

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

18th April 2023

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

REPORT TITLE: The Revenue Financial Forecast for the year ending 31st
March 2023 (as at 28th February 2023)

REPORT FOR: Decision

1. Purpose

1.1 To provide Cabinet with the forecast revenue budget outturn for the 2022-23 financial year based on the position at 28th February 2023 and explain any changes since the last report at quarter two.

2. Background

2.1 Based on the position at the end of February the projected outturn position now reports a surplus of £0.888 million, an improvement from that reported at Quarter 3 (£2.4 million as at Quarter 3), this is reported after the drawdown of the payroll reserve of £1.2 million. With the anticipated further draw down of £2.5 million from specific reserves to support expenditure as planned, the overall underspend against budget rises to £3.4 million (£1 million as at quarter 3).

2.2 Table 1 below summarises the projected outturn position across the Council's services including HRA and Delegated Schools. Appendix A provides the financial position for each service, broken down into categories covering cost pressures, cost underspends, cost reductions and use of specific reserves.

Table 1 – Forecast Position

Revenue Budget	£'000
Base Budget	301,870
Cost Pressures	16,126
Cost Underspends	(19,514)
Cost Reductions Shortfall	2,499
Sub Total	300,982
Underspend before Reserves	888
Funded by:	
Agreed Specific Reserve Use	(2,275)
Contribution from Risk Reserve	(268)
Net Underspend	3,432

2.3 Services have continued to manage their expenditure by reducing costs and maximising the use of alternative funding sources to support the improvement in the forecast. A number of service areas including Education and Planning, Property and Public Protection have been able to utilise UK Government Shared Prosperity Fund – the purpose of the funding is to support the Mid Wales Regional Investment fund, this

year most of the allocation supports council activities and has released some base budgets creating underspends. Other improvements include:

- 2.3.1 Adult Social Care reports an improvement of £1 million, the settlement of some historic debt between the Local teaching Health Board and the Council has resulted in a one off receipt of £0.5 million from the Health Board. In addition, the contract uplifts for care providers have been finalised to implement the real living wage, the overall cost is £0.3 million lower than budgeted for.
- 2.3.2 Corporate budget projections have improved by £0.6 million with borrowing costs lower than projected by £0.3 million due to some capital schemes being re profiled into next year and with redundancy costs being £0.3 million lower than the £0.5 million provisional budget set aside.
- 2.3.3 Within the Housing and Community Development service a payment to Freedom Leisure of £287,000 for increased utilities pressure has been forecasted. It was originally anticipated that a call on reserve would be required this year to fund this but this cost can now be met from within the underspend from corporate services.
- 2.4 Further detail for each of the Councils services is provided in Appendix B, with Heads of Service setting out their individual narrative to explain their financial position.

3. Cost Reductions

- 3.1 Cost reductions of £8.1 million were approved as part of the Councils budget for 2022/23. In addition, undelivered savings of £2.8 million from 2021-22 were rolled forward bringing the overall total to be delivered this year to £10.855 million.
- 3.2 The summary at Table 2 shows that 74% or £8.1 million have been delivered and a further 3% £0.3 million are assured of delivery this year. £2.5 million, 23% remain unachieved and are at risk of delivery this year. Services continue to review these and are required to consider mitigating action to ensure that they can deliver within the budget allocated.
- 3.3 As part of the budget setting process for 2023-24 consideration was given to the savings that remain unachieved and it was agreed that £1.6 million that are now deemed undeliverable are written out of the budget. The remaining balance of the unachieved savings will be rolled forward to 2023-24 for delivery next year.

Table 2 – Savings Summary

£'000	To Be Achieved	Actually Achieved	Assured	Un-achieved	% Achieved
Adult Services	3,429	3,404	25	-	99%
Childrens Services	3,640	2,146	-	1,494	59%
Economy and Digital Services	282	67	-	214	24%
Education	55	55	-	-	100%
Finance	39	39	-	-	100%
Central Activities	1,045	1,045	-	-	100%
Highways Transport & Recycling	1,612	738	246	628	46%
Housing & Community Development	172	172	-	-	100%
Legal & Democratic Services	24	18	-	6	73%
Transformation and Communications	230	230	-	-	100%
Property, Planning & Public Protection	189	39	5	145	20%
Workforce & OD	138	114	14	10	82%
Total	10,855	8,067	290	2,498	74%
		74%	3%	23%	

4. Reserves

- 4.1 The Reserves position at Table 3 sets out the reserve forecast. The opening reserves stood at £63.8 million, with the general fund reserve of £9.3 million representing 4.3% of total net revenue budget (excluding Schools and the HRA).

Table 3 – Reserves

Summary £'000	Opening Balance (1st April 22) Surplus / (Deficit)	Forecast Addition / (Use) of Reserves	Projected Balance (31st March 23) Surplus/ (Deficit)
General Fund	9,333	0	9,333
Budget Management Reserve	3,584	0	3,584
Specific Reserves	29,167	(2,632)	26,535
Transport & Equipment Funding Reserve	8,843	(1,914)	6,929
Total Useable Reserves	50,927	(4,546)	46,381
Schools Delegated Reserves	8,982	(5,481)	3,501
School Loans & Other Items	(371)	49	(322)
Housing Revenue Account	4,244	(257)	3,987
Total Specific Reserves	12,855	(5,689)	7,166
Total	63,782	(10,235)	53,547

- 4.2 The net use of specific reserves is now forecast at £2.6 million and is less than previously expected (£6.0 million at quarter 3) due to the projected surplus position of £3.4 million which will be transferred to specific reserves. It has previously been agreed that revenue underspends arising from capital for borrowing and Minimum Revenue Provision will be transferred to the specific capital financing reserve to support future capital schemes, this equates to £2.4 million.
- 4.3 The nationally agreed pay awards for 2023/24 are now likely to exceed the Councils budgeted costs (5% for NJC and 5.5% for Teachers (from the September 2023)) leaving a shortfall for next year. Every 1% above the estimate will require a further £1.5 million. It is therefore proposed that any additional underspend achieved in the 2022/23 financial year is set aside in a specific reserve to fund the likely shortfall in next years' budget.
- 4.4 School reserves increased by £5.7m at the end of last year as they benefitted from additional funding provided by Welsh Government in the last quarter of the year. The expectation was that they would utilise these reserves to provide additional support to learners following the disruption caused by the pandemic. They will need now also need to draw on these to support the increasing costs of staffing, utilities and general resources.
- 4.5 The delegated schools forecast as shown in Table 4 requires a £5.4 million call on their reserves, originally in May 2022 governing bodies were forecasting £4.9 million as part of their budget plans.

Table 4 – School Reserves

School Sector £,000	Opening Balance	Budget contribution (from)/to reserves	Forecasted Variance to Budgeted Contribution / (use) in 2022/23	Forecasted Closing Balance 31/3/23
Primary	7,959	-2,721	-8	5,230
Special	1,006	-242	-49	715
Secondary	-847	-1,797	-371	-3,015
All Through	864	-300	7	571
Sub Total	8,982	-5,060	-421	3,501
Loans / closed	-371	7	42	-322
Total	8,611	-5,053	-379	3,179

- 4.6 Where schools do not hold sufficient reserves to draw upon, school improvement advisers, HR business partners and finance officers are providing additional support to identify ways to reduce expenditure, including in-depth finance and curriculum reviews. All schools have been provided with a Financial Toolkit and access to the Schools Finance Benchmarking Tool to help them identify areas for further investigation and to support the effective use of funds in schools.
- 4.7 All schools will have attended finance surgeries during March and April where school improvement advisers, HR business partners and finance officers.

5. Grants and Virements

- 5.1 There have been additional grants received this quarter and these are reported and will be built into the revenue budget in compliance with the financial regulations:
- 5.1.1 Education Services: £70,000 – Local Authority Education Grant Variation (£10,000 Welsh in education workforce data analysis project, £60,000 Virtual Schools Wales).
- 5.1.2 Regeneration – UK Government Shared Prosperity Fund – the purpose of the funding is to support the Mid Wales Regional Investment fund, the full allocation for 2022/23 is £3.4m. To expedite the expenditure, and ensure that no monies are lost to Powys, the Year 1 spend will primarily be allocated to the in-house delivery of Council projects that have either already started or are able to mobilise quickly. Due to the timescales, the allocation may not be fully spent in 2022/23. To date there has been no agreement on how the unspent allocation will be reprofiled into future years.
- 5.1.3 Highways, Transport, Recycling
- Highways, Transport & Recycling services received a grant offer of £150,000 from Welsh Government in respect of transforming Towns under the Local Transport fund, this grant offer has now been revised to £90,000; a reduction of £60,000.
 - Highways, Transport & Recycling services received a grant offer of £350,000 from Welsh Government in respect of Safe Routes in the Community (Built to Llanellwedd), this grant offer has now been revised to £300,000; a reduction of £50,000.
 - Highways, Transport & Recycling services received a grant offer of £62,900 from WCVA in respect of Local Places for Nature (Biodiversity), this grant offer has now been revised to £98,900; an increase of £36,000.
 - Welsh Government grant allocation of £972,000 in relation to Traws Cymru T4 Newtown to Cardiff and T6 Brecon to Swansea bus services.

5.1.4 Housing - £153,824 – Homelessness – No One Left out Approach, additional funding received from Welsh Government to support the homelessness costs that were historically funded via the Local Authority Hardship Fund.

5.1.5 Adult Social Care

- Mental Capacity Act/Deprivation of Liberty Safeguards Welsh Government grant £123,130 to be utilised to sustain or improve the application of the Mental Capacity Act.
- £18,200 Welsh Government Substance Misuse Action Fund Revenue Funding in relation to Buprenorphine which is for the specific purchase of injectable buprenorphine for service users deemed clinically appropriate for treatment.
- Welsh Government Housing Support Grant, £1,798,220 million more than the indicative allocation, to be utilised to support early intervention which prevents people from becoming homeless, stabilises their housing situation, or helps potentially homeless people to find and keep accommodation. This has been included in the forecasts through the year and fully spent.
- Regional Partnership Board Regional Integration Fund Winter Pressures funding of £403,000 to support the D2A hospital discharge pathway, specialist equipment to support people home from hospital and additional residential care home bed capacity.
- National Dementia Funding of £6,000 to employ a project support officer.
- £50,000 Welsh Government additional funding support in respect of Learning Disability Policy priorities.
- £5,000 Welsh Government grant 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.

5.1.6 Children's Social Care - Children's and Communities Grant, Welsh Government Grant – additional allocation of £99,500. 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.

5.1.7 Social Care

- £1.847 million Welsh Government Sustainable Social Services and Workforce grant, to recognise the hard work and commitment social services departments have made over the last two years dealing with the COVID pandemic. Grant to be utilised to uplift salaries in the Sector, take steps to address recruitment and retention difficulties, to take forward measures that support fair work in the sector, support the Welsh Language, facilitate greater integration and innovation, mitigate current workforce pressures in core social services, support providers to become more sustainable and invest in workforce in core services. This has been included in the forecast through the year and fully spent.
- Regional Integrated Fund RIF £2.363 million, a five-year Welsh Government programme to help integrate health and care services. The aim is to develop

new models of care to support priority groups. This has been included in the forecast through the year and fully spent.

- Regional Integrated Fund RIF £0.317 million transformation funding to support the North Powys Project Integrated programme to fund infrastructure costs incurred by the Council and the Powys Childrens First rollout.
- Welsh Government grant Implementation of the Performance and Improvement Framework of £40,000, to be used to increase the capacity required to deliver the framework and other statutory data collections.
- Section 33 Community Equipment Store Powys Teaching Health Board additional £154,000 contribution to the pooled fund to purchase equipment.

5.2 The following virement requests are requested for approval:

5.2.1 Highways Transport & Recycling

- Highways, Transport and Recycling request a virement to transfer £834,190 of base budget from Public Transport to Schools Transport. The Bus Emergency support grant rolled forward from 2021-22 into 2022-23 as agreed with Welsh Government and can be used to fund the costs of Public Transport on a one off basis in 2022-23 allowing the base budget to be transferred to school transport. This will be utilised to fund the increased cost of school transport due to inflationary increases of £285,190 and £549,000 to fund the unachieved saving whilst plans on school transport savings are concluded early in 2023/24.
- The Head of Highways, Transport & Recycling is currently holding £59,460 of growth budget awarded at 2022/23 budget setting to support inflationary costs, this is proposed to be transferred to Highways Operations to assist with material and fuel inflationary pressures in the 2022/23 financial year.
- The Schools Service received £150,000 of growth funds as part of the 2022/23 budget settlement to support the additional costs associated with post 16 transition costs. Schools Service has subsequently submitted a virement request to cabinet in September 2022 to transfer the £150,000 budget to Highways, Transport and Recycling Services. Transport Services have incurred £33,000 of additional post 16 transport costs, resulting in £117,000 being unallocated. A request is made to transfer this budget to support the pressure reported on school mainstream transport costs.

5.2.2 Adult Social Care

- It is proposed to transfer the Administration & Finance budget of £804,970 from Commissioning for Adults & Children to Adult Social Care to align with line management and budget holder responsibilities.
- It is proposed to transfer the Complaints budget of £82,670 from Commissioning for Adults & Children to Adult Social Care to align with line management and budget holder responsibilities.
- It is proposed to allocate the budget provided to fund the implementation of the Real Living Wage (RLW) of £2.3 million to the respective cost centres in Adults and Childrens which have incurred the expenditure in line with contract negotiations. It is also proposed that the underspend of £0.3 million against this budget be set aside in a specific reserve to be utilised to fund the uplift in 2023/24.

5.2.3 Community Services – Leisure, a payment to Freedom Leisure of £287,000 for increased utilities pressure was forecast in autumn 2022 and originally anticipated that a call on reserve would be required to fund this, but this cost can now be met from within the underspend from corporate services.

6. Financial Risks

- 6.1 The current collection rate for Council tax (April – February) is 94.43% with the outturn expected of 98.50%. The additional premiums generated from charges for second home and long-term empty schemes will mitigate any surplus if expected collection rates are not achieved.
- 6.2 Demand for some services could still change and this will impact on the figures currently being projected.
- 6.3 The budget for 2023/24 has now been approved but in the current economic context significant risk remains. The budget includes pay award levels of 5% to 5.5% but the current negotiations suggest that higher pay awards may be awarded. The Council will need to find an additional £1.5 million for every extra 1% agreed.
- 6.4 Inflation continues to impact on the costs of the Council, inflation began to fall in January at 10.1%, a drop of 0.4% since the previous month, but in recent days inflation as again increased, however, we are anticipating that it will again begin to fall this year, but we must continue to take every opportunity to limit this impact.
- 6.5 The Council remains under borrowed as we continue to utilise our cash reserves to underpin our cashflow. We have taken out additional borrowing and can continue to do so over the short, medium or longer term, but the cost of borrowing is driven by changes in bank rate, and our approach is regularly updated and explained as part of the Treasury Management update to Audit Committee.

7. Resource Implications

- 7.1 The Head of Finance (Section 151 Officer) has provided the following comment:
- 7.2 Reserves are held to mitigate unexpected risks and the use of reserves this year will ensure that we meet our statutory responsibility to deliver a balanced budget, however, the challenging environment is not going to end at the end of this financial year, we must ensure that we deliver council services within the resources we are allocated on an annual basis. Holding sufficient reserves to manage the ongoing risk as we move into future years is key to maintain our financial sustainability.
- 7.3 The current volatile situation dictates that we will keep the position under constant review, and we will continue to update our assumptions and their impact on the budget both for the current year and as we develop our financial plans for the next five years.

8. Legal implications

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

9. Data Protection

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

10. Comment from local member(s)

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

11. Impact Assessment

11.1 No impact assessment required.

12. Recommendation

12.1 That Cabinet note the projected full year forecast to the end of March 2023.

12.2 That Cabinet approve the setting up of the specific pay reserve as set out in section 4.3.

12.3 The grants received in this quarter as set out in section 5.1 are noted.

12.4 The virements set out in section 5.2 are approved, this is to comply with the virement rules for budget movements between £100,000 and £500,000 as set out in the financial regulations, and those virements in excess of £500,000 are recommended to council for approval.

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Appendix A

		FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023				ADJUSTMENTS OUTSIDE THE LEDGER			
		Add	Less	Add	Revised	Less	Less	Less	Final
£'000	2022/23 Base Budget	Cost Pressures	Cost Underspen ds	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded	Outturn Position 2022/23
Adult Services	74,814	2,262	(1,096)	25	76,005	(25)	(1,052)	(1,115)	73,813
Children's Services	28,490	5,591	(3,443)	1,494	32,132	0	(499)	(1,094)	30,539
Commissioning	3,774	0	(699)	0	3,075	0	0	0	3,075
Education	17,652	654	(1,744)	1	16,563	0.00	182	0	16,745
Highways Transport & Recycling + Director	30,608	2,239	(2,420)	874	31,300	(246)	(150)	(35)	30,868
Property, Planning & Public Protection	6,169	572	(1,458)	150	5,433	(5)	(150)	0	5,278
Housing & Community Development	5,760	883	(257)	0	6,386	0	(100)	0	6,286
Economy and Digital Services	6,418	54	(349)	214	6,337	0	0	(24)	6,313
Transformation & Democratic Services	3,787	101	(101)	0	3,787	0	(85)		3,702
Workforce & OD	2,511	0	(394)	24	2,142	(14)	0	0	2,127
Legal	1,434	147	(131)	6	1,456	0	0	0	1,456
Finance & Insurance	6,258	0	(33)	0	6,225	0	0	0	6,225
Corporate Activites	34,158	3,203	(7,389)	0	29,972	0	0	2,000	31,972
Total	221,832	15,705	(19,514)	2,789	220,813	(290)	(1,854)	(268)	218,401
Housing Revenue Account	0	0	0	0	0	0	0	0	0
Schools Delegated	80,038	421	0	0	80,459	0	(421)	0	80,038
Total	80,038	421	0	0	80,459	0	(421)	0	80,038
Total	301,870	16,126	(19,514)	2,789	301,272	(290)	(2,275)	(268)	298,439
					598				3,432

Feb Variance	Dec Variance
1,001	(32)
(2,049)	(2,120)
699	691
907	645
(261)	(260)
891	427
(526)	(182)
105	53
85	36
384	310
(22)	1
33	(20)
2,186	1,524
3,432	1,074
0	0
0	0
0	0
3,432	1,074

Appendix B Head of Service Commentary

		FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023				ADJUSTMENTS OUTSIDE THE LEDGER			
		Add	Less	Add	Revised	Less	Less	Less	Final
	£'000	Cost Pressures	Cost Underspend	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded	Outturn Position 2022/23
Adult Services	74,814	2,262	(1,096)	25	76,005	(25)	(1,052)	(1,115)	73,813

Feb Variance	Dec Variance
1,001	(32)

Adult Social Care Overview

The forecast outturn at the end of period 11, is an overspend of £1.191 million. Of which £1.052 million is to be funded from agreed 'Specific Adult Social Care' reserves and £1.115 million from the 'Councils Risk/Management' reserve, £0.025 million of efficiencies/savings are still to be delivered. However, the service underspend has increased to £1.096 million due to £0.5 million one off non reoccurring funding being received from the Local Teaching Health Board, 0.3 million due to surplus budget real living wage and utilising Welsh Government grants effectively. This leaves an overall underspend of £1.001 million, an improvement of £1.033 million from Quarter 3.

Cost Pressures

(a) **Current Pressures** - Included in the forecast outturn at period 11.

- £0.882 million of the £1.436 million Specific Reserves carried forward from 2021/22 year end, as below:

Explanation to Support Request	£	P11
Roll over into a specific reserve the underspend due to one off income raised from back dated fees. This reserve will specifically fund a managed service 'Zyla' to reduce the number of outstanding reviews, in part due to the pandemic and also due to the increased presentations due to lack of Health Care provision, unfortunately the resource was sourced in 2021/22 but have been unable to commence until 2022/23.	£497,000	£397,000
Roll forward reserve due to mini PPNO2/20's with providers to fund additional running costs of Older Day Centres and restricted numbers of service users, which is currently and unknown unit cost	£100,000	£100,000
Roll forward to cover the additional cost of the Agency Domiciliary Care v Powys County Council employed, during period of recruitment and on boarding, following return of hours from the external providers. Due to the lateness of a grant received to promote the independence of people with care and support needs or in an early intervention and prevention context to maintain people in their own homes, the service offset existing costs to utilise a portion of the additional funding, this enabled the service to have an underspend against base funding which we request to roll forward.	£385,000	£385,000
Roll forward reserve due to mini PPNO2/20's with providers to fund additional placements costs, possibly out of county, which will not have been budgeted for, due to the financial stability of commissioned providers, particularly the care home sector following the cessation of the Welsh Government Covid 19 Hardship and capacity following the pandemic. This will enable swift transfer of clients.	£234,000	£0
Roll over into a specific reserve due to the one off over achievement of 'Direct Payment' refunds, as clients have been unable to utilise fully due to the pandemic the one off additional capacity within the Occupation Therapist teams to meet the XXXX number of outstanding assessments due to increase in referrals during the pandemic, in part due the reduction in hospital surgery and increase in falls and trips and due to 'lock down' the lack of	£220,000	£0
TOTAL	£1,436,000	£882,000

- Additionally, £170k of the £400k allocated at year end by Welsh Government (WG) in the Revenue Support Grant (RSG) to be utilised to fund 'electric cars and driving lessons' in Domiciliary Care and rolled forward to 2022/23, is now going to be utilised to fund the increase in mileage rate for external domiciliary care providers from 35p per mile to 45p per mile as part of the UKHCA funding formula, as per WG redirection notification.
- A total of £1.115 million is to be funded from the Councils 'Risk/Management' reserve: £785k in year Covid pressures and £170k Demography to be managed at risk as considered and agreed as part of the budget setting process in the Financial Resources Model (FRM), £100k contract inflation as a result of Ukraine etc., £60k in respect of the cost of the two additional bank holidays for frontline services, not previously budgeted for.

(b) Future pressures - Not included in the forecast outturn.

- Stability of commissioned providers, particularly the care home sector. There are currently a number of providers who may be at risk of failure.
- Additional and backdated costs for "Sleep-ins" following the outcome of the judicial review, possibly backdated to November 2011. Awaiting judgement and liability to be calculated by the payroll team for the in-house service and legal direction.
- Additionally, there are 3159 hours per week sitting on the CROFT, which is 266 packages of unmet assessed need. However, 1100 hours per week are being held by the in house bridging team and 36 interim care home beds. 511 hours without care, which would be an additional estimated cost of £11,200k per week.

Cost Underspends

- See above.

Cost Reductions

Fully delivered apart from £25k which we are assured can be achieved.

Other mitigating actions to deliver a balanced budget.

- Maximisation/utilising of any grant underspends, if within the grant terms and conditions for previously budgeted and funded baseline costs.

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	£'000	2022/23 Base Budget	Cost Pressures	Cost Underspen ds	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Outturn Position 2022/23
Children's Services		28,490	5,591	(3,443)	1,494	32,132	0	(499)	(1,094)	30,539

Feb Variance	Dec Variance
(2,049)	(2,120)

Children's Services Overview

The previous pressures have continued into Period 11 with a trajectory of an overspend of £2 million at the end of this financial year. We have continued to review all expenditure, which has included going back to basics and looking into every penny that is being spent. We are aware of the continued high-cost placements and are monitoring children and young people's care plans more closely within our closer to home strategy. We are building our inhouse foster carer provision to assist with bringing children and young people back closer to home in Powys. The recruitment strategy for foster carers is in line with foster Wales where we have seen an increase in enquires. We are continually monitoring the use of agency social workers and non-qualified staff to ensure that we are getting value for money. The agreed managed agency social work team ended their contract earlier than planned in December. Recruitment and retention of staff remains a Powys and national challenge, we have reviewed our agency pay rates and committed to not increasing these rates in line with ADSS Cymru recommendations. We are continuing to build a permanent and supported workforce where our grow our own investment continues. The challenge is to maintain the existing workforce, build our grow our own strategy whilst work on hard to recruit to social work posts. We have had the benefit of 5 permanent social workers into the service during Quarter 3. This will continue to build over 2023/24.

Cost Pressures

- £1.998 million cost in placements for children who are children looked after. There is an increase in Residential provision out of Powys due to a lack of in house foster carers, Independent Foster Carers and Residential provision.
- The two In House Residential homes and the two current un-regulated homes are forecasting a total pressure of £1.172 million (£415,000 funded from the risk reserve). These homes provide in county children looked after placements for children with complex and disability needs. This position is due to the high level of agency workers, we are continuing to actively recruit, and recently held successful recruitment events.
- £77,000 Social Services Emergency Duty Team- this figure is owed to Adult Services to cover the costs since the service moved to them.
- £212,000 Leaving Care- These children remain in high-cost placements at 18 years of age and have not stepped down due to need but who are still subject to Pathway plans and entitlements as care leavers. A reduction of £53,000.
- £309,000 Section 21 support- additional monies being used to support families who are in crisis. An increase of £63,000.
- £194,000 Short breaks for children with complex needs- and increase in short break provision based on need. £124,000 pressure with an offset from covid reserve of £70,000, an increase of £15,000.
- £24,000 budget pressure in Legal services, a decrease of £14,000. However, the legal team do not use eProcurement, so difficult to forecast.
- The Managed Agency Teams is being fully funded from the Children's Service Specific Reserve of £499,000, rolled forward from 2021/22 with the remaining £497,000 being funded from the Welsh Government Social Care Workforce Grant.

- £609,000 around additional staffing/agency due to increase in demand in the front door, early help and assessment teams due to Covid-19, agreed to be funded from 'Corporate Risk reserve', previously funded via Welsh Government Covid Hardship. An increase of £85,000.

Cost Underspends

- £150,000 due to underutilisation of the Market supplement. Currently not all qualifying posts are occupied or been occupied for the relevant time frame.
- £129,000 due to service decision not to backfill student social workers whilst on placement in Children's services.
- £227,000 of targeted posts being held vacant (part of 23/24 FRM Savings towards service Transformation).
- £240,000 due to a delay to the Special Guardianship project (one year saving only).
- £143,000 forecasted underspend on Adoption due to reviewing the service. (part of 23/24 FRM Savings).
- various small underspends on service subjective headings.
- £1.840 million Welsh Government grants mitigating baseline funded costs, in line with grant terms and conditions.

Cost Reductions

- Delivery to date a total of £2.146 million, 59%.
- Unachievable £1.494 million, of which £1.278 million is included in the Financial Resources Model (FRM) and will be written off as part of the budget setting process.

Use of Reserves

£499,000 - An agency managed team was brought in to support the service during a difficult period of recruitment, retention coupled with capacity and demand. The team currently support up to 120 families who have been subject to child protection processes. This has assisted in the safety planning of these children and their families and assisted with the increased workloads within the service. £415,000 was agreed to support the children's residential home due to additional staffing required which was ordered by the court care plan.

Covid risk reserve- £609,000 contact officers, front door and early help pressure due to demand and capacity.

Plus £70,000 for additional short breaks provision for children with complex needs.

Other mitigating actions to deliver a balanced budget.

We will fully utilise grants across the service as in previous years to mitigate the financial position.

		FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023				ADJUSTMENTS OUTSIDE THE LEDGER			
		Add	Less	Add	Revised	Less	Less	Less	Final
£'000	2022/23 Base Budget	Cost Pressures	Cost Underspen ds	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Outturn Position 2022/23
Commissioning	3,774	0	(699)	0	3,075	0	0	0	3,075

Feb Variance	Dec Variance
699	691

Commissioning Overview

The underspend is due to a reallocation of baseline costs to a government grant, this however will be required in 2023/24.

		FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023				ADJUSTMENTS OUTSIDE THE LEDGER			
		Add	Less	Add	Revised	Less	Less	Less	Final
£'000	2022/23 Base Budget	Cost Pressures	Cost Underspen ds	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Outturn Position 2022/23
Education	17,652	654	(1,744)	1	16,563	0.00	182	0	16,745

Feb Variance	Dec Variance
907	645

Education overview

Through effective ongoing joint working and collaboration between the finance team and officers across the service area we continue to make considerable savings to ease the internal financial pressures. Further efficiencies in specific service areas continue to be reviewed through ongoing collaboration and solution focused decision making. The overspend has been reduced further and is helping the current financial expectation.

Covid-19 pandemic continues to place additional pressures on the service and consideration needs to be given regarding the long-term challenges this could bring in certain areas such as Additional Learning Needs and attendance. The service continues to work hard on mitigating financial issues as they arise through the effective use of grants and have managed to alleviate pressures.

		FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023				ADJUSTMENTS OUTSIDE THE LEDGER			
		Add	Less	Add	Revised	Less	Less	Less	Final
£'000	2022/23 Base Budget	Cost Pressures	Cost Underspen ds	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Outturn Position 2022/23
Schools Delegated	80,038	421	0	0	80,459	0	(421)	0	80,038

Feb Variance	Dec Variance
0	0

Schools Delegated Overview

Through ongoing effective working relationships between, the PCC finance team, School Improvement Advisers, Senior Managers, Headteachers and Chairs of Governors we continue to identify potential savings for schools from reviewing spending plans and continue to support schools with the development of their financial planning. We have recently supported two secondary schools with a more detailed look at their financial picture and have identified potential savings which could be implemented over time. This support has now been offered to other secondary schools and will start in the next financial year. We are also using the recent benchmarking tool and finance toolkit to shape discussions during finance surgeries to identify further potential savings.

We continue to work closely with other Local Authorities to share practice and identify joint working which can support our schools further. We are also working closely with schools to support the effective deployment of grants and identify additional savings.

The Covid-19 pandemic and rising energy costs continue to place additional pressures on schools and consideration needs to be given regarding the long-term challenges this could bring.

		FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023				ADJUSTMENTS OUTSIDE THE LEDGER			
		Add	Less	Add	Revised	Less	Less	Less	Final
£'000	2022/23 Base Budget	Cost Pressures	Cost Underspen ds	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Outturn Position 2022/23
Highways Transport & Recycling + Director	30,608	2,239	(2,420)	874	31,300	(246)	(150)	(35)	30,868

Feb Variance	Dec Variance
(261)	(260)

Highways Transport & Recycling Overview

Cost Pressures

- £294k overspend on highways routine maintenance works, which is an improvement since June 2022
- £250k under-recovery of the budgeted profit target from Trade Waste collection services which is used to support corporate support costs in delivering the Trade Waste Service.
- £128k overspend on green waste collections
- £164k overspend on domestic waste collections resulting in the main from increased fuel costs
- £198k overspend on Household Recycling Centre management fee for July to March 2023 whilst the contract retender takes place.
- £456k overspend on home to school transport expenditure

Cost Underspends

- A forecast over-recovery of recyclate income against budget of £232k
- An over-achievement of £353k against street works resulting from increased income against budget.
- An over-achievement of profit associated with highways design of £143k.
- An over-achievement of income on traffic management works of £85k
- Use of vacant management/supervision posts £205k

Use of Reserves

- £549k expected WG grant reserve to support the £549k savings target within transport services.

Other mitigating actions to deliver a balanced budget.

- Promote the green waste service to increase income.
- Seasonal working is starting to reduce overtime on highway and verge maintenance
- Start reducing non-critical highway maintenance works
- Increase Trade Waste charges to ensure full cost recovery.

		FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023				ADJUSTMENTS OUTSIDE THE LEDGER			
		Add	Less	Add	Revised	Less	Less	Less	Final
	£'000	Cost Pressures	Cost Underspend	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Outturn Position 2022/23
Property, Planning & Public Protection	6,169	572	(1,458)	150	5,433	(5)	(150)	0	5,278

Feb Variance	Dec Variance
891	427

PPPP Overview

From a Development Management perspective, a harder environmental policy stance on intensive agricultural units and the phosphates issue in general is impacting on planning application income generation. The 2021 savings proposal of an additional £75,000, which was carried forward to 2022, is not going to be achieved considering the above. This issue has been addressed via the 2023 budget where the income targets have been revised to sustainable levels.

Expenditure on the replacement local development plan has been significantly reduced as SPF grant expenditure has been used to secure evidence that would have otherwise been commissioned utilising base budget.

Public Protection are forecast an underspend. The main reason for this is that officers continue to work under Test, Trace and Protect and their salary costs is coded to this budget.

Further controls relating to the funding of public protection investigations are being put in place to secured greater budget certainty. Methods to further manage risk are being considered by the service area. Legacy case are being closely scrutinised by Service Managers to ensure spend is limited to that which is essential.

Trading Standards are unable to achieve an income target of £44,000 from Proceeds of Crime Act 2002. This issue has been addressed via the 2023 budget where the income targets have been revised to sustainable levels.

Strategic Property are forecast an underspend. This underspend relates to the release of a significant budget allocated to remedial works, as the service area does not have the staff resource to appropriately manage the remedial spend.

Income targets for a small number of investment properties are not considered to be achievable. Strategic Property are reviewing this situation and moving into the next financial year, believe that these income targets can be offset using income receipt from alternative commercial properties.

		FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023				ADJUSTMENTS OUTSIDE THE LEDGER			
		Add	Less	Add	Revised	Less	Less	Less	Final
	£'000	Cost Pressures	Cost Underspends	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Outturn Position 2022/23
Housing & Community Development	5,760	883	(257)	0	6,386	0	(100)	0	6,286

Feb Variance	Dec Variance
(526)	(182)

Housing and Community Development Overview

Spend is on track across most budget areas within Housing & Community Development. Managers and officers have been actively reducing spending where possible during this quarter to help support the Council's budget position.

Housing & Community Development is reporting a forecast outturn over spend of £526k compared to £182k at the end of December. This forecast includes the use of the specific reserve set up for Homelessness at the end of the 2022-23 financial year of £100k. The main reason for the increase in the overspend position is the inclusion of the forecast overspend of Freedom Leisure of £313k – support for Freedom Leisure being agreed in December 2022 to mitigate the significant increase in energy costs.

- **Libraries** - forecast to under spend by £65k compared to £38k at the end of December as a result of further slippage in staff costs (resulting from the ability to fund more staff through grants) and increased income in Llanfyllin Library.
- **Archives** - reporting an under spend of £45k compared to £36k at the end of December due to effective housekeeping and a vacant post which has now been appointed to.
- **Policy Unit** - covers the central team and is forecast to underspend by £59k - the same position as reported at the end of December due to vacant posts not being appointed to during this financial year. There was a saving attributed to this area of £38k through a reduction in 3rd party spend and this has been achieved.
- **Leisure and Sports Centres** - outturn over spend of £332k compared to £19k at the end of the third quarter, because of the inclusion of the Freedom Leisure forecast overspend of £313k attributed to the significant increase in energy costs (which Powys have confirmed support for). There is doubt over whether the income for a scheme with the PTHB will be received of £17k, so until there is clarity this has been forecast as unachieved. This cost centre is where the leisure contract is paid from. A saving of £50k was attributed to this cost centre which has been achieved.
- **Sports Development** - forecast to under spend by £1k, compared to £2k at the end of December. £153k of grant was rolled forward from 2021-22 into this cost centre which is required to be spent in this financial year.
- **Arts and Cultural Services** - reporting an under spend of £34k compared to £21k at the end of December. Much of the underspend relates to staff costs, as one member of staff is seconded to the PTHB part time and hasn't been backfilled. This service area had a saving of £63k to make which has been achieved. £77k of income was rolled forward from 2021-22 which needs to be spent in this financial year.

- **Museums** - reporting an overspend of £19k compared to an underspend of £4k at the end of December. The position has moved to an overspend as a result of £27k of legal costs associated with the Powysland Museum land tribunal. The reason for the under spend is as a result of increased grant income.
- **Y Gaer** - forecast outturn underspend of £45k at the end of February compared to £43k at the end of December which relates to some slippage on salaries and increased income.
- Catering income is being carefully monitored, although increased costs of goods, services and salaries are hindering any notable increases. Free school meals for the youngest primary children came into operation from September and a first term of data has been collected. It is still unclear what impact this will have on income and more work is being undertaken to give us a clearer indication of future trends.
- **Catering** - reporting an outturn over spend of £331k compared to £280k at the end of December. The overspend has worsened due to income not at anticipated levels and snow and strike days also affecting this. Data has been gathered to understand the number of children participating in the universal provision of free school meals scheme (UPFSM). This allows us to calculate the estimated level of grant that Welsh Government will provide for delivery of UPFSM at £2.90 per meal which is forecast to be £295k based on the current data provided on uptake.
- The overspend reported is mainly as a result of lower levels of expected income and increased food costs. Income is increasing slowly but is still significantly down on pre-covid levels. WG are continuing to support the costs of FSM (entitled Free School Meals) through the extended hardship fund for school holidays and are paying an admin fee which is helping to offset some of the cost increases within this cost centre.
- **Cleaning** - forecast to under spend by £15k compared to £9k at the end of December due to forecast increased income.

The service has savings to achieve of £172k in 2022-23 with all savings being achieved.

The housing services funded by the General Fund are primarily statutory in nature and include the provision of services related to homelessness. High demand for homelessness services continues, leading to a prediction of a year-end over spend of circa £189,000. The predicted overspend has been estimated after allowing for the additional funding announced by WG in January for homelessness activity in 2022-2023 and money set aside in 2021-2022 for potential overspends in 2022-2023. Proposals are being prepared for consideration by Cabinet in 2023-2024 for Compliant Homeless Services, which includes 24/7 Triage Accommodation, and Modular Temporary Interim Accommodation to reduce the need to use high-cost bed-and-breakfast accommodation for homeless households. Both initiatives will require an 'invest to save' approach by the Council to be able to deliver long term savings and achieve compliance with WG requirements to bring the use of bed-and-breakfast accommodation to an end. A more rigorous approach to assessing and managing homelessness introduced in January 2023 has started to help the Council to better manage the number of applications for assistance and the time those entitled to help are housed in temporary accommodation.

Pressures

Due to country-wide/global issues regarding increasing energy costs and the uncertainty around continuing UK government support, Powys continue discussions with Freedom Leisure regarding the significant cost forecast of utilities into 2023-24. The Council agreed to support the projected deficit position during the remainder of 2022-23 and into the next financial year – which will be closely monitored using an open book arrangement. This could have a considerable impact on the leisure and sport centres in the future and a review of the service will be undertaken in 2023-24 to determine longer-term sustainability of the provision.

The demand for statutory homelessness related services is unlikely to fall, until such time as the overall housing supply in Powys increases to meet the demand and need for secure, affordable homes. A total of 4,700 plus households are registered with 'Homes in Powys' for such accommodation – just over 7% of all households in Powys. The Council has a strong development pipeline for council homes (funded through the Housing Revenue Account) but this, due to phosphate management restrictions, for the next few years is now primarily limited to the north of the county. An acquisitions programme (funded through the Housing Revenue Account) will in 2023-2024 advantage of market opportunities to increase the municipal housing stock, to provide additional secure, affordable housing for homeless and other households in need of decent homes.

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

ADJUSTMENTS OUTSIDE THE LEDGER

	£'000	FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023			ADJUSTMENTS OUTSIDE THE LEDGER			Final	
		Add	Less	Add	Revised	Less	Less		Less
	2022/23 Base Budget	Cost Pressures	Cost Underspen ds	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Outturn Position 2022/23
Housing Revenue Account	0	0	0	0	0	0	0	0	0

Feb Variance	Dec Variance
0	0

HRA – The HRA is ring fenced and forms part of its own trading account. Any surpluses and deficits are contained within a ring-fenced reserve. The HRA is expected to conclude 2022-2023 with a small underspend, which will remain within the account for future use.

Pressures

Rising construction inflation continues to impose additional cost pressures on the HRA. Finding contractors able and willing to undertake works that cannot be completed by the in-house teams is becoming challenging. Enhancing internal capacity and capability to increase efficiency and reduce the reliance on external contractors is being progressed in Q4 of 2022-2023 and Q1 of 2023-2024 with provision made in the Thirty-year Housing Revenue Account Business Plan 2023-2024 to resource this change in approach to providing services for the Council's tenants. Income recovery has remained strong, in the face of people having to manage increases in the cost of living. New developments of council housing have come on stream in Newtown, increasing the net income to the HRA.

		FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023				ADJUSTMENTS OUTSIDE THE LEDGER			
		Add	Less	Add	Revised	Less	Less	Less	Final
£'000	2022/23 Base Budget	Cost Pressures	Cost Underspen ds	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Outturn Position 2022/23
Economy and Digital Services	6,418	54	(349)	214	6,337	0	0	(24)	6,313

Feb Variance	Dec Variance
105	53

Economy & Digital Overview

Cost Pressures

The service is managing current price increases within budget, but inflationary costs are increasing in ICT and Economy capital investment projects. Discussions are taking place with all current ICT suppliers to understand annual pricing and impact on budgets.

Cost Underspends

Staffing costs are currently underspent as the restructure of service has been finalised which has covered underachievement in cost reductions. Vacant posts across the service are being held where possible and do not impact critical delivery of the service.

Cost Reductions

ICT hold cost reductions opportunities from the opportunities to modernise and reduce legacy systems on behalf of other services. This work has been delayed over previous years which has had an impact on our ability in 2022/23 to achieve savings outlined of £214k although work continues to progress opportunities wherever possible.

Use of Reserves

No current use of reserves

Other mitigating actions to deliver a balanced budget.

Economy budgets have been set on a 3-year basis following WG grant allocations giving more stability to the budgets in this area than had been seen in previous years. Maximising opportunities to align current staff to grant income has contributed to the balanced budget with use of specific reserves to balance the following year.

		FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023				ADJUSTMENTS OUTSIDE THE LEDGER			
		Add	Less	Add	Revised	Less	Less	Less	Final
	£'000	Cost Pressures	Cost Underspend	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Outturn Position 2022/23
Transformation & Democratic Services	3,787	101	(101)	0	3,787	0	(85)		3,702

Feb Variance	Dec Variance
85	36

Transformation and Democratic Services Overview

Cost Pressures

Some areas of the service such as communications and the corporate insight centre (data analytics), are not fully funded by the annual working budget in terms of staffing costs. This means that there are several posts that are fixed term (one post has been supporting Track, Trace and Protect), which are funded by generating income through other means (external grants/carrying out work for other organisations) and have been a cost pressure for the service.

Cost Underspends

The current forecast outturn position for the Transformation and Democratic Service at the end of February, is an under spend of £85k compared to a £36k under spend reported at the end of December. This assumes that £85k will be drawn down from the specific reserve. The underspend of £85k is reported in Democratic Services (and is relating to salaries and an underspend in member travel).

Cost Reductions

Savings in this area amounted to £229k, all in year savings have been achieved: -

- Restructure of several teams - £113,510
- Reduction in travel - £11,000
- Five fewer Councillors - £105,000

Use of Reserves

£85k use of reserves:-

- £81k to support the Communications staffing structure, as the permanent structure is not fully funded by the base budget.
- £4k part funds the additional Business Intelligence Officer (fixed term post) within the Business Intelligence Systems team (SQL developer).

Other mitigating actions to deliver a balanced budget.

The Transformation and Democratic service is reliant on income, any reduction or increase in income will affect the forecast.

We have been fortunate to obtain external funding from other sources and this funding enables us to have a balanced budget at the end of the year. The forecast outturn is greater than the annual working budget, which has been the case for many years and is being closely monitored and some fixed-term positions may need to cease if income generation is not maintained or increased in future years.

FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023					ADJUSTMENTS OUTSIDE THE LEDGER				
		Add	Less	Add	Revised	Less	Less	Less	Final

	£'000	2022/23 Base Budget	Cost Pressures	Cost Underspen ds	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Outturn Position 2022/23
Workforce & OD		2,511	0	(394)	24	2,142	(14)	0	0	2,127

Feb Variance	Dec Variance
384	310

Workforce and OD Overview

We are forecasting an annual underspend of £384k against budget, which takes account of £14k of the remaining savings being assured, leaving a final balance of £10k of costs savings which cannot be achieved, this however is more than offset by the overall service underspend. The underspend arises from two key reasons, firstly due to an underspend on staffing costs arising from challenges in recruiting to vacancies, and secondly due to a healthy over-achievement of income within the service. Pleasingly progress has been made in recruiting to key vacancies during the year, albeit from Q3 onwards and a small number are presently being recruited to.

Cost Pressures

None to report this quarter.

Cost Underspends

We are forecasting an annual underspend of £384k against budget, mainly arising from staffing underspends due to vacancies and the over-achievement of income within the service.

Cost Reductions

82.6% of the planned cost reductions have already been achieved, a further 10.1% is assured, leaving a balance of 7.3% which cannot be achieved in the current year. This final balance of £10k relates to the costs / charges for undertaking DBS checks for schools and is recovered at actual throughput, against an assumed figure based on historic turnover, meaning the figure will vary each year.

Use of Reserves

We are not planning to call upon reserves.

Other mitigating actions to deliver a balanced budget.

We continue to forecast a significant underspend at year end and will continue steps to recruit to the small number of vacancies that remain.

		FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023				ADJUSTMENTS OUTSIDE THE LEDGER			
		Add	Less	Add	Revised	Less	Less	Less	Final
	£'000	Cost Pressures	Cost Underspend	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Outturn Position 2022/23
Legal	1,434	147	(131)	6	1,456	0	0	0	1,456

Feb Variance	Dec Variance
(22)	1

Legal Overview

We are forecasting an outturn on track to balance.

Cost Pressures – Zero

Cost Underspends

Corporate Legal & Democratic Services are forecasting an outturn underspend arising from temporary slippage on Member's wages budget and general overhead expenditure, and an underspend on Solicitors due to slippage against the staffing budget.

Cost Reductions

The service has a £203k savings target to achieve in 2022/23, and is on track to deliver in full

		FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023				ADJUSTMENTS OUTSIDE THE LEDGER			
		Add	Less	Add	Revised	Less	Less	Less	Final
	£'000	Cost Pressures	Cost Underspend	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Outturn Position 2022/23
Finance & Insurance	6,258	0	(33)	0	6,225	0	0	0	6,225

Feb Variance	Dec Variance
33	(20)

Finance Overview

The service is expected to deliver a balanced budget this year.

		FORECAST FOR THE YEAR ENDED 31ST MAR 2023 AS PER CP/LEDGER FEB 2023				ADJUSTMENTS OUTSIDE THE LEDGER			
		Add	Less	Add	Revised	Less	Less	Less	Final
£'000	2022/23 Base Budget	Cost Pressures	Cost Underspen ds	Cost Reductions not delivered	Outturn	Cost Reductions not yet delivered but assured	Specific Reserves with Agreed use	Use of Risk Funding to cover unfunded Pressures	Outturn Position 2022/23
Corporate Activites	34,158	3,203	(7,389)	0	29,972	0	0	2,000	31,972

Feb Variance	Dec Variance
2,186	1,524

Corporate Overview

Cost Pressures

There is £3.2 million cost pressure which relates to the unfunded pay award, of which £1.2 million has been funded from reserve. This is rectified next year through budget setting. A shortfall on the levies budget for both the Fire and Brecon Beacons National Park of £82k, budgets were agreed before the final inflation uplifts were provided by these organisations. An overspend against Housing Benefit budgets that is being reviewed of £0.9 million.

Cost Underspends

£2.4 million relates to an underspend on interest on borrowing and MRP. It has improved against the previous forecast due to removing a number of pipeline schemes and delaying other projects to reduce the need for borrowing this year. £0.9 million overachievement of council tax is forecast in part relating to the premiums we have in place, our collection rate has fallen and this may impact this forecast if they remain below plan until year end. The under requirement of Council Tax Reduction Scheme £0.9 million will be used to offset the overspend on Housing Benefit. £2 million relates to pulling through the Risk Budget that is held to fund unforeseen pressures such as the expected pay award. £0.5 million over collection of pension contributions which will be used to support the pay award. £0.3 million due to the reduced need to fund transformation redundancies from the £0.5 million budget.

