

## Finance Panel

---

Meeting Venue  
**By Zoom**

---

Meeting Date  
**Monday, 13 November 2023**

---

Meeting Time  
**9.00 am**

---

For further information please contact  
**Kath Flanagan-Jones**

katharine-maria.flanagan-  
jones@powys.gov.uk



County Hall  
Llandrindod Wells  
Powys  
LD1 5LG

07/11/2023

---

The use of Welsh by participants is welcomed. If you wish to use Welsh please inform us by noon, two working days before the meeting

---

### AGENDA

|           |                  |
|-----------|------------------|
| <b>1.</b> | <b>APOLOGIES</b> |
|-----------|------------------|

To receive apologies for absence.

|           |                                 |
|-----------|---------------------------------|
| <b>2.</b> | <b>DECLARATIONS OF INTEREST</b> |
|-----------|---------------------------------|

To receive any disclosures of interests by Members relating to items to be considered at the meeting.

|           |                            |
|-----------|----------------------------|
| <b>3.</b> | <b>MINUTES AND ACTIONS</b> |
|-----------|----------------------------|

To receive the minutes of meeting held on the 15<sup>th</sup> September and authorise Chair to approve as true reflection of the meeting.

To receive and update the outstanding actions from previous meetings.  
(Pages 5 - 16)

|           |  |
|-----------|--|
| <b>4.</b> | <b>PANEL RECOMMENDATIONS TO CABINET UPDATE</b> |
|-----------|--|

To receive and consider the Panel Recommendations made to and any responses received from the Cabinet.  
(Pages 17 - 20)

|           |                               |
|-----------|-------------------------------|
| <b>5.</b> | <b>FORWARD WORK PROGRAMME</b> |
|-----------|-------------------------------|

To note that the schedule of meetings is as follows:  
(Pages 21 - 26)

|           |  |
|-----------|--|
| <b>6.</b> | <b>COUNCIL TAX BASE 2024-25 REPORT</b> |
|-----------|--|

To receive and consider the Council Tax Base 2024-25 report.  
(Pages 27 - 38)

|           |   |
|-----------|---|
| <b>7.</b> | <b>QUARTER 2 FINANCIAL REVENUE REPORT AS AT 30TH SEPTEMBER 2023</b> |
|-----------|---|

To receive and consider the Quarter 2 Financial Revenue Report as at 30<sup>th</sup> September 2023.  
(Pages 39 - 70)

|           |   |
|-----------|---|
| <b>8.</b> | <b>QUARTER 2 CAPITAL PROGRAMME REPORT AS AT 30TH SEPTEMBER 2023</b> |
|-----------|---|

To receive and consider the Quarter 2 Capital Programme Report as at 30<sup>th</sup> September 2023.  
(Pages 71 - 80)

|           |                    |
|-----------|--------------------|
| <b>9.</b> | <b>EXEMPT ITEM</b> |
|-----------|--------------------|

To consider passing the following Resolution:

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

The Monitoring Officer has determined that category 3 of the Access to Information Procedure Rules applies to the following item. His view on the public interest test (having taken account of the provisions of Rule 14.8 of the Council's Access to Information Rules) was that to make this information public would disclose information relating to the financial or business affairs of any particular person (including the authority holding that information).

These factors in his view outweigh the public interest in disclosing this information. Members are asked to consider these factors when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.

|            |                                  |
|------------|----------------------------------|
| <b>10.</b> | <b>FINANCIAL PLANNING UPDATE</b> |
|------------|----------------------------------|

To receive a confidential briefing from the S151 Officer.

(Pages 81 - 110)

|     |                                 |
|-----|---------------------------------|
| 11. | <b>SUSTAINABLE POWYS UPDATE</b> |
|-----|---------------------------------|

To receive and consider an update on Sustainable Powys.

(Pages 111 - 162)

This page is intentionally left blank

## MINUTES OF A MEETING OF THE FINANCE PANEL HELD AT BY ZOOM ON FRIDAY, 15 SEPTEMBER 2023

### PRESENT:

County Councillor AW Davies (Chair)

County Councillors, E A Jones, E Vaughan, P Lewington, C Kenyon-Wade.

Co-opted Member: Gareth Hall joined late due to meeting commitments.

### Cabinet portfolio Holders in Attendance:

County Councillor D Thomas (Cabinet Member for Finance and Corporate Transformation)

**Officers:** Jane Thomas (Head of Finance), James Chappelle (Capital and Financial Planning Accountant), Mari Thomas (Finance Manager)

**Observer:** Lynne Hamilton – Chair of the Governance and Audit Committee

|                     |
|---------------------|
| <b>1. APOLOGIES</b> |
|---------------------|

Apologies for absence were received from:

County Councillors: J. Pugh, G. Preston, C. Walsh, G Ratcliffe.

|                                    |
|------------------------------------|
| <b>2. DECLARATIONS OF INTEREST</b> |
|------------------------------------|

There were no Declarations of Interest from Members relating to items to be considered on the agenda.

|                                 |
|---------------------------------|
| <b>3. MINUTES &amp; ACTIONS</b> |
|---------------------------------|

- The minutes of the 30<sup>th</sup> June 2023 were agreed by Panel members present as a true and accurate reflection of the meeting and ratified accordingly by the Chair.

### ACTIONS:

#### 1. Chair/ Vice Chair and Head of Service to discuss wording of Terms of Reference.

Points raised:

- TOR lacked clarity and purpose.
- Removal of wording “assist with” & add d to “evidence, base upon...”
- Clarity required for how the Panel are to plan and inform policy.
- Review formatting – 7.38.1 first line sub-heading, with the bullet points to follow.
- Review formatting – 7.38.2 first line sub-heading, with the bullet points to follow:

**\*Action:** *Jane Thomas to review, update wording and formatting “The Panel will review the strategic financial matters...” Share changes with Chair & Vice Chair and seek Finance Panel Members approval at next meeting. Changes to be referred to the Monitoring Officer.*

Finance Panel Members are politically balanced & as such are required to provide challenge at the earliest opportunity to understand the context under which the Cabinet are working.

Sustainable Powys should inform of the Councils aspiration to progress. However, at present there appears a lack of substance, information, and development.

Service Areas are focussing on and developing plans through into the Autumn, for Cabinet to review and share when appropriate.

Members Development on Sustainable Powys scheduled for 20<sup>th</sup> Sept.

Expected wage inflation for the next 12 months. The Head of Service will submit a report in due course, ideally with a presentation to Finance Panel between the submissions to Cabinet EMT (Executive Management Team) & Cabinet.

**2. Head of Service to discuss outside this forum PTHB (Powys Teaching Health Board) contract and uplifts. Chair to be involved in discussion.**

- **Action to be completed:** Jane Thomas to discuss with Member concerned.

**3. Information on receipt of £2.2m Capital Efficiency works grant to be forwarded to Chair / Panel.**

Date of award letter 02/02/23. Chair requests date which award received. Completed with Email sent 18/08/23.

**4. Head of Service will review comment in relation to funding returned to WG (Welsh Government) and advise.**

Not yet received detail from the Member concerned after raising, nor has Head of Service been able to uncover anything other than a small amount of grant funding returned.

- **Action to be completed:** Head of Service to seek further information from the Member concerned.

**5. Bro Hyddgen capital project delivery timescales, Head of Service will request information and forward to Panel.**

(Below received from Marianne Evans)

Timescales affected by changes to the leisure and library part of the buildings.

|  |                               |
|--|-------------------------------|
| Project Re-start                                   | January 2023                  |
| RIBA 2 – Concept Design                            | Completed July 2023           |
| RIBA 3   | July 2023 – November 2023     |
| Planning   | November 2023 – February 2024 |
| Procurement of a contractor                        | December 2023 – August 2024   |
| RIBA 4 (technical design)                          | August 2024 – February 2025   |
| FBC (Final Business Case) preparation and approval | March 2025 – July 2025        |
| Construction starts (contracts, mobilisation etc)  | August 2025                   |
| School opens                                       | September 2027                |

|           |  |
|-----------|--|
| <b>4.</b> | <b>THE REVENUE FINANCIAL FORECAST AS AT 30TH JUNE 2023 - QUARTER 1</b> |
|-----------|--|

**Background.**

Portfolio Holder gave a brief precis to the report:

- Reported current position of £3.7m surplus.
- Surplus largely associated with expenditure against Corporate Budgets.
- £3m Risk budget with only £23k drawn down in Q1.
- Risk budget was approved at budget setting, to manage financial risk across the Councils services, with £5m of potential costs identified.
- Monies will be released as costs materialise throughout the financial year.
- £9.4m of savings had been delivered with a further 40% (£7m) assured by Services. £968k of savings were unachieved and at risk of delivery within year.
- Proposed to transfer the £0.7m from the Powys Recovery Fund Reserve to the General Reserve, to maintain the minimum level (4%) of net revenue budget.
- Specific pay reserves were established to support this year's pay awards. National level negotiations continue. Increase is expected to be above the 5% funded at budget setting.
- The current pay offer equates to approximately 7%, resulting in a shortfall of £3.3m this year. Reserves will fund costs for this financial year, but recurring budget shortfall will need to be addressed at budget setting 2024-25.
- Schools have set budgets with an expected call on reserves of £5.7m, an improvement of projected forecast by £98k.
- A virement is required to re-allocate the approved budget for Transformation to the individual service budget, together with a proposal to utilise funds from the spend to save reserve for severance costs.
- One-off funding approved at budget setting for the Urdd from reserves, was included in error in the funding for 2024-25. Therefore, a virement proposed to release £100k from reserves to support the Urdd 2023-24.
- Inflation, demographic pressures, and rising interest rates continue to impact on the budget, whilst CPI levels are starting to fall, they remain higher than the budgeted allocation.
- Greatest financial risk remains in the Councils ability to provide balanced budget over the medium and longer term.

Planning has a focus on 2024-25 and beyond in accordance with the MTFs (Medium Term Financial Strategy) with Sustainable Powys proving fundamental to help bridge forecasted gaps in 2024-25.

The Council remain concerned about public finances in general terms, with the expectation that future settlements will be tight, and Council services would have to be delivered within a smaller financial envelope.

| <b>Points raised by the Panel:</b>  | <b>Responses received from Officers or Cabinet Members.</b>   |
|---|---|
| <p>Was the general fund reserve of 4% subject to regular reviews, and in the prevailing circumstances would 4% be a correct amount.</p>   | <p>Reviews form part of the budget determinations on an annual basis. The S151 Officer would undertake assessments of the reserves held alongside the budget proposal, to understand if the resources available are adequate to cover any risk in terms of the budget plan.</p> <p>In recent years, the level of reserves were increased from 3% to 4% in line with tighter budgets to maintain and improve the Council's financial resilience.</p> |
| <p>If costs for the 20mph speed limits exceed the grant funding from WG of £1.6m, where would the additional funding come from.</p> <p>Clarification sought as to whether the £1.6m covered the labour costs.</p> <p>Information requested as to the deficit position of Highways, evident that maintenance work is falling behind.</p> | <p>The specific Service Area will be monitoring the spend with plans to deliver within the £1.6m funding envelope.</p> <p>Estimated costs would have been submitted as part of the grant application, it would have cited the installation of the change in the signs etc.</p> <p>Would have to seek clarification from the Service area as to whether the labour force is Council staff or subcontracted staff.</p>                                |
| <p>If recycling targets, were not reached the Council could incur a fine of £100k per failed percentage point, has the risk be identified with a corresponding covering provision.</p>  | <p>The Council are aware of the risk, to date targets have been achieved. Not aware that any Local Authority has been charged in conjunction to this specific risk area.</p>  |
| <p>Clarification sought on the overspend figure by Adult Social Care of £2.74m.</p>   | <p>Before delivery of savings, the £2.74m would have been the overspend position, when cost reductions are delivered the final figure would be the stated forecasted overspend.</p>   |
| <p>The reported HTR (Highways Transport and Recycling) costs pressures of £208k for Home to School Transport, by year end this could equate to approximately £1m. Would investigations be undertaken, or alternative solutions sought prior to any future contract negotiations.</p>  | <p>For clarity, the £208k noted is Q1 papers, it was the full year projected overspend.</p>   |
| <p>Would Schools Service or HTR be liable for overspend costs.</p>  | <p>The budget is allocated to the HTR Service, therefore HTR hold responsibility for the budget</p>   |



|   |   |
|---|---|
|   | <p>management.<br/>HTR may hold discussion with the Schools Service, based on the overall position of the budget, with reports presented to Cabinet for approval.</p>   |
| <p>Whilst pleased to see the 314K forecast for car parking, at budget setting the increased charges were meant to achieve a target of £50k, how can this be explained.</p>  | <p>This issue has been raised in a few arenas; in terms of the projections the demand has far outweighed the expectation.<br/>What began as a very prudent budget saving offering has generated a much higher income return, fundamental for the service as an overspend would otherwise have been reported.</p>  |
| <p>Shocked to note that the schools delegated budget used £6m from reserves. With a reserve of £1m, concern raised for future years if shortfall was again in excess of £5m.</p> <p>The shift in the levels of school reserves was what was raising alarm. The trend in expenditure must be curtailed.</p>  | <p>Schools balance budgets over a number of years and would be able to draw on reserves to smooth out fluctuations over this time.<br/>As a £5m use of reserves this year does not mean this would be repeated in subsequent years.<br/>Schools have experienced energy cost pressures and although the Council were able to put additional funding into schools in March, not all costs were covered.<br/>Reductions of energy costs are being reported. The majority of schools have submitted budget plans to address deficits, where schools are still exceeding set budgets policy, finance officers continue to work with them.</p> <p>Cabinet Member added that the potential forecast of £1M in school reserves at year end. I accept that the fund is not equally distributed and is a problem in itself, when compared to an overall schools delegated budget of £90m, the Council's budget sits at £326m with a general reserve of £9m. For schools to have £1m in reserves is quite reasonable.</p> |
| <p>If reserves were evenly distributed across the school sectors (primary and secondary) it would be acceptable, however, as separate reserves the secondary sector would be drawing on negative reserves or increasing deficits. Have all high schools set budgets that have been licensed this year? Concern raised that approximately 90% of schools</p> | <p>Not all High Schools have set a balanced budget to date. Finance surgeries have been scheduled for all schools and will pick up those schools from whom recovery plans have been requested.<br/>Of the 11 schools in total (including 3 All-through) 6 have set budgets at the start of the year that were approved</p>  |

|  |  |
|--|--|
| <p>budget was allocated for staff resource and therefore would be unable to draw back within the last 6 months of this financial year.</p> <p>Due to the ongoing substantial risk, for the Q2 report Chair requested the need for clear narrative on the impact of surgeries and number of schools setting balanced budgets within a 3-year cycle.</p> | <p>under the scheme.</p> <p>There were some schools that had a historic deficit position, which would return to surplus over time.</p>   |
| <p>This is an unusual Q1 report, with a positive balance noted.</p>  | <p>There have been significant changes, the last few years have not been a good base indicator. During the pandemic all income recovery ceased, last year saw rapid inflation, higher than had been anticipated. This year's budget setting was a slightly different position again with no significant changes that created a further shock factor on the budget.</p> <p>We are mindful of carrying a certain level of risk, with the expectation that some of those projected or understood pressures would materialise to be drawn down from the funds held centrally.</p>  |
| <p>The £3.7m is partly made up of risk reserves. Have risk reserves always been left in the position reported and has the reporting method altered.</p> <p>There has been a shift from a negative £6m position to a positive £6m in a number of months.</p>  | <p>Mostly, £3m is allocated for risk reserves.</p> <p>The reporting has not changed as would be shown as a variance on the Corporate line. There were not the shocks causing financial pressures, as seen in the previous 2 years, where risk reserves have been utilised.</p> <p>This would be dependent on the pay awards for this year effectively, £1.7m equates to a single percentage change, creating a level of risk despite the reserve set aside. If pay awards exceed the reserve, there would be immediate pressure placed on the budget.</p> <p>We have £5m projected, that may come to fruition, not included until in receipt of a definitive figure.</p> <p>The swing of previous years with significant grant funding from WG, is unlikely to re-occur.</p> |

|   |  |
|---|--|
|   | <p>Cabinet Member commented that there was no room for complacency on the £3.7m surplus. There is £5m identified risk with the budget which may still materialise. Reviewing the national economic situation, the alarming rise in interest rates to combat inflation, heightens the risk of triggering a recession.</p> <p>The core rate of inflation remains at 7%, which is extremely worrying going forward.</p>   |
| Has the pay settlement for 2023-24 been agreed.   | Currently awaiting resolution for the April pay awards.  |
| <p>The decision to support the Urdd Eisteddfod in Meifod next year was taken at budget setting 2023-24, why were the funds allocated to the wrong year.</p> <p>Surprise expressed that the error had occurred, and reassurance sought by Panel Chair that funds were not otherwise used to balance the budget due to extra expectations.</p> <p>When reserves drawn there would be a plan to replenish.</p> | <p>Cabinet Member responded that there was a misunderstanding at the initial stage that funds were required upfront.</p> <p>Discussions within the Service were that funds were believed to be required in 2024-25, once informed that funds were required for promotion of the event, virement was requested.</p> <p>Even in the 2024-25 year the funds for the Urdd Eisteddfod were expected to have been drawn from reserves, therefore no significant impact on the budget plan 2023-24, funds were profiled into the incorrect financial year.</p> <p>The Service would look at which was the most appropriate reserve to be used. If there was an underspend, this could be utilised to offset costs rather than reserves.</p> |

**Actions:**

- **High Schools setting approved budgets under the scheme** – The Chair requested Q2 reports include clear narrative on the impact of finance surgeries and number of schools setting balanced budgets within a 3-year cycle.
- **Highways budget deficit** – Chair to discuss outside meeting with Head of Service.

|  |
|--|
| <b>5. CAPITAL FORECAST 2023-24, AS AT 30TH JUNE 2023 - QUARTER 1</b> |
|--|

**Background**

Portfolio Holder gave a brief precis to the report:

- The programme has been updated following the re-profiling of projects and with additional grants received from WG.
- The revised programme as at the 30<sup>th</sup> June 2023 is budgeted at £102.5m.
- Actual spend at £7.61m representing only 7.4% of the total budget.
- Currently £48.82m of 48% of the capital expenditure is budgeted to be finance through borrowing, interest costs of which are charged to the revenue account.
- Finance Services are working with Services to ensure that the profiling of budgets is accurate to effectively manage borrowing.
- Virements proposed for approval by Cabinet:
  - £0.02m from the leisure capital budget to schools major improvements budget as a contribution to the works for Llanidloes HS sports centre gymnasium.
  - £0.02m to the Highways budget from the unallocated central Capital budget, WG Funding of £0.13m has been provided to continue to expand the community electric vehicle hubs and will enable the Council to meet its percentage of the total cost.

Q1 spend was extremely low. Heads of Service commentary provides further context. Many schemes where spend was anticipated later in the year, were still progressing as planned.

| <b>Points raised by the Panel:</b>   | <b>Responses received from Officers or Cabinet Members.</b>   |
|--|---|
| Request for the dates and timelines of capital projects to be included in reports to assist Panel Members.   |   |
| Comment made earlier that projects would be financed by borrowings. How does the Bank of England interest rate impacts on LA borrowing, what rates are the Council borrowing at. | <p>Public Works Loan Board (PWLB) rates are linked to Gilt markets. Gilt market rates have increased as base rate has increased.</p> <p>Currently borrowing for 1 year at a rate of 5.9% nearly 6%, all rates are high, hence trying not to be locked in over a long period.</p> <p>The Council is running down as much cash as possible, whilst liquidity maintained, by borrowing the minimal amount required over a short term, i.e., 12 months or slightly longer. As loans mature, it is hoped interest rates will fall. The Treasury Board expect the PWLB rate to reduce to 3.8% in 2-3 years' time.</p> |
| Capital receipts reported at approximately £1m, where are Property Services hoping to obtain the £7m projected target from.  | Property Service would progress sales of various assets at any time and would be dependent on sales being completed within a reasonable timeframe. Often, projected target based rather than specific. Request for further information to be provided   |

|   |  |
|---|--|
| <p>One of the emerging conclusions from the Governance and Audit Committee’s Capital Working Group was the requirement for greater visibility a 10-year Capital programme. From 2024 there is an ambitious schools transformation programme, we are all aware of the increasing inflationary pressures, alongside these programme we need to be informed of costs and how the Council would address shortfalls.</p> <p>Whilst realise there would be gaps in a 10-year Capital programme it would be a formal recommendation from the Governance and Audit Committee to Cabinet.</p> <p>Chair of Finance Panel supportive of G&amp;A Committee’s recommendation of a 10year Capital programme to provide a sense of direction and focus to priority projects.</p> | <p>to Panel from the Property Services.</p> <p>The Service are keen to have a 10-year capital programme plan in place. A draft has been in operation for oversight on longer-term projects. Projects could also be driven by the Council term, resulting in difficulty to predict, with any real certainty, long term programmes, especially if reliant on grant funding.</p> <p>The Service has looked to extend the programme view to maintain a longer-term focus on capital.</p> |
|---|--|

**Actions**

- Request by Chair to have dates and timelines of capital projects included in reports, to assist Panel Members with the scheduling of expenditure.
- Property Services projected target - Request for further information to be provided to Panel from the Property Services.

**6. FINANCIAL PLANNING REPORT**

**Background**

Portfolio Holder gave a brief precis to the report as:

An update on the latest economic projections, how they influence and impact the development of the Councils budget for 2023-25 and the MTFs (Medium Term Financial Strategy). The report sets out the key factors to our financial planning and how they change the assumptions used to develop budget plans.

- WG are reviewing departmental budgets, impact of which is yet to be seen by Local Government.
- NHS funding is subject to review which could impact on joint funding arrangements i.e., CHC (Continuing Health Care) ALN (Additional Learning needs and Children’s Services).
- Inflation continues to impose cost pressures, transport, food, and insurance continues to see higher levels of inflation than the average.
- Economic context has significant implications for the Council financial planning, updating the strategy is key to the Councils financial stability. To reduce the gaps in the financial plan will require resolution either by increased income generation or cost reductions.

- Cost of living challenge continues to impact on businesses and residents, with increased demand for Council services expected through 2024-25, influencing the Councils indicative budget plan for 2024-25 increasing costs, pushing the budget gap to £16.3m, an increase of £6m from the projected figure in February 2023. If the teachers' pension increase is included from 2024 this will increase to £18m.
- Future funding levels including those from WG are not yet confirmed i.e., Settlement and Council Tax income with the assumptions key factors in the development of budget plans.
- The revised modelling creates a £16.3m budget gap next year and a cumulative gap of £43.4m.
- Worst case scenario sees the cumulative figure increase to £82.3m at the end of year 5.
- It is becoming clear that the Council in its current form is not sustainable over the longer term, in response the Council has embarked on a programme of change to re-imagine what the Council to ensure that it can remain financially sustainable and provide services over the long term. Services provision and delivery will be reviewed to meet current needs whilst ensuring innovative solutions and adaptation made to meet future need.
- Proposals will be developed for consideration prior to inclusion in the budget plan.

The Council must place financial resilience at the forefront of its activities, with support from Audit Wales, drawing on CIPFA's 5 Pillars of financial resilience, which are indicators of financial stress.

A financial resilience snapshot is included for the first time in reports for Panel, providing a higher-level overview of the financial health of the Council. There is no immediate cause for concern, however, need to remain vigilant over the medium term.

Management of risk is a necessity, with effective monitoring and management of financial risk to support financial resilience.

The requirement to hold an appropriate level of reserves has been highlighted over the last year, particularly supporting pay pressures, whilst uncertainty persists reserves will remain crucial to the Councils financial stability.

| <b>Points raised by the Panel:</b>   | <b>Responses received from Officers or Cabinet Members.</b>  |
|--|--|
| Concern persists of the Revenue Support Grant (RSG) to Powys, aware it would be difficult to make any significant changes and that revaluation will make differences starker.    |  |
| Income from fees and charges are set out in Councils income policy, based on full cost recovery, how come there was such an overachievement in the projected car parking target. | The principle used was full cost recovery. In some instances, the Council is restricted by WG guidance, which vary. Services are requested when setting fees and charges that full-cost recovery is the principle used. Demand would also be assessed with |

|  |  |
|--|--|
|  | modelling completed, reviewing the opportunities to charge the best levy on certain items.   |
| Fees and charges can be perceived as taxing by the back door, the principle was to recover costs therefore should not obtain additional funds.   |  |
| <p>Another emerging conclusion of the Capital Working group was the importance of the work of Sustainable Powys in framing decision making.</p> <p>The findings and conclusions of Sustainable Powys not only what the Council looks like but what services are provided what would be cut back or sold to generate receipts etc. Cannot underestimate the importance the engagement of residents which will impact longer than a 10-year capital programme.</p> | <p>Every LA in Wales will be facing severe and difficult to manage financial situations, which would not dissipate in the short term, as an Authority we have to change how we deliver services.</p> <p>Through Sustainable Powys there is the opportunity to build on and manage this crisis and implement transformational and cultural change. Transformation is time critical and would be a risk to underestimate the rate of deterioration in public finances available in the coming years.</p> |
| Table in respect of Usable Capital Receipts for 2021/22, what is that a percentage of.   | The table should read value not percentage. Future Capital Forecast requirements reported at 4% this year and estimated at 4.4% 4.2% 4.1% onwards.   |
| In previous years when have discussed the 21 <sup>st</sup> Centuries Schools programme the percentage rose significantly leading to concern of the degree of costs to the revenue fund.  | <p>Percentages do fluctuate with a number of impacting factors e.g., the Net Revenue Budget. Percentages may have been slightly higher in the forecast, prior to the Net Revenue Budget increasing. The profiling of capital schemes have been pushed back due to impacts on our borrowing requirements being delayed.</p> <p>We have drawn information from a benchmarking tool provided by Audit Wales and will develop within the Service.</p>  |
| <p>Capital programmes have been pushed back which would impact on maintenance programmes and the ability to reform the schools with the LA.</p> <p>It is difficult to understand and justify that decision from the table provided as the timeframe covered is 4-5years.</p> <p>The school transformation papers shows a real deficit of capital expenditure to improve the school infrastructure, leading to concern of a lack of ambition in schools.</p>      | <p>There was a significant amount of borrowing included over the timeframe noted.</p> <p>The Capital financing requirement is the proportion of the capital programme funded from borrowing over time. In 2022-23 the borrowing stood at just over £400m and is projected to increase by a further £100m over the 5years to 2026/27.</p>   |

|   |  |
|---|--|
| <p>Would inflation account for the increase.</p>    | <p>There is no inflation involved. The figure denotes the borrowing requirement, and not impacted by interest rates</p>  |
| <p>Revisit as go through budget setting process</p> | <p>Cabinet Member commented that it was important to note the current and future economic trends, including the potential impact on public finances. There has to be an element of caution when capital or revenue spend is discussed. In addition, General Elections can trigger a period of uncertainty.</p> |

|                  |                                      |
|------------------|--------------------------------------|
| <p><b>7.</b></p> | <p><b>FORWARD WORK PROGRAMME</b></p> |
|------------------|--------------------------------------|

Comments:

- Council Tax Base Rate 2024/25 to be added.

|                  |                           |
|------------------|---------------------------|
| <p><b>8.</b></p> | <p><b>EXEMPT ITEM</b></p> |
|------------------|---------------------------|

The following Resolution was passed by Finance Panel Members:

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

The Monitoring Officer has determined that category 3 of the Access to Information Procedure Rules applies to the following item. His view on the public interest test (having taken account of the provisions of Rule 14.8 of the Council's Access to Information Rules) was that to make this information public would disclose information relating to the financial or business affairs of any particular person (including the authority holding that information).

These factors in his view outweigh the public interest in disclosing this information. Members are asked to consider these factors when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.

|                  |  |
|------------------|--|
| <p><b>9.</b></p> | <p><b>FINANCIAL MANAGEMENT (FM) CODE</b></p> |
|------------------|--|

A presentation of the Financial Management Code was received by Finance Panel members.

**County Councillor A W Davies (Chair)**





## Finance Panel

### Panel Observations to Cabinet on: 19<sup>th</sup> September 2023

The Finance Panel met on 15<sup>th</sup> September 2023 and considered the following documents:

- **The Revenue Financial Forecast As At 30th June 2023 - Quarter 1**
- **Capital Forecast 2023-24, As At 30th June 2023 - Quarter 1**
- **Financial Planning Report**

The Finance Panel thank the Portfolio Holder for Finance and Corporate Transformation and Officers for attending.

Finance Panel made the following observations:

- The Panel welcomed:
  1. That the Governance and Audit Committee were to request the re-implementation of a 10-year capital programme. Finance Panel fully supported the request.
  2. The overachieved forecast in revenue from Local Authority owned car parks.
- The Panel noted:
  1. That currently only half of the High Schools and All Through Schools had achieved a set budget. Finance Panel have requested to be kept updated with a clear narrative and impact of financial surgeries by Officers.
- The Panel requested:
  1. That Panel are regularly updated on the Capital Finance Requirement, throughout the budget setting process.
- The Panel expressed concern:
  1. Of the cost pressure on the Highways, Transport and Recycling (HTR) service in particular that the Home to School Transport was currently being managed from underspend within the budget.
  2. That the (HTR) Service Area was reporting a projected deficit. In light of the substantial amount of work undertaken to deliver the 20mph zones, has there been a greater volume of highways maintenance undertaken by Contractors.
  3. That the Sustainable Communities for Learning Capital programmes had been pushed back. Finance Panel request a longer-term view with ambition and pace.

| Scrutiny's Recommendation   | Accept (plus Action and timescale)   | Partially Accept (plus Rationale and Action and timescale) | Reject (plus Rationale) |
|---|--|--|-------------------------|
| 1. That Cabinet give assurances of the cost pressures reported by the Highways, Transport and Recycling (HTR) Service, in particular that the Home to School Transport, as currently managed from underspend within the budget. | There are cost pressures within the Transport service, which is a result of increased demand and contract increases. It's been highlighted as a pressure for 2024/25 and is being managed in year with service underspends from within HTR. As of 30 <sup>th</sup> September 2023, HTR is showing a net surplus of £108k, which includes the pressures within Transport. |  |                         |
| 2. The (HTR) Service Area was reporting a projected deficit. Information requested as to whether highway maintenance was being undertaken by Contractors.   | HTR is showing a projected surplus as of 30 <sup>th</sup> September 2023 of £108k. Highway Maintenance is carried out by the internal highways teams. We do use contractors as well for some of the larger resurfacing schemes.  |  |                         |
| 3. That Cabinet provide clear rationale why the Sustainable Communities for Learning capital programme has been pushed back.  | <i>There have been delayed starts to capital projects. Re-tendering and re-profiling into future years has had to be undertaken.</i>   |  |                         |
| 4 That Cabinet Support the Governance and Audit Committee's request for the re-implementation of a 10-year Capital programme.   | <i>The Council approves and publishes a 5-year strategy a 10-year strategy would be very vague and high level.</i>   |  |                         |

In accordance with Rule 7.27.2 the Cabinet is asked to provide a written response to the scrutiny report, including an action plan where appropriate, as soon as possible or at the latest within 2 months of the date of the Cabinet meeting i.e., by 15<sup>th</sup> November 2023

Membership of the Panel on 15<sup>th</sup> September 2023:  
County Councillors: A W Davies (Chair), P Lewington (Vice Chair), A Jones,  
E Vaughan and C Kenyon Wade  
Co-Opted Member: G Hall

This page is intentionally left blank

# 5

## Finance Panel Forward Work Programme 2022 – 2027

### 2022

| Date and Time                | Type and Detail   |
|------------------------------|---|
| 29-07-22<br>14.00 –<br>16.30 | <ul style="list-style-type: none"> <li>• Election of Chair</li> <li>• Election of Vice Chair</li> <li>• Notes of last Public Meeting.</li> <li>• Notes of Informal Meeting??</li> </ul> <p>Q1 Financial Reports (Revenue and Capital)</p> |
| 09-09-22<br>14.00 –<br>16.30 | <p><b>Might need to be Private meeting</b></p> <p>MTFS (Jane / Anne)<br/>Budget (Jane / Anne)</p> <ul style="list-style-type: none"> <li>• FM Code (Dan)</li> </ul>   |
| 25-11-22<br>10.00 –<br>12.30 | <p>Mins 29-07-22</p> <p>Q2 Financial Reports (Revenue and Capital)</p> <p><b>Private Session or Confidential Item??</b><br/>MTFS</p>  |

#### Items to be Scheduled:

- Benchmarking comparative data (Scrutiny v FP v G&A)
- Cost Reductions report
- Report to G&A on inflation risks.
- **Information on large capital projects and cost over-runs. (Picked up under Capital reports)**
- 

### 2023

| Date and Time             | Type and Detail                            |
|---------------------------|--|
| 01-02-23<br>14.00 – 17.00 | Budget Scrutiny                            |
| 13-02-23<br>14.00 – 16.30 | Alternative Budget Scrutiny                |
| 24-02-23                  | Q3 Financial Reports (Revenue and Capital) |

**Finance Panel  
Forward Work Programme 2022 – 2027**

| Date and Time             | Type and Detail   |
|---------------------------|---|
| 10.00 – 12.30             |   |
| 17-03-23<br>10:00 – 12:00 | <del>Closed session – Self-Assessment: – Panel Members with Officers Shayne Husbands (Evaluation and Improvement) and James Langridge Thomas (Strategic Planning Policy and Performance).</del>   |
| 24-03-23<br>10.00 – 12.30 | CANCELLED   |
| 28-04-23<br>10.00 – 12.30 | <del>Re-imagining Powys (People’s Powys) Workshop outcomes in relation to Finance.<br/>Review ToR<br/>Revenue Financial Forecast 2022-23<br/>Capital Forecast 2022-2023</del>   |
| 26-05-23<br>10.00 – 12.30 | CANCELLED –<br><br><del>AGM – carried fwd to 30.06.23</del> <ul style="list-style-type: none"> <li><del>• Election of Chair</del></li> <li><del>• Election of Vice Chair</del></li> </ul><br><del>Closed Session – Self-Assessment Feedback</del>                         |
| 30-06-23<br>10.00 – 12.30 | AGM <ul style="list-style-type: none"> <li><del>• Election of Chair</del></li> <li><del>• Election of Vice Chair</del></li> </ul><br><del>Q4 Financial Reports (Revenue and Capital)</del><br><del>Stronger, Fairer, Greener – Re-Imagining Work 2024-2025.</del>         |
| 28-07-23<br>14.00 – 16.30 | CANCELLED   |
| 15-09-23<br>14.00 – 16.30 | <del>Q1 Financial Reports (Revenue and Capital)</del><br><del>Benchmarking – review against Other LA’s in Wales/ comparative data</del><br><del>MTFS / FRM – Budget Plan assumptions</del><br><br><del><u>Exempt Confidential Item</u></del><br><del><u>FM Code</u></del> |
| 24-10-2023                | Sustainable Powys update<br><del>Q2 Financial Reports (Revenue and Capital)</del><br>Meeting Cancelled - No Formal Papers, Items Added To November  |

**Finance Panel  
Forward Work Programme 2022 – 2027**

| <b>Date and Time</b>      | <b>Type and Detail</b>   |
|---------------------------|--|
| 13-11-23<br>9am -11am     | Q2 Financial Reports (Revenue and Capital)<br>Council Tax Base 2024/25<br>Sustainable Powys update |
| 18-12-23<br>10.00 – 12.30 | Q2 – Strategic Risk Register   |

**Items to be Scheduled:**

**2024**

| <b>Date and Time</b>   | <b>Type and Detail</b>   |
|------------------------|--|
| 31-01-24<br>2.00 p.m.  | Budget Scrutiny  |
| 12-02-24<br>2.00 p.m.  | Alternative Budget (if required)   |
| 23-02-24<br>10.00 a.m. | Q3 Financial Reports (Revenue and Capital)   |
| Mar                    |  |
| 22-03-24<br>10.00 a.m. | Closed Session – Self Assessment   |
| 26-04-24<br>10.00 a.m. |  |
| 28-06-24<br>10.00 a.m. | AGM <ul style="list-style-type: none"> <li>• Election of Chair</li> <li>• Election of Vice Chair</li> </ul> <p>New Procurement Regulations (expected roll-out Autumn 2024) – Wayne Welsby</p> <p>Closed Session – Self-Assessment Feedback</p> |
| 26-07-24<br>2.00 p.m.  | Q4 Financial Reports (Revenue and Capital)   |
|                        |  |

**Finance Panel**  
**Forward Work Programme 2022 – 2027**

| <b>Date and Time</b>   | <b>Type and Detail</b>                     |
|------------------------|--|
| 26-09-24<br>2.00 p.m.  | Q1 Financial Reports (Revenue and Capital) |
| 21-10-24<br>10.00 a.m. |  |
| 22-11-24<br>10.00 a.m. | Q2 Financial Reports (Revenue and Capital) |
| 16-12-24<br>10.00 a.m. |  |

**Items to be Scheduled:**

**2025**

| <b>Date and Time</b> | <b>Type and Detail</b>                      |
|----------------------|---|
| Jan / Feb            | Budget Scrutiny                             |
| Feb                  | Q3 Financial Reports (Revenue and Capital)  |
| Mar                  |   |
| May / June           | Election of Chair<br>Election of Vice Chair |
| July                 | Q4 Financial Reports (Revenue and Capital)  |
|                      |   |
| Sept                 | Q1 Financial Reports (Revenue and Capital)  |



**Finance Panel  
Forward Work Programme 2022 – 2027**

| Date and Time | Type and Detail                            |
|---------------|--|
|               |  |
| Nov           | Q2 Financial Reports (Revenue and Capital) |
|               |  |

**Items to be Scheduled:**

**2026**

| Date and Time | Type and Detail                             |
|---------------|---|
| Jan / Feb     | Budget Scrutiny                             |
| Feb           | Q3 Financial Reports (Revenue and Capital)  |
| Mar           |   |
| May / June    | Election of Chair<br>Election of Vice Chair |
| July          | Q4 Financial Reports (Revenue and Capital)  |
|               |   |
| Sept          | Q1 Financial Reports (Revenue and Capital)  |
|               |   |
| Nov           | Q2 Financial Reports (Revenue and Capital)  |

**Finance Panel  
Forward Work Programme 2022 – 2027**

| Date and Time | Type and Detail |
|---------------|-----------------|
|               |                 |

**Items to be Scheduled:**

**2027**

| Date and Time | Type and Detail                            |
|---------------|--|
| Jan / Feb     | Budget Scrutiny                            |
| Feb           | Q3 Financial Reports (Revenue and Capital) |
| Mar           |  |
| May / June    |  |
| July          | Q4 Financial Reports (Revenue and Capital) |
|               |  |
| Sept          | Q1 Financial Reports (Revenue and Capital) |
|               |  |
| Nov           | Q2 Financial Reports (Revenue and Capital) |
|               |  |

**Items to be Scheduled:**

**CYNGOR SIR POWYS COUNTY COUNCIL.****CABINET EXECUTIVE  
Date 21<sup>st</sup> November 2023**

**REPORT AUTHOR:** County Councillor David Thomas  
Portfolio Holder for Finance

**SUBJECT:** Council Tax Base for 2024-2025

---

**REPORT FOR:** Decision

---

**1. Purpose**

- 1.1 Section 33 of the Local Government Finance Act, 1992 requires each Billing Authority to calculate the basic amount of its Council Tax by applying a formula which includes calculating the Council's Council Tax Base.

**2. Background**

- 2.1 This report is to formally set the Council Tax Base for the financial year 2024-25 for tax setting purposes. Setting the Council Tax base is an annual statutory requirement and is an integral part of the setting of the Council's Council Tax level (at band D) in accordance with specified formulae, reflecting its budget requirements for the relevant financial year.
- 2.2 The Council Tax Base is the adjusted number of chargeable dwellings in the Council's area belonging to each valuation band modified to take account of several assumptions and factors including the proportion applying to dwellings in each Council Tax Band together with the number of discounts, exemptions, disablement reductions and premiums. An estimate for losses on collection is also made.
- 2.3 The Council has determined, to charge a Council Tax Premium on long term empty properties (unoccupied and unfurnished) of 100% and to charge a Council Tax premium on periodically occupied dwellings (second homes/holiday homes- that are furnished and not someone's main residence) of 75%. These rates for a Council Tax premium have been effective since 1 April 2023. The Council Tax Base calculation includes a projection of properties expected to be subject to the Council Tax premium during 2024-25,
- 2.4 This calculation is made in accordance with the "Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 2016.
- 2.5 The Council Tax Base calculation for 2024-25 is based on the list prepared by the Valuation Office Agency, as at 31<sup>st</sup> October for the financial year.

- 2.6 The gross Council Tax Base calculation is supplied to Welsh Government and is used as part of the distribution of Revenue Support Grant in the annual provisional and final local Government Revenue Settlement.
- 2.7 The Council is not only required to calculate the Council Tax Base for the County Council as a whole, but also make separate calculations for areas that have their own Town or Community Council.
- 2.8 The net Council Tax Base is used by the Police & Crime Commissioner and Town/Community Council's to set their Council Tax precepts for 2024-25, which will be included in the annual demands sent to every Council Taxpayer in March 2024.

**3. The Calculation**

- 3.1 Appendix one sets out the calculation of the 2024-25 Council Tax Base.
- 3.2 The estimated collection rate on non-military dwellings is **98.5%**, this is same that was used within 2023-24 calculation.
- 3.3 For military dwellings the Regulations require Authorities to assume a **100%** collection rate on dwellings.
- 3.4 The breakdown of the Council Tax Base for each Community is set out in paragraph 4.2 below.

**4. Advice**

It is proposed:

- 4.1 That this report on the calculation of the Council Tax Base for the whole and parts of its area for the year 2024-25 be approved. The calculation is contained within **appendix one**.
- 4.2 That, pursuant to the report and in accordance with the Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 2016, the amount calculated by Powys County Council as its Council Tax Base for the whole of its area for the year 2024-25 shall be **64,536.48** and for the parts of the area listed below for the year 2024-25 shall be for the:

**Community of:**

| <b>Community</b>         | <b>2024-25 Tax Base</b> |
|--------------------------|-------------------------|
| Abbeycwmhir              | 131.75                  |
| Aberedw                  | 139.22                  |
| Aberhafesp               | 236.7                   |
| Abermule with Llandyssil | 756.08                  |

|                       |         |
|-----------------------|---------|
| Banwy                 | 330.21  |
| Bausley with Criggion | 396.14  |
| Beguildy              | 389.07  |
| Berriew               | 757.2   |
| Betws Cedewain        | 234.78  |
| Brecon                | 3638.11 |
| Bronllys              | 456.1   |
| Builth Wells          | 1096.32 |
| Cadfarch              | 465.61  |
| Caersws               | 722.72  |
| Carno                 | 356.4   |
| Carreghofa            | 323.33  |
| Castle Caereinion     | 318.58  |
| Churchstoke           | 935.04  |
| Cilmery               | 235.89  |
| Clyro                 | 441.95  |
| Cray                  | 127.8   |
| Crickhowell           | 1164.37 |
| Cwmdu and District    | 577.41  |
| Disserth & Trecoed    | 574.28  |
| Duhonw                | 158.14  |
| Dwyrhiw               | 285.44  |
| Erwood                | 250.85  |
| Felinfach             | 394.63  |
| Forden                | 886.62  |
| Gladestry             | 232.86  |
| Glantwymyn            | 660.84  |
| Glasbury              | 585.01  |
| Glascwm               | 278.96  |
| Glyn Tarrell          | 312.22  |
| Guilsfield            | 878.13  |
| Gwernyfed             | 497.85  |
| Hay-on-Wye            | 926.85  |
| Honddu Isaf           | 226.38  |
| Kerry                 | 1051.22 |
| Knighton              | 1346.15 |
| Llanafanfawr          | 243.06  |
| Llanbadarn Fawr       | 354.68  |
| Llanbadarn Fynydd     | 149.04  |
| Llanbister            | 197.26  |
| Llanbrynmair          | 507.16  |
| Llanddew              | 132.14  |
| Llanddewi Ystradenny  | 154.49  |
| Llandinam             | 457.71  |
| Llandrindod Wells     | 2553.08 |
| Llandrinio & Arddleen | 843.74  |

|                             |         |
|-----------------------------|---------|
| Llandysilio                 | 555.7   |
| Llanelwedd                  | 195.14  |
| Llanerfyl                   | 218.89  |
| Llanfair Caereinion         | 803.9   |
| Llanfechain                 | 275.83  |
| Llanfihangel                | 285.44  |
| Llanfihangel Rhydithon      | 126.28  |
| Llanfrynach                 | 331.43  |
| Llanfyllin                  | 714.52  |
| Llangammarch                | 287.25  |
| Llangattock                 | 592.89  |
| Llangedwyn                  | 205.16  |
| Llangorse                   | 572.07  |
| Llangunllo                  | 202.11  |
| Llangurig                   | 391.8   |
| Llangynidr                  | 613.82  |
| Llangyniew                  | 304.34  |
| Llangynog                   | 193.52  |
| Llanidloes                  | 1227.66 |
| Llanidloes Without          | 320.82  |
| Llanigon                    | 300.08  |
| Llanrhaeadr Ym<br>Mochnant  | 610.28  |
| Llansantffraid              | 761.65  |
| Llansilin                   | 375.4   |
| Llanwddyn                   | 129.22  |
| Llanwrthwl                  | 110.52  |
| Llanwrtyd Wells             | 424.24  |
| Llanyre                     | 587.73  |
| Llywel                      | 266.93  |
| Machynlleth                 | 908.97  |
| Maescar                     | 472.96  |
| Manafon                     | 188.98  |
| Meifod                      | 728.67  |
| Merthyr Cynog               | 144.78  |
| Mochdre with Penstrowed     | 260.46  |
| Montgomery                  | 753.35  |
| Nantmel                     | 361.15  |
| New Radnor                  | 239.53  |
| Newtown &<br>Llanllwchaiarn | 4502.85 |
| Old Radnor                  | 414.34  |
| Painscastle                 | 286.05  |
| Pen Y Bont Fawr             | 261.36  |
| Penybont & Llandegley       | 208.29  |
| Presteigne & Norton         | 1352.72 |

|                 |         |
|-----------------|---------|
| Rhayader        | 921.91  |
| St Harmon       | 316.99  |
| Talgarth        | 763.87  |
| Talybont-on-Usk | 394.43  |
| Tawe Uchaf      | 583.79  |
| Trallong        | 207.58  |
| Trefeglwys      | 515.76  |
| Treflys         | 249.32  |
| Tregynon        | 398.77  |
| Trewern         | 671.86  |
| Vale of Grwyney | 499.54  |
| Welshpool       | 2807.37 |
| Whitton         | 219.21  |
| Yscir           | 269.75  |
| Ystradfelte     | 257.42  |
| Ystradgynlais   | 3020.26 |

**Total Tax Base** **64,536.48**

4.3 The Tax Base of 64,536.48 is a growth of 279.97 (0.44%) on 2023-24 Tax Base, The change in Tax Base at community level can be found in **Appendix Two**.

## 5. Resource Implications

5.1 Setting the Council Tax Base is an annual statutory requirement and is an integral part of the setting of the Council's council tax level (at band D) in accordance with specified formulae, reflecting its budget requirements for the relevant financial year.

5.2 The Deputy Head of Finance confirms that the increase in the Council Tax Base will provide additional council tax revenue in 2024/25. The tax base is accounted for as part of the council's financial strategy alongside the Revenue Support Grant distributed by the Welsh Government which uses the Council Tax Base to determine the level of financial support. The figures proposed in this report are consistent with the projections set out in our Finance Resource Model.

5.3 The Head of Finance (Section 151 Officer) notes the content of the report and can support the recommendations.

## 6. Legal Implications

6.1 Legal, the recommendation can be supported from a legal point of view

6.2 The Head of Legal Services and Monitoring Officer has commented as follows: "I note the legal comment and have nothing to add to the report".

## 7. Data Protection

7.1 There are no data protection implications within the proposal

## 8. Comment from Local Members

8.1 None required.

## 9. Integrated Impact Assessment

9.1 An impact assessment is not required, as the report is one of a technical nature.

## 10. Recommendation

10.1 That the calculation of the Council Tax Base for the whole of its area for the year 2024-25 of **64,536.48** be approved, and

10.2 That the calculation of the Council Tax Base for each Town and Community Council contained within 4.2 above, be approved to meet the legal requirement of the Council to set a Council Tax Base for 2024-25.

|                  |                               |
|------------------|-------------------------------|
| Contact Officer: | Andrew Griffiths              |
| Tel:             | 01597 826127                  |
| Email:           | andrew.griffiths@powys.gov.uk |
| Head of Service: | Jane Thomas                   |



## Appendix One

| Part A: Chargeable dwellings   |   | A*   | Valuation band |          |           |          |           |           |          |          |        | Total (= sum of band figures) |
|--|---|------|----------------|----------|-----------|----------|-----------|-----------|----------|----------|--------|-------------------------------|
|  |   |      | A              | B        | C         | D        | E         | F         | G        | H        | I      |                               |
| A1   | All chargeable dwellings  |      | 5,752          | 8,976    | 12,793    | 10,457   | 12,195    | 9,448     | 4,067    | 569      | 196    | 64,453                        |
| A2   | Dwellings subject to disability reduction (included in line A1)   |      | 16             | 47       | 101       | 86       | 150       | 121       | 48       | 12       | 29     | 610                           |
| A3   | Adjusted chargeable dwellings (taking into account disability reductions)   | 16   | 5,783          | 9,030    | 12,778    | 10,521   | 12,166    | 9,375     | 4,031    | 586      | 167    | 64,453                        |
| B1   | Dwellings with no discount or premium (including long term empty properties and second homes with no discount or premium) | 8    | 2,089          | 4,163    | 7,190     | 6,615    | 8,252     | 7,049     | 3,170    | 442      | 127    | 39,105                        |
| B2a  | Dwellings with a 25% discount (excluding long term empty properties and second homes)                                     | 8    | 3,438          | 4,563    | 5,265     | 3,548    | 3,547     | 2,072     | 722      | 99       | 29     | 23,291                        |
| B2b  | Dwellings with a 50% discount (excluding long term empty properties and second homes)                                     | 0    | 2              | 16       | 9         | 18       | 20        | 32        | 17       | 28       | 1      | 143                           |
| B3a  | Dwellings with a variable discount other than 25% or 50% (Part G, line 11)  | 0    | 0              | 0        | 0         | 0        | 0         | 0         | 0        | 0        | 0      | 0                             |
| B3b  | Dwellings with long term empty property or second homes discount  |      | 0              | 0        | 0         | 0        | 0         | 0         | 0        | 0        | 0      | 0                             |
| B3c  | Dwellings with long term empty property or second homes premium   |      | 254            | 288      | 314       | 340      | 347       | 222       | 122      | 17       | 10     | 1,914                         |
| B4   | Total adjusted chargeable dwellings (sum of B1 to B3c=A3)   | 16   | 5,783          | 9,030    | 12,778    | 10,521   | 12,166    | 9,375     | 4,031    | 586      | 167    | 64,453                        |
|  |   | 0    | 0              | 0        | 0         | 0        | 0         | 0         | 0        | 0        | 0      | 0                             |
| <b>Discount and premium adjustments</b>  |   |      |                |          |           |          |           |           |          |          |        |                               |
| B5   | Total variable discounts (=Part G, line 12)   | 0    | 0              | 0        | 0         | 0        | 0         | 0         | 0        | 0        | 0      | 0                             |
| B6   | Long term empty property and second homes discount adjustment (Part H, line 9g, 11g)                                      |      | 0.0            | 0.0      | 0.0       | 0.0      | 0.0       | 0.0       | 0.0      | 0.0      | 0.0    | 0.0                           |
| B7   | Long term empty property and second homes premium adjustment (Part H, line 10g, 12g)                                      |      | 228.5          | 248.3    | 264.0     | 281.3    | 284.5     | 184.0     | 98.8     | 14.3     | 8.3    | 1,611.8                       |
| <b>Part C: Calculation of chargeable dwellings with discounts and premiums</b> |   |      |                |          |           |          |           |           |          |          |        |                               |
| C2   | Total dwellings including discounts and premiums (=A3-(B2ax0.25)-(B2bx0.5)-B5-B6+B7)                                      | 14   | 5,151          | 8,130    | 11,721    | 9,906    | 11,554    | 9,025     | 3,941    | 562      | 168    |                               |
| C3   | Ratio to band D   | 5/9  | 6/9            | 7/9      | 8/9       | 1        | 11/9      | 13/9      | 15/9     | 18/9     | 21/9   |                               |
| C4   | Band D equivalents (=C2xC3) (rounded to 2 decimal places)   | 7.78 | 3,434.00       | 6,322.94 | 10,418.89 | 9,906.25 | 14,121.25 | 13,036.11 | 6,567.92 | 1,123.00 | 390.83 | 65,328.97                     |
| C7   | Total discounted dwellings excluding long term empty and second homes adjustment  | 14   | 4,923          | 7,881    | 11,457    | 9,625    | 11,269    | 8,841     | 3,842    | 547      | 159    |                               |
| C8   | Band D equivalents excluding long term empty and second homes adjustment  | 7.78 | 3,281.67       | 6,129.86 | 10,184.22 | 9,625.00 | 13,773.53 | 12,770.33 | 6,403.33 | 1,094.50 | 371.58 | 63,641.80                     |

## Part E: Calculation of council tax base

|     |   |           |
|-----|---|-----------|
| E1  | Chargeable dwellings: band D equivalents (=C4 total)                                  | 65,328.97 |
| E2  | Collection rate (please enter to 2 decimal places)                                    | 98.50 %   |
| E3  | = E1 x E2 (rounded to 2 decimal places)   | 64,349.04 |
| E4  | Class O exempt dwellings: band D equivalents (please enter to 2 decimal places)       | 187.44    |
| E5  | Council tax base for tax-setting purposes (=E3+E4)                                    | 64,536.48 |
| E5b | Discounted chargeable dwellings excluding long term empty and second homes adjustment | 63,641.80 |
| E6  | 100% council tax base for calculating revenue support grant (=E5b+E4)                 | 63,829.24 |

**APPENDIX TWO**

| <b>Community</b>         | <b>2024-25<br/>Tax Base</b> | <b>2023-24<br/>Tax Base</b> | <b>No:<br/>Properties<br/>change</b> | <b>%<br/>Change</b> |
|--------------------------|-----------------------------|-----------------------------|--------------------------------------|---------------------|
| Abbeycwmhir              | 131.75                      | 128.94                      | 2.81                                 | 2.13%               |
| Aberedw                  | 139.22                      | 139.76                      | -0.54                                | -0.39%              |
| Aberhafesp               | 236.7                       | 227.64                      | 9.06                                 | 3.83%               |
| Abermule with Llandyssil | 756.08                      | 762.32                      | -6.24                                | -0.83%              |
| Banwy                    | 330.21                      | 333.03                      | -2.82                                | -0.85%              |
| Bausley with Criggion    | 396.14                      | 393.81                      | 2.33                                 | 0.59%               |
| Beguildy                 | 389.07                      | 386.83                      | 2.24                                 | 0.58%               |
| Berriew                  | 757.2                       | 758.48                      | -1.28                                | -0.17%              |
| Betws Cedewain           | 234.78                      | 228.34                      | 6.44                                 | 2.74%               |
| Brecon                   | 3638.11                     | 3643.45                     | -5.34                                | -0.15%              |
| Bronllys                 | 456.1                       | 455.79                      | 0.31                                 | 0.07%               |
| Builth Wells             | 1096.32                     | 1102.11                     | -5.79                                | -0.53%              |
| Cadfan                   | 465.61                      | 465.91                      | -0.3                                 | -0.06%              |
| Caersws                  | 722.72                      | 731.27                      | -8.55                                | -1.18%              |
| Carno                    | 356.4                       | 361.85                      | -5.45                                | -1.53%              |
| Carreghofa               | 323.33                      | 321.39                      | 1.94                                 | 0.60%               |
| Castle Caereinion        | 318.58                      | 317.65                      | 0.93                                 | 0.29%               |
| Churchstoke              | 935.04                      | 923.73                      | 11.31                                | 1.21%               |
| Cilmery                  | 235.89                      | 241.79                      | -5.9                                 | -2.50%              |
| Clyro                    | 441.95                      | 429.9                       | 12.05                                | 2.73%               |
| Cray                     | 127.8                       | 129.95                      | -2.15                                | -1.68%              |
| Crickhowell              | 1164.37                     | 1161.59                     | 2.78                                 | 0.24%               |
| Cwmdu and District       | 577.41                      | 575.23                      | 2.18                                 | 0.38%               |
| Disserth & Trecoed       | 574.28                      | 568.45                      | 5.83                                 | 1.02%               |
| Duhonw                   | 158.14                      | 159.78                      | -1.64                                | -1.04%              |
| Dwyrhiw                  | 285.44                      | 290.44                      | -5                                   | -1.75%              |
| Erwood                   | 250.85                      | 251.62                      | -0.77                                | -0.31%              |

|                        |         |         |       |        |
|------------------------|---------|---------|-------|--------|
| Felinfach              | 394.63  | 390.58  | 4.05  | 1.03%  |
| Fordeu                 | 886.62  | 863.96  | 22.66 | 2.56%  |
| Gladestry              | 232.86  | 230.88  | 1.98  | 0.85%  |
| Glantwymyn             | 660.84  | 661.39  | -0.55 | -0.08% |
| Glasbury               | 585.01  | 579.08  | 5.93  | 1.01%  |
| Glascwm                | 278.96  | 271.23  | 7.73  | 2.77%  |
| Glyn Tarrell           | 312.22  | 312.51  | -0.29 | -0.09% |
| Guilsfield             | 878.13  | 875.79  | 2.34  | 0.27%  |
| Gwernyfed              | 497.85  | 499.08  | -1.23 | -0.25% |
| Hay-on-Wye             | 926.85  | 908.55  | 18.3  | 1.97%  |
| Honddu Isaf            | 226.38  | 230.26  | -3.88 | -1.71% |
| Kerry                  | 1051.22 | 1037.81 | 13.41 | 1.28%  |
| Knighton               | 1346.15 | 1342.02 | 4.13  | 0.31%  |
| Llanafanfawr           | 243.06  | 239.17  | 3.89  | 1.60%  |
| Llanbadarn Fawr        | 354.68  | 357.5   | -2.82 | -0.80% |
| Llanbadarn Fynydd      | 149.04  | 143.4   | 5.64  | 3.78%  |
| Llanbister             | 197.26  | 197.11  | 0.15  | 0.08%  |
| Llanbrynmair           | 507.16  | 498.06  | 9.1   | 1.79%  |
| Llanddew               | 132.14  | 128.64  | 3.5   | 2.65%  |
| Llanddewi Ystradenny   | 154.49  | 143.5   | 10.99 | 7.11%  |
| Llandinam              | 457.71  | 458.53  | -0.82 | -0.18% |
| Llandrindod Wells      | 2553.08 | 2510.56 | 42.52 | 1.67%  |
| Llandrinio & Arddleen  | 843.74  | 815.21  | 28.53 | 3.38%  |
| Llandysilio            | 555.7   | 560.77  | -5.07 | -0.91% |
| Llanelwedd             | 195.14  | 195.68  | -0.54 | -0.28% |
| Llanerfyl              | 218.89  | 220.26  | -1.37 | -0.63% |
| Llanfair Caereinion    | 803.9   | 808.04  | -4.14 | -0.51% |
| Llanfechain            | 275.83  | 283.98  | -8.15 | -2.95% |
| Llanfihangel           | 285.44  | 279.01  | 6.43  | 2.25%  |
| Llanfihangel Rhydithon | 126.28  | 124.8   | 1.48  | 1.17%  |
| Llanfrynach            | 331.43  | 327.27  | 4.16  | 1.26%  |

|                          |         |         |        |        |
|--------------------------|---------|---------|--------|--------|
| Llanfyllin               | 714.52  | 730.47  | -15.95 | -2.23% |
| Llangammarch             | 287.25  | 287.53  | -0.28  | -0.10% |
| Llangattock              | 592.89  | 599.8   | -6.91  | -1.17% |
| Llangedwyn               | 205.16  | 205.29  | -0.13  | -0.06% |
| Llangorse                | 572.07  | 568.75  | 3.32   | 0.58%  |
| Llangunllo               | 202.11  | 203.36  | -1.25  | -0.62% |
| Llangurig                | 391.8   | 389.05  | 2.75   | 0.70%  |
| Llangynidr               | 613.82  | 615.98  | -2.16  | -0.35% |
| Llangyniew               | 304.34  | 306.23  | -1.89  | -0.62% |
| Llangynog                | 193.52  | 193.76  | -0.24  | -0.12% |
| Llanidloes               | 1227.66 | 1222.47 | 5.19   | 0.42%  |
| Llanidloes Without       | 320.82  | 318.04  | 2.78   | 0.87%  |
| Llanigon                 | 300.08  | 294.09  | 5.99   | 2.00%  |
| Llanrhaeadr Ym Mochnant  | 610.28  | 615.37  | -5.09  | -0.83% |
| Llansantffraid           | 761.65  | 747.56  | 14.09  | 1.85%  |
| Llanseilan               | 375.4   | 379.85  | -4.45  | -1.19% |
| Llanwddyn                | 129.22  | 129.55  | -0.33  | -0.26% |
| Llanwrthwl               | 110.52  | 108.83  | 1.69   | 1.53%  |
| Llanwrtyd Wells          | 424.24  | 421.8   | 2.44   | 0.58%  |
| Llanyre                  | 587.73  | 594.74  | -7.01  | -1.19% |
| Llywel                   | 266.93  | 265.27  | 1.66   | 0.62%  |
| Machynlleth              | 908.97  | 902.28  | 6.69   | 0.74%  |
| Maescar                  | 472.96  | 473.15  | -0.19  | -0.04% |
| Manafon                  | 188.98  | 190.43  | -1.45  | -0.77% |
| Meifod                   | 728.67  | 714.49  | 14.18  | 1.95%  |
| Merthyr Cynog            | 144.78  | 143.21  | 1.57   | 1.08%  |
| Mochdre with Penstrowed  | 260.46  | 263.34  | -2.88  | -1.11% |
| Montgomery               | 753.35  | 746.34  | 7.01   | 0.93%  |
| Nantmel                  | 361.15  | 353.75  | 7.4    | 2.05%  |
| New Radnor               | 239.53  | 237.15  | 2.38   | 0.99%  |
| Newtown & Llanllwchaiarn | 4502.85 | 4474.53 | 28.32  | 0.63%  |

|                         |         |         |       |        |
|-------------------------|---------|---------|-------|--------|
| Old Radnor              | 414.34  | 417.76  | -3.42 | -0.83% |
| Painscastle             | 286.05  | 294.38  | -8.33 | -2.91% |
| Pen Y Bont Fawr         | 261.36  | 260.41  | 0.95  | 0.36%  |
| Penybont & Llandegley   | 208.29  | 212.37  | -4.08 | -1.96% |
| Presteigne & Norton     | 1352.72 | 1350.7  | 2.02  | 0.15%  |
| Rhayader                | 921.91  | 917.97  | 3.94  | 0.43%  |
| St Harmon               | 316.99  | 321.09  | -4.1  | -1.29% |
| Talgarth                | 763.87  | 764.95  | -1.08 | -0.14% |
| Talybont-on-Usk         | 394.43  | 399.36  | -4.93 | -1.25% |
| Tawe Uchaf              | 583.79  | 573.5   | 10.29 | 1.76%  |
| Trallong                | 207.58  | 203.48  | 4.1   | 1.98%  |
| Trefeglwys              | 515.76  | 513.95  | 1.81  | 0.35%  |
| Treflys                 | 249.32  | 256.07  | -6.75 | -2.71% |
| Tregynon                | 398.77  | 399.46  | -0.69 | -0.17% |
| Trewern                 | 671.86  | 673.84  | -1.98 | -0.29% |
| Tŷ y<br>Sole of Grwyney | 499.54  | 504.22  | -4.68 | -0.94% |
| Tŷ y<br>Welshpool       | 2807.37 | 2789.08 | 18.29 | 0.65%  |
| Tŷ y<br>Whitton         | 219.21  | 220.26  | -1.05 | -0.48% |
| Tŷ y<br>Yscir           | 269.75  | 268.81  | 0.94  | 0.35%  |
| Ystradfelte             | 257.42  | 256.97  | 0.45  | 0.17%  |
| Ystradgynlais           | 3020.26 | 2975.74 | 44.52 | 1.47%  |

**64,536.48      64,256.51      279.97**

## CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE  
21<sup>st</sup> November 2023

**REPORT AUTHOR:** County Councillor Cllr David Thomas  
Portfolio Holder for Finance

**REPORT TITLE:** Financial Forecast for the year ended 31<sup>st</sup> March 2024 (as at 30<sup>th</sup> September 2023)

---

**REPORT FOR:** Decision

---

**1. Purpose**

1.1 To provide Cabinet with the forecast revenue budget outturn for the 2023-24 financial year, based on the full year forecasts as at 30<sup>th</sup> September 2023.

**2. Background**

2.1 Based on the position as at the end of September 2023 the projected outturn position has deteriorated to a position of £2.85 million surplus, a reduction of £0.88 million from the position reported at Quarter 1 (£3.73 million as at Quarter 1).

2.2 Employee Costs are set to increase significantly. Welsh Government have agreed the pay award offer for teachers and headteachers with 5% uplift applied from September 2023. National Employers for local government services (NJC) pay award, which equates to c7% increase this financial year, was agreed on the 1<sup>st</sup> November 2023. The budget set by council back in March is not sufficient to meet our actual salary costs with the Councils forecasted surplus position reported in September 2023 now being eroded as a consequence.

2.3 Whilst the council is managing its budget position this year, we cannot underestimate the challenge the council faces in maintaining a balanced budget next year and over the medium term. Inflation and increased demand continues to create pressure on our finances and with the outlook for public finances nationally the situation across local government is described by the Welsh Local Government Association as “extremely bleak and the options for many local services will be unpalatable”.

2.4 Table 1 below summarises the projected full year outturn position across the Council’s services including HRA and delegated schools.

**Table 1 – Forecast Position**

| Revenue Budget                    | £'000        |
|-----------------------------------|--------------|
| Base Budget                       | 326,620      |
| Cost Pressures                    | 8,760        |
| Cost Underspends                  | (10,643)     |
| Cost Reductions Shortfall         | 886          |
| Costs Funded from Risk            | (234)        |
| Sub Total                         | 325,390      |
| <b>Underspend before Reserves</b> | <b>1,230</b> |
| <b>Funded by:</b>                 |              |
| Agreed Specific Reserve Use       | (1,623)      |
| <b>Net Underspend</b>             | <b>2,853</b> |

- 2.5 Appendix A provides detail of the financial position for each service, broken down into categories covering cost pressures cost underspends, cost reductions and use of reserves.
- 2.6 The largest change since quarter one has been the unavoidable pressures for Childrens Service's with an overspend rising to £853,000, this is due to the increase in demand for placements for children with complex needs, where there is a current national shortage, also we have received an increase in the number of children who are unaccompanied asylum-seeking children (UASC). The service is addressing its current position in year to identify mitigations wherever possible to reduce any impact of increased budget pressures for next year.
- 2.7 Corporate budgets are projecting a £2.1 million underspend, this is after funding the likely pay award of £1.8 million. The underspend is largely attributable to borrowing costs being lower than projection due to some capital schemes being re-profiled into future years, and it is this underspend that is proposed to fund the pay award. £1.5 million of the Risk Budget has been profiled into the forecast here, with the balance planned to be released to services should costs materialise through winter period. This becomes more likely as the year progresses.
- 2.8 Further detail about each service area is provided in Appendix B, with Heads of Service setting out their individual narrative that explains their financial position. This includes their activities being undertaken to deliver approved cost reductions, the pressures facing the service and how they are managing their budget to mitigate any shortfalls.

### **3. Cost Reductions**

- 3.1 Cost reductions of £16.5 million were approved as part of the Councils budget for this year and the delivery of these is required to achieve a balanced budget this year. In addition, undelivered savings from 2022-23 have been rolled forward totalling £0.9 million, these also need to be delivered.
- 3.2 The summary at Table 2 shows that 62% or £10.8 million have been delivered and a further 33% £5.7 million are assured of delivery by Services. £0.9 million, 5% are unachieved and are at risk of delivery in year. Services are being challenged as to why the position for some proposals has changed and will be required to consider mitigating action to ensure that they can deliver within the budget allocated.



**Table 2 – Cost Reductions**

| £'000                                  | To Be Achieved | Actually Achieved | Assured      | Un-achieved | % Achieved |
|--|----------------|-------------------|--------------|-------------|------------|
| Adult Services                         | 4,648          | 2,744             | 1,904        | -           | 59%        |
| Childrens Services                     | 3,013          | 1,458             | 1,555        | -           | 48%        |
| Commissioning - Adults & Children      | 97             | 97                | -            | -           | 100%       |
| Economy and Digital Services           | 24             | -                 | -            | 24          | -          |
| Education                              | 830            | 810               | 19           | -           | 98%        |
| Schools Delegated                      | 864            | 864               | -            | -           | 100%       |
| Finance                                | 73             | 73                | -            | -           | 100%       |
| Central Activities                     | 3,003          | 3,003             | -            | -           | 100%       |
| Highways Transport & Recycling         | 3,594          | 1,202             | 1,817        | 575         | 33%        |
| Housing & Community Development        | 379            | 191               | 187          | -           | 51%        |
| Legal Services                         | 8              | 7                 | 1            | (0)         | 89%        |
| Transformation and Communications      | 8              | 8                 | -            | -           | 100%       |
| Property, Planning & Public Protection | 848            | 332               | 229          | 287         | 39%        |
| Workforce & OD                         | 20             | 2                 | 18           | -           | 8%         |
| <b>Total</b>                           | <b>17,409</b>  | <b>10,792</b>     | <b>5,731</b> | <b>886</b>  | <b>62%</b> |
|  |                | 62%               | 33%          | 5%          |            |

3.3 Last years' savings were £10.9 million and at the quarter two point the performance was only 44% achieved and 28% assured. By year end we were unable to deliver 22% (£2.4 million). Comparing that performance against this years' predictions suggest far more robust savings were put forward through budget setting and are already making strong inroads into delivery.

3.4 Those services that show unachieved targets must consider what remedial action they take to mitigate the impact on the overall performance within their service, as their budget forecast must come back to a balanced position. At this point in the year there are opportunities to reduce spend and bring the targets back on track.

#### 4. Reserves

4.1 The Reserves position at Table 3 sets out the reserve forecast as at 30<sup>th</sup> September 2023. The General Fund Reserve now stands at £10.3 million representing 4.2% of total net revenue budget (excluding Schools and the HRA). The Councils Reserves policy requires the General Fund Reserve to be maintained at a minimum of 4% of net revenue budget.

**Table 3 – Reserves Table**

| Summary                               | Opening Balance (1st April 23)<br>Surplus / (Deficit) | Budgeted (Use) of Reserves | Forecast (Over) / Under Spend | Projected Balance (31st March 24)<br>Surplus/ (Deficit) |
|---------------------------------------|---|----------------------------|-------------------------------|---|
| General Fund                          | 9,333   | 0                          | 935                           | 10,268  |
| Budget Management Reserve             | 3,584   | 0                          | 0                             | 3,584   |
| Specific Reserves                     | 35,329  | (6,990)                    | (813)                         | 27,526  |
| Transport & Equipment Funding Reserve | 9,460   | (1,043)                    | 0                             | 8,417   |
| <b>Total Useable Reserves</b>         | <b>57,706</b>   | <b>(8,033)</b>             | <b>122</b>                    | <b>49,795</b>   |
| Schools Delegated Reserves            | 6,666   | (5,082)                    | (1,438)                       | 146   |
| School Loans & Other Items            | (371)   | 7                          | 0                             | (364)   |
| Housing Revenue Account               | 3,967   | 0                          | 0                             | 3,967   |
| <b>Total Reserves</b>                 | <b>67,968</b>   | <b>(13,108)</b>            | <b>(1,316)</b>                | <b>53,544</b>   |

4.2 Schools set their budgets with an expected call on reserve of £5.1 million. This figure has worsened by £1.4 million based on updated forecasts, leaving a likely deficit reserve balance at year end. The split of reserves usage between the schools sector is shown in Table 4 below.

**Table 4 – Schools reserve forecasts**

| School Sector    | Opening Balance<br>31/3/23 | Budgeted Contribution<br>(from)/to Reserves as @<br>30 <sup>th</sup> Sept 23 | Forecasted Variance to<br>Budgeted Contribution /<br>(use) in 2023/24 as @ 30 <sup>th</sup><br>Sept 23 | Forecasted Closing<br>Balance 31/3/24 |
|------------------|----------------------------|--|--|---------------------------------------|
|                  | £'000                      | £'000  | £'000  | £'000                                 |
| Primary          | 6,654                      | (3,806)  | (68)   | 2,780                                 |
| Special          | 1,047                      | (374)  | (86)   | 587                                   |
| Secondary        | (1,908)                    | (732)  | (1,020)  | (3,660)                               |
| All Through      | 830                        | (170)  | (264)  | 396                                   |
| <b>Sub Total</b> | <b>6,623</b>               | <b>(5,082)</b>   | <b>(1,438)</b>   | <b>103</b>                            |
| Loans            | (7)                        | 7  | 0  | 0                                     |
| Closed Schools   | (321)                      | 0  | 0  | (321)                                 |
| <b>Total</b>     | <b>6,295</b>               | <b>(5,075)</b>   | <b>(1,438)</b>   | <b>(218)</b>                          |

4.3 Schools projecting deficit budget plans are being supported to implement recovery plans to realign their budgets.

## 5. Virements and Grants

5.1 There have been additional grants received this quarter and are included to comply with financial regulations:

### 5.1.1 Highways, Transport and Recycling:

- WRAP, a Welsh Government initiative have provided £15,000 of funding to support Powys County Council with the cost of procuring supplemental communications to increase recycling rates, using the Be Mighty. Recycle. Creative assets for eligible communications materials/cost
- Welsh Government have confirmed the Sustainable Waste Management Grant (SWMG) allocation for 2023-24 as £1,148,877. The SWMG is provided to support local authorities in continuing to improve performance and put in place infrastructure for the collection and treatment of recycling and waste whilst continuing to increase public awareness and participation in recycling and re-use.

### 5.1.2 Social Care

- £30,000 from The Health Foundation charity which is part of the Tech for Better Care programme, where teams are exploring opportunities and ideas for new, proactive and/or relational approaches to care closer to home and in the community. This team will develop and enhance Powys County Council's Home Support Services, which provides support and practical assistance for adults over

50 as and when they need it. The team will explore the design of an IOT solution utilising the LoRaWAN network to provide bespoke packages of technology around the service user.

- £123,440 Welsh Government grant to support work to address the Deprivation of Liberty Safeguards (DoLS) backlog, to deliver Mental Capacity act training, to improve monitoring and reporting on DoLS, including the collection and quality of DoLS data and supporting systems and processes, to embed the principles of the Mental Capacity Act across care, support and treatment planning and to take forward any other work necessary to improve the application of DoLS as we await a future UK Government decision to implement the Liberty Protection Safeguards.
- £1,851,603 Welsh Government Social Care Workforce grant to support uplift in salaries, mitigate current workforce pressures, address recruitment and retention, take forward measures that support fair work in the sector and the Welsh Language. Facilitate greater integration, innovation in roles and meet increasingly complex care and support needs.

### 5.1.3 Education

- £294,166 increasing the budget to £5,629,273 for Post 16 provision. Funding is being provided from Welsh Government to Sixth form provision in mainstream schools (“6th Form Provision”) and Adult Learning (“AL Provision”).
- £7,500 - Variation 1 of the Regional Consortia School Improvement Grant. Additional funding for National support for Curriculum Reform.
- £71,900 – Variation 1 of the Local Authority Education Grant, broken down as:
  - Wellbeing Interventions and Training - £41,170
  - Allocation changes to RRRS non-maintained funding (Additional Funding - £8,637) new total £72,847 for April to August
  - Allocation changes to RRRS non-maintained funding (Additional Funding £12,092) new total £101,985 for September to March
  - Allocation changes to School Essentials Grant — £10,000

5.2 Virement requests for approval are as follows:

- 5.2.1 Due to a change in service provision, contract payments associated with providing the T12 public transport route are to be increased by £249,000 between 31<sup>st</sup> August 2023 to 31<sup>st</sup> August 2025. The service requests a virement to fund this additional cost from the Transport Replacement reserve, where the service will generate a capital sales receipt by selling 3 vehicles which will be used to fund the increase in the cost of the T12 public transport route.
- 5.2.2 Highways operations have a savings target of £130,000 for the reduction of winter maintenance operations. Due to delays in consultation the saving will not be achieved in 2023-24 but is expected to be in place for 2024/25. To mitigate the unachieved saving reported in 2023-24 the service requests that the £130,000 savings target is temporarily transferred to street works, who are reporting a forecast over-achievement of income of £148,000.
- 5.2.3 Transport have a savings target of £549,000 for efficiencies within school and public transport provisions. The service has delivered a saving of £196,220, with the remaining £352,780 reported as unachieved. To mitigate the unachieved saving reported in 2023-24 the service requests that the £352,780 savings target

is temporarily transferred to car parks, who are reporting a forecasted over-achievement of income of £394,000.

- 5.3 The following virement require Cabinet approval and recommendation to Council:
- 5.3.1 The approved budget in March assumed a 5/5.5% pay increase for National Joint Council (NJC) and Teaching staff. Negotiations in relation to NJC staff have now concluded with pay award exceeding our budget, creating a recurrent unbudgeted cost pressure of at least £1,800,000 in the current financial year. A base budget virement request is sought to increase service area staffing budgets by £1,800,000 in order to offset pay award pressures. This will be funded by the underspend in the cost of borrowing in the capital programme. This approach is affordable recurrently as we are able to delay borrowing needed into future years because capital schemes are not incurring outlay in line with original plans. We will also consider use of other funding sources such as capital receipts before borrowing. Although a reserve has been set aside for the pay award, we do not plan to draw on this, instead realigning budgets in year to address the funding gap. This approach reduces the budget gap in next financial year and allows us to retain this reserve for the likely pressures that may need supporting in future years.

## **6. Financial Risks**

- 6.1 The Council holds a £3.0m revenue risk budget centrally to manage the cost of potential additional pressures identified through budget setting but not funded at a service level, especially inflation and demographic pressures. Although CPI levels are now starting to fall, they remain higher than our budgeted allocations. Risk remains as the year progresses.
- 6.2 The greatest financial risk remains in our ability to deliver a balanced budget over the medium and longer term. Our MTFs reported to Cabinet on the 19<sup>th</sup> September 2023 projected a £16.3 million budget gap next year rising to £43.4 million cumulative in 2028-29. The Medium-Term Financial Strategy and the assumptions on which the Financial Resource Model is based continues to be reviewed and we continue to plan in a challenging and uncertain time and will continue to update on our projections as more information becomes available.
- 6.3 The Council remains under borrowed as we continue to utilise our cash reserves to underpin our cashflow. We can borrow both in the short to medium or long term, but the cost of borrowing has risen due to the changes in bank rate, our approach is regularly updated and explained as part of the Treasury Management update to Governance and Audit Committee.

## **7. Resource Implications**

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

- 7.1 As outlined in paragraph 2.3 the council is managing its in year position and the virement proposed to realign pay budgets strengthens that position and removes an element of additional pressure recognised in next years plan, going some way to reduce the budget gap projected.
- 7.2 The delivery of savings is progressing well with assurance provided by Heads of Service that a further £5.7 million can be achieved by year end. £886,000 remains

at risk of delivery and it is essential that those services consider what remedial action they take to mitigate the impact and deliver a balanced position.

- 7.3 The pressure is equally felt across School budgets, collectively schools are projecting a further draw from their specific reserves in addition to that originally planned. Local Authority support to schools will ensure that Governing bodies take appropriate and timely action to manage their individual budget positions.
- 7.4 We continue to develop proposals to reduce the budget gap projected over the medium term, the Sustainable Powys programme is fundamental to our approach but may take several years to be fully realised, alternative strategies are also being considered as the budget plan develops. Local authorities across Wales will face impossible decisions as they set their budgets for the coming years.
- 7.5 Financial Resilience and sustainability can only be achieved by delivering a lower cost Council, effectively managing our collective resources, robust and transparent decision making, and actively managing risk supported by an appropriate level of reserves.

## **8. Legal implications**

- 8.1 The Head of Legal & Democratic Services (Monitoring Officer has no comment with this report.

## **9. Climate Change & Nature Implications**

- 9.1 Not applicable.

## **10. Data Protection**

- 10.1 There are no data protection issues within this report.

## **11. Comment from local member(s)**

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

## **12. Impact Assessment**

- 13.1 No impact assessment required.

## **13. Recommendation**

- 13.1 That Cabinet note the current budget position and the projected full year forecast to the end of March 2024.
- 13.2 The grants set out in section 5.1 are noted.
- 13.3 The virements set out in section 5.2 are approved, this is to comply with the virement rules for budget movements as set out in the financial regulations.
- 13.4 The virement set out in section 5.3 is agreed and recommended to Council for approval to comply with the virement rules in the financial regulations for requests over £500,000.

|   |
|---|
| Contact Officer: Jane Thomas<br>Email: jane.thomas@powys.gov.uk<br>Head of Service: Jane Thomas |
|---|

## Appendix A – Forecast to year end as at 30<sup>th</sup> September 2023

|   |                     | FORECAST FOR THE YEAR ENDED 31ST MAR 2024 AS PER CP/LEDGER SEPT 2023 |                  |                               |                | ADJUSTMENTS OUTSIDE THE LEDGER                |                                   |   |                          |                              |                              |
|---|---------------------|--|------------------|-------------------------------|----------------|---|-----------------------------------|---|--------------------------|------------------------------|------------------------------|
|   | £'000               | Add  | Less             | Add                           | Revised        | Less  | Less                              | Less  | Final                    | Forecast as at Sept Variance | Forecast as at June Variance |
|   | 2023/24 Base Budget | Cost Pressures   | Cost Underspends | Cost Reductions not delivered | Outturn        | Cost Reductions not yet delivered but assured | Specific Reserves with Agreed use | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 |                              |                              |
| Adult Services                            | 80,632              | 61   | (92)             | 1,904                         | 82,505         | (1,904)                                       | 0                                 | 0   | 80,601                   | 31                           | 45                           |
| Children's Services                       | 29,482              | 2,587  | (1,500)          | 1,555                         | 32,124         | (1,555)                                       | 0                                 | (234)   | 30,335                   | (853)                        | (173)                        |
| Commissioning                             | 3,039               | 0  | (8)              | 0                             | 3,031          | 0   | 0                                 | 0   | 3,031                    | 8                            | 18                           |
| Education                                 | 18,448              | 261  | (364)            | 19                            | 18,364         | (19)  | (134)                             | 0   | 18,211                   | 237                          | 82                           |
| Highways Transport & Recycling + Director | 33,320              | 289  | (949)            | 2,392                         | 35,053         | (1,817)                                       | (23)                              | 0   | 33,212                   | 108                          | (14)                         |
| Property, Planning & Public Protection    | 6,741               | 239  | (345)            | 516                           | 7,151          | (229)   | 0                                 | 0   | 6,922                    | (181)                        | (201)                        |
| Housing & Community Development           | 7,374               | 773  | (1,472)          | 187                           | 6,862          | (187)   | 0                                 | 0   | 6,675                    | 699                          | (155)                        |
| Economy and Digital Services              | 7,462               | 0  | (389)            | 24                            | 7,097          | 0   | 0                                 | 0   | 7,097                    | 365                          | 282                          |
| Transformation & Democratic Services      | 4,014               | 45   | (96)             | 0                             | 3,963          | 0   | 0                                 | 0   | 3,963                    | 51                           | 27                           |
| Workforce & OD                            | 2,544               | 0  | (189)            | 18                            | 2,373          | (18)  | 0                                 | 0   | 2,355                    | 189                          | 174                          |
| Legal                                     | 1,494               | 146  | (196)            | 1                             | 1,445          | (1)   | (28)                              | 0   | 1,416                    | 78                           | 33                           |
| Finance & Insurance                       | 6,918               | 0  | (47)             | 0                             | 6,871          | 0   | 0                                 | 0   | 6,871                    | 47                           | 23                           |
| Corporate Activities                      | 41,325              | 2,921  | (4,995)          | 0                             | 39,251         | 0   | 0                                 | 0   | 39,251                   | 2,074                        | 3,593                        |
| <b>Total</b>                              | <b>242,793</b>      | <b>7,322</b>   | <b>(10,643)</b>  | <b>6,617</b>                  | <b>246,089</b> | <b>(5,730)</b>                                | <b>(185)</b>                      | <b>(234)</b>                                    | <b>239,940</b>           | <b>2,853</b>                 | <b>3,734</b>                 |
| Housing Revenue Account                   | 0                   | 0  | 0                | 0                             | 0              | 0   | 0                                 | 0   | 0                        | 0                            | 0                            |
| Schools Delegated                         | 83,827              | 1,438  | 0                | 0                             | 85,265         | 0   | (1,438)                           | 0   | 83,827                   | 0                            | 0                            |
| <b>Total</b>                              | <b>83,827</b>       | <b>1,438</b>   | <b>0</b>         | <b>0</b>                      | <b>85,265</b>  | <b>0</b>                                      | <b>(1,438)</b>                    | <b>0</b>  | <b>83,827</b>            | <b>0</b>                     | <b>0</b>                     |
| <b>Total</b>                              | <b>326,620</b>      | <b>8,760</b>   | <b>(10,643)</b>  | <b>6,617</b>                  | <b>331,354</b> | <b>(5,730)</b>                                | <b>(1,623)</b>                    | <b>(234)</b>                                    | <b>323,767</b>           | <b>2,853</b>                 | <b>3,734</b>                 |
|   |                     |  |                  |                               | (4,734)        |   |                                   |   | 2,853                    |                              |                              |

## Appendix B Head of Service Commentary

|                |                        | FORECAST FOR THE YEAR ENDED 31ST MAR 2024<br>AS PER CP/LEDGER JUNE 2023 |                     |                                     |         | ADJUSTMENTS OUTSIDE THE LEDGER                            |  |   |                                |  |                                    |
|----------------|------------------------|---|---------------------|-------------------------------------|---------|---|--|---|--------------------------------|--|------------------------------------|
|                |                        | Add   | Less                | Add                                 | Revised | Less  | Less                                       | Less  | Final                          |  |                                    |
| £'000          | 2023/24<br>Base Budget | Cost<br>Pressures   | Cost<br>Underspends | Cost<br>Reductions<br>not delivered | Outturn | Cost<br>Reductions<br>not yet<br>delivered but<br>assured | Specific<br>Reserves<br>with Agreed<br>use | Use of Risk<br>Funding to<br>cover<br>unfunded<br>Pressures | Outturn<br>Position<br>2023/24 | Forecast as<br>at<br>September<br>Variance | Forecast as<br>at June<br>Variance |
| Adult Services | 80,656                 | 61  | - 92                | 1,904                               | 82,529  | - 1,904   | -  | -   | 80,625                         | 31   | 45                                 |

### Adult Social Care Overview

The forecast outturn at the end of quarter 2, 30<sup>th</sup> September 2023 is an overspend of £1.873 million. When the cost reductions are delivered then there would be a forecast underspend of £31k.

#### Cost Pressures

**(a) Current Pressures** - Included in the forecast outturn at quarter 2. Current pressures are being managed within the current budget allocation approved.

#### **(b) Future pressures**

The forecast outturn does not account for any future costs that may materialise in relation to:

- Winter pressures and potential demand on home-based care and interim bed options, as future demand is unknown. To date Welsh Government have not indicated that there will be an additional funding.
- Stability of commissioned providers, particularly the care home sector. There are currently a number of providers who may be at risk of failure.
- The unmet need in regard to community services sitting on the CROFT following assessment but lack of provision, estimated annual cost of £1.795 million.
- Future demography, which was agreed to be funded from the risk reserve as part of the Financial Resources Model (FRM) budget setting process. This temporary allocation will only support these costs during 2023/24 and the full year impact will need to be considered in the FRM and Service's Integrated Business Plan (IBP) for future years.

#### Cost Underspends

The very small underspend in the main is due to staff slippage as a result of recruitment turnover and a reclaim in relation to 2022/23 for non service delivery on a contract.

### Cost Reductions

- **Assured**

Of the original target of £4.648 million, £2.744 million (59%) has been achieved to date and included in the forecast outturn. There is assurance of delivery of the remaining outstanding balance of £1.904 million (41%).

- **Undeliverable**

A risk on delivery, if hospital pressures and referrals continue at the current levels.

### Other mitigating actions to deliver a balanced budget.

- The service will take every opportunity to maximise/utilise any grant underspends, if applicable within the Terms & Conditions of the grant.
- To ensure we maximise every opportunity to avoid costs the service is prioritising the development of preventative and early intervention measures, such as Technology Enabled Care, Reablement and Local Area Coordination. We are supporting citizens to support themselves, remain independent and build resilient communities reducing admissions into residential care and hospital.



|                     |                     | FORECAST FOR THE YEAR ENDED 31ST MAR 2024 AS PER CP/LEDGER SEPT 2023 |                  |                               |         | ADJUSTMENTS OUTSIDE THE LEDGER                |                                   |   |                          |
|---------------------|---------------------|--|------------------|-------------------------------|---------|---|-----------------------------------|---|--------------------------|
|                     |                     | Add  | Less             | Add                           | Revised | Less  | Less                              | Less  | Final                    |
| £'000               | 2023/24 Base Budget | Cost Pressures   | Cost Underspends | Cost Reductions not delivered | Outturn | Cost Reductions not yet delivered but assured | Specific Reserves with Agreed use | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 |
| Children's Services | 29,482              | 2,587  | (1,500)          | 1,555                         | 32,124  | (1,555)                                       | 0                                 | (234)   | 30,335                   |

| Forecast as at Sept Variance | Forecast as at June Variance |
|------------------------------|------------------------------|
| (853)                        | (173)                        |

### Children's Services Overview

The forecast outturn position is an overspend of £853k provided the outstanding savings target of £1.555 million is delivered.

#### Cost Pressures £2.587 million

The unavoidable cost pressures continue in terms of the demand for high-cost residential placements often outside of Powys. The cost of placements for children which are unregulated, due to the lack of placements nationally, continues to be a financial challenge. We have a further increase in our Unaccompanied Asylum-seeking children (UASC) which is likely to rise further, and which continues to have an impact on the financial position. The 2023/24 forecast for these placements is £0.933 million. We receive grant income of £143 per night pre 18 years of age and £270 per week post 18 off the Home Office. The forecasted income in relation to the above is £644,000. So, the net expenditure position is £234,000.

We are continuing to work collaboratively with colleagues in Housing and across the council to strengthen ways of working with this group of young people. The plan is to develop further local housing opportunities for our 16+ provision and our UASC.

Our own inhouse residential homes continue to be a challenge due to the ongoing costs of operating these homes with agency social care workers to meet the ongoing complex demands of children.

The current cost of agency social workers is £8,277 per day which is not sustainable. This cost has been reducing since Autumn 2022 and is continuing to reduce slowly. At the end of quarter 2 we had 24 agency staff. Through the Grow our Own programme, we are continuing to train social work staff and be able to reduce this number of agency staff year on year.

We are reviewing our offer around short breaks as the demand for families has risen and analysing if this could be provided in different and more creative ways rather than external residential short breaks.

The unfunded pressures within the service are due to

- £1.426 million Children Looked After (CLA) placements - new, step up in provision and increasing costs in relation to meeting the complexity of the need of the current cohort. These costs are unavoidable in the context of a national shortage of placements for looked after children across the U and an increase of £892,000 from quarter 1. All funding that was earmarked as part of the 2023/24 budget setting process for growth in Children looked after placements in 2023/24 has already been fully utilised. All new or step up in provisions going forward will be a pressure.
- £112,000 Additional to placement pressures for CLA support, an increase of £49,000 from Quarter 1.
- £679,000 total pressure forecasted for the four Residential home. An additional pressure of £547,000 from quarter 1 due to relief staff over an above base budget to cover rotas and the use of agency staff due to recruitment and escalating needs of the children, over and above that included in the original business cases.
- £86,000 budget pressure in regard to Section 21, for families in need of care and support, in the main due to post lockdown and trying to keep children with their families wherever it is safe and in their best interests to do so. This is an increase in costs of £34,000 from quarter 1.
- £44,000 Out of Hours (EDT) due to unfunded structure following a Management of Change and use of agency staffing, an increase from quarter 1 of £13,000.
- £240,000 due to increased demand for short breaks due to the pressures on families as an indirect result of the pandemic, an additional £154,000 from quarter 1.

#### Cost Underspends - £1.500 million

The cost underspends continue to offset the cost pressures.

- £140,000 due to underutilisation of the Market supplement. Currently not all qualifying posts are occupied or been occupied for the relevant time frame.
- £1,094,000 Staffing underspend based on current vacancies qualified and non-qualified positions forecast to year end.
- £33,000 due to a delay to the Special Guardianship project.
- £127,000 Welsh Government grants mitigating baseline funded costs, in line with grant terms and conditions.
- £55,000 various small underspends on service subjective headings.
- £51,000 Legal, although this is difficult to predict as Legal services do not use commitment accounting.

#### Cost Reductions

£1.55m still to be achieved at the end of Quarter 2. Cost reductions continue and we are making positive progress on our Closer to Home strategy. Returning children home, reducing agency social workers all adds to the cost reductions.

Other mitigating actions to deliver a balanced budget.

We will

- fully utilise grants across the service as in 2022/23. We will continue to scrutinise the pressures and savings targets to identify matters with potential solutions. Our current predicted savings are on track to be met during this financial year.
- continue to monitor our high-cost residential placements and look to reduce these wherever is possible.
- continue to build our 16+ provision and homes for our UASC.

Our work with our closer to home strategy will continue.

The purchase card expenditure will be tightened particularly with our residential homes.

The use of agency staff will more monitored in terms of requirements.

|               |       | FORECAST FOR THE YEAR ENDED 31ST MAR 2024 AS PER CP/LEDGER SEPT 2023 |                |                  |                               | ADJUSTMENTS OUTSIDE THE LEDGER |   |                                   |   |                          |                              |                              |
|---------------|-------|--|----------------|------------------|-------------------------------|--------------------------------|---|-----------------------------------|---|--------------------------|------------------------------|------------------------------|
|               |       | Add  | Less           | Add              | Revised                       | Less                           | Less  | Less                              | Final   |                          |                              |                              |
|               | £'000 | 2023/24 Base Budget  | Cost Pressures | Cost Underspends | Cost Reductions not delivered | Outturn                        | Cost Reductions not yet delivered but assured | Specific Reserves with Agreed use | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 | Forecast as at Sept Variance | Forecast as at June Variance |
| Commissioning |       | 3,039  | 0              | (8)              | 0                             | 3,031                          | 0   | 0                                 | 0   | 3,031                    | 8                            | 18                           |

### Commissioning Overview

Although the projections point towards a balanced budget, it is anticipated, but not assured

|           |                     | FORECAST FOR THE YEAR ENDED 31ST MAR 2024 AS PER CP/LEDGER SEPT 2023 |                  |                               |         | ADJUSTMENTS OUTSIDE THE LEDGER                |                                   |   |                          |                              |                              |
|-----------|---------------------|--|------------------|-------------------------------|---------|---|-----------------------------------|---|--------------------------|------------------------------|------------------------------|
|           |                     | Add  | Less             | Add                           | Revised | Less  | Less                              | Less  | Final                    |                              |                              |
| £'000     | 2023/24 Base Budget | Cost Pressures   | Cost Underspends | Cost Reductions not delivered | Outturn | Cost Reductions not yet delivered but assured | Specific Reserves with Agreed use | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 |                              |                              |
| Education | 18,448              | 261  | (364)            | 19                            | 18,364  | (19)  | (134)                             | 0   | 18,211                   | 121                          |                              |
|           |                     |  |                  |                               |         |   |                                   |   |                          | Forecast as at Sept Variance | Forecast as at June Variance |
|           |                     |  |                  |                               |         |   |                                   |   |                          | 237                          | 82                           |

## Education overview

The service has worked effectively throughout the last financial year to make significant financial savings within the service, and we are continuing to build on these considerable savings without compromising the service we provide. We continue to use our grants effectively to support the forecast outturn position of the service where possible and to alleviate pressure within the service. The Schools Service (excluding Schools Delegated Budgets) had forecasted outturn underspend at the year-end of £82k at Quarter 1.

All managers within the service are robustly challenged regarding financial decisions to ensure they deliver value for money but also align to the service priorities. Senior managers ensure all significant financial decisions are discussed at a strategic level and fit with the realisation of the vision for the service. The aftermath of the Covid-19 pandemic continues to place additional pressures on the service and through self-evaluation processes we are identifying key areas that could impact on service delivery such as ALN, attendance and behaviour.

### **Cost pressures:**

Cost pressures at present are being managed within the overall forecast outturn position of the service. The two areas causing the pressure are in relation to buildings (essential works) and early retirement pensionable costs. Further work is taking place in both of these areas to review the costs.

### **Cost underspends:**

Cost underspends in the service in the main are in relation to any vacant posts, slippage in relation to actual costs vs budgeted costs of staff, travel and supplies and services. Further review will take place during budget setting to identify if any permanent slippage can be found in order to mitigate cost pressures.

### **Cost reductions:**

We continue to identify savings and projected a reduction in costs of £828K, £19k has not yet been delivered, but is assured to be delivered by year end.

- Targeted use of CfW grant to offset base budget
- Removal of unfilled posts that have not impacted on service delivery
- Post 16 transition managed within service by newly appointed 14+ Lead
- Review of PRUs
- Reduction in third sector spend but further work is to be undertaken
- Internal delivery of VAWDSW
- Use of grant funds to manage staff pay inflation
- Realignment of costs to delegated budget e.g. union costs
- Restructure in areas of the service
- Significant reduction in the use of consultants

**Other mitigating actions to deliver a balanced budget:**

We are reviewing income generation and another member of the service has become an RI so can generate income through working for Estyn.

We will also need to complete an ALN review alongside the Powys ALN Strategy including the potential delegation of more ALN funding to schools in line with other Local Authorities.

Page 54

|                   |                     | FORECAST FOR THE YEAR ENDED 31ST MAR 2024<br>AS PER CP/LEDGER SEPT 2023 |                  |                               |         | ADJUSTMENTS OUTSIDE THE LEDGER                |                                    |   |                          |
|-------------------|---------------------|---|------------------|-------------------------------|---------|---|------------------------------------|---|--------------------------|
|                   |                     | Add   | Less             | Add                           | Revised | Less  | Less                               | Less  | Final                    |
| £'000             | 2023/24 Base Budget | Cost Pressures  | Cost Underspends | Cost Reductions not delivered | Outturn | Cost Reductions not yet delivered but assured | Specific Reserves Movements Agreed | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 |
| Schools Delegated | 83,826              | 1,438   | 0                | 0                             | 85,264  | 0   | (1,438)                            | 0   | 83,826                   |

|                                   |                              |
|-----------------------------------|------------------------------|
| Forecast as at September Variance | Forecast as at June Variance |
| 0                                 |                              |

**Schools Delegated Overview**

Schools submitted their approved budgets to the Authority on 1<sup>st</sup> May 23, which were reviewed by the Head of Education and the Head of Finance (Section 151 officer). All schools have now received a response to their submittals.

Through ongoing effective communication and collaborative working, the PCC finance team, School Improvement Advisers, Senior Managers, Headteachers and Chairs of Governors continue to identify potential savings for schools from reviewing spending plans and continuing to support schools with the development of their financial planning. We have recently completed another two in depth secondary school financial reviews at their request. This more detailed look at their finances has identified potential savings which could be implemented over time and bring their budgets to an in year balanced position and in turn reducing their overall carry forward deficits. We have also received review requests from other secondary schools which will be carried out in the Autumn Term. We continue to use the benchmarking tool and finance toolkit to direct discussions during finance surgeries to identify further potential savings.

We have also recently identified additional financial pressures on specific schools which are linked to deprivation and significant ALN needs so we are working closely with other LAs to capture and review different ALN and deprivation funding approaches which may support us further in helping these schools to manage their budget pressures. This review is forming part of the Formula review for 2023.

The Covid-19 pandemic and rising energy costs continue to place additional pressures on schools, and we are reviewing the impact the pandemic is still having on ALN, attendance and behaviour.

The in-year position that was submitted by governing bodies in May 2023 showed that there was an expected draw on reserves of £6,011k, overall, this position has decreased to a forecasted £4,573k draw on reserves, a reduction of £1,438k in 6 months. Updated projections including the updated estimates for pay awards and inflation will be reported in Qtr 3 closedown.

Recovery plans are due to be submitted by 30<sup>th</sup> September for schools that did not meet the requirements of the scheme for financing schools.

There are also a number of schools that will work with officers to put a deficit agreement in place. Considerable staffing reductions are projected across all schools over the next 3 years and officers will support schools through these difficult times. A number of VSS applications have been approved for August 23 reductions of teachers and non-teaching staff.

We currently have 6 schools identified as having either received a financial Warning Notice or a Notice of concern, 4 of these are secondary schools, 1 special school and 1 primary school. 10 schools have been identified with escalating issues, 3 are secondary schools and 7 are primary schools. These school will be supported by officers and any issues will be escalated in line with the scheme for financing schools and schools causing concern guidance. Some schools have also been identified to receive targeted financial training where financial management issues have been identified by officers.

In terms of Delegated central any underspend on this area is allocated out to schools with a % done in January 24 and the remainder at year end. The formula review 2023 may have an impact on the funds held in this area.

|   |                     | FORECAST FOR THE YEAR ENDED 31ST MAR 2024<br>AS PER CP/LEDGER SEPT 2023 |                  |                               |         | ADJUSTMENTS OUTSIDE THE LEDGER                |                                    |   |                          |
|---|---------------------|---|------------------|-------------------------------|---------|---|------------------------------------|---|--------------------------|
|   |                     | Add   | Less             | Add                           | Revised | Less  | Less                               | Less  | Final                    |
| £'000                                     | 2023/24 Base Budget | Cost Pressures  | Cost Underspends | Cost Reductions not delivered | Outturn | Cost Reductions not yet delivered but assured | Specific Reserves Movements Agreed | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 |
| Highways Transport & Recycling + Director | 33,348              | 289   | (949)            | 2,392                         | 35,081  | (1,817)                                       | (23)                               | 0   | 33,240                   |

| Forecast as at September Variance | Forecast as at June Variance |
|-----------------------------------|------------------------------|
| 108                               | (14)                         |

## Highways Transport & Recycling Overview

**Forecast underspend for Qtr.2 is £108k - the main reasons are highlighted below:**

### Cost Pressures

- Unachieved savings totalling £575k. Total savings target for 2023/24 is £3.594m, of which £1.201m has been achieved to date, £1.816m assured to be achieved by year end and the remaining £575k is reported as unachieved. However, we have been able to carry out temporary in year virements to offset the bulk of the £575k
- £65k expenditure on 2 x project officer posts, where the service has been unsuccessful in securing transformation budget in 2023/24 to support these costs.
- £377k overspend on highways routine & structural maintenance works.
- £233k overspend on county winter maintenance works.
- £129k under-recovery of the budgeted profit target for Trade Waste collection services
- £401k overspend on home to school transport expenditure arising from changes to mileage, contracts and/or bigger bus capacity requirements and unfunded inflation.

Many of the above pressures is causing us to cut back on highway maintenance and there are elements that are out of our control around weather conditions, which can increase revenue costs particularly around flooding and winter maintenance. Furthermore, there are long standing pressures within the Transport service, which are due to a number of reasons, particularly around additional bus capacity and bus contract changes. As outlined above, we are using in year virements to offset some of the pressures because of the cost underspends, which are highlighted below:

### Cost Underspends

- There is an under spend of £280k reported because of vacant management/supervision posts and reduced private contractor spend in Highways Operations.
- £308k underspend on street lighting energy costs and maintenance.
- £197k under spend on domestic waste collections, resulting in the main from an underspend against the staffing/agency budget and additional grant funding.
- An over-recovery of recycle income against budget of £141k.
- An under spend of £88k on disposal of residual waste.
- An under-spend of £49k against bring sites and other waste services.
- A forecast over-achievement of £148k against street works resulting from increased income against budget.
- A forecast over-achievement of £394k against car parks resulting from increased income against budget.
- An underspend on dual base transport costs of £100k
- An underspend on ALN for £227k



**Other mitigating actions to deliver a balanced budget.**

- Promote the green waste and Trade Waste Service.
- Reduce spend on highway Operations.

**Undelivered savings - £575k**

- £130,000 Reduction in Winter Maintenance - It was envisaged that this would be achieved for 23/24, but due to the summer consultation on the new Matrix and the need to review at September's Scrutiny, this saving will not be achieved for Winter season 23/24, but will be in place for 24/25. In order to mitigate this, the service will be doing an in year virement to offset this
- £352,782 – Efficiencies within Public Transport (We've given assurance of £167k based on service reductions in January 23. Further work to be undertaken to make routes more efficient). In year virement from the underspends will be used to offset this.
- £52,500 – Route Optimisation (This is in its final stages, but in order to clear this saving it is proposed we do a permanent virement from Recycling income, which is currently in a surplus position to clear this target)
- £40,000 – Use of Abermule to transfer recyclable material (We expect to make around £58k of savings and the proposal is to offset the remaining £40k by doing a virement from Recycling Income, which is currently in a surplus position to clear this target)

|  |                     | FORECAST FOR THE YEAR ENDED 31ST MAR 2024 AS PER CP/LEDGER SEPT 2023 |                  |                               |         | ADJUSTMENTS OUTSIDE THE LEDGER                |                                   |   |                          |
|--|---------------------|--|------------------|-------------------------------|---------|---|-----------------------------------|---|--------------------------|
|  |                     | Add  | Less             | Add                           | Revised | Less  | Less                              | Less  | Final                    |
| £'000                                  | 2023/24 Base Budget | Cost Pressures   | Cost Underspends | Cost Reductions not delivered | Outturn | Cost Reductions not yet delivered but assured | Specific Reserves with Agreed use | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 |
| Property, Planning & Public Protection | 6,741               | 239  | (345)            | 516                           | 7,151   | (229)   | 0                                 | 0   | 6,922                    |

| Forecast as at Sept Variance | Forecast as at June Variance |
|------------------------------|------------------------------|
| (181)                        | (201)                        |

## PPPP Overview

PPPP are currently predicted an overspend of £181K. This overspend is likely to reduce as the year progresses and service areas secure more information to provide full assurance that savings proposals listed below are going to be delivered in full. This relates to the following savings proposals:

- Energy efficiency measures – offices,
- Staffing reduction – Strategic Property,
- Reduce maintenance budgets – offices and depots,
- Income from fire marshal and fire risk assessments,
- Rent Park Office, Newtown,
- Reduce cleaning budget,
- Staff reduction - Building Control,
- Income from 10 increase in income lines.

Moving forward, more robust evidence should become available to enable greater assurance to be provided. This is likely to reduce the overspend. In the meantime, steps are being taken to ensure that service areas are aware of the revenue budgets and the fact that overspends will not be tolerated.

Strategic Property are currently dealing with some uncertainty relating to factors outside of Strategic Properties control (i.e., energy use and electric & gas costs). In quarter 2, Strategic Property should have more certainty on some of these variables to enable budget predictions to be more robust. In the meantime, contingency plans are being developed to ensure a balanced budget is achieved by the end of the financial year.

|                                 |                     | FORECAST FOR THE YEAR ENDED 31ST MAR 2024 AS PER CP/LEDGER SEPT 2023 |                  |                               |         | ADJUSTMENTS OUTSIDE THE LEDGER                |                                   |   |                          |
|---------------------------------|---------------------|--|------------------|-------------------------------|---------|---|-----------------------------------|---|--------------------------|
|                                 |                     | Add  | Less             | Add                           | Revised | Less  | Less                              | Less  | Final                    |
| £'000                           | 2023/24 Base Budget | Cost Pressures   | Cost Underspends | Cost Reductions not delivered | Outturn | Cost Reductions not yet delivered but assured | Specific Reserves with Agreed use | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 |
| Housing & Community Development | 7,374               | 773  | (1,472)          | 187                           | 6,862   | (187)   | 0                                 | 0   | 6,675                    |

| Forecast as at Sept Variance | Forecast as at June Variance |
|------------------------------|------------------------------|
| 699                          | (155)                        |

**Community Development Overview**

Spend is on track across most budget areas. The forecast position has improved since June mainly because of an improvement in Leisure services. The £1.1m that was included in the budget to fund any increased costs in utilities in Leisure centres is not currently forecast to be required, resulting in a £1,100k forecast underspend. This will be monitored over coming months as we move into the winter period.

Savings

The service has savings to achieve of £379k in 2023-24, £191k of savings have been achieved, with all the savings forecast as assured by the end of the financial year.

Cost Underspends

**Libraries** are reporting an under spend of £121k against an annual working budget of £1,217k. An improvement compared to the £17k underspend reported at the end of June. The improvement is mainly as a result of staff slippage and some redundancy costs that will be financed centrally. The underspend is also attributed to increased grant income that is funding base budget funded costs in this financial year. There are also a number of staff 'backfilling' and 'acting up' into other posts which has contributed to the underspend. This is not a usual position for the service.

**Archives** are reporting an outturn underspend of £9k compared to a working budget of £132k, a similar position to that reported in June. This is due to slippage in staffing costs and increased income for storage of records and records management.

**The Policy Unit** covers the central team and is forecasting an underspend of £40k, compared to a breakeven position at the end of June. The main reason for the forecast underspend is an underspend against staffing resulting from vacant posts.

**Leisure and Sports Centres** are reporting an underspend of £1,100k against a working budget of £1,606k, this is an improvement on the June forecast outturn overspend of £62k. The position has improved because it has been agreed that the condition surveys being undertaken as part

of the Leisure review will be funded by SPF grant and the £1,100k set aside for supporting the increased costs of utilities in the Leisure Centres is not currently forecast to be required.

**Sports Development** is reporting an underspend of £13k compared to the working budget of £66k, a similar position as that reported in June.

**Arts and Cultural Services** are reporting a breakeven position against a budget of £95k, compared to an overspend of £4k at the end of June. There was a saving put forward relating to a reduction in staffing and this has been achieved.

**Museums** are reporting a forecast outturn underspend of £14k compared to a working budget of £116k, the underspend is mainly a result of forecast underspends against utility costs.

**Y Gaer** is reporting an outturn underspend of £96k compared to a working budget of £622k. The forecast underspend has increased since June by £85k, this results from more certainty around utility costs as some bills have been received and some actual costs are now known. There is also increased income resulting from service charges levied. The underspend of £96k results from increased income and forecast underspends against utility costs, offset by a forecast overspend on staffing.

**Catering** is reporting an outturn breakeven position against a budget of £1,883k this includes assured savings of £187k. If the saving is not achieved an outturn overspend of £187k will be reported. An underspend of £187k was reported at the end of June, however the service has seen increased costs since quarter one in both staffing and food which have negated this underspend.

The roll out of the universal provision of free school meals continues with the uptake of meals increasing as a direct result of this initiative and therefore income is increased. Welsh Government will provide grant for delivery of UPFSM at £2.90 per meal.

BAC's and vouchers to FSM children during holidays have been provided up until the summer holidays, this was funded by WG up until the end of the financial year and by the council for the summer holidays. The cost of this provision have been estimated in the forecast but needs to be confirmed by the service.

**Cleaning** is reporting a forecast underspend of £36k, against a budget of £483k, this is because of increased income. The forecast does not include a proposed saving that is being discussed regarding office accommodation.

#### Matters affecting the forecast

- The swings in the catering forecast are being continuously monitored with a review of the way food is ordered needed to understand if there have been any changes which may be affecting the assumptions in arriving at the forecast spend for the year.

- Growth was identified to fund the increased utility costs in the leisure centres of £1.1m. It is assumed in this forecast that that money will not be required but if this situation was to change the forecast outturn would be affected.
- A reduction in cleaning of corporate buildings is required to achieve a saving in office accommodation and discussion is still ongoing around this which has not been built into the forecast.
- It is assumed in the forecast that all the Arts budget will be spent. This service is under review. The service will provide an updated forecast outturn when known.
- An estimated cost of utilities has been built into the forecast outturn position for all services, however this is based on a quarter's worth of actual costs with assumptions for increased costs over the winter period, this may be subject to change.
- Payment of invoices on time needs to be more closely addressed.

## **Housing Services Overview**

### *Cost Pressures*

Homelessness services are likely to exceed budget, an unavoidable consequence of the continued high demand for these statutory services, in particular temporary accommodation not all of which can be provided using existing social housing owned by the Council and housing associations. The Council is starting to experience a levelling out in the rate of increase in demand for homeless services, but demand remains high compared to historic trends. It is unclear what the impact of increased interest rates will have on home buyers.

### *Cost Underspends*

There are no anticipated underspends.

### *Cost Mitigation*

The Council increasing the number of Council and housing association owned homes used for temporary accommodation, to reduce the spend with private providers. However, this means that fewer homes will be available to let as permanent accommodation, meaning that people may need to spend longer in temporary housing. Revenue support in 2024-2025 will be needed for Instant Access 24/7 Triage Centres and Interim 24/7 Supported Accommodation, for which capital funding has been allocated and which will reduce the need for external private sector homeless accommodation and allow for some of homes being used for this purpose to be let as permanent accommodation will be considered as part of the FRM/IBP process for 2024-2025 onwards.

| £'000                   | 2023/24 Base Budget | Cost Pressures | Cost Underspends | Cost Reductions not delivered | Outturn | Cost Reductions not yet delivered but assured | Specific Reserves with Agreed use | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 | Forecast as at Sept Variance | Forecast as at June Variance |
|-------------------------|---------------------|----------------|------------------|-------------------------------|---------|---|-----------------------------------|---|--------------------------|------------------------------|------------------------------|
| Housing Revenue Account | 0                   | 0              | 0                | 0                             | 0       | 0   | 0                                 | 0   | 0                        | 0                            | 0                            |

**HRA**

*Summary*

The HRA is ring fenced and forms part of its own trading account, any surpluses and deficits are contained within a ring-fenced reserve. Overall, the HRA is predicted to end the financial year 2023-2024 in balance (as of October 2023). However, there are actions being taken to achieve greater efficiency in the repairs and maintenance service to underpin this prediction and to allow for additional investment to be made in homes owned by the Council and maintain a strong HRA reserve.

*Cost Pressures*

Repairs and maintenance costs are ahead of profile, due to the age of the properties owned by the Council which is driving up the overall demand for repairs and maintenance and reliance in the first and second quarter of the year on external contractors to undertake works to void properties. Mitigation continues to be undertaken (please see below) which will to bring spending back in line, which if left unchecked, may result as of end of October 2023 in a year end deficit on repairs and maintenance.

*Cost Underspends*

There are anticipated underspends in salaries and other management and supervision costs within the HRA.

*Cost Mitigation*

Spending on external contractors is to be reduced as internal resources continue to be introduced and on-boarded, with the full impact of this now being, felt from October onwards (the final two quarters of 2023-2024). From thereon, external contractor use will be limited to specialist work the in-houses teams cannot undertake or to cope with an unexpected influx of voids. The cost of external contractors has been much higher than anticipated at the time of internalisation of repairs and maintenance, due to the over-reliance by the private provider of these services up until July 2022 on outsourcing work, which had weakened the ability for works to be directly provided.

Housing and Commercial Services continues to work to secure higher trade discounts from locally operating material and component suppliers, pending formal procurement of a locally sensitive (to dovetail with the locality-based approach to housing management and maintenance) framework to 'go-live' in April 2024.

Heating servicing contract remains due for mobilisation 01.11.23 which will reduce spending on agency workers and external contractors.

Income recovery is as of the end of October running at 92.18% of rent due; for the same period last year this was 93.65%. Rent collection is becoming increasingly challenging. This is a consequence of the high cost of living coupled with the levels of additional support provided in the previously financial year from UKGov/Welsh Government being steadily withdrawn, which is impacting on our most financially vulnerable tenants. Should additional financial support be made available by UKGov/Welsh Government, we have the structure and officers in place to maximize the take up by our tenants.

Void times continue to be reduced, although the number of properties required extensive works – which require longer works times – is increasing due to the age of our properties. Performance management of voids is a top priority for the Housing Senior Management Team to reduce rent loss due to void properties that are to be retained for letting. Further progress will be made on reducing void times when the void repairs teams, who have been deployed to complete the new housing scheme at red Dragon, Newtown, following the collapse of the external construction contractor, complete this project and return to void works.

|                              |                     | FORECAST FOR THE YEAR ENDED 31ST MAR 2024 AS PER CP/LEDGER SEPT 2023 |                  |                               |         | ADJUSTMENTS OUTSIDE THE LEDGER                |                                   |   |                          |
|------------------------------|---------------------|--|------------------|-------------------------------|---------|---|-----------------------------------|---|--------------------------|
|                              |                     | Add  | Less             | Add                           | Revised | Less  | Less                              | Less  | Final                    |
| £'000                        | 2023/24 Base Budget | Cost Pressures   | Cost Underspends | Cost Reductions not delivered | Outturn | Cost Reductions not yet delivered but assured | Specific Reserves with Agreed use | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 |
| Economy and Digital Services | 7,462               | 0  | (389)            | 24                            | 7,097   | 0   | 0                                 | 0   | 7,097                    |

| Forecast as at Sept Variance | Forecast as at June Variance |
|------------------------------|------------------------------|
| 365                          | 282                          |

## **Economy & Digital Overview**

### **Cost Pressures**

The service is managing current cost pressures from within service budgets. The service also identified activity that we were able to delay at low risk, meaning that we are able to manage current pressures inline with other priorities.

### **Cost Underspends**

Staffing costs are currently underspent due to a variety of reasons such as short-term funding meaning that it is hard to attract people to our positions, leaving them vacant for periods of time. Also, the recruitment of staff has become increasing difficult with many job adverts having no applicants and needing to go out multiple times. This is causing delays with the implementation of some projects, which is seeing impact on other services ability to deliver change.

### **Cost Reductions**

The cost reduction in the budget for 2023/24 includes the need to review the Careline Alarm service and to make the service cost neutral for private clients. Whilst starting this work other services using the same service are also conducting their own reviews due to the cessation of copper telephone lines. The team are now working in partnership with other services to review the entire provision and options for an approved way forward. This will take some time and it is unlikely the savings will be met until later in the year. Any shortfall will be covered by underspends from staffing as set out above. Also, due to ongoing negotiation joint working arrangements with PTHB, some posts have not been replaced like for like and have resulted in underspends. However, it has been agreed by both PCC and PTHB that these underspends will be held in reserves, which will be used to fund and transition costs for any changes to the current working arrangements.

### **Other mitigating actions to deliver a balanced budget.**

Economy budgets have been set on a 3-year basis following WG grant allocations giving more stability to staffing resource and ability to deliver longer term initiatives with improved outcomes.

ICT continually challenge their contracts, scaling from "are they needed at all", to "can they be reduced" or "can the price be negotiated". This is assisting to limit the impact of some price increases.



FORECAST FOR THE YEAR ENDED 31ST MAR 2024  
AS PER CP/LEDGER SEPT 2023

ADJUSTMENTS OUTSIDE THE LEDGER

|                                      |                     | Add            | Less             | Add                           | Revised | Less  | Less                               | Less  | Final                    |
|--------------------------------------|---------------------|----------------|------------------|-------------------------------|---------|---|------------------------------------|---|--------------------------|
| £'000                                | 2023/24 Base Budget | Cost Pressures | Cost Underspends | Cost Reductions not delivered | Outturn | Cost Reductions not yet delivered but assured | Specific Reserves Movements Agreed | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 |
| Transformation & Democratic Services | 3,876               | 45             | (96)             | 0                             | 3,825   | 0   | 0                                  |   | 3,825                    |

| Forecast as at September Variance | Forecast as at June Variance |
|-----------------------------------|------------------------------|
| 51                                | 27                           |

**Transformation and Democratic Overview**

**Cost Pressures**

The service is not fully funded by the permanent base budget, in particular, the Communications team are not fully funded. The current forecast outturn position for the service is an underspend of £51k, staff vacancies (in Welsh translation and Strategic Policy and Performance) and additional income through the Ukraine scheme and National Trading Standards Agency are the main reasons for the increased forecast underspend. Savings to be found in this area amounted to £8k and all savings have been achieved.

**Cost Underspends**

The forecast position at the end of September is a £51k underspend (compared with an underspend of £27k at the end of June).

**Cost Reductions**

**Use of Reserves**

If the forecast outturn is realised, then there is no requirement to draw down money from the specific reserve we hold (funded by income generation in other years).

**Other mitigating actions to deliver a balanced budget.**

The Transformation and Democratic service is reliant on income, any reduction or increase in income will affect the forecast. We are fortunate to have been able to access external funding from other sources to generate income to support the staffing structure we have, however there is a risk whether this will always be available. We have recently successfully recruited 1 FTE Welsh Translation to ensure we can keep up with demand and statutory functions around Welsh Language.

|                |                     | FORECAST FOR THE YEAR ENDED 31ST MAR 2024 AS PER CP/LEDGER SEPT 2023 |                  |                               |         | ADJUSTMENTS OUTSIDE THE LEDGER                |                                   |   |                          |                              |                              |
|----------------|---------------------|--|------------------|-------------------------------|---------|---|-----------------------------------|---|--------------------------|------------------------------|------------------------------|
|                |                     | Add  | Less             | Add                           | Revised | Less  | Less                              | Less  | Final                    |                              |                              |
| £'000          | 2023/24 Base Budget | Cost Pressures   | Cost Underspends | Cost Reductions not delivered | Outturn | Cost Reductions not yet delivered but assured | Specific Reserves with Agreed use | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 | Forecast as at Sept Variance | Forecast as at June Variance |
| Workforce & OD | 2,544               | 0  | (189)            | 18                            | 2,373   | (18)  | 0                                 | 0   | 2,355                    | 189                          | 174                          |

**Workforce and OD Overview**

We are forecasting an annual underspend of £189k, which mainly arises from underspends against staffing budgets due mainly to delays in recruiting to newly created vacancies in Health and Safety and 2 OD posts established to help support the delivery of key initiatives relating to Objective 2. These posts are now filled and the initiatives progressing. An overachievement of additional income / profit has to a lesser extent also contributed to the forecasted figure, however additional staffing will be needed to undertake the extra work involved, which will impact on future forecasting. The service will deliver the cost reductions of £19k approved.

|       |       | FORECAST FOR THE YEAR ENDED 31ST MAR 2024<br>AS PER CP/LEDGER SEPT 2023 |                  |                               |         | ADJUSTMENTS OUTSIDE THE LEDGER                |                                    |   |                          |
|-------|-------|---|------------------|-------------------------------|---------|---|------------------------------------|---|--------------------------|
|       |       | Add   | Less             | Add                           | Revised | Less  | Less                               | Less  | Final                    |
|       | £'000 | Cost Pressures  | Cost Underspends | Cost Reductions not delivered | Outturn | Cost Reductions not yet delivered but assured | Specific Reserves Movements Agreed | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 |
| Legal | 1,494 | 146   | (196)            | 1                             | 1,445   | (1)   | (28)                               | 0   | 1,416                    |

|                                   |                              |
|-----------------------------------|------------------------------|
| Forecast as at September Variance | Forecast as at June Variance |
| 78                                | 33                           |

**Legal Overview**

We are forecasting an outturn underspend of £78k and no issues to report

|                     |                     | FORECAST FOR THE YEAR ENDED 31ST MAR 2024 AS PER CP/LEDGER SEPT 2023 |                  |                               |         | ADJUSTMENTS OUTSIDE THE LEDGER                |                                   |   |                          |                              |                              |
|---------------------|---------------------|--|------------------|-------------------------------|---------|---|-----------------------------------|---|--------------------------|------------------------------|------------------------------|
|                     |                     | Add  | Less             | Add                           | Revised | Less  | Less                              | Less  | Final                    |                              |                              |
| £'000               | 2023/24 Base Budget | Cost Pressures   | Cost Underspends | Cost Reductions not delivered | Outturn | Cost Reductions not yet delivered but assured | Specific Reserves with Agreed use | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 | Forecast as at Sept Variance | Forecast as at June Variance |
| Finance & Insurance | 6,918               | 0  | (47)             | 0                             | 6,871   | 0   | 0                                 | 0   | 6,871                    | 47                           | 23                           |

### Finance Overview

Expenditure across Financial services is in line with the budgets approved and the service is expected to deliver a balanced budget this year.

The service has funded additional posts through additional income streams to support Money Advice, Procurement, Financial training and Transformation work. Our transformation work continues to deliver efficiencies enabling us to redirect resource to areas of pressure as well as releasing the savings we expected.

|                      |                     | FORECAST FOR THE YEAR ENDED 31ST MAR 2024 AS PER CP/LEDGER SEPT 2023 |                  |                               |         | ADJUSTMENTS OUTSIDE THE LEDGER                |                                   |   |                          |
|----------------------|---------------------|--|------------------|-------------------------------|---------|---|-----------------------------------|---|--------------------------|
|                      |                     | Add  | Less             | Add                           | Revised | Less  | Less                              | Less  | Final                    |
| £'000                | 2023/24 Base Budget | Cost Pressures   | Cost Underspends | Cost Reductions not delivered | Outturn | Cost Reductions not yet delivered but assured | Specific Reserves with Agreed use | Use of Risk Funding to cover unfunded Pressures | Outturn Position 2023/24 |
| Corporate Activities | 41,325              | 2,921  | (4,995)          | 0                             | 39,251  | 0   | 0                                 | 0   | 39,251                   |

| Forecast as at Sept Variance | Forecast as at June Variance |
|------------------------------|------------------------------|
| 2,074                        | 3,593                        |

## Corporate Overview

### Cost Pressures

The Housing Benefit budget forecast is overspending mainly due to the increased cost of homelessness in Powys and the differential between what is paid out to providers and what can be claimed back from the Department of Work and Pensions. The likely pay award estimated at £1.8 million has been forecast here and will be addressed with the virement of budget from Corporate budgets (Cost of Borrowing) to service pay budgets.

### Cost Underspends

Interest payments on borrowing and Minimum Revenue Provision are lower than budgeted due to the current levels of low expenditure against the capital programme and the reprofiling of some projects. This has been a consistent position for a number of years and a virement is now being requested for it to fund the pay award gap when finalised with the unions. In addition there is an overachievement of council tax projected this year due to the increase in the level of premiums charged, this is based on current premiums being raised and may change as the impact of the additional charge reduces the number of empty properties or second homes. It is also reliant on the council tax collection rate achieved. £1.5 million relates to pulling through the corporate risk budget that is held to fund unforeseen pressures, whilst the balance will be factored in later to support exceptional increased demand across social care during the winter months



## CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE  
21<sup>st</sup> November 2023

**REPORT AUTHOR:** County Councillor Cllr David Thomas  
Portfolio Holder for Finance and Corporate  
Transformation

**REPORT TITLE:** Capital Forecast 2023-24, as at 30<sup>th</sup> September 2023

**REPORT FOR:** Decision / Information

### 1. Purpose

1.1 This report provides an update on the financial position of the Council's capital programme for 2023/24 as at 30<sup>th</sup> September 2023.

### 2. Background

2.1 The 2023/24 Capital Programme was approved by Council on the 23<sup>rd</sup> February 2023. It included capital schemes totalling £93.29 million, of which £23.48 million related to the Housing Revenue Account (HRA). The programme has been updated following the reprofiling of projects and additional grants received from Welsh Government.

### 2.2 Table 1 - Breakdown by service

| Service                                | Original Budget | Virements Approved | Revised Budget | Actuals       | Remaining Budget |           | Commitments   |
|--|-----------------|--------------------|----------------|---------------|------------------|-----------|---------------|
|  | £,000           | £,000              | £,000          | £,000         | £,000            | %         | £,000         |
| Adult Services                         | 200             | 922                | 1,122          | 65            | 1,057            | 94        | 405           |
| Childrens Services                     | 0               | 379                | 379            | 102           | 277              | 73        | 121           |
| Education                              | 33,005          | (5,238)            | 27,767         | 7,670         | 20,097           | 72        | 10,231        |
| Highways Transport & Recycling         | 12,681          | 7,078              | 19,759         | 7,210         | 12,549           | 64        | 4,442         |
| Property, Planning & Public Protection | 100             | 998                | 1,098          | 305           | 793              | 72        | 126           |
| Community Development                  | 922             | 1,337              | 2,259          | 21            | 2,238            | 99        | 595           |
| Housing General Fund                   | 1,748           | 1,279              | 3,027          | 1,043         | 1,984            | 66        | 469           |
| Economy & Digital Services             | 16,196          | (1,679)            | 14,519         | 1,234         | 13,283           | 91        | 6,821         |
| Unallocated                            | 4,953           | (454)              | 4,499          | 0             | 4,499            | 100       | 75            |
| <b>Total Capital</b>                   | <b>69,805</b>   | <b>4,622</b>       | <b>74,427</b>  | <b>17,650</b> | <b>56,777</b>    | <b>76</b> | <b>23,285</b> |
| Housing Revenue Account                | 23,482          | (1,587)            | 21,895         | 5,195         | 16,700           | 76        | 4,483         |
| <b>TOTAL</b>                           | <b>93,287</b>   | <b>3,035</b>       | <b>96,322</b>  | <b>22,845</b> | <b>73,477</b>    | <b>76</b> | <b>27,768</b> |

- 2.3 The revised programme at the 30<sup>th</sup> September 2023 is budgeted at £96.32 million following the successful award of additional grants and the reprofiling of budgets between financial years. Actual spend amounts to £22.85 million, representing 24% of the total budget. An increase of £15.24 million since that reported at Quarter 1.
- 2.4 Currently 42%, £40.59 million, of the capital expenditure is budgeted to be financed by borrowing, the interest cost for this is charged to the revenue account.
- 2.5 Table 2 – Capital Programme funding

| Service      | Supported Borrowing | Prudential Borrowing | Grants        | Revenue Contribution | Capital Receipts | Total         |
|--------------|---------------------|----------------------|---------------|----------------------|------------------|---------------|
|              | £,000               | £,000                | £,000         | £,000                | £,000            | £,000         |
| Capital      | 4,562               | 24,860               | 39,018        | 2,272                | 3,715            | <b>74,427</b> |
| HRA          | 0                   | 11,163               | 5,832         | 3,900                | 1,000            | <b>21,895</b> |
| <b>Total</b> | <b>4,562</b>        | <b>36,023</b>        | <b>44,850</b> | <b>6,172</b>         | <b>4,715</b>     | <b>96,322</b> |

### **3. Grants Received**

3.1 The following grants have been received since the start of the financial year. These are for additional schemes and have been included in the Capital Programme.

#### **3.2 Education**

3.3 Welsh Government have awarded an additional £0.05 million for project management costs relating to the Childcare and Early Years Capital Programme. This takes the total grant awarded for the programme to £0.52 million.

3.4 Welsh Government have awarded £0.87 million of Capital Grant to Support Learners with Additional Learning Needs. The service will look to bring forward appropriate schemes to use this funding before the end of the financial year.

3.5 £0.19 million has been awarded by Welsh Government as part of the Asset Collaboration Program Phase 3 (ACPW3) Grant.

#### **3.5 Community Development**

3.6 £0.15 million has been received from Welsh Athletics for the development of Penlan Athletics track.

#### **3.7 Highways, Transport and Recycling**

3.8 Grants of £0.15 million and £0.10 million have been received from Welsh Government to develop flood alleviation schemes at sites in Llowes and Felindre respectively.

3.9 Welsh Government have awarded £0.68 million grant to develop four natural flood management schemes throughout Powys.

#### **3.10 Regeneration**

3.11 Welsh Government have awarded a £0.30 million Brilliant Basics Fund which will be used to develop visitor amenities.



#### **4. Reprofiting Budgets Across Financial Years**

- 4.1 During the last quarter, the finance team asked the services to provide estimates of the spend in this financial year, to ensure the budgets are accurately profiled. The following paragraphs detail the reprofiling that has resulted from this exercise.
- 4.2 **Housing Revenue Account** - The latest spend profile for the new build schemes has necessitated £7.95 million to be reprofiled from 2023/24 into 2024/25. This is due to the programme being limited to the areas of the county not affected by phosphate matters in the Wye and Usk river catchments.
- 4.3 **Highways, Transport and Recycling** - Due to problems faced in finding a location for one of the replacement highways weather stations, £25,000 budget has been reprofiled into 2024/25. The station is expected to be installed at the beginning of the financial year.
- 4.4 **Education** – The majority of the Schools Major Improvements Programme schemes in now place or planned, limited by the constraints of the school holidays and capacity available. It is not currently expected to require all of the allocation in this financial year, as a result, £1.45 million has been reprofiled into 2024/25 to carry out much needed schemes in future years.
- 4.5 **Digital Services** – A review of the allocation which used to replace the councils IT equipment has resulted in a reduced requirement of £0.30 million in this financial year. Due to the reduction in staff following the cessation of the Test, Trace and protect scheme, the service has been reallocating surplus equipment to staff rather than purchasing new equipment which had resulted in a reduced cost in the financial year.

#### **5. Capital Receipts**

- 5.1 A total of £1.24 million has been received to date. There are currently sales agreed to the value of £0.78 million (including £0.28 million for the HRA), these are at the legal stage of the process and will generate future capital receipts. At this stage it is expected that sales totalling £8.01 million (including £0.28 million for the HRA), could be achieved this financial year.

#### **6. Resource Implications**

- 6.1 The Head of Finance (Section 151 Officer) notes the content of the report. The reprofiling of schemes that has taken place is welcomed and is essential to enable us to accurately project expenditure, the consequential need to borrow and the impact on the revenue budget. Expenditure on the Capital Programme continues to be monitored carefully through the year, although inflation has stabilised, costs are high, alongside supply chain issues and additional borrowing costs which will have to be carefully considered. Prioritisation of resources at a corporate level ensures that the council can effectively meet its objectives whilst maintaining an affordable level of investment. The delay in utilising the Capital allocated creates slippage in the revenue budget as borrowing is delayed, and although the funding will be required at some point, the revenue budgets will be reviewed and reprofiled.

#### **7. Legal implications**

- 7.1 The Monitoring Officer has no specific concerns with this report.

#### **6. Climate Change & Nature Implications**

6.1 Not applicable

**7. Data Protection**

7.1 Not applicable

**8. Comment from local member(s)**

8.1 Not applicable

**9. Impact Assessment**

9.1 Not applicable

**10. Recommendation**

10.1 That the contents of this report are noted.

|   |
|---|
| Contact Officer: Jane Thomas<br>Email: jane.thomas@powys.gov.uk<br>Head of Service: Jane Thomas |
|---|

## Appendix A:

### Head of Service Commentary

| <b>Service Area</b>   | <b>Budget</b> | <b>Actuals</b> | <b>Budget Remaining</b> | <b>Budget Remaining as a % of Budget</b> |
|-----------------------|---------------|----------------|-------------------------|--|
|                       | <b>£'000</b>  | <b>£'000</b>   | <b>£'000</b>            | <b>%</b>                                 |
| <b>Adult Services</b> | <b>1,122</b>  | <b>65</b>      | <b>1,057</b>            | <b>84</b>                                |

#### HOS Comment

Expenditure will occur in the second half of the financial year as expected.

- Regional Integration Fund allocation of £100,000 for community equipment, £65,000 actual expenditure to date, if consistent with previous years, will be utilised later in the year to respond to winter pressures, for example, to support hospital discharge.
- Community Equipment Store contract roof improvements £265,000, initial works have commenced, and this will be completed and allocation fully utilised.
- Powys owned care homes £335,000 - lift improvements at one of the care homes will absorb a large element of the available allocation. The last property condition survey on all of the 13 homes identified a list of improvements required and as part of the contract the landlord is responsible for completing the list of improvements. There is a high confidence that the allocation will be fully utilised.
- An allocation for 'robotics' of £420,000, which means using technology to support care, this is not on course to spend, and a business case will be submitted for approval to use these monies.

| <b>Service Area</b>       | <b>Budget</b> | <b>Actuals</b> | <b>Budget Remaining</b> | <b>Budget Remaining as a % of Budget</b> |
|---------------------------|---------------|----------------|-------------------------|--|
|                           | <b>£'000</b>  | <b>£'000</b>   | <b>£'000</b>            | <b>%</b>                                 |
| <b>Childrens Services</b> | <b>379</b>    | <b>102</b>     | <b>277</b>              | <b>73</b>                                |

#### HOS Comment

The Flying Start childcare provision in Brecon is nearing completion. The setting was formally opened by Welsh Government at the end of September. Final financial housekeeping is underway to complete the project administration. This budget will be fully spent by end of March 2024.

Works to renovate Childrens Safe accommodation in order to meet CIW registration is continuing and is due to be completed shortly.

| Service Area     | Budget        | Actuals      | Budget Remaining | Budget Remaining as a % of Budget |
|------------------|---------------|--------------|------------------|-----------------------------------|
|                  | £'000         | £'000        | £'000            | %                                 |
| <b>Education</b> | <b>27,767</b> | <b>7,670</b> | <b>20,097</b>    | <b>72</b>                         |

### **The Council's Transforming Education Programme**

#### **Major Improvement Programme**

The Programme supports the improvement of education and early years setting facilities and infrastructure for pupils and staff. In this financial year, there are 116 projects with:

- 2 projects on hold
- 7 schemes to commission
- 12 schemes commissioned
- 26 at the design stage
- 10 at the tender stage
- 16 at the construction stage
- 43 schemes are practically completed on site.

The overall programme budget is £6,477,208 for 2023/24 with expenditure of £930,427 to end of September 2023. There are contract commitments of £2.399million for projects in progress. The combined expenditure and commitments represent 37% of the overall budget is committed. There is some project's part funded by Community Focus WG Capital grant as agreed with Schools Service. There has been an allocation of £870,208 WG ALN Grant and agreement is agreed on the priorities for this work with Schools Service. This grant sits outside of this programme until the priorities are agreed.

**Welsh Medium Grant – Ysgol Pennant classroom extension** - The classroom extension work is progressing on site with completion anticipated by the end October 2023.

**Early Years Capital Grant – Ysgol Pennant new early years accommodation** – The contract has been awarded and work is anticipated to be completed before end March 2024.

**Universal Primary Free School Meals (UPFSM)** - The overall programme budget is £2,016,343 with current expenditure of £909,722. However, there are significant contract commitments, and all expenditure is expected by the end of March 2024. A significant programme of kitchen equipment installation and associated mechanical and electrical works is on track. This has significantly increased cooking capacity within many schools and supported the UPFSM rollout in line with specified timelines. It is anticipated that the completion of these works will effectively support the remaining rollout milestones.

| Service Area                             | Budget        | Actuals      | Budget Remaining | Budget Remaining as a % of Budget |
|--|---------------|--------------|------------------|-----------------------------------|
|  | £'000         | £'000        | £'000            | %                                 |
| <b>Highways, Transport and Recycling</b> | <b>19,759</b> | <b>7,210</b> | <b>12,549</b>    | <b>64</b>                         |

**HOS Comment**

- The Highways Capital Programme is on track.
- Implementation for the 20mph default speed limit for restricted roads was substantially completed on the 17<sup>th</sup> September (grant funded).
- The Street Lighting programme is on track.
- Consultation on the refurbishment of Brecon HWRC has been undertaken. construction is programmed to start in Q3 and is on-track.

The Service notes that the Q2 financial profile in terms of expenditure is 36% mid-way through the financial year, however it is often lighter in Q1&2, as it is predominantly a period for designing/ planning with works programmed for Q3/Q4.

As noted last year, inflationary costs continue to significantly reduce the scope of works achievable within the highway's capital programme.

| Service Area                                    | Budget       | Actuals    | Budget Remaining | Budget Remaining as a % of Budget |
|---|--------------|------------|------------------|-----------------------------------|
|   | £'000        | £'000      | £'000            | %                                 |
| <b>Property, Planning and Public Protection</b> | <b>1,098</b> | <b>305</b> | <b>793</b>       | <b>72</b>                         |

**HOS Comment**

Capital programme is on track. Service area expected spend to be low in Q1 and Q2 and to mainly be spent in Q3 and Q4. No reprofiling of capital expenditure currently required.

Inflationary costs are being monitored and appropriate action will be taken to ensure works fall with funding envelopes.

| Service Area                 | Budget       | Actuals   | Budget Remaining | Budget Remaining as a % of Budget |
|------------------------------|--------------|-----------|------------------|-----------------------------------|
|                              | £'000        | £'000     | £'000            | %                                 |
| <b>Community Development</b> | <b>2,259</b> | <b>21</b> | <b>2,238</b>     | <b>99</b>                         |

### **HOS Comment**

Some projects / works were unavoidably delayed in 2022/23 which resulted in capital budget being carried forward, with the intention of spending the full amount in 2023/24 which was planned for within the programme. The 'Review of Leisure Services' commenced in the spring 2023 (as a result of the energy crisis/increased costs of utilities) which meant that much of the capital programme is paused, apart from essential works, where agreed and progressed.

Of the £2,238,000 - £595,000 is already committed to the end of September with an additional £970,000 worth of projects and works ready for either tender / procurement or progression or is contributing to support grant funding received. to be spent by March 2024.

| <b>Service Area</b>            | <b>Budget</b> | <b>Actuals</b> | <b>Budget Remaining</b> | <b>Budget Remaining as a % of Budget</b> |
|--------------------------------|---------------|----------------|-------------------------|--|
|                                | <b>£'000</b>  | <b>£'000</b>   | <b>£'000</b>            | <b>%</b>                                 |
| <b>Housing General Fund</b>    | <b>3,027</b>  | <b>1,043</b>   | <b>1,984</b>            | <b>66</b>                                |
| <b>Housing Revenue Account</b> | <b>21,895</b> | <b>5,195</b>   | <b>16,700</b>           | <b>76</b>                                |

### **HOS Comment**

**Housing General Fund** - Disabled Facilities Grants: Taking into account both works completed (as reported above) and those committed and good to go, Housing Services will be able to end the year on target for both works and use of financial resources. Any works that cannot be funded in 2023-2024 will be rolled forward to 2024-2025.

Improvement Loans for Private Property Owners: Demand is high for Home Improvement Loans and the Zero Interest Loan Fund scheme important schemes aimed at private property owners. Taking into account both loans completed (as reported above) and those committed and good to go, it is possible that towards year end demand may exceed funds. The schemes are administered on behalf of Housing Services by the Robert Owen Community Banking Fund (ROCBF), based in Newtown. The ROCBF has advised that it may be able to consider supporting clients with loan support for the remainder of the year using its own funds. Core funding from the Council will then, subject to funds being made available, return for 2024/25. Landlord Loans and Town Centre Loans are running well, and we do not expect in-year demand to exceed budgets.

**Housing Revenue Account** - New build - our development programme remains limited to the areas of the county not affected by the moratorium on new house building until the management of phosphate matters is resolved in the Wye and Usk river catchments. Six Powys County Council social rented housing schemes (approximately 120 homes) fall within the affected area. The Housing Development Team have continued to work on other areas. Within Q2, the official opening of Red Dragon scheme in Newtown took place. Tenders are being assessed for the letting of a thirty-home development in Newtown. A scheme in Ystradgynlais, which was under consideration for future development, will not go ahead after preliminary site

investigations revealed that the level of works needed to make the site developable would be uneconomic. However, tenders are now being sought for the development of new homes in the Ael-y-bryn and Pen-y-bryn area of Ystradgynlais.

| Service Area                          | Budget        | Actuals      | Budget Remaining | Budget Remaining as a % of Budget |
|---------------------------------------|---------------|--------------|------------------|-----------------------------------|
|                                       | £'000         | £'000        | £'000            | %                                 |
| <b>Economy &amp; Digital Services</b> | <b>14,517</b> | <b>1,234</b> | <b>13,283</b>    | <b>91</b>                         |

### **HOS Comment**

#### **Digital Services Capital**

The desktop refresh programme is a continual programme and is on track to spend this years' calculated figure although our replacement strategy is being reviewed to realise carbon reduction savings and to meet anticipated service staffing changes which may result in changes to forecast.

Cloud transformation capital, much of this is planned to be spent this financial year but further business cases will be required to highlight changes in capital funding.

For the individual projects, these are being reviewed in light of the new Digital Programme and will be drawn down as part of individual Project Business cases.

#### **Economy Capital**

An underspend from 2022-2023 capital programme from UK Government has resulted in monies being utilised through freedoms and flexibilities which is shown in the difference between allocated budget and remaining budget.

Overall capital budgets are managed from grant funds and profiled until March 2025. This process is managed through quarterly reporting fund management and slippage is being managed in monthly review meetings with partners and contractors. This includes:

Transforming Towns Programme £5,080,000 for Placemaking Grant is managed through an application process. The capital fund is managed through a local and regional panel and the spend profile for 2022/23 is slightly under target spend but with approval for roll forward to 2023/24. Projects are developed with partners and approved as bids are received. The team work hard to create opportunity for partners to draw down the capital investment and this is regularly monitored with Welsh Government.

Levelling-up Capital Projects. Project expenditure is currently behind schedule, this is regularly reviewed with partners to ensure delivery against grant terms and conditions. Council project aspects are being managed carefully and costs are within contingency limits with work slightly behind schedule but within grant agreements. Any required changes will be considered as a one-off Performance Assessment Review (PAR) during the lifetime of the project. We are assuming continued underspend of capital receipts from UK Government in quarters 1 to 3 at which point it is estimated a PAR review will take place to align predicted spend and schedule of works to the capital programme. This review is being left late in year as we need to

be confident of anticipated delivery timescale from partners as changes can only be made once in the lifetime of the programme between 2022 and 2025. Current boards are monitoring progress on a monthly basis to ensure the programme remains on track against the current profiled spend for quarter 4.

| <b>Service Area</b> | <b>Budget</b> | <b>Actuals</b> | <b>Budget Remaining</b> | <b>Budget Remaining as a % of Budget</b> |
|---------------------|---------------|----------------|-------------------------|--|
|                     | <b>£'000</b>  | <b>£'000</b>   | <b>£'000</b>            | <b>%</b>                                 |
| <b>Unallocated</b>  | <b>4,499</b>  | <b>0</b>       | <b>4,499</b>            | <b>100</b>                               |

**HOS Comment**

The budget held here is the currently unallocated funds set aside for pipeline projects.



By virtue of paragraph(s) 14 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank



By virtue of paragraph(s) 14 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank