

Health and Care Scrutiny Committee

Meeting Venue
By Zoom

Meeting Date
Friday, 29 November 2024

Meeting Time
10.00 am

For further information please contact
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County Hall
Llandrindod Wells
Powys
LD1 5LG
22/11/2024

Mae croeso i chi siarad yn Gymraeg neu yn Saesneg yn y cyfarfod. Rhowch wybod pa iaith rydych am ei defnyddio erbyn hanner dydd, ddau ddiwrnod gwaith cyn y cyfarfod.

You are welcome to speak Welsh or English in the meeting. Please inform us of which language you wish to use by noon, two working days before the meeting.

AGENDA

1.	APOLOGIES
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To receive apologies for absence.

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

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

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

4.	MINUTES FROM PREVIOUS MEETINGS
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To authorise the Chair to sign the minutes of the previous meeting held as follows as a correct record:

(i) 20/09/2024

(ii) 25/10/2024

(Pages 3 - 26)

5.	QUARTER 2 REVENUE FORECAST AS AT 30TH SEPTEMBER 2024
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The Quarter 2 Revenue Forecast as at 30th September 2024 and Appendix D for information purposes.

(Pages 27 - 82)

6.	WORK PROGRAMME
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To note the scrutiny forward work programme.

Date	Agenda items – Subject to change	Notes
29.11.2024	<ol style="list-style-type: none">1. Day Opportunities2. Powys Owned Care Homes3. Q2 Revenue Forecast as at 30th September 2024	<ol style="list-style-type: none">1. Delayed2. Delayed3. On Schedule
20.05.2024	<ol style="list-style-type: none">1. Monthly Performance Reports Adults and Children's Services2. Proposed modelled UASC placements. Confidential	<ol style="list-style-type: none">1. Available on Teams Channel2. On Schedule
23/01/2025	<ol style="list-style-type: none">1. Budget Scrutiny Adult Services2. Budget Scrutiny Children's Services	<ol style="list-style-type: none">1. On Schedule2. On Schedule

Committee Reflection

Following the close of the meeting, the Committee is asked to take 5 to 10 minutes to reflect on today's meeting.

**MINUTES OF A MEETING OF THE HEALTH AND CARE SCRUTINY COMMITTEE
HELD AT BY ZOOM ON FRIDAY, 20 SEPTEMBER 2024**

PRESENT

County Councillor A Jenner (Chair)

County Councillors G E Jones, C Robinson, L Brighthouse, D Edwards and S C Davies

1.	APOLOGIES
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Apologies for absence were received from County Councillors J Ewing, C Walsh, G Preston and A Williams

2.	DECLARATIONS OF INTEREST
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The Committee received the following Declarations of Interest from Members relating to items to be considered on the agenda:

Cllr Gareth E Jones declared an interest as a trustee to Builth Wells Community Support. This was a personal interest, not prejudicial interest in accordance with Paragraph 12(a) (ii) of the Members Code of Conduct 2016.

3.	DISCLOSURE OF PARTY WHIPS
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The Committee did not receive any disclosures of prohibited party whips which a Member had been given in relation to the meeting in accordance with Section 78(3) of the Local Government Measure 2011.

4.	MINUTES
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The minutes from the previous meetings held on the 11th of April 2024, 23rd May 2024, and the 5th of May 2024 were accepted by all Committee members present as an accurate and true account.

5.	ANNUAL REPORT OF THE DIRECTOR OF SOCIAL SERVICES
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Background:

The report...

- Was a requirement from the Director of Social Services from the Social Services and Wellbeing Act (2014).
- Had been presented to full Council in July 2024.
- Had been translated into Welsh and would be published soon. Copies would be shared with Welsh Ministers and Care Inspectorate Wales and be published on Powys County Council's website. It was noted that translation costs had been reduced by piloting an AI translation tool.

- Work had been aligned to the Council's vision; Stronger, Fairer, Greener and contributed to regional and national agendas of prevention, intervention and collaboration.
- Positive Feedback and recognition were received from external regulators, including the Joint Inspection of Child Protection Arrangements, which praised multi agency partnership working and safeguarding practise.
- The report noted a reduced reliance on agency workers and improved staff engagement and retention.

Challenges:

Challenges, post COVID included an increased:

- Demand on services,
- Complexity of care needs,
- Cost for commission.

Children's Services Performance:

- Children's Services had seen an improved position over the previous year. A revised and updated improvement plan continued to be implemented following self-evaluation.
- The number of Children on the Child Protection Register decreased by 15% from 309 at the end of March 2023 to 263 at the end of March 2024. This reflected improved decision making, risk management and increased use of alternative plans and interventions.
- The total 'Looked After Children' had increased by 11% from 213 to 236, mainly caused by an increased number of Unaccompanied Asylum-Seeking Children who arrived in Powys as part of the UK Government's resettlement scheme.
- The number of 'Children in Need' had decreased by 5%. This reflected the improved application of threshold criteria and the stepping up and stepping down processes.
- The service had enhanced its early help and prevention offer through the development of the Family Support Service and expansion of the Flying Start Programme.
- Timeliness of statutory assessments had increased from 79% to 84%, which exceeded the national average.
- The percentage of children with an up-to-date care and support plan had improved.
- The percentage of 'Looked After Children' who had three or more placements had increased, which was over the national average, this was mainly due to the increased number of Unaccompanied Asylum-Seeking Children. A placement sufficiency strategy and an action plan were being put into place to improve this.
- The percentage of 'Children Looked After' participating in reviews had improved to 91%, again above the national average.

Children's Services Priorities were to continue to:

- Embed and sustain improvements in safeguarding practice.
- Develop and implement early help and prevention.
- Improve the timeliness and quality of assessments, care plans and reviews.
- Improve placement stability and permanence for Looked After Children.
- Promote the participation and engagement of children and young people.

Adult Services Performance:

- 4.5% increase in contacts that came into the service from the previous year.
- Improvement of proportion of assessments completed within the 42 days from 84 to 88%, exceeding the national average.
- Adult services delivered significant savings through efficiency measures over the last year although the ongoing challenges of budgets and increased costs were noted.
- The service received positive feedback from service users and carers with 92% of annual survey respondents being 'satisfied' or 'very satisfied'.
- There were ongoing challenges due to increased service demand and staff absences.
- Across children's and adults' services difficulty in recruiting and retaining staff remained, particularly in rural areas and specialist roles.

Priorities for Adult Services:

Priorities included to:

- Promote independence and wellbeing,
- Enable choice and control,
- Support carers,
- Improve outcomes for people with complex needs.
- Strengthen partnerships and collaborations.
- Strategic objectives would continue to be pursued.
- Digital and technological solutions were an ongoing priority.
- Improving data, intelligence, embedding co-production and engagement and support in development and well-being.

Issues Raised by Committee	Answers Given
<p>Would there be an increase of children and adults with additional needs in the future? And how would that impact the services in Powys?</p> <p>Was this something that needed to be considered for future budgets?</p>	<p>The Head of Children's Services replied: children with additional needs were experiencing improved longevity and quality of life due to advances in science and medicine. This would naturally have an impact on Powys's service delivery and introduce complexities regarding budget positioning.</p> <p>Cabinet Member and Portfolio Holder for Future Generations thanked the Committee for highlighting this topic and emphasised the importance of being financially prepared to support the children of Powys as a Corporate Parent.</p> <p>Assurance was given from the Director of Social Services and Wellbeing that Powys was supporting families appropriately.</p> <p>ACTION – Director of Social Services and Wellbeing to bring further information to the Committee in spring 2025.</p> <p>ACTION - Scrutiny officer to add this topic to the</p>

	Scrutiny Action Tracker to be picked up during the budget setting process.
The Committee requested an update on work that was being done to keep Unaccompanied Asylum-Seeking Children in Powys.	ACTION – It was agreed this would be brought to the Committee in December 2024 along with other UASC papers.
It was requested that Unaccompanied Asylum-Seeking Children be an indicator in the monthly performance reports.	ACTION – Director of Social Services and Wellbeing and the Head of Children’s Services to provide statistics. Further information to be brought to the Health & Care Scrutiny Committee in December 2024.

6.	CORPORATE SAFEGUARDING BOARD ACTIVITY REPORT
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Background:

- A follow up meeting was held on the 12th of September and the Health & Care Committee would receive that activity report shortly. The next Corporate Safeguarding Board meeting was planned for the 12th of December.

Review of Progress against Actions in the Safeguarding Regulatory Tracker:

- Excellent progress had been made with item 96, showing member compliance at 100% and staff compliance at 95.5%. Mandatory training had become an embedded item across the service in terms of performance monitoring. It was agreed that this item would be marked as closed and completed.
- Tracker item 97 was agreed to be closed and completed.
- Tracker item 99 would be kept open and reviewed at future board meetings.

Regional Safeguarding Board Update:

- Scrutiny members were welcomed to attend the 2024 Regional Safeguarding Board Conference hosted by Ceredigion Council on Thursday 14th November. The theme would be ‘right place, right time’.
- It was agreed that Child Practice Review and Adult Practice Review summaries be brought to future Board meetings as a standard agenda item to take on a summary of learning.
- Positives of National Safeguarding Week were noted.

Safeguarding in Housing, Including Young People (16/17-Year-Old) Housing:

- The Board discussed the Council’s use of Bed & Breakfasts and emphasised the importance of minimising time spent in these and other temporary accommodations, in line with the rapid rehousing approach.
- At the end of October 2023, 46 households were placed in Bed & Breakfasts, by the end of June 2024 this had reduced to 12 which resulted in £20,000 savings per week.
- The Board reiterated that there was zero-tolerance around 16–17-year-olds being placed in bed & breakfasts. The Housing Service agreed that was the goal.

- Assurance was requested from the board that if a 16 - 17-year-old in education had to be placed into temporary accommodation, everything would be done not to affect their learning. It was confirmed that wherever possible, the wider needs of the household would be taken into consideration and the best would be done to keep people local.

Mandatory Safeguarding Training, Including VAWDASV:

- The Board noted that mandatory safeguarding training in schools had dropped. It was confirmed that priority was given to the completion of mandatory training and networks had been set up to support governors that had safeguarding responsibilities to help ensure compliance was achieved.
- Powys sat second in completion of ‘ask and act training’. It was felt that an e-learning module like Ceredigion Council’s would not be appropriate to replicate but other options were being explored.

Adult Social Care Safeguarding Performance, including Deprivation of liberty Safeguarding Update:

- The Board picked up on a delay in DBS checks and certificates from Dyfed Powys Police. Work was being done with Dyfed Powys Police to understand these delays.

Annual Private Fostering Report:

- The Annual Private Fostering Report was presented to the Board and would be added to the Governor’s Newsletter.
- Information sharing with Powys Teaching Health Board was confirmed to be ongoing.
- The Children Missing Education Pilot that Powys County Council were undertaking with Welsh Government had suggested an annual exchange.

JICPA:

- Confirmation was received that the JICPA Action Plan was being monitored by PLOG (Powys Local Organisation Group) and a six-monthly update against the Action Plan would be provided at a future Committee meeting.

Safeguarding in Education, including Elective Home Education and Fixed Term Exclusions:

- It was noted that comparative data would be provided in future meetings.
- The Board asked whether poor behaviour exclusions were being reviewed following medical diagnosis. It was confirmed this was being worked on and support was being provided to schools around ALN.

Over the summer of 2024, Audit Wales conducted a follow up inspection focussed on the Corporate Safeguarding Arrangements, the draft report for this was expected at the end of September 2024 and would be presented to a future scrutiny meeting and Corporate Safeguarding Board meeting.

Issues Raised by Committee	Answers Given
The Committee questioned whether the percentages given on section 2.4 were correct.	ACTION – The Director of Social Services and Wellbeing would provide an answer at a future meeting.
Regarding home education and exclusions, the Committee asked whether live data could be	ACTION – It was agreed that this could be done with future Corporate Safeguarding Board

<p>embedded in the Corporate Safeguarding Board Activity Report so that emerging trends could be seen.</p>	<p>Activity Reports.</p>
<p>Committee requested that all ‘spotlight’ reports be available in a bank to access in future and signposted for members and the public to access for information.</p>	<p>ACTION – This had been done and all previous spotlight information had been published on the Powys County Council website, but it was agreed that more would to be done to publicise this.</p>

<p>7.</p>	<p>CHILD EXPLOITATION STRATEGY AND IMPLEMENTATION PLAN REPORT</p>
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Background:

- Child Exploitation Manager presented the report and noted that the Child Exploitation team ran Parent and Community Internet Safety Sessions through schools in North and South Powys. Promoted by schools, all parents and community members could attend, and the sessions would be running next in October 2024.
- In June 2021 the first *Powys Child Exploitation Strategy* and three-year *Multi Agency Implementation Plan* was implemented with the aim of creating harsher communities for perpetrators and safer non-blaming communities for children. This would be achieved through strong leadership and multi-agency collaboration under three sections; prevent, protect and support.
- In 2022 the exploitation strategy was utilised to develop the Regional Exploitation Strategy and the new implementation plan presented today aligned with that document.

Prevent:

- A collaborative learning approach was embedded to support practise and development through the multi-agency community of practise learning sessions.
- Seventeen learning sessions had been facilitated with consistent good attendance and positive feedback.
- On average between fifty and eighty professionals across various agencies attended those sessions.
- The sessions explored:
 - Increasing awareness of different forms of exploitation and how these interlink.
 - Understanding thresholds, supporting parents and young people as partners within assessments,
 - Interventions and measuring change
 - Supporting a greater understanding of disruption tactics and responsibility (e.g. national referral mechanism).
- Data recognised increased disruption tactics followed on from those community practises such as a Slavery and Risk Trafficking Order which had been issued in the county.
- The team increased visibility of their work by facilitating 12 awareness raising sessions in collaboration with the Youth Service, PCSO teams, college licensing and Bernardo’s Counter Trafficking Service, mostly around internet safety.

- Participated in 8 multi-agency outreach sessions that focussed on spaces and places and raised awareness within areas that young people congregated and spent time together across Powys.
- Awareness raising videos had been created for children, parents and carers through collaboration with the Youth Service. These videos were re-utilised throughout the year for Child Exploitation Week in March and Safeguarding Week in November.
- Funding was secured for an Arad Goch production called 'Crossing the Line' which was rolled out across all high school sites.
- In 2022 online and in-person parent and community learning sessions were implemented. Further sessions would take place in Machynlleth and Ystradgynlais in October 2024.
- The team attended a Pan Powys Sixth Form Pupils Voice Group where sixth form students considered a Child Ambassador Programme and feedback was used to develop the programme. This had been piloted at two high school sites with the aim of implementation across all high school sites in Powys.

Under the 'Protect' element of the paper the team...

- Embedded the Exploitation Safeguarding Strategy meeting process, which was held weekly and attended by agencies.
- Invited Parents to Safeguarding Strategy Meetings as partners.
- Created a consistently attended Strategic MACE and implemented cross-partnership data collection which had allowed the development of understanding of the scale and nature of exploitation in Powys.
- Collected data on a quarterly basis and supported the monitoring of the effectiveness of responses to children, young people and their outcomes.
- Developed a greater awareness of contextual safeguarding within MACE.
- Piloted a toolkit which focussed on space and supporting safe change collaboratively with other agencies.

Under the 'Support' element of the paper the team...

- Undertook direct intervention via three Child Exploitation Intervention Workers.
- Continued to build knowledge as a trauma informed and strength-based service, supported by monthly meetings with an in-house psychologist.
- The sessions had been consistently well received by the team and examples include, developing children's formulations, developing confidence in utilising CBT approaches, mindfulness, emotional wellbeing and positive affirmation resources, and drafting therapeutic ending letters.
- Engaged with the Independent Child Trafficking Guardianship Service which was Bernardo's led and were both regular attenders at the Safeguarding Strategy Meetings.
- Mapped out post-18 support services to aid transition and recognised that as a process as opposed to an event.
- Piloted the Post-18 Exiting Prostitution Toolkit.

The New Implementation Plan:

- Continued to build upon areas that had worked well within Powys including the Prevent, Protect and Support structure of work.

The Prevent Element continued to:

- Build upon collaborative awareness raising.
- Embed ambassador programme in schools.
- Community of Practices.

- Build upon the cross-partnership data set to develop other actions as required, such as thematic audit and identifying specific training needs.
- Ensure the Safeguarding Strategy Meeting process remained in place and used a targeted focus, e.g. introducing the Philomena Protocol for missing children.
- Develop practise guidance to support peer on peer harm.

The Support Element continued to:

- Utilise feedback from intervention work to ensure the exploitation team continued to learn and develop.
- Ensure that the service continued to use data to support transitional safeguarding for young adults.

The Head of Children’s Services added that the Child Exploitation Strategy was an updated strategy which had an action plan attached.

Recognition and observation of children’s lived experiences of exploitation in Powys was increasing and the challenge of keeping up with changing methods of child exploitation was noted.

Issues Raised by Committee	Answers Given
Members requested links and information regarding the Parent and Community Internet Safety Sessions.	ACTION - The Head of Children’s Services agreed to share this information with members.
The Committee asked what a Slavery and Risk Trafficking Order was.	It was a disruption tactic used by Dyfed Powys Police to prevent wider risk to children and young people across the county.
Had child exploitation increased due to children having access to the internet and mobile phones?	Awareness and understanding of what exploitation looked like online had increased. During COVID an increase in online worries for children and young people had been noted.
Were the connections made which led to exploitation mostly created using mobile devices and the internet?	These were noted as contributing factors but were not being seen more than any other method used by perpetrators.
Did the Child Exploitation Team use social media channels other than Facebook?	No, but awareness training was planned to keep the team abreast of emerging social media apps and platforms and the team worked closely with the Youth Service who had an Instagram account where information could be shared. It was noted that the Child Ambassador Programme being rolled out in high schools would provide information regarding how children and young people were accessing information which would then be utilised by the team.
How did the team receive referrals? Could a member of the community raise a concern directly?	All referrals came through the front door and could come from a community member.
Was the team fully funded by Powys?	The Child Exploitation Team was fully funded by Powys County Council within the Children’s Service’s budget.

<p>Could all members receive a members development session from the Child Exploitation Team?</p>	<p>ACTION - The Head of Children’s Services agreed that the Child Exploitation Team’s work would be added to the Members Development Session in November 2024.</p> <p>The Child Exploitation Manager added that the team would be present for information at a Members’ Day in County Hall in October 2024.</p>
<p>Were there any other ways of measuring impact?</p>	<p>The Child Exploitation Manager would gain feedback from children, young people and families following interventions from the team.</p> <p>Data sets would include what disruption tactics were used.</p> <p>Within the strategy meetings triangulation was a routine theme and risks were consistently measured and evaluated.</p> <p>Data would present outcomes and potential re-referrals.</p>
<p>Could the number of children identified as ‘at risk’ and the data surrounding this be presented in the monthly performance reports to the Committee?</p>	<p>The team measured this on a quarterly basis and produced annual reports.</p> <p>ACTION - The Head of Children’s Services suggested that the annual report be brought to the Committee for information.</p>
<p>Had the team identified certain areas where ‘children at risk’ were more likely to be located? If so, did the team provide targeted support to those areas?</p>	<p>Spaces and places were identified as part of contextual safeguarding element of the plan. If a space or place was identified, tools could be utilised such as the <i>Contextual Safeguarding Neighbourhood Assessment Toolkit</i>.</p> <p>This work would be done collaboratively with other agencies such as PCSOs and the Youth Service.</p> <p>Referrals would then be monitored, and the work evaluated to understand results.</p> <p>The Head of Children’s Services added that lots of prevention work occurred, and that in areas where ‘children at risk’ were more likely to be located, more focus would be given to prevention and disruption techniques.</p> <p>If a hotspot had been identified with multiple children and perpetrators in one area, specific processes would occur.</p>
<p>During member development sessions, could information be split into prevention and reaction work?</p>	<p>The Head of Children’s Services agreed that this could be done and if there were any current hotspots the session could be used to share</p>

8. MONTHLY PERFORMANCE REPORTS - ADULT SOCIAL CARE AND CHILDREN'S SERVICES

The monthly performance reports would be a standard agenda item going forward.

The Chair explained that the Committee received monthly performance reports retrospectively. Going forward, councillors would review these reports for ongoing themes and questions would be sent from Scrutiny Officers to the relevant Directors and Heads of Service, who would present answers at the next available scrutiny meeting. This would ensure consistent scrutiny of performance.

9. FORWARD WORK PROGRAMME

The Forward Work Programme was updated prior to the meeting.

10. EXEMPT ITEM

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. Proposed by Cllr C Robinson and seconded by Cllr D Edwards with all Committee Members in agreement.

11. DIRECT PAYMENTS REVIEW UPDATE

The Senior Strategic Commissioning Manager and the Strategic Commissioning Manager presented an update on the Direct Payments Review including the progress, outcomes and next steps.

County Councillor A Jenner (Chair)

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**MINUTES OF A MEETING OF THE HEALTH AND CARE SCRUTINY COMMITTEE
HELD AT BY ZOOM ON FRIDAY, 25 OCTOBER 2024**

PRESENT

County Councillor A Jenner (Chair)

County Councillors G E Jones, B Breeze, C Robinson, C Walsh, L Brighthouse, A Evans.

Cabinet Members Cllr S Cox, S Davies, A Evans and R Church.

1.	APOLOGIES
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Apologies for absence were received from

Members County Councillors A Williams and J Ewing

Officer Nina Davies (Director of Social Services & Wellbeing).

2.	DECLARATIONS OF INTEREST
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There were no declarations of interest by Members relating to items to be considered at the meeting.

3.	DISCLOSURE OF PARTY WHIPS
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The Committee did not receive any disclosures of prohibited party whips which a Member had been given in relation to the meeting in accordance with Section 78(3) of the Local Government Measure 2011.

4.	MINUTES
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It was agreed that the minutes of the previous meeting held on the 20th of September 2024 would be brought to the next meeting of the Health & Care Scrutiny Committee.

5.	CORPORATE SAFEGUARDING BOARD ACTIVITY REPORT 12 SEPTEMBER 2024
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Background:

- The Head of Children's Services presented the paper which highlighted the discussions held at the last meeting of the Corporate Safeguarding Board in September 2024.
- A recent audit had reviewed the role and functions of the Safeguarding Board. This report would come to the Health & Care Scrutiny Committee once it was available.

- It was noted that the regulatory tracker was on track.
- The Director of Social Services Annual Report was discussed and had been through the Health and Care Scrutiny Committee in August 2024. It was being investigated whether an 'easy read' version of this report could be produced for the 2024-25 Annual Report.
- Terms of Reference were being reviewed to ensure that the Board's purpose and function were held to account. A draft version would go to the Safeguarding Board for approval in December 2024.
- The Regional Safeguarding Board had regional responsibilities for Powys, Ceredigion, Pembrokeshire and Carmarthenshire. The Board met regularly, and the Head of Children's Services and Adults Services for Powys were members of the Board. It looked at cross cutting themes across all local authorities through a regional lens.
- The Board looked at the Child Exploitation Strategy in Powys to understand what it meant for Powys as a whole and what areas within the council could have accountability as part of the wider thinking and learning around Child Exploitation as a whole.
- The Board looked at Community Practice Sessions, outreach events and the development of the Ambassador Programme. Conversations were held regarding learning from the regional safeguarding board back into operational groups.
- Safeguarding in housing:
 - There was an update regarding care leavers and homelessness in Powys.
 - A significant reduction in the number of children in bed and breakfasts had been seen, reducing from 46 households in October 2023 to 26 households on the 9th of September 2024.
- Safeguarding in Education
 - The Board looked at safeguarding and education with particular attention to elective home education and fixed term exclusions.
 - There was discussion around the importance of safeguarding for learners during exclusions and ensuring that exclusions were not a consequence of safeguarding issues at home.
- CE Strategy and Implementation Plan
 - The Board looked at roles, responsibilities and accountability for different service areas and the Council regarding its strategy and implementation plan. Especially regarding licensing, visibility in community settings, and online learning.
- Learning from CPR and APR
 - Learning was always taken from the Regional Safeguarding Board to the Local Safeguarding Board.
 - Learning opportunities were taken from Child and Adult Practice Reviews, where themes were taken from Practice Review summaries into the organisation.
- Future Board meetings were scheduled for 12th December and 13th March.
- The Portfolio Holder for a Safer Powys added that the Committee should see the revised terms of reference once presented to the Corporate Safeguarding Board.
- The report reflected the way that corporate safeguarding cut across the whole Council.

Issues Raised by the Committee:	Responses Received:
<p>The Committee requested that the presentations presented to the Board be embedded in the activity report going forward.</p>	
<p>The Committee requested examples to demonstrate how the Corporate Safeguarding Board was on track with actions against the Safeguarding Regulatory Tracker.</p>	<p>The Head of Children’s Services answered that all services had to demonstrate that safeguarding was a priority and complete a safeguarding element of their self-assessment. That information was used to understand the overall placement of the Council.</p> <p>This meant the requirements of safeguarding were embedded across the whole Council’s agenda and any problems identified would be fed back up to Board level where an action plan could be performed.</p>
<p>The Committee asked for more information regarding savings achieved by using AI for translation and how it was used for the Welsh Language.</p> <p>What was the current spending on translation, the savings achieved and how had savings been reutilised to improve service provision and role efficiency going forward?</p>	<p>AI was used for language translation and had the potential to support communication between Children’s Services and Unaccompanied Asylum-Seeking children amongst other things.</p> <p>It was anticipated that savings would be achieved due to AI decreasing reliance upon paid translators.</p> <p>The Portfolio Holder for Future Generations added that everything translated by AI still had to be proofread to ensure that it was accurate but there was great opportunity in the use of AI.</p> <p>The Head of Children’s Services added that AI was part of the Social Care Digital Transformation Agenda. The Service was working with other local authorities on the use of AI and offered to bring a report to Committee to pick up on the financial part of the question.</p> <p>The Head for Adults Services added that the Service had been working with Torfaen Borough Council to review how AI could assist with minute taking for safeguarding meetings.</p>
<p>Were other Services looking at incorporating AI and could a Members</p>	<p>The Head of Children’s Services answered that many services were</p>

<p>Development session be available on this?</p>	<p>looking at incorporating AI into their work and the idea of a Members Development Session could be taken back as a comment.</p>
<p>The Committee welcomed the reduced use of Bed & Breakfast accommodation and asked what further actions were needed to ensure this change was sustainable.</p>	<p>This was an ongoing challenge for the Housing Service in terms of having enough provision to manage homelessness in Powys. If the Committee required more specific information, then the Housing Service would need to prepare a report for the Committee.</p>
<p>The Committee felt assured of this item only after it was accompanied by the presenting officer's supporting narrative. It was recommended that the Cabinet receive more comprehensive reports to ensure confidence.</p>	<p>Cabinet Member for Future Generations answered that Cabinet Members sat on many Board meetings and had access to many reports, thus, knew a lot of background information, which resulted in reports being narrowed down when presented at Cabinet meetings. It was noted that due to this, Cabinet documents could give the impression of being insufficient.</p>
<p>The Committee commented that the use of acronyms and lack of table headings made the report difficult to read. It was asked that the report was made more reader friendly and incorporated further details for members of the public.</p>	<p>These points were taken by the Head of Children's Services and would be reported to the Director of Social Services.</p>
<p>What were the associated cost savings around the reduced use of Bed & Breakfasts? Could a narrative be provided explaining how this reduction resulted in increased safeguarding for young people?</p>	<p>Cabinet member and portfolio holder for Future Generations thanked the committee for bringing this to their attention and offered assurance that this would be looked into.</p>
<p>The Committee requested further details around excluded learners, including why this had an impact on safeguarding.</p>	
<p>The narrative provided for item 2.6 <i>The CE strategy and implementation plan</i> did not answer why it had an impact on safeguarding. What was the impact of implementing that plan?</p>	
<p>Would Cabinet members receive the embedded papers for the Cabinet Meeting?</p>	<p>Cabinet Member and Portfolio Holder for a Safer Powys answered that each member of the Cabinet was a member of the Safeguarding Board, so would receive the embedded papers with Safeguarding Board papers.</p>
<p>The Committee asked about the formality of procedures at Board Meetings.</p>	<p>The Head of Children's Services answered that it was a formal Board with</p>

	<p>opportunity to stop, reflect and ask questions.</p> <p>Cabinet Member and Portfolio Holder for a Caring Powys added that detailed reports were received before the board meeting.</p> <p>Cabinet Member and Portfolio Holder for a Safer Powys added that this question was also posed by the Auditing Commissioner, and the report would be ready soon.</p>
<p>The Committee reiterated the importance of the ability to seek assurance from papers presented and that assurance of this paper was only received following the supporting presentation from the officer. This could not be achieved by members of the public by looking at the agenda.</p> <p>The Committee asked Board members to consider how the robustness of meetings could be demonstrated to assure effectiveness to the public.</p>	

6.	PREVENTION OF FALLS WORK
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Background:

- Item presented by the Head of Adults Services.
- The Falls Prevention work carried out in Powys was a collaborative approach with Powys County Council’s Social Services, Housing Services and Community Equipment Store and Powys Teaching Health Board and the Third Sector.
- Falls were the second leading cause of accidental injury or death worldwide. Each year in Wales 1 in 3 people over the age of 65 would fall and 1 in 2 people over the age of 80 would fall. The demography of Powys meant that this was a significant issue for the Service.
- Routine enquiries and Assistive Technology would go through to the ASSIST team who would ask about falls and organise assistive technology such as careline alarms and falls alarms to prevent long lies on the floor. 361 people were signposted to Falls Service.
- If people were reporting to be at risk, self-referral was encouraged or support to refer would be given by the call handlers to Powys Teaching Health Board’s Fall Service.
- Out of the 720 individuals receiving technology, 361 were provided with technology-enabled care to help manage the risks associated with falls.

Mobility Assessment and Rehabilitation:

- The process of support would begin with a Multifactorial Falls Risk Assessment by Powys Teaching Health Boards Falls Service.
- Tailored interventions were then provided based on the results and necessary referrals to the relevant professionals made. This was a preventative approach which addressed possible causes of falls.

Strength & Balance Training

- Powys Teaching Health Board were currently setting up new specialist training sessions. An example of this would be the 'Confident Strides' Group in North Powys.

Home Hazard Adaptations

- Making modifications in the home was essential. Work with the sensory impairment team, housing services and care and repair work collaboratively to understand the needs of the resident to provide small, medium and large adaptations that could improve the accessibility of homes and significantly reduce the risk of falls.
- Examples included the provision of grab rails, ramps, level access showers, lighting on stairs, stair lifts.
- Enabled residents to stay in their homes significantly reduced the risk of lost independence and care costs for the Council.
- According to a report from the UK Government, installing home adaptations could save Councils £4 for every £1 invested.
- Home adaptations allowed quicker hospital discharges and support to domiciliary care providers to provide support in a safe environment.

Community Equipment Provision

- The service worked with the Community Therapy Team, Occupational Therapy Team, Sensory Impairment Team and District Nurses to provide adaptations and reduce falls. All these teams accessed Millbrook; the Community Equipment Store so that mobility aid chair raises, toilet frames, community beds and other equipment was available to meet needs and reduce falls in the community.
- In 2023-24 the Community Equipment Service visited 5,760 individuals in Powys.
- The Service had their own domiciliary care providers and Sensory Impairment Team who worked with older people with visual impairments to improve mobility and reduce falls risk.
- Mobility rehabilitation and encouragement of community participation were also methods for reducing falls.
- Reablement Teams and the Social Worker Teams work with individuals, carers and care agencies to ensure that the right level of care and support was provided so that risks due to inadequate nutrition and hydration were reduced whenever possible.
- Most people who receive a reablement intervention see a decrease in the package of support, so it was a priority service for the Council.
- The teams also worked with GPs and District Nurses to provide help in a timely manner.

Exercise

- Exercise could significantly reduce the risk of injuries and falls. Therefore, access to leisure facilities and activities could reduce the number of older people at risk of falls and reduce the cost of higher levels of support from Health and Social Care.

- The National Exercise Referral Scheme and Access to Fitness Scheme ran in Leisure Centres throughout Powys and it was being looked at how this could be expanded to other community venues in Powys.

Issues Raised by the Committee:	Responses Received:
<p>What adaptations to properties were offered following a fall, who would complete the work and what would the budget be?</p> <p>How long would it take to install these adaptations from knowledge of the fall to completion of installation?</p>	<p>A large variety of adaptations were offered by Powys were described in the presentation. Larger adaptations would be sourced through the disabled facilities grant. The service was waiting for translation for an 'aids and adaptations' page for the website where residents could see the range of adaptations available for them to purchase themselves.</p> <p>Length of time was dependent on the work that needed to be done. Immediate requests could be received, with a turnaround time of 24 hours.</p> <p>Regarding the budget, there were several different budget sources from several grants, further details could be provided outside of the meeting.</p>
<p>The Committee requested a deep dive on this topic to analyse the costs of adaptations, budget streams and to receive an analysis on the relevant cost efficiencies.</p>	
<p>The Committee asked if the timeframes were a challenge and if there were enough resources to meet time frames.</p> <p>How efficient was the system?</p>	<p>On the whole feedback was positive. Marketplace availability of equipment could cause issues at times.</p> <p>The Community Equipment Store Board oversaw the efficiency and effectiveness of the store, measuring timeliness by tracking from referral to the point of delivery. Led by officers from Powys County Council, Powys Teaching Health Board, Millbrook, Care and Repair.</p>
<p>Was support offered to residents who used the wrist and neck fall detectors to ensure confidence and competence in use?</p>	<p>Yes, each resident would have a review, and an officer would go through equipment with them. Feedback would be sought from family and canary systems could be in place to monitor movement to provide reassurance for families.</p>
<p>How did falls work harmonise with hospital discharge teams and how quickly could adaptations be</p>	<p>24-hour requests usually came from hospital discharges. Teams were completely linked across the</p>

implemented for further preventions?	Occupational Therapists and the Reablement Teams.
The Committee requested assurance that the 24-hour requests were met and did not hold up hospital discharges.	Assurance was given. The Head of Adults Services sat on the Discharge Meetings twice per week and the Patient Flow Meetings on a weekly basis. Only once had a concern been raised regarding the provision of equipment over the last 18 months.
Were there other home adaptations which were not covered under 'slips, trips and falls' and so would be more complex and timelier due to being under a different income stream?	Yes, the Disabled Facility Grant would cover larger pieces of work where there were significant adaptations within the structure of the home and could take longer.
Would equipment be collected once it was no longer needed? Was there an infection control process in place if equipment was to be brought back?	Collection of used equipment was carried out, but further information would be sourced regarding which equipment. - ACTION
Was there assurance that Care Line Alarm systems were working?	The Care Line Alarm Systems were being reviewed constantly. Concerns were raised in the performance report regarding issues with sensory impairment equipment, so the service was working with the manufacturer to reduce impact.
The Committee requested further understanding of the arrangements between Powys County Council and Powys Teaching Health Board. Including the financial arrangements and the number of people who had gone on to fall following intervention of the Falls Prevention Service.	The Service could access central grants but there was a combined budget from Powys County Council and Powys Teaching Health Board that went into the equipment store for different levels of equipment. Details regarding the budget were not to hand. A Falls Group monitored and researched the number of people who went on to fall following support from the service. Officer to provide more information in writing - ACTION
The Committee requested an update on the Care and Repair Budget following concerns that there was a gap in the budget.	The demand for this service was increasing year on year and work was currently being carried out to understand what funding stream could cover this gap in funding. A meeting had been held last week and the Head of Adults Services was confident that this gap in funding could be covered.
Had Adults Services been involved in discussions around the review of the	Yes, regular conversations were held around the Leisure Review. It fed into

leisure services?	the work being done in Day Opportunities and Place Based Planning; making use of community assets across the county for ensuring the activities were connected to provide adequate information for members of the public to access.
The Committee requested an annual report containing the monthly data of equipment availability, stock on order, collection of used equipment and data demonstrating budget and availability.	The data was available and could be shared easily. ACTION
How much money did the service save by completing adaptations in a timely way?	Often cost reductions were seen elsewhere in the system, e.g. The Welsh Ambulance Service. There was a lot of data and modelling regarding this which could be shared with the Committee. The main highlight was that for every £1 spent, £4 was saved.
The Committee sought assistance from the Service during the deep dive to identify trends in the monthly performance reports that highlighted savings achieved through preventive measures.	This was looking to be developed in the new revised data which would be shown in future monthly performance reports. It was noted that savings were increasingly difficult to see due to increased demand on services.
The Committee asked whether the savings could be better demonstrated if data was presented as a population percentage.	Yes, there was modelling that could be used, it just needed to be applied. It was noted that there had been an increase in nursing home and residential beds commissioned this year and the service had supported 50% of residents who had fallen to return home due to reablement work, growth of the domiciliary marketplace and resources. This was a 40% increase from the previous year.
The Committee asked for guidance around how it could support the service during Deep Dives.	
What role could Community and Town Councils have in sign posting?	The Service shared a lot of information with town and community councils and having Link Officers would mean that information could be shared more easily going forward.

7.	MONTHLY PERFORMANCE REPORTS ADULTS AND CHILDREN'S SERVICES
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Background:

- The Committee planned to review the Monthly Performance Reports in advance of future meetings to prepare questions for officers to be provided at the relevant scrutiny meetings.
- The Committee requested training on reading the reports to help scrutinise.

Issues Raised by the Committee:	Responses Received:
<p>What level reduction of supervision would cause concern? What actions would be taken following a concern in supervision rates?</p>	<p>It would be worrying if the level had fallen well below 70%. The aim was to get as close to 100% as possible, however the summer months often shown a dip due to annual leave.</p> <p>Assurance was given that weekly performance meetings were held with supervision being brought up as a key performance indicator, so changes would be noted quickly.</p> <p>Supervision was just one format of conversation between practitioner and manager. There were multiple other methods for communication taking place.</p> <p>It was noted that there was a 100% appraisal rate in the summer.</p>
<p>The data showed that 50 SP Statutory Visits were carried out 'out of time' in September 2024. Was this a worry? What was the risk? At what point would supervisors be expected to highlight this?</p>	<p>The target was above 90%. It would be worrying if a significant downward trend was seen.</p> <p>It would be a concern if the number of days was increasing between children being seen.</p> <p>But this was monitored regularly on a weekly and monthly basis and assurance was given that problems would be picked up quickly.</p> <p>The WICCIS Service had been down during September, which prevented the timely recording of information. It was not that the Children were not seen, but that the information from the visits could not be uploaded onto the system.</p>
<p>The Committee requested the identification of the top 5 to 10 most critical service metrics to streamline</p>	<p>The Head of Children's Services suggested the following:</p> <ul style="list-style-type: none"> • Increase in Child Protection

<p>evaluation of the monthly performance reports.</p>	<p>Registrations</p> <ul style="list-style-type: none"> • High-Cost Placements • The Front Door Data <p>The Head of Adults Services suggested the following:</p> <ul style="list-style-type: none"> • Number of assessments completed needed to be added to the Performance Report to allow for qualitative data in understanding outcomes. • Could focus on a theme every month rather than provide all information at once. <p>The Cabinet Member and Portfolio Holder for a Caring Powys noted that the monthly report had the potential to provide a holistic view of the work being done by demonstrating the whole system.</p>
<p>The committee requested an update regarding WICCIS and sought assurance of the new system.</p>	<p>The Head of Children’s Services answered that the WICCIS system was on a phased decommissioning process.</p> <p>The tendering process had been completed. The service was now in the testing phase of possible suppliers.</p> <p>The Director of Social Services could provide a more detailed report to the Committee - ACTION</p>
<p>Would the new system only be available in Powys?</p>	<p>Yes, Powys had independently sourced its own system, but it would still be attached to the National Board.</p>
<p>Concern was shared regarding the potential risk of using un-unified systems when keeping track of at-risk children who had moved to different areas. How could a smooth transition and reduction in risk be ensured?</p>	<p>Assurance was provided that tracking of dangerous or at-risk individuals would continue to take place through multiple data bases throughout the UK. And it was offered that the Director of Social Services and Wellbeing could provide a more detailed report to the Committee.</p>

8.	WORK PROGRAMME
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Background:

- It was requested that the Scrutiny officer provide new member, Cllr A Evans with information and resources regarding scrutiny committee membership.
- Forward Work Plan Meeting to be rescheduled.
- Informal Financial Position meetings to be rescheduled.

- Scrutiny Officer to provide timeline to Chair and Vice-Chair regarding the Q2 Capital Forecast Report.

County Councillor A Jenner (Chair)

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE
19 November 2024

REPORT AUTHOR: County Councillor David Thomas
Cabinet Member for Finance and Corporate
Transformation

REPORT TITLE: Financial Forecast for the year ended 31st March 2025 (as
at 30th September 2024)

REPORT FOR: Decision

1. Purpose

1.1. To provide Cabinet with the forecast revenue budget outturn for the 2024-25 financial year, based on the full year forecasts as at 30th September 2024.

2. Background

2.1. Throughout the year, the expected outturn position at 31 March 2025 is forecast, based on expenditure and income received to date, adjusted for any known commitments and any spend, or income anticipated to the end of the financial year. This is the second reported forecast outturn for the 2024-25 financial year based on the financial position at the end of quarter 2 (30th September 2024).

2.2. Table 1 below summarises the projected full year outturn position across the Council's services including HRA¹ and the schools delegated budget. An overall overspend position of £3.9 million is projected for this financial year if nothing changes. This includes a £174,000 overspend on the schools delegated budget and a £54,000 overspend on the HRA. The forecast for non-ringfenced budgets is an overspend of £3.8 million. This is a shift of £4.0 million from the position forecast at the end of Quarter 1.

Table 1: Summary Forecast Outturn Position

Revenue Budget	£000s
Base budget	341,626
Net cost pressures / (underspends)	10,123
Cost reductions not yet delivered but assured	(5,625)
Costs funded from Risk budget	(816)
Reduction in available Risk budget	816
Subtotal	346,125
Over / (Under) spend before agreed specific reserve movements	4,498
Funded by:	
Agreed specific reserve movements	(560)
Net Over / (Under) spend	3,938

¹ HRA: Housing Revenue Account, a ring-fenced revenue account funded by rental income from the Council's housing stock

- 2.3. The change in the forecast position is a combination of increases in forecast overspends on Adults Social Care (£2.9 million), Children's Services (£0.8 million), and the cost of borrowing (£1.3 million). Netted off in part by a reduction in forecast overspend for School Improvement and Learning (£0.5 million) and Economic Development and Growth (£0.5 million). Both of these reductions in forecast overspend are due in part to the allocation from the risk budget agreed in the Quarter 1 report, reducing the forecast underspend on the risk budget by £0.8 million to £2.2 million.
- 2.4. The significant increase in the forecast overspend in Adults Social Care is increased numbers of care packages in part to address the delays in transfers for care home placements and domiciliary care packages. A level of increased demand was anticipated through the budget setting process and provision was made in the Risk Budget, but the current level of demand exceeds the forecast. A virement request has been made to draw against the Risk Budget to partially fund these increases. Both these elements will impact on expenditure in future years as well. The Head of Service commentary at Appendix B provides greater detail.
- 2.5. The forecast overspend on Children's Services has increased as a result of a further increase in the number of children looked after coming into care or requiring placements and also the increased cost of those placements, partly as a result of increasing complexity but also in the context of a national shortage of placements. Again a level of increase was anticipated through the budget setting process and provision was made in the Risk Budget. A virement request has been made to draw against the Risk Budget to partially fund these increases
- 2.6. A report is provided by the Director of Social Services to explain the additional financial demand falling on these services and requests additional funding from the Risk Budget to support these costs is provided at Appendix D.
- 2.7. Immediate action is being taken to address the forecast overspend position, which has shifted considerably since Quarter 1. The forecast projected is now reporting an overspend of £3.9million against this year's budget, after drawing on the £3.0m risk budget. This position is concerning, and we will take action now to prevent the forecast position from increasing as it would have a significant negative impact on the financial resilience of the Council moving into challenging future years. Services are taking action to reduce in year spend with the aim of pulling back this forecast position by next quarter. The report provided by the Director of Social Services sets out the actions already implemented and provides assurance that Social Care decisions are considered carefully, challenged and justified and that any mitigations or alternatives have been considered to limit cost and demonstrate value for money.
- 2.8. The Council has to present a balanced budget proposal for 2025-26 and the pressures faced in this year have a detrimental effect on next year, the full year effect of Social Care demand will increase the budget gap. The budget gap has to be addressed from service reductions, increased income and Council Tax, an affordable balance between these factors is essential. The budget presented by the Chancellor on the 30th October commits to investment in public services, we await details as to how the additional funding provided to Welsh Government will be allocated to Local Government.
- 2.9. Appendix A provides detail of the forecast financial position of each service, with additional detail set out for cost reductions not yet delivered but assured, any planned movements to or from reserves and the use of the risk budget agreed to date. Further detail about the reasons for the forecast financial position for each service is provided in Appendix B,

where Heads of Service set out their individual narrative, including activities being undertaken to deliver the agreed cost reductions, the pressures facing the service and what they are doing to manage their budget and to mitigate any shortfalls.

3. Agreed Cost Reductions

- 3.1. Net cost reductions² of £10.7 million were approved as part of the Council's budget for 2024-25 and these need to be delivered in order to achieve a balanced budget in this financial year. In addition, the cost reductions also include the mothballing of the Children's Services in-house residential scheme of £0.5 million plus undelivered savings from previous years totalling £1.7 million which have been rolled forward making a total of £12.9 million of cost reductions that need to be delivered in 2024-25 in order to achieve the balanced budget position.
- 3.2. The summary in table 2 below shows that 39.3% (£5.1 million) of the of the agreed cost reductions have been delivered by the end of the second quarter. A further 44.5% or £5.7 million is assured of delivery by services within the 2024-25 financial year. £16.2% (£2.1 million) are described as unachieved and are at risk of delivery in this year. Services are being challenged as to the reasons for the changes in positions for some savings proposals and will be required to consider mitigating action to ensure that they can deliver within the budget allocated.

Table 2: Cost Reductions

£'000	Agreed To Be Achieved	Actually Achieved	Not achieved but assured	Un-achieved	% Achieved
School Improvement and Learning	814	323	105	386	39.7%
Highways Transport & Recycling	2,497	153	1,413	932	6.1%
Economy & Climate	220	220	0	0	100.0%
Planning & Regulatory Services	750	117	407	226	15.6%
Community Wellbeing	1,410	1,273	105	32	90.3%
Adult Services	3,814	2,466	1,347	0	64.66%
Childrens Services	3,985	1,859	2,126	0	46.6%
Finance	210	110	100	0	52.4%
Corporate Activities	1,000	500	0	500	50.0%
Workforce & OD	13	3	11	0	18.9%
Digital Services	223	213	0	10	95.5%
Business Intelligence & Governance	34	14	20	0	41.3%
Legal Services	95	0	95	0	0.0%
Sub-Total	15,065	7,251	5,729	2,086	48.1%
Adult Services – reinstated budgets related to one-off savings in 2023-24	(2,200)	(2,200)	0	0	100%
Total	12,865	5,051	5,729	2,086	39.3%
		39.3%	44.5%	16.2%	

² The £10.7 million included the reinstatement of a budget of £2.2 million in Adults Services that was taken as a one-off cost reduction in the 2023-24 budget (ie £12.9 million savings reduced by £2.2 million reinstated budget.)

- 3.3. Last year's cost reductions target was £17.4 million in total and 62% (£10.8 million) had been delivered by the end of quarter 2, with a further £5.7 million assured. By the end of the year, 88% (£15.4 million) were achieved, with £1.7 million being rolled forward for delivery in 2024-25. £0.4 million of the proposals approved for delivery in 2023-24 were unachieved and were written out at the time that the 2024-25 budget was approved.
- 3.4. Those services that show unachieved cost reductions must consider what remedial action they now take to mitigate the impact on the overall performance within their service as they maintain a balanced position. There remains time to reduce spend and bring the targets back on track.

4. Reserves

- 4.1. The reserves position shown in Table 3 sets out the reserve position for the current financial year as forecast at 30th September 2024. The opening reserves stand at £73.2 million, with the General Fund reserve at £10.0 million, the equivalent of 4.1% of the net revenue budget for 2024-25 (excluding schools delegated budgets and the HRA). The Council's Reserves policy requires the General Fund Reserve to be maintained at a minimum of 4% of net revenue budget. In addition to this there are a limited number of specific reserves, and each have a clear intended purpose.

Table 3: Reserves Table

Summary	Opening Balance (1 April 2024) Surplus / (Deficit)	Budgeted Transfer to / (Use) of Reserves	Forecast (Over) / Under Spend	Forecast Balance (31 March 2024) Surplus / (Deficit)
	£000s	£000s	£000s	£000s
General Fund Reserve	10,037	0	0	10,037
Budget Management Reserve	3,584	0	0	3,584
Transport & Equipment Fund	11,218	(4,109)	0	7,109
Other Specific Reserves	32,410	(3,237)	(141)	29,032
Total Useable Reserves	57,249	(7,346)	(141)	49,762
Schools Delegated Reserves	891	(2,309)	(73)	(1,491)
School Loans and other items	(400)	0	0	(400)
Housing Revenue Account Reserve	3,812	(984)	(54)	2,774
Total Revenue Reserves	61,551	(10,639)	(268)	50,645
Revenue Grants Unapplied	11,608	(11,260)	0	348
Total	73,160	(21,899)	(268)	50,993

- 4.2. The budgeted use of the Transport and Equipment reserve has reduced by £1.1 million since the quarter 1 report as a result of the transfer into the reserve for depreciation. The budgeted use of other specific reserves includes £1.3 million for levelling up match funding and £0.9 million related to school settings and clubs, with the remainder being made up of smaller amounts. The table also shows £11.3 million of grants that were rolled forward from 2023-24 for use in this financial year. Currently, services are forecasting to utilise all their 2024-25 grant funding so there is no forecast transfer into this reserve at this stage.

- 4.3. Schools set their budgets with an expected call on reserves of £3.3 million. This figure has reduced to £2.4 million as schools have provided updated forecasts and recovery plans.
- 4.4. Collectively the forecast now projects a £22.17 million draw on specific revenue reserves, reducing the reserves held by the Council from £73.2 million to £50.9 million. However the projected outturn position at this point could see a further draw of approximately £4 million against these reserves to fund the overspend if mitigating actions are not successful.

5. Virements and Grants

Grants

- 5.1. There have been additional grants received this quarter as set out below or in Appendix C. These are included here to comply with financial regulations:
 - 5.1.1. There has been an award of funding from the Welsh Government in relation to the Assets Collaboration Programme Wales Phase 3 (ACPW3) of up to £249,970 Capital and £74,940 Revenue. The project will support and bring together learning from two pilots that aim to build affordable small farms for a new generation of farmers on county owned land. These farms will produce food agroecologically for local markets and put nature and climate at the forefront of their delivery.

Virements for Cabinet approval

- 5.2. The virements set out below require approval by Cabinet in order to comply with financial regulations.
 - 5.2.1. £340k virement from the specific Schools Causing Concern reserve to fund additional leadership and / or teaching and learning support at a small number of schools identified internally and / or by Estyn as causing concern.
 - 5.2.2. Following the introduction of the new Workplace Waste Regulations on 5th April 2024, Trade Waste Services have seen an increase of 97 trade customers which has resulted in the need to introduce an additional Trade collection vehicle and the appointment of two additional Trade Waste Operatives. This virement requests that the expenditure budget is updated to reflect the increase in cost of £124,780 and the income budget is increased by £124,780 to reflect an increase in Trade Customer income.
 - 5.2.3. £338,730 – Transport services have been awarded £1.7 million Bus Network Grant in 2024/25, and the service propose to use £338,730 of this grant funding to support public transport costs, releasing £338,730 of base budget within public transport, and then to subsequently vire £338,730 base budget from public transport to support storm/flooding expenditure.
 - 5.2.4. £234,000 – Highways operations are requesting to draw down £234,000 from the flood risk reserve to finance flooding responsive costs.
 - 5.2.5. Highways Operations are requesting to draw down £163,450 from the flood risk and flood water reserve to be spent on works to repair storm damage.
 - 5.2.6. £290,000 from HRA reserves to cover the cost of urgent significant tree safety works in the Welshpool area, required to remove a risk to public safety, property and utility supplies.
 - 5.2.7. Business Intelligence and Governance are requesting to draw down £104,040 from the Sustainable Powys reserve to fund 2 x staff positions (Project support Officer and Change & Improvement Officer) in 2024/25.

- 5.2.8. The section 33 agreement between the Powys Teaching Health Board (PTHB) and the council for ICT ended at the end of April 2024. A joint reserve was established as part of the agreement, this virement requests that a payment from the Section 33 reserve of £64,140 is made to the PTHB. This is the balance due to the PTHB that was held in the specific reserve, calculated as per the Section 33 agreement.
- 5.2.9. This virement requests that revenue sales receipts, up to the value of £250,000, for the sale of plant and vehicles disposed of are paid into the transport reserve during the 2024-25 financial year to contribute towards funding the replacement of the vehicles.

Virements for Cabinet to recommend to Council

- 5.3. The virements set out below need to be recommended to Council for approval in order to comply with financial regulations:
- 5.3.1. Appendix D provides a report explaining the reasons for forecast position in Social Care and explaining the mitigating actions being taken to contain or reduce this overspend by year end. Provision was made in the Risk Budget as part of budget setting for 2024-25 to cover a level of uncertainty in demand, acknowledging that this could rise above estimates factored into Social Care budgets. Approval is requested in the Appendix D for virement from the Risk Budget to Social Care totalling £4.392 million. If this were approved the Risk Budget would then be in an overspend position as £816,000 has previously been committed, which leaves £2.184 million available to support Social Care. A virement to this level is requested to this level provide a level of stability, but the service will remain overspent.
- 5.3.2. A further virement request is made for Adult Social Care to utilise £948,000 held in a specific reserve to support the increase in demand, as explained at Appendix D, and will be recommended to Full Council for approval by Cabinet.

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. The position on pay awards for teachers' and council staff is now known with settlements having been reached on both.
- 6.2. The teachers' pay award was increased to 5.5% from September 2024. WG will be providing grant to cover the additional cost in 2024-25 which will be distributed to schools. While it is anticipated that the Education IBA for 2025-26 will also increase, the overall impact on the local government settlement is not yet known. The pressure of the teachers' pay award on the schools funding formula is included within the Finance Resource Model (FRM) for 2025-26. There is also greater clarity now around the funding of the Teachers' Pension changes reducing the risk that these posed at quarter 1.
- 6.3. All staff on Grades 1-14 who are under the National Joint Council (NJC) will see their full time equivalent annual salary increase by £1,290. This represents a national pay award ranging from 5.8% for Grade 1 staff to 2.5% for those on top of Grade 14. The NJC pay agreement will also see the full time equivalent pay for Senior Managers increase by 2.5%. In-line with the JNC Chief Officers pay award, which was agreed in July 2024, the Chief Executives pay grade will increase by 2.5%. The Council budgeted for a 4% increase in pay and we anticipate that this will largely cover the cost of the award.

- 6.4. The forecast position set out in table 1 above, currently forecasts a £4 million overspend by the end of this financial year. As mentioned in paragraph 2.7 above, services area already taking action to avoid this position, however, should this not be reduced, the overspend of £4 million would need to be funded from the Council's reserves, increasing the draw on reserves shown in table 3 from £10.9 million to £14.9 million and reducing the Council's revenue reserves to £46.6 million, reducing the Council's overall financial resilience.
- 6.5. The greatest financial risk remains in our ability to deliver a balanced budget over the medium and longer term. The budget approved for 2024/25 recognised the ongoing impact of the current economic situation and the impact on public finances in the next few years. The Financial Planning update presented to Cabinet in July showed a budget gap of £9.6 million in 2025-26, growing to a cumulative gap of £50.9 million. The impact of the current level of spend within Social Services will further increase this gap. The Medium-Term Financial Strategy and the assumptions on which the Financial Resource Model (FRM) is based continue to be reviewed and updated through the Autumn.
- 6.6. The council has benefited from being significantly under borrowed in recent years, last year to a level of £100m due to the level of cash balances held. This approach has reduced the need to borrow and the resultant associated costs such as interest. The Council cash balances are reducing due to use of grants, call on reserves and overspends and will continue into next year as the amounts currently held in the Council's reserves reduces. Our approach is regularly updated and explained as part of the Treasury Management update.

7. Actions to Reduce the Deficit

- 7.1. Corrective action is already being implemented to reduce the level of deficit projected. This will ensure that the budget for the current year is managed effectively and will limit the impact on reserves, especially specific reserves which could be more effectively utilised to support capital projects, reducing the need for future borrowing which would have a positive impact on revenue spending over the longer term.
- 7.1 The delivery of cost reductions approved in the budget shows £7.8 million not delivered as yet. Services are being challenged to ensure these are managed by implementing either the original or alternative proposals.
- 7.2 A review of the current and future capital programme is planned which will to review all proposals and ensure they are essential to the Council's Sustainable Powys plans. Some schemes may be delayed, some schemes may not commence at all.
- 7.3 Services are aware of the need to limit expenditure to all but essential activity. This needs to be applied consistently across all budget holders, following a systematic and strategic approach. Steps already being taken include:
- Taking every opportunity to reduce / limit expenditure
 - Implementing a spend freeze on all bar essential spend
 - Putting additional checks by senior managers / escalation processes in place on all spend in some services
 - Head of Service approval required for recruitment in some services

- Head of Service and Section 151 officer review of any new commitments in some service areas
- Tight management control over use of external contractors
- Reduction in use of agency staff
- Exploring all opportunities to increase income
- Utilising grant funding as effectively as possible

7.4 A review of all budget lines be undertaken and where underspends are already being reported at Appendix A and are unlikely to change, or where income is higher than expected and projected to continue, the section 151 officer has delegated authority in consultation with the Portfolio Holder for Finance to freeze or realign these budgets for the remainder of this financial year

8. Resource Implications

The Director of Corporate Services (Section 151 Officer) has provided the following comment:

- 8.1. The shift in the forecast outturn for 2024-25 demonstrates the financial challenges the Council faces particularly in relation to Social Services. Powys is not unique in this challenge and all Councils across Wales are seeing this impact. Sound and robust financial management is essential to manage the Councils finances effectively. To reinforce this and the responsibilities of officers across the Council focused sessions have been held in recent weeks with the Senior Leadership Team and senior managers. These sessions have emphasised compliance with the Council's financial regulations, the routine focus on cost control, demonstrating value for money, accountability to the Council Tax payers of Powys and seeking every opportunity to transform service delivery to move forward with Sustainable Powys.
- 8.2. The Council faces significant challenge as we develop our plans for future years. Our Medium Term Financial Strategy continues to be extremely challenging with a significant budget gap of at least £50.9 million over the next 5 years as the financial pressure we continue to face is likely to outweigh the funding available.
- 8.3. The budget delivered by the Chancellor on the 30th October will have an impact on our financial modelling. The employers National Insurance change adds costs of £3.6 million to our budget plan from 1st April 2025, we await further clarification as to whether we will receive additional funding to support these costs. The increase in both the National and Real Living Wage will increase costs for many of the external providers that are contracted to the Council. The commitment to invest in public services does suggest that the funding to Local Government may increase beyond our working assumptions and we await further information from Welsh Government as to what this might mean.
- 8.4. Our financial plans will therefore be subject to ongoing review, funding assumptions will be revisited as more information becomes available, our costs into 2025/26 are currently estimated to rise by £29.8 million, 9% more than the current year, funding settlements are very unlikely to be this significant and further cost reductions across our services and an increase in Council Tax will have to be considered to balance our budget.

8.5. The Sustainable Powys programme is fundamental to this, as we re-shape council services. We must continue to take every opportunity to reduce costs and ensure the financial sustainability of the Council. We must progress at pace to develop our plans to achieve a Sustainable Powys for the future. This is critical to ensure that the Council can remain financially stable and provide sustainable services for the residents of Powys in the long-term.

9. Legal implications

9.1. The Head of Legal & Democratic Services (Monitoring Officer) has no comment to make on this report.

10. Climate Change & Nature Implications

10.1. Not applicable to this report.

11. Data Protection

11.1. There are no data protection issues within this report.

12. Comment from local member(s)

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

13. Impact Assessment

13.1. No impact assessment required.

14. Recommendation

It is recommended that:

14.1. Cabinet note the current budget position and the projected full year forecast to the end of March 2024.

14.2. The grants set out in section 5.1 and Appendix C are noted.

14.3. The virements set out in section 5.2 are approved and those in 5.3 agreed for recommendation to Council. This is to comply with the virement rules for budget movements as set out in the financial regulations.

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Corporate Director:	Jane Thomas, Director of Corporate Services

Appendix A: Summary Revenue Forecast to year end as at 30th September 2024

			ADJUSTMENTS OUTSIDE THE LEDGER				
£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
EDUCATION							
Schools Improvement and Learning	15,906	16,589	0	(6)	(375)	16,208	(302)
Schools Transformation	1,930	2,205	0	(100)	0	2,105	(174)
ECONOMIC DEVELOPMENT AND GROWTH							
Highways Transport & Recycling	36,044	38,065	(1,413)	0	(267)	36,385	(341)
Economy and Climate	1,085	1,157	0	(106)	0	1,051	34
Planning and Regulatory Services	9,937	10,295	(407)	0	0	9,888	49
General Fund Housing	773	1,121	0	(348)	0	773	0
Economic Development, Growth & Place	348	344	0	0	0	344	4
SOCIAL SERVICES AND WELLBEING							
Community Wellbeing	2,506	2,454	(105)	0	0	2,349	157
Adult Services	92,688	97,119	(1,348)	0	0	95,771	(3,082)
Children's Services	30,728	35,599	(2,126)	0	0	33,473	(2,745)
CORPORATE SERVICES							
Finance	7,162	7,199	(100)	0	0	7,099	63
Corporate Activities	38,127	35,279	0	0	816	36,095	2,032
Workforce & OD	2,884	2,847	(11)	0	0	2,837	47
Digital Services	6,758	6,474	0	0	0	6,474	284
Business Intelligence and Governance	4,185	4,018	(20)	0	0	3,998	187
Legal	1,612	1,731	(95)	0	0	1,636	(23)
Total	252,673	262,495	(5,625)	(560)	174	256,484	(3,811)
Housing Revenue Account	0	54	0	0	0	54	(54)
Schools Delegated	88,954	89,200	0	0	(174)	89,027	(73)
Total	341,626	351,749	(5,625)	(560)	0	345,564	(3,938)

Appendix B: Service commentary on revenue forecast

EDUCATION			ADJUSTMENTS OUTSIDE THE LEDGER				
£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures	Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
Schools Improvement and Learning	15,906	16,589	0	(6)	(375)	16,208	(302)

Head of Service commentary:

An overspend of £302k is forecasted at the end of September 2024. This is a reduction of £529k compared to the position forecasted at the end of quarter 1. This reduction in overspend can be attributed to savings identified within the service, maximisation of grants and a £375k virement for out of county placements.

The remaining forecasted overspend of £302k is attributed to the following:

£151k overspend in non-delegated functions, this position assumes that the functions will draw an additional £151k from their specific reserves following finance meetings held during the Summer. Individual functions within this area are reviewed in respect of their overall cumulative deficit or surplus. As part of the autumn term finance meetings with providers, challenge and an expectation of balanced budgets is being clearly communicated to ensure that the setting, after school club etc remains self-financing.

- The forecasted overspend within Schools Central has increased from £25k to £249k. This is due to the continued pressure on the suspension / restricted duties budget with a forecasted overspend of £59k. To mitigate this pressure for the future a working group is being established to consider options. In addition, an £85k overspend within the redundancy / early retirement budget is forecasted. The £100k additionality received for the 24/25 budget is insufficient given the increase in demand and increased life expectancy. This overspend will be partially mitigated by an underspend of £19k within the residual pension liability area of the service.
- Within the 2024/25 FRM the service identified savings of £177k relating to changing the swimming hours in schools and a reduction to the Freedom leisure management fee. This saving may not be fully delivered in year but is mitigated by slippage in inflation uplift on the contract. At this stage the net overspend currently is £153k. During the autumn term, further dialogue is being undertaken with schools to develop a new swimming offer. Some savings are anticipated from January 2025, but the majority will be evident in the next financial year.

Held at risk issues

The reduction in EIG (Educational Improvement Grant) materialised; however the service has mitigated this risk, but it does leave the service without any EIG retained to support schools where issues in leadership etc arise.

EDUCATION			ADJUSTMENTS OUTSIDE THE LEDGER				
£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures	Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
Schools Delegated	88,954	89,200	0	0	(174)	89,027	(73)

Head of Service commentary:

An overspend of £73k is forecasted for the schools delegated budget. This represents the difference between the budgeted and projected use of reserves as of 30/9/24.

Following schools budget submittals in May 2024, any school forecasting a deficit budget in year or future years were requested to submit a recovery plan to the Local Authority. This has resulted in a forecasted reduction in the transfer from reserves from £3,225k in May 2024 to £2,382 in Sept 2024.

The service continues to support and challenge schools to maintain accurate and realistic budgets and where necessary the submittal of recovery plans. All schools have now moved across to the new Access budget management system to improve the accuracy of planning and reporting.

Ongoing tracking of individual school budgetary positions remains a priority for the service.

EDUCATION

ADJUSTMENTS OUTSIDE THE LEDGER

£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures	Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
Schools Transformation	1,930	2,205	0	(100)	0	2,105	(174)

Head of Service commentary:

The forecasted overspend for this area is a £174k overspend. This is as a result of the forecasted overspend in the structural repairs and maintenance area of £224k. This is in the main a result of the ageing schools' infrastructure. This has been identified as a service pressure for the 2025/26 FRM.

School meals forecast remains at an underspend of £50k. This has been factored into 2025/26 FRM.

ECONOMIC DEVELOPMENT AND GROWTH

ADJUSTMENTS OUTSIDE THE LEDGER

£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures	Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
Highways Transport & Recycling	36,044	38,065	(1,413)	0	(267)	36,385	(341)

Head of Service commentary:

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We are reporting a forecast outturn overspend of £336k at the end of September 2024 (£505k overspend in June). The main reason for the £169k improvement since reporting in June arises from the approval of the use of the risk budget of £267k to fund an overspend on highways routine maintenance works.

The forecast overspend of £336k assumes assured savings of £1.413m will be met. Should the assured savings not be delivered, the forecast position will worsen to an overspend of £2.016m.

The main reasons for the forecast overspend of £336k include:

- There is an under spend of £24k reported because of vacant management/supervision posts and reduced private contractor spend in Highways Operations.
- £24k underspend on street lighting maintenance (materials and staff resource).
- £114k underspend on traffic maintenance activities.
- £111k forecast over-recovery of income on highways chargeable works
- An over-achievement of £129k on dry recycle income
- An under spend of £183k on disposal of residual waste.
- £71k underspend on food and other waste services
- An underspend of £29k on green waste collection due to income recovery
- £199k underspend on public transport
- An over-achievement of £235k against street works resulting from increased income against budget.
- £59k underspend on network management

- £23k underspend on civil enforcement operating costs

Offset by:

- Unachieved savings totalling £931k. Total savings target for 2024/25 is £2.497m, of which £153k been achieved to date, £1.566m assumed to be achieved and £931k reported as unachieved.
- £73k expenditure on a Programme Change Manager which has no base budget.
- £269k overspend on domestic waste collections
- £74k overspend on school transport costs
- £84k forecast overspend on fleet workshops
- £177k overspend on flooding revenue costs

ECONOMIC DEVELOPMENT AND GROWTH			ADJUSTMENTS OUTSIDE THE LEDGER				
£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures	Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
Economy and Climate	1,085	1,157	0	(106)	0	1,051	34

Head of Service commentary:

Overall financial position of the service is a forecast underspend of £34k compared to a working budget of £1,085k after use of £106k in Specific Reserves, which will be used to support the strategic management of the budget as significant economic projects end.

There are concerns for future years regarding funding as 45% of Economy and Climate is grant funded. Having delivered savings of £100k, the strategy budget is limited. We may not be able to carry out additional activities as we are using reserves currently.

All opportunities to reduce spend, to increase income or to utilise grant funding have been built in. We have utilised SPF funding to support activities. The Specific Reserves funds the staffing structure needed for significant economic projects like the Shared Prosperity Fund, Levelling Up Fund and

Transforming Towns programme as well as economic strategy and climate activities. Flexibility in using the reserves during the delivery period will accommodate fluctuations in grant income.

There are no cost pressures at this point.

Income is in line with expectations. Grant income has mainly been received as expected, although there was a 33.3% reduction in Communities for Work+ funding for this financial year. SPF grant has been secured for the TIME programme to cover the reduction in Grant. All activity, outputs and spend to be achieved by December 2024.

There are no pressures “held at risk” for the service.

There are cost reductions for the Royal Welsh Show which we are mitigated in year but continues to be a risk. We are delivering without an allocated budget through the RDP reserve. This has been identified as a potential ongoing risk.

ECONOMIC DEVELOPMENT AND GROWTH

£'000	2024/25 Base Budget	CP Forecast Outturn	ADJUSTMENTS OUTSIDE THE LEDGER			Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
			Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures		
Planning and Regulatory Services	9,937	10,295	(407)	0	0	9,888	49

Head of Service commentary:

Planning and Regulatory Services are reporting an outturn underspend of £49K, against a budget of £9.937m.

Currently overspends in Strategic Property, Environmental Protection, and Trading Standards are being offset by underspends in Catering, Development Management, and Environmental Health (Commercial).

The Strategic Property overspends principally relate to utility costs, insufficient income generation (Corporate Maintenance) and delays in implementing savings proposals (for example, part year rather than full year rental income for The Park Office, Newtown). Additional oversight of Strategic Property

spend has been implemented and measures to reduce the overspend are being considered. Whilst saving proposals can be delivered, a number cannot be implemented for the complete financial year. Restrictions in spend are therefore being implemented to reduce the overspend in the area.

The overspend reported in Public Protection is a result of income targets not being achieved. Clarification on funding streams is being sought from external parties, which may impact on future income setting. Savings targets for cemeteries is currently off track. Income generation is outside of the services control but will be closely monitored to ensure accurate reporting of trends as we move into quarter 3 and 4 of the financial year. Private water supply work is forecast an overspend. This is caused by increased costs associated with laboratories and sickness within the service area impacting on income generation. Unfortunately, it is considered that income generation is unlikely to be recovered.

Increased software costs associated with the implementation of the new Planning, Building Control and Public Protection ICT system are resulting in a overspend. This is a one-off cost, offset by underspends within the service area. Moving forward, all ICT costs should be within the budget allocated for ICT within the service area.

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ECONOMIC DEVELOPMENT AND GROWTH

			ADJUSTMENTS OUTSIDE THE LEDGER				
£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures	Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
General Fund Housing	773	1,121	0	(348)	0	773	0

Head of Service commentary:

General Fund Housing (HGF) is reporting a forecast outturn breakeven position, (£192k overspend at the end of June) compared to a working budget of £774k at the end of September 2024, this includes the use of the specific reserve for Homelessness of £348k, without this reserve the service would be reporting an outturn overspend of £348k. The overall forecast outturn shows a mix of over and under-spending across various categories. Notable areas include significant overspends in premises expenditure for HGF Homelessness and HGF Gypsy Sites, while there are substantial positive variances in generated income for several categories. Overall, the HGF budget is currently predicted to be in balance at year end.

ECONOMIC DEVELOPMENT AND GROWTH

ADJUSTMENTS OUTSIDE THE LEDGER

£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures	Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
Housing Revenue Account	0	54	0	0	0	54	(54)

Head of Service commentary:

Tight management controls, especially with regard to the use of external contractors and greater use of the Council's in-house teams, has allowed the HRA to have a forecast year end overspend of £54k. Maintaining the tight management controls will continue and, unless there are unforeseen items of expenditure (for example weather related repairs arising, the HRA should be in balance at year end.

Rental income is exceeding the income budget of £29.998m by £205k. This would suggest that the void loss rate of 3.5% assumed when setting the business plan is improved actual void rent loss is now running at 2.75%, the result of intensive activity to reduce void times without compromising the quality of homes being let and limited use of external contractors, whose costs are generally above those of the in-house teams. However, materials and private contractor spend in the HRA still remains an area for continued vigilance, although the spend has reduced and appears to be remaining at the lower level. This will continue to be monitored carefully. Other income is also forecast to over-recover against the budget by £207k.

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ECONOMIC DEVELOPMENT AND GROWTH

ECONOMIC DEVELOPMENT AND GROWTH			ADJUSTMENTS OUTSIDE THE LEDGER					
£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures	Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September	
Economic Development, Growth & Place	348	344	0	0	0	344	4	
Commentary: Spend is on track to balance budget.								

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SOCIAL SERVICES AND WELLBEING

SOCIAL SERVICES AND WELLBEING			ADJUSTMENTS OUTSIDE THE LEDGER					
£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures	Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September	
Community Wellbeing	2,506	2,454	(105)	0	0	2,349	157	
Service Senior Manager Commentary: Community Wellbeing is reporting an overall forecast outturn underspend of £157k. The main reasons for the underspend is slippage in staffing costs due to vacancies and base budgeted staff being funded by grant funding, income expected to be over the budgeted level.								

The service has savings to achieve of £1,410k in year. £1,213k of savings have already been achieved, with £104k of savings forecast as assured by the end of the financial year. If the savings forecast as assured are not achieved the forecast position will become an underspend of £53k. It is currently forecast that £32k of savings will not be achieved in this financial year - due to uncertainty with timescales linked to Sustainable Powys projects.

Libraries are reporting a forecast outturn under spend of £168k against a working budget of £1,327k. The underspend reported is mainly because of vacancies/slippages in staffing costs and increased grant income that is funding base budgeted staffing costs. The improvement in the forecast outturn compared to the reported £39k underspend at quarter 1 is due to more members of staff funded by base budget being funded by the grant from the shared prosperity fund.

Archives are reporting a forecast outturn underspend of £1K against a working budget of £136K. The underspend is due to increased income from external organisations for the storage of records and records management and the sale of photocopies/research service.

The Policy Unit covers the central team and is forecasting an outturn overspend of £42k, against a working budget of £184k. The overspend is due to the cost of the leisure review staff. This is compared to a forecast underspend of £4k at Q1. The change is due to the admin staff being moved out of the policy unit to catering and cleaning, there were vacant staff within these areas that were creating an underspend, the underspend has now been moved and is shown in catering and cleaning.

Leisure and Sports Centres are reporting a forecast outturn overspend of £41k against a working budget of £353k. The overspend is due to a saving of £32k for the expected reduction in the Freedom Leisure budget following the Leisure review. Negotiations regarding the changes to the Freedom Contract are ongoing but it is not expected that this will conclude in time to achieve the £32k saving in this financial year. A further overspend of £10k is forecast against the hire budget, a payment for the utilities relating to the 'licence' of the leisure facilities from Maesydderwen school is under review as this charge has not been reviewed for some time, it is expected that this will increase by around £10k.

Sports Development is reporting a forecast outturn breakeven position against a working budget of £90k.

Arts and Cultural Services are reporting a forecast outturn breakeven position against a working budget of £74k.

Museums are reporting a forecast outturn underspend of £10k compared to a working budget of £218k which is due to slippages and vacancies in staffing as well as expected underspends on utilities.

Y Gaer is reporting a forecast outturn underspend of £60k compared to a working budget of £124k. The underspend is because of increased income. A contribution of £40k has been received from the Town Council that is not built into the budget. There are also slippages in staffing costs due to vacancies, base budget staffing being funded by grant funding and a member of staff not in the pension scheme. This is compared to an underspend of £48k at Q1. The improvement is also due to additional staff members being temporary funded by grant funding.

SOCIAL SERVICES AND WELLBEING

£'000	2024/25 Base Budget	CP Forecast Outturn	ADJUSTMENTS OUTSIDE THE LEDGER			Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
			Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures		
Adult Services	92,688	97,119	(1,348)	0	0	95,771	(3,082)

Head of Service commentary:

The forecast outturn at the end of Period 6, Quarter 2, 30th September 2024, is a £4.431 million overspend, however if the outstanding savings/efficiencies are delivered of £1.348 million, then the position will be £3.082 million, 3.33%. This is an increase in expenditure since quarter 1 of £2.904 million. The overspend is due to increased service demand and pressures in Residential and Homecare across all service areas in line with increased referrals and presentations at the Front Door, some partly as a consequence of COVID and deteriorating health conditions but in the main to address a reduction in delayed transfer of care (DTC). Additionally, costs associated with provider stability over and above what was funded in the Financial Resources Model (FRM).

Cost Pressures

Current Pressures - Included in the forecast £4.431 million at quarter 2,

£2.578 million overspend in Older adults compared to £1.208 million in Q1.

- £2.311,000 due to increased demand/complexity, reduced capacity in the marketplace.
 - an additional 50 nursing beds and 18 residential EMI beds
 - an additional 68 clients receiving Home Care at an increase in hours of 1536 per week

- 9 new Direct Payment (DP) packages.to prevent carer breakdown

£2.616 million overspend in Learning Disabilities compared to £0.570 million in Q1

- £313,000, an additional 3 service users in receipt of Home Care and an additional 13 clients in respect of non-care services e.g. Transport.
- £949,000, additional 9 new residential placements, increased packages and reduction in educational funding from Welsh Government.
- £34,086, Additional tenants moving into the Locality with no budget available
- £234,532, part year effect for 3 new tenancies

£0.358 million overspend in Mental Health compared to £0.059 million in Q1

- £217,000 due 2 new support living tenants and 1-1 hours
- £141,000 one new out of county residential placement

£0.514 million overspend in Physically Disabled provision compared to £0.440 million in Q1

- £620,657 an additional 10 new service users in receipt of Home Care and full year effect of part year clients from 2023/24 offset by Residential/Nursing Care currently an underspend of £106,175

£0.011 million overspend in commissioning compared to £0.030 million in Q1.

- This is Due to a £47,000 budget pressure in the Live Well Health and Social Care team for the Housing Support Grant “What Matters” project. This is currently being offset due to staff recruitment/slippage.

This is offset in part by an underspend in provider and support services where decision to re-open Older Day Centres and Day Bases, ‘what matters conversation’ have occurred and service users still wishing to receive the alternative community services, resulting in corresponding overspends in these areas, as the Council decision not to move budget during Covid and since the Service is awaiting the outcome of review.

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.

- 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 Care Transfer or Referral Form (CROFT) following assessment but lack of service provision, although this has reduced to 69 individuals and 541 hours of care due to 7 new providers on the framework. This would be an additional budget pressure of £430,000 to year end if care provision was provided (and an additional £430,000 full year effect next year).
- Future demography, which was agreed to be funded from the risk reserve as part of the FRM budget setting process. This temporary allocation will only support these costs during 2024/25, and the full year impact will need to be considered in the FRM and Service's Integrated Business Plan (IBP) for future years.
- Future demography, which was agreed to be funded from the risk reserve as part of the FRM budget setting process. This temporary allocation will only support these costs during 2024/25, and the full year impact will need to be considered in the FRM and Service's Integrated Business Plan (IBP) for future years.

Areas of concern are the: -

- Increased demand and delivery of domiciliary care which is not costed within the FRM.
- Increased need for residential EMI and Nursing placements and placements for individuals with complex needs and our ability to maintain our set fee rates.

Our ageing population with increased complexity of need is outstripping nursing provision within the county and forcing us to spot purchase out of county placements at increased rates often above the host authority rates. This is a particular issue in the mid and north of the county. We also have a lack of in county residential provision for those with complex needs and are solely reliant on high cost out of county placements. Most Powys residential and nursing homes charge significantly above our rates with some providers citing financial instability. Nursing home providers indicate the FNC rate is insufficient and does not cover their costs. This is compounded by insufficient workforce driving a reliance on agency workers and ongoing general increased running costs which compound their cost pressures. Several learning disability providers have demanded significant uplifts above the agreed rate. With the threat of notice being served, requests in line with the Collaborative Commissioning and Procurement Services (CCAPS) rate and with no alternative placements to support these extremely complex individuals available it is nearly impossible to negotiate.

- Ongoing difficulty to agree appropriate health funding in a timely manner and respond to increased hospital discharges.
- Need to manage demand, accurately predict and report on commitments for the rest of 24/25 including the completion of timely virements, reprofiling budgets and escalating concerns in a timely manner.
- Need to accurately set FRM for 25/26 to include 24/25 realised demographic pressures.

Opportunities to reduce spend have included,

Increased supported living opportunities, has facilitated a reduction in voids and provided an alternative to high-cost residential accommodation with several individuals being repatriated into the county and non-sustainable schemes decommissioned

Robust monitoring of the locality provision and direct payments has seen a hand back in relation to non-delivered hours

Work to develop capacity within the domiciliary care market has been successful providing an alternative to more costly residential care and we have seen a reduction in the use of interim beds.

Cost Reductions

Assured

Of the original target of £3.814 million, £2.466 million has been achieved to date, 64.66%. Of the remaining £1.347 million cost reductions are assured to be delivered.

Undeliverable

There is a risk of not being able to deliver,

- £120,000 against older persons day opportunities as remodelling work still in progress
- £300,000 against transforming older persons accommodation
- £300,140 against increasing Shared Lives.

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We aim to mitigate this by increasing strengths based work and right sizing packages of care. This will need to be reviewed each month to be able to forecast accurately. There are no outstanding cost reductions brought forward from 2023/24

Other mitigating actions to deliver a balanced budget.

Actions currently being taken to try and reduce gap and deliver within budget are set out in an ASC budget rectification plan and includes, Continue to focus on early help and prevention and our transformation programme. Using TECH, direct payments, home support and extra care to maintain people's independence as long as possible and reducing the need for more costly support whilst remodelling the reablement service to create capacity where 83% of ongoing packages reduce the need for higher cost alternative care. Provide options appraisal for future model of accommodation-based support to ensure we can meet future demand sustainably and develop locality model to increase community resilience and decrease reliance on statutory services.

Improving accurate forecasting, escalation and compliance with financial regulations by completing enhanced housekeeping, data cleansing, timely virements, systems training and a review of the allocation and decommissioning process.

Complete audit of direct payments to adjust underspends and dormant accounts.

Ensure provision of care is strengths based and prudent with additional scrutiny and robust challenge at existing forums with HoS agreement and sign off by the Section 151 officer for all new packages of care/provision.

Additional training for staff in strengths-based training and the development of a practice framework.

Continue to use additional screening tools put in place in the last quarter to scrutinise provider costs, robustly negotiate uplift request and evidence eligibility for health funding.

Complete fair cost of care exercise to set appropriate fee rates.

Continue to work nationally via ADDSS and AWASH to address the need to increase the FNC rate and improve the CHC process locally with PTHB.

A spend freeze on all non-essential items, HoS approval needed for all recruitment and review all non-statutory spend.

Take every opportunity to maximise/utilise any grant underspends, if applicable within the Terms & Conditions of the grant.

Establish dedicated resources for right sizing team to ensure delivery of forecasted savings.

Review and consider revising eligibility to ensure equity of access to support.

The cost of fee uplifts and demographic demand has exceeded that forecasted at the time of setting the 24/25 budget.

To bridge this gap and be able to manage further demography costs for the remainder of the year we must consider making a request to draw down from the both the risk budget and specific reserves through the virement process.

The risk budget request would be for £1,647,000 this would include,

Demographic pressures - £ 897,000

Powys Care Homes uplift - £453,000

Hours taken off the CROFT - £297,000

As part of the year end closure of 2023/24 accounts £948,000 was agreed to be transferred to specific reserves for Adult Social Care. To date there has been no draw down and for reasons outlined above there is a need to request access to these and will be undertaken through a virement request.

SOCIAL SERVICES AND WELLBEING

ADJUSTMENTS OUTSIDE THE LEDGER

£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures	Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
Children's Services	30,728	35,599	(2,126)	0	0	33,473	(2,745)

Head of Service commentary:

The 2024/25 Children's Services forecast outturn position as of 30th September 2024 exceeds the baseline budget set by £4.871 million which equates to 15.85% expenditure over budget, however if the assured cost reductions of £2.126 million are delivered, then the forecast overspend will be £2.745 million which equates to 8.93% expenditure over budget.

Cost pressures

The £4.165 million unfunded pressures within the service are due to

- £3.591 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. This is in the context of a national shortage of placements for looked after children across the UK. All new or step up in provisions going forward will be a pressure. An increase of £268,000 since quarter 1.
- £209,000 additional overspend to placement pressures for CLA support, an increase of £43,000 since quarter 1.
- £44,000 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. An increase of £19,000 since quarter 1.
- £320,000 overspend forecasted for the five In House Residential homes, a decrease of £109,000 since quarter 1.
 - Due to service decision to transfer employees to meet need in homes not their base and closure of Henrhyd & Pum Copa, and reduce dependency on agency
 - Due to relief staff over and above base budget to cover rotas, unplanned employee absences, the use of overtime and agency staff due to recruitment and escalating needs of the children, over and above that included in the original business cases.

- £180,000 of Regional Partnership Board (RPB) funding has been secured at Ty'r Orsaf following the withdrawal of phase 2 & 3 Welsh Government funding. It is expected that this will fund this additional staffing required for 2024/25. This 3rd placement will become a pressure in 2025/26 without additional funding.
- Bannau, the Powys Teaching Health Board (PTHB) Continuing Care (CC) base budget income funding of £136,000 has ceased, since budget setting, and therefore is now a pressure. The child is no longer eligible for the CC funding following an assessment.
- Henrhyd has been mothballed and base budget has contributed towards the £517,000 of savings in the Financial Resources Model (FRM).
- The balance of Pum Copa's base budget has been moved to Ty'r Orsaf at a shortfall to the required base funding.

All baseline budget underspends of £1.420 million are currently being utilised to mitigate the overall budget forecast overspend. The majority of this is around posts and associated costs.

- £786,000 Staffing underspend based on current vacancies qualified and non-qualified positions.
- £51,000 due to underutilisation of the Market supplement. Currently not all qualifying posts are occupied or been occupied for the relevant time frame.
- £163,000 Short Breaks underspend due to many placements, including expensive legacy placements, ending in the last financial year and more due to end in the current financial year, largely due to children in the current cohort turning 18.
- £181,000 various small underspends on service subjective headings.
- £164,000 Legal underspend, although this is difficult to predict as Legal services do not use commitment accounting.
- £75,000 Commissioning underspend due to staff vacancies.

There is a risk if these underspends are utilised in the future, then the overspend forecast will increase.

The forecast outturn is based on actual expenditure on the ledger, commitments via eProcurement and profiled budgets. It is important to note that efficiency savings will be reported when they have been delivered, and we maintain this approach to ensure a prudent position.

Savings were identified of £2.903 million in the 2024/25 budget setting process and £1.082 million was rolled forward from 2023/24, £1.859 million of the savings have been achieved, 46.64%. The outstanding £2.126 million is assured to be saved by the end of the 2024/25 financial year. However, this will need to be reviewed each month to be able to forecast accurately.

The rising costs of residential placements continue to be challenging and have increased significantly over the past 12 months from £6 million to £10 million in the total costs of placements.

Any child who becomes a 'child who is looked after' and requires a placement, and in particular a residential placement will have a direct impact on the overspend of the budget position at any given time. There is no demography within the existing budget to manage this complex matter, so it immediately becomes a pressure.

All children who are in residential placements are tracked monthly in terms of cost and effectiveness of their care plan.

All children who become a 'child who is looked after' are agreement by the Head of Children's Services.

The Residential homes are a continued pressure within the budget and cannot be forecasted due to the need for agency care workers to bridge the gap of sickness and HR matters and the need for 2:1 staffing when the needs of children escalate. This is additional financial pressure to the original business case.

The continued pressures that have rolled on from year to year, add to the challenges of delivering the service within the allocated budget. These pressures are largely around placements, either new placements or being reliant on carers wishing to convert to a Special Guardianship Order arrangement. We can influence but we cannot enforce.

There have been some small opportunities around reducing the overspend by £132k in period 7. £112k from the Children's & Communities Grant and £20k from the Social Care Workforce Grant. Further grant monies will be established over Quarter 3 and 4 when it is typical to receive grant funding right at the end of the financial year.

Children's Services budget has seen a flat budget for the past 2 years. The pressures from the previous financial years roll over to the following financial year, which adds additional pressures to the in-year financial position.

For Children's services to be in a balanced position at the end of the financial year, consideration will be required to draw upon the risk budget to offset the expenditure. The current position is a £2.75 million deficit if all savings are achieved. Over the next quarter there will be further consideration whether the savings target will be achieved as this largely depends on sourcing placements for children and reducing the current deficit position. There are risks within this matter due to the unpredictability of a child needing a placement at any given time and no demography to draw upon within the current budget. Work will continue to reduce the deficit, but it is unlikely that the deficit will reduce to a balanced position. It will be important to track and monitor placements over period 8 and 9 which will forecast a more predictable position.

The cost reductions are being reduced with mitigations as follows, a freeze on all posts unless considered to be essential by the Head of Service. All spends on purchase cards are reviewed by the Head of Service. All new placements are agreed by the Head of Service and signed off by the Section 151 officer. A review has taken place of all children living in residential placements currently to determine if any changes can be made to their care plan, costs or return home earlier than planned. There are 9 children who have been identified as having a reduced care package or change in care plan. There is no further money available to deliver section 21 services for those families in need.

Grants will be sourced in partnership with PAVO and the Head of Children’s Services and Section 151 officer will consider any new commitments.

There has been considerable progress made on the reduction of agency social workers with the peak of 57 some years ago to a current position of 16. Recruitment continues and we have seen an increase in agency social workers wishing to become permanent. The stability within the workforce continues to be a key priority within the service as in turn this drives forward practice, influences change and delivers quality outcomes.

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CORPORATE SERVICES

£'000	2024/25 Base Budget	CP Forecast Outturn	ADJUSTMENTS OUTSIDE THE LEDGER			Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
			Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures		
Finance	7,162	7,199	(100)	0	0	7,099	63

Head of Service commentary:

The forecast underspend is due to staff slippage, there have been vacancies that are being recruited to but will not require full budget this year. At this stage we have not assumed any under or overspend on Insurance, but any variance will be adjusted against the specific reserve.

CORPORATE ACTIVITIES

ADJUSTMENTS OUTSIDE THE LEDGER

£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures	Forecast Outturn Position 2024/25		Forecast Outturn Under / (Over) spend as at September
Corporate Activities	38,127	35,279	0	0	816	36,095		2,032

Head of Service commentary:

The virements from the Risk Budget approved in the quarter 1 report have been actioned, reducing the previous underspend against corporate activities. This will reduce further as a result of the virement requests included within this report.

The current forecast for the cost of borrowing has increased by £1.3 million since quarter 1 due in part to a shift away from the previous under-borrowed position that the Council has seen as grant balances and reserves, particularly schools reserves, have reduced.

The back payment of business rate revaluations helps to mitigate the housing benefit overspend arising from the payments made for homelessness activity. There is no surplus on Council Tax collection and the reduction scheme that funds those requiring council tax support is projected to be fully utilised.

2024/25

CORPORATE SERVICES

ADJUSTMENTS OUTSIDE THE LEDGER

£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures	Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
Workforce & OD	2,884	2,847	(11)	0	0	2,837	47

Head of Service commentary:

The forecast underspend of £47k mainly arose due to vacancies and the delay in recruiting to them, and from an overachievement of income from DBS work undertaken. This in part was then offset by the service picking up some staff recruitment, advertising, psychometric assessment and job evaluation costs for the wider council, along with some class IA national insurance costs arising from the councils' staff lease car scheme. The forecasted figure has tightened compared to the figure of £94k reported at the end of the first quarter.

The service had achieved £2.5k of its savings target by the end of the second quarter, with the balancing figure of £11k being assured to be achieved.

CORPORATE SERVICES

£'000	2024/25 Base Budget	CP Forecast Outturn	ADJUSTMENTS OUTSIDE THE LEDGER			Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
			Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures		
Digital Services	6,758	6,474	0	0	0	6,474	284

Head of Service commentary:

There are no areas that are causing financial concern, this quarter.

The forecast outturn is £6,474k, compared to the working budget of £6,758k. There is an underspend of £284k compared to the working budget.

The outturn forecast underspend of £284k compares to a forecast underspend outturn reported in June of £192k. The £92k increase in underspend is primarily attributed to the release of £156k of transformation funding. This was partially offset by an increase in ICT contract costs, which included a £30k contribution to the funding of the pilot of innovative Microsoft applications supporting digital transformation activities, and contract inflation.

Digital Operations forecast underspend is £75k against the working budget of £3,593k. The underspend has been achieved through management of the overall ICT Contracts budget, resulting in, in year efficiencies, and because of SPF Grant funding. It is proposed in the 2025-26 FRM that the ICT contracts underspend is used to fund pressures arising from the added incremental costs of implementation of the upgrade to E5.

Digital Services forecast outturn was £1,864k which is an underspend of £150k compared to the working budget of £2,014k.

Budget management was undertaken to release Transformation funding. This strategic decision ensured that there was a significant reduction in underspend in the base budget within ICT Strategy, and that an underspend of £156k could be released against the allocated ICT transformation funding.

Customer Services and Information Compliance forecast outturn is an underspend of £60k, against the working budget of £1,151k. Most of the underspend is due to a reduction in staff costs due to vacancies and slippages where staff are budgeted at top of scale. These are offset by an overspend in equipment costs and unachieved savings relating to the scale down of postage from first class post to second class plus an increased use of email.

CORPORATE SERVICES

ADJUSTMENTS OUTSIDE THE LEDGER

£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures	Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
Business Intelligence and Governance	4,185	4,018	(20)	0	0	3,998	187

Head of Service commentary:

Business Intelligence and Governance have a working base budget of £4,185m for 2024-25 and a forecast outturn underspend of £187k (compared with £134k underspend in June). The main reason for the £53k improvement since reporting in June arises from a reduction in member travel costs, as well as a reduction in staff forecast costs in Strategic Planning, Policy and Performance (however these vacancies will be filled in quarter four due to successful recruitment campaigns in quarter three).

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The service has a savings target of £34k to find in 2024-25 and £14k is reported as achieved. The remaining £20k (reduction in member travel budget) is assured and on track to be realised.

The reason for the underspend results from some staff vacancies during the period, as well as extra one-off income that has been brought in from external sources (such as Regional Integrated Fund and Shared Prosperity Fund) to support the staffing structure in communications (note: the communications team are not fully funded by the base budget and do rely on income streams to support the staffing structure).

CORPORATE SERVICES

ADJUSTMENTS OUTSIDE THE LEDGER

£'000	2024/25 Base Budget	CP Forecast Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded pressures	Forecast Outturn Position 2024/25	Forecast Outturn Under / (Over) spend as at September
Legal	1,612	1,731	(95)	0	0	1,636	(23)

Head of Service commentary:

We are forecasting an overspend of £23k against budget due to the following:

1. a projection from RCT that the Coroners' service will overspend by **£9k**. A further meeting has been arranged with RCT for November to discuss continual overspends – Budget £426k;
2. An anticipated loss of income from Land Charges of **£30k** due to a reduction in the number of Land Charge searches received - income target is £191k;
3. **£5k** overspend on elections due to slight overspend on elections staff.

Total Projected overspend = **£44k**

NB: The above overspend has been partially offset by a projected £21k underspend in other budget lines

Appendix C: Details of grants received

Service	Revenue / Capital	Grant Body	Grant name	Total Grant awarded (£)	Changes requiring approval (£)	Purpose
Adult Services	Revenue	Welsh Government	Social Care Workforce Grant 2024-25	1,840,896	1,840,896	<p>The Purpose of the Funding is to enable Local authorities to:</p> <ul style="list-style-type: none"> • Uplift salaries in the social care sector. • Take steps that address social care recruitment and retention difficulties. • Mitigating current workforce pressures in core social services in order to be better placed to manage unexpected or increased demands, as a result of demographic changes or the need for increasingly complex and challenging care. • Investing in the workforce in core services to provide greater capability to invest in innovative and preventative approaches, which will enable medium to long term sustainability. • Supporting providers in becoming more sustainable to help maintain the quality and continuity of care. • Facilitate greater integration, innovation in roles and meet increasingly complex care and support needs. • Take forward measures that support fair work in the sector, such as increasing opportunities to access continued learning and professional development; providing opportunities for growth and progression for the workforce; and supporting employee voice. • Take steps that support the Welsh Language and that lead to greater equality and inclusion within the workforce.
Adult Services	Revenue	Welsh Government	Mental Capacity Act / Deprivation of Liberty Safeguards (DoLS)	123,440	123,440	<p>The Purpose of the Funding is to reduce the DoLS backlog as well as undertaking MCA training. The allocated funding will also be used to increase capacity within the DoLS team by commissioning approved agencies.</p>

Service	Revenue / Capital	Grant Body	Grant name	Total Grant awarded (£)	Changes requiring approval (£)	Purpose
Adult Services	Revenue	Welsh Government	Substance Misuse Action Fund Revenue, Complex Needs and Buidal	1,264,238	5,625	The Purpose of the Funding is to enable you to deliver the Welsh Government's Substance Misuse Delivery Plan. This money is ring-fenced for Naloxone only.
Adult Services	Revenue	Welsh Government	Age Friendly Communities 2024-25	50,000	50,000	The Purpose of the Funding is to fund a post or, where a post is already in place, to fund activity to take forward work to make Wales an age friendly nation, in line with the information at Annex 1 and your agreed work plan with the intention for local authorities to work towards achieving membership of the World Health Organisation's Global Network of Age Friendly Cities and Communities
Business Intelligence and Governance	Revenue	Welsh Government	Website procurement and development & Citizen's Assembly planning	47,077	47,077	Website procurement and development & Citizen's Assembly planning
Children Services	Revenue	Welsh Government	Children and Communities Grant (CCG) 2024-25	4,550,203	4,370,563	The Purpose of the Funding is to seek to address the support needs of the most vulnerable children and adults in our communities through a range of early intervention, prevention and support mechanisms. It will seek to mitigate or remove disadvantage to vulnerable people to enable them to have the same life chances as others, and therefore contribute to a more equal Wales

Service	Revenue / Capital	Grant Body	Grant name	Total Grant awarded (£)	Changes requiring approval (£)	Purpose
Children Services	Revenue	Ministry of Justice	Turnaround Programme Grant 22-25 (Final Year)	50,360	50,360	<p>To deliver the Programme, the Authority will provide grant funding to YOTs across England and Wales over three financial years, funding them to intervene earlier and improve outcomes for children on the cusp of entering the Youth Justice System. This additional funding will enable YOTs to consistently support a cohort of children not currently on their statutory caseload.</p> <p>The overall aims of the Programme are to:</p> <ul style="list-style-type: none"> • Achieve positive outcomes for children with the aim of preventing them going on to offend; • Build on work already done to ensure all children on the cusp of the youth justice system are consistently offered a needs assessment and the opportunity for support; • Improve the socio-emotional, mental health and wellbeing of children; and • Improve the integration and partnership working between YOT and other statutory services to support children.
Community Wellbeing	Revenue	Sport Wales	Active Young People Grant	302,965	302,965	<p>Sport Wales Funding will be used to progress, create and implement support and initiatives that development the following areas: Equality Diversity and inclusion, Participation - Growing opportunities, Workforce and coaching, Pathway and performance, Governance and leadership, Additional priorities, 60+ and Free Swim Initiative.</p>
Community Wellbeing	Revenue	Sport Wales	60 Plus Active Leisure Scheme	40,771	40,771	<p>Sport Wales Funding will be used to progress, create and implement support and initiatives that development the following areas: Equality Diversity and inclusion, Participation - Growing opportunities, Workforce and coaching, Pathway and performance, Governance and leadership, Additional priorities, 60+ and Free Swim Initiative.</p>

Service	Revenue / Capital	Grant Body	Grant name	Total Grant awarded (£)	Changes requiring approval (£)	Purpose
Community Wellbeing	Revenue	Sport Wales	Sports Partnership	51,538	51,538	Sport Wales Funding will be used to progress, create and implement support and initiatives that development the following areas: Equality Diversity and inclusion, Participation - Growing opportunities, Workforce and coaching, Pathway and performance, Governance and leadership, Additional priorities, 60+ and Free Swim Initiative.
Community Wellbeing	Revenue	Disability Sport Wales	Disability Sport Wales Grant	6,770	6,770	Disability Sport Wales grant funding will be used for the purpose of supporting local and regional opportunities for physical activity (including sport) to be inclusive of disabled people, and we will provide insight, learning and data illustrating the impact of local and regional provision inclusive of disabled people in Powys.
Community Wellbeing	Revenue	Museums Federation	Conservation Materials	567	567	Conservation Materials
Community Wellbeing	Revenue	Sport Wales	In year investment	16,852	16,852	Sport Wales Funding will be used to progress, create and implement support and initiatives that development the following areas: Equality Diversity and inclusion, Participation - Growing opportunities, Workforce and coaching, Pathway and performance, Governance and leadership, Additional priorities, 60+ and Free Swim Initiative.
Community Wellbeing	Revenue	Books Council of Wales	Promoting the Reading Well Project 2024-25	840	840	To hold Tai Chi Movements for Wellbeing sessions for people living with dementia and their carers across the county and drop-in sessions for the recently-diagnosed (in collaboration with Memory Assessment Staff in attendance) to share concerns and seek assistance; both of which will also promote the Reading Well for dementia collection as a resource for support.
Digital Services	Revenue	Welsh Government	Cyber Ninjas training	1,450	1,450	The purpose of the funding is to provide Cyber Ninjas training for elected members to support cyber resilience across local authorities in Wales.

Service	Revenue / Capital	Grant Body	Grant name	Total Grant awarded (£)	Changes requiring approval (£)	Purpose
Digital Services	Revenue	Welsh Government	Cyber Breach Grant	3,100	3,100	To allow Local Authorities in Wales the opportunity to have their own individual Workshop on Cyber Breach and what to do in the event of a Cyber Attack.
Digital Services	Revenue	Shropshire Council	River Severn Partnership Advanced Wireless Innovation Region (RSPAWIR) Digital Champion	39,999	39,999	Funding for a Digital Champion and associated activities and initiatives
Economy and Climate	Revenue	Welsh Local Government Association	Regional Skills Partnership - Young Persons Guarantee	20,000	20,000	Continuation of funding to work with young persons' guarantee stakeholder and employer networks to monitor impacts and changes to the current provision landscape.
Economy and Climate	Revenue	Welsh Local Government Association	Communities for Work Plus Programme: 2024-25	384,206	384,206	The purpose of the funding is to enable the Communities for Work Plus delivery plan for 2024-25.
Economy and Climate	Revenue	Welsh Local Government Association	Mid Wales Regional Skills Partnership	290,000	290,000	The purpose of the funding is to enable the Regional Skills Partnerships to undertake their primary functions and deliver their core activities
Economy and Climate	Revenue	Welsh Local Government Association	Armed Forces Liaison Officers 2024-25 - (Army Covenant Grant)	21,153	21,153	The purpose of the funding is for a regional Armed Forces Liaison Officer (AFLO) to support commitment to delivery of the Armed Forces Covenant.
Economy and Climate	Both	Welsh Local Government Association	Local Food Partnerships 2024/2025	66,086	66,086	The purpose of the funding is to support joint working between the local authorities and Local Health Boards and other partners.
Economy and Climate	Both	Welsh Government	Shared Prosperity Fund	15,990,649	15,990,649	Shared Prosperity Fund
Economy and Climate	Revenue/Capital	Welsh Government	Direct Food Support Fund	59,178	59,178	The purpose of the funding is to enable local authorities to support an increased number of people facing food poverty by strengthening existing community food initiatives, and including a focus on activity that helps to address the root causes of food poverty

Service	Revenue / Capital	Grant Body	Grant name	Total Grant awarded (£)	Changes requiring approval (£)	Purpose
Economy and Climate	Revenue	Welsh Government	Connect Powys – Local Broadband Programme	45,000	45,000	The purpose of the funding is to enable you to support the grant objectives. Namely, the delivery of fast reliable broadband to those parts of Wales currently not served.
Economy and Climate	Both	Welsh Government	Assets Collaboration Programme Wales Phase 3 (CPW3) - Community Farm Project	324,910	324,910	The project will bring together learning from two pilots that aim to build affordable small farms for a new generation of farmers on county owned land. These farms will produce food agroecologically for local markets and put nature and climate at the forefront of their delivery.
Economy and Climate	Revenue	Welsh Government	Provision of safe, secure and warm spaces this winter 24/25	47,129	47,129	Funding will be available to support safe and warm places within the local community that people could go to across Wales this winter (24-25).
Education	Revenue	Welsh Government	Homelessness Prevention Grant - Innovation Funding	200,105	200,105	Provide Housing support to 16 - 25 year olds.
Education	Revenue	Welsh Government	Local Authority Education Grant	12,903,048	12,903,048	Schools standards, Reform, Equity, Cymraeg 2050
Education	Revenue	Welsh Government	Local Authority Education Grant - Variation 1	34,405	34,405	Reform, Equity, Cymraeg 2050
Education	Revenue	Welsh Government	Local Authority Education Grant (Demand Led)	4,238,281	4,238,281	UPFSM, School essentials grant (Was PDG), Post 16 specialist payments.
Education	Revenue	Welsh Government	Local Authority Education Grant (Demand Led) - Variation 1	57,795	57,795	Regional NPQH Celebration Events - £795, Welsh-medium capacity building grant 24-25 Academic year - £57,000
Education	Revenue	Welsh Government	Adult Community Learning	235,767	235,767	Provision of Adult Community Learning
Education	Revenue	Welsh Government	Post 16 Education Provision (6th Form Grant)	5,547,288	5,547,288	6th form grant
Education	Revenue	Welsh Government	Post 16 Transition Funding (Yr 10 & 11)	66,000	66,000	To ensure Y10 and Y11 learners understand the Post-16 options available outside of current school

Service	Revenue / Capital	Grant Body	Grant name	Total Grant awarded (£)	Changes requiring approval (£)	Purpose
Education	Revenue	Welsh Government	Post 16 Transition / Learner Recovery & Progression Funding (Yrs 12, & 13)	123,923	123,923	LA 6th Forms to provide additional learning hours for full time learners in Year 12, Y13 and above.
General Fund Housing	Revenue	Welsh Government	Homelessness - No One Left Out Approach	459,635	459,635	Homelessness - No One Left Out Approach
General Fund Housing	Revenue	Welsh Government	Discretionary Homelessness Prevention	170,950	170,950	Discretionary Homelessness Prevention
General Fund Housing	Revenue	Welsh Government	Strategic Co-ordinator Role	60,000	60,000	The post is to lead on the transformation agenda - towards rapid rehousing and away from priority need - and ensure strategic join-up across the authority
General Fund Housing	REVENUE	Welsh Government	RURAL HOUSING ENABLER (RHE)	30,182	30,182	Award of Funding in relation to Funding to Support Rural Housing Enabler Projects in Wales 2022-2025
General Fund Housing	Revenue	Welsh Government	Substance Misuse Action Fund Revenue, Complex Needs and Buvidal	177,188	177,188	The Purpose of the Funding is to enable you to deliver the Welsh Government's Substance Misuse Delivery Plan.
Highways, Transport & Recycling	Capital	Welsh Government	Active Travel Fund	765,000	765,000	Active Travel Fund
Highways, Transport & Recycling	Capital	Welsh Government	Local Transport Fund	410,000	410,000	Local Transport Fund
Highways, Transport & Recycling	Capital	Welsh Government	20MPH	250,000	250,000	20MPH
Highways, Transport & Recycling	Capital	Welsh Government	Safe Routes in Communities	337,000	337,000	Safe Routes in Communities
Highways, Transport & Recycling	Capital	Welsh Government	Ultra Low Emission Vehicle Transformation Fund	135,000	135,000	Ultra Low Emission Vehicle Transformation Fund
Highways, Transport & Recycling	Capital	Welsh Government	Unadopted Roads	149,300	149,300	Unadopted Roads
Highways, Transport & Recycling	Capital	WCVA	Local Places for Nature / Biodiversity	120,000	120,000	

Service	Revenue / Capital	Grant Body	Grant name	Total Grant awarded (£)	Changes requiring approval (£)	Purpose
Highways, Transport & Recycling	Revenue	Welsh Government	Traws Cymru Grant 2024-25	621,000	-56,160	The Purpose of the Funding is to support the TrawsCymru® T4 bus service 2024/25. Grant award lower than originally budgeted.
Planning and Regulatory Services	Revenue	Department of Science Innovation and Technology (DSIT)	Regulator's Pioneer Fund	818,798	818,798	<p>The aim of Operation Jigsaw is to provide a co-ordination function in each of the English regions to support the sharing of intelligence and information between Private Sector Housing, Trading Standards teams, and other relevant enforcement agencies by:</p> <ul style="list-style-type: none"> - Sharing best practice. - Developing innovative cross-border initiatives. - Improving the consistency of business advice and enforcement. <p>Regional coordinators have been appointed to develop a framework to assist local authorities to support good businesses, and to identify when businesses consistently fail to comply with legislation and enforcement action is needed.</p> <p>The project is funded until the end of February 2025 by the Regulators' Pioneer Fund, sponsored by the Department for Science, Innovation and Technology (DSIT) which supports projects that help to create a regulatory environment to encourage business innovation and growth. Monthly project reports are submitted to DSIT.</p>
Planning and Regulatory Services	Revenue	The Police and Crime Commissioner	Builth Wells Events Safety Group	4,500	4,500	Builth Wells Events Safety Group

Appendix D: Social Care virement request

To follow

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CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE
Date 19th November 2024

REPORT AUTHOR:	Nina Davies Director of Social Services and Wellbeing
REPORT TITLE:	Budget Forecast Position Q2 2024/25 – Social Services
REPORT FOR:	Decision

1. Purpose

- 1.1 The purpose of the report is to provide an update on social services spending pressures at a national and local level. The national context draws on information from the WLGA *Summary of Social Services Financial Pressures: 25/26 and onwards*, published in November 2024. (Appendix A) The report explains the context and environment within which social services are currently working, the impact on provision, and how demand is driving costs.
- 1.2 The report outlines Powys County Council's Quarter 2 forecast outturn position for social services. Both Adult Social Care and Children's Services are forecasting a deficit position for the end of 24/25 financial year.
- 1.3 Currently, the 2024/25 Adult Social Care forecast outturn position is a £4.431m overspend. If outstanding savings/efficiencies are delivered, this would reduce the position to £3.082m overspend, which equates to 3.33% of the annual budget.
- 1.4 The 2024/25 Children's Services forecast outturn position exceeds the baseline budget set by £4.871 million. If the cost reductions of £2.126 million are delivered, then the forecast overspend will be £2.745 million, which equates to 8.93% of the annual budget.
- 1.5 This report will outline the cause of the current outturn position, the measures being taken to address the position, and virement request for monies from the risk budget and specific reserves to address the forecast position to the year end.

2. Current Position**2.1 Welsh Context**

- 2.2 According to the WLGA, the estimated pressure across local government services for 2025-26 is £559m, £38m higher than previously forecast. This would require a spending increase of just over 7% in net revenue expenditure.¹ The pressure is equivalent to a 26% increase in council tax, or the loss of around 14,000 posts.²

¹ CLLC / WLGA, Summary of Social Services Financial Pressures: 2025/26 and onwards, November 2024.

² Council Tax Levels in Wales 2024-25 Statistical Release (Council Tax Levels in Wales, 2021-22 (gov.wales)), total council tax income is currently £2.148bn. Cost of an average post is estimated at £40,000 (including

2.3 The WLGA report also highlights the significant projected in-year pressures in 2024/25, with a current projected overspend of £238m.³

2.4 Social care makes up 45% of the estimated overall additional in-year pressures currently facing Welsh Local Authorities, this equates to £106m. Recent years have seen significant social services overspends across Wales, with a £107m overspend projected this time last year for 2023-24 and a £93m overspend in 2022-23.⁴

2.5 The additional social care costs are attributed to increasing demand and complexity of need across both adults and children's services, including the need for high-cost placements. Children's residential placements account for £38m of the total, adult residential placements nearly £16m and adult domiciliary care £17m.⁵

2.6 Future financial years forecast that the significant financial pressures will continue, with a £223m pressure for Welsh Local Authorities in 2025/26, £196m in 2026/7 and £209m in 2027/8.

2.7 Adult Social Care

2.8 Despite the national trend, Adult Social Care in Powys has delivered a balanced, or underspend position over recent years, delivering 100% of its £4.6m proposed savings in 23/24.

2.9 The 2024/25 base budget for Adult Social Care is £92.6m, which included a % uplift of £8.6m to cover contract inflation and real living wage for providers. The cost to cover the impact of the real living wage for social care providers was included within the RSG from WG, but not hypothecated.

2.10 Within the FRM for 2024-25 the service had £1.647m of pressures held at risk, which included demographic pressures of £897k, Powys Care Homes uplift of £453k and hours on the CROFT of £297k. This risk budget will be requested through a virement for draw down to support the in-year financial position for ASC. Cost reductions of £3.814m were also included.

2.11 The Quarter 1 outturn report for Adult Social Care was showing a £214k deficit position. The Q1 report highlighted the risk of future pressures materialising in relation to the stability of commissioned providers, particularly in the care home sector, winter pressures and potential demand on home-based care and interim beds, unmet need in the community with individuals sat on the Home Care hours from the Care Transfer or Referral Form (CROFT), following assessment but lack of provision, concerns over providers requesting fees over and above our agreed rate, and future demography that was agreed to be funded from the risk reserve as part of the budget setting process. A particular risk to delivery of cost savings was

oncosts). Quoted in CLILC / WLGA, Summary of Social Services Financial Pressures: 2025/26 and onwards, November 2024.

³ CLILC / WLGA, Summary of Social Services Financial Pressures: 2025/26 and onwards, November 2024.

⁴ CLILC / WLGA, Summary of Social Services Financial Pressures: 2025/26 and onwards, November 2024.

⁵ CLILC / WLGA, Summary of Social Services Financial Pressures: 2025/26 and onwards, November 2024.

highlighted if hospital discharge pressures and referrals continued at the current rate.

2.12 The forecast outturn at the end of Quarter 2 for Adult Social Care, is a £4.431 million overspend at year end. Of the original cost reduction target of £3.814 million, £2.466 million has been achieved to date, 64.66%. If the outstanding savings/efficiencies of £1.348 million are delivered, then the position would be a £3.018 million deficit, which equates to 3.33% of the annual budget.

2.13 There has been a significant change since the Quarter 1 position. The increase in forecast expenditure is due to increased service demand and pressures in residential and homecare across all service areas, and costs associated with provider stability over and above what was funded in the Financial Resources Model (FRM). The spend position across the difference areas within the service is shown in the table below.

SERVICE AREA	% OF Budget	2024/25 Annual Working Budget	Forecast Outturn 2024/25	Under/(over) spend
OLDER PEOPLE	38.40	35,578,570	38,157,396	- 2,578,826
LEARNING DISABILITIES	29.93	27,725,541	30,341,382	- 2,615,841
MENTAL HEALTH	5.24	4,857,740	5,215,298	- 357,558
PHYSICALLY DISABLED	6.79	6,294,840	6,809,322	- 514,482
PROVIDER SERVICES	13.66	12,657,808	11,432,150	1,225,658
SUPPORT SERVICES	4.76	4,408,510	3,986,779	421,731
ADULTS COMMISSIONING	1.21	1,123,340	1,134,603	- 11,263
ADULT SOCIAL CARE TOTALS	100.00	92,646,349	97,076,930	- 4,430,581

2.14

2.15 In Older People there is currently a forecast overspend of £2.578m, compared to £1.208m in Quarter 1. The overspend in this area is outlined as follows:

- £267k due to the Powys leased care homes contract. The uplift was held at risk in the FRM and was planned to be managed through void management, however, the increased demand has meant this has not been possible.
- £2.311m due to increased demand and complexity, and reduced capacity within the marketplace.
- The service has seen an additional 50 nursing beds and 18 residential EMI placements.
- An additional 68 clients receiving home care (an increase of 1536 hours per week).
- 9 new Direct Payment packages to prevent carer breakdown (and even more expensive placements).
- Contracting in county and out of county placements has been a challenge to secure appropriate placements due to complexity of need.

- 2.16 In Quarter 1 Learning Disabilities were forecast a £0.570m deficit, at Quarter 2 this has moved to £2.616m. The overspend in this area is outlined as follows:
- £313,000, an additional 3 service users in receipt of Home Care and an additional 13 clients in receipt of non-care services e.g. transport.
 - £949,000, additional 9 new residential placements, increased existing packages costs and reduction in educational funding from Welsh Government.
 - £313,776 for contracts with a supplier that were moved onto the Collaborative Commissioning and Procurement Services (CCAPS) rate costing an additional £101,927 and new rates negotiations equating to a £209,849 pressure.
 - £34,086 due to additional tenants moving into Powys with no budget available.
 - £234,532 is part year effect for 3 new tenancies.
- 2.17 The Mental Health Service is forecasting a £0.358m overspend, compared to £0.059m at Quarter 1. This is due to the following:
- £217,00 due 2 new supported living tenants and 1-1 hours
 - £141,00 one new out of county residential placement
- 2.18 Spend on Physical Disability provision is forecast a £0.514m overspend, compared to £0.440m in Quarter 1, due to:
- £620,657 an additional 10 new service users in receipt of Home Care and full year effect of part year clients from 2023/24 offset by Residential/Nursing Care currently an underspend of £106,175.
- 2.19 Adult commissioning has seen a slight improvement in forecast position with a Quarter 2 position of £0.011m compared to £0.030 at Quarter 2.
- This is due to a £47,000 budget pressure in the Live Well Health and Social Care team for the Housing Support Grant “What Matters” project. This is currently being offset due to staff recruitment/slippage.
- 2.20 Adult Social Care expenditure to meet statutory responsibilities in the first 6 months of the 2024/25 financial year has exceeded the profiled spend. There has been an increase in demand for statutory services, with complexity of need also increasing.
- Per month the service has seen on average 10 more referrals to the hospital discharge team than last year, and an increase of approx. 25 more presentations at the front door.
 - The number of domiciliary care hours delivered has increased since April 2024, reducing the number of people waiting for a package of care and enabling people to be supported within their homes.
 - The number of placements has increased, and there has been an increase in the need for more specialist placements.

Bed	Total active placements 1st April 2024	Total active placements 30th September 2024	Changes in active placements from the start of year
Respite spots	22	22	0
Residential Elderly frail	214	208	-6
Residential EMI	107	125	18
Nursing	138	167	29
Nursing EMI	66	87	21
Total	547	609	56

2.21 The service has experienced increased costs associated with negotiating and securing care home placements, or additional 1-1 hours due to complexity of need of clients. Feedback from nursing providers indicates the Funded Nursing Care (FNC) rate is insufficient and does not cover their costs. (FNC is the rate paid by Health Boards and is agreed nationally). This is compounded by insufficient nursing workforce and ongoing general workforce pressures driving a reliance on agency workers, which compound the cost pressures. The WLGA report highlights the significant concerns around both Funded Nursing Care (FNC) and Continuing Health Care (CHC), stating that costs are being passed from the NHS onto local authorities, and that councils are having to subsidise health care, which is having a significant financial impact. ⁶

2.22 An ageing population with increased complexity of need is outstripping nursing provision within the county and forcing the service to spot purchase out of county placements at increased rates often above the host authority rates. There is an overreliance on interim residential placements, which reduces income capacity and creates dependencies. The interim beds are often used to facilitate hospital discharges.

2.23 There is a lack of specialist residential accommodation for people with complex needs within the county, which means the services are reliant on costly out of county provision. This year there have been 9 new residential placements, and several existing providers have demanded significant uplifts above the agreed rate, many transferring to the Collaborative Commissioning and Procurement Services (CCAPS) framework, with the threat of notice being served and no alternative placements available.

2.24 The WG focus and prioritisation on hospital discharges has significant impact on social services capacity and finance. The additional work associated with the Care Action Committee, 6 Goals, 10 Best things, 50 day challenge etc. all generate significant extra work, with no additional funding for social care. Expediting hospital discharges, through moving people into interim beds because no appropriate residential or home care package is available, results in poor outcomes for patients (with 83% never then leaving their interim placement) and significant additional financial costs for social care).

Children Services

2.25 Children's Services have been in a forecast deficit position at Q2 over the previous two years; with a £2.9 million variance in 2022 and just over £1.087 million in 2023, with end of year final outturn positions of £2.007 million in 2022/3 and £594,000 deficit for 23/24, following a transfer of £310,000 from the Risk Budget in regard to unaccompanied asylum seekers.

2.26 The 2024/25 Finance Resource Model shows the Children's Services base budget as £30.726m. Cost reductions of £2.4m were proposed and pressures of £3.7m were held at risk to be funded from the corporate risk budget if they materialised. Children's Services had unachieved savings of £729,160 rolled forward from the 23/24 financial year and along with the proposed savings meant

⁶ CLILC / WLGA, Summary of Social Services Financial Pressures: 2025/26 and onwards, November 2024.

the service started the year in a challenging financial position. With demography held at risk, from 1st April of any year, any new child or young person becoming looked after puts the service into an overspend position and reliant on access to the risk budget.

2.27 At Quarter 1 the Children's Services forecast outturn position exceeded the baseline budget set by £5.295 million, if the assured cost reductions of £3.383 million were delivered, then the forecast overspend would have been £1.912 million, which equates to 6.22% expenditure over budget. Budget underspend of £2.031m were being utilised to mitigate the overall budget forecast overspend, with a risk identified that if those underspends reduced then the overspend forecast would increase. The potential impact of placements, and high-cost placements was highlighted as a risk in terms of delivery of savings.

2.28 At Quarter 2, the 2024/25 Children's Services forecast outturn position exceeds the baseline budget set by £4.871 million, however, if the remaining cost reductions of £2.126 million are delivered, then the forecast overspend will be £2.745 million, which equates to 8.93% expenditure of the annual base budget.

2.29 The forecast spend across the service areas is shown in the table below.

L5 CC	L5 CC name	Forecast Actuals	Annual Working Budget	Forecasted Variation From Budget
410	H.O.S - Children And Families	£ 1,044,803.05	-£ 1,556,401.00	-£ 2,601,204.05
411	Early Help And Assessment	£ 2,141,470.79	£ 2,070,440.00	-£ 71,030.79
412	Care And Support	£ 4,546,591.30	£ 4,704,240.00	£ 157,648.70
413	Intervention And Prevention	£ 1,337,017.87	£ 1,602,704.00	£ 265,686.13
414	Corporate Parenting	£ 20,774,032.77	£ 17,794,487.00	-£ 2,979,545.77
415	Safeguarding And Qual. Assuran	£ 1,795,019.71	£ 2,238,300.00	£ 443,280.29
416	Legal	£ 438,234.98	£ 602,400.00	£ 164,165.02
417	Internal Residential	£ 2,758,120.41	£ 2,437,936.00	-£ 320,184.41
418	Childrens Grants	£ 763,652.61	£ 833,460.00	£ 69,807.39
Grand Total		£ 35,598,943.49	£ 30,727,566.00	-£ 4,871,377.49

2.10

2.30 Within Children's Services, the greatest impact on the forecast budget position is £3.591 million for Children Looked After (CLA) placements. This is due to new placements for children becoming looked after, and the step up in provision and increasing costs required to meet the complexity of the need of the current cohort. This is in the context of a national shortage of placements for looked after children across the UK. As a council we have corporate parenting responsibility for these children and young people, to provide appropriate and safe placements for the most vulnerable in our communities. This is an increase of £268k since Quarter 1.

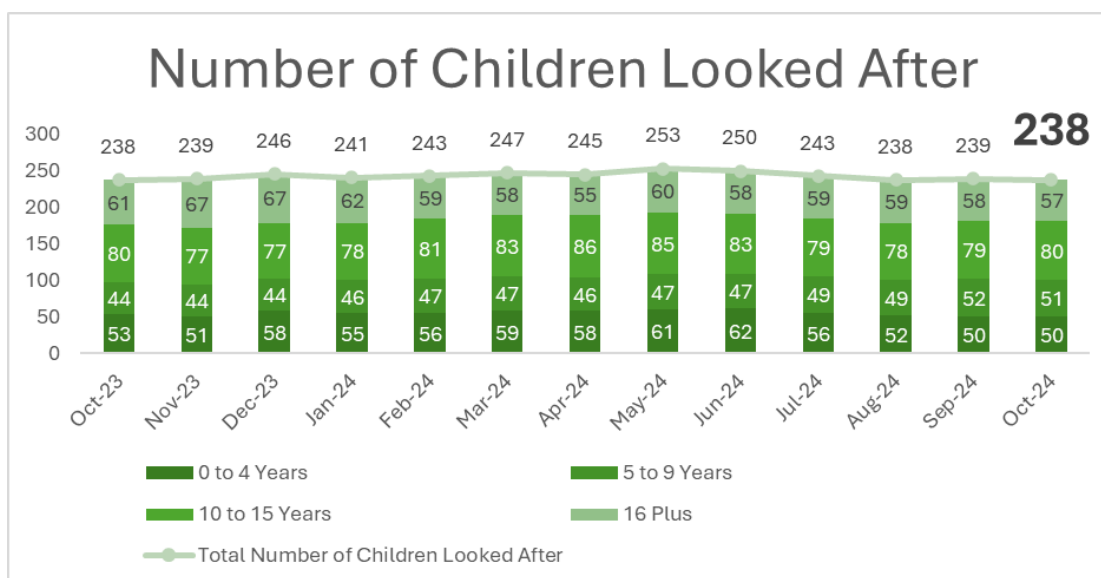
2.31 There is a predicted £209,000 overspend in Children Looked After support, including therapy, support for foster carers and adoption support, which is an increase of £43k since Quarter 1.

2.32 There is a budget pressure of £44,000 for families in need of care and support, mainly as a result of the ongoing impact of covid and trying to keep children with their families where it is safe and in their best interests to do so. This is an increase of £19k since Quarter 1.

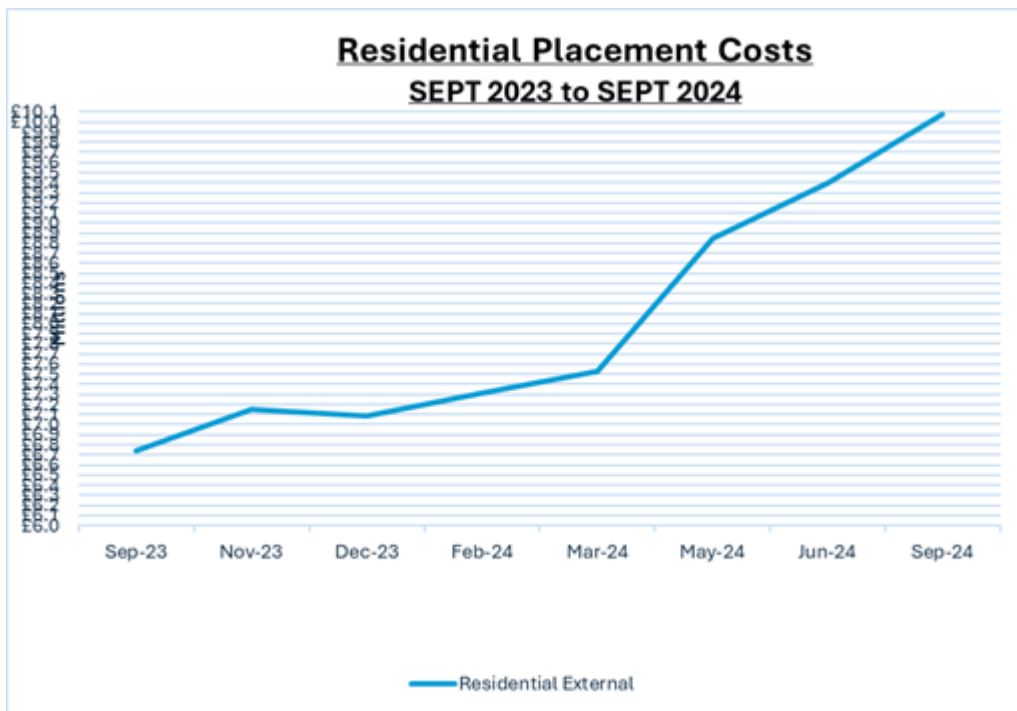
2.34 There is a forecast overspend in the in-house residential homes of £320,000, due to relief staff over and above base budget to cover rotas, unplanned employee absences, the use of overtime and agency staff due to recruitment, and escalating needs of the children, over and above that included in the original business cases. This is an increase of £109k since Quarter 1.

2.35 Corporate Parenting is the term used to describe the role that local authorities and their partners play in relation to children and young people in and leaving care. It is enshrined in legislation and statutory guidance, most recently in the Social Services and Wellbeing (Wales) Act 2014.

2.36 Corporate parenting means that when a child is being looked after by Children’s Services, the local authority has a duty to provide the kind of care and support that would be expected of any responsible parent. This goes beyond simply keeping the child safe. It means wanting the best for the child or young person. It means doing whatever it takes to make sure they have every chance to reach their potential. The number of children looked after by Powys County Council is fairly static, as is shown in the table below.



2.37 Even though the numbers are fairly stable, the placement costs for children who are looked after nationally and locally are increasing at a significant rate. The table below shows how Powys costs have increased in the last 12 months, from an annual cost of £6.7m in September 2023, to £10.1m in September 2024. The top 10 high placement costs has risen from £72,327 per week to £85,427 per week.



2.38 The service’s work on closer to home has resulted in the number of children looked after in out of county provision reducing, from 71 in October 2023 to 63 in October 2024, although within that we have seen an increase in the use of out of county children’s homes (from 14 children, to 23 children).

3 Mitigation and impact

3.1 The service will take all appropriate actions to reduce spend as far as possible and improve the forecast deficit position, taking into consideration the need to deliver on assessed need and statutory responsibilities.

3.2 This is being taken seriously across the directorate, with assurance given that actions are being taken to ensure officers are held accountable for their budget areas and have the tools and support available to enable them to do so. Staff are undertaking refresher training on their financial responsibilities and HR policies are being followed as and where appropriate.

3.3 Budget Rectification Plans are being implemented that increase oversight, monitoring, and actions to reduce spend across social services. Overseen by the relevant Heads of Service, actions include a recruitment freeze (except for essential front-line positions e.g. social workers), spend controls including freeze on non-essential spend, new expenditure on placements only to be approved following sign off from Head of Service and s151 officer, review of existing placements, staff training, review of eligibility, maximising external sources of funding, and review and monitoring of contractual arrangements.

3.4 Delivering on the proposed in year cost savings will be critical, and there is renewed focus and a review ongoing into the current position. Children’s Services have delivered 46.64% of their £3.985 million savings, with Adult Social Care

delivering 64.66% of their £3.814 million target. An additional £628,000 is assured and work ongoing on the remaining £720,000.

3.5 Powys County Council has corporate parenting responsibilities, and statutory and safeguarding obligations that Social Services oversee. The service will always look to source the most cost-effective placement, however, with the current market challenges and placement availability there is often little or no choice.

3.6 The WLGA report notes the importance of, and reliance on, commissioned services to the provision of social care, and notes the financial pressures caused by the increasing costs and fees. A specific concern is the requirement for social care providers to pay the Real Living Wage, without sufficient funding being made available in the settlement from WG, adding to inflationary pressures.⁷

3.7 The work of social care has a significant impact on the health system, and maintaining flow of patients through the system relies on social services being able to access and provide appropriate community, home, residential and nursing care. Accessible prevention and early intervention work is also essential to reduce the flow of patients into health and statutory social care systems. Stopping, reducing or delaying spend in adult social care on these areas would have a detrimental impact on Powys Teaching Health Board and neighbouring Health Boards where Powys residents access services.

3.8 Ensuring that Welsh Government and Ministers understand the financial pressures on social care and the impact on individuals and partners of reductions in funding, is a key role for both Councillors and officers.

3.9 Of utmost importance is that the council does not undo the positive work undertaken in recent years to improve outcomes for individuals and families, and ways of working across social services. There needs to be a careful balance of meeting our statutory and financial responsibilities and requirements, without risking negative regulatory intervention.

4. Resource Implications

4.1 Pressures that were held at risk within the 2024/25 Finance Resource Model have materialised and the service now request funding from the risk budget and specific budget reserves to cover the projected in year deficit budget position. The pressures materialised include demographic pressures in both children's and adults with increased placement costs, provider uplifts and market instability, and the reduction in the backlog of people waiting on the CROFT for home care.

4.2 Adult Social Care require £1.647 million, to be funded in line with the 2024/25 Financial Resources Model from the Risk Budget; with regard to £897,000 Demography for an ageing population, £453,000 Powys Own Care homes uplift to be managed through reduction in spot purchases which has not occurred due to increased demand and £297,000 in regard to Home Care hours from the Care Transfer or Referral Form (CROFT). As all these identified pressures have materialised to date.

⁷ CLILC / WLGA, Summary of Social Services Financial Pressures: 2025/26 and onwards, November 2024.

- 4.3 A further virement request is made to utilise £948,000 from the Adult Social Care reserves to support the increase in demand.
- 4.4 The expectation is that other service budgets will continue to improve on their forecasts and be available to mitigate the remaining deficit of £487,000. In a worst-case scenario, an additional £1.7 million may be required before year end if the corrective actions do not have the impact expected to reduce expenditure.
- 4.5 Children's Services request £2.745 million, to be funded from the Risk Budget as the demography for part year effect of the children placed in 2023/24 has materialised and demography to date occurred in 2024/25. In a worst-case scenario, an additional £1.0 million may be required before year end if the corrective actions do not have the impact expected to reduce expenditure.

The virements request total £5.827 million, with £4.392 million proposed to be released from the risk budget and £948,000 from specific reserves. £487,000 will continue to be held at risk. The £3 million Risk Budget already has £816,000 drawn against it, that leaves £2.184 million available to support Social Services. A virement to this level is requested to provide a level of stability, but the service will remain overspent.

4.6 The Director of Corporate Services (Section 151 Officer) notes the content of the report and the explanation provided. Social care across Wales is under significant pressure and this was recognised when Council approved the budget back in February with an additional £8.8 million allocated to the service budgets. At that time, potential increases in further demand were also considered with £4.7m held at risk for demand against the corporate revenue risk budget. These costs are now projected to materialise and are outstripping the financial resources allocated to the services. The virement requested will provide some financial stability to Social Services to meet the full year commitments already in place.

4.7 The report highlights that the costs to support service provision are likely to increase over the remaining months of the year, it is not proposed to allocate further funding to the service at this stage, but to enable the service to operate effectively and fulfil the Councils corporate parenting responsibilities, and statutory and safeguarding obligations, Heads of Service are authorised to commit to further critical spend with oversight and approval of the Director of Social Services. These costs will be held at risk and reported as an overspend, with the position monitored on a weekly basis by the Corporate Leadership Team and reported to Cabinet on a monthly basis. Any further virements will be considered at Quarter 3.

4.8 Social Services have strengthened their financial regime and budget rectification plans are being implemented that increase oversight, monitoring, and actions to reduce spend across the services, including the delivery of the approved in year cost savings. The demand already recognised will not only impact the current year but will also add further pressure to the Councils 5-year budget model and this is currently being recalculated for consideration as Cabinet and ultimately Council finalise and approve a budget for 2025/26.

4.9 The current level of overspend and potential further pressure will impact on the Councils Outturn position, action taken across the whole Council will release underspends in other services to offset these costs, however, there is likely to be

budget shortfall that will require the release of further reserves to maintain a balanced budget for the current financial year.

4.10 The use of reserves this year will reduce the financial resilience of the Council as it moves into next and subsequent years.

4.11 The budget presented by the Chancellor on the 30th October commits to investment in public services with additional funding allocated to Welsh Government for the current financial year. There is no clarity as to whether any of this funding will be provided for Local Government and for what purpose. If provided any funding will support our position but unless that funding is recurrent it will not contribute to the ongoing budget gap and will only provide temporary support.

5. Legal implications

5.1 Legal: The recommendation can be supported from a legal point of view.

5.2 The head of legal services and the monitoring officer has commented as follows: “I note the legal comment and support the recommendation.”

6. Climate Change & Nature Implications

6.1 Not applicable

7. Data Protection

7.1 Not applicable.

8. Comment from local member(s)

8.1 This report affects the whole county of Powys.

9. Impact Assessment

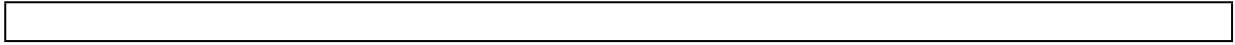
9.1 Impact Assessment not undertaken.

10. Recommendation

10.1 That Cabinet notes the budget position within Social Services.

10.2 That Cabinet agree the virements requested and recommend them for approval by Full Council.

Corporate Director: Nina Davies
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CABINET REPORT NEW TEMPLATE VERSION 3