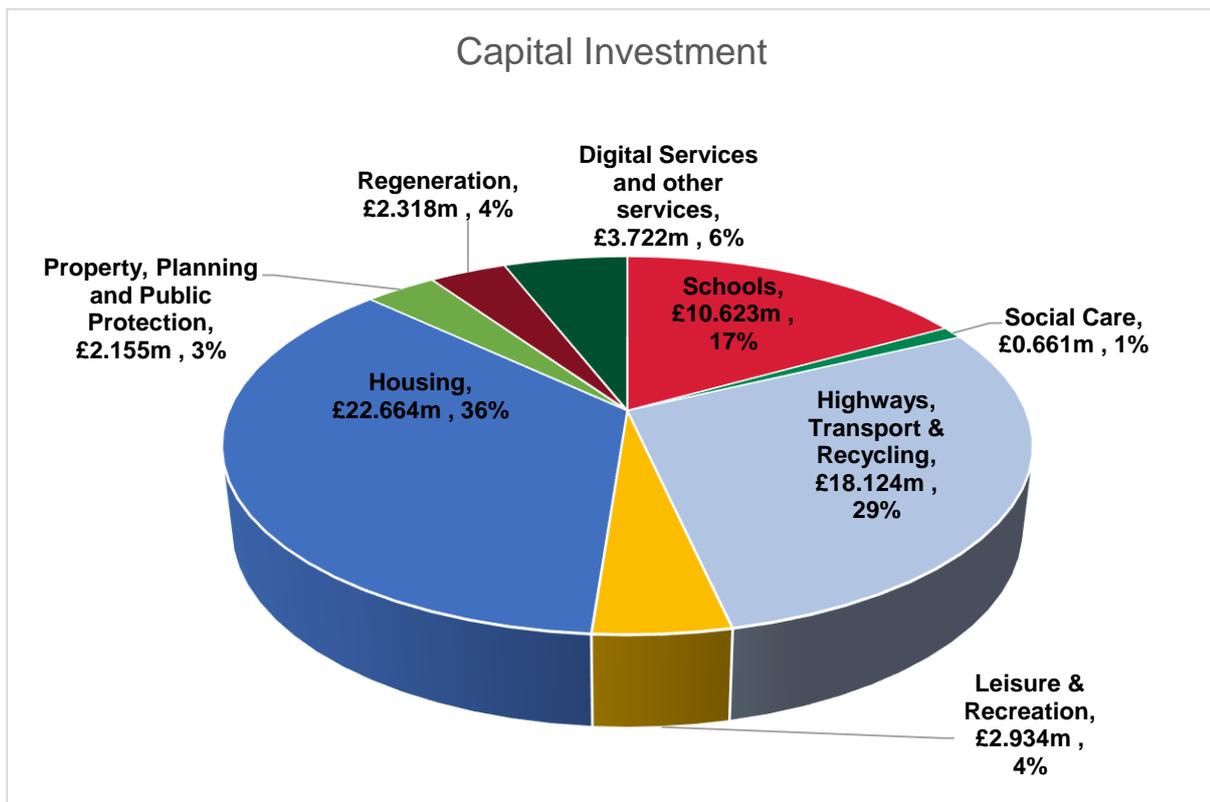
- Primary - The outturn position was a contribution to reserves of £2.350m a swing of over £3m against the budget plan.
- Secondary - The Secondary sector has a forecast call on reserves £910k, which materialised as a contribution to reserves of £1.354m, a swing of £2.264m in month.
- Special - The special sector has a £241k forecast contribution to reserves, this increased to £435k since last month.

Capital Expenditure

The approved capital programme totalled £132.78m. Final expenditure in 2020/21 was lower than the approved programme at £63.20m. The variance is mainly due to a number of projects being delayed and re-profiled in the year.

The investment has been necessitated by the need to acquire or build new assets or enhance ageing, and in some cases, dilapidated assets that will enable the council to provide services to its residents more effectively, in the pursuit of its statutory obligations. The table and diagram below, show some of the priority areas where the Council has invested in the 2020/21 financial year.

Service Area	2020/21 £'000
Schools	10,623
Social Care	661
Highways, Transport & Recycling	18,124
Leisure & Recreation	2,934
Housing	22,664
Property, Planning and Public Protection	2,155
Regeneration	2,318
Digital Services and other services	3,722
Total	63,201



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Housing (£22,664k)

Approximately £12m has been spent on major refurbishment of Council Dwellings. Renewal of kitchens, bathrooms, heating, and replacement of roofs is continuing across the County and more investment has been committed in the next few years to improve living conditions and general wellbeing of our residents.

In total 78 homes were fitted with new Kitchens, 105 homes were fitted with new Bathrooms, 128 homes had upgraded Heating systems 28 homes were rewired, 406 homes were fitted with new double-glazed Windows and 230 homes had their roofs replaced, 83 homes benefitted from improved insulation levels, 204 older persons accommodation had improvements to access and RNIB standards.

In addition, over £11m has been used to develop plans and to build new dwellings in the county. At the 31 March there were 4 new homes completed, a further 114 homes in construction with several more sites being progressed for development which are working towards building 250 new homes by 2025.

10 dwellings have been purchased to increase the number of properties available using the Welsh Government's Homelessness Scheme.

Schools (£10,623k)

Through the 21st Century Schools Programme, major investment was made during the 2020/21 financial year.

Welshpool Church in Wales Primary School was completed and opened to staff and children of key workers and vulnerable children on 6 January 2021, after a successful building and transitioning process. Due to gradual lifting of COVID-19 restrictions, the school became fully operational and opened to all pupils on 15 March 2021.

Ysgol Gymraeg y Trallwng was re-tendered and Wynne Construction, a Denbighshire based contractor, was appointed to lead on the construction of the UK's first hybrid passivhaus and Grade II listed building project. Powys County Council will be working with the contractor to ensure that community benefits targets are met and to ensure that a high proportion of project spend is spent in Powys.

Ysgol Cedewain project progressed at pace during the 2020/21 financial year, with the completion of the RIBA 2 concept designs. The procurement process to appoint a Design and Build contractor to complete the designs, and to construct the school has concluded and the successful contractor is due to be announced imminently.

Brynlywarch outline business case was approved by Powys County Council Cabinet and Welsh Government in September 2020, and RIBA stage 2 designs are now complete.

The SOC to replace Ladywell Green and Hafren buildings in Newtown with one school building, in line with the recent school re-organisation process, was also approved by Powys County Council and Welsh Government in late 2020. This project forms a key part of the North Powys Wellbeing Programme, which is now progressing at pace with a commission agreed to undertake further site investigation works.

Bro Hyddgen Community Campus project progressed at pace in 2020/21, with the feasibility and early design work concluding that the scheme is viable. Powys County Council Cabinet and Welsh Government approved the campus funding envelope in

September 2020 and the project planning application and procurement process is due commence during 2021/22 financial year.

Work also commenced in developing project briefs and feasibilities for pipeline schemes.

The Schools Major Improvements Programme supports the improvement of education facilities and infrastructure for pupils. In this financial year, 67 projects were completed. The improvements include the installation of new windows, replacement of fire doors, installation of new boilers and controls, disability alterations, resurfacing of road, playground and pathways, upgrading of accommodation for early years, flood prevention schemes, upgrading and installing new electrical, gas, water and foul/waste infrastructure and safeguarding (fencing/gates/school reception) works to meet legislative and Estyn requirements.

The impact of COVID-19 at the end of the financial year has seen some work stop and sites closedown. These projects will resume when possible and have been re-programmed for delivery in 2021/22 financial year.

Highways, Transport & Recycling (£18,124k)

Investment through the Highways major strategic schemes facilitates economic growth, improves transport links, provides network resilience and improves safety. £6.9m has been invested in resurfacing, surface dressing and structural maintenance, £0.4m on bridge strengthening and major repairs and a further £0.8m on other assets (car parks, signals, drainage, footways etc).

Investment in Street Lighting of £1m has facilitated installation of 500 new lanterns and/or columns and 7km of new cable has provided network resilience and saved 15 tonnes per year in CO2 and 68,000kwh per year of energy usage.

Other major projects this year included the substantial completion of the recycling bulking facility for the north of the county, and further household waste recycling centre enhancements.

Leisure & Recreation (£2,934k)

Since 2019 the Council has approved a five-year programme which has already enabled significant, essential replacement of plant, fixtures, end-of-life equipment, structural materials, playing surfaces and decoration throughout the facilities in the County. The Capital commitment supports the Council's 'landlord' responsibilities as part of the leisure contract but also ensures that the buildings are fit for purpose, compliant, attractive and provide a positive customer experience. Leisure Services in Powys not only support the overall well-being of our 'residents and communities' but contribute to the 'health & care' agendas, providing interventions and prevention programmes to help reduce the burden on health services; 'learning & skills' – as a collaborative partner to the School's Transformation Programme and for individuals to learn and develop through specific opportunities that the service provides or facilitates and the 'economy' by hosting and delivering local, regional and national events and competitions which draws significant numbers of visitors from across the UK to utilise the facilities we have in Powys.

Freedom Leisure in partnership with Powys County Council, HOWPS and other contractors have continued to deliver the essential works and projects needed to ensure the facilities are compliant, safe and accessible to a good standard while also maintaining or improving the customer experience.

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The main areas of spend and key projects/works in this year (some being quite significant) which are either completed or in progress have included:

- Investigations/feasibilities to roofs in Newtown & Machynlleth as it is expected that whole replacements will be needed due to age and minimal repairs over the years
- Complete resurfacing of two large car parks in Newtown & Welshpool
- Replacement pool surround & changing rooms in Knighton
- Replacement of Pool Dosing systems and Circulation Pumps in various pools
- Complete replacement of boilers in Welshpool and Brecon
- Replacement of redundant and end of life flooring, doors, air handling units and lighting systems
- Initial works / feasibility including investigations & ecology surveys at Brecon Swimming Pool - to determine options for complete replacement due to age and condition of building
- Improvement and development of the fitness suite at Builth Wells Sports Centre. There is also external 'recovery' funding from Sport Wales to support this project
- Replacement outdoor (artificial) playing surface / carpet in Welshpool
- Replacement outdoor (artificial) playing surface in Llanidloes
- Replacement of outdoor floodlights in Welshpool & Newtown
- Replacement / improvement of squash courts in Llanfyllin

Digital Services and other services (£3,722k)

ICT Capital projects in 2020/21 included Cyber Security investment, an increase in end user devices (due to accelerated need of agile working), further investment in core infrastructure as well as improvements for homeworking. 2020/21 has seen a continued rollout of Office 365 including a rapid deployment of Microsoft Teams. The system rationalisation and modernisation has also continued to reduce the number of systems within the authority as well as modernising existing systems to further support agile working.

Via the HWB programme, Welsh Government have provided a grant to each local authority to enable them to improve and upgrade technology in schools. The majority of the grant was held by WG and was to be used specifically for purchasing end user devices, servers and other hardware. During financial year 2020/21 a total of £116k was allocated to Powys and this money was used to upgrade the infrastructure in all schools and to licence newly procured servers.

Regeneration (£2,318k)

Expenditure was lower than anticipated in 2020/21 due to delays in progressing the purchase and refurbishment of the Automobile Palace due to COVID-19. The acquisition was completed in January 2021 and design work has been commissioned. Refurbishment work to the listed building is profiled to commence in 2021/22.

Property, Planning and Public Protection (£2,155k)

Investment continued in the County Farms estate with a programme of improvements including roofing work and the removal of asbestos. The industrial unit in Ffrwdgrech, purchased in 2017/18 was refurbished during the year. The property units are fully occupied as of 1 May 2020 and secures annual rental and service charge income.

Social Care (£661k)

In comparison to other service areas, social care has a small capital allocation. However, the developments funded, amongst others, included investment into technology enabled care and equipment for individuals living with a disability and the developing of a day centre facility in Llandrindod (Lant Avenue) which will enable the property services to receive ownership on behalf of the Council of Arlais day centre building.

Medium Term Financial Strategy 2021 - 2025

The Medium Term Financial Strategy (MTFS) is the financial strategy for Powys County Council for the period April 2021 to March 2026. It has been developed as part of the overall strategic planning process alongside Vision 2025, the Council's Corporate Improvement Plan. The strategy captures the financial, regulatory and policy drivers affecting the council and sets the direction and approach. It also incorporates the plan for delivering a balanced budget for 2021/22, and indicative budgets for the following 4 years to March 2026. This means the Council has an ongoing financial plan to enable service transformation within the funding levels available.

We continue to plan in challenging and uncertain times, for the first time in a decade Powys received a much welcome improvement in the funding that it receives from Welsh Government for 2020/21. This will go some way to ease the pressure on Council services. However, the Council's budget remains under significant pressure as service demand, our costs and investment requirements continue to rise.

The Council's future settlement will be determined by decisions made by the Welsh Government on how to allocate the funding settlement it receives from the UK Government. The real-terms increases in the Welsh Government's resource budget of 1% for 2019/20 and 2.3% in 2020/21 represent a step-change compared to the average fall of 0.7% per annum in real-terms between 2010/11 and 2017/18. However, Welsh Government day-to-day spending in 2020/21 will remain 3% below its 2010-11 level in real-terms. The Welsh revenue settlement for 2020/21 gave local authorities a real-terms increase of 5.6% as part of its final settlement, this equated to 5.4% for Powys.

The pandemic has already had a profound and immediate effect on public sector finances. The impact on public spending over such a short period of time is unprecedented in modern peace time.

The Council's financial position has been supported heavily by additional funding from the Welsh Government through 2020/21 and without this the Council would have had to draw heavily on its revenue reserves to balance the budget during the year.

It is likely that the financial impact of the pandemic will continue into 2021/22 and will almost certainly affect public sector finances for many years to come irrespective of the course of the pandemic.

The local context affecting our funding and demand for services is well recognised and heavily influenced by Powys being sparsely populated with a wide geographic area

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requiring services. Powys has a higher than average older population that is predicted to increase at a faster rate than the national average. This statistic can largely be attributed to people living longer as a result of better healthcare and improved lifestyles together with an inward migration of people above retirement age to the County. Conversely, the county's younger population is declining with a reducing birth rate and a sizeable outward migration of young people. Further and higher education and career opportunities are the main contributors to this trend.

These factors in combination present significant challenges to the Council. As evidenced in the Rural Cost Analysis (<https://en.powys.gov.uk/article/7842/Funding-changes-needed>) the provision of services to a dispersed and relatively small population is expensive as a result of greater transport costs and the demand for facilities to be delivered locally or within a commutable distance.

On the current modelling, to deliver a balanced annual budget between April 2021 and 2025 the Council will need to reduce its spending by more than £50.8m and to increase council tax by 5% year on year. This will be achieved through transformational change and cost efficiencies but reductions in some services offered will also be inevitable.

The Council's budget planning has traditionally been determined using an incremental budgeting approach and has tended to focus on one year with limited development over the longer term. This will not deliver a sustainable financial position for the Council going forward. The Council is therefore moving to an Outcome Based Budgeting approach, focused on the medium to long term and aligned to service and workforce planning.

The strategy is based on an approach which brings together all elements of the Council activity to deliver Vision 2025, a programme of transformation, and one which encompasses service improvement and delivers appropriate levels of statutory service. It will better align revenue and capital to ensure that our limited resources are prioritised to achieve maximum effectiveness and based on securing outcomes that matter to our residents.

The economic implications of the pandemic and indeed Brexit are yet unknown. The impact of COVID-19 has seen a government response greater than has ever been seen before. The increase in the national debt will undoubtedly have repercussions that could last for decades. How this will impact on future local government settlements remains to be seen but we can learn from the positives seen over the last couple of months, a whole council response, delivered at pace collectively with our partners has supported our residents and businesses through this challenging time. The Council must grasp the benefits seen as it turns its focus to recovery, reviewing its priorities and plans and reassessing both revenue and capital budgets. We will need to revisit and realign our Medium Term Financial Strategy to ensure the Council is sustainable and resilient for the short, medium and longer term.

Vision 2025

Powys 2025 represents the vision for the council and its priorities are clearly laid out.

The Corporate Improvement Plan (CIP) 2021 details the revised activities that will be undertaken from April 2021 up to 2025 to deliver our Well-being objectives, within the context of the current COVID-19 pandemic and the council's Recovery Strategy. The updated CIP was approved in March 2021 to commence 1 April 2021 to ensure we meet our statutory obligations in the Well-being of Future Generations (Wales) Act 2015. This requires the council to implement wellbeing objectives in accordance with the 5 Ways of Working and show how it will maximise its contribution to the 7 Well-being goals. The CIP 2021 also ensures that the Council meets its statutory obligations under the Local Government (Wales) Measure 2009 (Part 1) and the Equality Act 2010 (including the Specific Public Sector Equality Duties for Wales). The new Local Government and Elections (Wales) Act will also place similar duties on Local Authorities from 2021, as part of the performance provisions.

The CIP continues to be the road map to Vision 2025, setting out our top priorities and milestones. It draws together information from a number of our key strategies and the steps we will take to meet our priorities and the improvements you can expect to see when our plan is delivered.

In an era of continued budgetary pressures, growing demand, and increased expectations it is very important that we are clear about what we want to achieve now, and in the future, and support this within our financial planning. Full details of Vision 2025 can be found at <https://en.powys.gov.uk/Vision2025/>

The Council has an ambitious Transformation Programme in place to help deliver Vision 2025. The Programme is governed by a Transformation Delivery Board comprising the Cabinet and the Executive Management Team and progress of each programme is included in the Council's performance management reports which are presented to Cabinet each quarter. There are service transformation programmes also underway across the Council and progress on these also reported to the Board at regular intervals.

The Council is required to produce an Annual Governance Statement (AGS), signed by the Chief Executive and the Leader of the Council and approved by Audit Committee. The AGS provides an account of the processes, systems and records the council has in place to demonstrate effectiveness of its governance arrangements. It principally covers the period April 2020 to March 2021. However, during the period to September 2021, when the accounts are signed, it is updated.

Powys County Council adopted a system of corporate governance in June 2008, which is consistent with the seven principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework Delivering Good Governance in Local Government (2016 Edition). This statement is structured around the seven core principles, which are set out in Section 3, and gives an account of how the Council has discharged its responsibilities during 2020-21 as well recommendations for development.

Based on the evidence set out in this annual governance statement, including the impact of the pandemic on our governance framework, we consider the level of assurance to be Reasonable.

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Audit report of the Auditor General to the Members of
Powys County Council

These pages are reserved in anticipation of the auditor's report.

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The maintenance and integrity of Powys County Council's website is the responsibility of the Section 151 Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Movement in Reserves Statement

	Council Fund £'000	Earmarked Reserves (Note 8) £'000	HRA £'000	Capital Receipts £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves (Note 21) £'000	Total Authority Reserves £'000
Balance at 31 March 2019 Carried Forward	9,065	17,693	1,111	7,232	1,089	36,190	163,356	199,546
Movement in Reserves During 2019/20								
Surplus or (Deficit) on Provision of Services	(44,788)	-	5,990	-	-	(38,798)	-	(38,798)
Other Comprehensive Expenditure and Income	-	-	-	-	-	-	(34,595)	(34,595)
Total Comprehensive Income and Expenditure	(44,788)	-	5,990	-	-	(38,798)	(34,595)	(73,393)
Adjustments Between Accounting Basis and Funding Basis Under Regulations (Note 7)	46,615	-	(3,182)	2,004	313	45,750	(45,750)	-
Net Increase/(Decrease) Before Transfers To Earmarked Reserves	1,827	-	2,808	2,004	313	6,952	(80,345)	(73,393)
Transfers To/(From) Earmarked Reserves	(1,421)	1,421	-	-	-	-	-	-
Increase/(Decrease) Movement in Year	406	1,421	2,808	2,004	313	6,952	(80,345)	(73,393)
Balance at 31 March 2020 Carried Forward	9,471	19,114	3,919	9,236	1,402	43,142	83,011	126,153
Movement in Reserves During 2020/21								
Surplus or (Deficit) on Provision of Services	(19,455)	-	10,130	-	-	(9,325)	-	(9,325)
Other Comprehensive Expenditure and Income	-	-	-	-	-	-	(81,215)	(81,215)
Total Comprehensive Income and Expenditure	(19,455)	-	10,130	-	-	(9,325)	(81,215)	(90,540)
Adjustments Between Accounting Basis and Funding Basis Under Regulations (Note 7)	38,646	-	(9,568)	1,950	(323)	30,705	(30,705)	-
Net Increase/(Decrease) Before Transfers To Earmarked Reserves	19,191	-	562	1,950	(323)	21,380	(111,920)	(90,540)
Transfers To/(From) Earmarked Reserves	(15,028)	15,028	-	-	-	-	-	-
Increase/(Decrease) Movement in Year	4,163	15,028	562	1,950	(323)	21,380	(111,920)	(90,540)
Balance at 31 March 2021 Carried Forward	13,634	34,142	4,481	11,186	1,079	64,522	(28,909)	35,613

Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates/services/departments.

Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Reclassified						
2019/20 Net Expenditure Chargeable to the Council Fund and HRA Balances	2019/20 Adjustments between the Funding and Accounting Basis	2019/20 Net Expenditure in the Comprehensive Income & Expenditure Statement (CIES)		2020/21 Net Expenditure Chargeable to the Council Fund and HRA Balances	2020/21 Adjustments between the Funding and Accounting Basis	2020/21 Net Expenditure in the Comprehensive Income & Expenditure Statement (CIES)
£'000	£'000	£'000		£'000	£'000	£'000
67,039	3,102	70,141	Adult Services	65,207	3,036	68,243
27,818	851	28,669	Childrens Services	27,117	1,036	28,153
3,373	362	3,735	Commissioning	3,229	462	3,691
10,376	14,561	24,937	Education	12,459	12,928	25,387
28,677	11,769	40,446	Highways Transport & Recycling	25,652	10,386	36,038
4,236	5,314	9,550	Property, Planning & Public Protection	3,713	5,494	9,207
1,055	450	1,505	Regeneration	487	366	853
4,454	3,686	8,140	Housing & Community Development	3,173	6,990	10,163
(124)	751	627	Digital & Communication Services	(21)	823	802
539	384	923	Strategy, Performance & Transformation Programmes	172	173	345
472	206	678	Workforce & OD	251	222	473

2,682	377	3,059	Legal & Democratic Services	2,381	360	2,741
1,088	3,419	4,507	Finance	1,192	793	1,985
9,663	781	10,444	Corporate Activities	12,370	467	12,837
(6,106)	777	(5,329)	Housing Revenue Account (HRA)	(3,857)	(2,318)	(6,175)
76,692	1,929	78,621	Schools Delegated	76,098	1,480	77,578
231,934	48,719	280,653	Net Cost of Services	229,623	42,698	272,321
26,893	6,845	33,738	Other Operating Expenditure	28,401	6,665	35,066
11,778	6,516	18,294	Financing and Investment Income and Expenditure	13,291	5,959	19,250
(275,240)	(18,647)	(293,887)	Taxation and Non Specific Grant Income Operations not Included in Net Cost Of Services	(291,068)	(26,244)	(317,312)
(4,635)	43,433	38,798	Surplus or Deficit	(19,753)	29,078	9,325
(27,869)			Opening Council Fund and HRA Balance at 31 March	(32,504)		
(4,635)			Add (Surplus)/Deficit on Council Fund and HRA Balance in Year	(19,753)		
(32,504)			Closing Council Fund and HRA Balance at 31 March	(52,257)		

A split of the Council Fund and HRA balances are shown in the Movement in Reserves Statement.

The 'Adjustments between the Funding and Accounting Basis' are disclosed in more detail in Note 6.

The Expenditure and Funding Analysis has been reclassified in 2019-20. Adjustments between the funding and accounting basis totalling £3,978k of capital grants and other contributions shown originally in the Housing Revenue Account are now shown in taxation and non-specific income operations not included in the net cost of services. This matches the classification of the income in the Comprehensive Income and Expenditure Statement.

Comprehensive Income & Expenditure Statement (CIES)

2019/20 Gross Exp. £'000	2019/20 Gross Inc. £'000	2019/20 Net Exp. £'000		2020/21 Gross Exp. £'000	2020/21 Gross Inc. £'000	2020/21 Net Exp. £'000
93,581	(23,440)	70,141	Adult Services	102,904	(34,661)	68,243
30,008	(1,339)	28,669	Childrens Services	30,957	(2,804)	28,153
10,866	(7,131)	3,735	Commissioning	12,541	(8,850)	3,691
38,378	(13,441)	24,937	Education	38,154	(12,767)	25,387
61,465	(21,019)	40,446	Highways Transport & Recycling	65,456	(29,418)	36,038
18,816	(9,266)	9,550	Property, Planning & Public Protection	19,199	(9,992)	9,207
3,434	(1,929)	1,505	Regeneration	3,925	(3,072)	853
11,348	(3,208)	8,140	Housing & Community Development	15,575	(5,412)	10,163
1,761	(1,134)	627	Digital & Communication Services	2,260	(1,458)	802
1,218	(295)	923	Strategy, Performance & Transformation Programmes	732	(387)	345
2,310	(1,632)	678	Workforce & OD	1,589	(1,116)	473
4,457	(1,398)	3,059	Legal & Democratic Services	3,384	(643)	2,741
6,500	(1,993)	4,507	Finance	4,711	(2,726)	1,985
39,715	(29,271)	10,444	Corporate Activities	43,338	(30,501)	12,837
20,167	(25,496)	(5,329)	Housing Revenue Account (HRA)	20,463	(26,638)	(6,175)
88,270	(9,649)	78,621	Schools Delegated	87,945	(10,367)	77,578
432,294	(151,641)	280,653	Cost of Services	453,133	(180,812)	272,321
		33,738	Other Operating Expenditure (Note 9)			35,066
		18,294	Financing and Investment Income and Expenditure (Note 10)			19,250
		(293,887)	Taxation and Non Specific Grant Income and Expenditure (Note 11)			(317,312)
		38,798	(Surplus)/Deficit on Provision of Services			9,325
		(13,217)	(Surplus)/Deficit on Revaluation of Property, Plant and Equipment Assets (Note 21)			(10,357)
		26,012	Impairment losses on Non-current Assets Charged to the Revaluation Reserve (Note 21)			5,172
		21,800	Re-measurements of the Net Defined Benefit (Asset)/Liability (Note 21)			86,400
		34,595	Other Comprehensive Income and Expenditure			81,215
		73,393	Total Comprehensive Income and Expenditure			90,540

Balance Sheet

Balance as at 31 Mar 20		Note	Balance as at 31 Mar 21
£'000			£'000
822,572	Property, Plant And Equipment	12	839,133
1,252	Heritage Assets		1,211
7,952	Investment Property	13	3,701
1,122	Intangible Assets		1,171
989	Long Term Investments	15	982
3,021	Long Term Debtors	15	3,260
836,908	LONG TERM ASSETS		849,458
10,075	Short Term Investments	15	33,000
2,661	Assets Held for Sale		1,850
1,197	Inventories		1,103
49,951	Short Term Debtors	16	49,727
(3,499)	Cash and Cash Equivalents	17	21,381
60,385	CURRENT ASSETS		107,061
(28,382)	Short Term Borrowing	15	(73,399)
(41,354)	Short Term Creditors	18	(66,377)
(3,683)	Short Term Provision	19	(3,476)
(1,264)	Capital Grant Receipts in Advance	33	(10,832)
(74,683)	CURRENT LIABILITIES		(154,084)
(12)	Provisions	19	(68)
(305,253)	Long Term Borrowing	15	(287,803)
(20,762)	Long Term Creditors	18	(5,291)
(370,430)	Liability Related to Defined Benefit Pension	39	(473,660)
(696,457)	LONG TERM LIABILITIES		(766,822)
126,153	NET ASSETS		35,613
43,142	Usable Reserves		64,522
83,011	Unusable Reserves	21	(28,909)
126,153	TOTAL RESERVES		35,613

Cash Flow Statement

Reclassified 2019/20		Note	2020/21
£'000			£'000
	OPERATING ACTIVITIES		
	Cash Outflows		
126,826	Cash Paid to and on Behalf of Employees		131,218
46,703	Other Operating Cash Payments		50,145
210,009	Cash Paid to Suppliers of Good and Services		216,778
15,319	Housing Benefit Paid Out		13,468
26,892	Precepts and Levies Paid		28,404
11,071	Interest Paid		11,459
436,820	TOTAL OUTFLOWS		451,472
	Cash Inflows		
(14,416)	Rents (After Rebates)		(15,228)
(90,727)	Council Tax Income		(94,335)
(43,708)	National Non-Domestic Rate Receipts from Pool		(42,531)
(130,583)	Revenue Support Grant		(141,758)
(15,692)	DWP Grants for Benefits		(15,041)
(39,376)	Other Government Grants	25	(66,309)
(95,123)	Cash Received for Goods and Services		(85,570)
(72)	Interest Received		(92)
(429,697)	TOTAL INFLOWS		(460,864)
7,123	NET CASH OUTFLOW/(INFLOW) FROM OPERATING ACTIVITIES		(9,392)
44,743	INVESTING ACTIVITIES	23	58,398
(48,534)	FINANCING ACTIVITIES	24	(73,886)
3,332	DECREASE/(INCREASE) IN CASH AND CASH EQUIVALENTS		(24,880)
(167)	Cash and Cash Equivalent Balance as at 1 April		(3,499)
(3,499)	Cash and Cash Equivalent Balance as at 31 March	17	21,381

The cashflow has been reclassified in 2019/20. Employer contributions for National Insurance, Teachers and LGPS pensions totalling £39,816k have been moved from cash paid to and on behalf of employees to other operating cash payments in line with the code guidance. Purchase card payments totalling £13,889k have been moved from other operating cash payments to cash paid to suppliers of goods and services.

Notes to the Core Financial Statements

Note 1: Accounting Policies

i. General principles

The Statement of Accounts summarises the Authority's transactions for the 2020/21 financial year and its position at the year-end of 31 March 2021 on a going concern basis. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, supported by International Financial Reporting Standards (IFRS).

The objective of the accounts is to provide information about the financial position, performance and cash flows in a way that meets the 'common needs of most users'. It will explain the financial facts rather than comment on the policies of the Authority and also has the aim of showing the results of the stewardship and accountability of elected members and management for the resources entrusted to them.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

ii. Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when the cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when the payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance is written down and a charge made to revenue for the income that might not be collected.

iii. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management. No loans, long term deposits or investments have been included in the opening or closing cash balances. These are separately disclosed.

Powys County Council, under its Treasury Management Strategy, can hold fairly substantial amounts in call accounts and Money Market Funds at any one time but not all of this would be to meet short term cash flow requirements. As such, an appropriate split between cash/cash equivalents and investments is made based on short term needs.

iv. Exceptional items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

v. Prior period adjustments, changes in accounting policies and estimates and errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

vi. Charges to revenue for Non-Current Assets

Services and support services are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible non-current assets attributable to the service.

The Authority is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution, the minimum revenue provision (MRP), from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the Council Fund balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

The MRP on supported borrowing on Council Fund debt is calculated using the annuity method over 50 years using the Authority's average rate of borrowing.

vii. Employee benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of the holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service or, where applicable, to a corporate service segment line in the Comprehensive Income and Expenditure Statement at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructure.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Council Fund balance to be charged with the amount payable by the Authority to the Pension Fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement In Reserves Statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end.

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Post-Employment Benefits

Employees of the Authority are members of two separate pension schemes:

- The Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The Local Government Pensions Scheme administered by Powys County Council.

Both schemes provided defined benefits to members (retirement lump sums and pensions) earned as employees worked for the Authority.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Authority. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Schools line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme

- The liabilities of the Powys County Council Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method- i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 2.1% (based on the indicative rate of return on high quality corporate bond (Aon Single Agency AA Curve)).
- The assets of Powys County Council Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value:
 - Quoted securities – current bid price
 - Unquoted securities – professional estimate
 - Unitised securities – current bid price
 - Property – market value.

The change in the net pensions liability is analysed into the following components:

- Service cost compromising:
 - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Corporate Activities.
 - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement- this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period- taking into account and changes in the net defined benefit liability (asset) during the period as a result of the contribution and benefit payments.
- Remeasurements comprising:
 - The return on plan assets – excluding amounts included in net interest on the defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to Powys County Council Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions reserve thereby measures the beneficial impact to the Council Fund of being required to account for the retirement benefits on the basis of cash flows rather than as benefits earned by the employees.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

vii. Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period - the Statement of Accounts is not adjusted to reflect such events but, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

ix. Interests in companies and other entities

The authority has an interest in the Heart of Wales Property Services Limited that has the nature of an associate. Due to materiality the entries are included in the single entity accounts and no Group Accounts have been prepared. The accounts have been prepared on the equity method.

x. Long term contracts

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

xi. Investment property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale. Properties under operating lease will not be held for investment.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in The Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the Council Fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Council Fund balance. The gains and losses are therefore reversed out of the Council Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xii. Jointly controlled operations and jointly controlled assets

Jointly controlled operations are activities undertaken by the Authority in conjunction with other ventures that involve the use of the assets and resources of the ventures rather than the establishment of a separate entity. The Authority recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Authority and other ventures, with the assets being used to obtain benefits for the ventures. The joint venture does not involve the establishment of a separate entity. The Authority accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

xiii. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as lessee:

Finance leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

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Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Authority at the end of the lease period).

The Authority is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution, the minimum revenue provision, is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the Council Fund balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Authority as lessor:

Finance leases

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property - applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the Council Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out to the Council Fund balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount is due in relation to the leased asset is to be settled by the payment of rentals in future financial years, this is posted out of the Council Fund balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. (When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the Deferred Capital Receipts are transferred to the Capital Receipts Reserve).

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the Council Fund balance in the Movement in Reserves Statement.

Operating leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

xiv. Property, plant and equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Capitalisation

All assets falling into the following categories are capitalised:

Intangible assets which can be valued, are capable of being used in the Council's activities for more than one year and have a cost equal to or greater than £10,000.

Purchased computer licences are capitalised as intangible non-current assets where expenditure of at least £10,000 is incurred. They are amortised over the shorter of the term of the licence and their useful economic life.

Tangible assets which are capable of being used for a period which exceeds one year and which:

- Individually have a cost equal or greater than £10,000
- Collectively have a cost equal or greater than £10,000 and individually have a cost more than £250, where the assets are functionally interdependent, they have broadly simultaneous purchase dates and are anticipated to have simultaneous disposal dates; and are under single managerial control; or
- Form part of the initial equipping and setting up cost for a new building irrespective of their individual or collective cost; or
- Form part of an IT network which collectively has a cost of more than £10,000 and individually have a cost of more than £250.
- All vehicles with a registration number, irrespective of value.
- Are part of external financing or contribution.

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Depreciation & Amortisation

All tangible Non-Current assets other than land have been depreciated on a straight line basis using the following methods:

Asset	Years
Operational buildings	Useful life
Garages	20
Mobile offices/portacabins	20
Council dwellings	15-30
Vehicles, plant, equipment and fittings	4, 5, 7, 10, Useful life
Infrastructure	7, 18, 20, 50, Useful life
Surplus	Useful Life
Intangible	4, 7

Depreciation is not charged in the year of acquisition or addition. Depreciation is charged in full following a revaluation.

Revaluation gains are also depreciated, with an amount equal to the difference between the current value depreciation charged on assets and the depreciation that would have been charged on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

The useful life is determined by the valuer.

Valuation

Intangible non-current assets held for operational use are valued at historical cost. Infrastructure, community assets and assets under construction are measured at historic cost. Assets under construction include any existing land and buildings under the control of a contractor. All other tangible operational non-current assets are measured at current value. If there is no market-based evidence of fair value because of the specialist nature of the asset and the asset is rarely sold, the depreciated replacement cost approach is used to estimate the fair value, on a modern equivalent basis.

The Council Dwellings are valued on an Existing use – Social Housing basis. The beacon method has been adopted with a 38% of the market value used in the revaluations.

Impairment

The value of each category of non-current asset is reviewed at the year end to establish if there has been a material change in value during the period. If an impairment loss on a fixed asset occurs it will be recognised and treated in accordance to the treatment prescribed by the Code of Practice. This treatment is:

- Where there is a balance of revaluation gains on the Revaluation Reserve for the relevant asset, the impairment loss is charged against that balance until it is used up. The loss debited to the Revaluation Reserve is recognised in Other Comprehensive Income and Expenditure as a reduction in the net worth of the Authority, and is presented in the Comprehensive Income and Expenditure Statement.
- Thereafter, or if there is no balance of revaluation gain (i.e. the asset is being carried at depreciated historical cost), the impairment loss is charged against the relevant service line(s) in the Surplus or Deficit on the provision of Services in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is charged to the Comprehensive Income and Expenditure Statement but there were accumulated revaluation gains in the Revaluation Reserve for that asset, an amount up to the value of the loss is transferred from the Revaluation Reserve to the Capital Adjustment Account.

Componentisation

Land and building are separate assets and will always be accounted for separately, even when they are acquired together. Three factors will be taken into account to determine whether a separate valuation of components is to be recognised in the accounts.

1. Materiality with regards to the Council's financial statements.
Componentisation will only be considered for individual non-land assets that represent more than 1% of the opening gross book value of total non-current assets.
2. Significance of component:
For individual assets meeting the above threshold, where services within a building (boilers / heating / lighting / ventilation etc.) or items of fixed equipment (kitchens / cupboards) is a material component of the cost of that asset (greater than 50%) then those services / equipment will be valued separately on a component basis.
3. Difference in rate or method of depreciation compared to the overall asset:
Only those elements that normally depreciate at a significantly different rate from the non-land element as a whole, or that require a different method of depreciation will be identified for componentisation.

Assets that fall below the de-minimis levels and tests above can be disregarded for componentisation on the basis that any adjustment to depreciation charges would not result in a material mis-statement in the accounts.

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Where assets are material and to be reviewed for significant components, it is recommended that the minimum level of apportionment for the non-land element of assets (that are not classified as social housing) is:

- Plant and equipment and engineering services.
- Structure.

Professional judgement will be used in establishing materiality levels; the significance of components, useful lives, depreciation methods and apportioning asset values over recognised components.

Revaluations of the Council's property assets will continue to be undertaken on a 5 yearly rolling programme basis, at which point the revaluation takes into account the value and condition of the assets, relevant components and also de-recognition where relevant. Where there is a major refurbishment of an asset, a new valuation will be sought in the year of completion and a revision to the useful life. Where it is not current practice, individual buildings and material facilities on a site will be valued separately and depreciated based on their advised useful average life, rather than aggregating values for properties on a single site. Such a useful life will need to take into account the estimated life and condition of major components based on professional judgement. These actions will assist in providing an accurate depreciation charge.

Adopted roads

Adopted Roads are infrastructure assets and are valued at historic cost and therefore have a nil value in line with the Code of Practice.

xv. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year - where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

Contingent liabilities

A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

xvi. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

xvii. Overhead and support services

The cost of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice. The total absorption costing principle is used and the full cost of overheads and support services are shared between users in proportion to the benefits received.

xviii. Reserves

The Authority set aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Council Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

xix. Financial assets

To meet new code requirements Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics.

There are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit or loss, and
- Fair value through other comprehensive income

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (ie where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and the interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The authority recognises expected credit losses on all of its financial assets held at amortised cost either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12 month expected losses.

xx. Provision for repayment of external loans

The Council is not required to raise Council Tax or housing rents to cover depreciation, impairment losses or amortisations but it is required to make provision from revenue for the repayment of debt as measured by the Capital Financing Requirement. The only requirement of the regulations is that the provision is prudent. There is a required minimum of 2% of outstanding debt in respect of council housing and 2% in respect of other debt (the minimum revenue provision). The Authority met this requirement.

xxi. Financial liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for the interest payable are based on the carrying amount of the liability, multiplied by the effective rate for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instruments to the amount at which it was originally recognised.

For most of the borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and the interest charged to the CIES is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the Council Fund Balance to be spread over future years. The authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the Council Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

xxii. Calculating fair value for financial instruments

The fair value of an instrument is determined by calculating the net present value (NPV) of future cash flows which provides an estimate of the value of payments in the future in today's terms. This is the widely accepted valuation technique commonly used by the private sector. The discount rate used in the NPV calculation should be equal to the current rate in relation to the same instrument from a comparable lender. This will be the rate applicable in the market on the date of valuation for an instrument with the same duration i.e. equal to the outstanding period from valuation date to maturity. The structure and terms of the comparable instrument should be the same, although for complex structures it is sometimes difficult to obtain the rate for an instrument with identical features in an active market. In such cases, the prevailing rate of a similar instrument with a published market rate would be used as the discount factor.

Complexities of the NPV calculation

It is unlikely that the future cash instalments of an instrument will fall in equal time periods from the date of valuation, and there is likely to be a "broken" period from the valuation date to the next instalment. This means that an adjustment needs to be made to each discount factor in order to take account of the timing inequality.

Evaluation of PWLB debt

We have used the new borrowing rate, as opposed to the premature repayment rate, as the discount factor for all PWLB borrowing. This is because the premature repayment rate includes a margin which represents the lender's profit as a result of rescheduling the loan which is not included in the fair value calculation since any motivation other than securing a fair price should be ignored. LAAP 73 states that PWLB will be using the premature repayment rate in their calculations. It is at the Authority's own discretion which set of values it chooses to disclose.

Inclusion of accrued interest

The purpose of the fair value disclosure is primarily to provide a comparison with the carrying value in the Balance Sheet. Since this will include accrued interest as at the Balance Sheet date, we have also included accrued interest in the fair value calculation. This figure will be calculated up to and including the valuation date.

Discount rates used in NPV calculation

The rates used were obtained by our advisors, Capita, from the market on 31 March 2021 using bid prices where applicable.

Assumptions

The following assumptions are made but do not have a material effect on the fair value of the instrument:

- Interest is calculated using the most common market convention, ACT/365.
- For fixed term deposits it is assumed that interest is received annually or on maturity if duration is less than one year.

xxiii. Revenue expenditure funded from capital under statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of fixed assets has been charged as expenditure to the relevant service revenue account in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer to the Capital Adjustment Account then reverses out the amounts charged so there is no impact on the level of Council Tax.

xxiv. Grants, contributions and donated assets

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted

to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

xxv. Schools

The Code confirms that the balance of control for local authority maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the Local Authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the Council's financial statements (and not the Group Accounts). Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements of the authority as if they were the transactions, cash flows and balances of the authority.

With regards to Non-Current Assets the Authority records only those assets it owns. In the case of Voluntary Aided and Faith Schools ownership is with the Diocese. The Authority does not have control of these schools and so omits on the Authority Balance Sheet.

xxv. Fair Value measurement

The Authority measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Authority measures the fair value of an asset or liability using the assumptions that the market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Authority uses the valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows.

- Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities that the authority can assess at the measurement date.
- Level 2:** Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3:** Unobservable inputs for the asset or liability.

xxvi. Council Tax and Non-domestic Rates (NDR)

NDR

As a billing authority, the Council collects NDR on behalf of the Welsh Government and pays the money collected from local business into the Welsh Government National Pool. The Welsh Government redistributes the sums payable back to Local Authorities on the basis of a fixed amount per head of population. The Authority's share of NDR Pool is reported in the Comprehensive Income and Expenditure Statement. NDR debtor and creditor balances with taxpayers and the impairment allowance for doubtful debts are not assets and liabilities of the Council and are not recognised in the Balance Sheet.

Council Tax

Council Tax income is included in the Comprehensive Income and Expenditure Statement within the Taxation and Non-Specific Grant Income line. Council Tax debtors or creditors and impairment allowance for doubtful debts are included in the Balance Sheet.

Note 2: Accounting Standards that have been issued but have not yet been adopted

The Code of Practice requires that the Authority discloses information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This requirement applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. on or before 1 January 2021 for 2020/2021). None of the standards introduced in the 2021/22 code are expected to have a material impact on the financial statements.

Note 3: Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The IAS 19 pension cost calculations in Note 39 involve placing present values on future benefit payments to individuals many years into the future. These benefits will be linked to pay increases whilst individuals are active members of the Fund and will be linked to statutory pension increase orders (inflation) in deferment and in retirement. Assumptions are made for the rates at which the benefits will increase in the future (inflation and salary increases) and the rate at which these future cashflows will be discounted to a present value at the accounting date to arrive at the present value of the defined benefit obligation. The resulting position will therefore be sensitive to the assumptions used. The present value of defined benefit obligations is linked to yields of high quality corporate bonds whereas, for the LGPS funded arrangements, the majority of the assets of the fund are usually invested in equities or other real assets. Fluctuations in investment markets in conjunction with discount rate volatility will lead to volatility in the funded status of the fund and thus to volatility in the net pension asset on the Balance Sheet and in other Comprehensive Income and Expenditure. To a lesser extent this will also lead to volatility in the pension expense in the surplus or deficit on the provision of services.
- Provisions are made when clear and accurate information is available to do so. In the absence of this, creating a provision may be misleading and could have significant financial implications.

Note 4: Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority’s Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Property Valuations
Uncertainty	<p>Asset valuations are periodically reviewed to ensure that the Council does not materially misstate its non-current assets. The Council’s external valuers provided valuations as at 1 April 2020 for its investment properties, surplus assets and approximately 20% of its operational portfolio. Prior to the valuation date, the RICS issued a Valuation Practice Alert in response to the Coronavirus pandemic and as of 18 March 2020 had published the following recommended wording, which the valuers were including in all Red Book valuation reports as at the valuation date: The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors and at the valuation date our valuers do not consider that we can rely upon previous market evidence to fully inform opinions of value. Indeed, the current response to COVID-19 means that the valuers are faced with an unprecedented set of circumstances on which to base a judgement. The valuations are therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, the valuers recommend that the valuation of these assets are kept under frequent review.</p>
Effect if assumptions differ from actual	<p>A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement. An increase in estimated valuations would result in increases to the Revaluation Reserve and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement. Depreciation charges for operational buildings will change in direct relation to changes in estimated current value. A 1% change in the asset values of the classes mentioned would result in an estimated change of £4.2m.</p>

Item	Property, Plant and Equipment
Uncertainty	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.
Effect if assumptions differ from actual	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings within Land and Buildings would increase by £645k for every year that useful lives had to be reduced.

Item	Pension Liability
Uncertainty	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.
Effect if assumptions differ from actual	The effects on the net pension's liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £22.59m. However, the assumptions interact in complex ways. During 2020/21, the Authority's actuaries advised that the net pension's liability had decreased by £10.69m as a result of estimates being corrected as a result of experience. There was no change attributable to updating of the demographic assumptions and an increase of £185.50m attributable to financial assumptions. A sensitivity analysis of a change in various assumptions can be seen in Note 39 Defined Benefit Pension Schemes.

Item	Arrears
Uncertainty	At 31 March 2021, the Authority had a balance of sundry debtors of £46.7m. A review of significant balances suggested that an impairment of doubtful debts of £3.7m was appropriate. Housing Rent arrears had a balance of £2.2m and Council Tax arrears £6.5m at 31 March 2021. A review of significant balances suggested that an impairment of doubtful debts of £1.0m for Housing Rent arrears and £0.9m for Council Tax arrears was appropriate based on the stage the arrears are within the recovery process. However, in the current economic climate it is not certain that such an allowance would be sufficient. The economic impact of COVID-19 has made the estimation of debt impairment more difficult as there is more uncertainty about the economic viability of debtors and their ability to settle their debts.
Effect if assumptions differ from actual	If collection rates were to deteriorate, a doubling of the amount of the impairment of doubtful debts would require an additional £5.6m to be set aside as an allowance. However, very little debt is historically written off as disclosed in note 42.

Note 5: Material Items of Income and Expense

The Council does not have any items of income and expenditure to report that require further information.

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Note 6: Note to the Expenditure and Funding Analysis

Please note that the explanation for the meaning of the column headings can be found after the table.

Reclassified								
2019/20 Adjustments for Capital Purposes	2019/20 Net Change for the Pensions Adjustments	2019/20 Other Differences	2019/20 Total Adjustments	Adjustments from Council Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	2020/21 Adjustments for Capital Purposes	2020/21 Net Change for the Pensions Adjustments	2020/21 Other Differences	2020/21 Total Adjustments
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
(1,768)	(1,221)	(113)	(3,102)	Adult Services	(1,621)	(1,300)	(115)	(3,036)
(37)	(741)	(73)	(851)	Childrens Services	(41)	(901)	(94)	(1,036)
(5)	(320)	(37)	(362)	Commissioning	(5)	(405)	(52)	(462)
(15,353)	841	(49)	(14,561)	Education	(13,730)	854	(52)	(12,928)
(9,995)	(1,638)	(136)	(11,769)	Highways Transport & Recycling	(8,519)	(1,677)	(190)	(10,386)
(4,026)	(1,184)	(104)	(5,314)	Property, Planning & Public Protection	(4,600)	(838)	(56)	(5,494)
(384)	(60)	(6)	(450)	Regeneration	(290)	(65)	(11)	(366)
(3,329)	(330)	(27)	(3,686)	Housing & Community Development	(6,617)	(338)	(35)	(6,990)
(395)	(327)	(29)	(751)	Digital & Communication Services	(469)	(342)	(12)	(823)
(208)	(171)	(5)	(384)	Strategy, Performance & Transformation Programmes	-	(161)	(12)	(173)
-	(188)	(18)	(206)	Workforce & OD	-	(197)	(25)	(222)
(139)	(217)	(21)	(377)	Legal & Democratic Services	(139)	(213)	(8)	(360)
(3,211)	(164)	(44)	(3,419)	Finance	(77)	(525)	(191)	(793)
(9)	(779)	7	(781)	Corporate Activities	(49)	(419)	1	(467)
(479)	(275)	(23)	(777)	Housing Revenue Account (HRA)	2,640	(291)	(31)	2,318
-	(1,536)	(393)	(1,929)	Schools Delegated	10	(1,742)	252	(1,480)
(39,338)	(8,310)	(1,071)	(48,719)	Net Cost of Services	(33,507)	(8,560)	(631)	(42,698)
875	(7,720)	-	(6,845)	Other Operating Expenditure	1,605	(8,270)	-	(6,665)
(6,698)	-	182	(6,516)	Financing and Investment Income and Expenditure	(6,035)	-	76	(5,959)
18,647	-	-	18,647	Taxation and Non-specific Grant Income and Expenditure	26,244	-	-	26,244
(26,514)	(16,030)	(889)	(43,433)	Difference between Council Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit	(11,693)	(16,830)	(555)	(29,078)

The reclassification relates to £3,978k of capital grants being moved from the HRA to match the income shown in the CIES under Taxation and Non-Specific grant income and expenditure.

Adjustments for Capital Purposes

Adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For services this represents adjustments made for accumulated absences.
- For Financing and investment income and expenditure the other differences column recognises adjustments to the Council Fund for the timing differences for premiums and discounts.

Note 7: Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the Total Comprehensive Income and Expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

	Usable Reserves Council Fund Balance £'000	Usable Reserves Housing Revenue Account £'000	Usable Reserves Capital Receipts Reserve £'000	Usable Reserves Capital Grants Unapplied £'000	Unusable Reserves £'000
2020/21 TRANSACTIONS					
Adjustments primarily involving the Capital Adjustment Account:					
Charges for depreciation	(20,732)	(6,287)	-	-	27,019
Amortisation of intangible assets	(418)	(55)	-	-	473
Capital grants and contributions applied	22,894	7,486	-	-	(30,380)
Revenue expenditure funded from capital under statute	(8,521)	-	-	-	8,521
Revaluation gain/loss on property plant and equipment	(11,818)	1	-	-	11,817
Change in market value investment property	142	-	-	-	(142)
Loss on derecognition of assets	(5,382)	-	-	-	5,382
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the comprehensive income and expenditure statement	(3,816)	-	-	-	3,816
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment	2,093	2,146	-	-	(4,239)
Capital expenditure charged against the council fund and HRA balances	1,253	6,831	-	-	(8,084)
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to the comprehensive income and expenditure statement	(5)	-	-	323	(318)
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the comprehensive income and expenditure statement	2,155	3	(2,158)	-	-
Use of the capital receipts reserve to finance new capital expenditure	-	-	459	-	(459)

Deferred capital receipts upon receipt of cash	-	-	(251)	-	251
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the comprehensive income and expenditure statement	378	-	-	-	(378)
Adjustments primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the comprehensive income and expenditure statement are different from finance costs chargeable in the year in accordance with statutory requirements	36	(1)	-	-	(35)
Adjustments primarily involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the comprehensive income and expenditure statement (see Note 39)	(37,472)	(1,128)	-	-	38,600
Employer's pensions contributions and direct payments to pensioners payable in the year	21,167	603	-	-	(21,770)
Adjustment primarily involving the Accumulated Absences Account:					
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(600)	(31)	-	-	631
Total adjustments	(38,646)	9,568	(1,950)	323	30,705

	Usable Reserves Council Fund Balance £'000	Usable Reserves Housing Revenue Account £'000	Usable Reserves Capital Receipts Reserve £'000	Usable Reserves Capital Grants Unapplied £'000	Unusable Reserves £'000
2019/20 TRANSACTIONS					
Adjustments primarily involving the Capital Adjustment Account:					
Charges for depreciation	(20,292)	(5,739)	-	-	26,031
Amortisation of intangible assets	(502)	(53)	-	-	555
Impairment	(2,319)	-	-	-	2,319
Capital grants and contributions applied	17,104	3,983	-	-	(21,087)
Revenue expenditure funded from capital under statute	(7,286)	-	-	-	7,286
Revaluation gain/loss on property plant and equipment	(11,720)	(456)	-	-	12,176
Movement in fair value of investment property	257	-	-	-	(257)
Loss on derecognition of assets	(3,407)	-	-	-	3,407
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the comprehensive income and expenditure statement	(8,985)	(33)	-	-	9,018
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment	765	1,909	-	-	(2,674)
Capital expenditure charged against the council fund and HRA balances	465	3,856	-	-	(4,321)
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to the comprehensive income and expenditure statement	359	-	-	(313)	(46)
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the comprehensive income and expenditure statement	5,405	90	(5,495)	-	-
Use of the capital receipts reserve to finance new capital expenditure	-	-	3,642	-	(3,642)
Deferred capital receipts upon receipt of cash	-	-	(151)	-	151
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the comprehensive income and expenditure statement	84	-	-	-	(84)

Adjustments primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the comprehensive income and expenditure statement are different from finance costs chargeable in the year in accordance with statutory requirements	25	158	-	-	(183)
Adjustments primarily involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the comprehensive income and expenditure statement (see Note 39)	(36,974)	(1,136)	-	-	38,110
Employer's pensions contributions and direct payments to pensioners payable in the year	21,454	626	-	-	(22,080)
Adjustment primarily involving the Accumulated Absences Account:					
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1,048)	(23)	-	-	1,071
Total adjustments	(46,615)	3,182	(2,004)	(313)	45,750

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The following sets out a description of the reserves that the adjustments are made against.

Council Fund Balance

The Council Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that the statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the Council Fund Balance, which is not necessarily in accordance with proper accounting practice. The Council Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. The balance is not available to be applied to funding HRA services.

Housing Revenue Account Balance

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for the local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of the income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which is restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by the terms as to the capital expenditure against which it can be applied and /or the financial year in which this can take place.

Note 8: Transfers To/(From) Earmarked Reserves

Reserve Name	As at 31 March 19	Movement	As at 31 March 20	Movement	As at 31 March 21
	£'000	£'000	£'000	£'000	£'000
Restricted Use and Non-transferable					
Schools Reserve ¹	(293)	(967)	(1,260)	4,139	2,879
Insurance Reserve ²	716	(593)	123	(35)	88
Corporate Initiative Reserve ³	1,595	(269)	1,326	(927)	399
	2,018	(1,829)	189	3,177	3,366
Specific Reserves	£'000	£'000	£'000	£'000	£'000
Service Specific Reserves ⁴	1,416	(619)	797	1,939	2,736
Revenue Grants Unapplied ⁵	1,085	(157)	928	2,930	3,858
21 st Century School Reserve ⁶	479	-	479	200	679
Transport Reserve ⁷	6,493	2,773	9,266	2,015	11,281
Invest to Save ⁸	1,484	92	1,576	142	1,718
Other Reserves ⁹	387	1,162	1,549	4,625	6,174
Budget Management Reserve ¹⁰	4,331	(1)	4,330	-	4,330
	15,675	3,250	18,925	11,851	30,776
Total	17,693	1,421	19,114	15,028	34,142

¹ Total representing the funds available and ring-fenced to schools.

² To mitigate the effect of large claims against the Authority

³ Balance of unspent money for specific initiatives and one off Authority wide projects and costs. This Reserve included money set aside to fund the Authority's Job Evaluation exercise which was implemented from the 1 April 2013.

⁴ Accumulated balances that are set aside for specific service activity. Each reserve must have a specific reason with a timetable of planned use that justifies its inclusion.

⁵ Grants received but that have not been utilised that do not have to be repaid to the Grantor.

⁶ Initially set aside to finance the Schools Modernisation Programme, the reserve was redirected to support the overall budget plan including the investment of social services in 2018/19.

⁷ The transport reserve is used to fund vehicle, plant and equipment replacements. Services are charged a real depreciation amount which is transferred to the reserve annually and new VPE is purchased when the assets are life expired.

⁸ Funds can be borrowed by departments to fund money saving schemes or transformation activity.

⁹ A total of accumulated balances made up from smaller reserves.

¹⁰ An accumulation of the difference between the budget and the outturn position to mitigate future potential pressures.

Note 9: Other Operating Expenditure

2019/20 £'000		2020/21 £'000
	Precepts	
3,902	Community Council Precepts	4,224
15,441	Dyfed Powys Police Precept	16,258
	Levies	
6,951	Mid and West Wales Fire Authority	7,324
554	Brecon Beacons National Park	554
45	Powys Land Drainage Board	44
3,514	(Gain)/Loss on the Disposal of Non-current Assets	1,658
3,415	Non-enhancing Expenditure	5,382
(84)	Transfer to Deferred Credits - Landlord Loans	(378)
33,738		35,066

Note 10: Financing and Investment Income and Expenditure

2019/20 £'000		2020/21 £'000
11,220	Interest Payable and Similar Charges	11,311
7,720	Net Interest on the Defined Liability (Asset)	8,270
(178)	Interest Receivable and Similar Income	(51)
(468)	Income and Expenditure in Relation to Investment Properties and Changes in their Fair Value (Note 13)	(280)
18,294		19,250

Note 11: Taxation and Non-specific Grant Income/Expenditure

2019/20 £'000		2020/21 £'000
100,949	Council Tax income (Note 34)	106,780
43,708	Non-domestic Rates	42,531
130,583	Non-ringfenced Government Grants	141,758
18,647	Capital Grants and Contributions	26,243
293,887		317,312

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Note 12: Property, Plant and Equipment

The non-current assets below do not include the 15 controlled faith schools or the 8 aided faith schools as the ownership of the assets does not reside with the Council.

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure	Community Assets	Surplus Assets	Assets Under Construction	Total
Movement In 2020/21								
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 April 20	233,003	458,526	70,422	175,409	1,132	1,811	14,522	954,825
Additions	8,895	7,199	5,714	15,822	141	4	16,256	54,031
Revaluation increases/(decreases) recognised in the revaluation reserve	-	(3,524)	-	-	-	(815)	-	(4,339)
Revaluation increases/(decreases) recognised in the surplus on the provision of services	-	(10,873)	-	-	-	(393)	(11)	(11,277)
Derecognition – disposals	-	(1,913)	(1,393)	-	-	(405)	-	(3,711)
Derecognition – other	-	(5,343)	-	-	-	-	-	(5,343)
Reclassification from/(to) held for sale	-	(83)	-	-	-	(916)	-	(999)
Reclassification from/(to) Investment Properties	-	4,393	-	-	-	-	-	4,393
Other movements	-	(3,244)	-	60	-	2,293	888	(3)
As at 31 March 21	241,898	445,138	74,743	191,291	1,273	1,579	31,655	987,577

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure	Community Assets	Surplus Assets	Assets Under Construction	Total
Movement In 2020/21								
Accumulated Depreciation	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 April 20	(11,003)	(28,675)	(51,560)	(38,305)	-	(114)	136	(129,521)
Depreciation charge	(6,283)	(11,972)	(4,188)	(4,528)	-	(48)	-	(27,019)
Depreciation written out to the revaluation reserve	-	9,290	-	-	-	64	-	9,354
Derecognition - disposals depreciation	-	74	1,218	-	-	10	-	1,302
Other movements	-	340	-	-	-	(5)	(334)	1
As at 31 March 21	(17,286)	(30,943)	(54,530)	(42,833)	-	(93)	(198)	(145,883)
Accumulated Impairment								
At 1 April 20	-	(229)	(14)	(2,348)	-	-	(140)	(2,731)
Impairment reversals/(losses) recognised in the revaluation reserve	-	170	-	-	-	-	-	170
As at 31 March 21	-	(59)	(14)	(2,348)	-	-	(140)	(2,561)
Net Book Value								
As at 31 March 21	224,612	414,136	20,199	146,110	1,273	1,486	31,317	839,133
As at 31 March 20	222,000	429,622	18,848	134,756	1,132	1,697	14,518	822,572

Comparative Movements in 2019/20:

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure	Community Assets	Surplus Assets	Assets Under Construction	Total
Movement In 2019/20								
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 April 19	218,531	471,826	74,988	165,640	1,070	5,059	38,104	975,217
Additions	15,016	13,689	5,156	9,312	140	-	8,840	52,153
Revaluation increases/(decreases) recognised in the revaluation reserve	-	(35,770)	-	-	-	(300)	-	(36,070)
Revaluation increases/(decreases) recognised in the surplus on the provision of services	(456)	(11,622)	-	-	-	(78)	-	(12,156)
Derecognition - disposals	(88)	(6,219)	(10,029)	(2)	(8)	(2,575)	(26)	(18,947)
Derecognition - other	-	(3,312)	(14)	-	(70)	-	-	(3,396)
Reclassification from/(to) held for sale	-	-	-	-	-	(1,977)	-	(1,977)
Other movements	-	29,934	321	459	-	1,682	(32,396)	-
As at 31 March 20	233,003	458,526	70,422	175,409	1,132	1,811	14,522	954,824

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure	Community Assets	Surplus Assets	Assets Under Construction	Total
Movement In 2019/20								
Accumulated Depreciation	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 April 19	(5,267)	(40,620)	(56,737)	(33,912)	-	(119)	(27)	(136,682)
Depreciation charge	(5,738)	(11,346)	(4,474)	(4,391)	-	(83)	-	(26,032)
Depreciation written out to the revaluation reserve	-	22,658	-	-	-	29	-	22,687
Derecognition - disposals depreciation	2	637	9,610	-	-	72	-	10,321
Reclassified from/(to) Held for Sale	-	-	-	-	-	45	-	45
Other movements	-	(4)	41	(2)	-	(58)	163	140
As at 31 March 20	(11,003)	(28,675)	(51,560)	(38,305)	-	(114)	136	(129,521)
Accumulated Impairment								
At 1 April 19	-	(681)	(14)	(29)	-	-	(140)	(864)
Impairment reversals/(losses) recognised in the revaluation reserve	-	588	-	-	-	-	-	588
Impairment reversals/(losses) recognised in the surplus on the provision of services	-	-	-	(2,319)	-	-	-	(2,319)
Derecognition - disposals Impairment	-	3	-	-	-	-	-	3
Other Movements	-	(139)	-	-	-	-	-	(139)
As at 31 March 20		(229)	(14)	(2,348)	-	-	(140)	(2,731)
Net Book Value								
As at 31 March 20	222,000	429,622	18,848	134,756	1,132	1,697	14,518	822,572
As at 31 March 19	213,264	430,525	18,237	131,699	1,070	4,940	37,937	837,671

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Capital Commitments

At 31 March 2021, the Authority has entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2021/22 and future years budgeted to cost £22,876k. Similar commitments at 31 March 2020 were £13,719k.

Included within the £22,876k was an outstanding Revenue Expenditure Funded from Capital Under Statute (Reffcus) commitment of £773k (£4,157k at 31 March 2020).

Revaluations

The Authority carries out a rolling programme that ensures that all property, plant and equipment required to be measured at fair value is revalued at least every five years. All valuations undertaken this year were carried out by external valuers.

Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Assets valued in 2020/21 were revalued at 1 April 2020.

The Council Dwellings are valued on an Existing use – Social Housing basis. The beacon method was adopted with a 38% of the market value used in the revaluations.

Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

The fair values of Property, Plant and Equipment:

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure	Community Assets	Surplus Assets	Assets Under Construction	Intangible	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Historical cost	7,868	4,428	76,150	191,292	1,274	41	29,760	7,001	317,814
Valued at fair value:									
31 March 21	-	89,465	-	-	-	1,537	-	-	91,002
31 March 20	-	109,141	-	-	-	-	-	-	109,141
31 March 19	234,026	126,670	-	-	-	-	-	-	360,696
31 March 18	-	87,192	-	-	-	-	-	-	87,192
31 March 17	-	29,069	-	-	-	-	1,894	-	30,963
	241,894	445,965	76,150	191,292	1,274	1,578	31,654	7,001	996,808

Note 13: Investment Properties

The following items of income and expense have been accounted for in the finance and investment income and expenditure line in the Comprehensive Income and Expenditure Statement:

2019/20 £'000		2020/21 £'000
(451)	Rental income	(174)
240	Direct operating expense	36
(211)		(138)

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligation to purchase, construct or develop investment property, repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

2019/20 £'000		2020/21 £'000
5,000	Balance as at 1 April	7,952
2,703	Additions	39
(10)	Disposal/Derecognition	(39)
257	Change in fair value	142
	Transfers:	
-	(To)/From Property, Plant & Equipment	(4,393)
2	Other Changes	-
7,952	Balance as at 31 March	3,701

Fair Value Measurement

The table below provides an analysis of the fair values of non-current assets grouped into levels one to three, based on the level to which the inputs to the measurement of fair value are observable. There are no movements between valuations levels 1 and 2.

2019/20 Level 1: Quoted Market Price £'000	2019/20 Level 2: Observable Inputs £'000	2019/20 Level 3: Unobservable Inputs £'000	Total as at 31 March 2020 £'000		2020/21 Level 1: Quoted Market Price £'000	2020/21 Level 2: Observable Inputs £'000	2020/21 Level 3: Unobservable Inputs £'000	Total as at 31 March 2021 £'000
				Recurring fair value measurements:				
-	4,117	1,140	5,257	Investment property	-	2,669	1,030	3,699
				Non-recurring fair value measurements:				
-	1,483	20	1,503	Assets held for sale	-	1,224	-	1,224
-	1,340	130	1,470	Surplus assets	-	492	343	835

The table below shows a reconciliation of fair value valuations and the balance sheet figures.

2019/20 Fair Value £'000	2019/20 Balance Sheet £'000	2019/20 Variance £'000		2020/21 Fair Value £'000	2020/21 Balance Sheet £'000	2020/21 Variance £'000
5,257	7,952	2,695	Investment Property	3,699	3,701	2
1,503	2,660	1,157	Assets held for sale	1,224	1,850	626
1,470	1,697	227	Surplus Assets	835	1,486	651

Fair valuation of assets held for sale varies from the balance sheet figure because the valuation of assets held for sale reflect the accounting policy of reporting the lower of fair valuation or carrying value.

Valuation Techniques Used to Determine Level 2 Fair Values

The fair value for assets held for sale has been based on the market approach using prices and other relevant information generated by market transactions involving comparable properties. Market conditions are such that similar properties are actively purchased & sold and the level of observable inputs are significant, leading to the properties being categorised as Level 2.

Highest and Best Use

In estimating the fair value of the Council's investment property, the highest and best use of the properties is their current use.

For recurring valuations of investment property any gains or losses are recognised in the Comprehensive Income and Expenditure Statement within the line for income and expenditure related to investment properties. For the valuation of surplus assets, the gain or loss has been recognised in the non-distributed costs.

Sensitivity to Changes in Significant Unobservable Inputs

Significant changes in rental yield and vacancy levels or discount rate will result in a significantly lower or higher fair value.

Note 14: Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

2019/20 £'000		2020/21 £'000
349,528	Opening Capital Financing Requirement	380,121
	Capital Investment:	
52,153	Property, Plant and Equipment	54,031
-	Assets held for sale	90
2,703	Investment Properties	39
20	Heritage Assets	-
201	Intangible Assets	521
7,286	REFFCUS	8,521
	Less Sources of Finance:	
3,642	Capital Receipts	459
21,133	Government Grants and Other Contributions	32,128
	Sums Set Aside from Revenue:	
4,321	Direct Revenue Contributions	8,084
2,674	Minimum Revenue Provision (MRP)	4,239
380,121	Closing Capital Financing Requirement	398,413
	Explanation of Movement in Year:	
4,590	Increase/(Decrease) in Underlying Need to Borrow (Supported by Government Financial Assistance)	712
26,003	Increase in Underlying Need to Borrow (Unsupported by Government Financial Assistance)	17,580
30,593	Increase/(Decrease) in Capital Financing Requirement	18,292

Note 15: Financial Instruments

The Authority had the following categories of financial instruments in the Balance Sheet:

Financial Assets

31 March 20 Long Term £'000	31 March 20 Current £'000		31 March 21 Long Term £'000	31 March 21 Current £'000
989	10,075	Investments – Amortised Cost	982	33,000
3,021	49,951	Debtors – Amortised Cost	3,260	49,727

Financial Liabilities

31 March 20 Long Term £'000	31 March 20 Current £'000		31 March 21 Long Term £'000	31 March 21 Current £'000
305,253	28,382	Borrowings – Amortised Cost	287,803	73,399
20,762	41,354	Creditors – Amortised Cost	5,291	66,377

Included in short term borrowing is £33m received from Welsh Government in respect of the Global Centre of Rail Excellence (GCRE) project. In May 2019, Powys County Council, Neath Port Talbot CBC and Welsh Government entered a Joint Venture Agreement to work together to provide structure, direction and guidance to bring forward the development of the GCRE, a rail testing and storage facility to support the rail industry and the wider supply chain in the UK and internationally. The Council has until 30 September 2021 to progress to the full business case position. It is able to return the funding without penalty prior to this date, if, after the appropriate due diligence it is decided that it is not viable to proceed with the project.

Income, Expense, Gains and Losses

2019/20 Surplus or Deficit on the Provision of Services	2019/20 Other Comprehensive Income and Expenditure	2019/20 Total		2020/21 Surplus or Deficit on the Provision of Services	2020/21 Other Comprehensive Income and Expenditure	2020/21 Total
£'000	£'000	£'000		£'000	£'000	£'000
			Net Gains/Losses on:			
442	-	442	Impairment loss	190	-	190
442	-	442	Total Net Gains/Losses	190	-	190
			Interest Revenue:			
(178)	-	(178)	Financial Assets Measured at Amortised Cost	(51)	-	(51)
(178)	-	(178)	Total Interest Revenue	(51)	-	(51)
11,220	-	11,220	Interest Expense	11,311	-	11,311

Fair Values of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- Estimated ranges of interest rates at 31 March 2021 of 0.79% to 2.19% for loans from the PWLB and 2.03% to 2.63% for LOBO's and 0.79% to 2.15% for other loans receivable and payable, based on new lending rates for equivalent loans at that date.
- No early repayment or impairment is recognised.
- Where an instrument will mature in the next 12 months, carrying amount is assumed approximate to fair value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.
- Accrued interest has been included in the fair value calculation since it is included in the carrying value of loans in the Balance Sheet.

The fair values calculated are as follows:

31 March 20 Carrying Amount £'000	31 March 20 Fair Value £'000		31 March 21 Carrying Amount £'000	31 March 21 Fair Value £'000
333,635	399,007	Financial Liabilities	361,202	445,124
20,762	20,762	Long Term Creditors	5,291	5,291

The fair value of the liabilities is greater than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the Balance Sheet date.

31 March 20 Carrying Amount £'000	31 March 20 Fair Value £'000		31 March 21 Carrying Amount £'000	31 March 21 Fair Value £'000
11,064	11,064	Loans and Receivables	33,982	33,982
3,021	3,021	Long Term Debtors	3,260	3,260

Short term debtors and creditors are carried at cost as this is a fair approximation of their value.

Note 16: Short Term Debtors

Short term debtors are amounts owed to the Authority that are due for collection within one year from 31 March and shown net of provisions for bad debts.

31 March 20 £'000		31 March 21 £'000
15,318	Trade Debtors	17,840
32,931	Other Debtors	29,580
1,702	Payments in Advance	2,307
49,951		49,727

Note 17: Cash and Bank Accounts

Cash was held in the following categories as at 31 March:

31 March 20 £'000		31 March 21 £'000
23,122	Cash Held by the Authority	62
(26,621)	Bank Current Accounts	21,319
(3,499)		21,381

In addition to the above, at 31 March 2021 the Council held £2,124k (£2,182k at 31 March 2020) on behalf of third parties, in relation to Adult Services social care clients. This amount is not included on the balance sheet as this money does not belong to the Council.

Note 18: Creditors**Short Term Creditors**

Short term creditors are amounts owed by the Authority that are due for payments within one year from 31 March:

31 March 20 £'000		31 March 21 £'000
(23,516)	Trade Payables	(40,191)
(7,050)	Other Payables	(9,434)
(10,788)	Accruals and Deferred Income	(16,752)
(41,354)		(66,377)

Long Term Creditors

31 March 20 £'000		31 March 21 £'000
(20,762)	Receipts in Advance	(5,291)
(20,762)		(5,291)

Note 19: Provisions

Short Term Provisions

	As at 1 Apr 20 £'000	Increase in Provision £'000	Reversal of Unused Provision £'000	Amounts Paid £'000	As at 31 March 21 £'000
Insurance ¹	(2,508)	(747)	-	439	(2,816)
Other ²	(1,175)	(29)	165	379	(660)
	(3,683)	(776)	165	818	(3,476)

Long Term Provisions

	As at 1 Apr 20 £'000	Increase in Provision £'000	Reversal of Unused Provision £'000	Amounts Paid £'000	As at 31 March 21 £'000
Long Term ³	(12)	(56)	-	-	(68)

Note 20: Usable Reserves

Movements in the Authority's usable reserves are detailed in the movement in reserves statement, including the Council Fund and HRA. The usable capital receipts table which follows provides further information of movement on that reserve.

Usable Capital Receipts

2019/20 £'000		2020/21 £'000
7,232	Balance as at 1 April	9,236
5,646	Gross capital receipts	2,409
-	Financing fixed assets	(228)
(3,642)	Financing Refocus	(231)
9,236	Balance as at 31 March	11,186

Note 21: Unusable Reserves

31 Mar 20 £'000		31 Mar 21 £'000
284,508	Revaluation reserve	280,425
171,073	Capital adjustment account	167,104
(1,081)	Financial instruments adjustment account	(1,215)
(370,430)	Pensions reserve	(473,660)
3,254	Deferred capital receipts	3,381
(4,313)	Accumulated absences account	(4,944)
83,011		(28,909)

¹ A provision has been made to meet known and anticipated liabilities on claims under the Council's insurance arrangements, this includes employer and public liability.

² Included in Other are Equal Pay claims still to be settled.

³ The balance of the long term provision relates to the historic insurance claims relating to the old Authority insurer, Municipal Mutual Insurance Company 'run-off'.

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2019/20 £'000	2019/20 £'000		2020/21 £'000	2020/21 £'000
	309,827	Balance as at 1 April		284,508
13,217		Upwards revaluation of assets	10,357	
(26,012)		Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services	(5,172)	
	(12,795)	Surplus or deficit on the revaluation of non-current assets not posted to the surplus/deficit on the provision of services		5,185
(6,847)		Difference between fair value depreciation and historical cost depreciation	(6,914)	
(5,677)		Accumulated gains on assets sold or scrapped	(2,354)	
	(12,524)	Amount written off to the capital adjustment account		(9,268)
	284,508	Balance as at 31 March		280,425

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The account is debited with the cost of acquisition, construction or enhancement as depreciation. Impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis).

The account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Authority. The account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 7 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2019/20 £'000	2019/20 £'000		2020/21 £'000	2020/21 £'000
	187,314	Balance as at 1 April		171,073
		Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(26,031)		Charges for depreciation of non-current assets	(27,019)	
(555)		Amortisation of Intangible Assets	(473)	
(12,176)		Revaluation gain/(loss) on Property, Plant and Equipment	(11,817)	
(2,319)		Impairment due to economic consumption	-	
(7,286)		Revenue expenditure funded from capital under statute	(8,521)	
(3,407)		Loss on derecognition of Assets	(5,382)	
(9,008)	(60,782)	Amounts of non-current assets written off on disposal or sale as part of the gains/loss on disposal to the Comprehensive Income and Expenditure Statement	(3,809)	(57,021)
	12,524	Adjusting amounts written out of the Revaluation Reserve		9,268
	(48,258)	Net written out of the cost of non-current assets consumed in the year		(47,753)
		Capital Financing applied in the year		
3,642		Use of the Capital Receipts Reserve to finance new capital expenditure	459	
21,087		Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	30,516	
46		Application of grants to capital financing from the Capital Grants Unapplied Account	351	

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2019/20 £'000	2019/20 £'000		2020/21 £'000	2020/21 £'000
4,321		Capital expenditure charged against the Council Fund and HRA balances	8,084	
2,674	31,770	Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	4,239	43,649
	257	Movement in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		142
	(10)	Financial Instruments		(7)
	171,073	Balance as at 31 March		167,104

Financials Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses, relating to certain financial instruments and for bearing losses, or benefiting from gains, per statutory provisions. The Authority uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the Council Fund Balance to the account in the movement in reserves statement. Over time, the expense is posted back to the Council Fund Balance in accordance with statutory arrangements for spreading the burden on Council Tax. In the Authority's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the account at 31 March will be charged to the Council Fund over the remaining life of repaid loans.

2019/20 £'000		2020/21 £'000
(1,264)	Balance as at 1 April	(1,081)
(8)	Discounts paid from rescheduling of debt	(8)
146	Soft loans adjustment	(170)
45	Proportion of premiums incurred in previous financial years to be charged against the Council Fund Balance in accordance with statutory requirements	44
(1,081)	Balance as at 31 March	(1,215)

Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed, as the Authority makes employer's contributions to Pension Funds or eventually pay any pensions for which it is directly responsible. The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory

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arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2019/20 £'000		2020/21 £'000
(332,600)	Balance as at 1 April	(370,430)
(21,800)	Actuarial gains or (losses) on pensions assets and liabilities	(86,400)
(38,110)	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income And Expenditure Statement	(38,600)
22,080	Employer's pensions contributions	21,770
(370,430)	Balance as at 31 March	(473,660)

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

2019/20 £'000		2020/21 £'000
3,321	Balance as at 1 April	3,254
84	Landlord Loans	378
(151)	Transfer to the Capital Receipts Reserve upon receipt of cash	(251)
3,254	Balance as at 31 March	3,381

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Council Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to or from the account.

2019/20 £'000		2019/20 £'000
(3,242)	Balance as at 1 April	(4,313)
3,242	Settlement or cancellation of accrual made at the end of the preceding year	4,313
(4,313)	Amounts accrued at the end of the current year	(4,944)
(4,313)	Balance as at 31 March	(4,944)

Note 22: Expenditure and Income Analysed by Nature

2019/20 £'000	Per the (surplus)/deficit from the provision of services	2020/21 £'000
179,235	Employee Costs	187,560
21,574	Premises related expenditure	23,441
16,626	Transport related expenditure	14,464
27,405	Supplies and Services	25,470
40,822	Depreciation and Impairment losses	39,167
7,286	REFFCUS	8,521
94,553	Third Party Payments	112,197
26,893	Precepts and Levies (see note 9)	28,404
50,621	Transfer Payments	49,291
11,283	Capital financing costs (Interest and Similar Charges)	11,330
7,720	Pension Interest Costs	8,270
760	IAS 19 Past Service Costs	240
3,415	Non-Enhancing Expenditure	5,382
3,514	Loss on Disposal of Asset	1,658
491,707	Total Expenditure	515,395
(101,741)	Grants, reimbursements and contributions (see note 33) ¹	(139,726)
(72,867)	Customer and client income	(70,715)
(84)	Transfer to deferred credits - landlord loans (see note 9)	(378)
(178)	Interest received and similar income	(51)
(2,799)	REFFCUS	(4,131)
(19,343)	Precepts	(20,410)
(81,606)	Council Tax ¹	(86,370)
(43,708)	Non Domestic Rates	(42,531)
(130,583)	Revenue Support Grant	(141,758)
(452,909)	Total Income	(506,070)
38,798	Net Expenditure/(Income)	9,325

Reconciliation to the report to Cabinet (see Narrative Report)

2019/20 £'000		2020/21 £'000
38,798	(Surplus)/Deficit on the Provision of Services (see CIES)	9,325
81,606	Council Tax	86,370
(710)	Council Tax Surplus	(1,218)
43,708	Non-Domestic Rates	42,531
130,583	Revenue Support Grant	141,758
	Items not reported to management	
(43,433)	Adjustments made between Accounting Basis and Funding Basis Under Regulations (see Expenditure and Funding Analysis)	(29,078)
250,552	Net Expenditure/(Income) as per Narrative Report	249,688

¹ The £621k COVID-19 Council Tax Collection grant listed in note 33 has been reported under Council Tax.

Note 23: Cash Flow Statement – Investing Activities

2019/20 £'000		2020/21 £'000
43,513	Purchase of property, plant and equipment, investment property and intangible assets	46,316
313,510	Purchase of short and long term investments	96,595
(1,473)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,513)
(310,807)	Proceeds from the sale of short and long term investments	(83,000)
44,743	Net cash flows from investing activities	58,398

Note 24: Cash Flow Statement – Financing Activities

2019/20 £'000		2020/21 £'000
(33,891)	Cash receipts of short and long term borrowing	(55,084)
(21,995)	Other receipts from financing activities	(34,349)
3,696	Repayments of short and long term borrowing	25,033
3,656	Other payments for financing activities	(9,486)
(48,534)	Net cash flows from financing activities	(73,886)

Note 25: Cash Flow Statement – Analysis of Government Grants

2019/20 £'000		2020/21 £'000
10,571	Housing Grants	10,704
13	Other Housing	-
3,718	Other Social Services (Primarily Mental Handicap Strategy)	5,359
3,854	Supporting People	5,372
1,796	Other Transport Grants	2,095
1,154	Waste Disposal And Recycling Grants	1,464
8,267	Education Grants	7,063
2,588	Concessionary Travel	3,366
4,197	Miscellaneous	4,160
-	Emergency Financial Assistance	2,464
-	COVID-19	21,658
76	Safer Communities Fund	-
131	Communities First	186
2,545	Reffcus	1,868
425	Sports Council	538
41	Arts Council of Wales	12
39,376		66,309

Note 26: Trust Funds

The Authority remains sole trustee for the Welsh Church Acts Fund and Rhayader Leisure Centre. Their unaudited accounts are summarised over the next two pages and do not form part of the Authority's accounts.

The Charities Act 1993 requires there to be an independent audit of the Statement of Accounts of the following two trust funds. The 2020/21 results below had not been audited by the time Powys County Council's audit was complete and the Audit Report included with this Statement of Accounts does not relate to these Trust Funds.

Welsh Church Acts Fund

The Welsh Church Acts Fund was established under the Welsh Church Act of 1914 and is administered by the County Council. Grants are made from the Fund to individuals and organisations with charitable status. The unaudited 2020/21 accounts of the Welsh Church Acts Fund are set out below. These accounts do not form part of the Authority's consolidated accounts. 2019/20 figures have been restated to reflect the audited accounts in that year.

Restated 2019/20 £'000	Revenue Account	2020/21 £'000
	Income	
(79)	Investment Income	(67)
(4)	Other income	(3)
-	Gains on Investment Assets	(549)
(83)	Total Income	(619)
	Expenditure	
40	Raising Funds	36
46	Charitable Activities	34
208	Losses on Investment Assets	-
294	Total Expenditure	70
211	Deficit/(Surplus) for the year	(549)
(2,646)	Fund Balance Brought Forward	(2,435)
(2,435)	Fund Balance Carried Forward	(2,984)

31 March 20 £'000	Balance Sheet	31 March 21 £'000
	Non-current Assets	
205	Land and Buildings	205
2,233	Investments	2,782
2,438	Total Non-current Assets	2,987
(3)	Net Current Assets	(3)
2,435	Net Assets	2,984
2,435	Fund Surplus	2,984

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Rhayader Leisure Centre Trust Fund

Rhayader Leisure and Community Centre was established as a charitable trust on 1 March 1994. The full annual report and accounts are published separately and copies are available from the Finance department. These draft accounts do not form part of the Authority's consolidated accounts.

2019/20 £'000	Revenue Account	2020/21 £'000
(349)	Income	(238)
349	Expenditure	238
-	Deficit/(Surplus) for the year	-
(4)	Fund Balance Brought Forward	(4)
(4)	Fund Balance Carried Forward	(4)

31 March 20 £'000	Balance Sheet	31 March 21 £'000
4	Net Current Assets	4
4	Net Assets	4
4	Fund Surplus	4

Note 27: Agency Services

The Council acts as an agent for various schemes on behalf of the Welsh Government. The amounts are excluded from the Authority's income and expenditure. The significant agency services provided were as below.

Houses into Homes

Loans are made available to bring long-term empty residential properties or commercial buildings back into use as homes for rent or sale. Since inception in 2013/14 £1,000k funding has been provided by Welsh Government, the balance available for new loans at 31 March 2021 was £492k (£571K at 31 March 2020).

Home Improvement Loans

Loans made available to help homeowners improve the condition of their residential property. Since inception in 2014/15 £2,150k funding has been provided by Welsh Government, the balance available for new loans at 31 March 2021 was £0k (£0k at 31 March 2020).

Viable and Vibrant Places

Loans are made available focusing on regeneration activity in town centres, with an emphasis on improvement to the housing supply. Since inception in 2014/15 £4,850k funding has been provided by Welsh Government, the balance available for new loans at 31 March 2021 was £2,541k (£257k at 31 March 2020).

COVID-19 Business Grants

Grants of £72,658k were paid to eligible businesses in 2020/21 (£11,700k in 2019/20). A creditor of £2,295k was held on the balance sheet at 31 March 2021.

Social care £500 bonus scheme

Bonus payments of £2,056k were paid to individual care workers in 2020/21 (no payments in 2019/20). A debtor of £21k was held on the balance sheet at 31 March 2021.

SSP Enhancement

Top up payments to full salary of £79k were paid where employees only receive statutory sick pay when off sick with Covid or having to self isolate as an infection control measure in 2020/21 (no payments in 2019/20). A debtor of £5k was held on the balance sheet at 31 March 2021.

Self Isolation Payments (SIPS)

Payments totalling £77k were made to eligible individuals who had to self isolate in 2020/21 (no payments in 2019/20). A debtor of £27k was held on the balance sheet at 31 March 2021.

Flooding

Payments totalling £12k were made to each eligible householders flooded or evacuated in 2020/21 (no payments in 2019/20). A debtor of £5k was held on the balance sheet at 31 March 2021.

NDR Rate Relief Grants

£11,442k was paid to eligible Companies in 2020/21 (no payments in 2019/20). A creditor of £8k was held on the balance sheet at 31 March 2021.

Note 28: Pooled Budgets and Joint Arrangements

Funded Nursing Care Pooled Budget (Section 31 Health Act 1999)

Powys Teaching Health Board (PTHB) and Powys County Council have entered into a partnership agreement in accordance with Section 31 of the Health Act 1999. The health related function which is subject to these arrangements is the provision of care by a registered nurse in care homes, which is a service provided by the NHS Body under Section 2 of the National Health Service Act 1977. In accordance with the Social Care Act 2001 Section 49 care from a registered nurse is funded by the NHS regardless of the setting in which it is delivered. (Circular 12/2003).

The agreement will not affect the liability of the parties for the exercise of their respective statutory functions and obligations. The partnership agreement operates in accordance with the Welsh Assembly Government Guidance NHS Funded Nursing Care 2004. The allocation received for 2020/21 for Free Nursing care was £2,317k which is now within the PTHB base allocation from WG.

2019/20 £'000		2020/21 £'000
	Gross Funding	
1,064	Powys County Council	1,065
1,044	Powys Teaching Health Board	1,252
2,108	Total funding	2,317
	Expenditure	
2,218	Monies spent in accordance with Pooled Budget arrangement	2,095
2,218	Total expenditure	2,095
(110)	Net under/(over) spend	222
	Net under/(over) spend - held	
-	Powys County Council	14
(110)	Powys Teaching Health Board	208

* The PTHB employs 5 nurse assessors plus travel over and above the allocation.

Powys Carers Services Section 33 Pooled Budget

Powys Teaching Health Board and Powys County Council have entered a memorandum of understanding Joint Financing arrangement. Powys County Council is the lead commissioner and the host partner for the purposes of the Regulations.

The agreement will not affect the liability of the parties from the exercise of their respective statutory functions and obligations.

To ensure the integrated provision of high quality, cost effective services to Carers which meet local health and social care needs by working together to support the Integrated Vision of the Joint Health and Care Strategy for Powys in respect of Carers focusing on what matters to the individual.

2019/20 £'000		2020/21 £'000
	Gross Funding	
191	Powys County Council	191
17	Powys Teaching Health Board	17
208	Total funding	208
	Expenditure	
208	Monies spent in accordance with Pooled Budget arrangement	208
208	Total expenditure	208
-	Net under/(over) spend	-

Community Equipment Store (CES) Pooled Budgets (Section 33)

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in accordance with Section 33 of the National Health Services Act 2006. The agreement will not affect the liability of the parties from the exercise of their respective statutory functions and obligations.

Powys County Council is the lead commissioner and the host partner for the purposes of the Regulations. The purpose of the agreement is to facilitate the provision of a community equipment service and development within Powys.

2019/20 £'000		2020/21 £'000
	Gross Funding	
521	Powys County Council	521
521	Powys Teaching Health Board	521
1,042	Total funding	1,042
	Expenditure	
1,072	Monies spent in accordance with Pooled Budget arrangement	1,046
1,072	Total expenditure	1,046
(30)	Net under/(over) spend	(4)
	Net under/(over) spend - held	
(15)	Powys County Council	(2)
(15)	Powys Teaching Health Board	(2)

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Integrated Health and Social Care Centre, Glan Irfon, Builth Wells Pooled Budget (Section 33)

Powys Teaching Health Board (PTHB) and Powys County Council (PCC) have entered into a partnership agreement in accordance with Section 33 of the National Health Services Act 2006.

The agreement will not affect the liability of the parties from the exercise of their respective statutory functions and obligations. Powys County Council is the lead commissioner and the host partner for the purposes of the Regulations.

The purpose of the agreement is to facilitate the provision of person centred care at Glan Irfon, for 12 residents within the short stay shared care reablement unit with in-reach clinical, nursing and reablement support (registered under CSSIW for Residential Care).

2019/20 £'000		2020/21 £'000
	Gross Funding	
227	Powys County Council	248
227	Powys Teaching Health Board	248
454	Total funding	496
	Expenditure	
454	Monies spent in accordance with Pooled Budget arrangement	496
454	Total expenditure	496
-	Net under/(over) spend	-

Reablement Service Section 33 Joint Arrangement

Powys Teaching Health Board (PTHB) and Powys County Council (PCC) have entered into a partnership agreement in accordance with Section 33 of the National Health Services Act 2006.

The agreement will not affect the liability of the parties from the exercise of their respective statutory functions and obligations.

The gross funding agreed by both parties is detailed below:

2019/20 £'000		2020/21 £'000
	Gross Funding	
413	Powys County Council	413
828	Powys Teaching Health Board	828
1,241	Total funding	1,241
	Expenditure	
	Monies spent in accordance with Pooled Budget arrangement	
732	Powys County Council	732
480	Powys Teaching Health Board	493
1,212	Total expenditure	1,225
29	Net under/(over) spend	16
	Net under/(over) spend - held	
-	Powys County Council	-
29	Powys Teaching Health Board	16

Substance Misuse Services Section 33 Joint Arrangement

Powys Teaching Health Board (PTHB) and Powys County Council (PCC) have entered into a partnership agreement in accordance with Section 33 of the National Health Services Act 2006.

Powys County Council is the lead commissioner and the host partner for the purposes of the Regulations. The agreement will not affect the liability of the parties from the exercise of their respective statutory functions and obligations.

The purpose of the agreement is to provide a Tier 2 and 3 service provision for drug and alcohol users and their concerned others.

2019/20 £'000		2020/21 £'000
	Gross Funding	
673	Powys County Council	673
122	Powys Teaching Health Board	122
795	Total funding	795
	Expenditure	
795	Monies spent in accordance with Pooled Budget arrangement	795
795	Total expenditure	795
-	Net under/(over) spend	-

ICT Service

Powys Teaching Health Board (PTHB) and Powys County Council (PCC) have entered into a partnership agreement in accordance with Section 33 of the National Health Services Act 2006.

Powys County Council is the lead commissioner and the host partner for the purposes of the Regulations. The agreement will not affect the liability of the parties from the exercise of their respective statutory functions and obligations.

The purpose of the agreement is to pool ICT funds from both partners so as to enhance the ICT service in both organisations due to finite resources.

2019/20 £'000		2020/21 £'000
	Gross Funding	
3,145	Powys County Council	3,145
1,277	Powys Teaching Health Board	1,277
1,063	Other income	1,522
5,485	Total funding	5,944
	Expenditure	
5,249	Monies spent in accordance with Pooled Budget arrangement	5,798
5,249	Total expenditure	5,798
236	Net under/(over) spend	146
	Net under/(over) spend - held	
236	Powys County Council	107
-	Powys Teaching Health Board	39

Note 29: Joint Committees

Education through Regional Working ERW is a Joint Committee consisting of five local authorities in South West and Mid-Wales. Pembrokeshire is the lead Authority. The total annual contribution from participating Authority's for 2020/21 was £480k (£250k in 2019/20) of which Powys C.C. contributed £82k (£34k in 2019/20).

The Council and Ceredigion County Council are members of the Growing Mid Wales Board which was established in 2020/21. The Board provides leadership, strategic decision making, and accountability for the Mid Wales Growth Deal.

Note 30: Members Allowances

A total of £1,281k was paid to Councillors in basic and special responsibility allowances (£1,256k in 2019/20). Councillors were also reimbursed travel, working expenses and subsistence expenses in accordance with regulations amounting to £3k (£82k in 2019/20). The decrease a result of the Council Offices being closed for meetings due to the pandemic.

Note 31: Senior Officers Emoluments

The remuneration ratio of the Chief Executive during the year of the accounts to the amount of the median remuneration (£22,183 in 2020/21, £21,166 in 2019/20) of the Authorities employees was 6.39 (6.38 in 2019/20). Please note that these calculations are based on contracted salaries and so excludes non-contracted payments such as the Chief Executive's role as the Returning Officer.

The ratio is based on the annualised salary of the Chief Executive in post at 31 March.

The following number of higher paid officers, excluding senior officers, of the County Council received emoluments in excess of £60,000 in the year. Remuneration bands exclude employer's pension contributions.

2019/20 Officers	Remuneration band	2020/21 Officers
28	£60,000 - £64,999	41
17	£65,000 - £69,999	16
4	£70,000 - £74,999	8
12	£75,000 - £79,999	4
4	£80,000 - £84,999	8
2	£85,000 - £89,999	3
-	£90,000 - £94,999	3
2	£95,000 - £99,999	1
1	£100,000 - £104,999	-
-	£105,000 - £109,999	1
	...	
-	£150,000 - £154,999	-
1	£155,000 - £159,999	-

Those officers in statutory roles or reporting directly to the Chief Executive who attracted remuneration of at least £60k are shown in the 2020/21 disclosure on the next page.

Note 38 details termination benefits.

Post Title 2020/21	Salary (inc fees & allowances)	Benefits in kind	Termination Benefits	Total Remuneration Excluding Pension Contribution	Pension Contribution ¹	Total Remuneration including Pension Contribution
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	142	-	-	142	37	179
Corporate Director (Children and Adults)	114	-	-	114	30	144
Corporate Director (Economy and Environment)	104	3	-	107	27	134
Corporate Director (Resources and Transformation) ²	73	-	-	73	19	92
Head of Finance (S.151 Officer)	84	-	-	84	22	106
Head of Legal and Democratic Services	86	2	-	88	23	111
Head of Transformation and Communication ²	86	4	-	90	23	113
Interim Chief Education Officer	82	-	-	82	21	103
Strategic Lead for Education (Interim) ³	111	-	-	111	-	111

Notes to the 2020/21 structure

1. Pension Contribution is 26.20% of pensionable pay, of which 21.80% relates to employer's future service costs while 4.40% is deficit funding relating to the shortfall concerning past service liabilities.
2. The position was vacated by the post holder on 30 November 2020 and remained vacant for the rest of 2020/21. As a result the Head of Transformation and Communication reported directly to the Chief Executive from this date, full year figures have been included for this post.
3. Position created and filled 1 August 2019. This position was not included in 2019/20's declaration as the total payments to the post holder during that year did not exceed the £60k threshold to qualify as a senior officer.

Post Title 2019/20	Salary (inc fees & allowances)	Benefits in kind ¹	Termination Benefits	Total Remuneration Excluding Pension Contribution	Pension Contribution ²	Total Remuneration including Pension Contribution
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	134	-	-	134	37	171
Corporate Director (Children and Adults) ³	110	-	-	110	31	141
Corporate Director (Economy and Environment)	99	4	-	103	28	131
Corporate Director (Resources and Transformation) ⁴	106	-	-	106	30	136
Head of Finance (S.151 Officer)	79	-	-	79	22	101
Head of Legal and Democratic Services	84	3	-	87	23	110
Interim Head of Education ⁵	52	-	-	52	14	66
Head of Education ⁶	36	-	-	36	10	46

Notes to the 2019/20 structure

1. The Benefits in Kind are based on an interim report which was made available at the time of preparing the draft Statement of Accounts
2. Pension Contribution is 27.95% of pensionable pay, of which 18.70% relates to employer's future service costs while 9.25% is deficit funding relating to the shortfall concerning past service liabilities.
3. Since March 2019 the Corporate Director (Children and Adults) has fulfilled the statutory role of Director of Social Services whereas previously an officer of the WLGA had done so on an interim basis. No amounts were paid to the WLGA in respect of this in 2019/20.
4. The position of Corporate Director (Transformation) was replaced with the Corporate Director (Resources and Transformation) on 1 Oct 2019 so as to include the Finance department. There were no changes in post holder or pay.
5. The position of Interim Head of Education was created and filled on 1 Aug 2019
6. The position of Head of Education was vacated by the post holder on 27 Aug 2019 and is currently being covered on an interim basis (see 5 above)

Note 32: Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors.

2019/20 £'000		2020/21 £'000
208	Accounts	208
110	Performance audit	110
50	Grant claims	50
368		368

Note 33: Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2020/21:

2019/20 £'000	Grants, Reimbursements and Contributions	2020/21 £'000
-	Accelerated Learning	708
1,233	AHW Social Services Support	1,650
271	Animal Health Welfare Grant	65
312	Benefit Administration Grant	303
649	Bus Revenue Support (Traws Cymru)	3,674
-	Child Development Fund	125
3,265	Children & Communities Grant	3,124
1,076	Concessionary Travel	633
-	COVID-19 Bus Emergency Scheme	561
-	COVID-19 Council Tax Collection ¹	621
-	COVID-19 Council Tax Reduction Scheme	629
-	COVID-19 Digital Services	1,093
-	COVID-19 Discharge to Assess (D2RA)	176
-	COVID-19 Hardship – Cost	14,491
-	COVID-19 Hardship – Income	3,495
-	COVID-19 Job Retention	863
-	COVID-19 Lost Income	124
-	COVID-19 Misc	1,737
-	COVID-19 Operational Items	181
-	COVID-19 Support for Savings	1,093
-	COVID-19 Track and Trace	1,632
321	CSW Development	289
4,592	RCSIG (formerly Education Improvement Grant)	4,286
-	Emergency Financial Assistance Scheme	2,493
1,059	European Agricultural Fund for Rural Development	711
534	Home Grown Homes Grant	665
11,488	Housing Benefit Subsidy	10,704
2,532	Integrated Care Fund	2,731
4,813	Joint Finance – Area Health	4,887
-	LA Education	378

¹ This grant is reported within Council Tax in note 22.

POWYS COUNTY COUNCIL

2019/20 £'000	Grants, Reimbursements and Contributions	2020/21 £'000
-	LA Road Maintenance Grant (Revenue)	945
1,556	Local Health Boards	2,294
727	NNDR Collection Grant	374
2,244	Pupil Deprivation Grant	1,881
1,072	Regional Transport Service Grant (formerly Bus Services Support Grant)	1,136
14,105	Rent Allowance Grant	12,731
-	Revenue Maintenance Funding	1,812
111	School Milk	56
114	Self Improving System (formerly Small & Rural Schools Grant)	298
1,241	Single Revenue Grant (formerly Sustainable Waste Management Grant)	1,625
4,610	Sixth Form Grant	4,732
413	Sports Council	540
1,023	Substance Abuse Action Plan	1,197
5,123	Supporting People	5,265
800	Teaching Workforce Issues	230
1,576	Teachers Pension Grant	-
-	Winter Resilience	756
-	Youth Concessionary Fares	2,007
18,647	Capital Grants	26,264
7,712	Other Government Grants	5,334
625	Other Non-Government Grants	763
7,897	Other	5,985
101,741		140,347

The Authority has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the grantor. The balances at the year-end are as follows:

2019/20 £'000	Capital grants received in advance	2020/21 £'000
790	Balance as at 1 April	1,264
690	Grants Received	10,394
(216)	Transfer to Income and Expenditure Account	(826)
1,264	Balance as at 31 March	10,832

Taxation and non-specific grant income can be seen in note 11.

NNDR is organised on a national basis. The Welsh Government (WG) specifies an amount for the rate 53.5p in 2020/21 (52.6p in 2019/20) and, subject to the effects of transitory arrangements, local businesses pay rates calculated by multiplying their rateable value by this amount. The total rateable value at 31 March 2021 was £85,233,518 (£83,770,730 at 31 March 2020). The Council pays the rates it collects to a pool administered by Welsh Government. Welsh Government redistributes the sums payable back to Local Authorities on the basis of a fixed amount per head of population.

Note 34: Council Tax

Council Tax income derives from charges raised according to the value of residential properties which have been classified into ten valuation bands based on the draft valuation list prepared by the Valuation Office that came into effect 1 April 2006. Charges are calculated by taking the amount of Council Tax income required by the County Council, Dyfed Powys Police and Community Councils for the forthcoming year and dividing this amount by the Council Tax base. The Council Tax base is the number of properties in each band adjusted by a proportion to convert the number to a band D equivalent and adjusted for discounts. The tax base used for the calculation of Council Tax in 2020/21 was 62,396 (62,123 in 2019/20).

The basic charge of £1,364.68 for a band D property in 2020/21 for County Council purposes is multiplied by the proportion specified for the particular band to give the amount due for each individual property. A similar exercise is done for Dyfed Powys Police Authority and Community Council purposes to arrive at the total Council Tax charge per property.

Council Tax bills were based on the following multipliers for bands A to I.

Band	A*	A	B	C	D	E	F	G	H	I
Multiplier	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9
Properties	7	3,222	6,101	10,098	9,433	13,688	12,676	6,398	1,131	391

2019/20 £'000		2020/21 £'000
101,288	Council tax income	107,018
(339)	Miscellaneous write offs	(238)
100,949	Net proceeds from council tax	106,780

Note 35: Related Parties

The Authority is required to disclose material transactions with related parties i.e. bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government

Welsh Government have effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. Council Tax bills, housing benefits). Grants received from government departments are set out in the subjective analysis in Note 22 on reporting for resources allocation decisions.

Chief and Senior Officers and their Close Families

Senior Officers of the Council maintain a register of gifts received and are asked annually to declare any relevant interests.

No other material transactions took place in 2020/21.

Joint Venture

Heart of Wales Property Services Limited (HOWPS) is a joint venture company between Powys County Council and Kier Facilities Services Limited (Kier). Incorporated on 3 July 2017, the company delivers repairs and maintenance, minor / major works / consultancy / advice and statutory testing for Council Housing and for the Council's public and commercial buildings.

The Company has eight directors, four appointed by Powys Council (two Officers, two members) and four by Kier, the Chair appointed by Kier will have the deciding vote save in respect of a list of Reserved Matters set out in the Shareholders' Agreement.

Heart of Wales Property Services Limited accounting period is 30 June. Profits and losses are shared equally between the shareholders.

The Council expenditure with the Company in 2020/21 was £11,286k (£13,010k in 2019/20). The Council has a prepayment of £1,036k (£71k in 2019/20) and a creditor of £828k (£395k in 2019/20), £608k of which represents the Council's liability for the share of losses at 31 March 2021 (£392k at 31 Mar 2020). A £216k in year loss was recorded in 2020/21 (£202k loss in 2019/20), of which £119k (£115k in 2019/20) apportioned to the Council Fund and £97k (£87k in 2019/20) recognised in the Housing Revenue Account (HRA).

Precepts

Details of precepts collected on behalf of other organisations by the Council can be found in Note 9 Other Operating Expenditure.

Other Public Bodies [Subject to Common Control by Central Government]

The Authority has seven pooled budget arrangements with Powys Teaching Health Board for the provision of health services. Transactions and balances outstanding are detailed in Note 28.

The Powys Pension Fund

As well as making employer contributions to the Fund the County Council also provides administrative services for the fund. In 2020/21 the Council was paid £997k for these services (£942k in 2019/20).

Members

As required by law the Authority holds a Register of Members' Interests which Members are required to maintain. In addition, Members declare interests where they are involved in Authority decisions affecting that interest. Note 30 shows the allowances paid to members.

The following table is a summary of all transactions recorded in relation to declared relationships which were controlled by a member and in total aggregate to £10k and above.

Note that these figures do not include any COVID-19 related grants issued by the council on behalf of Welsh Government as mentioned in note 27.

Member	Body	Relationship	In Year Expenditure £'000	O/S Expenditure £'000	In Year Income £'000	O/S Income £'000
Durrant, Emily Victoria	Black Mountains College Project	Company Director (unpaid)	35	-	-	1
Jones, Michael John	Brecon Beacons National Park	Member of Planning Committee	702	-	34	9
Williams, Gwilym Ioan Snead	Brecon Beacons National Park	Member of Planning Committee	702	-	34	9
Ratcliffe, Gareth	Brecon Beacons National Park	Member and Chairman	702	-	34	9
Davies, Phyl	Celtic Travel (Llanidloes) Ltd	Director	1,893	97	-	-
Corfield, Linda Veronica	Community Foundation in Wales	LEA Representative	61	-	5	1
Baynham, Beverley Jane	East Radnor Day Centre	Chief Officer	203	-	-	-
Jones, Michael E.	East Radnor Day Centre	Director	203	-	-	-
Williams, Jon	Llandrindod Wells Town Council	Chair	182	-	1	-
Jones, Gareth David	Llanfair Caereinion Town Council	Member and Chairman	45	5	3	20
Lewis, Peter	Llanfyllin Town Council	Chairman/Mayor	43	-	-	-
Jones, Joy Rachel	Maldwyn Leisure Centre	Board Member	2,936	-	125	85
Van-Rees, Tim	Mid and West Wales Fire Authority	Member and Chairman of Resources Committee	7,324	-	6	7
Curry, Kelvyn	Mid and West Wales Fire Authority	Deputy Chair	7,234	-	6	7
Price, David	Mid and West Wales Fire Authority	Councillor	7,234	-	6	7
Thomas, Gwynfor	Mid and West Wales Fire Authority	Councillor	7,234	-	6	7
Powell, William Denston	PAVO	Trustee	91	15	31	30
Harris, Rosemarie	Powys Community Health Council	Chair	-	-	31	4

Member	Body	Relationship	In Year Expenditure £'000	O/S Expenditure £'000	In Year Income £'000	O/S Income £'000
Hulme, Heulwen Doreen	Powys Community Health Council	Committee Member	-	-	31	4
Charlton, Jackie	Powys Community Health Council	Board Member	-	-	31	4
Charlton, Jackie	Powys Teaching Health Board	Mental Health Act Manager	1,659	184	14,168	3,209
Harris, Rosemarie	Royal Welsh Agricultural Show	Enterprise Director and Steward	13	-	2	-
Mackenzie, Maureen	Royal Welsh Agricultural Show	Committee Member for Llanelwedd	13	-	2	-
Meredith, David William	Theatr Brycheiniog	Board Member	34	-	-	-
Roderick, Edwin	Theatr Brycheiniog	Board Member	34	-	-	-
Weale, Martin Jonathan	Weales Wheels	Proprietor	350	-	-	-
Mackenzie, Maureen	Wyeside Arts Centre	Interim Chair	33	-	-	-
Price, David Rowland	Wyeside Arts Centre	Trustee	33	-	-	-
Thomas, David	Ystradgynlais Mind	Trustee	16	-	5	-
Williams, Huw	Ystradgynlais Mind	Trustee	16	-	5	-
Davies, Sandra Christine	Ystradgynlais Sports Centre, Management Committee	Member	2,936	-	1,033	522

Note 36: Leases**Authority as a Lessee****Operating Leases**

Various services use assets financed by operating lease. The lease costs form part of each service's revenue expenditure. Total operating lease rentals paid in the year were £771k (£912k in 2019/20) and the total outstanding commitment on operating leases at the 31 March 2021 was £1,688k (£1,086k at 31 March 2020).

31 March 20 £'000	Minimum lease payments	31 March 21 £'000
515	No later than one year	666
281	Later than one but no later than five years	668
290	Later than five years	354
1,086		1,688

Finance Leases

The Authority has no finance leases.

Authority as a Lessor**Operating Leases**

The Authority leases out property and equipment under operating leases for the following purposes:

- For the provision of community services, such as sports facilities, tourism services and community centres
- For economic development purposes to provide suitable affordable accommodation for local businesses.

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. The increase in the minimum lease payments receivable under non-cancellable leases in future years below is because of the inclusion of more arrangements in the calculation, not because new ones have been signed:

31 March 20 £'000	Minimum lease payments	31 March 21 £'000
1,207	No later than one year	1,150
2,414	Later than one but no later than five years	2,219
3,079	Later than five years	2,929
6,700		6,298

Finance Leases

The Authority as a lessor has not issued any finance leases.

Note 37: Obligations under Long Term Contracts

A contract to purchase a minimum number of beds with Shaw began on 1 June 2019 lasting a minimum of three years with an option to extend up to a maximum of five years. Future commitments are as follows:

31 March 20 £'000	Commitment	31 March 21 £'000
5,899	No later than one year	5,899
6,885	Later than one but no later than five years	986
-	Later than five years	-
12,784		6,885

The Heart of Wales Property Service was created on 3 July 2017 as a joint venture between Powys County Council and Kier to maintain council premises.

31 March 20 £'000	Commitment	31 March 21 £'000
10,100	No later than one year	10,100
12,681	Later than one but no later than five years	2,581
-	Later than five years	-
22,781		12,681

Note 38: Termination Benefits

The Authority had the following termination costs.

Restated				
2019/20 Staff	2019/20 £'000		2020/21 Staff	2020/21 £'000
135	703	£0 - £20,000	104	563
19	548	£20,001 - £40,000	9	227
2	94	£40,001 - £60,000	1	45
1	63	£60,001 - £80,000	1	74
-	-	£80,001 - £100,000	-	-
2	230	£100,001 - £150,000	1	103
159	1,638		116	1,012

Restated			
2019/20 £'000			2020/21 £'000
804	Redundancy		511
652	Pension strain		246
49	Loss of office		60
133	Payment in lieu of notice or holidays		195
1,638			1,012

2019/20 figures have been restated. Payment in lieu of holiday payments totalling £74k relating to 205 staff have removed as the employees rather than the employer instigated the termination of employment.

Note 39: Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments (for those benefits) and to disclose them at the time that the employees earn their future entitlement.

The Authority participates in the Local Government Pension Scheme administered by Powys County Council, who are responsible for the governance of the Fund. This is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a Fund, calculated at a level intended to balance the pension liabilities with investment assets. Benefits earned up to 31 March 2014 are linked to final salary, benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in the 'Local Government Pension Scheme Regulations 2013' and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014'.

Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2023 resulting from that valuation are set out in the Funds Rates and Adjustment Certificate.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment /retirement benefits is reversed out of the Council Fund (and Housing Revenue Account) via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Council Fund balance via the Movement in Reserves during the year.

2019/20 Local Government Pension Scheme £'000	2019/20 Discretionary Benefits Arrangements £'000		2020/21 Local Government Pension Scheme £'000	2020/21 Discretionary Benefits Arrangements £'000
		Comprehensive Income and Expenditure Statement		
		Cost of Services:		
		Service cost comprising:		
29,630	-	• Current service cost	30,090	-
650	110	• Past service costs	240	-
		Financing and Investment Income and Expenditure:		
7,060	660	• Net interest expense	7,670	600
37,340	770	Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	38,000	600
		Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement		
		Remeasurement of the net defined benefit liability comprising:		
42,440	-	• Return on plan assets (excluding the amount included in the net interest expense)	(90,650)	-
(7,190)	(260)	• Actuarial (gains)/losses arising on changes in demographic assumptions	-	-
(17,430)	(150)	• Actuarial (gains)/losses arising on changes in financial assumptions	185,500	2,620
4,420	(30)	• Other	(10,690)	(380)
59,580	330	Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	122,160	2,840
		Movement in Reserves Statement		
(37,340)	(770)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for postemployment benefits in accordance with the Code	(38,000)	(600)
		Actual amount charged against the General Fund Balance for pensions in the year:		
(20,590)		• Employers' contributions payable to scheme	(20,300)	
	(1,490)	• Retirement benefits payable to pensioners		(1,470)

STATEMENT OF ACCOUNTS

Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the authority's obligation in respect of its defined benefits plans is as follows.

31 Mar 2020 Local Government Pension Scheme £'000	31 Mar 2020 Discretionary Benefits Arrangements £'000		31 Mar 2021 Local Government Pension Scheme £'000	31 Mar 2021 Discretionary Benefits Arrangements £'000
579,210	-	Fair value of assets	684,260	-
922,680	26,960	Present value of defined benefit obligation	1,129,590	28,330
(343,470)	(26,960)	Net liability arising from defined benefit obligation	(445,330)	(28,330)

Reconciliation of the Movements in the Fair Value of Scheme Assets

2019/20 Local Government Pension Scheme £'000	2019/20 Discretionary Benefits Arrangements £'000	Pension Scheme Assets	2020/21 Local Government Pension Scheme £'000	2020/21 Discretionary Benefits Arrangements £'000
609,560	-	Brought forward 1 April	579,210	-
14,610	-	Interest Income on Assets	13,350	-
(42,440)	-	Remeasurement gains/(losses) on assets	90,650	-
20,590	1,490	Contributions by the employer	20,300	1,470
4,620	-	Contributions by participants	4,820	-
(27,730)	(1,490)	Net benefits paid out	(24,070)	(1,470)
579,210	-	Carried Forward 31 March	684,260	-

2019/20 Local Government Pension Scheme £'000	2019/20 Discretionary Benefits Arrangements £'000	Actual Return on Assets	2020/21 Local Government Pension Scheme £'000	2020/21 Discretionary Benefits Arrangements £'000
14,610	-	Interest Income on Assets	13,350	-
(42,440)	-	Remeasurement gains/(losses) on assets	90,650	-
(27,830)	-	Actual Return on Assets	104,000	-

Reconciliation of the Present Value of the Scheme Liabilities
(Defined Benefit Obligation)

2020 Local Government Pension Scheme Funded £'000	2020 Discretionary Benefits Arrangements Funded £'000	Pension Scheme Liabilities	2021 Local Government Pension Scheme Funded £'000	2021 Discretionary Benefits Arrangements Funded £'000
914,040	28,120	Brought forward 1 April	922,680	26,960
29,630	-	Current service cost	30,090	-
21,670	660	Interest expense on defined benefit obligation	21,020	600
4,620	-	Contributions by participants	4,820	-
(17,430)	(260)	Actuarial (gains)/losses on liabilities – financial assumptions	185,500	2,620
(7,190)	(150)	Actuarial (gains)/losses on liabilities – demographic assumptions	-	-
4,420	(30)	Actuarial (gains)/losses on liabilities – experience	(10,690)	(380)
(27,730)	(1,490)	Net benefits paid out	(24,070)	(1,470)
650	110	Past service cost	240	-
922,680	26,960	Carried Forward 31 March	1,129,590	28,330

Local Government Pension Scheme Assets Comprised

Assets in the Pension Fund are valued at fair value, principally market value for investments, and consist of the following categories by proportion of total assets held by the fund:

% of Assets (Quoted) 31 Mar 20	% of Assets (Unquoted) 31 Mar 20	Total Assets 31 Mar 20		% of Assets (Quoted) 31 Mar 21	% of Assets (Unquoted) 31 Mar 21	Total Assets 31 Mar 21
37.5	6.2	43.7	Equity Investments	48.8	5.4	54.2
9.5	-	9.5	Property	8.4	-	8.4
16.3	-	16.3	Government Bonds	11.9	-	11.9
6.5	-	6.5	Corporate Bonds	18.4	-	18.4
3.2	-	3.2	Cash	3.4	-	3.4
18.7	2.1	20.8	Other	5.5	(1.8)	3.7
91.7	8.3	100.0		96.4	3.6	100.0

Other holdings include hedge funds, currency holdings, asset allocation futures and other financial instruments. The actuary assumed these will get a return in line with equities.

Basis for Estimating Assets and Liabilities

Liabilities are valued on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The valuations have been carried out as of 31 March 2019 and updated for following years by Aon Hewitt Limited, the independent Actuaries to the fund. Under the projected unit method the current service cost will increase as the members of the scheme approach retirement (for schemes where the age profile of the active membership is significantly rising).

The following are the main assumptions used by the Actuaries in their calculations to 31 March:

2020 %		2021 %
2.0	Inflation – CPI	2.7
3.5	Rate of general increase in salaries	4.2
2.0	Rate of increase to pensions in payment	2.7
2.0	Rate of increase to deferred pensions	2.7
2.3	Discount rate	2.1

The Principal Demographic Assumptions are:

31 March 20	Post Retirement Mortality	31 March 21
	Males	
Standard SAPS S2N tables	Year of Birth base table	Standard SAPS S2N tables
105.0%	Scaling to the above table - current pensioners	105.0%
110.0%	Scaling to the above table - future pensioners	110.0%
CMI 2018 projections (Sk 7.5, A0.0)	Cohort improvement factors to base table	CMI 2018 projections (Sk 7.5, A0.0)
1.5%	Minimum underpin to improvement factors	1.5%
21.8	Future lifetime from age 65 (currently aged 65)	21.9
23.2	Future lifetime from age 65 (currently aged 45)	23.3
	Females	
Standard SAPS S2N tables	Year of Birth base table	Standard SAPS S2N tables
90.0%	Scaling to the above table - current pensioners	90.0%
95.0%	Scaling to the above table - future pensioners	95.0%
CMI 2018 projections (Sk 7.5, A0.0)	Cohort improvement factors to base table	CMI 2018 projections (Sk 7.5, A0.0)
1.5%	Minimum underpin to improvement factors	1.5%
25.0	Future lifetime from age 65 (currently aged 65)	25.1
26.4	Future lifetime from age 65 (currently aged 45)	26.5

STATEMENT OF ACCOUNTS

	31 March 20	31 March 21
Commutation	Each member was assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 70% of the permitted maximum..	Each member was assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 70% of the permitted maximum.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out above. The following sensitivity analyses have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis did not change from those used in the previous period.

Funded LGPS Benefits

Assumptions	Increase	Decrease
Discount Rate		
Experience gains / (losses) on liabilities	+0.1% p.a.	-0.1% p.a.
Present value of total obligations (£'000s)	1,107,000	1,152,180
% change in present value of total obligation	-2.0%	2.0%
Projected service cost (£'000s)	41,080	44,020
Approximate % change in projected service cost	-3.4%	3.5%
Rate of general increase in salaries		
Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value to total obligation (£'000s)	1,131,850	1,127,330
% change in present value of total obligation	0.2%	-0.2%
Projected service cost (£'000s)	42,530	42,530
Approximate % change in projected service cost	0.0%	0.0%
Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption		
Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£'000s)	1,149,920	1,110,390
% change in present value of total obligation	1.80%	-1.70%
Projected service cost (£'000s)	44,020	41,080
Approximate % change in projected service cost	3.5%	-3.4%
Post Retirement Mortality Assumption		
Adjustment to mortality age rating assumptions	-1 year	+1 year
Present value of total obligation (£'000s)	1,170,260	1,088,920
% change in present value of total obligation	3.6%	-3.6%
Projected service cost (£'000s)	44,270	40,830
Approximate % change in projected service cost	4.1%	-4.0%

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 16 years. Funding levels are monitored on an annual basis. The triennial valuation was completed on March 2019.

The Council anticipates paying £20.89m regular contributions to the scheme in 2021/22.

The split of the defined benefit obligation at the last valuation date between the various categories of members was as follows:

Active members (37%)	Deferred pensioners (19%)	Pensioners (44%)
----------------------	---------------------------	------------------

The weighted average duration of the defined benefit obligation for scheme members is 20.0 years in 2020/21 (20.0 years 2019/20).

Risks Associated with the Fund in Relation to Accounting

Asset Volatility

The assets used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield this will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which while expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures.

Changes in Bond Yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result.

Inflation Risk

The majority of the pension liabilities are linked to either pay or inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that the increase in inflation will increase the deficit.

Life Expectancy

The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Exiting Employers

Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further the assets at exit in respect of 'orphan liabilities' may in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

Note 40: Teacher Pension Costs

Teachers employed by the Council are members of the Teachers' Pension Scheme administered by Teachers' Pensions on behalf of the Department for Education. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of underlying financial position and performance of this Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2020/21 the County Council paid £10.0m to the Department for Education in respect of teacher's pension costs which represented 23.68% of teacher's pensionable pay. (£8.5m, 16.48% in 2019/20 from April to September, and 23.68% of the teacher's pensionable pay from September to April). These contributions are set in relation to the current period only. In addition, the County Council is responsible for all pension payments relating to added years it has awarded, together with an actuarially calculated percentage of any early retirements awarded after 1 September 1998. It is also responsible for any related increases on these awards. In 2020/21 payments made in relation to added years amounted to £1.49m, representing 3.52% of pensionable pay (£1.49m, 3.61% in 2019/20). Estimated employer contributions for 2021/22 are £10.3m.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and detailed in Note 39.

Note 41: Contingent Liabilities

Planning permission for extension to the Nant Helen Surface Mine was granted in March 2012 subject to a Section 106 agreement. This agreement required quarterly payments to be made to the Council into a Restoration Escrow Account from March 2012 until September 2017 until a total of £30,280,380 was reached. It also required 7 annual payments of £100,000 as contribution to a Communities Facilities Fund. In March 2016 Celtic Energy suspended these payments, the result of which was that £19,500,000 was held in the Restoration Escrow Account and £500,000 in the Communities Facilities Fund. Advice was sought and offered the view that an acceptable restoration scheme would be achievable with the £19.5m already held in the Escrow account. The contingent liability is noted to reflect any shortfall that may arise in restoring the site.

Note 42: Nature and Extent of Risks Arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

- Credit risk - the possibility that other parties might fail to pay amounts due to the Authority.
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments.
- Re-financing and maturity risk – the possibility that the Authority might be required to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- Market risk – the possibility that financial loss might arise for the Authority as a result of changes in measures such as interest rates and stock market movements.

The Authority's overall risk management procedures focus on the unpredictability of financial markets and are structured to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a treasury team under policies approved by Full Council in the Treasury Management Policy Statement, the annual Treasury Management Strategy Statement and Annual Investment Strategy.

The Policy and Strategy provide written principles for areas such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. The Authority has an investment list of banks and other financial institutions which is based on current credit ratings, credit default swap data and other relevant financial information. The ratings determine the maximum amount that can be invested with a particular institution and the length of time for which it may be invested. The Authority has a policy of not lending more than £30m of its surplus balances to one institution at any one time.

Customers are not currently assessed for their creditworthiness or individual credit limits set. No financial assets have had their terms renegotiated that would otherwise have been past due or impaired. The analysis below summarises the Authority's potential maximum exposure to credit risk, based on experience of default and collectability over the last five financial years, adjusted to reflect current market conditions:

	Amount at 31 Mar 21 £'000	Actual provision for bad debts made £'000	Bad debt written off in year £'000
Deposits with banks and financial institutions	30,000		
Customers			
Council Tax	6,465	(936)	145
Housing rents	2,171	(958)	19
Sundry debtors	46,722	(3,737)	283
	55,358	(5,631)	447

No collateral is held as security on Financial Assets.

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The Authority does not generally allow credit for Customers. The aged debt over 3 months on Debtors Ledger Control and over one year for Council Tax can be analysed by age as follows:

	3 to 6 Months £'000	6 to 9 Months £'000	Over 9 Months £'000	Total £'000
Debtors Ledger	782	1,025	5,098	6,905

	1 to 2 Years £'000	2 to 5 Years £'000	Over 5 Years £'000	Total £'000
Council Tax	4,384	912	232	5,528

Amounts Arising from Expected Credit Losses

We have concluded that the expected credit loss on short and long term investments is not material therefore no allowances have been made for these classifications. The increase in impairments of debtors excluding Council Tax and NDR in 2020/21 is £190k (£442k in 2019/20). The age of the debt, past experience and other factors are taken into consideration in the calculation of the impairment.

Liquidity Risk

The Authority manages its liquidity position through the risk management procedures of the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports, as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available if and when needed. The Authority has ready access to borrowings from the money markets to cover any day-to-day cash flow need and from the Public Works Loans Board and money markets for access to longer term funds. The Authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial liabilities in cash terms is as follows:

31 March 2020 £'000		31 March 2021 £'000
25,025	Within a year	70,522
17,549	Between 1 to 2 years	18,524
52,098	Between 2 to 5 years	43,351
48,978	Between 5 to 10 years	47,469
186,534	Over 10 years	179,270
330,184		359,136

Refinancing and Maturity Risk

The Authority maintains a significant debt and investment portfolio. Whilst the cash flow procedures mentioned above are considered against the refinancing risk procedures, longer-term risk to the Authority relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets. The following approved treasury indicators are the key parameters used to address this risk.

The upper and lower limits for the maturity structure of borrowings are as follows:

	Lower limit	Upper limit
Under 1 year	0%	40%
1 to 2 years	0%	40%
2 to 5 years	0%	40%
5 to 10 years	0%	40%
10 to 20 years	0%	40%
20 to 30 years	0%	40%
30 to 40 years	0%	40%
40 to 50 years	0%	40%

The maximum principal sum invested for periods longer than 364 days is £10m.

Market Risk

Interest Rate Risk

The Authority is exposed to significant risk in terms of exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates:
The interest expense charged to the Income and Expenditure account will rise.
- Borrowings at fixed rates:
The fair value of the liabilities will fall.
- Investments at variable rates:
The interest income credited to the Income and Expenditure Account will rise.
- Investments at fixed rates:
The fair value of the assets will fall.

Borrowings are not carried at fair value so nominal gains and losses on fixed rate borrowings would not impact on the surplus or deficit on the provision of services or other comprehensive income and expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the Council Fund balance pound for pound. Movements in the fair value of fixed rate investments will be reflected in the other comprehensive income and expenditure.

The Authority has a number of strategies for managing interest rate risk. As stated in the prudential indicators report, it is policy to aim to keep a maximum of 60% of net outstanding principals in variable rate exposures. During periods of falling interest rates and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses.

The Treasury Management Team actively assesses interest rate exposure and feeds the projected figures for interest payable and receivable into the annual and quarterly budgets. This allows variances to be accommodated. The team also advises whether new borrowing is taken out and whether it should be fixed or variable.

To highlight the sensitivity of rises, if interest rates had been 1% higher during 2020/21 with all other variables constant, the financial effect would be:

	£'000
Increase in Interest Payable on Variable Rate Borrowings	250
Increase in Interest Receivable on Variable Rate Investments	(161)
Increase in Surplus of Income and Expenditure Account	89
Share of Overall Impact Debited to the HRA	-

The impact of a 1% fall in interest rates would be as above but with the movements reversed.

Price Risk

The Authority only holds equity instruments in respect of the Pension Fund. It is therefore exposed to an element of risk in relation to movements in the price of equities. This is mitigated by investing in a diverse portfolio.

Note 43: Post Balance Sheet Events – Non-adjusting Items

Global Centre of Rail Excellence (GCRE)

In March 2021, the Council received £33m from Welsh Government in respect of the Global Centre of Rail Excellence (GCRE) project. Note 15: Financial Instruments depicts the position as at 31 March 2021 stating the Council had until 30 September 2021 to progress to the full business case position, with an option to return the funding without penalty prior to that date. The accounts reflect the funding as short-term borrowing (£32.67m) and capital grants in advance (£323k), which account for the 0% interest soft loan element. The opposite entry is shown as a £33m Short Term Investment.

Both parties have agreed in September 2021 that the option date will be extended a year to 30 September 2022. These accounts reflect the position that was known at 31st March 2021. Adjusting to account for this additional year would require reclassifying short investments (£33m) to long term investments, short term borrowing (32.67m) to long term borrowing (£32.50m) and capital grants in advance to £323k to £500k.

Heart of Wales Property Service (HOWPS)

In June 2021 Cabinet agreed to trigger a break clause in the contract and wind down HOWPS (Heart of Wales Property Services Ltd), bringing services back under Council control from July 2022. HOWPS, a Joint Venture Company established by the Council and Kier Support Services in July 2017, delivers services including repairs and maintenance, minor/major works, consultancy, advice and statutory testing for Council Housing and for the Council's public and commercial buildings. The annual Powys contract is circa £10m.

The Statement of Accounts were authorised for issue by the Head of Finance on 29 September 2021. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information

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Housing Revenue Accounts

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

Income and Expenditure Account

2019/20 £'000		2020/21 £'000
	Expenditure	
4,596	Supervision and management	4,703
8,994	Repairs and maintenance	9,193
132	Rents and rates	118
179	Movement in allowance for bad and doubtful debts	89
6,248	Depreciation, impairment and revaluation of noncurrent assets	6,341
18	Debt management expenses	19
20,167	Total service expenditure	20,463
	Income	
(23,986)	Dwelling rents	(24,795)
(611)	Non dwelling rents	(672)
(360)	Other charges for services and facilities	(457)
(539)	Contributions towards expenditure	(714)
(25,496)	Total service income	(26,638)
(5,329)	Net cost of services as included in the Comprehensive income and expenditure account	(6,175)
130	HRA services share of corporate and democratic core	25
(5,199)	Net cost of HRA services	(6,150)
	HRA share of the operating income and expenditure included in the comprehensive income and expenditure statement	
(58)	(Gain)/loss on sale of HRA noncurrent assets	(3)
3,193	Interest payable and similar charges	3,280
(158)	Amortisation of premiums and discounts	1
215	Net interest on the net defined benefit liability	228
(3,983)	Capital grants and contributions applied	(7,486)
(5,990)	(Surplus)/deficit for the year on HRA services	(10,130)

Movement on Housing Revenue Account Statement

2019/20 £'000		2020/21 £'000
1,111	Balance as at 1 April	3,919
5,990	Surplus/(deficit) for the year on the HRA	10,130
(3,182)	Adjustments between accounting basis and funding basis under statute (Note 5)	(9,568)
2,808	Increase/(decrease) in the HRA balance Before transfers to or from reserves	562
2,808	Increase/(decrease) in the HRA balance	562
3,919	Balance as at 31 March	4,481

Notes to the Housing Revenue Accounts

Note 1: Housing Stock

2019/20 Total	Property Type	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms	6 Bedrooms	2020/21 Total
52	Detached house / bungalow	4	32	12	4	-	-	52
2,114	Semidetached house / bungalow	262	826	982	39	4	-	2,113
2,117	Terraced house	202	750	1,089	77	3	3	2,124
1,084	Flats	349	689	49	-	-	-	1,087
13	Bedsits	13	-	-	-	-	-	13
5,380	Total	830	2,297	2,132	120	7	3	5,389

Note 2: Arrears and Provision for Housing Bad Debts at 31 March

31 March 2020 £'000		31 March 2021 £'000
308	Current tenant arrears	348
792	Former tenant arrears	864
1,100	Total arrears	1,212
326	Bad debts	7
876	Provision for bad debt	958

Note 3: Housing Revenue Account Capital Expenditure

During the year the Authority incurred the following expenditure on Housing Revenue Assets:

2020/21 Capital Expenditure	Total £'000	Dwellings £'000	Intangible £'000	Other Land & Buildings £'000	Equipment £'000	Infrastructure £'000	Non-operational £'000
Enhancing Costs	20,933	8,895	-	-	53	1,941	10,044
Total Expenditure	20,933	8,895	-	-	53	1,941	10,044
Depreciation	6,342	6,283	53	2	2	2	-

The capital expenditure was financed as follows:

Financed by	2020/21 £'000
Capital Grants and Contributions	7,486
Direct Revenue Contributions and Reserves	6,831
Prudential Borrowing	6,616
	20,933

2019/20 Capital Expenditure	Total £'000	Dwellings £'000	Intangible £'000	Equipment £'000	Infrastructure £'000	Non-operational £'000
Enhancing Costs	20,399	14,755	-	72	80	5,492
Total Expenditure	20,399	14,755	-	72	80	5,492
Impairment/ Revaluation	456	456	-	-	-	-
Depreciation	5,792	5,739	53	-	-	-

The capital expenditure was financed as follows:

Financed by	2019/20 £'000
Capital Grants and Contributions	3,982
Direct Revenue Contributions and Reserves	3,856
Prudential Borrowing	12,561
	20,399

Note 4: Housing Revenue Account Capital Receipts

The following amounts were received during the year:

2019/20 £'000		2020/21 £'000
90	Housing	-
-	Other Land & Buildings	3
90		3

Note 5: Adjustments between Accounting Basis and Funding Basis under Statute

2019/20 £'000		2020/21 £'000
	Items included in the HRA Income and Expenditure Account but excluded from the HRA Balance for the year	
158	Difference between interest payable and similar charges including amortisation of premiums and discounts in accordance with statute	(1)
(510)	Net charges made for retirement benefits in accordance with IAS 19	(525)
58	(Gain)/loss on sale of HRA non-current assets	3
	Adjustments	
	Primarily involving the Capital Adjustment Account	
(6,248)	Depreciation, impairment and revaluation of non-current assets	(6,341)
1,909	HRA Minimum Revenue Provision	2,146
3,982	Capital Grants and Contributions Applied	7,486
3,856	Capital Expenditure Funded by HRA	6,831
	Primarily involving the Accumulated Balances Account	
(23)	Holiday accrual	(31)
3,182	Net additional amount required by statute to be debited to the HRA Balance for the year	9,568

Note 6: Housing Revenue Account Contributions to the Pension Scheme

The net contribution to the Pension Reserve relating to the Housing Revenue Account was:

2019/20 £'000		2020/21 £'000
626	Employer contributions actually paid	603
(20)	Past Service Costs	(7)
(901)	Current cost of employees	(893)
(215)	Net Interest on the net defined benefit/(liability)	(228)
(510)	Contribution to/(from) reserve	(525)

Glossary of Terms

Accrual

An accrual is a sum (provision) shown in the accounts to cover income or expenditure for the accounting period but which was not actually paid or received as at the date of the Balance Sheet.

Actuary

An actuary is a person who works out insurance and pension premiums, taking into account factors such as life expectancy.

Actuarial Valuation

This is when an actuary checks what the pension scheme assets are worth and compares them with the scheme's liabilities. They then work out how much the contributions from employers and members must be so that there will be enough money in the scheme when people receive their pensions.

Audit

An audit is an independent examination of the Council's activities.

Balance Sheet

This is a statement of our assets, liabilities and other balances at the date of the Balance Sheet.

Contingent Liabilities

Contingent liabilities exist where it is probable that a future event will result in a material cost to the Council and can be estimated with reasonable accuracy.

Creditor

A Creditor is someone we owed money to at the date of the Balance Sheet for work done, goods received or services rendered.

Current Asset

These are short-term assets that are available for use in the following accounting year.

Current Liabilities

These are short-term liabilities that are due for payment by the Council in the following accounting year.

Current Service Costs (Pension)

The increase in the liability of a defined benefit pensions scheme as a result of employee's service in the current period.

Debtor

A debtor is an organisation/individual that owes the Council money at the Balance Sheet date.

Equities - Pooled

The Pension Fund invests in equities through unit Trusts. It has no direct investments in equities.

Financial Reporting Standards (FRS's)

Financial regulations to be followed as set by the Accounting Standards Board.

POWYS COUNTY COUNCIL

Financial Year

This is the accounting period. For local authorities it starts on 1 April and ends on the 31 March in the following year.

Gilt Edged Stocks

These are investments in government or local Authority stocks. They are regarded as risk-free.

IAS

International Accounting Standard – The standard by which the Authority must record financial information. If followed by a number (e.g. IAS 19), this references a particular accounting standard.

IFRS

International Financial Reporting Standard – The standard by which the Authority must present financial information. If followed by a number (e.g. IFRS 11), this references a particular reporting standard.

Liability

A liability is an amount payable at some time in the future.

Past Service Costs (Pension)

For a defined benefit pension scheme, this is the extra cost resulting from changes or improvements to the proportion of retirement benefit that relates to an employees past service.

Post Balance Sheet Events

Post Balance Sheet events are items that have arisen after the Balance Sheet date. The items did not occur at the time the Balance Sheet was prepared but have subsequently been discovered. To give a fair representation they may need to be disclosed.

REFFCUS

Revenue Expenditure Funded From Capital Under Statute.

Powys County Council
Annual Governance Statement 2020-2021

Section 1. Executive Summary

This Annual Governance Statement (AGS) provides an account of the processes, systems and records the council has in place to demonstrate effectiveness of its governance arrangements. It principally covers the period April 2020 to March 2021. However, during the period to September 2021, when the accounts are signed, it is updated. The Statement therefore includes details of the Council's response to the COVID19 Coronavirus pandemic.

Powys County Council adopted a system of corporate governance in June 2008, which is consistent with the seven principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework Delivering Good Governance in Local Government (2016 Edition). This statement is structured around the seven core principles, which are set out in Section 3, and gives an account of how the Council has discharged its responsibilities during 2020-21 as well as recommendations for development.

Based on the evidence set out in this annual governance statement, including the impact of the pandemic on our governance framework, we consider the level of assurance to be **Reasonable**.

Assurance levels for annual opinion:

Level	Description
Substantial	We are able to offer substantial assurance that the Council's arrangements adequately reflect the principles of good governance as indicated in the CIPFA Governance Framework. Processes are in place and operating effectively and risks to effective governance are well managed.
Reasonable	We are able to offer reasonable assurance that the Council's arrangements adequately reflect the principles of good governance as indicated in the CIPFA Governance Framework. Generally, risks are well managed, but some processes could be improved.
Partial	We are able to offer partial assurance that the Council's arrangements adequately reflect the principles of good governance. Some key risks are not well managed and processes require the introduction or improvement of internal controls to ensure effective governance.
None	We are not able to offer any assurance. The Council's arrangements were found to be inadequately controlled. Risks are not well managed and processes require the introduction or improvement of internal controls to ensure effective governance.

Section 2. Introduction

2.1 Ensuring Good Governance

Powys County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for; and is used economically, efficiently and effectively. Powys County Council also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, Powys County Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

This Annual Governance Statement will explain how Powys County Council has complied with the code.

Powys County Council is the Administering Authority for the Powys Pension Fund (the Pension Fund). The governance arrangements detailed in this Annual Governance Statement apply to the council's responsibilities to the Pension Fund. There are further specific requirements for the Pension Fund which are:

- The Investment Strategy Statement
- Funding Strategy Statement
- A full Actuarial Valuation to be carried out every third year

2.2 The Governance Framework

Powys County Council's governance framework comprises the systems, processes, cultures and values, by which the Council is directed and controlled and through which it engages, leads and is accountable to residents and communities. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of outcome-focused and cost-effective services.

The system of internal control is a significant part of the framework and is designed to manage risk at a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Powys County Council's policies, aims and objectives. In addition, it assists in evaluating the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The following sections summarise the governance framework and the system of internal control, which has been in place in Powys County Council for the year ended 31 March 2021. In addition, the Council's constitution can be found at: [Link to Council Constitution](#).

The COVID19 Coronavirus pandemic did not change the Council's governance frameworks until the last few weeks of the 2019-20 financial year, but it has had a significant impact on them in the first six months of 2020-21. As the Annual Governance Statement covers the control / governance framework in operation up until the date that accounts are signed off the changes to our control framework are set out in Appendix 6. The relevant regulator guidance which has affected or directed changes to control frameworks is also shown here.

There may be a delay in achieving some of the actions and outcomes for 2020-21 identified below due to the pandemic and the period of recovery thereafter. In addition, the Council will need to take economic, environmental and social factors into account as part of the recovery process which may result in other changes to governance arrangements during the year.

Section 3. The Core Principles

3.1 Core Principle A

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

How we do this:

Our Values

The Council places a high value on upholding the highest standards in public office for both Members and officers.

Creating a Council of the future that is driven by the right culture and behaviours is important. The Council wants to deliver high performance and value for communities by listening to, and working with, the public as well as private, voluntary and community sectors.

The Council has a set of values that underpin all the work of the Council and guide the behaviours that are expected of everyone engaged in our work, or working with us. Our values are embedded into staff appraisals. Awareness of the values are tested out by means of the Council's staff survey conducted every two years.

Professional	Whatever role we play in the council, we act with professionalism and integrity
Positive	We take a proactive attitude in all we do
Progressive	We take a proactive and responsible approach to planning for the future
Open	We keep each other informed, share knowledge and act with honesty and integrity
Collaborative	We work constructively and willingly on joint initiatives

These values are detailed in [Vision 2025](#) (See item 9 in the agenda) our Corporate Improvement Plan (CIP) for 2021-25 which was updated and approved by Council on 4 March 2021.

Members' Code of Conduct / Standards Committee

For elected Members, the Council has adopted the Model Code of Conduct for County Councils in Wales, which came into force on 1 April 2016. Conduct of Members is monitored by the Public Services Ombudsman and the Council's Standards Committee. The Council has adopted other protocols for elected Members such as one relating to gifts and hospitality and in respect of Planning Applications / Matters. Mandatory training for Members in relation to the Code of Conduct was undertaken following the election in 2017 and repeated in 2020. The Council, following the recommendation of the Public Services Ombudsman for Wales, has adopted a Local Resolution Process whereby low-level complaints between Members (or between officers and Members) can be resolved locally rather than being referred to the Public Services Ombudsman for Wales.

The Standards Committee is active in trying to assist Members, either individually or collectively, in taking part in discussions where they might otherwise be debarred from taking part by the Code of Conduct by the granting of individual or general dispensations. By this means, the Standards Committee seeks to ensure that the representative role of Members is protected as well as protecting the Council's decision-making processes from being brought into disrepute.

The Standards Committee will also monitor attendances at Mandatory Member Development Sessions to ensure that Members complete the Mandatory Training.

The Standards Committee monitors the attendances of Members at committees. Failure to comply with the 60% attendance requirement will lead to the Member having to account for their absences to the Committee.

Officers' Code of Conduct

For officers, the Council follows the statutory Code of Conduct. Conduct and behaviour is the responsibility of the individual officer and a breach may constitute a disciplinary matter. In addition, the Council has within its Constitution a protocol for Member and officers relations as well as relationships between officers and political groups.

Anti-Fraud / Anti-Corruption and Whistleblowing

The Council has an Anti-Fraud and Anti-Corruption Strategy and a Whistleblowing Policy, which allows matters of concern to be raised and sets out how they will be investigated.

Audit Committee

The Audit Committee is responsible for examining, approving and reviewing the adequacy of risk assessment, risk management and internal controls, including compliance.

Compliments and Complaints

The Council has a formal compliments and complaints procedure that enables complaints to be escalated and investigated independently of the service concerned.

[Link to Complaints Policy](#)

Information Governance

Powys County Council continues to develop its information governance maturity working to its agreed framework, to initiate, develop, and monitor policies and practices in relation to information security, management, assurance and risk, in order to improve and ensure on-going compliance with relevant information legislation and standards.

The Council has robust information personal data breach reporting and management processes in place, which ensures swift containment action, enables informed identification of information risks and mitigation, and supports regulatory reporting requirements.

The Council continues to provide those who choose to exercise their right of access to information held by the Council, or who choose to exercise their data protection rights with an effective and professional service. Further reporting has been developed to not only identify timeline compliance for requests for information, but also includes disclosure and exemption data, indicating the extent of disclosure of information to the public.

The training of staff in the basics of data protection and information security continues to be an important reported measure in the Council's information assurance design.

Powys County Council continues to progress its information management, assurance and governance policies, procedures, and practices. In addition, the Corporate Governance Information Group comprising of the Senior Information Risk Owner (SIRO) and Directors developed appropriate planning and response strategies to the implementation of the General Data Protection Regulations and the UK Data Protection Act 2018.

The SIRO receives an annual Information Governance Report.

Review of effectiveness:

In the 2019-20 Annual Governance Statement the following areas for development were identified for 2020-21:

Development Action:	Lead / deadline	RAG
Review the arrangements for Members' Code of Conduct training for TCC Members	Clive Pinney 30 September 2020	
Review Employees Code of Conduct	Clive Pinney 31 March 2021	
Refresh County Councillor training in 2020-21	Clive Pinney 31 March 2021	
Complaints and Compliments Policy to be reviewed in the light of any updates in the PSOW guidance	Diane Reynolds 30 June 2020	
Local Resolution Process to be reviewed	Clive Pinney October 2020	

An assessment of effectiveness against Core Principle A during 2020-21 is set out below.

Our Values

Please see results of 2020-21 staff surveys in Appendix 1.

Members' Code of Conduct / Standards Committee

During 2020-21, 72 Members completed mandatory mid-term training on the Members' Code of Conduct.

In relation to the monitoring of attendances at committees, there are few Members who fall beneath the 60% requirement, and those that do have valid reasons such as

a period of illness. Due to the pandemic and the Council concentrating on business-critical work, the Standards Committee did not meet during 2020-21.

During 2020-21 the Standards Committee was informed by email of the numbers of referrals to the Ombudsman. There were four complaints against Members referred to the Public Services Ombudsman for Wales in 2020-21. Three were closed following receipt by the Ombudsman's Office (i.e. no evidence that there was a suggested breach of the Code of Conduct) and one is being investigated.

Officers' Code of Conduct

The Code of Conduct for employees will be reviewed in 2020-21.

Anti-Fraud / Anti-Corruption and Whistleblowing

In 2019-20 the Council introduced a new [Anti-Fraud and Anti-Corruption Policy](#) (See Item 9). This has been supported with a further policy on money laundering. The introduction of the new policies was not supported by an awareness campaign due to capacity of the Team during the pandemic, this will be addressed during 2021 together with routine performance reporting to EMT and the Governance and Audit Committee on the fraud that is being prevented and what recovery is taking place. There were no referrals in the year under the Whistleblowing Policy.

Audit Committee

The Committee met on nine occasions, one of which was in seminar mode to consider the draft Statement of Accounts. During the year the Committee and its Working Group considered a number of Internal Audit reports. Members of the Audit Committee undertook training in Treasury Management and finance and budget alongside other Council members utilising the support of experts from Link and CIPFA.

Compliments and Complaints

The Council has a formal compliments and complaints procedure that enables complaints to be escalated and investigated independently of the service concerned.
[Link to Complaints Policy](#)

Local Resolution Process

There was one complaint dealt with under this process in 2020-21. This was not resolved.

Information Governance

There were 199 (to 08/03/21) information security incidents reported during 2020-21, with 6 requiring notification to the Information Commissioner. No further regulatory action was considered necessary in any of these cases.

In 2020-21 the Council has retrained 76% of employees in Cyber Security and GDPR following the introduction of new mandatory annual training in April 2019.

In 2020-21 (as of 08/03/21) the response rate to:

- Freedom of Information requests was 85% against 69% in 2019-2020
- Environmental Information Regulations was 93% against 58% in 2019-2020
- Data Subject Access Requests was 47% against 29% in 2018-2019

The Council achieved Cyber Essentials Plus and IASME Gold accreditations.

Conclusion

The Council can offer **substantial** assurance that the Council's arrangements adequately reflect the principles of good governance as set out in Core Principle A: *Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.* Processes are in place and operating effectively and risks to effective governance are well managed.

Recommendations for further development in 2021-22:

During 2021-22 the following developments will be undertaken:

Development Action:	Lead / deadline
Review the Membership and Terms of Reference of the Governance and Audit Committee to meet the requirements of the Local Government and Elections (Wales) Act 2021	Clive Pinney December 2021
Review the effectiveness of the Governance and Audit Committee and undertake some refresh training for members as to the role of the Committee	Jane Thomas/Wyn Richards 30 th May 2021
Raise the profile and awareness of the new Anti-Fraud policies and develop the reporting of fraud activity and performance.	Jane Thomas 31 st December 2021

3.2 Core Principle B

Ensuring openness and comprehensive stakeholder engagement

How we do this:

Engagement and consultation

Powys County Council is signed up to the National Principles for Public Engagement in Wales¹ to ensure conversations with our stakeholders are meaningful, timely and appropriately resourced.

We believe all our citizens, partners and businesses should be engaged and consulted so their voice influences future decisions and service provision. While we continue to engage citizens using both traditional methods like surveys, focus groups and meetings, we are increasingly also investing in and using digital tools such as online platforms, survey software and social media channels to listen to residents' voices.

The Council has corporate Facebook, Twitter, Instagram and Flickr accounts and its own YouTube channel. A proactive approach to the use of video, animations, and infographics to promote key campaigns like #SupportLocalPowys has resulted in the growth of followers on both our Facebook, Twitter and Instagram accounts and we monitor and share posts from partner organisations wherever relevant to ensure our residents gain access to information that may be useful to them.

LinkedIn and Facebook are both used to advertise job vacancies so residents who may not look at our website can see what's on offer. The Chief Executive has her own Twitter account as do some of the Strategic Directors and Heads of Service alongside several key services, providing choice and a voice so Powys residents are kept up to date about the design, planning, and delivery of our services.

During the year, several consultation and engagement exercises were conducted to seek views from the residents of Powys on a range of policy and service matters.

Due to the COVID-19 pandemic, and Welsh Government lockdown regulations, face-to-face focus groups, on-street surveys, and public events, have been unable to take place during the past twelve months. This means that the consultation and engagement exercises conducted in 2020-21 have been primarily online and printed copies only distributed if/when required.

In the summer, following the first national lockdown, the council was keen to find out what effect COVID-19 was having on Powys businesses and what support they required. The feedback from the survey was used in discussions with the Welsh Government, Business Wales, and our partner organisations.

¹ <https://www.participationcymru.org.uk/national-principles/>

Given the unprecedented year, and the global pandemic, the council is having to deliver things very differently and is asking residents to support it in future-proofing Powys.

Previous budget consultations have focused on specific service provisions, but this year, with the aim of future-proofing Powys post Covid, we wanted to engage residents on a longer-term vision for Powys County Council as a whole.

To start Powys on the road to recovery post COVID-19 and work towards “Powys 2025 - Our vision for the future” some research surveys have been conducted, around health and care and cultural services, to gain the views of external stakeholders, what motivates the respondents, what barriers they are experiencing, if any, and their opinions on digital solutions the council could implement in the future.

During the past year, internal engagement activities have been completed to monitor the wellbeing of staff. The survey was our opportunity to ask staff opinions on how they are finding work at the moment, whether they are working from home or on the front line. Originally shared in June 2020, the survey was reissued towards the end of the year to understand how staff wellbeing has changed, if at all, as the pandemic has continued to influence the way we live and work. The feedback and ideas from both surveys is being used to ensure we can continue to support staff across the whole Council whilst coronavirus remains a part of all our lives, and to help us to shape our new ways of working.

The Welsh Language

To ensure the impact of our services in the Welsh language is considered, all surveys now incorporate three standard questions to capture feedback on how our decisions impact the Welsh Language and how they could be changed to ensure a more positive outcome.

A summary of some of the key consultations conducted during the year is contained in Appendix 1.

An exercise was conducted with third party providers to measure their ability to provide the Active Offer of a service in Welsh, with spot-checks on a selection of providers looking at services and information provided in Welsh by telephone, email and on their websites. Following the spot checks, communication was sent to all contractors providing services on behalf of the Council to outline the requirements, and to share information about resources and tools to enable them to offer more services through the medium of Welsh. A series of sessions were also conducted for third party providers, in collaboration with PAVO, on Welsh Language Awareness and providing the Active Offer.

Cabinet Forward Work Programme

In 2019-20 the Head of Democratic Services became accountable for maintaining and updating the Cabinet Forward Work Programme 18 months ahead, in consultation with the Senior Leadership Team. This has improved the completeness and quality of the Forward Work Programme. The work programme is reviewed with the Chief Executive on a fortnightly basis and the programme also includes details of

the scrutiny work programme and details of other committees and meetings so that a wider view of forthcoming meetings is available.

Committee Agendas and Reports

In 2020-21 the Council published all the agendas, reports and minutes of the Council, the Cabinet and committees on its public website within timescale. In addition, all Council meetings were webcast and a new and improved webcast system was introduced.

Members' Annual Reports

In 2020-21 all Members produced an Annual Report on their activities and these are all published on the Council's public website. [Councillor Annual Reports](#)

Public Participation at Council Meetings

Due to the pandemic and the Council undertaking business critical work no questions were sought from the public during this period.

Conclusion

The Council is able to offer **substantial** assurance that the Council's arrangements adequately reflect the principles of good governance as set out in Core Principle B: *Ensuring openness and comprehensive stakeholder engagement*. Processes are in place and operating effectively and risks to effective governance are well managed.

Recommendations for further development in 2021-22:

During 2021-22 the following developments will be undertaken:

Development Action:	Lead / deadline
Implementation of new consultation software Engagement HQ in partnership with PTHB and PAVO.	John Evans March 2021
Publication of a Public Participation Strategy	John Evans April 2022

3.3 Core Principle C

Defining outcomes in terms of sustainable economic, social, and environmental benefits

How we do this:

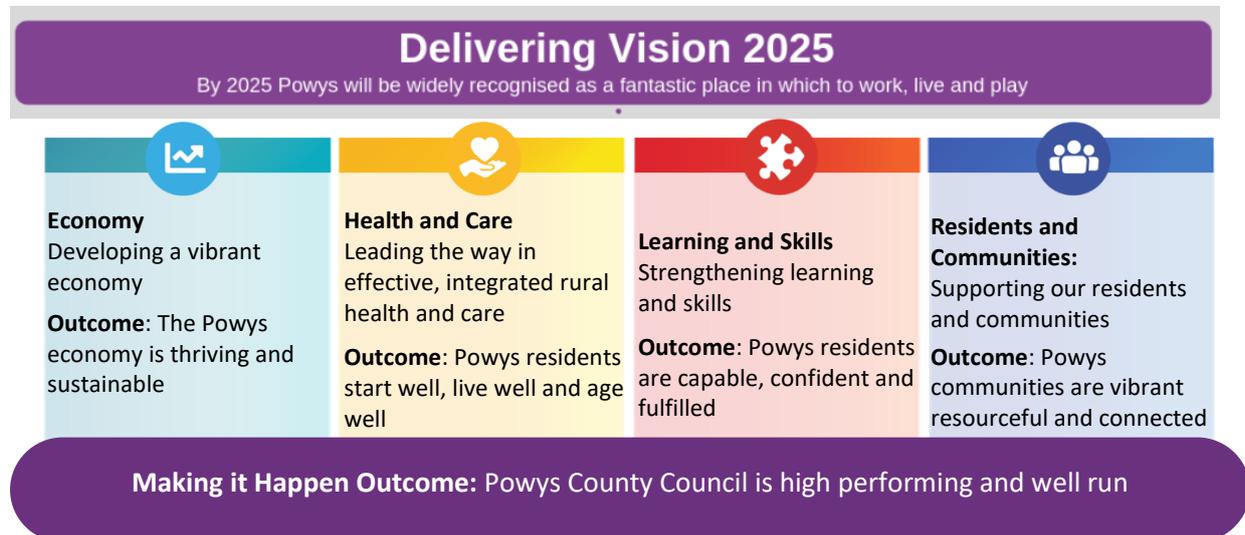
Corporate Planning Cycle

The Council has a set process in place for annually reviewing its objectives and corporate plans to ensure that they remain relevant and focussed on improving the right outcomes for residents and communities.

Vision 2025: Our Corporate Improvement Plan (CIP)

The Council's long-term vision and objectives for improving the economic, social, environmental and cultural well-being of Powys are set out in Vision 2025: Our Corporate Improvement Plan.

Vision 2025 is the Council’s vision for the future. Within it are our four Well-being Objectives: Economy; Health and Care; Learning and Skills; and Residents and Communities. These are supported by a ‘Making It Happen’ objective which focuses on engagement and communication; leadership and governance; and changing how we work.



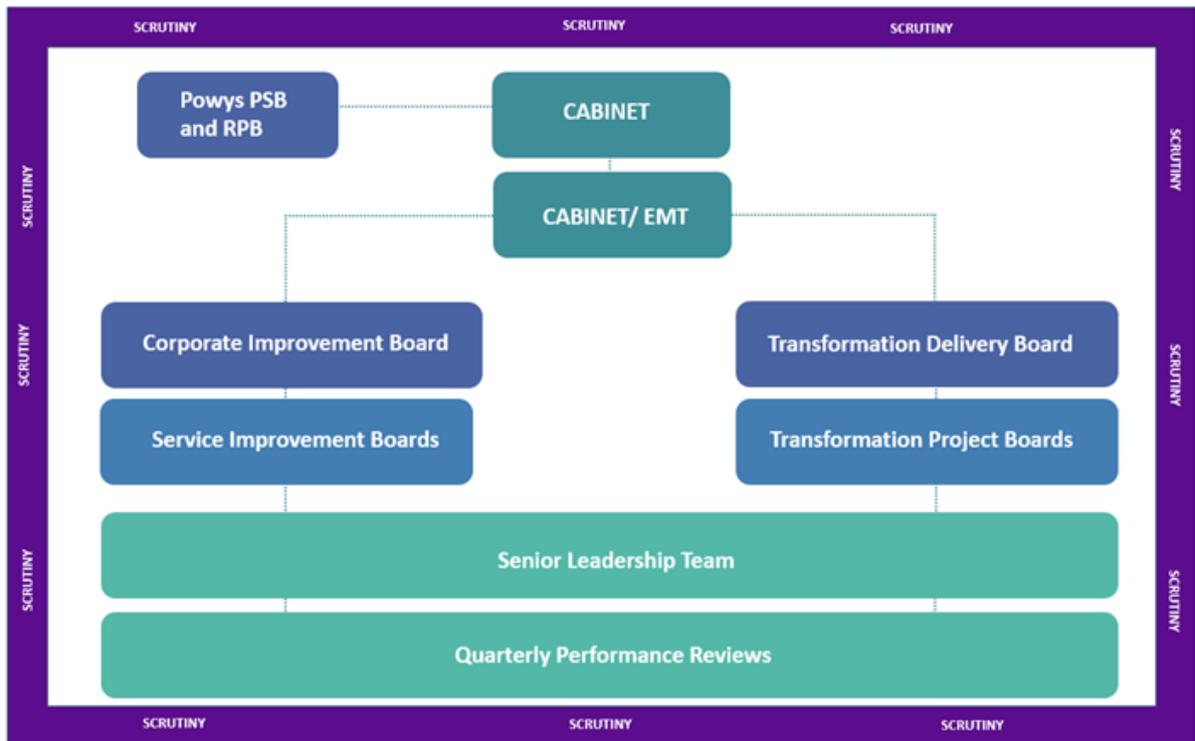
In 2020, for the first time, we also incorporated our Strategic Equality Objectives into Vision 2025 to ensure they are fully embedded in our plans. The Council published 6 new Equality Objectives within Vision 2025 in March 2020. Each objective has an action plan for making Powys a fairer place to live where people can achieve their potential, thrive and prosper.

Vision 2025 provides an important framework for engaging residents, councillors, staff and other stakeholders, such as regulators, in the vision and the Council’s key objectives. It sets out a series of aspirational outcomes for improving well-being for Powys residents, communities and businesses. The plan is reviewed and updated annually and an Annual Report of progress is published in July each year.

Our Corporate Improvement Plan integrates with our partnership plans including the Powys Public Service Board well-being plan *Towards 2040*, and the Powys Regional Partnership Board Joint Area Plan *Healthy Caring Powys*.

Vision 2025 also shows how we are embracing the Well-being of Future Generations (Wales) Act 2015, by ensuring that our objectives contribute to the seven national well-being goals and that we are considering the five ways of working in the way we plan our services.

The diagram below outlines the governance of transformation within the Council.



Vision 2025 Transformation Programme

The Vision 2025 outcomes are being delivered by the Transformation Programme which consists of eight core projects together with service transformations:



Integrated Impact Assessments

The Council undertakes Integrated Impact Assessments for all significant service, financial or policy changes to ensure the implications are understood, to support effective decision making and to ensure compliance with respective legislation, including the Well-being of Future Generations Act, the Equalities legislation which includes the Socio-Economic Duty and the Welsh Language Measure. Impact assessments ensure the Council considers any potential impact (positive or negative) before decisions are made and help ensure decisions optimise the achievement of intended outcomes. In 2021 these documents will be digitised, to improve the quality and consistency of the documents.

Medium Term Financial Strategy

The Council's [Medium-Term Financial Strategy](#) (MTFS) (Please See Item 5 – Appendix A) 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. It includes a set of principles that will govern the strategy, a five-year Financial Resource Model, Capital and Treasury Management Strategies and a Capital Programme.

Scrutiny Functions

In February 2019 the Council introduced three new scrutiny committees to align more closely to Vision 2025:

- Health and Care Scrutiny Committee
- Learning and Skills Scrutiny Committee
- Economy, Residents, Communities and Governance Scrutiny Committee

At the same time, the Audit Committee remit was focused on the Committee's statutory financial functions while the Finance Scrutiny Panel was renamed the Finance Panel, with a focus on strategic financial scrutiny only and scrutiny of individual services being undertaken by the three scrutiny committees. In addition, a Co-ordinating Committee was established comprising representatives of the Cabinet, Chairs and Vice-Chairs of the Scrutiny and Audit Committees and representatives of the Executive Management Team to undertake the development of the Scrutiny Forward Work Programme.

The Constitution sets out clear terms of reference for all Committees of the Council. The Cabinet, and the Scrutiny and Audit Committees have rolling work programmes.

Scrutiny committees undertake reviews and inquiries, within the Committee as a whole or within Working Groups. The findings of Scrutiny reviews and inquiries are presented to Cabinet with recommendations for action. Since December 2016, greater emphasis is now placed on pre-decision scrutiny of significant strategic policy issues and service changes.

The Health and Care and Learning and Skills Scrutiny Committees have overseen the Council's recovery plans following adverse reports by external regulators to ensure that the required improvement is achieved. This work is ongoing.

The Audit Committee oversees the work of Internal Audit, Risk Management and receives the reports of the Wales Audit Office. It has responsibility for approving the Council's Accounts.

The Council's scrutiny committees also include some representatives who are not County Councillors. The Audit Committee has an independent "lay" member, the Learning, Skills and Economy Scrutiny Committee has co-opted Members in respect of education scrutiny. The Economy, Residents, Communities and Governance Scrutiny Committee has a co-opted member in respect of crime and disorder matters, although this role is currently vacant.

Public Service Board Scrutiny

The Council supports a PSB Scrutiny Committee comprising those agencies who currently make up the PSB. Its role is to scrutinise the implementation of the Powys Well-being Plan as well as integration projects between the Council and the Powys Teaching Health Board.

Review of effectiveness:

In the 2019-20 Annual Governance Statement the following areas for development were identified for 2020-21, under Core Principle C:

Recommended Action	Lead/deadline	RAG
Review Vision 2025 and the Council's operating model to embed good practice developed during the COVID19 pandemic	Emma Palmer 31 March 2021	
Quality assurance process for Integrated Impact Assessments	Emma Palmer 30 September 2020	

An assessment of effectiveness against Core Principle C during 2020-21 is set out below.

Corporate Planning Cycle

In March 2020 the Council invoked its Business Continuity Plan to respond to the extraordinary challenges presented by novel coronavirus (COVID-19). This meant that a range of services were either adapted, suspended or, in some instances, established for the first time. The following principles and priorities were established by the Cabinet to plan the council's response to COVID-19.

OUR COVID-19 RESPONSE

CORONAVIRUS HAS HAD AN UNPRECEDENTED IMPACT ON LIFE AS WE KNOW IT. We're here to help Powys through these difficult times. As an open and enterprising council, we have embraced new ways of working and delivering services. **WE ARE WORKING WITH COMMUNITIES, RESIDENTS AND BUSINESSES TO HELP GET POWYS ON THE ROAD TO RECOVERY.**

For more information please visit www.powys.gov.uk/coronavirus

1 RESPONDING TO COVID-19

ADULT SOCIAL CARE working with the health board to support those with the virus, providing care at home and residential care.

CHILD CARE establishing safe child care for key workers and vulnerable children.

CONTINUITY OF LEARNING ensuring pupils continue to learn and have access to educational resources and support.

Reopening our **SCHOOLS**

HOMELESSNESS people who are homeless (sofa surfing or rough sleeping) need to be brought indoors and adequately housed.

PUBLIC PROTECTION maintaining public health which includes enforcing closures of premises where necessary, and managing regional contact tracing.

2 KEEPING OUR COMMUNITIES SAFE AND RESILIENT

Providing care and support for **EXTREMELY VULNERABLE RESIDENTS**

SUPPORTING BUSINESSES and the self-employed in line with Welsh Government guidance.

Providing **REFUSE AND RECYCLING** services including Household Waste Recycling Centres.

Maintaining an emergency **HOUSING REPAIRS** and maintenance service.

HIGHWAY MAINTENANCE ensuring essential repairs are carried out and an emergency response is available.

CHILDREN'S SERVICES ensuring children are protected and safeguarded.

LIBRARIES re-opening in a phased manner.

OUR VALUES

- Professional**
Whatever role we play in the council, we act with professionalism and integrity
- Positive**
We take a positive attitude in all we do
- Progressive**
We take a proactive and responsible approach to planning for the future
- Open**
We keep each other informed, share knowledge and act with honesty and integrity
- Collaborative**
We work constructively and willingly on joint initiatives

Powys

3 RUNNING THE COUNCIL

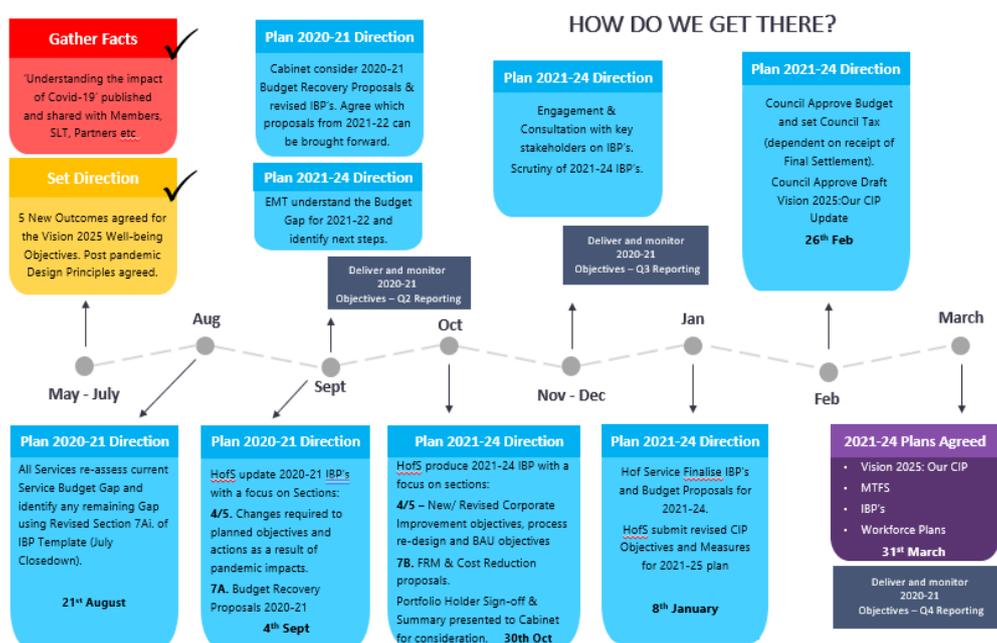
FINANCIAL Management and Reporting.

CUSTOMER SERVICES AND COMMUNICATIONS ensuring that the public, our councillors and our staff are regularly updated and informed.

Maintaining our essential **CORPORATE SUPPORT SERVICES** including workforce, finance and ICT.

The council set up a Recovery Coordination Group and five dedicated Recovery Planning sub-groups, each aligned to one of the Vision 2025 Well-being objectives. The purpose of these groups was to assess the impact of COVID-19 on the provision of services and to identify new and revised improvement objectives, that embrace the new opportunities presented by the pandemic as well as support effective recovery.

During 2020-21 the Council's five stage corporate planning cycle was used as the framework for COVID-19 Recovery Planning and Budget Recovery Planning. A detailed timeline for reviewing IBPs was agreed, as set out below:

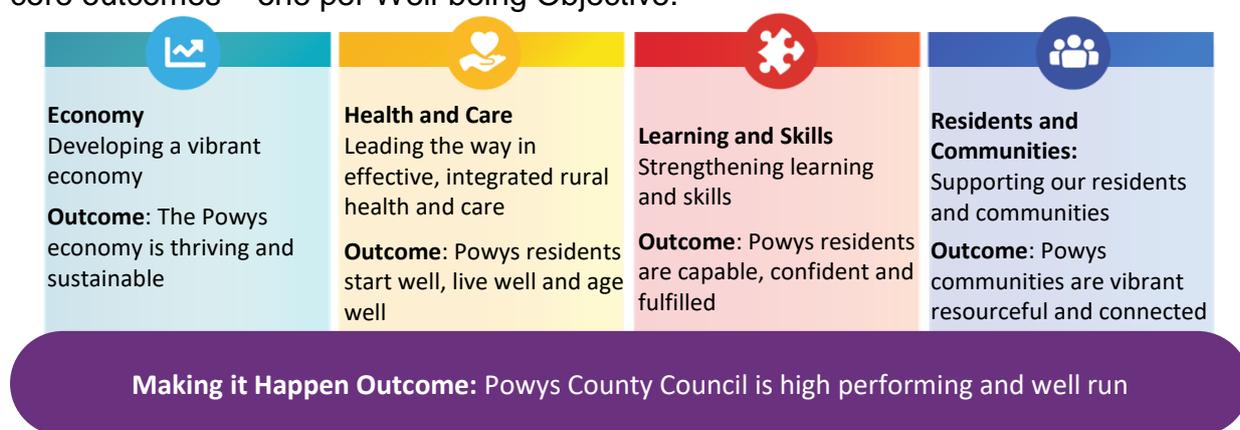


In order to inform the 2020-21 Corporate Planning Cycle the Council undertook an analysis of the Recommendations that were set out in the Future Generations Commissioners Report 2020. Each service considered the recommendations relevant to their service and prioritised those for implementation in the short term.

Due to the pandemic, limited progress has been made on the transition to Outcomes Based Budgeting as part of the Integrated Business Planning Transformation Programme.

Vision 2025: Our Corporate Improvement Plan (CIP)

During 2020-21 the Cabinet reviewed and refined the 40 Outcomes it had originally set out in Vision 2025 back in 2017/18. Recognising the importance of focussing on the things that matter most to our communities, the Cabinet agreed to focus on five core outcomes – one per Well-being Objective.



In line with the Recovery Planning approach and Corporate Planning cycle (outlined above) a review of the Vision 2025 activities and measures has been undertaken (including our six Strategic Equality Objectives), and the 2021 Annual update to Vision 2025 Our Corporate Improvement Plan was approved by full Council on 4 March following engagement with Members, scrutiny and consultation with services.

The Council published its 2019-20 Annual Report on Vision 2025 in July 2020.

Vision 2025 Transformation Programme

In 2019-20 the Council consolidated its arrangements for planning and delivering Vision 2025 with the establishment of the Vision 2025 Transformation Programme and the Transformation Delivery Board. This has helped the Council to focus on key projects on which Vision 2025 outcomes depend.

The Transformation Programme is governed by the Transformation Delivery Board, comprising Cabinet / EMT and includes programmes that will have the most dramatic impact on the Powys population, including schools' transformation, a well-being programme for the whole of North Powys, a Mid Wales Growth Deal and investment in extra care and affordable housing. There are also three cross cutting programmes around workforce, digital technology and integrated business planning which are focused on transforming the way in which the Council works. The Vision 2025

Transformation Programme governance is proportionate and consistent across the programme and the focus is on delivery.

During 2019 - 20 a review of the Vision 2025 programme was undertaken by Audit Wales. The review concluded that, overall, the Council is well placed to deliver its transformation programme, however COVID-19 presents new challenges and risks to the programme. We reached this conclusion because:

- The Council has comprehensive project plans and clearly identifies the aims of its transformation programme
- The Council has put in place arrangements to deliver its transformation programme, however some arrangements are stronger than others
- COVID-19 has had an impact on the pace of some transformation projects and this will be an ongoing risk for the delivery of the overall transformation

The beginning of 2020-21 saw the programme enter the implementation phase however when the council entered into Business Continuity mode in March 2020 due to the global pandemic the following projects were placed on hold:

- North Powys Wellbeing Hub – due to re-prioritisation of resource within the Powys Teaching Health Board (PTHB) this project had to be placed on hold
- Workforce Futures – a high number of staff from the workforce development team were redeployed and this project was therefore placed on hold

The Brecon Place-Based project was closed down due to uncertainty over what the demand for office accommodation and extra care would be after the pandemic. The extra care aspect has since been picked up again by the Extra Care project whilst the office accommodation review has been subsumed into the new council project “New Ways of Working”.

The digital project largely benefitted from the increased requirement for digital support services both internally and externally within the council.

The remaining projects have continued during 2020/21 and have largely been unaffected by the impact of the pandemic.

During 2020/21 the programme management has been light-touch as the Programme Manager was redeployed to the Test Trace Protect project and the supporting officer was redeployed to the Transforming Education programme.

Progress has been made in terms of reporting with a newly digitised highlight report and dashboard now ready for roll-out for Quarter 4. End of year reviews have also been completed with all project managers and an associated report will be issued to the Transformation Delivery Board in April.

A communications planning sprint has also been established during Quarter 4 with the communications plan, branding toolkit and website all due to be updated for the

end of the quarter. Enhanced communications activities will take place in the new financial year across the programme and in-line with the Welsh Audit Office recommendations.

During the next financial year the programme management will be re-established with quarterly review meetings taking place with each project manager. The “virtual vision 2025 project team” sessions will also be re-introduced to help and support all of the project managers together. Project managers will also be encouraged to participate in the council’s Transformation Approach training if they have not already done so.

Integrated Impact Assessments

The process of assessing how our services and policies might impact upon different types of people and communities and developing proposals in line with relevant legislation has been further embedded in the Council. During 2020-2021 as well as adapting to deliver virtual Impact Assessment training, we successfully digitised the Impact Assessment form providing services with a more efficient and user-friendly method enhancing robustness, introducing an automated flow process to support governance and a central repository of impact assessments for members and staff to access, to aid in developing proposals and share information, evidence and good practice. The new system allows the Council to interrogate the data from multiple impact assessments, to look at the cumulative impact of decisions on particular geographic areas or groups within the community, as well as identifying changes that can be made to the proposal to improve the impact of an element of the assessment. The digital platform will also enable publishing the impact assessments to the web giving the public access when it is appropriate to do so, to provide transparency within the Council’s decision-making process.

Medium Term Financial Strategy (MTFS)

Council approved the MTFS for 2020-25 on 28 February 2020 and this can be found [here](#) (See Item 5 Appendix A).

Integrated Business Planning has been adopted since April 2019 Moving the Council away from traditional budget planning to one that focuses on how best to use our resources to make the biggest impact on the outcomes the Council is seeking to achieve, informed where available by comparative performance and unit cost data and feedback from regulators and customers. In May 2019 services were given notional budget allocations for 2020-23 to work from, but through an iterative process of challenge and engagement over a number of months the final allocations reflect as well as possible how the Council should use the resources available to it to achieve Vision 2025. As such the Council has moved away from salami slicing.

There is further work to do to move properly away from incremental budgeting and to Outcome Based Budgeting (OBB) and this work is planned, starting with a project focused on setting outcome-based budgets for a number of services who will pilot the process, with a plan over the period of the MTFS to move fully to OBB as part of our Integrated Business Planning Programme.

2020-21 has seen much a higher level of engagement in the development of the budget and the MTFS with staff, members, stakeholders and the public. Use of the

budget simulator, numerous member engagement sessions, staff engagement events, meetings with stakeholders and scrutiny of the Draft 2020-21 budget and the 2020-25 MTFs have all helped to bring greater openness and transparency to the financial planning process.

For 2020-25 the MTFs has been strengthened to include key principles that will guide the Council's financial planning and management over the medium term. The Council's capital strategy has been amalgamated with the Treasury Management Strategy for 2020-21 and are now integral to the Integrated Business Planning process. The strategy facilitates a seamless interface between business planning within the Council and the management of assets and capital resources. The introduction of a new governance framework for the inclusion of projects in the capital programme supported by CIPFA training for key staff in business case development has helped to improve the quality of business cases and decision making around capital investment.

Scrutiny

The new scrutiny committees have been bedding in during 2019-20 and an interim review of them was conducted in September 2019. The results of the review were considered by the Co-ordinating Committee in December 2019 and concluded that the majority of responses regarding the way that scrutiny was operating were positive.

A full review was due to take place in April 2020, but this has been deferred due to the Coronavirus pandemic and the need for the Council to focus on its response to that.

Conclusion:

The Council is able to offer **substantial** assurance that the Council's arrangements adequately reflect the principles of good governance as set out in Core Principle C: *Defining outcomes in terms of sustainable economic, social, and environmental benefits*. Processes are in place and operating effectively and risks to effective governance are well managed.

Recommendations for further development in 2021-22:

During 2021-22 the following developments will be undertaken:

Development Action:	Lead / deadline
Working with partners to update the Well-being Assessment and Population Assessment	Emma Palmer
New Vision 2025 communications campaign in accordance with the WAO recommendations	Emma Palmer
Implementation of the Socio-Economic Duty through effective Impact Assessment process and on-going training	Emma Palmer

3.4 Core Principle D

Determining the interventions necessary to optimise the achievement of the intended *outcomes*

How we do this:

Strategic plans

The Council's Corporate Improvement Plan, Vision 2025, was developed taking account of evidence gained through a population needs assessment and a well-being assessment. This plan identifies the interventions necessary to achieve the outcomes set out in the document. With its partners on the Regional Partnership Board the Council has also developed a Health and Care Strategy for Powys and with its Public Service Board Partners, Towards 2040, our Well-being Plan. These strategic plans all align and are designed to ensure the Council focuses its activities and resources on optimising the achievement of its intended outcomes.

Integrated Business Plans

In 2020-21 all the Council's services have an Integrated Service Business Plan to show how they will deliver outcomes and continuous service improvements in Vision 2025. They are completed as part of the budget setting and workforce planning process.

Performance Management and Quality Assurance Framework

The Council has a Performance Management and Quality Assurance Framework in place to ensure a consistent approach and clear accountability for performance improvement. Our organisation is large, complex and needs to work with multiple external partners to deliver overall results for our residents. A performance management framework is therefore essential as it lays out the common system and methods needed to perform and improve, helping us to work as one 'joined up' community rather than separate services. The framework ensures that staff can clearly understand their responsibilities regarding performance management on which the Council's governance arrangements will hold them to account.

Management Information and Business Intelligence

The Council has a Business Intelligence Team which is responsible for the development of management information through the collection, collation and analysis of data to aid decision making and performance management.

Improvement and Assurance Board

The Improvement and Assurance Board (IAB) was established in April 2018 by the Welsh Government to provide challenge and support to the Council to assist the Leader in driving forward required change and improvement, particularly in respect of corporate governance, social services and in 2019-20 education improvement was added. Part of its remit has been to support the Council in identifying and pursuing the interventions necessary to optimise the achievement of the intended outcomes. The Board was stood down in September 2020, in recognition of progress made by the council, and alternative arrangements were agreed (as set out in the next paragraph).

Corporate Improvement Board and Service Improvement Boards

Following agreement to step down the Improvement and Assurance Board (IAB) the council proposed a new Assurance Framework to continue the pace of progress made by the IAB. This framework consists of the following:

Corporate Improvement Board - To provide leadership as a lever for improvement, with focus on the Council's improvement plans (Social Services, Education, Housing and Highways, Transport and Recycling). To engage in strategic dialogue, and progress issues and opportunities regarding collective impact. To receive a written Executive summary of performance from each Service Improvement Board Chair and feedback any concerns the board may have.

Service Improvement Boards - To provide Council led improvement, with a focus on the Council's improvement plans for Social Services, Education, Housing and Highways, Transport and Recycling. Ensuring there is a well-documented plan of action with clear milestones and targets for improvement that has been endorsed from the outset by Corporate Improvement Board. Driving positive performance outcomes through regular monitoring and reporting against agreed plans and targets.

Review of effectiveness:

In the 2019-20 Annual Governance Statement the following areas for development were identified for 2020-21:

Objective	Responsible Service	RAG
Review and strengthen Improvement and Assurance arrangements to take account of recommendations from the Sean Harriss review	Caroline Turner July 2020	Blue
Understanding the Impact of the pandemic on Powys (short/medium/long term)	Emma Palmer June 2020	Blue
Evaluate with stakeholders where possible, all pre-COVID19 Council activities to determine changes to services and activities required during the recovery phase	Caroline Turner July 2020	Green
Adjust 2020-21 content of Integrated Business Plans to include short term recovery action	Heads of Service July 2020	Blue
Produce 2021-24 Integrated Business Plans to include medium term recovery action	Heads of Service September 2020	Red

Strategic plans

The Council continues to work with its Public Service Board (PSB) partners on the delivery of Towards 2040 and with its Regional Partnership Board partners on the Joint Area Plan priorities. In November 2020 the Council facilitated a PSB Recovery Workshop to support PSB members in reviewing their current 12 Well-being Steps and to consider if they are still the most appropriate for delivering the intended outcomes and in prioritising recovery. As a result the PSB agreed that all 12 Steps

were still relevant but chose to focus its priorities on 3 steps moving forward, leaving the remaining to be driven by other existing partnerships.

Integrated Service Business Plans

In 2020-21, all twelve services had an Integrated Business Plan (IBP) setting out the Vision 2025 improvement/transformation objectives they are responsible for delivering, as well as business as usual activity that they manage day to day and workforce plans. During the year all services reviewed and adjusted the content of their IBP's for the 2020-21 year to include short term recovery action. All services also undertook a thorough review of their IBP's and produced 2021-24 Plans to include medium term recovery action. The Council's Transformation and Communications Team undertook a quality assurance exercise of all IBP's using the SWOT (strengths, weaknesses, opportunities and threats) methodology. The findings of the exercise were fed back individually to each Head of Service through dedicated sessions with the Head of Transformation and Communications.

During 2020-21, Children's Services, Adult Services and the Education Service all had specific improvement plans to respond to recommendations made by regulators. These plans were overseen by the Improvement and Assurance Board (see below).

Adults Services

Through 2019-21, there has been consistent leadership within Adult Services, with a permanent senior leadership team in place. This continues to provide the stability in leadership required to further the vision for continued transformation of the service as well as managing day to day sustained improvements. The service has further embedded a strengths-based approach to its work and has invested jointly with Powys Teaching Health Board to develop the community connector capacity with partners in the voluntary sector. ASSIST, our adult services front door, has increased its ability to respond to initial calls for information and advice, resolving issues at the earliest opportunity.

Our partnership working with PTHB has also seen a refinement of our hospital discharge pathways and improved performance in transferring people from hospital back into the community at the earliest opportunity.

There has been a dramatic improvement in ensuring availability of domiciliary care where and when required during the year. The numbers waiting reached single figures at the beginning of 2021, this follows the rolling out of the dynamic purchasing system, development of micro enterprise domiciliary care provision and significant increase in use of direct payments. Powys County Council's Cabinet agreed the Powys Pledge at the end of 2020 and its implementation in 2021 and onward will see even greater support for domiciliary care agencies and care staff. Using the strengths-based approach, integrated reablement service, and technology enabled care, the service has reduced the average size of domiciliary care packages and is delaying the need for residential care. The Service has developed excellent working relationships with statutory partners and made significant progress in early 2020 in reducing Delayed Transfers of Care and lengths of stay in hospital.

Although the COVID-19 pandemic placed the service in business continuity from mid-March 2020 onwards, the many developments continued and some significant

developments were realised, with two supported living developments opening in early 2021 (in Welshpool and Brecon), enabling service users to return to Powys from placements out of county; and planning and funding of two extra care schemes agreed in March 2021 (Ystradgynlais and Welshpool), with funding for another extra care scheme agreed for 2021-22 development (Brecon).

The COVID-19 pandemic has also enabled more rapid developments in some areas, with integrated overview of care home provision with the Powys Teaching Health Board realised through the Care Homes Section 33.

Children's Services

Throughout 2019-21 there has been consistent leadership across Children's Services with all Senior Manager posts appointed permanently. This has established a clear strategic vision for improving the service. The Service is two years into a journey of improvement. Key areas of improvement to date are:

The restructure of the Service from one based on generic teams where workers were required to undertake tasks from referral to adoption to specialist teams. The restructure enables workers to have clarity of role and manageable workloads and makes Children's Services in Powys an attractive place to work. The specialist teams are now made up of the following:

- Early Help and Assessment
- Intervention and Prevention
- Care and Support
- Corporate Parenting
- Safeguarding and Quality Assurance

Following the restructure, staff morale has improved and colleagues report feeling better equipped to undertake their roles. The restructure also included a big focus and investment in Early Help Services and Intervention and Prevention Services. The Intervention and Prevention Service works directly with children, young people and their families to help keep families together wherever it is safe and in the child's best interests and with foster carers to stabilise placements which may be at risk of breaking down and prevent escalation. Since these services began the number of children becoming looked after has reduced. This can directly be attributed to the work of the Early Help and Intervention and Prevention Services and is evidence that the restructure has positively changed the way we work.

The practice framework Signs of Safety has been rolled out and embedded across the service. Training for all staff has been implemented and a Signs of Safety Implementation Group was established and meets monthly to review all the forms the services use to ensure they are in line with Signs of Safety. The Group is attended by staff from all aspects of the Service and examples of good practice are shared. Team Managers report that using Signs of Safety has transformed the way they work with families and the focus is on developing family support networks and keeping children safely at home wherever possible.

The number of qualified social work vacancies have reduced along with the reliance on agency staff. The Service has undertaken several recruitment drives and initiatives to raise the profile of the Service and these are contributing to the steady permanent recruitment.

The Service is implementing a Closer to Home strategy to increase the supply of a range of placements that will meet the needs of children and young people while enabling them to live in their communities. We have reduced the number of children who are looked after and have established supported accommodation for care leavers in the North and South of Powys so that young people no longer have to go out of county, as well as opening a training flat to begin preparing young people for life as tenants of social housing. We have acquired a property which is being prepared as a children's home which will be able to accommodate two children. We have consulted with foster carers and reviewed the support offer, whilst working with national colleagues on the harmonisation of fees for foster carers across Wales.

We have worked with Housing colleagues to establish a Housing Gateway Panel so that our care leavers no longer have to present as homeless in order to access social housing (the previous process). Further work is currently being undertaken to purchase a property in partnership with the Powys Teaching Health Board and Welsh Government to provide safe accommodation for individuals aged over 16.

The voice of the child and young person has been at the forefront of the restructure and the change in the way we work. All appointments are made with a young person's panel. The creation of the Children's Services Participation and Engagement Officer who will mentor and line manage the Participation and Engagement Care Leaver apprentice post, is linked to the youth work pathway. We have also re-established the Children in Care and Care Leaver fora. The service has invested in the app Mind of My Own which helps children and young people express themselves and communicate with professionals making sure they are heard. This app is currently being rolled out with training being provided to practitioners across the service.

The Service has established a quality assurance framework and audits are regularly taking place with a quarterly theme. The Service has integrated the Social Services and Well-being Act and is continuing to develop practice standards for every part of the service.

We are proud of the fact that children's services continued to fully function and visit children and families throughout the COVID-19 pandemic, and continues to do so, ensuring that children are seen and supported.

Education Service

Powys Local Authority Education Service was inspected by Estyn in July 2019 and its report was published in September 2019. The inspection team concluded that "...there are many areas of the authority's work causing significant concern, such as those relating to school organisation, financial management, school governance, lack of action regarding schools causing concern and the co-ordination of provision for pupils with special educational needs or who may require extra support. These

issues affect school leadership, staffing structures, curriculum planning and staff morale.”

The Council was required to prepare a Post Inspection Action Plan (PIAP) in response to the recommendations made and in November 2019 a Post Inspection Improvement Conference was held, chaired by Estyn to seek assurance that the Council had:

- identified and understood the current issues
- coherent plans to address these issues
- enough resources to implement its plans
- rigorous processes in place to monitor the implementation of its plans and evaluate the impact.

Following the conference, a PIAP was agreed and shared with all key stakeholders. Over the last 18 months, the service has worked closely with schools and other partners to deliver the improvements that were outlined in the PIAP and a range of other initiatives needed in order to provide a more effective, cohesive, resilient and sustainable service to support learners across Powys. There have been regular scrutiny and improvement board sessions to monitor progress along with a significant series of cabinet reports on matters relating to service improvement and transformation. Through links with Estyn’s local authority link inspectors there have been regular meetings, and a further improvement conference in November 2020 the overall view from Estyn is that *‘ the local authority demonstrated that it has begun to make sound progress since the inspection. It is showing a clear commitment to addressing the issues that were raised as well as evaluating its progress against its plans. Importantly, it is building leadership capacity which has the potential to secure sustainable improvements. Overall, the local authority has identified sufficient resources to implement its plans as well as considering the barriers to progress and associated risks appropriately.’*

Performance Management and Quality Assurance Framework

The Performance Management and Quality Assurance Framework (PMQAF) has continued to be implemented to embed a refreshed approach to improving and maintaining service performance.

The method of reporting through an AIA (Achievements, Issues, Actions) approach is now well embedded across the organisation and provides a clear and succinct way of communicating key information to strategic decision makers.

At the beginning of the year the council revised its Performance Measurement Framework to remove duplication in reporting and to ensure its measures/ data sets are clearly aligned to the ‘Golden Thread’ of plans. This resulted in the removal of the ‘Top 20 Indicator Set’ and strengthening of other existing indicator sets. During 2020-21, the following framework was used to report quarterly performance to the Executive Management Team, Cabinet and scrutiny committees. Detailed reports are collated setting out an analysis of the following information, The report on the Vision 2025 and Public Accountability Measures (PAM) performance is also available in the public domain:

Performance Measurement Framework



Management Information and Business Intelligence

During 2020-21 data analytics and insight has strengthened and been integral to our response to the pandemic. We have developed numerous automated reports to provide insight on vulnerable people and those shielding, and supported an integrated approach to ensure we assist those most at need. We have produced reports for our local Test, Trace and Protect so that they can effectively target their approach. We developed a COVID19 Well-being Assessment, analysing the impact of COVID19 on the economy and the services provided by the council, whilst also highlighting what the short, medium and long-term impacts could be. We have provided an update of this and plan to monitor these key indicators quarterly.

We have developed a Corporate Scorecard which integrates workforce, compliance, finance and audit. This supports Senior Leadership Team and Executive Management Team with their work and provides a health check of the organisation. We worked on a proof of concept with the NHS Wales Informatics Service to better integrate health and social care. This work led to the creation of reports that focused on Care Homes, COVID19 testing, out of hours GP calls, hospital admissions and ambulance calls. The work has been presented across Wales and there are discussions taking place to identify how this can be upscaled nationally.

We have focused on maintaining and adding new reports to our Well-being Information Bank, such as homelessness and the number of furloughed people within the county. The team have upskilled during the year and have developed a style in their reporting.

We have met with many other Welsh local authorities and organisations such as Microsoft to demonstrate the journey that we have been on and are due to conduct a webinar for the Local Area Research and Intelligence Association (LARIA) in May 2021.

Improvement and Assurance Board (IAB)

The IAB met monthly up to September 2020, to monitor the Council's improvement journey in respect of corporate governance, adults' and children's services and the education service. The independent members of the board provided advice and guidance to officers on strategic and operational aspects of their plans throughout this period. In March 2020, a review was undertaken by Sean Harriss of the effectiveness of the Improvement and Assurance Board which concluded that "the Council, Improvement Board and Welsh Government should be commended for the progress made over the past two years. There is much still to be done but the Council is in a much stronger position to drive its own improvement; and the continuation of the Improvement and Assurance Board for a further six months in a revised form should provide both an appropriate level of ongoing support while providing the Council with a sufficient period of time to put in place its own alternative arrangements".

Both Adult Social Care and Children's Services had CIW (Care Inspectorate Wales) monitoring visits during September 2020. Both services also had improvement conferences facilitated by CIW in October. The outcome of these events was CIW finding that Social Services in Powys no longer required the enhanced monitoring arrangements that had been in place since 2017. CIW said they now had confidence that the Organisation had the capability and leadership to oversee its own improvement journey.

Corporate Improvement Board and Service Improvement Boards

During 2020-21 the council has established new governance arrangements for securing continued improvements in key service areas. Service Improvement Boards have been established for Social Services, Education, Housing and Highways, Transport and Recycling, all of which are accountable to the overarching Corporate Improvement Board. These boards have focused on identifying the interventions needed to drive rapid improvements in service performance.

Conclusion:

The Council is able to offer **substantial** assurance that the Council's arrangements adequately reflect the principles of good governance as set out in Core Principle D: *Determining the interventions necessary to optimise the achievement of the intended outcomes*. Processes are in place and operating effectively and risks to effective governance are well managed.

Recommendations for further development in 2021-22:

During 2021-22 the following developments will be undertaken:

Development Action:	Lead / deadline
Transition the Service Improvement Boards to form part of the quarterly review meetings held as part of the Performance Management and Quality Assurance Framework	Corporate Directors December 2021
Continuation of the Integrated Business Planning Transformation Project and deliver OBB pilots	Jane Thomas
Implementation of Part 6 of the new Local Government and Elections Wales Act	Emma Palmer

Service Performance Panels to be undertaken to assess each services performance and review Integrated Business Plans	Dr Caroline Turner
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3.5 Core Principle E

Developing the entity's capacity, including the capability of its leadership and the *individuals within it*

How we do this:

Constitution

The Council's Constitution sets out the roles and responsibilities of Members and officers so that accountability for decisions made and actions taken are clear. The Council has processes in place for the appointment by political groups to committees, as well as processes for the appointment of the Parent Governor Representatives onto the Learning, Skills and Economy Scrutiny Committee and the appointment of Independent "Lay" Members on the Standards Committee and Audit Committee.

There are clear schemes of delegation to officers, which are being revised as a result of a revision to the Council's Senior Management Structure, as well as limits to such delegation set out within the Constitution. The Council's constitution is published on the public website. Revisions of the Constitution are ongoing and future changes are incorporated in a new full version being published each time which will make easier the identification of versions in force at a particular point in time, which was not the case previously. The ninth version of the Council's constitution was approved by full Council on the 26 November 2020.

Council

The Council has seventy-three elected members. The current political composition of the Council is: Independent (23); Conservative (15); Liberal Democrat / Green (15); Welsh Labour (8); Plaid Cymru (2); Action for Powys (8); New Powys (2). The ruling administration is a coalition between the Independent and Conservative Groups.

Cabinet

The Council operates a Leader and Cabinet model of governance. The Council is responsible for appointing the Leader. The Leader appoints the remainder of the Cabinet. The Council retains responsibility for approving the council's CIP and the annual budget.

The Cabinet has delegated responsibility for some functions, including:

- Strategic leadership and direction
- Developing and proposing to Council for approval the CIP, the Medium-Term Financial Strategy and the Annual Budget
- Ensuring delivery of the CIP
- Consulting with relevant Scrutiny Committees in the development of policy
- Delivering services in line with adopted policies and budgets.

In addition, the Leader has delegated authority to individual Cabinet members to take decisions on all matters within their individual Portfolios, and there is a process set out in the Constitution so that the decision-making process is open and transparent.

Member Development

The Council provides a wide range of opportunities to support Members' development. All newly elected Members receive induction training. There is also specific training relating to whichever committees they are appointed. Powys County Council is accredited with the Wales Charter for Member Support and Development. An annual Member Development Programme is in place and the Council has identified mandatory and discretionary training as well as possible sanctions which can be utilised by the Standards Committees for Members failing to achieve mandatory training set by the Council. Members in receipt of Senior Salaries (e.g. Cabinet Members and Committee Chairs) have undertaken personal development reviews (PDRs) to assess their individual training needs. This is undertaken on a two-yearly basis or within three months of their initial appointment.

A Member Development Working Group consisting of Councillors and officers develops and monitors the implementation of the Member Development Programme. The programme is reviewed and amended on a regular basis with input from the Council's Senior Leadership Team to ensure that it includes the current areas of priority for the Council.

Partnership Working

The Council works closely with key partners through statutory and non-statutory arrangements. The Council is a member of the Regional Partnership Board, established under the Social Services and Well-being Act 2014 to drive the strategic regional delivery of social services in close collaboration with health. We are also a member of the statutory Public Service Board established under the Well-being of Future Generations Act 2015 to improve joint working across all public services in the local authority area. These arrangements enable the Council to achieve more for our residents through joint planning and co-ordination of our shared resources.

The Council also has a number of Section 33 Agreements with Powys Teaching Health Board in relation to the provision of health and care services as well as ICT. The Section 33 Agreements are governed by a Joint Partnership Board (JPB) which also oversees our ambitious change shared agenda set out in the Area Plan and our CIP.

Improvement and Assurance Board

See Core Principle D above for details

Senior Officer roles and responsibilities

The Chief Executive is the Head of Paid Service who leads the Council's officers. She is responsible for signing the Council's Annual Governance Statement

During 2019-20, the following officers held statutory roles:

- The Head of Legal and Democratic Services was the designated Monitoring Officer and the Senior Information Risk Owner (SIRO)
- The Head of Financial Services was the designated Section 151 Officer, responsible for certifying that the Council's Accounts present a true and fair view of its financial position and income and expenditure
- The Corporate Director – Children and Adults was the designated Statutory Director for Social Services, responsible for an annual review of the Council's social services under the ACRF
- The Interim Chief Education Officer was the designated Chief Education Officer from 30 July 2019 to the present
- The Corporate Director – Children and Adults was the designated Lead Director for Children and Young People for the period
- The Scrutiny Manager was the designated Head of Democratic Services

Workforce Planning and Development

All staff have clear conditions of employment and job descriptions which highlight their roles and responsibilities. This is supported by a range of Human Resources policies.

Effective workforce planning and development is in place to ensure the Council has the workforce it needs to deliver its statutory functions and improvement outcomes.

All new employees receive induction training and are required to complete corporate mandatory training and any other related to their role. A range of role-based training is available across the Council to ensure staff operate in a safe manner to protect themselves, the public and their colleagues.

The Council has an extensive Leadership Programme for managers at all levels as well as a coaching programme.

There is an annual appraisal system through which individuals' objectives are agreed, training needs are identified and performance assessed. There is a full appraisal once a year and an interim appraisal after six months. The appraisal process helps managers and staff have a greater focus on performance management to ensure work is directed towards achieving the goals of the individual services and the organisation as a whole. Therefore, the golden thread linking the Council's strategic plans to the work of individual officers and operational staff is ensured. The appraisal process was deferred in the early part of 2020/21, whilst the Council operated under its emergency plan. Appraisals were then held from September with a healthy 85% of the workforce participating in an appraisal. The process is due to be undertaken again for 2021/22 and will commence immediately following the Easter break.

Digital Services

The Council has a well developed digital infrastructure which facilitates the work of its employees and services, using the latest technology to enhance our residents' and employees' experience of engaging with the Council. The Council's digital strategy can be found as follows:

<https://en.powys.gov.uk/article/8236/Read-our-Digital-Strategy---its-interactive>

Review of effectiveness:

In the 2019-20 Annual Governance Statement the following areas for development were identified for 2020-21:

Objective	Responsible Service	RAG
To implement new member development strategy and programme	Clive Pinney 31 March 2021	
Deliver planned 2020-21 leadership development programme, using e-learning where possible	Paul Bradshaw 31 March 2021	

Constitution

In November 2020 Sections 4 – Full Council and 7 - Scrutiny Committees were updated.

Cabinet

In 2020-21 there were eight Cabinet Members, including the Leader. The Cabinet portfolios are as follows:

- Leader - Councillor Rosemarie Harris
- Portfolio Holder for Education and Property - Councillor Phyl Davies
- Portfolio Holder for Young People and Culture - Councillor Rachel Powell
- Portfolio Holder for Finance, and Transport / Deputy Leader - Councillor Aled Davies
- Portfolio Holder for Adult Social Care and Welsh Language - Councillor Myfanwy Alexander
- Portfolio Holder for Corporate Governance, Engagement and Regulatory Services - Councillor Graham Breeze
- Portfolio Holder for Economic Development, Planning and Housing - Councillor Iain McIntosh
- Portfolio Holder for Environment - Councillor Heulwen Hulme

During 2020-21 relationships between the Cabinet and opposition groups has been developing. The Leader held regular meetings with all Group Leaders throughout the year, providing an opportunity to give updates on Covid, but also to discuss a wide range of issues.

The relationship between the Cabinet, Scrutiny Committees and the rest of Council needs further development so that all elected members value their respective roles and responsibilities. In April 2020 a new member development framework and programme was introduced which will include further opportunities to develop Members' understanding and recognition of scrutiny as a catalyst for improvement and an essential part of the democratic process; the ability to fully implement the framework programme was impacted by Covid, but this work will recommence during 2021-22.

Partnership Working

The Council continued to strengthen its partnership working through 2020-21 as evidenced under Core Principle D above. Weaknesses identified in an internal audit report on Section 33 Agreements with Powys Teaching Health Board have been addressed. Reductions in the number of Delayed Transfers of Care across the health and care system in the final quarter were a testament to the strong working relationships that have been developed across the Council and Powys Teaching Health Board.

Member Development

During 2020-21 70 Members completed mandatory training and development in Treasury Management, 57 Members completed mandatory training in Corporate Safeguarding and 55 completed mandatory training in Corporate Parenting. However, it should be noted that it has been found that attendance figures stored on Teams may be inaccurate. Since this has been identified officers are now manually recording attendance figures. Those Members that did not attend a session have been given access to the recordings of the sessions and asked to watch this and complete a short questionnaire.

In 2020-21 Member Development has been strengthened with a comprehensive programme including sessions on: financial planning and management (led by CIPFA); Service Improvement Plans; the 2020-25 MTFS and 2020-21 budget; the Vision 2025 transformation programme; the Estyn report and Post Inspection Action Plan; and schools' transformation (including presentation of data). The full Member Development programme for 2020-21 is at Appendix 2.

These new arrangements have strengthened the understanding of Members and the quality of scrutiny of Council business, but further improvement is required consistently to provide the level of challenge and assurance needed for the wider political membership to hold the Executive to account and to help drive further improvement and transformation across the Council.

A new Member Development strategy and programme was in development for 2020-21 but was delayed by the Council's focus on responding to the Coronavirus pandemic; this will be reinstated during 2021-22.

Senior Officer roles and responsibilities

The Executive Management Team comprises the CEO, two corporate directors two Heads of Service with statutory roles (i.e. S151 and Monitoring Officer) and the Head of Transformation and Communication and the Strategic Lead for Education.

The Senior Leadership Team (SLT) which includes EMT and the other nine Heads of Service is now complete albeit one role is interim with an officer on promotion into the role (Education Service). Of the 16 roles in the SLT seven have been filled with external appointments and of the remainder eight have been promoted within the Council in the last two years. One is an external temporary appointment to assist the Education Service. These appointments have created a healthy balance with the team of external officers with considerable improvement and transformation

experience with talented internal officers with strong corporate memory and local knowledge. The Corporate Director for Resources and Transformation left the authority in November 2020, and some changes in responsibilities and line-management took place as a result. A review of SLT is currently on-going; the review began during the Autumn of 2020 but was delayed due to the increased focus on responding to Covid over the winter, but was recommenced during the Spring of 2021.

Workforce Planning and Development

The revised Annual Appraisal process is ensuring individuals are accountable for and receive feedback on their performance. The organisation is becoming more attractive to work for, and attracting new recruits, is reducing agency staff reliance. The Workforce Analysis Report presented to the Improvement and Assurance Board regarding Children’s Service Performance contains a high level of analysis of performance and is being used as a benchmark by other local authorities. The organisational culture is changing as a result of the performance and workforce improvement work, and this is evidenced in the enhanced challenge happening in EMT on a fortnightly basis, and will continue as new posts are appointed to enhanced job descriptions with a strong focus on performance.

In 2019-20 the Council developed a workforce strategy, supported by a Workforce Futures Programme which includes developments in leadership training, development and coaching as well as improved staff engagement and workforce planning all of which are designed to support the development of a highly skilled and productive workforce.

Every service area has undertaken their second round of workforce planning for 2021/22 as part of the Integrated Business Planning process and an individual service and organisation wide Training Needs Analyses (TNA) has been undertaken. A corporate training plan and individual service training plans have been developed as a result of the TNA.

As part of the Workforce Futures Programme a new Leadership Development Programme has been developed and will be offered largely through the Welsh Government apprenticeship programme.

The Council has also developed, with Regional Partnership Board partners, a strategic framework for the health and care workforce in Powys, with a new joint health and social care faculty due to open shortly.

The table below outlines the number of Council staff who completed Institute of Leadership and Management (ILM) programmes during 2020-21.

Programme	Completed course
ILM Coaching and Mentoring	6
ILM2 Team Leader	3
ILM Level 3 in Leadership & Management	8
ILM Level 4 in Leadership & Management	7
ILM Level 5 in Leadership & Management	21

ILM Level 7 – Leadership & Management (Powys Executive Programme)	12
Total	48

Conclusion:

The Council is able to offer **substantial** assurance that the Council’s arrangements adequately reflect the principles of good governance as set out in Core Principle E: *Developing the entity’s capacity, including the capability of its leadership and the individuals within it.* Processes are in place and operating effectively and risks to effective governance are well managed.

Recommendations for further development in 2021-22:

During 2021-22 the following developments will be undertaken:

Development Action:	Lead	Deadline
The number of staff attaining digital core skills (bronze level) will reach 100%	Diane Reynolds	March 2023
The percentage of our leaders who are digitally capable and reach the Gold Standard will increase to 100%	Diane Reynolds	March 2022

3.6 Core Principle F

Managing risks and performance through robust internal control and strong public financial management

How we do this:

Risk Management

We are continuously improving and updating our approach to risk management to help better understand and manage the risks the Council faces, prepare for future challenges and to increase the likelihood of achieving objectives. Risk management is a core management discipline that supports organisational delivery. The risks that the organisation faces are changing all the time, so the art of good risk management is to combine planning for what we know might happen with preparation for unknown situations, to safeguard the organisation and in turn make it more resilient.

The Portfolio Holder for Risk Management is also the Portfolio Holder for Finance and is updated on the progress of the risk management programme on a quarterly basis. The Strategic Risk Register is also reported to Cabinet on a quarterly basis.

Consideration of risk is an integral part of quarterly performance reviews held with Portfolio Holders, Directors and Heads of Service. The Audit Committee has a key role in monitoring and challenging the Council’s risk register. The committee are asked to review the reports considered by Cabinet and the arrangements in place to ensure that there is an appropriate understanding and management of risk and that

these and the actions in place to mitigate the risks are monitored and regularly reviewed.

Performance Management and Quality Assurance Framework

See Core Principal D for details on the PMQAF.

We monitor a set of Public Accountability Measures which consist of “outcome focussed” indicators. They reflect those aspects of local authority work which local authorities agree are considered to be important in terms of public accountability. For example, Social Care, educational attainment and waste. This Data allows us to compare our performance in key areas, against the 21 other local authorities in Wales.

Financial Management

The management of the Council’s financial affairs are conducted in accordance with the Financial Procedure Rules set out in Section 16 of the Constitution. This sets out the financial management standards for staff and members and their duty to abide by the highest standards of probity in dealing with financial issues and the use of the public’s money. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

The Financial Procedure Rules set out the systems and procedures, key controls, and responsibilities for Financial Management, Financial Planning and Risk Management and the Control of resources.

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.

Monthly reports are prepared in conjunction with Budget Holders and Heads of Service who calculate the forecasts with their accountants, these reports populate the formal reports to Directors and Cabinet. The reports monitor performance against budget with full year forecasting and variance reporting. The delivery of savings and the forecast use of reserves are also included.

Budget Challenge events are undertaken throughout the year to challenge financial performance at a service level. No service area should plan to overspend, all expenditure must be consistent with approved service priorities and the overall approved budget.

The impact of the pandemic on the council Budget was quickly considered early in the financial year and an initial briefing presented to Cabinet on the 5 May 2020 providing an early indication of the potential impact the COVID-19 pandemic could have on the Council’s revenue budget for 2020/21. This early assessment identified the main areas of financial impact for the Council as a result of responding to the pandemic and the restrictions that were being enforced.

- Additional Costs
- Loss of Income

- Council Tax and Non Domestic Business Rates Collection Rates
- Increased demand on the Council Tax reduction Scheme
- Impact on the Delivery of savings –
- Cost Reductions/Underspends - reduced levels of activity and the suspension of some services will result in some budgets not being spent.
- Specific Grant Support from Welsh Government
- Other Grant funding

The assessment identified a number of measures to be explored to mitigate the financial loss to the Council.

- Furloughing of Council Staff
- Assessment of the Delivery of Budgeted Cost Reductions
- Limit expenditure – to freeze expenditure on all but business critical activity.
- Supplier relief in response to PPN2-20
- An assessment of the Capital Programme to better understand the impact on the delivery of projects. The availability of Contractors, sub-contractors and the sourcing of materials will all affect project delivery. This includes a review of the sale of assets and the impact on anticipated capital receipts. Projects that have not yet started may have to be re considered.

The Section 151 Officer engaged in weekly discussions with the Society of Welsh Treasurers (SWT), the Welsh Local Government Association (WLGA) and the Welsh Government (WG) as the funding arrangements were developed and put in place to support Local Government through the ongoing pandemic.

The financial position was reviewed and reported monthly throughout the year with updates and information provided weekly into SLT. the projected position improved as the mitigating action was implemented and the ongoing support from the WG Hardship fund was confirmed.

The Council recognises that financial management across the organisation can be improved. The conclusions and recommendations from the commissioned CIPFA (Chartered Institute of Public Finance and Accountancy) Financial Management assessment carried out several years ago have been used to develop a plan for improvement across the organisation. The delivery and monitoring of the programme is governed through the Finance Transformation Board.

From 2021-22 the Council will be required to become compliant with the CIPFA Financial Management Code.

The Financial Management (FM) Code is designed to support good practice in financial management and assist local authorities in demonstrating their financial sustainability. It is up to each authority to determine the extent to which it complies with the Code and to identify what action it may wish to take to better meet the standards that the FM Code sets out. The FM Code has several components,

including CIPFA 6 Statement of Principles of Good Financial Management. The principles are as follows:

- Organisational leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- Accountability – financial management is based on medium-term financial planning, which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported with appropriate frequency and with evidence of periodic officer action and elected member decision making.
- Adherence to professional standards is promoted by the leadership team
- Sources of assurance are recognised as an effective tool mainstreamed into financial management and include political scrutiny and the results of external audit, internal audit and inspection.
- The long term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

The CIPFA Financial Management Code translates the principles of good financial management into a series of standards. These standards address the aspects of an authority's operations and activities that must function effectively if financial management is to be undertaken robustly and financial sustainability is to be achieved. The areas covered by the standards are:

The responsibilities of the chief financial officer and leadership team

- Governance and financial management style
- Long to medium-term financial management
- The annual budget
- Stakeholder engagement and business plans
- Monitoring financial performance
- External financial reporting.

An assessment against the code will take place throughout 2021 to establish the position of the Council, this will build on the previous assessment and will provide a good opportunity to review the progress made since then, whilst identifying actions that need to be delivered to further improve, evidence good practice and support our sustainability.

Budget Setting

The Council's budget planning has traditionally been determined using an incremental budgeting approach and has tended to focus on one year with limited development over the longer term. This will not deliver a sustainable financial position for the Council going forward. The Council is therefore moving to an Outcome Based Budgeting approach, focused on the medium to long-term and aligned to service and workforce planning.

The strategy is based on an approach which brings together all elements of the Council activity to deliver Vision 2025, a programme of transformation, and one which encompasses service improvement and delivers appropriate levels of statutory service. It will better align revenue and capital to ensure that our limited resources are prioritised to achieve maximum effectiveness and based on securing outcomes that matter to our residents.

The strategy is supported by a detailed five year budget model, this has been strengthened in recent years with the development of service financial models which inform the corporate plan. The budget model has been improved with scenario planning across Best, Most Likely and Worse case scenarios.

Integrated Business Plans were introduced in 2019/20 and have been developed by each service building on previous Service Improvement Plans and capturing all service objectives, expenditure and workforce implications.

Service Evaluation is key to the process: performance, cost analysis, benchmarking, regulatory recommendations, proposals for improvement and Service User / Resident Feedback all feature. The objectives for the services which align to the 5 ways of working and the 7 Well-being goals of The Well-being of Future Generations (Wales) Act 2015 and meet statutory requirements and legislative changes are defined.

Building on the work we have already done the further development of Integrated Business Planning and Outcome Based Budgeting is captured in the Council Transformation Programme.

The development of the revenue budget for 2021/22 was significantly delayed due to the response to the pandemic and out of necessity our planning again focused on one year with limited work undertaken across the subsequent years of the plan. We need to quickly turn our attention to this as it is fundamental in supporting our financial resilience over the Medium and Longer Term and our ability to approve and deliver balanced budgets.

Powys Pension Fund

The Fund's Governance Policy and Compliance Statement sets out in detail the Governance arrangements of the Fund.

[DRAFT GOVERNANCE COMPLIANCE STATUTORY GUIDANCE
\(powyspensionfund.org\)](https://www.powyspensionfund.org)

Powys is one of eight LGPS Administering Authorities in Wales who make up the Wales Pension Partnership. A Joint Governance Committee (JGC) for the Partnership was formally established in 2017/18 and comprises of one elected member from each of the Authorities. The JGC oversees the operations of the Partnership and is supported by an Officer Working Group.

Internal Audit (SWAP)

The detailed review for SWAP is set out in Appendix 5. During the year we have collaborated with SWAP to include the internal audit tracker within our Corporate Scorecard. This will make it easier for the Senior Leadership Team and Executive Management Team to monitor and manage audits within the organisation.

Responding to external regulatory inspections

The Council recognises the value of regulatory inspections in helping to drive improvement. Our core regulators are Care Inspectorate Wales, Audit Wales, Health and Safety Executive, and the Social Housing Regulator and Estyn, who carry out routine inspection on our services. Services are required to embed any recommendations they receive into their Integrated Business Plans to ensure that they are being addressed through appropriate improvement objectives. The objectives then get monitored quarterly to ensure the necessary improvement is being made.

Review of effectiveness:

In the 2019-2020 Annual Governance Statement the following areas for development were identified for 2020-21:

Objective	Responsible Service	RAG
Transfer risk management to Financial Services	Jane Thomas 31 May 2020	Blue
Establish and maintain risk register for pandemic response and recovery	Jane Thomas 31 March 2021	Green
Ensure reporting and analysis is made simple for the user, and integrated reporting links performance data to ease forecasting that they will deliver each month and measured through improving data (revenue & capital)	Jane Thomas 31 March 2021	Green
Ownership and accountability for financial performance developed. Budget holders complete revenue and capital budget forecasts, that include savings assumptions, which are challenged to ensure improvements as the budget holders get better at this role	Jane Thomas With effect from 1 April 2020 with ongoing development throughout the year	Blue
Delivery of the Finance Transformation Project	Jane Thomas 31 March 2023	Yellow
Balance sheet management more effectively managed through the year and reported widely	Jane Thomas 30 September 2020	Yellow

Risk Management

The Risk Officer and the oversight of Risk for the Council transferred to Finance in 2020. 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. These risks are reviewed and monitored

regularly and have been separated into response and recovery risks, using a matrix developed specifically for assessing COVID-19 related risks.

The Council's risk management arrangements have continued to be significantly improved during 2020-21 in response to a follow up internal audit report of risk management in March 2020. The Council's risk management system holds all risk registers and is where all strategic, service and transformation programme risks are registered, mitigated actions are identified and risks monitored. Risk management reports are presented to Cabinet quarterly and are reviewed by the Audit and Scrutiny Committees.

Performance Management and Quality Assurance

See Core principal D for details.

Quarterly Performance Reports detailing progress against Vision 2025: Our Corporate Improvement Plan as well as the Council COVID-19 Recovery priorities were presented to the Cabinet during 2020-21 and can be found on the Council's website:

[Link to Cabinet meetings page](#)

Reporting and Analysis - There were some developments in linking financial data and performance data by way of presenting dashboard information to Heads of Service. This includes forecasts and delivery of savings as agreed with Heads, aged debt analysis, level of local spend and the percentage of creditors paid within 28 days

Ownership and Accountability - At the start of the pandemic we extended the closedown period to provide more time for the Heads of Service to work with their managers to review and agree the financial forecasts, Heads of Service were responsible for providing the service commentary within the Cabinet budget monitoring reports. This has improved the ownership and accountability of budget managers and Service leads who can now more readily report their financial position and respond to challenge by their Portfolio Holders and Scrutiny committees.

Through 2020-21 the Finance Transformation programme was placed on hold due to the need to focus all Finance resource on supporting COVID-19. Additional resource has been sourced for 2021 when the programme will recommence.

Our Balance Sheet management review has progressed through the year with inroads made into reviewing historic entries and codes that need to be addressed. This provides confidence that the figures presented in the accounts have been scrutinised before sign off.

Feedback from our regulators

Appendix 4 detail the key feedback that we have received from our regulators during 2020-21 and the plans we have in place to address them to ensure continuous improvement.

Conclusion:

The Council is able to offer **reasonable** assurance that the Council's arrangements adequately reflect the principles of good governance as set out in Core Principle F: *Managing risks and performance through robust internal control and strong public financial management*. Processes are in place and operating effectively and risks to effective governance are well managed.

Recommendations for further development in 2021-22:

During 2021-22 the following developments will be undertaken:

Development Action:	Lead / deadline
Develop OBB pilots across service areas to feed into the budget /IBP process for 2022/23	Jane Thomas
Restart the Finance Transformation Programme delivering the identified objectives of the business case and improved financial acumen council wide	David Morris / Anne Phillips
Develop and implement the main drivers within the Capital and Treasury Management Strategy including the Schools financial strategy and updating the MRP policy	James Chappelle
Identify level of compliance with Financial Management Code and additional activities required to ensure adequate standard can be achieved when this becomes mandatory in 2021/22.	Dan Paley
Continue to embed a risk managed approach to decision making and good governance of the Council, to ensure everyone manages and understands risks which could prevent us from achieving our objectives.	Anne Phillips/Bets Ingram
Develop a Regulatory Tracker to keep a central record of the regulatory recommendations the Council receives and an overview of progress against them.	Emma Palmer

3.7 Core Principle G

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

How we do this:

Constitution

The Council's Constitution sets out how the Council operates and the process for policy and decision making. Within this framework, decisions are taken by Council, Cabinet, individual Cabinet Members and Officers. Certain specific decisions are taken by the Planning, Taxi Licensing and Rights of Way Committee, The Licensing Act 2003 Committee, Pensions and Investment Committee and the Employment and Appeals Committee.

Meetings and Reporting Documents

The Council presumes that reports will be publicly available unless certain, specific tests are met. There are seven categories of exempt information and these include:

- Information relating to a particular individual
- Information relating to legal matters

For information to be treated as exempt, an assessment of public interest has to be made, to ensure proper balance is achieved between the right to know, the right to personal privacy and the delivery of efficient government.

Agendas, reports and minutes of the Council's committees are published online and are accessible to the public unless an item contains information which is classed as exempt.

There is a presumption that most meetings will be open to the public, again except where information is to be discussed which is classed as exempt.

The Council now webcasts all Council and Cabinet meetings and is considering whether other meetings could also be webcast in the future.

Quarterly and Annual Performance Reporting

As outlined in Core Principle F, the Council publishes its quarterly performance reports on its website as part of the Cabinet Meeting agendas. This ensures transparency and accountability.

In line with the requirements of the Local Government (Wales) Measure 2009 and Well-being of Future Generations Wales Act 2015, the Council also publishes an annual Performance Report (Well-being Report) which sets out an open and honest assessment of performance against the Well-being objectives, Equality Objectives, activities and performance measures in its Corporate Improvement Plan. Powys County Council agreed its 2020 Annual Performance Report in July 2020 and this detailed performance against the Corporate Improvement Plan that was implemented during 2019-20.

The Council normally contributes to a set of Public Accountability Measures (PAM) which compare performance of all 22 Welsh local councils in delivering key services. However due to the COVID-19 pandemic the Local Government Data Unit took the decision to step down the publication of this data for 2020-21, recognising that council's may not be collecting this data during Business-Critical mode. The council has however, been collecting the PAM data where available and this has been reported as part of the quarterly Corporate Performance Report that is considered by the Cabinet.

Scrutiny

See Appendix 3.

Internal Audit

From 1 April 2017 the Council's internal audit service was provided by South West Audit Partnership (SWAP). SWAP is a not-for-profit organisation that was originally set up in 2003 and the arrangement sees Powys County Council become a partner in the company that provides audit services to various public sector bodies including Somerset County Council and Herefordshire Council.

In accordance with the recognised standards, the Head of Audit is required to give an opinion on the overall internal control environment based on the work undertaken throughout the year.

Annual Report of the Director of Social Services / Annual Council Reporting Framework (ACRF)

Under the Social Services and Well-being Act 2014 the Director of Social Services is required to produce and publish an annual report of the impact and performance of the work of social services and demonstrate how the Council has promoted well-being and accounted for the delivery of the well-being standards contained within the Social Services and Well-being Act

Review of Effectiveness

In the 2019-20 Annual Governance Statement the following areas for development were identified for 2020-21:

Objective	Responsible Service	RAG
Continue to improve the effectiveness of scrutiny	Clive Pinney 31 March 2021	Yellow
Continue to improve the Cabinet Forward Work Programme and links to the Scrutiny Work Programme	Clive Pinney 31 March 2021	Blue
Continue to embed a Performance Management and Quality Assurance Framework to ensure our decisions are underpinned by accurate information which are aligned to the Council's vision and priorities	All Heads of Service 31 March 2021	Green

Constitution

The Council is using the new model Constitution provided by Welsh Government with amendments to suit Powys County Council. The Constitution is kept under constant review by officers and the Democratic Services Committee and amended when required, in particular taking into account the learning from difficulties as experienced from time to time.

Meetings and Reporting Documents

All agendas are issued within the required legal timescales. There are only a few committee reports which are deemed to be confidential during the year which have been assessed using the public interest test. Therefore, the majority of documents and meetings are open to the public. The Council is continuing to webcast Council and Cabinet meetings. Following the implementation of Regulations by Welsh Government allowing remote meetings to take place other meetings have also been webcast during the pandemic and the Local Government and Elections (Wales) Act makes further provisions relating to the ongoing broadcasting of meetings.

Quarterly and Annual Performance Reporting

During 2020-21 the Council continued to embed the new method for reporting performance information through the use of Microsoft SharePoint Lists. Services take ownership to update the necessary performance information in a central SharePoint list, and then it is imported to Power BI to create interactive dashboards. The dashboards have been made accessible to all services, Members and the public using Microsoft SWAY, where filtering and drill-down capabilities allow the user to focus on specific issues and actions. During the year, quarter by quarter trend data has been added to the Power BI dashboard to allow Senior Leadership Team and Cabinet to understand fluctuations in performance over time.

Each service continued to have a Quarterly Performance Review meeting, where performance data is presented, analysed and discussed between the Head of Service, relevant Director(s) and Cabinet Member(s), An independent member of the corporate strategic planning and performance management team also attend to provide constructive challenge.

During the year a new timetable was developed to ensure each Scrutiny Committee gets the opportunity to scrutinise relevant quarterly performance information (against Vision 2025 Our Corporate Improvement Plan). A pro-forma was developed to support scrutiny with their challenge, and feedback received through these pro-formas is fed back to relevant Directors and Cabinet Members.

Scrutiny

The review of Scrutiny for 2020-21 is set out in Appendix 3.

Internal Audit

The Head of Audit's opinion on internal control for 2020-2021 is as follows (See Appendix 5 for the detailed opinion): On the balance of the 2020/21 audit work for Powys County Council that SWAP have undertaken, enhanced by the work of external agencies, I am able to offer a **Reasonable Assurance** opinion in respect of the areas reviewed during the year.

Annual Report of the Director of Social Services / Annual Council Reporting Framework (ACRF)

The 2019-20 Annual Director's Report on Social Service in Powys (ACRF) was presented to Full Council in September 2020. It provided an objective assessment of the impact and performance of the work of social services and demonstrated how the Council has promoted well-being and accounted for the delivery of the well-being standards contained within the Social Services and Well-being Act.

Conclusion:

The Council is able to offer **reasonable** assurance that the Council's arrangements adequately reflect the principles of good governance as set out in Core Principle G: *Implementing good practices in transparency, reporting, and audit to deliver effective accountability*. Processes are in place and operating effectively and risks to effective governance are well managed.

Recommendations for further development in 2021-22:

During 2021-22 the following developments will be undertaken:

Development Action:	Lead / deadline
Continue to strengthen the performance of scrutiny in particular the scrutiny of performance and risk	Clive Pinney March 2022
Review the effectiveness of Internal Audit with a greater focus on improvement across the organisation	Jane Thomas March 2022

Section 4. Conclusions – Main Governance Issues Facing the Council and Requiring Action

The table below identifies the most significant governance issues (prioritised from the recommendations for development outlined in section 3 above) and how we will address them during 2021 / 22.

Governance Issue	How we are addressing the Issue
<p>Core Principle A: <i>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</i></p> <ul style="list-style-type: none"> Review the effectiveness of the Governance and Audit Committee and undertake some refresh training for members as to the role of the Committee 	<ul style="list-style-type: none"> Member Development Sessions Committee self assessment with third party support from WLGA, Audit Wales and others
<p>Core Principle B: Ensuring openness and comprehensive stakeholder engagement</p> <ul style="list-style-type: none"> Implementation of new consultation software Engagement HQ in partnership with PTHB and PAVO. 	<ul style="list-style-type: none"> Purchase Engagement HQ Implement Engagement HQ Train staff Analyse findings to inform decision making
<p>Core Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits</p> <ul style="list-style-type: none"> Working with partners to update the Well-being Assessment and Population Assessment 	<ul style="list-style-type: none"> Complete the Well-Being and Population Assessment Public Engagement Publish final assessments
<p>Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <ul style="list-style-type: none"> Implementation of Part 6 of the new Local Government and Elections Wales Act 	<ul style="list-style-type: none"> Complete the first Self-Assessment Consult with the public Consider when to engage with Panel Assessment during the next electoral period Report to the Governance and Audit Committee Use findings to inform 2022-23 onwards Corporate Improvement Plan

Governance Issue	How we are addressing the Issue
<p>Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it</p> <ul style="list-style-type: none"> The percentage of our leaders who are digitally capable and reach the Gold Standard will increase to 100% 	<ul style="list-style-type: none"> Development of Digital Competencies Framework Development of Digital Literacy Training Programme Develop Digital Skills Gap Analysis Leaders' Digital Needs
<p>Core Principle F: Managing risks and performance through robust internal control and strong public financial management</p> <ul style="list-style-type: none"> Identify level of compliance with Financial Management Code and additional activities required to ensure adequate standard can be achieved when this becomes mandatory in 2021/22. 	<ul style="list-style-type: none"> Completing a self assessment with the Senior Leadership Team, Cabinet with scrutiny by the Finance Panel Develop an Improvement Plan to ensure compliance with the Code
<p>Core Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p> <ul style="list-style-type: none"> Continue to strengthen the performance of scrutiny in particular the scrutiny of performance and risk 	<ul style="list-style-type: none"> Improve the understanding of roles and responsibilities Respond to the findings of the Audit Wales review Review the role of the Finance Panel Member Development Review the effectiveness of scrutiny Review public participation and increase involvement of scrutiny in selection of own work programme

Section 5.
Certification of the Annual Governance Statement 2020-2021
Signed on behalf of Powys County Council:

.....
Chief Executive
Date: 30 September 2021

.....
Leader of the Council
Date: 30 September 2021

Section 6. Appendices

Appendix 1: Engagement and Consultation Exercises 2020-21

Economy:

Powys Businesses COVID-19 Survey

In the summer of 2020, Powys County Council was keen to know what effect the coronavirus is having on businesses across the county and what support they might need then and in the future. The council continues to work closely with the Welsh Government to support businesses through this difficult time. The survey was heavily promoted through the council's social media channels as well as a press release, Portfolio Holder video blog, and email distribution.

The response: There were 1,016 responses in total. A wide range of businesses from all over the county completed the survey - big and small, old, and new – 63% of whom consider their business to be tourism related. The most common ways businesses were impacted were identified as temporary closures and reduced sales. The main actions taken by businesses for their workforce included furloughing staff and reducing staff hours, 96 businesses responded to say they had laid off staff permanently. Half of respondents were worried about their business surviving at the time the survey was conducted. Most respondents had accessed business support of some kind during the pandemic. Whilst many were grateful for this, they felt more financial help was needed to sustain their business. Feedback from this consultation exercise has been used in council discussions and work with Welsh Government, Business Wales and partner organisations.

Council Tax Premium – Long-term Empty Properties

Since 1 April 2017, long-term empty properties in Powys are subject to a Council Tax premium of 50%, resulting in a total Council Tax charge of 150%. Regulations allow for a 100% Council Tax premium to be charged on long-term empty properties resulting in a total charge of 200%.

In Powys we have 996 properties that are classed as long-term empty (as of April 2020). More than 100 of those properties have been empty for 10 years or more. This consultation was conducted to understand why properties are left empty, the benefits of fewer empty properties within local communities and what impact increasing the premium may have on numbers of long-term empty properties.

The response: There were a total of 274 responses to this consultation, with 68% of respondents identifying as being responsible for paying Council Tax on a long-term empty property in Powys. When specifically asked what the most appropriate course of action would be regarding the Council Tax premium, 49% wanted to leave it at a 50% premium, 30% of respondents answered to increase it to 100% once a property has been empty for 2-3 years. The results from this consultation will help the Council determine the appropriate premium charge on long-term empty properties in Powys.

Council Tax Premium – Periodically Occupied Properties

On 24th September 2020, the Council considered a notice of motion to increase the Council Tax premium for periodically occupied properties to 75%. A consultation was conducted to find out the impact these properties have within local communities with regards to tourism and the local economy, the impact on the availability of affordable housing and what impact increasing the premium may have on numbers of periodically occupied properties in the future.

The response: There were 780 responses to the consultation, with 74% of respondents identifying as being responsible for paying Council Tax on a periodically occupied property in Powys. When specifically asked what the most appropriate course of action would be regarding the Council Tax premium, 79% wanted to leave it at a 50% premium, 3% of respondents answered to increase it to 75% and 18% of respondents answered to increase it to a 100% premium. The results will help the Council to determine future policy in relation to council tax premiums on periodically occupied properties.

Future-proofing Powys

Given the unprecedented year and the global pandemic of COVID-19 we have to deliver things very differently and ask residents to support us in future-proofing Powys and getting the county on the road to recovery. Previous budget consultations focused on specific service provisions, but this year, with the aim of future-proofing Powys, we wanted to engage residents on a longer-term vision for Powys County Council to deliver sustainable and effective services for the next five to 10 years.

The response: There were 205 responses to the online survey, with respondents sharing their opinions on the council's response to the COVID-19 pandemic, business and the economy, health and wellbeing, council offices, digitalisation, Council Tax, and the future, post COVID-19. The consultation report was presented to Cabinet in January and the feedback used in budget discussions and decisions for 2021-22.

Health and Care:

Deaf – Hard of Hearing Survey

Deaf and hard of hearing people in Powys were asked for their views on how the council can communicate with them. The online survey asked residents how easy - or otherwise - they have found it to communicate with the council when discussing or requesting services. A British Sign Language (BSL) video - the first time the council has asked questions using BSL - was available for people who use this language with respondents offered a variety of ways to respond.

The response: There were 42 responses to this survey, with 65% of respondents over the age of 56. Many respondents reported only being able to communicate with help from a support worker or family member and explained that their first language is BSL and that they struggle with the English language. Respondents called for a greater use of text messaging to contact the council and the introduction of video calling with BSL signers (including the use of Whatsapp). Sense Cymru were cited

as an organisation which is good to communicate with, along with banks, PAVO and the RNIB.

Digital Research Questionnaire

A digital research study was conducted by the council involving two versions of the same survey – one specifically for voluntary organisations. The aim of the survey was to find out what motivates respondents, what barriers they are experiencing, if any, and if Digital Solutions could help overcome them.

The council were particularly looking for the views of volunteers providing home support in Powys or are thinking about providing home support, care providers or those who are thinking of starting their own business in this area and anyone aged 50+ looking for someone to help support them with basic tasks or care in their home or thinking about this for the future.

The response: The main research questionnaire had 49 responses, with three voluntary organisations answering the survey specific to them. Information gathered included how many hours respondents volunteer, if they were looking for paid employment as a carer, how they find people needing support and if they would consider registering on an online platform to advertise their support, and if yes, who they would prefer to manage that platform.

Bannau/Camlas Quality of Care

An anonymous survey was conducted on behalf of Children's Services to review the quality of care at Bannau/Camlas in Brecon. The survey asked for satisfaction feedback and gave opportunities for respondents to express their views on how the service could improve.

The response: The survey, sent out to parents, carers, staff and other stakeholders, was completed by 26 people, 73% of whom stated they are satisfied with the quality of care received by children/young people in Bannau/Camlas. Overall, all responses to questions relating to satisfaction were positive throughout the survey. Many useful suggestions and comments were also received and passed onto the Children's Services.

Learning and skills:

Governor Questionnaire

As part of the review into how we deliver governor training, the bulletins and the briefing sessions, School Governors and Clerks to the Governors were invited to complete an online survey, asking for their views. The responses to this survey were collated during the first national lockdown and were to be used to help the council plan for when schools were able to return to normal.

The response: A total of 188 people completed the survey, the majority of whom stated that they have attended School Governor Service training sessions within the past two years. When asked if they would like to see more training courses available via e-learning the majority agreed with some commenting that anything that can be delivered effectively this should be. Those who had attended the Governor Briefing Sessions found them useful to meet other Governors and share ideas,

experiences and best practise. The new Welsh Curriculum and schools post covid, were highlighted as a preferred topic at future briefing sessions.

Transforming Education Programme

A variety of consultations took place throughout 2020-21 to inform the council's transforming education programme:

The Funding Formula for the financing of schools (2021 - 2022): Additional Learning Needs

Prior to the pandemic, the intention had been to review the whole fair funding formula that distributes funding to Powys schools to ensure that the distribution formula meets the needs of the schools in the future, during and following the Transforming Education programme. However, reluctantly, it was agreed (through the Head of Finance, the interim Chief Education Officer, Schools Forum and the Formula Review Group) that this review would need to be postponed during the pandemic period (where the Council was operating on a Business-Critical basis) and would not take place during 2020. Work on this will begin in the new year.

An ALN formula sub-group was established to work through the current issues and a range of options for improvement. The council considered all of the views given by the group and put forward this consultation which set out the proposed changes.

The response: This consultation ran for one month and the majority of respondents were neither supportive nor unsupportive of most of the proposals listed in the survey. All proposed changes and any transitional arrangements will have to be managed within the same overall budget amount.

The future of Special Educational/Additional Learning Needs in Powys

On the 23rd of June 2020, the Council's Cabinet approved an engagement exercise on a draft vision for SEN/ALN provision in Powys. The draft vision for SEN/ALN in Powys is:

- All pupils across Powys will receive high quality provision that meets their needs, no matter where they live,
- Most pupils with SEN/ALN will be taught in their local mainstream school
- All pupils with SEN/ALN will be placed in a provision that meets their needs, as near to home as is practicably possible, with the appropriate specialist teaching, support and facilities that enables every learner to meet their potential
- There will be a comprehensive range of specialist provision, including special schools, PRU, specialist centres, satellite centres and early assessment provision
- This will include both English and Welsh medium provision
- Special schools will cater for those pupils who have the most complex needs, for example severe learning difficulties (SLD), profound and multiple learning difficulties (PMLD) and complex ASD
- Schools within and across geographical areas will support each other and share effective practice

The response: During the engagement period, a number of issues were raised about our current ALN / SEN provision. This included that pupils had different quality and type of provision depending on where they lived, some had to travel long distances to reach provision that meets their needs while the access to provision through the medium of Welsh is inconsistent. Following the consultation, a report was prepared summarising the feedback received, and the document updated as needed. These documents were to be considered by the Council's Cabinet in November 2020. The proposed strategy has been shaped thanks to feedback from the engagement exercise where people were given the opportunity to have their say on a draft vision for SEN / ALN provision.

Home to School/College Transport Policy

The Learner Travel (Wales) Measure 2008 states that all local authorities have a duty to transport learners to their nearest suitable school if they meet the qualifying distance criteria. The Council's current Home to School Transport Policy was approved in 2018, however since its implementation in September 2019, it became apparent that there was a need to further review the policy to reduce ambiguity in order to ensure that the policy can be applied consistently.

The proposed changes include:

- Removal of the practice of reimbursing 16 - 19 aged learners who travel out of county to study
- Removal of the practice of providing transport following a change of ordinary place of residence for learners in years 10,11,12 and 13
- Clarified the appeal process to make it clearer.

The response: Following the consultation, a Consultation Report was prepared summarising the issues raised during the consultation period and the Policy updated as needed. The Consultation Report and the post-consultation version of the policy was considered by the Cabinet in September 2020. It is intended that the updated policy will be implemented from September 2021.

Establishment of a new all-age school in Llanfair Caereinion

Powys County Council is consulting on proposals to establish a new all-age school for pupils aged 4-18 in Llanfair Caereinion. The proposals are as follows:

- To close Llanfair Caereinion C.P. School and Caereinion High School
- To establish a new bilingual all-age school for pupils aged 4-18 on the current sites of Llanfair Caereinion C.P. School and Caereinion High School

The current target date is to close the two schools on 31st August 2022, with the new school opening on 1st September 2022.

The response: A total of 111 respondents completed the consultation. In addition, 8 written responses were received from respondents, including Estyn. Officers from the council met with the School Council of Llanfair Caereinion C.P. School and Caereinion High School to get their views on the proposals. Consultation meetings were held with the staff and governors of both schools. The consultation report

including responses from the above engagement exercises is published on the council website.

Further to a decision made by Cabinet, the council published a Statutory Notice proposing to merge Llanfair Caereinion C.P. School and Caereinion High School in order to establish a new all-age school for pupils aged 4-18 in Llanfair Caereinion. At the time of writing, the Objection Period was due to end on 23rd March 2021.

Change of language category of Ysgol Bro Hyddgen

Powys County Council consulted on a proposal to change the language category of Ysgol Bro Hyddgen. The proposal was as follows:

- To make a regulated alteration to alter the medium of instruction at Ysgol Bro Hyddgen to Welshmedium.

This would be introduced on a phased basis, year-by-year, starting with Reception in September 2022.

The response: Feedback from the consultation will be collated and summarised, and a consultation report will be produced and shared with stakeholders. The Cabinet will consider the consultation report and whether or not they wish to proceed with the options outlined in the consultation document. This was expected to happen in the spring of 2021.

At the time of writing, two other transforming education consultations are in progress and both are due to close on Thursday 15 April 2021.

Ysgol Dyffryn Trannon

Powys County Council is consulting on a proposal to change the language category of Ysgol Dyffryn Trannon. The proposal is as follows:

- To make a regulated alteration to alter the medium of instruction at Ysgol Dyffryn Trannon from dual stream to Welsh-medium

This would be introduced on a phased basis, year by year, starting with Reception in September 2022.

This consultation is being held in accordance with the School Organisation Code (2018) and School Standards and Organisation (Wales) Act 2013.

Consultation started on the 25 February 2021 and will end on the 15 April 2021.

Mount Street Infants School, Mount Street Junior School in Brecon, and Cradoc C.P. School

Powys County Council is consulting on proposals to amalgamate Mount Street Infants School, Mount Street Junior School and Cradoc C.P. School to establish a new primary school for pupils aged 4-11 on the three current sites. The proposals are as follows:

- Phase 1:

- To close Mount Street Infants School, Mount Street Junior School and Cradoc C.P. School
- To establish a new English-medium primary school for pupils aged 4-11 on the current sites of Mount Street Infants School, Mount Street Junior School and Cradoc C.P. School.

The current target date is to close the three schools on the 31 August 2022, with the new school opening on the 1 September 2022.

- Phase 2:
- To make a regulated alteration to transfer the new school to a new school building on a new site in Brecon.

The current target date for this phase is September 2024 at the earliest.

This consultation is being held in accordance with the School Organisation Code (2018) and School Standards and Organisation (Wales) Act 2013.

Consultation started on the **25 February 2021** and will end on the **15 April 2021**.

Residents and Communities:

Active Travel – October 2020 and March 2021

The Active Travel (Wales) Act 2013 aims to make Wales a walking and cycling nation. To achieve this the legislation is placing a duty on local councils to identify, improve and promote designated "active travel routes" within any town that has a population of over 2000 residents. Eleven Powys towns were identified by the legislation. This survey aims to find out local resident's walking and cycling habits in those areas with a view to identifying popular routes and destinations and helping to establish an active travel network in the town.

The response: Following the first occurrence of the Active Travel consultation in October 2020 there were 193 responses to the survey. Responses highlighted preferred methods of travel within the eleven designated towns and views of what would be done to help respondents walk or cycle short journeys more often, themes including map of routes, better signage, and reduction of town speed limits. Alongside this survey the Active Travel Network Map Stakeholder Engagement is also running. This initiative provides the opportunity for stakeholders and residents to update and develop the aspirational active travel network they previously identified in their town during the Integrated Network Map process of 2016/2017.

Digital Services for Archives, Museums and Libraries

The coronavirus pandemic has changed the way the Council plans and delivers its services. It has been recognised that digital services have to take a prominent role in transforming the future of our archives, museums, and libraries in Powys.

The council are looking for views on how we can develop our digital resources so that we can deliver improved and more efficient services. This includes using technology to connect with communities, offering more services online and helping

people to use those services with confidence. This survey closes at midnight on Sunday 11 April 2021.

Making it Happen:

Staff Wellbeing Survey June 2020 and December 2020

COVID-19 continues to influence the way we live and most noticeably, for some of us, the way we work and the location we work from. Working in a different way can be a huge challenge, ensuring we have the right equipment to do our jobs, maintaining productivity and looking after our wellbeing. It is easy to work longer hours and take fewer breaks and it can also feel lonely sometimes. Equally it has its potential advantages including reduced travelling and fuel costs, more family time and flexible working hours.

For employees who work on the front line, the COVID-19 outbreak continues to have a big impact on the way they work, taking account of social distancing, considering their wellbeing, access to the correct PPE and reducing any risks there may be in regard to their family or personal circumstances.

Staff were originally asked to complete this survey in June 2020. The survey was sent out again at the end of the year, slightly amended, to understand whether staff wellbeing has changed over the past few months as we headed into winter months and the New Year. It was advertised to all Powys County Council staff through internal communications channels including the intranet, all staff emails and manager cascade.

The response: The summer survey had 1,006 responses and the winter survey 872 responses. Staff working from home have seen an increase in productivity since the summer with 74% feeling more productive and able to get a lot done, an increase of 5% from the summer. The majority (80%) of staff working from home say they are able to juggle their work-life balance well and are enjoying the flexibility. The biggest noted key advantage of working from home remained the same following both surveys, with 'less or no travel' highlighted. The biggest challenge faced when working from home was highlighted as lack of social interaction/loneliness.

An increase in staff working on the front line (+13%) agree they have the correct PPE to allow them to work safely, bringing the total to 95%. 93% of frontline workers (+6%) and 93% of staff working from home (+1%) say that the communication about COVID-19 has been clear and timely. When asked if the support received from managers/supervisors has differed since lockdown, the majority of respondents (63%) said that the level of support has stayed the same, with 28% noticing an increase (down 1% from the summer).

The feedback and ideas from both staff surveys is being used to ensure the council can continue to support staff whilst coronavirus remains a part of all our lives, and to help us to shape our new ways of working.

Engineering customer satisfaction feedback surveys - contractors, and clients were asked to rate the quality of workmanship, regard to health and safety and overall

satisfaction with works completed via an online survey. Overall ratings have consistently been above 5 where 0 = poor and 10 = high

Appendix 2: Member Development

Core Principles to which this section relates: Core Principle E
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A programme of Member Development Sessions / Seminars has been delivered for 2020 - 2021 which included:

- Mandatory development
- Code of Conduct mid-term
- Corporate Safeguarding and Corporate Parenting
- Equality & Diversity training
- Treasury Management
- Cyber security and GDPR

- Finance
- Budget seminars x 3
- Finance and budget training - facilitated by CIPFA
- Draft 2021-24 Medium Term Financial Strategy and Draft 2021-22 Budget

- Service and Service Improvement Plans – due to the pandemic the scheduled programme was curtailed to enable service areas to concentrate on business critical work
- Education – Post Inspection Action Plan update

Briefings

- V2025 Transformation – update
- Mid Wales Growth Deal
- Direct Payments
- Digital services – accessibility
- Equalities and diversity in response to Black Lives Matter
- Emergency planning
- Welsh Language Standards
- Internal Audit
- Census 2021
- National Trading standards and Letting Agency
- Planning Service update – Phosphates and Rivers
- Understanding Climate change and the path to a sustainable future.

Other topics

- Children's Rights and the UNCRC

Following a review of the Council's Corporate Governance, the Member Development Strategy has been reviewed and revised. This document together with the Member Development Framework will be further reviewed during 2021-22 in preparation for the County Council elections due in May 2022.

Appendix 3: Scrutiny

Core Principles to which this section relates:

Core Principle C

Core Principle E

Core Principle G

Following the revision to the scrutiny committee structure in January 2019, the Co-ordinating Committee undertook a review of the operation of those committees in October 2019. The results were reported to the Co-ordinating Committee in December 2019 and were included in the Annual Governance Statement 2020-21.

A more detailed review was to have been undertaken during 2021-22 but due to the pandemic has not commenced. During 2020-21 despite the pandemic the level of scrutiny activity has increased with 47 Scrutiny Committee and Finance Panel meetings held, compared with 27 in 2019/20. i.e. a 74% increase

Reports from Scrutiny reviews containing the findings together with any recommendations are presented to Cabinet for their consideration. The Cabinet is expected to produce an action plan to respond to any recommendations made by Scrutiny. In respect of pre-decision Scrutiny the comments of the Scrutiny review group are made to the Cabinet / Executive Management Team meetings to provide an opportunity for the final report to Cabinet to take account of Scrutiny's comments. In 2020-21 the Scrutiny Committees have made 29 recommendations to Cabinet of which 23 have been accepted in full, 4 partially accepted and 2 rejected. In addition the Scrutiny Committees have made 142 observations to Cabinet.

The following are examples of areas which were scrutinised / pre-scrutinised during 2020/21:

Learning and Skills Scrutiny Committee:

- School Transport Policy
- The Future of Additional Learning Needs / Special Educational Needs in Powys Strategy
- Revenue Outturn and Capital Position
- Decision in relation to the 4 week Term in July and the Autumn Term Break
- Report of the Children's Commissioner in Wales regarding Vulnerable Learners
- Decisions taken during the COVID-19 outbreak period
- Delegated School Budgets 2020-21
- Draft Performance Reports and Strategic Risk Register
- Progress on Schools Causing Concern
- Amendments to the School Funding Formula
- Draft 2021 – 22 Budget
- Call-In of Cabinet Decisions – Llanfair Caereinion C.P. School and Caereinion High School
- Estyn Review of Local Authorities Work in Supporting their Learning Communities 2020

Economy, Residents, Communities and Governance Scrutiny Committee:

- Vision for Growing Mid Wales
- Welfare Call Monitoring
- Automobile Palace, Llandrindod Wells
- General Centre for Rail Excellence
- Support for Shielding Individuals during the COVID-19 Pandemic
- Performance and Risk Reports
- Freedom Leisure Annual Report
- Resolution of Contractual Issues with the Heart of Wales Property Services
- Draft 2021-22 Budget
- Digital Strategy 2021-25

ERCG Working Groups:

- Vision 2025 Update and Annual Report
- Car Parking Review
- HOWPS (Heart of Wales Property Services)

Finance Panel:

- Financial Overview and Forecast Reports – revenue, capital and cost reductions
- Draft budget
- Budget development
- Furlough/HR frequently asked questions
- Initial Financial Impact on the Council's Revenue Budget for 2020/21 arising from the COVID-19 Pandemic
- Recovery Planning

Public Service Board Scrutiny Committee:

- Progress on the Well-Being Steps
- **Audit Committee:**
- Audit Wales Annual Audit Plans
- Audit Wales – Raising our Game – Tackling Fraud in Wales
- Annual Governance Statement - draft
- Internal Audit Annual Plan
- Internal Audit Reports – Risk Management, HOWPS, Capital payments to Theatr Brycheiniog, Conflicts of Interest, Welshpool High School, Brecon High School, Employee Development and Housing Voids.
- Treasury Management quarterly reports
- Closure of Accounts
- Strategic Risk Register
- Covid Risk Register
- Statement of Accounts and Annual Governance Statement
- Annual Audit Opinion
- Internal Audit – Performance Monitoring
- Internal Audit Work Plan
- Internal Audit Review
- Anti Money Laundering Policy

- Anti Fraud Policy
- Fraud Prosecutions and Sanctions Policy
- Capital Programme
- CIP Annual Performance Report
- Review of Internal Audit Service
- Capitalisation Directive

In addition, during the pandemic where the Council has focussed on business critical activities, the scrutiny committees have undertaken the scrutiny of those business critical activities and the Council's responses to the delivery of services during the pandemic. Examples include:

Learning and Skills:

- Emergency Childcare Hubs;
- Continuity of Learning Plans;
- Free School Meals;
- Edtech Programme update;
- Transforming Education programme;

Economy, Residents, Communities and Governance:

- Homelessness; Public Protection; Support for Businesses;
- Homelessness; Household Waste Recycling Centres;
- Reopening of Libraries; Grass Cutting;
- Business Support; Contact Tracing;

Health and Care:

- Childcare briefings – May – September
- Performance Report – April
- Child Care Hubs
- Child Exploitation Policy
- Safe accommodation for children with complex needs
- Early Help Strategy
- Decision making tree and risk assessments
- Guidance for home care workers and workers in residential settings
- Surge Modelling
- PtHB/PCC Integrated Care Home Policy
- Short term recovery plan
- Choice Policy Adult Social Care
- CMHT Improvement Plan
- Carers Respite Policy
- Valuing Care – Residential
- Valuing Care – domiciliary care
- Improving the Cancer Journey
- Transfer of Neuadd Maldwyn for Extra Care Housing
- Powys Health and Care Academy
- Social Services Complaints – annual report
- Financial Outturn 2019/20
- Director of Social Services Annual Report

- North Powys Wellbeing Project Business Case
- Budget Proposals
- CIW feedback on Performance Evaluation Inspection and Improvement Conference

Appendix 4: Regulator Reports 2020-21

We are answerable to a number of external regulatory bodies who perform inspections on our services, these are:

	<p>Audit Wales is the public sector watchdog for Wales. Their aim is to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p>
	<p>Care Inspectorate Wales (CIW) encourages the improvement of social care, early years and social services by regulating, inspecting, reviewing and providing professional advice to ministers and policy makers.</p>
	<p>Estyn is the Office of Her Majesty's Chief Inspector of Education and Training in Wales. Their mission is to achieve excellence for all learners in Wales through raising the standards and quality in education and training. Estyn has a wide range of statutory inspection and reporting responsibilities which include inspection of all publicly funded education and training across Wales.</p>

We will continue to embrace the findings of our regulators and work in partnership with them to ensure our plans deliver the required service improvements.

Outlined below are key audit reports that we have received from regulators during 2020-21. We have used the findings in the reports to strengthen our plan for 2021 onwards.

Health and Care

CIW – Performance Evaluation Inspection (September 2020)

Care Inspectorate Wales (CIW) convened an Improvement Conference on 9 October 2020. The purpose of the Improvement Conference was for CIW to seek assurance that the local authority, through its senior officers and elected members, recognises and thoroughly understands the concerns held by CIW about its performance, provision or leadership and is able to demonstrate improvements have been made.

“Overall, we found the local authority has made significant progress since our last inspections. People in Powys can be assured the local authority is committed to enabling their voices are heard and ensuring they receive the care and support they need. There was a collective willingness to focus on prevention as a means of ensuring communities and services become sustainable for the future. Senior managers and lead members have raised the standards expected in social care”.

Colleagues from PTHB, Education, Dyfed-Powys Police, Audit Wales and the Improvement and Assurance Board provided their views. This allowed us wider insight into how Powys County Council is advancing on practice, corporate oversight, scrutiny and partnership working.

Frontline staff continue to receive regular supervision sessions to guide and support their practice and relevant training is available to them. Recruitment continues to be a challenge in children's services, despite efforts made by the local authority. Powys County Council has developed very good performance data and quality assurance reports, which enable officers and councillors to see where progress has been made or sustained and identify areas for further development.

Outcome: Given the information gathered from our work over the last three years, including speaking to people using services and engagement with our partners, we conclude Powys County Council has made substantial progress since their last inspections and that enhanced monitoring arrangements at Powys County Council social services are no longer required.

An Improvement and Assurance Board for Social Care was previously set up in 2018 to provide challenge and support following CIW's reports relating to Children's services and Adult services. Following an Independent Review of progress made on organisational improvement and following the Minister for Housing and Local Government's approval, the Improvement and Assurance Board formally met for the last time at the end of September 2020. Alternative arrangements are now in place at the Council to replace the Improvement and Assurance Board and for the Council to manage its own improvement.

Learning and Skills

Estyn – Post-inspection progress conference (November 2020)

In November 2020 Estyn held a virtual post-inspection progress conference with Powys County Council. The purpose of the progress conference was to review the extent to which the local authority has progressed its plans in addressing the five recommendations identified by the inspection in 2019.

Following the progress conference Estyn concluded the following:

“The local authority demonstrated that it has begun to make sound progress since the inspection. It is showing a clear commitment to addressing the issues that were raised as well as evaluating its progress against its plans. Importantly, it is building leadership capacity which has the potential to secure sustainable improvements. Overall, the local authority has identified sufficient resources to implement its plans as well as considering the barriers to progress and associated risks appropriately. We are aware that COVID-19 has meant that the local authority has had to divert considerable time and attention to managing and supporting its learning communities. Taking into consideration all of the above, we will reconvene in around six months to consider whether it is likely that the local authority could be removed from follow-up at a point six months from that visit through a monitoring visit”.

Estyn - Local authority and regional consortia support for schools and PRUs in response to COVID-19 (January 2021)

In January 2021, Estyn released a report on 'Local authority and regional consortia support for schools and PRUs in response to COVID-19'. The report covers the ways councils across Wales have adapted their work to respond to the challenges from COVID-19. Although the report is a national report, it does reference Powys County Council's work during the pandemic. For example the report includes reference to the Council's work around support and learning for post-16 learners. This includes work to support pupils through the Powys Learning Pathways website, bridging units for pupils about to start post-16 courses and the streaming of online learning to pupils accessing classes from teachers based outside their main school campuses.

The Report can be viewed here: [Thematic survey report \(gov.wales\)](#)

Estyn - Preparing for the Curriculum for Wales – case studies and cameos from secondary, all-age and special schools (November 2020)

The Report can be viewed here: [Thematic survey report \(gov.wales\)](#)

Making It Happen

Audit Wales – Audit of Powys County Council's 2019-20 Accounts

the Auditor General gave an unqualified true and fair opinion on the Council's financial statements on 30 September 2020. The Auditor General for Wales' opinion is that the financial statements give a TRUE and FAIR view of the Council's finances. Key facts and figures from the 2019-20 financial statements can be accessed [here](#).

Audit Wales – Continuous Improvement (August 2020)

The Auditor General certified that the Council has met its legal duties for improvement planning and reporting, and believes that it is likely to meet the requirements of the Local Government (Wales) Measure 2009 during 2020-21.

Audit Wales - Financial Sustainability Assessment (June 2020)

During 2019-20 Audit Wales examined the financial sustainability of each Council in Wales. They concluded that due to the considerable challenges the Council has faced over recent years its financial performance has not been sustainable, however the Council understands the significant financial challenges it faces over the medium term and is working to strengthen its overall financial resilience.

The medium term financial strategy for 2020 to 2025 identifies significant funding gaps for future years (based on a number of scenarios) and the recently introduced integrated business planning process together with the transformation programme are key to the Council meeting these gaps.

- The Council has overspent in key service areas against its budget in recent years.
- The Council does not have a track record of delivering the totality of its planned annual savings targets.

- Although the level of the Council's general fund has remained stable over recent years, its level of earmarked reserves has declined.
- Council Tax income collection rates have been largely stable as the amount of Council Tax income increases.
- The Council's level of borrowing has increased in recent years and is forecast to increase further but remains within its Capital Finance Requirement.

The Report can be viewed [here](#).

Audit Wales – Review of Workforce Planning at Powys County Council (July 2020)

During 2018-19 Audit Wales reviewed workforce planning at Powys. They concluded that stronger workforce planning means the Council is better placed to support its transformation objectives. However, the following proposals for improvement were identified:

For the Council to consider improvements to the communication aspects of the workforce planning including:

- clarify how the three strategic-level documents will be communicated to the wider organisation;
- continue ongoing engagement with the wider workforce to communicate both the corporate and the service level vision for the workforce; and
- increase the engagement from services with the facilitated sessions.

The Council should action the improvement areas it has identified:

- ensure all 12 service level workforce plans are consistent and comprehensive;
- complete the analysis of the local labour market;
- complete a formal lesson learnt exercise;
- confirm the succession planning arrangements;
- improve workforce planning tools; and
- further integrate workforce planning with the Integrated Business Plans.

The Report can be viewed [here](#).

Audit Wales – Transformation at Powys County Council (December 2020)

Audit Wales reviewed transformation at the council during 2019-20. They found that, overall, the Council is well placed to deliver its transformation programme, however COVID-19 presents new challenges and risks to the programme. We reached this conclusion because:

- the Council has comprehensive project plans and clearly identifies the aims of its transformation programme
- the Council has put in place arrangements to deliver its transformation programme, however some arrangements are stronger than others
- COVID-19 has had an impact on the pace of some transformation projects and this will be an ongoing risk for the delivery of the overall transformation programme

The following proposals for improvement were identified:

- The Council should build on and develop its ongoing engagement with stakeholders. Key stakeholders include Powys residents, partners, schools, businesses, Council staff and County Councillors. This is to help ensure people are aware of developments within the transformation programme, particularly in light of challenges and changes coming from the pandemic.
- For the Council to aim to evaluate all projects and consider ways to demonstrate the impact the projects are having on local residents and communities in Powys.
- The Council should build on any learning from the COVID-19 pandemic. This is to help ensure the Council takes stock of its transformation progress so far and incorporates learning into future delivery.

Audit Wales – COVID-19 response and recovery

Since March 2020, Audit Wales have examined and reviewed arrangements in response to the COVID19 pandemic at each of the Councils in Wales.

Appendix 5: Internal Audit

Internal Audit is subject to the requirements and principles of:

- Public Sector Internal Audit Standards in the UK - 2017
- CIPFA Local Government Application Note – 2019

An Internal Audit Charter was agreed by the Audit Committee in 2019/20 that defines the purpose, authority and responsibility in terms which are consistent with the professional standards. A revised charter will be presented to Committee in May 2021.

Internal Audit agreed a programme of risk-based work, formulated using an approved planning strategy, to review the Council's internal control environment. Each audit undertaken contained an opinion on the control framework and agreed actions by Management to correct the areas of risk identified. Internal Audit undertake a programme of follow-up reviews on high-risk areas. The COVID-19 pandemic has significantly disrupted the delivery of the 2020/21 audit plan. However, the Auditors will still provide an annual opinion on the control environment, but this will reflect the limitations caused by the Council reducing their activities to business-critical areas.

Internal Audit routinely considers the likelihood of fraud occurring within the systems being audited. Where requested, it undertakes investigatory work in respect of fraud and corruption which can result in a Police referral and/or disciplinary action.

SWAP have delivered a number of training sessions to Members during the year including "Helping Organisations to Succeed" and "Understanding Good Governance". Embedding an agile approach to planning and delivery remains an important step in identifying and mitigating risk in the areas of most priority. This is supported by the recent introduction of an action tracker that gave the Council greater visibility and assurance on the implementation of internal audit recommendations.

In accordance with the recognised standards, the Head of Audit is required to give an opinion on the overall internal control environment based on the work undertaken throughout the year. This report is presented to the Audit Committee annually.

There were no significant issues that Internal Audit were aware of that would require specific inclusion in the Council's Annual Governance Statement.

Appendix 6: COVID19 Coronavirus pandemic

Council's response to the COVID19 Coronavirus pandemic

During February and March 2020 the likely impact of Covid on the Council's activities was gradually becoming apparent. The Council established an internal Strategic Coordination group (GOLD Command) on 13th March 2020 and a Tactical Coordination Group (SILVER Command) on 16th March 2020. The Social Services Business Continuity Plan was invoked on the 16th March 2020.

The Council invoked its Corporate Business Continuity Plan on 18th March 2020, and remained in place for the whole of 2020-21. From this point the Council focused on Business Critical Activities (BCA), though some Transformation and Improvement activities were re-established from May 2020 onwards, as resources allowed. The Council began its recovery process over the summer of 2020, though the increased prevalence of Covid across the County during the Autumn of 2020 significantly slowed down the recovery process; this was subsequently impacted by the all-Wales Firebreak in November 2020 and the lock-down from 19th December 2020 onwards, which saw a renewed emphasis on the Council's Business Critical Activities.

The Council has kept its BCA activities under review and has updated these regularly since the Business Continuity Plan was invoked. The business critical activities from the 21st December 2020 were as follows:

Responding to COVID-19 (Protection of the most vulnerable in our society)

- Adult Services – maintaining Business Continuity Plan, roll out of Vaccination Programme with PtHB, roll-out of lateral flow testing
- Homelessness Service – maintaining the provision of housing for all homelessness presentations in both permanent and temporary accommodation
- Test Trace and Protect - delivering activities in accordance with the Prevention and Response plan
- Children's Services – maintain all services, including Safeguarding
- Mutual Aid, where appropriate (particularly to protect in-County provision)

Keeping our communities safe and resilient

- EU – Transition Period - adhere to all National Guidance and advice to ensure appropriate preparations for the end of the EU Transition Period
- Financial Support for Business - prompt and efficient delivery of all available financial Support for Business and commerce
- Support for Schools in keeping staff and learners safe (including School catering, cleaning and Transport)
- Recycling and waste services – all kerbside collection services to continue, and HWRC to remain open for essential use only (where safe to do so)
- Housing – emergency repairs and maintenance
- Highways – Winter Service, emergency response and essential repairs
- Corporate and Housing Property Checks and Compliance

Corporate – running the Council

- Workforce - maintain health and wellbeing of staff; maintain Health and Safety; management of response to redeployment activities; recruitment process for critical posts
- Financial Management and Reporting; maximise access to COVID-19 grants and support from UK Government and Welsh Government
- Corporate Support Services – IT, Information Management, Communications
- Delivery of time-critical grant projects

The Council has taken into account all advice and guidance from the Welsh Government and UK Government and regulators during the pandemic, including those relating to:

Physical distancing in the workplace; Funerals; Holiday Accommodation; Public Rights of Way; Meetings; Planning; Education and Schools; Social Care; Elections; Waste; Grants and Financial Assistance; Courts, Registration of Births, Deaths and Marriages.

Cabinet and all Council committees were stood down between mid March and early May 2020 since legislation did not permit remote meetings at that time. During that time Cabinet and the Executive Management Team met weekly using Microsoft Teams. These weekly meetings continued throughout the year. The first public Cabinet meeting held using Microsoft Teams was on 5th May, 2020, and Cabinet has met regularly since that date.

Scrutiny committees resumed from 13th May, 2020 and have been held remotely, in public, focusing initially on activities relating to management of the pandemic. Other Committees such as the Planning, Taxi Licensing and Rights of Way Committee have been meeting since July 2020. Items relating to the scrutiny of Cabinet decisions and performance were re-introduced from September 2020 onwards.

All staff who can work remotely have been required to do so during the pandemic. Internal control arrangements have continued to work effectively during this time although no new internal audit reviews were undertaken until the Autumn of 2020 to allow the organisation to focus on BCA.

The Council has developed a COVID19 Risk Register which is monitored weekly by GOLD and SILVER Command and has been reviewed quarterly by the Audit Committee and Cabinet.

The Council has continued to monitor and report on performance during the pandemic and has kept to the statutory deadlines for the publication of annual reports in relation to the Corporate Improvement Plan, the Strategic Equalities Plan, the Welsh Language Plan and the Public Service Board Well-being Plan.

The Council established a Recovery Coordination Group, chaired by the Chief Executive on 11th June 2020; this was suspended during the Autumn of 2020 as the prevalence of Covid worsened across the County, but was re-established in April 2021.

Activity	COVID19 impact	Action Taken to mitigate
Members' Code of Conduct / Standards Committee	No committee meetings since mid March. Code of Conduct refresher training for Members delayed. Members being unable to attend meetings due to shielding and other restrictions	Members' Code of Conduct refresher training undertaken in December 2020. Electronic Committee meetings recommenced in February 2021.
Audit Committee	No committee meetings between mid March and early May	Electronic meetings started in May 2020.
Information Governance	No impact	
County Councillor Training programme	Formal programme suspended from March to August 2020.	Some training undertaken electronically to assist Members with use of technology for electronic meetings and guides provided to them. Mandatory training was restarted from September 2020 as well as Member briefing sessions.
Engagement and Consultation	Face to face consultation has not been possible during the period on the advice of Welsh Government	Consultation and engagement exercises have been conducted primarily online and printed copies distributed only if / when required.
Welsh Language Services	Simultaneous translation for meetings has not been possible due to a lack of capability within software packages.	A temporary "work around" was devised whilst a more permanent solution was found in consultation with Welsh Government and Microsoft. As this was not forthcoming within a specific timescale the Council purchased Zoom licences and training for members was undertaken and the software is being used at some meetings prior to roll out for Council meetings; limitations in Zoom's functionality restricted an earlier roll-out.

Cabinet Forward Work Programme	This was amended to deal mainly with business critical activities in May and June 2020; reports on Improvement, Performance and Transformation activities were re-introduced gradually from July onwards. The pre-election period restricted the scope of items from the 25 th March 2021 onwards.	Since the recovery phase started Cabinet is moving back to considering increasing numbers of business as usual items. The Forward Work Programme has been developed over the last year to allow scope for the scrutiny of Cabinet decisions and Performance and to identify other meeting activities to provide a more holistic view of meetings activities.
Committee Agendas and reports	Committees agendas have been published electronically as usual. However no new reports were commissioned between May and July 2020 and any information for consideration by committees was prepared in accordance with the Council's COVID-19 business continuity plan, with the exception of Cabinet and regulatory committees.	Cabinet, Council, Scrutiny and other meetings have been broadcast live to the press and public allowing accessibility to online meetings by the press and public. .
Members Annual Reports	No impact and work on compiling the reports is continuing	
Public participation at meetings	No Full Council meetings held between March and July 2020.	The first electronic Council meeting was held in July 2020 and others have been held since including the Annual Meeting and those setting the budget and Council Tax. It has not been possible to facilitate public participation at Council meetings over the year but this will resumed in 2021-22.
Scrutiny committees	No committees between mid March and early May	Remote meetings established on 13 th May and met fortnightly until September when the

		frequency of meetings was reduced to monthly but of longer duration. Meetings of each committee focused on BCA for most of 2020. Laptops provided to some Co-opted Members to allow ability to take a full part in electronic meetings
Corporate Planning Cycle	Focus on BCA has delayed the usual corporate planning timetable	The Recovery Coordination Group is overseeing the development of the 2021-24 integrated business planning process as part of recovery
Vision 2025, Our Corporate Improvement Plan	Some commitments in V2025 have been delayed	Please refer to published CIP for detail
Vision 2025 Transformation Programme	The Transformation Programme was suspended to focus on BCA although elements of individual projects have continued, e.g. schools, digital and the North Powys Wellbeing Programme	Transformation Delivery Board meetings recommenced during the Autumn of 2020
Medium Term Financial Strategy	Significant impact due to income loss and additional costs	Impact on 2020-21 mitigated by Welsh Government Hardship Fund
Strategic Equality Plan	Some commitments have been delayed	Annual Report will be published before end of July
2020-21 Integrated Business Plans	Some actions delayed for 2020-21	Being reviewed as part of recovery work
Performance Management and Quality Assurance Framework	Staff appraisals delayed Spring 2020. One set of appraisals held during 2020-21	Staff appraisals restarted Autumn 2020.
Management Information and Business Intelligence	Work focused on COVID19 response	COVID19 dashboards produced to support GOLD and SILVER
Improvement and Assurance Board	No meetings between March and June.	IAB formally brought to an end by Welsh Government in September 2020 and

		replaced with internal monitoring arrangements.
Partnership Working	PRB and PSB meetings not held between March - June	PSB met remotely at end of June 2020 and has met regularly since then (though January 2020 meeting cancelled due to Covid). Joint Partnership Board met remotely in June 2020 and has met regularly since then (though January 2021 meeting cancelled due to Covid).
Workforce Planning and Development	Leadership development programme initially suspended	Whilst the programme was initially suspended, it recommenced during the second half of the year and 40 employees are currently undertaking the programme leading to accredited leadership and management qualifications
Digital Services	Work focused on COVID19 response	
Risk Management	Numerous risks to the Council due to COVID19	COVID19 risk register in place and regularly monitored
Financial Management	COVID19 pandemic requiring close continual financial monitoring and new returns to Welsh Government	Detailed review of quarter 1 to establish in-year and future years forecasts and actions required to mitigate
Powys Pension Fund	Impact on Fund value	Some equity protection has been put in place at the end of 2019-20
Internal Audit (SWAP)	New reviews delayed	SWAP 2020-21 programme to be reviewed as part of recovery
Responding to external regulatory inspections	No inspections undertaken during March to July 2020	CIW monitoring visits held Summer 2020 and improvement conference for adults and Childrens held in October 2020
Budget Setting	Slight delay to annual budget setting process due to delay in Welsh Government publication of budget	2020-21 budget review and 2021-24 budget setting to be worked through as part of recovery

Annual Report of the Director of Social Services / Annual Council Reporting Framework	Delay in reporting to Council which is usually scheduled for July each year	Report programmed for consideration by Cabinet and Council in September 2020.
Quarterly and Annual Performance Reporting	2019-20 reports unaffected. Impact in Quarter 1 – focus on COVID19 response performance	CIP reporting commenced in quarter 2 along with additional reporting on the Council's response to COVID19. Business as usual resumed on quarterly reporting.

Glossary

Acronym	Definition
ACRF	Annual Council Reporting Framework
AGS	Annual Governance Statement
BCA	Business Critical Activity
CIP	Corporate Improvement Plan
CIPFA	Chartered Institute of Public Finance and Accountancy
CIW	Care Inspectorate Wales
CLA	Children Looked After
CLGP	Corporate Leadership and Governance Plan
CSE	Child Sexual Exploitation
EMT	Executive Management Team
ERW	Education through Regional Working
FSP	Finance Scrutiny Panel – now the Finance Panel from January 2019 (FP)
GDPR	General Data Protection Regulations
HMI	Her Majesty's Inspectorate
IAB	Improvement and Assurance Board
ILM	Institute of Leadership and Management
JCG	Joint Governance Committee (of the Wales Pension Partnership)
JMT	Joint Management Team (Powys County Council and Powys Teaching Local Health Board)
JPB	Joint Partnership Board
LDP	Local Development Plan
LGPS	Local Government Pension Scheme
MTFS	Medium Term Financial Strategy
OBB	Outcome Based Budgeting
PAM	Public Accountability Measures
PDR	Personal Development Review
PMAQAF	Performance Management and Quality Assurance Framework
PSB	Public Service Board
PTHB	Powys Teaching Health Board
SIRO	Senior Information Risk Owner
SOLACE	Society of Local Authority Chief Executives
SWAP	South West Audit Partnership
WAO	Wales Audit Office
WFG	Well-Being of Future Generations Act

	Governance and Audit Committee Work Programme	
2021		
30/07/21	Strategic Risk Management - Q1	
	Strategic Risk - Health and Care Workforce Development	
	Strategic Risk - Brexit	
	Internal Audit - Performance Monitoring Q1	
	Internal Audit - work plan Q2	
	Annual Audit Opinion	
	Internal Audit Report - Children's Budget Management	defer t
	Internal Audit Report - Y Gaer	defer t
	Audit Wales - Workplan	
	Treasury Management Q1	
	Fraud	
13/09/21	Internal Audit Report - Ysgol Calon Cymru	
	Internal Audit Report - Highways	
	Internal Audit Report - Covid Business Grants	
	Internal Audit report - Y Gaer	
	Internal Audit Report - Children's Budget Management	
29/09/21	Statement of Accounts and Annual Governance Statement	
08/10/21	Y Gaer - Internal Audit Report	
05/11/21	Pension Fund Accounts	
	Strategic Risk Management - Q2	
	Internal Audit Performance monitoring - Q2	
	Internal Audit Work Plan - Q3	
	Fraud	
	Closure of Accounts	
	IA reports - Ysgol Calon Cymru	
	IA reports - Covid Business Grants	

