

CYNGOR SIR POWYS COUNTY COUNCIL

CABINET EXECUTIVE

4 March 2025

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 31st December 2024)

REPORT FOR: Decision

1. Purpose

1.1. To provide Cabinet with the projected revenue budget outturn for the 2024-25 financial year, based on the full year forecasts as at 31st December 2024.

2. Background

2.1. Throughout the year, the expected outturn position at 31 March 2025 is projected, 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 third reported forecast outturn for the 2024-25 financial year based on the financial position at the end of quarter 3 (31st December 2024).

2.2. Table 1 below summarises the projected full year outturn position across the Council's services, including the HRA¹ and the schools delegated budget, and reports an underspend of £0.9 million against the budget. This is an improvement of £3.8 million from Quarter 2 due to the actions taken in response to the forecast at quarter 2. This includes forecast underspends of £35,000 on schools delegated budgets and £0.5 million on the HRA. The forecast excluding these ringfenced budgets is an underspend of £0.4 million (as shown in Appendix A).

Table 1: Summary Forecast Outturn Position

Revenue Budget	£000s
Base budget	341,626
Net cost (pressures) / underspends	4,062
Cost reductions not yet delivered but assured	(3,097)
Costs funded from Risk budget	(2,889)
Reduction in available Risk budget	2,889
Subtotal	342,590
(Over) before agreed specific reserve movements	(965)
Funded by:	
Agreed specific reserve movements	1,859
Net under spend including ring-fenced budgets	894

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 due to a number of factors, including additional funding from Welsh Government (WG), the transfers from specific reserves to manage the Adult Social Care (ASC) overspend position and other changes made within Social Care to stabilise their budget position in 2024-25, these changes are set out in table 2 below:

Table 2: Summary of significant changes from Quarter 2

	Total	Schools Improvement & Learning	ASC	Children's	Corporate
Breakdown of changes from Q2	£000s	£000s	£000s	£000s	£000s
Additional WG grant funding, improving PCC's financial position (mainly funding NJC pay award)	2,439				2,439
Use of ASC specific reserves to support the overspend position	948		948		
<i>Service changes:</i>					
- ASC additional income received for clients	790		790		
- Social Care contract clawback from providers for amending over-commitments	1,060		260	800	
- Social Care cost reductions - validating delivery of proposals	(320)		580	(900)	
- Education: vacancies, additional grant funding, improvement in financial position of non-delegated functions (eg early years settings, breakfast clubs, after school clubs) following finance surgeries	623	623			
Redundancy costs (mainly schools) etc related to transformation	(1,400)				(1,400)
Changes excluding risk budget movements	4,140	623	2,578	(100)	1,039
Risk budget movements	0	(123)	626	1,556	(2,059)
Total changes	4,140	500	3,204	1,456	(1,020)

- 2.4. Social Care improvements include:

2.4.1. Adult Social Care The virements set out in the quarter 2 report, including the increased numbers of care packages, in part to address the delays in transfers for care home placements, and domiciliary care packages remain in place have been actioned and the service has implemented a number of other changes that have improved the position by £3.2 million as set out above.

2.4.2. Similarly, in Children's Services the position has improved by £1.5 million, with the virements agreed in the quarter 2 report actioned and work undertaken to reduce committed spend. However, this has had a detrimental impact on the assurance in the delivery of the planned cost reduction measures, which has been revised downwards by

£0.9 million. The cost of placements continues to increase, partly as a result of complexity, where children are often requiring 2:1 staffing levels or increased packages of support. This is also within the context of a national shortage of placements which is driving pricing.

- 2.5. Immediate action was taken to address the forecast overspend position across all Council services, including a council-wide recruitment freeze, with every post being considered by the Service Director prior to approval, ensuring that only service critical posts proceed to recruitment, this action and increased scrutiny and challenge on costs has contributed to the improved position.
- 2.6. Appendix A provides the forecast financial position for each service, including the 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 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 3 below shows that 52.0% (£6.7 million) of the agreed cost reductions have been delivered by the end of the third quarter. A further 24.9% or £3.2 million is assured of delivery by services within the 2024-25 financial year. 23.1% (£3.0 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.
- 3.3. The latest projection reports that 76.9% of cost reductions will be delivered, this falls short of the 88% delivered by the end of quarter 3 last year.
- 3.4. Those services that show unachieved cost reductions must explain why they are now not considered achievable and what remedial action they are taking to mitigate the impact on the overall performance within their service as they maintain a balanced position. At this point in the year, opportunities to reduce spend and bring the targets back on track are diminishing.

Table 3: Cost Reductions

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.)

£'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	798	718	982	32.0%
Economy & Climate	220	220	0	0	100.0%
Planning & Regulatory Services	750	117	468	165	15.6%
Community Wellbeing	1,410	1,273	105	32	90.3%
Adult Services	3,814	3,074	740	0	80.6%
Childrens Services	3,985	2,188	897	900	54.9%
Finance	210	110	100	0	52.4%
Corporate Activities	1,000	500	0	500	50.0%
Workforce & OD	13	3	10	0	25.2%
Digital Services	223	213	0	10	95.5%
Business Intelligence & Governance	34	34	0	0	100.0%
Legal Services	95	35	60	0	36.8%
Total	15,066	8,890	3,202	2,975	59.0%
Adult Services - reinstated budgets related to one-off savings in 2023-24	(2,200)	(2,200)	0	0	100.0%
Total	12,866	6,690	3,202	2,975	52.0%
		52.0%	24.9%	23.1%	

4. Reserves

- 4.1. The reserves position is set out in Table 4. At the beginning of the current financial year £73.2 million of revenue reserves were held, 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.
- 4.2. The budgeted use of the Transport and Equipment reserve has reduced since the quarter 2 report as a result of the reduced requirement to fund vehicle replacement this financial year. The budgeted use of other specific reserves has increased by £0.8 million reflecting the draw from reserves to mitigate the Adult Social Care budget position, along with some minor adjustment to other specific reserves. The draw on specific reserves already includes £1.3 million for levelling up match funding and £0.8 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.

Table 4: Reserves Table

Summary	Opening Balance (1 April 2024) Surplus / (Deficit) £000s	Budgeted Transfer to / (Use) of Reserves £000s	Forecast (Over) / Under Spend £000s	Forecast Balance (31 March 2025) Surplus / (Deficit) £000s
General Fund Reserve	10,038	0	0	10,038
Budget Management Reserve	3,584	0	0	3,584
Transport & Equipment Fund	11,218	92	0	11,310
Other Specific Reserves	32,410	(4,070)	86	28,427
Total Useable Reserves	57,250	(3,978)	86	53,358
Schools Delegated Reserves	892	(1,561)	46	(623)
School Loans and other items	(400)	0	0	(400)
Housing Revenue Account Reserve	3,812	(984)	507	3,335
Total Revenue Reserves	61,553	(6,523)	639	55,670
Revenue Grants Unapplied	11,608	(11,260)	0	348
Total	73,162	(17,783)	639	56,018

4.3. Schools set their budgets in May with an expected call on reserves of £3.3 million. This figure has reduced to £1.5 million, as schools have provided updated forecasts and recovery plans, following work with the team around the school and finance surgeries. The budgets have also received additional grant funding, as set out below and in Appendix C, which will also have impacted on the forecast outturn position.

4.4. Collectively the forecast now projects a £17.8 million draw on specific revenue reserves, reducing the reserves held by the Council from £73.2 million to £56.0 million.

5. Virements and Grants

5.1. Grants

There have been additional grants received this quarter totalling £11.3 million as set out in Appendix C. These are reported here to comply with financial regulations.

5.1.1. Included within Appendix C are several Welsh Government grants to cover the increased costs of pay awards and pension changes as set out in more detail below:

Table 5: Pay and Pension related grants

2024-25	Amount £000s	Explanatory note
Scape Teachers pension	2,417	We did not build the increased teachers' pension contribution into our budget or allocate it through the schools funding formula as we had been informed it would be fully funded via WG. This grant funding has now been confirmed and is more than sufficient to cover the cost this year. Funding will be distributed to schools via the principles of schools funding formula.
Scape Fire pension	163	We are already including the increased pension costs in our payments for the fire levy and our base budget was set at this level. This funding will offset these costs that we have already incurred and will support the overall financial in year deficit.
Teachers pay	723	The pay award of 5.5% was more than we budgeted (4%). WG agreed to fund the difference from what was included in the settlement. This funding will cover the costs being incurred and will be distributed via the principles of schools funding formula.
NJC pay	2,276	We uplifted service budgets by 4% to cover the likely pay award, the actual pay award was slightly higher overall for the council so this funding will enable us to meet any shortfalls, estimated at £200k. The balance of this funding will be used to support the projected overspend at quarter 2, however it will not cover it completely and the actions agreed by Cabinet to reduce spend across the organisation still have to be actioned to reduce the overspend projected and limit the use of reserves.
Total	5,580	

5.1.2. Flood and Coastal Erosion Risk Management Programme - £50,000 awarded to fund emergency works following Storm Bert and Storm Darragh. Funding relates to the period 03/01/2025 to 31/03/2025 and awarded for repairs to flood defences at land adjacent to The Griffin Inn, Brecon (£35,000), Gorof Wood Ystradgynlais (£5,000) and Nant Madoc Brecon (£10,000).

5.2. Virements for Cabinet approval

The virements set out below require approval by Cabinet in order to comply with financial regulations.

5.2.1. £404,120 – Transport services have been awarded £1.7 million Bus Network Grant in 2024/25, and the service propose to temporarily use £404,120 of this grant funding to support public transport costs, releasing £404,120 of base budget within public transport, it is proposed to vire £392,940 of this budget to support storm / flooding expenditure in Highways Operations and £11,180 to support storm / flooding expenditure in countryside services arising from Storms Bert and Darragh. Total responsive costs arising from Storms Bert and Darragh are estimated at £345,000 and recovery works estimated at £1.1m; in addition to the virement, the remaining £696k of expenditure will need to be managed from existing revenue budget resources held for storm works.

- 5.2.2. Corporate Activities – A temporary virement is requested to use the one-off saving on business rates due to in-year back dated credits on Council buildings to fund the unachieved saving of £350k on the capital borrowing budget. Delivery of the full £500k saving has not been possible to achieve in this financial year due to interest rates not reducing as anticipated and our cash balances reducing. The shortfall can be mitigated this year through the virement. The target will then be rolled forward into 2025-26, when, as interest rates reduce, we hope to be able to deliver this later in the year.

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. Removal of the £1,400,000 contribution from the Housing Revenue Account (HRA) reserve into the HRA in 2024-25. This was going to be used to fund an external contractor to undertake a condition survey of the HRA, this is no longer required in 2024-25, the service will now undertake the work in-house over a 4 year period.

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. This has been drawn down in full this year, with services having to contain spend within their budgets or seek an agreed level of overspend.
- 6.2. Welsh Government have provided grants to fund the additional cost of the teachers' pension changes that took effect in April 2024 and to fund the additional cost of the teachers' pay award in 2024-25, which increased to 5.5% from September 2024. This has removed a significant risk from our budget, the funding has been distributed to schools. For 2025-26 this funding has been transferred into the Education Indicator Based Assessment (IBA) that forms part of the Revenue Support Grant, and the pressure of the teachers' pay award on the schools funding formula is included within the Finance Resource Model (FRM) for 2025-26.
- 6.3. The improved position now being reported reduces the risk of drawing on reserves to meet an overspend this year. This maintains the general fund reserve at its current level and does not reduce the Council's overall financial resilience.
- 6.4. The greatest financial risk remains in our ability to deliver a balanced budget over the medium and longer term. The budget recommended for 2025-26 recognises the ongoing impact of the current economic situation and the impact on public finances in the next few years, despite the investment from the UK and Welsh Governments' most recent budgets. While the budget recommended for 2025-26 is balanced, there is a budget gap of £13.9 million for 2026-27, which grows to a cumulative gap of £39.1 million by 2029-30. Work will continue into the Spring of this year to close the budget gap for 2026-27 and beyond. The further development of proposals aligned to the Sustainable Powys Programme is critical to put the Council on a more sustainable financial footing.
- 6.5. 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. This year the Council cash balances are reducing as some larger grants are now spent and the use of specific reserves is made, this will continue into next year. We continue to borrow in

the short term rather than commit to higher interest rates for borrowing over the longer term. The interest rates remaining higher than expected has caused interest estimates to increase and we have requested additional budget in 2025-26 to support borrowing costs. Our approach is regularly updated and explained as part of the Treasury Management update to Governance and Audit Committee.

7. Resource Implications

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

- 7.1. It is pleasing to see that the overspend forecast at quarter 2 has been mitigated and that the measures put in place have resulted in an improvement, although it is acknowledged that a significant part of this mitigation was as a result of additional grant funding received from Welsh Government for pay costs that had already been recognised in the approved budget for this year. The Council continues to face financial challenges, particularly in relation to Social Services and Powys is not unique in this - Councils across Wales are seeing this impact, as set out clearly in the “Financial sustainability of local government” report³ by Audit Wales published in December. Sound and robust financial management is essential to manage the Councils finances effectively.
- 7.2. The Council continues to face a significant challenge as we develop our plans for future years. Our Medium Term Financial Strategy remains extremely challenging with a significant budget gap of £30.9 million over the next 5 years, as the financial pressure we continue to face is likely to continue to outweigh the funding available based on the current forecasts.
- 7.3. Our financial plans will therefore be subject to ongoing review, funding assumptions will be revisited as more information becomes available. A balanced budget for 2025-26 has been recommended to Council but we must continue to work on balancing future years’ budgets to ensure that the Council is financially resilient and sustainable in the medium term.
- 7.4. 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.

8. Legal implications

- 8.1. The Head of Legal & Democratic Services (Monitoring Officer) has commented as follows:- I support the recommendations in the report.

9. Climate Change & Nature Implications

- 9.1. Not applicable to this report.

10. Data Protection

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

³ [Financial sustainability of local government | Audit Wales](#)

11. Comment from local member(s)

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

12. Impact Assessment

12.1. No impact assessment required.

13. Recommendation

It is recommended that:

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

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

13.3. 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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Appendix A: Summary Revenue Forecast to year end as at 31st December 2024

£'000	2024/25 Base Budget	CP Forecast Outturn	ADJUSTMENTS OUTSIDE THE LEDGER			Forecast Outturn Position 2024/25		Forecast Outturn Under / (Over) spend as at December	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				
EDUCATION									
Schools Improvement and Learning	15,905	16,315	0	(356)	(252)	15,707		198	(302)
Schools Transformation	2,330	2,580	0	(100)	0	2,480		(150)	(174)
ECONOMIC DEVELOPMENT AND GROWTH									
Highways Transport & Recycling	36,116	37,276	(718)	0	(255)	36,303		(188)	(341)
Economy and Climate	1,609	1,677	0	(106)	0	1,571		38	34
Planning and Regulatory Services	9,435	9,820	(468)	0	0	9,352		83	49
General Fund Housing	773	1,122	0	(349)	0	773		(0)	0
Economic Development, Growth & Place	348	349	0	0	0	349		(1)	4
SOCIAL SERVICES AND WELLBEING									
Community Wellbeing	2,512	2,430	(105)	0	0	2,326		186	157
Adult Services	92,531	94,846	(740)	(948)	(626)	92,531		0	(3,082)
Children's Services	30,673	34,418	(897)	0	(1,556)	31,965		(1,292)	(2,745)
CORPORATE SERVICES									
Finance	7,146	7,096	(100)	0	0	6,996		150	63
Corporate Activities	37,892	34,048	0	0	2,889	36,937		956	2,032
People Services	2,866	2,764	(10)	0	0	2,754		112	47
Digital Services	6,600	6,451	0	0	0	6,451		149	284
Business Intelligence and Governance	4,174	4,039	0	0	0	4,039		136	187
Legal	1,602	1,687	(60)	0	0	1,627		(24)	(23)
Total excluding ring-fenced budgets	252,513	256,917	(3,097)	(1,859)	200	252,161		353	(3,811)
Housing Revenue Account	0	(507)	0	0	0	(507)		507	(54)
Schools Delegated	89,113	89,278	0	0	(200)	89,078		35	(73)
Total including ring-fenced budgets	341,626	345,688	(3,097)	(1,859)	0	340,732		894	(3,938)

Appendix B: Service commentary on revenue forecast

EDUCATION

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 December	Forecast Outturn Under / (Over) spend as at September
Schools Improvement and Learning	15,905	16,315	0	(356)	(252)	15,707		198	(302)

Head of Service commentary:

An underspend of £198k is forecasted at the end of December 2024. This has changed from an anticipated £302k overspend forecasted at the end of quarter 2.

This changed position can be attributed to savings identified and maximisation of grant income received, along with:

- Non-delegated functions: As a result of the support and challenge to providers of i.e. after school clubs, the forecast outturn position has reduced from a £151k overspend to a £1k overspend.
- Schools Central: Forecasted overspend of £40k. Pressures include the increasing costs of redundancy and early retirement payments as a result of Management of Change processes undertaken by schools to secure in year surplus budgets - this has been identified within the 2025/26 FRM.
- School Improvement: Forecasted overspend position of £51k. This can in part be attributed to the pressures in funding the additional secondary / all-age support required.
- Schools Operational Costs: Forecasted underspend of £10k. Despite the overspend in the staff absence insurance, this and other costs has been mitigated by the utilisation of grant funding within the Education Support Service and Education Welfare Service teams. However, there remains an overspend of £153k in Freedom Leisure, with the unachieved savings for 24/25 included in the 25/26 FRM.
- ALN, Youth and Inclusion: Forecasted underspend of £280k. This can be attributed to a change in staffing and grant utilisation.

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 December	Forecast Outturn Under / (Over) spend as at September
Schools Delegated	89,113	89,278	0	0	(200)	89,078		35	(73)

Head of Service commentary:

Following significant support and challenge by the finance and Education Service for schools to (where required) produce deficit recovery plans to ensure in-year surplus budgets, there has been an improvement in the schools' overall position from an overspend of £73k to an underspend of £35k across all schools. This demonstrates the significant commitment by all parties to ensure that school delegated budgets are managed efficiently.

The ongoing tracking of individual school budgetary positions against their forecasted budgets and / or recovery plans remains a key 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 December	Forecast Outturn Under / (Over) spend as at September
Schools Transformation & Property	2,330	2,580	0	(100)	0	2,480		(150)	(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 has been identified as a service pressure for the 2025/26 FRM. Working closely with the Schools Estates Team, the Property budgets are scrutinised closely to ensure that there is an accurate overview of spend. Schools have been notified that only urgent and emergency works will be carried out in this financial year. A virement will be needed for any overspend in this area. There have been a number of unforeseen issues with school buildings in recent months due to the weather and condition of the properties.

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

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 December	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				
Highways Transport & Recycling	36,116	37,276	(718)	0	(255)	36,303	(188)	(341)	

Head of Service commentary:

We are forecasting an overspend of £189k at the end of November 2024, an improvement from the £341k overspend reported in September. This £153k improvement is primarily due to the allocation of £242k from the BNG grant to support public transport costs, thereby freeing up the base budget to address service cost pressures.

The forecast overspend of £188k assumes assured savings of £1.363m will be met. Should the assured savings not be delivered, the forecast position will worsen to an overspend of £1.806m.

The main reasons for the forecast overspend of £189k include:

- There is an under spend of £15k reported because of vacant management/supervision posts and reduced private contractor spend in Highways Operations.
- £46k underspend on street lighting maintenance (materials and staff resource).
- £137k underspend on traffic maintenance activities.
- £123k forecast over-recovery of income on highways chargeable works
- An over-achievement of £156k on dry recycle income
- An under spend of £143k on disposal of residual waste.
- £53k underspend on food and other waste services
- An underspend of £74k on Trade Waste Collection service
- £49k underspend on bulking stations
- £408k underspend on public transport
- An over-achievement of £244k against street works resulting from increased income against budget.
- £46k underspend on network management

- £23k underspend on civil enforcement operating costs

Offset by:

- Unachieved savings totalling £981k. Total savings target for 2024/25 is £2.497m, of which £153k been achieved to date, £1.363m assumed to be achieved and £981k reported as unachieved.
- £73k expenditure on a Programme Change Manager which has no base budget.
- £38k overspend on Green Waste collection due to vehicle hire costs
- £398k overspend on domestic waste collections
- £122k overspend on school transport costs
- £113k forecast overspend on fleet workshops
- £177k overspend on flooding revenue costs

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 December	Forecast Outturn Under / (Over) spend as at September
Economy and Climate	1,609	1,677	0	(106)	0	1,571	38	34

Head of Service commentary:

Overall financial position of the service is a forecast underspend of £38k compared to a working budget of £1,609k after use of £106k in Specific Reserves. It is proposed that the underspend of £38k will be transferred to the Regeneration specific reserve, 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 40% of Economy and Climate staffing structure 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 have mitigated in year but continues to be a risk. We are delivering without an allocated budget through the Rural Development Plan reserve. This has been identified as a potential ongoing risk.

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 December	Forecast Outturn Under / (Over) spend as at September
Planning and Regulatory Services	9,435	9,820	(468)	0	0	9,352		83	49

Head of Service commentary:

Planning and Regulatory Services are reporting an outturn underspend of £83k, against a budget of £9.435m.

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

The Strategic Property overspends principally relate to 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 with finance colleagues. Whilst saving proposals can be delivered, a number cannot be implemented for the complete financial year. Restrictions in spend are being implemented to help manage the overspend in the area.

The overspend reported in Public Protection is a result of income targets not being achieved. Unsustainable income targets have been identified as inescapable pressures within the 2025/26 budget proposals. 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 towards the end 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.

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 December	Forecast Outturn Under / (Over) spend as at September
General Fund Housing	773	1,122	0	(349)	0	773		(0)	0

Head of Service commentary:

General Fund Housing (HGF) continues to report a forecast outturn breakeven position. This includes the use of the specific reserve for Homelessness of £349k; without this reserve the service would be reporting an outturn overspend of £349k. 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. Greater use of HRA stock for temporary accommodation, and the 'flipping' where provided for within policy of this type of accommodation to a permanent tenancy as a way of discharging the Council's statutory duties to homeless households has contributed towards the downward pressure on spending. However, care must be taken to make sure that the use of the Council's housing portfolio reflects the full range of housing needs across the county, as recorded by 'Homes in Powys'. There is a current underspend on HGF Gypsy Sites which will allow for maintenance works to be brought forward for the sites.

Overall, the HGF budget is currently predicted to be in balance at year end.

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 December	Forecast Outturn Under / (Over) spend as at September
Housing Revenue Account	0	(507)	0	0	0	(507)		507	(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 for repairs and maintenance, has allowed the HRA to have a forecast year end overspend of £507k. This is the result of intensive activity to reduce void times (and so associated rent loss, which is performing well against targets set for 2024-2025) without compromising the quality of homes being let by limiting the use of external contractors, whose costs are generally above those of the in-house teams. Materials and private contractor spend in the HRA will remain an area for continued vigilance, to maintain and improve on the progress made to date.

Rental income recovery is progressing well and year end the Council should meet its income budget of £29.998m. Other income is also forecast to over-recover against the budget by £207k.

Unless there are unforeseen items of expenditure (for example weather related repairs arising during the remaining winter months), the HRA should be in balance at year end.

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 December	Forecast Outturn Under / (Over) spend as at September
Economic Development, Growth & Place	348	349	0	0	0	349		(1)	4

Commentary: Spend is on track to balance budget.

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 December	Forecast Outturn Under / (Over) spend as at September
Community Wellbeing	2,512	2,430	(105)	0	0	2,326	186	157

Service Senior Manager Commentary:

Community Wellbeing is reporting a forecast outturn underspend of £186k. The main reasons for the underspend are slippage in staffing costs due to vacancies and base budgeted staff being funded by grant funding, income generation is also expected to be over the budgeted level.

The service has savings to achieve of £1,410k in year. £1,273k 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 £83k. 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 £176k against a working budget of £1,331k. 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 £168k underspend at quarter 2 is due further staffing slippage.

Archives are reporting a forecast outturn underspend of £9K 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 £36k, against a working budget of £182k. The overspend is due to the cost of the leisure review staff.

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 underspend of £2k against a budget of £90k

Arts and Cultural Services are reporting a forecast outturn underspend of £7k compared against a working budget of £74k.

Museums are reporting a forecast outturn underspend of £10k compared to a working budget of £219k 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 £126k. 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.

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 December	Forecast Outturn Under / (Over) spend as at September
Adult Services	92,531	94,846	(740)	(948)	(626)	92,531		0	(3,082)

Head of Service commentary:

The forecast outturn at the end of Period 9, Quarter 3, 31st December 2024, is a £2.314 million overspend, however if the outstanding savings/efficiencies are delivered of £0.740 million, the agreed draw down of £948,000 from the Adult Social Care specific reserves and £626,000 from the risk budget, as agreed by Council in December 2024, then the position will be break even. This is a reduction in the outturn position since quarter 2 of £3 million.

The £3 million reduction is due to,

- The agreed call down on Specific Reserves of £948,000
- The agreed call on risk budget of £626,000
- £1 million of the one off back dated funding in respect of 'Funding Body review', previously going to fund the new Care Management system but no longer required
- £270,000 one off credit note re non delivery of a supported living contract in quarter 1 & 2 2024/25.
- £116k one off Welsh Government funding to reflect that the maximum charge for the 'Fairer Charging, services in the community' care cap will not be increasing from £100 following consultation in 2024/25.
- The balance due to mitigation actions developed as part of the service rectification plan. The service is currently reconciling activity data and commitments on the ledger and ensuring all placements or packages of care have been requisitioned following contract issued.

The overspend is due to and remains an increase in service demand and pressures in Residential/Nursing 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). The 2025-26 budget recommended to Council takes account of the implications of the increased care packages for future years.

The forecast outturn assumes that the,

- Deferred Charges budget of £856,000 will be achieved in full, £747,000, 87% achieved to date.
- Direct Payment audit reclaims budgeted of £674,580 and the one-off target of £500,000 will be achieved in full, £1.168 million, 99% achieved to date.

The Adult Social Care projected “Demography” in the Financial Resources Model (FRM) 2024/25 is being managed in part by prevention and cost avoidance

- Telecare
- Direct Payments as opposed to traditional Home Care cost differential.
- Reablement – 83% of ongoing packages reduce the need for higher cost alternative care.
- Home Support

Cost Pressures

Current Pressures - Included in the forecast at quarter 3,

£2.153 million overspend in Older adults compared to £2.578 million in Q2.

- due to increased demand/complexity and marketplace fluctuation.
- additional use of nursing beds and residential EMI beds
- an increase in clients receiving Home Care over 2000 additional hours per week
- increased use of Direct Payment (DP) packages to prevent carer breakdown or admission to residential care.
- Continued use of interim beds to facilitate hospital discharges

Bed comparison – Table below shows the changes in active placements, excluding the Shaw contract of 201 beds:

Bed	Total active placements 1st April 2024	Total active placements 31st December 2024	Changes in active placements since start of year
Respite spots	22	17	-5
Residential Elderly frail	214	198	-16
Residential EMI	107	122	15
Nursing	138	174	36
Nursing EMI	66	88	22
Total	547	599	52

£1.107 million overspend in Learning Disabilities compared to £2.616 million in Q2

- Additional service users in receipt of Home Care, 1-1 hours and an additional need in respect of non-care services e.g. Transport.
- Additional 9 new residential placements, increased packages and reduction in educational funding from Welsh Government.
- Additional tenants moving into the Locality with no budget available
- Part year effect for 3 new tenancies
- Increased supplier costs

£0.605 million overspend in Mental Health compared to £0.358 million in Q2

- due to new support living tenants and 1-1 hours
- two new out of county residential placements.

£0.671 million overspend in Physically Disabled provision compared to £0.514million in Q2

- an additional 11 new service users in receipt of Home Care and full year effect of part year clients from 2023/24 offset by Residential/Nursing Care
- increased costs re care home beds.

£0.084 million overspend in commissioning compared to £0.011 million in Q1.

- This is due to 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 across other areas of provision.

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.
- The unmet need in regard to community services sitting on the Care Transfer or Referral Form (CROFT) following assessment but lack of service provision, this has increased to 75 individuals and 886.5 hours of care due to 8 new providers on the framework and 2 more in progress. This would be an additional budget pressure of £300,000 to year end if care provision was provided (and an additional £1.250 million 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.

Areas of concern continue to be: -

- Increased demand and delivery of domiciliary care.
- 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. 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.

- Ongoing difficulty to agree appropriate health funding in a timely manner and respond to increased hospital discharges.

- Need to review and test mitigation measures currently in place to manage demand, accurately predict and report on commitments for the rest of 24/25 to escalate concerns in a timely manner.

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

Savings/ Efficiencies - Of the original target of £3.814 million, £2.074 million has been achieved to date, 80.60%. The remaining £0.740 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.

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 is 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 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.

Conduct deep dive diagnostic to identify improved ways of working and efficiencies with strategic partner.

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 December	Forecast Outturn Under / (Over) spend as at September
Children's Services	30,673	34,418	(897)	0	(1,556)	31,965		(1,292)	(2,745)

Head of Service commentary:

The 2024/25 Children's Services forecast outturn position as of 31st December 2024 exceeds the baseline budget set by £3.745 million which equates to 12.21% expenditure over budget. £900,000 of the cost reductions have been deemed unachievable however if the remaining assured cost reductions of £896,000 are delivered and £1.556 million is funded from the Councils 'Risk Budget' in respect of Children Looked After (CLA) demography pressures, as agreed by Council in December 2024, then the forecast overspend will be £1.292 million which equates to 4.21% expenditure over budget.

The forecast outturn has reduced from £2.745 million at quarter 2 to £1.292 million at the end of quarter 3.

Cost pressures

The £3.454 million unfunded pressures within the service are due to

£2.959 million Children Looked After (CLA) placements, a decrease of £633,000 since quarter 2 due to

- £284,000 due to over commitments on Residential CLA and £194,000 in adoption placements due to overstatements.
- £55,000 re Unaccompanied Asylum-Seeking placement reductions.
- and the remainder, £100,000 re increases and decreases in complexity 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.
- £101,000 increase in spend for unregulated placements.
- £193,000 additional overspend to placement pressures for CLA support, a decrease of £16,000 since quarter 2.

- £26,000 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. A decrease of £18,000 since quarter 2.
- £276,000 overspend forecasted for the five In House Residential homes, a decrease of £44,000 since quarter 2:
 - 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 for the 3rd placement. This 3rd placement will become a pressure in 2025/26 without additional funding.
 - Bannau, the Powys Teaching Health Board (PTHB) Continuing Health Care (CHC) base budget income funding of £136,000 has ceased, since budget setting, and therefore is now a pressure.

All baseline budget underspends of £1.506 million are currently being utilised to mitigate the overall budget forecast overspend. The majority of this is around posts and associated costs.

- £944,000 Staffing underspend based on current vacancies qualified and non-qualified positions. This will also include the 'grow your own' backfill.
- £85,000 due to Market supplement. Currently not all qualifying posts are occupied or been occupied for the relevant time frame.
- £56,000 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. This is a decrease in underspend since quarter 2 of £107,000 due to commitments on the system.
- £279,000 various small underspends on service subjective headings.
- £83,000 Legal underspend, although this is difficult to predict.
- £59,000 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 that 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, £2.188 million of the savings have been achieved, 54.92%. Of the outstanding £1.797 million, £900,000 of savings have been deemed Unachievable and the adjustment made in the forecast outturn.

The remaining £896,000 will need to be monitored over Qtr 4 however with the increase in demand for residential placements and the rising cost of these placements, it is unlikely that the assured savings will be achieved in totality. The complexity of individual children's needs often requires 2:1 staffing which increases the costs and if a specific child's needs require additional support within a placement, this also adds to the overall cost of the placement. Some of our high-cost placements are £12,000 per week. Our weekly costs of placements are (Based on figures at period 8 closedown) total

weekly cost for active placements £307,187.63 when our numbers were at 264 Children who are Looked after. This equates to an average annual cost £60,669.58 per Child who is Looked After. Whilst our numbers of children who are Looked after are reducing, which is positive, the high cost of need continues.

We have seen an increase in the cost of placements for our Unaccompanied Asylum-Seeking children with complex needs where it has been a challenge to source suitable accommodation, this complexity is associated with the traumatic experiences of the individual child's needs based on their assessment when they arrive in Powys. Some children have experienced loss of many family members which has a huge impact on their emotional wellbeing when arriving in the UK without any accompanied family member.

Whilst the Special Guardianship Order project has been in operation, there have been some challenges around reaching the savings target due to Independent Foster Carers not wanting to change their status and consider different ways of caring for children. This is often in respect to the allowances that independent foster carers receive versus the allowance for a special guardianship order which is reduced. This matter is being explored further in Quarter 4 to determine if any changes to policy and process are required or not. The agreement for any child to become a Child who is Looked After continues to be made the Head of Children's Services. All children that require a move to a high-cost placement or residential setting is also signed off by the Head of Children's Services.

There is currently a recruitment freeze on all posts unless agreed by the Director of Social Services and Wellbeing. Mitigations are in place to ensure that every invoice no matter what value is agreed and signed off by the Head of Children's Services. All grant monies will be considered and utilised where it is appropriate to do so to mitigate against any associated risks.

CORPORATE SERVICES

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 December	Forecast Outturn Under / (Over) spend as at September
Finance	7,146	7,096	(100)	0	0	6,996	150	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. We are committed to delivering an underspend to ensure this contributes to the overall balancing of the Councils' budget. At this stage we have not assumed any under or overspend on Insurance, but any variance will be adjusted against the specific reserve.

CORPORATE SERVICES

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 December	Forecast Outturn Under / (Over) spend as at September
Corporate Activities	37,892	34,048	0	0	2,889	36,937	956	2,032

Head of Service commentary:

The financial position has changed from £2,032k to £956k surplus due to the virements from the Risk Budget approved in the quarter 2 being actioned, reducing the previous underspend against corporate activities.

The current forecast for the cost of borrowing remains with an overspend of £1.3m a shift away from the previous under-borrowed position that the Council has seen as grant balances and reserves, particularly schools reserves, have reduced. There is a small surplus on Council Tax collection and the reduction scheme that funds those requiring council tax support is projected to be fully utilised.

CORPORATE SERVICES

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 December	Forecast Outturn Under / (Over) spend as at September
People Services	2,866	2,764	(10)	0	0	2,754		112	47

Head of Service commentary:

The forecast underspend of £112k mainly arose due to vacancies and the delays 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 underspend figure has increased compared to the figure reported at the end of the second quarter. The service had achieved £3.0k of its savings target by the end of the second quarter, with the balancing figure of £10k 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 December	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	6,600	6,451	0	0	0	6,451	149	284	

Head of Service commentary:

There are no areas that are causing financial concern, this quarter. There is however unachieved savings of £10k (4.48% of the overall savings) from the scale down postage from first class post to second class post. The service has implemented the changes to cease 1st class post, however the delivery of the savings is dependent on services across the council adopting the changes.

The forecast outturn was £6,451k, compared to the working budget of £6,600k. There was an underspend of £149k compared to the working budget.

The outturn forecast underspend of £149k compares to a forecast underspend outturn reported in September of £284k. The £135k reduction in underspend is primarily attributed to the release of £156k of transformation funding. The underspend in Transformation funding was identified in the September forecast and has now been returned to the corporate budget.

Digital Operations

The forecast underspend was £64k against the working budget of £3,591k. The underspend has mostly been achieved through management of the overall ICT Contracts budget, resulting in, in year efficiencies, and because of SPF Grant funding

Digital Services

The forecast outturn was £1,855k which aligned with the working budget. Budget management was undertaken to release Transformation funding from the service area. 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 and returned to the corporate budget.

Customer Services and Information Compliance

The forecast outturn was an underspend of £86k, against the working budget of £1,155k. Most of the underspend was due to a reduction in staff costs due to vacancies and slippages where staff are budgeted at top of scale. Due to a reduction in the number of Careline service users over the period there was a £26k

net decrease in the cost of provision of the service. The underspends were 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.

Savings

A saving target of £223,160 was set. To date £213,160 (95.52%) has been achieved.

- There were achieved savings within Information Compliance relating to the Sustainable Powys program of £7k relating to a staffing restructure.
- There were achieved savings of £50k within Customer Services and Information Compliance because of a restructure in management.
- There were achieved savings of £156k relating to staff funded by the Digital Transformation Programme 2023 – 2026.
- There are currently unachieved savings of £10k relating to the scale down of postage from first class post to second class plus an increased use of email.

CORPORATE SERVICES

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 December	Forecast Outturn Under / (Over) spend as at September
Business Intelligence and Governance	4,174	4,039	0	0	0	4,039		136	187

Head of Service commentary:

Business Intelligence and Governance have a working base budget of £4,174m for 2024-25 and a forecast outturn underspend of £136k (compared with £187k in September). The main reason for the £51k reduction in forecast outturn since September relates to the successful recruitment to several essential posts which were vacant for a short period.

The service has achieved 100% of the £34k savings for 2024-25n

The reason for the underspend results from some staff vacancies for a 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

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 December	Forecast Outturn Under / (Over) spend as at September
Legal	1,602	1,687	(60)	0	0	1,627		(24)	(23)

Head of Service commentary:

We are forecasting an overspend of £24k 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.

NB: The above overspend has been partially offset by a projected £20k 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
Corporate Activities	Revenue	Welsh Government	SCAPE Pension costs - Fire	163,205	163,205	Additional funding to support the costs of increased Firefighter pension contributions
Corporate Activities	Revenue	Welsh Government	NJC pay award grant	2,275,258	2,275,258	Additional funding towards the additional costs of the pay award
Education	Revenue	Welsh Government	SCAPE Pension costs - Teachers	2,417,421	2,417,421	Additional funding to support the costs of increased Teacher pension contributions
Education	Revenue	Welsh Government	Local Authority Education Grant - Variation 3	1,418,555	1,418,555	<ul style="list-style-type: none"> • School Standards – funding for schools, EOTAS and early education – £721,784 (schools and Educated Other Than At School [EOTAS]) & £34,195 (early education) • Reform – funding for Additional Learning Needs [ALN] Provision - £413,607 • Reform – funding for ALN Coordinator [ALNCO] support - £202,614 • Equity – funding for Family Engagement Officers support - £46,355
Education	Revenue	Welsh Government	Local Authority Education Grant (Demand Led) - Variation 2	723,323	723,323	Additional funding to support the 2024-25 Teachers Pay agreement
Education	Revenue	Welsh Government	Local Authority Education Grant (Demand Led) - Variation 3	133,556	133,556	Transition Funding for School Improvement Partnership Programme - £123,000. Support Schools to Provide Enrichment Opportunities - £10,556
Education	Revenue	Medr	Post 16 Education Provision - Variation 1	210,064	210,064	Increase unit rate of funding, additional Teacher Pension Scheme contributions
Economy and Climate	Revenue	Welsh Government	Transforming Towns Programme for the Collaborative Business Model in Ystradgynlais	10,000	10,000	The Purpose of the Funding is to develop a Town Centre Partnership (TCP) in Ystradgynlais. Grant funding will cover the salary costs for one individual to being parties together i.e. Chamber of Trade, local businesses and residents, third sector etc. to formalise the TCP arrangements. The intention is that the TCP will work to deliver objectives outlined in the town's Placemaking Plan.

Service	Revenue / Capital	Grant Body	Grant name	Total Grant awarded (£)	Changes requiring approval (£)	Purpose
Economy and Climate	Revenue	Welsh Government	Direct Food Support Fund	15,710	15,710	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
Highways, Transport & Recycling	Revenue	Welsh Government	Emergency Funding - Flood and Coastal Erosion Risk Management (Powys) Emergency Works Storm Bert & Darragh	50,000	50,000	The purpose of the funding is to enable emergency works to flood assets only following severe weather during storm Bert & storm Darragh in November and December 2024
Legal Services	Revenue	Welsh Government	In relation to the pilot of voter registration without application	555,750	555,750	Welsh Government will meet the costs incurred by Idox in adapting their software in order to accommodate the pilot of voter registration without application
Adult Services	Revenue	Welsh Government (Via the PTHB)	Health & Social Care Integration and Rebalancing Capital Fund (IRCF)	60,890	60,890	Programme Manager - Role will support and manage a portfolio of complex projects that span one or multiple lines of business within RPB Innovative capital plan. This will include a focus on priority 2 of the IRCF, rebalancing the adult residential care market through supporting the council to grow in house provision and investing in premises to ensure they can meet individuals more complex needs closer to home. Initial focus will be placed on understanding capacity and demand across Powys for additional Extra Care developments.
Adult Services	Revenue	Welsh Government	Social Care Cap Grant	116,838	116,838	The purpose of this Welsh Government funding is to reflect that the maximum charge for the 'Fairer Charging, services in the community' care cap will not be increasing from £100 at this time, following the recent consultation.
Service	Revenue / Capital	Grant Body	Grant name	Total Grant awarded (£)	Changes requiring approval (£)	Purpose

Adult Services	Revenue	Welsh Government (Via the PTHB)	(IRCF) Health & Social Care Integration and Rebalancing Capital Fund	15,000	15,000	Strategic review of residential care home provision to support rebalancing agenda - Capacity and expertise to evaluate the Powys care homes to review their ability to be provide 'fit for purpose' accommodation which fits with the future needs of societal change, regulatory requirements, wellbeing, environmental and financial sustainability, and strategic direction to rebalance sector. IRCF funding will allow for this strategic review to take place in line with a review of care provision across the estate and enable opportunities to be identified that will improve the health, care, and wellbeing of Powys residents.
Adult & Childrens Services	Revenue	Welsh Government (Via the PTHB)	(RIF) Regional Integrated Fund	3,079,078	3,079,078	Powys County Council allocation of the Regional Integrated Fund (RIF) Welsh Government funding to the Regional Partnership Board (RPB). The third year of 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 for the year and fully spent.
Childrens	Revenue	Welsh Government (Via the PTHB)	(IRCF) Health & Social Care Integration and Rebalancing Capital Fund	60,000	60,000	Community Liaison Officer - this role will continue to work alongside PTHB/PCC jointly appointed part time Arts in Health Officer to strengthen third sector and community engagement around the development of reconfigured and new assets across health, care and third sector / community, to ensure the voice of communities are at the forefront in helping to shape planning, design and delivering of these assets so that they are fit for purpose and meet the needs of people in Powys.
Community Wellbeing	Revenue	Books Council of Wales	Author Workshops	1,454	1,454	An opportunity for public libraries in Wales to hold author workshops and invite local school/s to participate. Funding for every authority which will allow the authorities to use the money to arrange workshops with respective authors and pay any travel expenses that may occur with getting school pupils to the library.
					11,306,102	