

MINUTES OF A MEETING OF THE CABINET HELD AT COUNTY HALL AND ON ZOOM ON TUESDAY, 16 JANUARY 2024

PRESENT

County Councillor J Gibson-Watt (Chair)

County Councillors J Berriman, J Brignell-Thorp, J Charlton, R Church, S Cox, S C Davies, M J Dorrance, A Kennerley, P Roberts, D Selby and D A Thomas

In attendance: County Councillors J Brignell Thorp, AW Davies and A Kennerley

1. APOLOGIES

There were no apologies for absence.

2. MINUTES

The Leader was authorised to sign the minutes of the last meeting held on 19th December 2023 as a correct record.

3. DECLARATIONS OF INTEREST

County Councillor Matthew Dorrance declared a personal interest in item 6 Housing Revenue Account Rent and Related Charges as he was a close relative of a council house tenant.

4. DRAFT MEDIUM-TERM FINANCIAL STRATEGY 2024-2029, DRAFT 2024-25 BUDGET AND CAPITAL PROGRAMME FOR 2024-2029
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Cabinet considered the Medium Term Financial Strategy (MTFS) for 2024-29, including the Financial Resource Model (FRM) for 2024-29, the draft revenue budget for 2024-25 and a draft capital programme for 2024-29 for recommendation to Council.

The MTFS set out how the Council planned to use its resources (revenue and capital) to support the achievement of its corporate priorities as well as the management of its statutory and core duties, known pressures and risks. It delivered a balanced budget for 2024/25, and indicative budgets for the following 4 years to March 2029.

The Provisional Settlement confirmed that funding in Powys had increased by 2.8% after adjusting for transfers; this equated to an additional £6.381 million for 2024-25.

The report detailed inflationary pressures and additional services cost pressures of £18.2 million made up of pay awards, inflation, service pressures and cost increases. An addition £1.1 million was also required to fund the Fire Levy.

The budget proposal included additional funding of £3.6 million directly into schools delegated budgets. This was an increase of 4.2% which was in excess of the 2.8% increase received by the Council reflecting the priority Education has from the Council. Based on the funding settlement received, the Cabinet was unable to fully protect schools from some of the burden facing the Council. Governing Bodies, like other council services, would need to consider how they manage their pressures. Schools had not yet submitted their budgets, but it was estimated that they faced budget pressures of approximately £2 million. Cabinet noted that deep dive exercises were being carried out in schools identifying where savings could be made.

The budget plan included proposals to remove £10.7 million from the revenue budget, detailed in the report. The budget also included proposals to increase of fees and charges in line with inflation, where permitted, and where appropriate, the principle of full cost recovery had been applied.

The Cabinet Member for a More Prosperous Powys referred to a report that had appeared in the press claiming that £1 million had been cut from the Leisure budget. He explained that in December 2022 a £1 million grant had been made to Freedom Leisure to help them with the high costs of energy at that time. Freedom Leisure no longer needed that support, so the grant was being returned.

Balancing of the Council’s 2024-25 budget was dependent upon a 7.5% increase in the Council Tax in 2024-25, generating £7.35 million, and £0.46 million delivered through changes to the council tax base. 6.5% of the increase was to support Council Services with a further 1.0% to support the £1.1 million increase in the Fire Levy as set out in the report. In proposing this increase, there had been careful consideration to affordability for Powys residents in light of the cost-of-living crisis, together with the ongoing need to meet increasing demand and inescapable cost pressures on vital local services upon which they rely. The Leader noted comments made by the Leader of the Opposition about Council Tax levels, but pointed out that the Council was still facing very high inflation and unfunded pay settlements.

It was anticipated that funding levels would be less generous in the future, and therefore the Council needed to act quickly to tackle the projected budget gap from 2024-25 onwards. The Cabinet Member for Finance and Corporate Transformation and the Head of Finance both stressed that the Council in its current form was not sustainable. The programme of change to deliver “Sustainable Powys” was critical to ensure that the Council could remain financially stable and provide sustainable services in the long-term.

RESOLVED to recommend to Council to approve the	Reason for Recommendation:
1. MTFS for 2024-2029 as set out in Appendix A to the report be agreed in principle.	To aid business planning and development of the budget over a five-year period
2. Draft Revenue Budget for 2024-25 with the inclusion of a 7.5% increase in Council Tax in 2024-25	Statutory Requirement

shown in the Financial Resource Model in Appendix B and Table 4 and Table 5 of this report.	
3. Fees and Charges Register in Appendices D and E.	To comply with Powys County Council Income Policy
4. Capital Strategy and Capital Programme for 2024-29 shown in Appendix H.	Statutory Requirement
5. Minimum Revenue Provision Statement as set out on Appendix H.	Statutory Requirement
6. Treasury Management Strategy and the Annual Investment Strategy in Appendix H.	Statutory Requirement
7. Authorised borrowing limit for 2024-25 as required under section 3(1) of the Local Government Act 2003 is set at £514 million and the Operational Boundary is set at £499 million as set out in section 3.83 of this report.	Statutory Requirement
8. Prudential Indicators for 2024-25 as set out in section 3.79 to 3.86 of the report and Appendix H.	Statutory Requirement

5. SCHOOL DELEGATED BUDGET FUNDING FORMULA REVIEW
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Cabinet considered proposals for changes to the schools funding formula and the responses received to a consultation carried out on the proposals. The aim of the proposed changes were to support transparent and equitable funding arrangements for Primary, Secondary and All age schools, which would:

- Create a more equitable provision for all learners across Powys.
- Support the aspirations of the transformation programme.
- Support all learners including helping offset the effects of disadvantage.
- Support a collaborative schools' community which offers effective professional learning to facilitate the self improving system.
- Support inclusion and bilingualism, and promote access to excellence for all learners.

The proposals would be phased in over two years to allow time for adjustments.

In response to questions from the Leader of the Opposition, Cabinet was advised that as of December 2023, there had been a 76% take-up of universal free school meals.

Cabinet received the comments and recommendations of the Learning and Skills Committee held the previous day and agreed with the Committee's comments about the importance of people applying for free school meals as it was a gateway of other benefits. The Cabinet Member for a Learning Powys advised that the Schools Service was working closely with schools to encourage people to apply. He confirmed that officers would work with Scrutiny to bring a review of the progress and possible outcomes of the School Funding Formula to the Learning and Skills Committee. He asked that the Committee undertake a deep dive on TROCHI immersion. Finally, he acknowledged the comments made by the Committee on the time taken to produce Local Authority Individual Development Plans and he expressed the hope that the changes proposed would reduce the amount of bureaucracy involved.

RESOLVED

- 1. the proposals for the distribution of Notional ALN funding as set out in paragraphs 3.8 to 3.15 of the report are agreed;**
- 2. the amendments to the Teaching and Learning Top ups for Secondary Phase as set out in paragraph 3.17 of the report is agreed;**
- 3. the proposals for distribution of funding for disadvantaged Learners – Primary and Secondary Phase schools as set out in paragraph 3.27 of the report are agreed;**
- 4. the proposals for distribution of the premises elements of the formula as set out in paragraph 3.31 to 3.33 of the report are agreed;**
- 5. the implementation of these changes are phased to mitigate the impact of redistribution between schools as set out in paragraph 3.35 of the report;**
- 6. the implementation of these changes be reviewed as part of the Formula Review Group's ongoing work programme.**

6.	HOUSING REVENUE ACCOUNT RENT AND RELATED CHARGES - CHANGES FOR 2024-25
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County Councillor Matthew Dorrance declared a personal interest in this item and left the meeting while it was being considered.

Cabinet considered proposed changes for Council Housing Rents, Garage Rents and all property and tenancy related Service Charges, for the financial year 2024-25.

The recommendations complied with the Welsh Government's Policy for Social Housing Rents (Rent Policy). The Council's Tenant Scrutiny Panel had been consulted and had reluctantly accepted and approved the proposed 6.7% rent increase.

RESOLVED

- 1. That with effect from April 1st 2024 the average rent in Powys will increase by 6.7% (the average rent being £108.24 per week) for all 5,524 Council owned homes, excluding service charges.**
- 2. That service charges charged to HRA tenants are amended with effect from April 1st 2024 (included in Table Two above) to allow the Council to recover the cost incurred in providing these services.**
- 3. That the weekly cost from April 1st 2024 for all tenants receiving the Careline community alarm service in 2024-2025 is £3.91 per week.**
- 4. That HRA garage rents in Powys with effect from April 1st 2024 for 2024-2025 are increased by 6.7% to £14.65 per week.**
- 5. That garage plot charges effective from April 1st 2024 for 2024-2025 are £186.29 per annum.**
- 6. That the weekly occupation charge from April 1st 2024 charges for Gypsy and Traveller pitches in 2024-2025 will be increased by 6.7%, the average rent being £122.09.**
- 7. That the charge for temporary accommodation increases, with effect from April 1st 2024, for the year 2024-2025, by 6.7%.**
- 8. That all other rental, not detailed above, effective from April 1st 2024 will increase by 6.7%. Service charges continue to be recovered on an actual basis.**

County Councillor Matthew Dorrance returned to the meeting.

7.	STRATEGIC RISK REGISTER REPORT QUARTER 2 2023/2024
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Cabinet considered the Strategic Risk Register report for the second quarter. The Cabinet Member for Finance and Corporate Transformation explained that the report published just before the meeting replaced the version included in the agenda pack and that there would be no need to go into confidential session. The report contained a recommendation to de-escalate risk PCC0008: planned

power outages as CLT felt that the risk was being successfully managed. It would be moved to the CLT risk register.

RESOLVED that Cabinet notes the current Strategic Risk Register and is satisfied with progress against mitigating actions for quarter 2 and approves the de-escalation of PCC0008 (detailed under point 3.5 of the report).

8.	DELEGATED DECISIONS TAKEN SINCE THE LAST MEETING
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Cabinet noted the delegated decisions taken by portfolio holders since the last meeting.

9.	FORWARD WORK PROGRAMME
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Cabinet noted the forward work programme. The Cabinet Member for a Connected Powys advised that he would be bringing a report on planning guidance for rural enterprise dwellings.

County Councillor J Gibson-Watt (Chair)