

**CABINET**

Minutes of the Cabinet meeting held in the Town Hall, Rhyl on Tuesday 28th January, 2003 at 10.00 a.m.

**PRESENT**

Councillors P A Dobb, Lead Member for Health and Wellbeing; E C Edwards, Lead Member for Safeguarding our Communities; M A German, Lead Member for Sustainable Development and Environment; R W Hughes, Lead Member for Lifelong Learning; G M Kensler, Lead Member for Promoting Denbighshire; D M Morris, Lead Member for Communications; E A Owens, Lead Member for Finance; J A Smith, Lead Member for Social Inclusion; W R Webb, Lead Member for Property and Asset Management and E W Williams, Leader and Member for Economic Wellbeing.

Observers: Councillor M LI Davies.

**ALSO PRESENT**

Chief Executive; Deputy Chief Executive / Corporate Director: Resources; Financial Controller and the County Clerk.

**ANNOUNCEMENT**

Councillor R W Hughes, Deputy Leader of the Council informed Members of the sudden death of Councillor W Glynne Thomas, a member of DCC since the last election. He was the Labour Councillor for Rhyl South East. Councillor Thomas was Chairman of Resources Scrutiny, a member of the Modernising Panel and Secretary of the Labour Group and had also been a member of Rhyl Town Council since 1999 and was this year's Deputy Mayor.

Councillor Hughes also informed Members of the death of the mother of Bryn Jones, the County's translator and extended the Cabinet's sympathy to Bryn.

Members were asked to stand in silent tribute.

**1 URGENT MATTERS**

Part I Verbal report by the Corporate Director: Lifelong Learning on Funding Successes  
Part II Verbal update on the Wirral and North Wales Purchasing Organisation.

**2 MINUTES OF THE CABINET [CABINET 2002 - 194]**

The Minutes of the Cabinet meeting held on 17 December 2002 were submitted.

Item 13 Ruthin Flood Alleviation Scheme: Land Entry - Councillor E W Williams said a press release had been issued with work due to commence 24.02.2003.

***RESOLVED** that subject to the above the Minutes of the Cabinet meeting held on 17 December 2002 be approved as a correct record and signed by the Deputy Leader.*

**3 TRANSPORT OPERATIONS [FLEET MANAGEMENT/MAINTENANCE] BEST VALUE REVIEW [CABINET 2003-02]**

Councillor M A German presented the report seeking Members' authorisation to implement the recommendations contained within the Transport Operations [Fleet Management / Maintenance] Best Value Review.

Councillor G M Kensler, replying to Councillor German's statement that no site in Denbigh had been identified, expressed her sadness at the likelihood of not having a depot in Denbigh.

Councillor E A Owens emphasised that capital funding could be used for the project on the assumption that the project would be completed.

Councillor E C Edwards said he was pleased to see the inclusion of a satellite station in Ruthin and supported the decisions within the report.

All Members were supportive of the content of the Action Plan and Best Value report.

**RESOLVED** that Cabinet approve the implementation of the Transport Operations [Fleet Management / Maintenance] Best Value Review as part of the continued service improvement process of Denbighshire County Council.

#### **4 REVENUE BUDGET 2002/03 [CABINET 2003 - 03]**

Councillor E A Owens presented the report seeking Members' support for remedial action to be taken within the Lifelong Learning Directorate to remove the projected overspendings in the light of the latest budget performance figures. Councillor Owens emphasised that part of any underspend reported by Directorates would be transferred to their 2003/04 revenue budgets.

**RESOLVED** that Cabinet Members note the projected outturn position and its impact on the strategy to deliver balances of £1.0m by the end of 2002/03 and emphasise the requirement for the Lifelong Learning Directorate to take measures to contain expenditure during the remainder of the year.

#### **5 HOUSING REVENUE ACCOUNTS: CAPITAL AND REVENUE BUDGETS 2002/03 AND 2003/04 [CABINET 2003 - 04]**

Item withdrawn. The Chief Executive said the report would be presented at the next Cabinet to ensure implementation of any recommendations from April 2003.

#### **6 INCREASED FEES FOR RESIDENTIAL NURSING HOMES AND DOMICILIARY CARE [CABINET 2003 - 05]**

Councillor P A Dobb presented the report seeking Members' agreement to a 2% increase in fees paid under the Residential / Nursing Home Care Agreement and the Contract for Domiciliary Care Services as detailed in the appendices to the report.

Councillor G M Kensler referred to a press article regarding cross-boundary clients coming to Denbighshire for nursing home care. The Corporate Director: Personal Services said some Denbighshire homes could be affected but the problem was more prevalent in Wrexham and Flintshire.

Councillor E A Owens emphasised the risks of possible underfunding. The Corporate Director: Personal Services agreed there were underfunding risks and nursing home owners operated under certain assumptions i.e. staffing costs and return on capital. The Corporate Director said representations on the issues had been made to the NAFW.

**RESOLVED** that Cabinet approve:-

- (a) the increases in Appendix 2 to the report, and
- (b) a 2% increase in fees paid to providers of domiciliary care.

#### **7 BUDGET 2003/04 [CABINET 2003 - 06]**

Councillor E A Owens presented the report in the light of the final Revenue Support Grant Settlement details recently announced seeking Members' consideration of the revenue budget proposals for 2003/04 and asked Members to indicate the preferred level of Council Tax for recommendation to Council.

Councillor Owens reminded Members that deliverable services budgets had to be agreed before the start of the new financial year. She went on to detail the overall budget position in the appendices and also

the latest position regarding bids from Directorates for additional funding for service improvements. Councillor Owens said some priorities e.g. the Denbigh One Stop Shop and ICT growth would not now be possible unless higher Council Tax increases were agreed.

The Financial Controller detailed the final settlement and the figures in Appendix 2. He then detailed the redistribution within Appendix 3.

Members queried various aspects of the budget, in particular funding of SEN, school meals, the Eisteddfod. Councillor Owens noted Members' concerns.

Councillor Owens said a number of specific grants had still to be announced by the NAFW.

Members agreed that the Informal Cabinet meeting to discuss budgets had been helpful and the Deputy Leader thanked Members for the support given to the schools. Councillor E W Williams said once distributed, it was up to individual schools how the budget was spent. Councillor W R Webb agreed and said it was unfair for prudent schools to be penalised for those schools who may have spent unwisely. Councillor D M Morris said he would welcome re-examination of the formula for setting school budgets.

With regard to Appendix 3, Councillor Owens said she had particular concerns regarding Personal Services and the DVSC grants.

In reply to a query, the Chief Executive confirmed that Cabinet were asked to agree the eight reviews and developments outlined in Appendix 4. He also agreed that a paper be produced on Ysgol Tir Morfa for the next Cabinet meeting. The Corporate Director: Lifelong Learning said no new information had been made available from ELWa on Post 16 education to date.

**RESOLVED** following consideration of the bids for additional funding for service improvements as detailed in Appendix 3 to the report, Members recommend the service budgets in Appendix 2 attached to the report and agree the consequential final level of Council Tax to Council.

At this juncture [11.15 a.m.] the meeting adjourned for 15 minutes to allow Members to participate in refreshments.

## **8 HIRAETHOG DEVELOPMENT PROJECT [CABINET 2003 - 07]**

Councillor G M Kensler presented the report informing Cabinet of the partnership-driven rural regeneration project and to seek in principle support for the next phase of the project.

The Chief Executive outlined the capital funds in regard to the project and after discussion, Members agreed to amend the Resolution at 8.2.

**RESOLVED** that Cabinet:-

- (a) approve in principle the Environmental Strategy and Action Plan for the Hiraethog Area, and
- (b) support implementation of the strategy and action plan, subject to the necessary resources being made available from the Council's capital funds in respect of capital elements of the plan, with any revenue elements being met from existing budgets.

## **9 PROPOSAL FOR THE OPERATION OF A NORTH WALES ADOPTION CONSORTIUM [CABINET 2003 - 08]**

Councillor J A Smith presented the report seeking Members' approval of the Memorandum of Agreement of the six Local Authorities across North Wales to operate as a formal Adoption Consortium as detailed in the Appendix to the report.

**RESOLVED** that the:-

- (a) Memorandum of agreement is approved by Denbighshire County Council;

(b) following powers be delegated:-

- (i) the Chief Executive be delegated the authority to nominate the holder of a named post to be a member of the managing body of the Consortium, as required by clause 3(c) of the agreement, and
- (ii) the Chief Executive be delegated the authority and responsibility for decision making in respect of the management and development of the Consortium, and further, the authority to delegate such powers to the Director of Personal Services and thereafter the post holder nominated in accordance with paragraph 7(b)(i) of this report.

#### **10 PROTOCOL FOR THE DISPOSAL OF ASSETS [CABINET 2003 - 09]**

Councillor W R Webb presented the report seeking Members' agreement to the Protocol to be followed when disposing of Council assets, as detailed in the Appendix to the report.

The Deputy Chief Executive / Corporate Director: Resources outlined various queries raised by Councillor R E Jones, in particular the issue of Local Member consultation. It was agreed to include "An issue should be considered as possibly involving a Local Member if the matter relates specifically to a Local Member's ward or may have a material impact in the area of which the electoral division forms a part" after the first sentence in paragraph 12. Members also agreed to delete the third sentence of paragraph 12 "It is unlikely to be needed where disposal values fall below £100k".

It was noted that the figure at para 4a and 4b was agreed by Cabinet of 18.06.2002 as being £500k.

**RESOLVED** that Cabinet agree the Protocol to be followed when disposing of Council assets as detailed in the Appendix to the report, as amended above.

#### **11 APPROVAL OF SUPPLEMENTARY PLANNING GUIDANCE [CABINET 2003 - 10]**

The M A German presented the report seeking Members' approval of the Supplementary Planning Guidance Notes [SPGs] 4, 6, 11 and 25 attached to the report for use in development control.

Councillor E C Edwards reminded Members of the impact of opening hours of hot food takeaways on crime and disorder and asked the Planning Officers to bear in mind such matters when dealing with applications under SPG No. 11.

The Head of Planning Services confirmed that the SPGs affected only new applications.

**RESOLVED** that Cabinet approve Supplementary Planning Notes 4, 6, 11 and 25 attached to the report and recommend them for adoption by the Council.

#### **12 ANIMAL LICENSING MOVEMENT REGULATIONS [CABINET 2003 - 11]**

Councillor E W Williams explained that the report had been overtaken by events and that DEFRA had now implemented a '6 day rule' with regard to the movement of animals.

At Councillor E C Edwards' suggestion, it was agreed that Cabinet write to DEFRA.

**RESOLVED** that Cabinet note the report and write to DEFRA.

#### **13 OMBUDSMEN'S SERVICES IN WALES [CABINET 2003 - 12]**

Councillor E W Williams presented the report seeking agreement to a response to the Wales Office and Welsh Assembly Government Consultation paper 'Ombudsmen's Services in Wales: Time for Change?'.

The Chief Executive outlined the role of the Police Complaints Authority in response to a query from Councillor G M Kensler.

**RESOLVED** that Cabinet respond in the following terms:-

- (a) *there should be a single ombudsman dealing with complaints about public services in Wales, covering the Assembly, its public bodies, NHS Wales and local authorities in Wales (including police and fire authorities) although the Police Complaints Authority should continue to investigate complaints about operational policing matters;*
- (b) *the title should be the Ombudsman for Wales/Ombwdsman Cymru. There should be no provision in legislation requiring the appointment of deputies;*
- (c) *the Ombudsman should be appointed by Her Majesty the Queen, to underline his or her independence. This implies that the Secretary of State for Wales should advise Her Majesty on the appointment, but he should be under a statutory requirement to consult the Assembly and representatives of local government in Wales about the appointments. The term of office should be fixed at 5 years, with the possibility of re-appointment, and other terms and conditions should be set by the Secretary of State following consultation with the Assembly;*
- (ch) *the present arrangements for funding the Welsh Assembly Ombudsman and Health Service Commissioner for Wales should be applied to the Ombudsman for Wales. The arrangements for funding the local government ombudsman from revenue support grant should come to an end. We accept that this would require a once and forever transfer from RSG to funding for the ombudsman;*
- (d) *staff of the ombudsman should not be civil servants, to underline the independence of his/her office from the Assembly;*
- (dd) *the case for an advisory board is not proven and we doubt that the expense of establishing and maintaining it would be justified. In addition, it might seem to undermine the independence of the Ombudsman;*
- (e) *the Welsh Language Act 1993 should apply to the Ombudsman;*
- (f) *the Ombudsman should produce an annual report which would be laid before the Assembly. There is no reason to provide in statute for this to be considered collectively by local government, since the Welsh Local Government Association can scrutinise it if so desired, and*
- (ff) *the Ombudsman's Office should be located in North Wales or there should, at the very least, be a staffed sub-office in North Wales.*

**14 INCREASING FLEXIBILITY WITHIN THE BUDGET [CABINET 2003 - 13]**

The Chief Executive presented the report seeking Cabinet recommendation to Council the amendments to the Constitution that would promote greater flexibility in deployment of resources within the budget.

Members discussed the report in detail and agreed the matter be deferred to enable further discussion at an Informal Cabinet meeting.

**RESOLVED** that the matter be deferred.

**15 CAPITAL PLAN 2003-04 [CABINET 2003 - 14]**

Councillor E A Owens presented the report seeking Cabinet recommendation to Council the proposals outlined for the treatment of the General Funded element of the Capital Plan for 2003/04.

**RESOLVED** that Cabinet recommends to Council the proposals for the development of the 2003/04 Capital Plan.

**16 COUNCIL TAX REVALUATION AND REBANDING 2005 [CABINET 2003 - 15]**

Councillor E A Owens presented the report seeking Cabinet approval to the response to the consultation on Council Tax Revaluation and Rebanding 2005.

Members discussed the impacts of the revaluation and rebanding and the Chief Executive emphasised the resultant estimated fall in the Denbighshire tax base of 3.4%.

***RESOLVED** that Cabinet approve the response to the consultation on Council Tax Revaluation and Rebanding 2005 as detailed in the report and appendices.*

**17A URGENT ITEMS [CABINET 2002 - 16]**

The Corporate Director: Lifelong Learning announced that Jane Hutt, Minister for Social Services and Jane Davidson, Minister for Education and Lifelong Learning, would be attending a meeting on 6 March 2003 regarding Ysgol Plas Brondyffryn's acquisition of Gwynfryn, Denbigh.

The Corporate Director also informed Members that the County had been awarded £1m for three years, to be match funded by Objective 1 for the improvement of secondary school learning sites. A further £800k has also been awarded to develop lifelong learning buildings.

**QUESTION AND ANSWER SESSION**

No questions had been received by the closing date.

**EXCLUSION OF PRESS AND PUBLIC**

***RESOLVED** under Section 100A(4) of the Local Government Act 1972 the Press and Public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 8 and 12 of Part 1 of Schedule 12A of the Local Government Act 1972.*

**17B URGENT ITEMS [CABINET 2002 - 16]**

**WIRRAL AND NORTH WALES PURCHASING ORGANISATION**

Councillors W R Webb, E W Williams and E A Owens updated Members on the current situation, having attended the recent Board meeting.

***RESOLVED** that Members note the verbal report.*

**18 LEARNING DISABILITIES RESPITE CARE FOR NORTH DENBIGHSHIRE [CABINET 2003 - 17]**

Councillor P A Dobb presented the report seeking Members' approval to allow an exception to the tendering procedure so as to enable the appointment of Highbury Care Services as provider of a new Learning Disabilities Respite Care Scheme.

***RESOLVED** that Cabinet approve an exception to the tendering procedure so as to enable the appointment of Highbury Care Services as provider of a new Learning Disabilities Respite Care Scheme from 1 February 2003.*

**19 THE CHAPEL, LLANGOLLEN [CABINET 2003 - 18]**

Councillor G M Kensler presented the report seeking Cabinet's agreement to negotiate inflation price increases to a time expired tender previously obtained as the lowest tender by a competitive process.

***RESOLVED** that Cabinet approve the action set out in the report.*

The meeting concluded at 12.45 p.m.

REPORT TO CABINET

CABINET MEMBER: Councillor PA Dobb - Lead Member for Health & Wellbeing

DATE: 25 February 2003

SUBJECT: Housing Revenue Account  
Capital and Revenue Budgets 2002/03 and 2003/04

**1 DECISION SOUGHT**

To set the HRA Budgets and Increase Council Rents.

**2 REASON FOR SEEKING DECISION**

2.1 Capital 2002/03

The probable out-turn on the Capital Programme is shown at Annex 1. This includes significant carry over from last year. The current year's programme is substantially complete.

2.2 Capital 2003/04

A draft Capital Programme for 2003/04 is shown at Annex 2. Basic Credit Approval from the Assembly has reduced from £1.064 million to £1.046 million. The proposed allocation for Council Housing of the Supplementary Credit Approval is £250,000 plus £50,000 for Disabled Facilities Grants. The allocations of £150,000 from Revenue and £520,000 from Usable Capital Receipts (from Right to Buy) depend on these funds actually being achieved. The programme, if agreed in principle, can only therefore be implemented when receipts are in place. The proposed programme follows the previous pattern of internal improvements to older properties in Groups around the County together with environmental works and adaptations.

2.3 Revenue 2002/03

There are 3 major changes to the original Budget as listed below but otherwise expenditure and income appear to be in line with expectations.

2.3.1 Debt Charges should again be lower than budget at an estimated £1.59 million against £1.7 million. This is reflected in reduced subsidy entitlement.

2.3.2 The opening balance brought forward is altered slightly.

2.3.3 The Welsh Assembly Government has announced an increase of £75 per property in the Management and Maintenance Allowance used in the Housing Subsidy calculations for 2002/03. This represents a genuine increase in subsidy for the HRA in this year of £299,700 which also carries forward to future years. Proposals are attached in Annex 3 for additional spending on Housing Management, Right to Buy, CAB Grant, and Housing Strategy with a contribution of £100,000 to Capital schemes and £200,000 to bad debt provision. A further contribution of £200,000 to bad debt provision can be made in respect of Housing Benefit Overpayments not accounted for in 2001/02.

All of these changes are incorporated into the Revised HRA Budget in Annex 4, there is a surplus of £97K predicted for 2002/03.

2.4 Revenue 2003/04

A proposed budget is shown on Annex 4 with the following assumptions:-

- 2.4.1 Management and Maintenance Allowance has been increased by a further £25 per dwelling from £1,230 to £1,255 which will increase subsidy entitlement.
- 2.4.2 Right to Buy sales of 120 properties are predicted reducing stock and rental income by 3%.
- 2.4.3 Inflation on expenditure is set at an average of 4%, mainly to allow for agreed salary increases. Repairs expenditure is also increased by 4% which should ensure a real increase in standards given the stock reduction from Right to Buy. Increasing standards will concentrate on achieving Performance Indicator targets on void turn round and repair completions within target times.
- 2.4.4 The Notional Rent set by the Assembly is increased by £1.42 per week from £42.06 to £43.48 (3.4%). Average rent in Denbighshire is actually below Notional Rent at £41.89 and it is recommended that the average increase be set at 3.8% to catch up with Notional Rent and maximise subsidy entitlement.
- 2.4.5 Restructuring of rents is required in Denbighshire to ensure a fairer spread of charges and remove anomalies. A long term policy is required based on established comparisons between properties.

One interim proposal has been developed as part of the Stock Transfer debate suggesting revised rents for Dyffryn Community Housing leading to increase to “Benchmark Rents” (set by the Assembly) over 10 years (except where current rents are higher than Benchmark where decreases would apply over 5 years). This interim proposal narrows the current gap between rents in different areas but does not remove it completely.

Denbighshire is not obligated in the same way as Dyffryn Community Housing would be to moving to Benchmark Rents over 10 years. However, there is a requirement in the National Housing Strategy to introduce a coherent rent setting framework. There should be moves to remove anomalies as soon as possible to ensure fairness whilst protecting tenants from excessive increases.

An alternative interim proposal for this year for Denbighshire is therefore suggested, moving towards Target Rents based on weighted Notional Rents where possible. Rents currently above Target Rents would remain unchanged. Those below Target Rents would increase towards Target but with a maximum increase depending on the size of property

- 1 Bed property - £1.60 maximum
- 2 Bed property - £1.90 maximum
- 3/4 Bed property - £2.20 maximum (See Annex 5).

- 2.4.6 Garage rents are currently £2.80 per week. It is recommended they be increased by £0.10 (3.5%) from April 2003.
- 2.4.7 Heating Charges for all sites appear to be in line to cover expenditure and no changes are proposed.
- 2.4.8 From April 2003 costs of Sheltered Housing (Welfare Services) should be covered from the Supporting People Grant Budget rather than from Rents in the HRA. The Assembly will provide approximately £436,000 Supporting People Grant for this item and it is recommended this be allocated to maintain the service. This will provide a “windfall” in the Housing Revenue Account which allows the increase in repairs spending and a contribution to Capital works.

However, the SPG will be restricted to approximately 80% of expenditure as it is assumed that some tenants of Sheltered Housing can afford to pay for services and a means test would be introduced. Existing tenants should be protected and will never have to pay charges but this is expected to be found by a continued HRA contribution to Welfare



Services, the expected expenditure in the HRA on Welfare Services is reduced from £588k in 2002/03 to £184k in 2003/04.

This protection will not apply to new tenants and service charges for Sheltered Housing may have to be considered for the first time, in accordance with the Council's adopted Community Care Charges Policy.

### **3 POWER TO MAKE THE DECISION.**

Housing Act 1985, Section 24.

### **4 COST IMPLICATIONS**

The Housing Revenue Account is generally ring fenced and costs of implementation are covered by the increased income. The allocation of Supporting People Grant to the Sheltered Housing Service is in line with the Council Fund Budget but will have to be monitored carefully.

### **5 FINANCIAL CONTROLLER STATEMENT**

The proposed budget is prudently set given the proposed level of rent increase. This allows for a contribution to the bad debts provision that will bring the provision balance to £563,000 at the end of 2002/03. The provision will fully cover arrears from former tenants and 50% of those from current tenants. The position of recovery of rent arrears will continue to be monitored but the provision should be maintained at the level described. The level of HRA Balances, whilst improving, continues to be low and a prudent level of balances of at least 3% or £360,000 should be the aim.

### **6 CONSULTATION CARRIED OUT**

The Denbighshire Tenants' and Residents' Federation are being consulted on the capital and revenue proposals. The Personal Services Scrutiny Committee has considered the Rent Setting framework and requested further Debt Advice support be considered for affected tenants - this has been included in the above proposals with further funding for Welfare Rights and CAB.

### **7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE**

Rent increases above inflation will impact on Anti-Poverty policies. The Capital Programme and additional work on Anti-Social Behaviour will contribute to Community Development. The introduction of Supporting People Grant could lead to significant changes in services for older people and vulnerable groups.

### **8 RECOMMENDATIONS**

- 8.1 That the Housing Revenue Accounts, Capital and Revenue be adopted.
- 8.2 That rents for Council dwellings be increased in accordance with the Rent Setting Framework set out in Annex 5 (average 3.8%) from Monday 7th April 2003.
- 8.3 That rents for Council garages be increased by 10p per week with effect from Monday 7th April 2003.

PQ/MR/17.01.03

## CAPITAL PROGRAMME 2002/03

Previous Schemes Carry Over	66,772
Maes Gruffydd, etc	246,359
Maes Hyfryd, etc	105,329
Myddleton Avenue I	208,374
Geufron, etc	311,630
Rhos Street/Maes Afallen	218,958
Prince Edward Avenue/Myddleton Avenue II	336,653
Window replacement	153,353
Rhydwen Drive Environmental Works	723,256
Minor Works	109,652
Disabled Facilities Grants	100,000
Stock Transfer Investigations	149,000
<b>TOTAL</b>	<b>2,729,336</b>

### Funding

Basic Credit Approval	£1,164,000
Supplementary Credit Approval	£ 600,000
Usable Capital Receipts	£ 865,336
Capital Expenditure from Revenue Account	£ 100,000
	<b>£2,729,336</b>

## POTENTIAL MAJOR WORKS PROGRAMME 2003/04

<b>GROUP A</b>				
South Avenue Prestatyn	1, 4, 5, 8, 9	5		
Maes Hyfryd Dyserth	2, 6, 7, 11, 12	5		
Berllan Avenue Rhuddlan	1, 3, 5, 7, 8, 9, 12, 14, 15	9		
Fron Haul St. Asaph	12, 16	2		
Bryn Ibod Waen	3,	1		
Maes Hyfryd Waen	1,	1		
<b>TOTAL</b>		<b>23</b>	<b>@ £27K</b>	<b>= £621K</b>
<b>GROUP B</b>				
Lon Llewellyn Denbigh	3, 4, 5, 6, 9, 13, 14, 15, 19, 21, 22,	12		
Mwrog Street Ruthin	89, 91, 93,	3		
Maes y Dre Ruthin	18, 21, 23,	3		
<b>TOTAL</b>		<b>18</b>	<b>@ £10K</b>	<b>= £180K</b>
<b>GROUP C</b>				
Gwynfryn Avenue Rhyl	118, 120, 122, 126, 128, 130, 132, 134, 136, 138, 140,	11		
Rhydwen Drive Rhyl	24, 26, 28, 30, 32, 29, 29a, 31, 31a, 35, 35a, 37, 39, 41, 43, 45,	16		
<b>TOTAL</b>		<b>27</b>	<b>@ £15K</b>	<b>= £405K</b>
<b>GROUP H</b>				
Pennant Flats Denbigh	1 - 24	24		
Denbigh Street Henllan	24 - 27	4		
Porth y Waen Bodfari	7 - 15	9		
Dolydd Rhewl	1 - 15	15		
Bryn Awelon Llandyrnog	1, 2,	2		
Bron y Clwyd Llanfair	17 - 20	4		
Maes Teg Llandegla	11 - 14	4		
<b>TOTAL</b>		<b>63</b>	<b>@ £8K</b>	<b>= £504K</b>
Environmental Improvements				256K
Disabled Facility Grants				100K
Stock Transfer				50K
<b>OVERALL TOTAL</b>				<b>£2166K</b>

### Funding

Basic Credit Approval	£1,146K
Supplementary Credit Approval	£ 300K
Usable Capital Receipts	£ 520K
Capital Expenditure from Revenue Account	<u>£ 150K</u>
	<b>£2,116K</b>

Contracts can not be confirmed until funding is in place, especially Usable Capital Receipts from Right to Buy Scheme.

**HRA BUDGET 2002/03 and 2003/04 - REVIEW JANUARY 2003****1.0 INTRODUCTION**

- 1.1 The out-turn for 2001/02, Original Budget for 2002/03, Revised Budget for 2002/03 and first Estimates for 2003/04 are attached.

There are three major changes to the Original Budget to be taken into account but otherwise expenditure and income appear to be in line with expectations.

- 1.2 Debt charges could again be lower than budget, the Capital Finance accountant suggests a reduction of £100,000.
- 1.3 The Opening Balance brought forward is altered slightly to £189,070.
- 1.4 Thirdly the Welsh Assembly Government has announced an increase of £75 per property in the Management and Maintenance Allowance used in the Housing Subsidy calculations for 2002/03. This represents a genuine increase in subsidy for the HRA in this year of 3,996 properties x £75 = £299,700. It will also carry forward to future years. It would be possible to spend this on any aspect of Council housing within the HRA or to increase balances.
- 1.5 This will allow for some increase in services as described below, with the remainder going to balances. Implementation of the proposals has commenced although costs in 2002/03 will be lower than shown as jobs were not filled from 1st December 2002. All these changes are incorporated into the revised budget and estimate.
- 1.6 The Budget for 2003/04 needs to be set assuming full year costs. Notional Rent Increases and Management and Maintenance Allowance have been set by the Assembly with Notional Rent increased by £1.42 per week and Management and Maintenance allowances increased by a further £25 per dwelling. The only other major change in the HRA is expected to be the “windfall”, in the region of £436,000 from Supporting People Grant for Welfare Services (Sheltered Housing). Again this could be used on any HRA services or put into balances. Estimates are included together with the assumptions made, major changes to these assumptions would probably require a reduction in the CERA (Capital Expenditure from Revenue Account).

**2.0 HOUSING MANAGEMENT, REVISED ARRANGEMENTS**

- 2.1 The formal staff structure has been supplemented for the last two years for the purpose of investigating Stock Transfer. Part of the cost of this has been charged to the capital code for the Supplementary Credit Approval for Stock Transfer.

2.2 These arrangements need to continue on a temporary basis, charged as before to Housing Capital.

### **3.0 SUPPORTING PEOPLE AND SHELTERED HOUSING**

3.1 Sheltered Housing Funding (currently £574,000 for 2002/03) will change fundamentally with the new Supporting People Scheme from April 2003. From that date Sheltered Housing will be paid for from the Supporting People fund within the Council Fund and not from the HRA (although it is likely the HRA will have to make a contribution to avoid imposing a means test on existing tenants). This will provide a further “windfall” estimated at £436,000 to the HRA in 2003/04 but makes the future funding of Sheltered Housing less secure.

3.2 However, there is an opportunity to expand the service this year, gain some extra funding from “Transitional Housing Benefit” and then use this additional “pot” to safeguard the existing service and retain as much as possible of the expansion for next year. There are also opportunities - and needs - to expand other supported housing schemes using THB this year. This opportunity should not be missed but needs to be managed properly. It will also allow provision within the project for relief cover for existing wardens and will involve the wardens and the Home Care service at every stage.

3.3 The Sheltered Housing Service could also be the subject of a Best Value Review depending on the outcome of the Whole Authority Assessment and progress on Stock Transfer. In the meantime there are to be two contributory reviews. The first of these by James Wilson a specialist consultant is almost complete and relates to procedures and management. The second is a more fundamental review of the purpose of accommodation for elderly people and is to be led by Nigel Jones another consultant. The major conclusions of the James Wilson report are that the service is fundamentally sound but there is a need for more focussed management and for detailed Procedure Manuals.

3.4 The proposal is for a 12 months temporary appointment of a Supported Housing Officer on a project basis to develop the procedures and protect the service and users through the changes. The direct additional support will be provided where possible by expanding use of the Home Care Service or of appropriate agency staff. Where this is not possible then Housing Services would directly employ “Housing Support Assistants” to provide services in the home for vulnerable tenants and ensure claims for THB and Supporting People Grant. Costs are based on such direct employment for simplicity as they are the most easily calculated.

3.5 2002/03 Costs (subject to Job Evaluation)

1 Supported Housing Officer (4 months @ PO1)	£10,100
Say 10 Housing Support Assistants @ Sc1 x 3 months (average)	£39,300
Less Estimated THB Income £300 X 12 wks each =	<u>£36,000</u>
	£13,400

<u>2003/04 Costs</u> (before inflation)	
1 Supported Housing Officer (8 months @ PO1)	£20,200
Say 10 Housing Support Assistants @ Sc1 x 12 months	£157,300
Less Estimated SP Income £300 X 52 wks each =	<u>£156,000</u>
	£21,500

#### **4.0 OTHER ISSUES**

##### **4.1 RESPONSIVE HOUSING REPAIRS**

The Repairs Client Section consists of the Principal Housing Maintenance Officer and 5 Housing Maintenance Officers. This causes problems of supervision and responsibility during holiday/sickness and for out-of-hours cover. It is proposed that one of the Housing Maintenance Officers be designated as Senior, in addition to a normal workload.

<u>2002/03 Costs</u> (Subject to Job Evaluation)	£ 500
<u>2003/04 Costs</u> (before inflation)	£2,000

N.B. This proposal would imply limited additional cost for Dyffryn Community Housing if Transfer went ahead.  
Increases in costs on the Gas maintenance costs are assumed to be contained within budget.

##### **4.2 ANTI SOCIAL BEHAVIOUR**

This is the most critical issue facing the Department (and tenants) on a daily basis. The Housing Estates Officers cannot cope with the more difficult cases requiring formal action as well as routine matters. It is proposed to employ two additional Housing Estate Officers to concentrate on these difficult cases and to work in partnership with other agencies.

<u>2002/03 Costs</u>	2 x Housing Estate Officers @ Sc5, 4 months	£15,000
<u>2003/04 Costs</u> (before inflation)	2 x Housing Estate Officers @ Sc5	£45,000

N.B. This proposal would imply additional costs for Dyffryn Community Housing in the event of Transfer but the Shadow Board has identified this as a priority area.

##### **4.3 CLERICAL SUPPORT**

Additional clerical support has been available during the summer months but is now required on a long term basis. This will provide necessary cover for reception and telephone and filing, etc. In the Rhyl office it will partly replace the time for the Finance Assistant to move to help with Right to Buy. In the Ruthin office part-time help would provide lunchtime cover and general support, this may be shared with Social Services once the move from the old offices is completed so temporary arrangements only are proposed until then. This additional support is needed to respond to Performance Indicator concerns on quality of service particularly telephone answering. Appointment of Welsh speakers is considered essential as the current cover is inadequate.

<u>2002/03 Costs</u>	1 x Sc1- Rhyl 4 months	£4,800
	1 x Sc1 (25 hours) - Ruthin 4 months	<u>£3,200</u>
		£8,000

2003/04 Costs (before inflation) £20,000

N.B. This proposal would imply additional costs for Dyffryn Community Housing if Transfer went ahead but part of the costs for the existing Finance Assistant could be charged to Right to Buy income.

## **5.0 RIGHT TO BUY**

5.1 Right to Buy sales are running at more than double the rate of the early years of Denbighshire (Sales 96/7 = 25, 97/8 = 49, 98/9 = 34, 99/00 = 46, 00/01 = 52, 01/02 = 92, 02/03 = 120 est). There is a loss of rental revenue which has been reflected in the budget. 75% of the Capital Receipt is credited against debt and 25% is available for the major repairs programme. However, the administrative costs of sales can be first charge on these receipts and £30,000 has been allowed against them.

5.2 It would be reasonable to increase this charge to £60,000 in this year and it is expected that this rate should continue unless there is a major legislative change or interest rates rise rapidly. The administration is thus self financing.

5.3 Currently much of the administrative work is carried out by the Principal Housing Finance Officer and it is taking an increasing amount of his valuable time. It is proposed to create a post of Housing Estate Sales Officer (temporary until April 04) to take on this work and complete the related task of the register of land and properties which is currently being completed by an Agency worker charged to Housing Capital.

5.4 2002/03 Costs (subject to Job Evaluation)

Housing Estate Sales Officer Sc5, 4 months	£ 7,100
Less allowance in Capital Budget now transferred to revenue	<u>£30,000</u>
	-£22,900

2003/04 Costs (before inflation)

Housing Estate Sales Officer Sc5, 12 months	£21,300
Less allowance in Capital Budget now transferred to revenue	<u>£30,000</u>
	-£ 8,700

## **6.0 GRANTS AND OTHER ITEMS**

6.1 The Citizens' Advice Bureau is seeking urgent support for the Debt Advice Service and a contribution of £15,000 has been agreed for 2002/03. A Service Level Agreement is being negotiated for 2003/04 and a HRA Contribution of £20,000 is allowed. A further £30,000 is included for 2003/04 for a specialist post in Welfare Rights which should obtain match funding for further staffing from Supporting People Grant.

6.2 A contribution of £12,000 in 2002/03 is to be made to Housing Strategy for a temporary appointment to prepare the LHS. A bid for General Fund support for

2003/04 has not been successful and alternatives will be investigated. The Denbighshire Tenants' and Residents' Federation are seeking consolidation of their funding under Social Housing Management Grant for a support worker and a further £10,000 is included in 2003/04.

- 6.3 There would now be room for additional Capital Spending of say £100,000 in 2002/03 and £150,000 in 2003/04. After discussions with other officers it is proposed to include more minor works and environmental improvement schemes.
- 6.4 It will also be possible to include further provision for Bad Debts in accordance with the District Auditor's Guidelines of £400,000 in 2002/03 and £150,000 in 2003/04.



**HOUSING REVENUE ACCOUNT 2002/2003 & 2003/2004****Annex 4**

	<u>Actual</u>	<u>Original</u>	<u>Revised</u>	<u>Proposed</u>
	<u>2001/2002</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>2002/2003</u>	<u>2002/2003</u>	<u>2002/2003</u>	<u>2003/2004</u>
<u>Expenditure</u>				
Supervision & Management General	662,737	690,650	717,750	808,805
Supervision & Management Special	180,769	187,250	187,250	196,613
Welfare Services	524,045	574,725	588,125	185,266
Homelessness	76,496	77,915	77,915	80,798
Rents	328,896	422,565	422,565	471,580
Repairs & Maintenance	2,324,937	2,435,320	2,435,820	2,530,042
<hr/>				
Total Management & Maintenance	4,097,880	4,388,425	4,429,425	4,273,104
Rent rebates	5,165,023	5,090,472	5,068,486	5,311,850
Debt charges	1,615,301	1,700,000	1,593,220	1,561,000
C.E.R.A.	0	0	100,000	150,000
Provision for bad debts	200,000	0	400,000	150,000
<hr/>				
Total expenditure	11,078,204	11,178,897	11,591,131	11,445,954
<hr/> <hr/>				
<u>Income</u>				
Rents (net of voids) - Dwellings	8,418,089	8,524,014	8,696,902	8,591,344
Rents (net of voids) - Garages	81,420	78,000	86,433	89,458
Interest (R.T.B. mortgages)	21,011	20,000	20,000	15,000
Subsidy	2,461,873	2,556,173	2,884,857	2,775,403
<hr/>				
Total income	10,982,393	11,178,187	11,688,192	11,471,205
<hr/> <hr/>				
Surplus/(Deficit) for the year	-95,811	-710	97,061	25,251
Balance at the beginning of the year	284,881	185,808	189,070	286,131
<hr/>				
Balance at the end of the year	189,070	185,098	286,131	311,382
<hr/> <hr/>				

**HOUSING RENTS SETTING, JANUARY 2003**

- 1.1 Levels of individual housing rents have not been reviewed for many years. In most cases they are based on assessments made in the 1970's which have been increased annually on varying criteria. There are some relationships between rents and house size, amenities, etc but there are many anomalies and no consistent pattern. Rents in the South of Denbighshire are, on average, lower than those in the North but there are varying pockets of all types and location. For example rents for some 3 bedroom houses in St Asaph Rural are less than £30 per week whereas rents for some 2 bedroom flats in Prestatyn are over £60 per week.
- 1.2 Discussions on rent setting have been focussed around Stock Transfer where the long term rental policy is an essential part of the process of Business Planning and valuation. However, the issue is exactly the same whether or not Transfer goes forward. The National Housing Strategy for Wales requires the introduction of a "coherent rent setting policy" and expects progress to "Benchmark Rents" where rents for Local Authorities and Housing Associations would be similar. In any event the recognition that there is unfairness and the level of anomalies require action as soon as possible.
- 1.3 Benchmark Rent for 2003/04 for Denbighshire is set by the Assembly at £49.87 on average. The Benchmark could be reasonably split as follows:
- |           |         |
|-----------|---------|
| 1 Bedroom | £44.43  |
| 2 Bedroom | £48.04  |
| 3 Bedroom | £55.36  |
| 4 Bedroom | £60.89. |
- 1.4 Average actual rent in Denbighshire for 2002/03 is £41.89. Progress towards Benchmark will be achieved over a number of years and the Assembly has set a "Notional" rent of £43.48 on average for Denbighshire for 2003/04.
- 1.5 An interim proposal was prepared last year for Rent Setting based on progress to Benchmark Rents with increases over 10 years (except for properties currently over Benchmark which would reduce over 5 years). It was based only on Area and size of property with an acknowledgment that a more comprehensive long term policy was required based on factors including size, location, type, amenities, etc.
- 1.6 This interim proposal is now believed to be flawed in that it took too long to remove anomalies and was based on differential rents between areas even after ten years.
- 1.7 An alternative interim proposal is therefore suggested for this year only which moves more quickly to remove anomalies yet provides some protection from excessive increases.

## 2.0 **Rent Setting 2003/04**

2.1 Rents should move towards Target Rents based on Notional Rents for 2003/04 as set by the Welsh Assembly Government, allocated proportionately according to size of dwelling.

2.2 In order to avoid excessive increases the Target Rent should be 110% of Notional Rent.

2.3 Rents currently above Target Rent to remain unchanged - no reductions.

Rents below Target Rents to increase to Target but with a maximum depending on the size of property.

### 2.4 Target Rents 2003/04

	Notional Rent	Target Rent	Maximum Increase
Bedsit	£36.63	£40.29	£1.60
1 Bedroom	£38.56	£42.42	£1.60
2 Bedroom	£41.69	£45.86	£1.90
3 Bedroom	£48.05	£52.86	£2.20
4 Bedroom	£52.85	£58.14	£2.20
Weighted Average	£43.48	£47.83	

2.5 Thus for a Bedsit property  
Current rents below £38.69 will increase by £1.60,  
Rents between £38.69 and £40.29 will become £40.29  
Rents above £40.29 will be unchanged.

**REPORT TO CABINET**

**CABINET MEMBER:** Councillor R W Hughes, Lead Member for Lifelong Learning

**DATE:** 25 February 2003

**SUBJECT:** SCHOOL MEALS PRICES 2003/04

**1 DECISION SOUGHT**

To seek an increase in paid school meal prices and an associated increase in free school meal charges.

**2 REASON FOR SEEKING DECISION**

2.1. As a consequence of:-

- a) the job evaluation process in 2002 following on the Cooks in Charge Employment Tribunal decision to place such employees on APT&C Scales, all Denbighshire Cooks in Charge are entitled to incremental increases in pay within their respective scales with effect from 1 April 2003;
- b) the increases in pay for Cooks in Charge again with effect from the 1 April 2003 following on the results of last year's pay award;
- c) increased employer national insurance contributions with effect from the 1 April 2003; and
- d) general increased inflation costs and increases in all other non labour items associated with the school catering service.

If the current school meal price of £1.35 were to remain for 2003/04 the service is anticipated to show a projected loss of £99,409 based on the actual 743,479 primary school meals served in 2001/02.

2.2. There is currently a dispute between the County Council and UNISON representing the Cooks in Charge in relation to retainer pay following on the job evaluation process. Whilst recent conciliation procedures have recommended reinstatement of the retainer pay, the Council is considering whether to accept the recommendation or to reject it and allow the matter to be determined by an Employment Tribunal. No account has been made in the financial details included in this report if, in due course, the dispute is determined in the Cooks in Charge favour. This would result in retainer payments having to be back dated to the 1 October 2002. If the dispute is determined in the Cooks in Charge favour a report would be submitted to Cabinet on the financial implications for the Council.

2.3. Appendix "A" gives 2003/04 financial projections for the service in 5p options between £1.35 and £1.60 and also the "break even" figure of £1.484.

2.4. From Appendix "A" it will be appreciated that a price of £1.484 would need to be charged in 2003/04 for the service to break even accommodating all of the increased costs referred to in (a) to (d) above.

2.5. There have been representations from parents of pupils at a minimal number of primary schools about the quality of meals served at those schools. To achieve some improvement in the quality of meals served would require an increase above the projected "break even" 2003/04 figure. It is therefore recommended that the school meal price should be increased by 5p over and above the break even level to allow for such improvement.

2.6. Accordingly, in accordance with past practice and custom whereby school meal prices are rounded to the nearest 5p, the school meal price for 2003/04 should be set at £1.55.

2.7. Options to achieve the £1.55 figure are as follows:-

#### Option 1

The primary school meal price paid in schools is increased to £1.55.

However, an increase of 20p, almost 15% above the current charge, may be regarded as too great with there also being concerns about anticipated "customer resistance".

Within this option free school meals within primary schools would increase to £1.50. In 2001/02, the last full financial year, 233,867 free school meals were served in primary schools. On the basis of this figure, the extra cost to the Council of increasing the free school meals within primary schools to £1.50 would be £46,800.

Secondary School meal prices are more difficult to assess but averages would increase by 20p and free school meal costs would increase by 20p x 123,268 (2001/02 figure of free school meals served in high schools) giving a sum of £24,600.

Given the two figures mentioned above, this would result in the total free school meals cost to the authority increasing by £71,400. However, the current year's free schools meals budget is approximately £38,000 underspent and is currently being used to offset pressures in other areas of the Education Service. Therefore the additional cost of free school meals to the Council in this option is £33,400 [if the current underspend is taken into account].

#### Option 2

As mentioned in paragraph 2.6. with the school meal price for 2003/04 set at £1.55, the second option is for the price of the school meal paid in primary schools to increase to £1.45. To attain the £1.55 figure this would necessitate a subsidy of £74,000 to the Catering service.

We are strongly of the opinion that this option would result in significantly less "customer resistance" than Option 1.

In addition, within this Option, the implications for free school meal prices given an increase of 10p and 20p on the current primary and secondary school free school meals respectively are as follows:-

Primary Schools	10p x 233,867 = £23,400
Secondary Schools	20p x 123,268 = <u>£24,600</u>
	£48,000

Deducting the current under spend on free school meals expenditure of £38,000 from the £48,000, an additional £10,000 subsidy would be required to the Lifelong Learning Directorate. However, as above this would result in an increase in the Education overspend next year of £38,000.

The total cost to the Council of this option would therefore be £84,000 [if the current underspend is taken into account].

### **3 POWER TO MAKE THE DECISION**

Education Act 1996 - Section 512

#### **4 COST IMPLICATIONS**

##### Option 1

Subsidy to the Lifelong Learning Directorate for free school meals	£71,400
Less current underspend	<u>£38,000</u>
Net cost to the Council	<u>£33,400</u>

##### Option 2

Subsidy to the Catering Service	£74,000
Subsidy to the Lifelong Learning Directorate for increased free school meal costs	<u>£48,000</u>
	£122,000
Less current underspend	<u>£38,000</u>
Net cost to the Council	<u>£84,000</u>

#### **5 FINANCIAL CONTROLLER STATEMENT**

Cost increases based on option 2 have been built into the 2003/04 budget proposals approved by the Council on the 11 February 2003.

#### **6 CONSULTATION CARRIED OUT**

The Corporate Director: Lifelong Learning and the Assistant Director: Contract Services have been consulted on the content of the report.

#### **7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE**

The proposed increase strikes a balance between maximising income and fixing a price that does not discourage the up-take of school meals and the consequent detrimental impact on healthy eating.

#### **8 RECOMMENDATION**

That the Cabinet determine the prices to be charged for paid and free school meals in Denbighshire's Primary and Secondary Schools with effect from 7 April 2003 in accordance with Option 2 and confirm the level of subsidy per meal at 10p.

## CATERING DSO 2003/2004 MEAL PRICES

ANALYSIS OF COSTS PER PRIMARY SCHOOL (based upon 2001/2002 actuals)

ASSUMING RETAINER PAY WILL NOT BE PAID TO COOKS

Meals Served	Meal Price £	% Increase	Total Income £	Total Costs £	Projected Loss/Profit £
743,479	1.35	0.00%	1,003,697	1,103,106	-99,409
743,479	1.40	3.70%	1,040,871	1,103,106	-62,235
743,479	1.45	7.41%	1,078,045	1,103,106	-25,061
743,479	1.484	9.90%	1,103,106	1,103,106	0 <b>BREAKEVEN</b>
743,479	1.50	11.11%	1,115,219	1,103,106	12,113
743,479	1.55	14.81%	1,152,392	1,103,106	49,286
743,479	1.60	18.52%	1,189,566	1,103,106	86,460

**REPORT TO CABINET**

**CABINET MEMBER:** COUNCILLOR R W HUGHES, Lead Member for Lifelong Learning

**DATE:** 25 FEBRUARY 2003

**SUBJECT:** YSGOL TIR MORFA, RHYL

**1 DECISION SOUGHT**

- 1.1 That Cabinet agree that a replacement for Tir Morfa be given priority status and that officers identify options for funding the replacement facility as a matter of urgency.
- 1.2 That a Member/Officer Task Group be set up initially to report back to Cabinet by April 2003 on the funding options including those which embrace other priority schemes, and subsequently to oversee the development of agreed proposals.

**2 REASON FOR SEEKING DECISION**

- 2.1 The existing school is unsuitable for the continuing function of special needs educational provision.
  - 2.1.1 The buildings were not designed for the provision
  - 2.1.2 The needs of children with special resource requirements cannot be provided for. It is intended that Tir Morfa will cater for these children.
  - 2.1.3 Tir Morfa does not comply with building standards for special needs schools.
  - 2.1.4 A recent survey of the buildings concluded that if the recent fire at the school had happened during term time, then there could have been serious consequences.
- 2.2 The need for the school's replacement to assume priority over other school replacements relates to the factors in 2.1 but also the non transferability of special needs pupils to other schools which have space capacity.
- 2.3 Emergency works have been undertaken and will be undertaken to render the buildings as safe as can reasonably be expected and to comply with Health and Safety regulations.

**3 POWER TO MAKE THE DECISION**

Section 14 Education Act (1996).

**4 COST IMPLICATIONS**

- 4.1 Immediate costs will be absorbed within the property maintenance budget. Although the financing for the short term health and safety building maintenance works currently being carried out can be absorbed within this year's property maintenance budgets, future required works are of such a large scale and nature that they can not be financed by future R & M budgets. The replacement of this school with new and extended facilities would decrease the burden on the outstanding building maintenance works outlined in the condition survey carried out in 1999.
- 4.2 Replacement costs are likely to be in excess of £5m for the new school are identified in the appendix of the consultation document previously issued and presented at Cabinet in December 2002.



## **5 FINANCIAL CONTROLLER STATEMENT**

- 5.1 The cost of the interim works will need to be contained within the overall budget for property maintenance.

Work is ongoing to develop a long term solution and identify the necessary funding, including private finance options.

## **6 CONSULTATION CARRIED OUT**

- 6.1 Corporate Property Unit  
Tir Morfa is the highest priority in the Lifelong Learning Education Asset Management Plan [see 2.2 above].

- 6.2 Corporate Director: Lifelong Learning

- 6.3 Cabinet and Scrutiny Members visited the school. Lead Members for Education and Lifelong Learning have been fully involved in discussions with Governors and outside agencies over the last two years.

- 6.4 Head of Consultancy Services: "The information in para 2.1 has been supplied by the Building Services Group".

## **7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE**

- 7.1 Pursuing compliance with building standards - "quality sustainable development" - requirement of Asset Management objectives.

- 7.2 Inclusion policy for pupils with special educational needs.

## **8 RECOMMENDATION**

- 8.1 That Cabinet acknowledge that the immediate remedial works are temporary and endorse work to identify funding for a replacement facility as a matter of urgency.

- 8.2 That a Member/Officer Task Group be set up initially to report back to Cabinet by April 2003 on the funding option including those which embrace other priority schemes, and subsequently to oversee the development of agreed proposals.

**REPORT TO CABINET**

**CABINET MEMBER:** Councillor E.A.. Owens - Cabinet Lead Member for Finance.

**DATE:** 25 February, 2003

**SUBJECT:** Revenue Budget 2002/03

**1 DECISION SOUGHT**

That in the light of the latest budget performance figures for the current financial year members continue to support the requirement for remedial action to be taken within the Lifelong Learning Directorate.

**2 REASON FOR SEEKING DECISION**

The need to deliver the Council's agreed Recovery Action Plan and budget strategy which calls for positive balances of at least £1.0m by the end of the current year .

**3 POWER TO MAKE THE DECISION**

Local Authorities are required under section 151 of the Local Government Act (1972) to make arrangements for the proper administration of their financial affairs.

**4 COST IMPLICATIONS**

The projections undertaken for 2002/03 at the end of the January accounting period identify a potential net overspend by the year end of £265k (£298k at the end of December). After making allowance for projected Directorate underspends of £60k, which will be carried forward at the year end, the gross overspend amounts to £325k.

**5 FINANCIAL CONTROLLER STATEMENT**

The Council's financial strategy for the year requires balances to be built up to £1.0m by the end of 2002/03. Cabinet at its meeting of 10 September agreed that Directorates will be expected to achieve their budget expenditure figures. The latest projection indicates that spending remains in excess of budget solely within the Lifelong Learning Directorate ( £445k projected overspend - an increase of £27k over the projection undertaken at the end of December). The ongoing increased level of expenditure, despite increases in approved budget provisions being made to the Directorate from the Contingency Budget, is a cause of major concern. Measures have been identified in a paper presented to Cabinet on 28.01.2003 and to the Special County Council on 11.02.2003 which if implemented should reduce future potential overspends.

**6 CONSULTATION CARRIED OUT**

Lead Cabinet members consult on an ongoing basis with Heads of Service to agree necessary remedial action to prevent overspends in 2002/03.

**7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE**

The level of funding available to services together with budgetary performance impacts upon all services of the Council.

**8 RECOMMENDATION**

That Cabinet Members note the projected outturn position and its impact on the strategy to deliver balances of £1.0m by the end of 2002/03 and emphasise the requirement for the Lifelong Learning Directorate to take appropriate measures to review service provision and improve budgetary control.

**MONTHLY BUDGET MONITORING REPORT - FINANCIAL YEAR 2002/03**  
**Summary of Pressures**  
**PERIOD ENDING JAN 2003**

Directorate	- Year to Date -			- 2002/03 Totals -				Projected Variance (Previous Report) £000s
	Budget Profile	Actual to end Jan 2003 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at end Jan 2003	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Lifelong Learning (excluding schools delegated)	13,014	10,747	-2,267	15,065	15,484	15,929	445	418
Environment	13,422	13,162	-260	16,768	16,990	16,990	0	0
Personal Services	19,900	19,580	-320	23,297	23,612	23,611	-1	0
Chief Executive	2,023	1,744	-279	2,244	2,312	2,268	-44	0
Resources	5,219	5,002	-217	4,543	4,637	4,637	0	0
Corporate, Miscellaneous & Benefits	11,110	11,058	-52	3,097	4,267	4,252	-15	0
	<b>64,688</b>	<b>61,293</b>	<b>-3,395</b>	<b>65,014</b>	<b>67,302</b>	<b>67,687</b>	<b>385</b>	<b>418</b>
<b>Non - Service Items:</b>								
Contingency				1,720	0	0	0	0
Capital Financing Charges/Investment Income				11,144	10,573	10,573	0	0
Precepts & Levies				4,130	4,130	4,130	0	0
Contribution to Balances				1,000	875	875	0	0
NDR Savings							-120	-120
				<b>83,008</b>	<b>82,880</b>	<b>83,265</b>		
						<b>Total Variance</b>	<b>265</b>	<b>298</b>

Note: The Management Accounting rules of the Council require debtor account entries to be reversed in respect of amounts outstanding for more 30 days after the due date. In the event that debts cannot be collected Services will be required to meet the cost of the debt write-off. This may impact on the actual outturn achieved by Services at the year end.

**MONTHLY BUDGET MONITORING REPORT - FINANCIAL YEAR 2002/03  
LIFELONG LEARNING  
PERIOD ENDING JAN 2003**

	- Year to Date -			- 2002/03 Totals -				Projected Variance (Previous Report)
	Budget Profile	Actual to end Jan 2003 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at end Jan 2003	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Individual Schools Budget	32,912	30,209	-2,703	35,527	36,258	36,198	-60	-60
School Funds Held Centrally	7,703	6,287	-1,416	9,004	9,313	9,752	439	397
Non school Funding	123	-306	-429	172	172	170	-2	-2
Leisure Services	2,649	2,297	-352	2,701	2,814	2,822	8	23
Culture	1,653	1,667	14	2,245	2,257	2,257	0	0
Countryside	480	415	-65	405	404	404	0	0
Youth	406	387	-19	538	524	524	0	0
	<b>13,014</b>	<b>10,747</b>	<b>-2,267</b>	<b>15,065</b>	<b>15,484</b>	<b>15,929</b>	<b>445</b>	<b>418</b>
<b>Total Lifelong Learning</b>	<b>45,926</b>	<b>40,956</b>	<b>-4,970</b>	<b>50,592</b>	<b>51,742</b>	<b>52,127</b>	<b>385</b>	<b>358</b>

**Notes:**

Non school funding actual and variance to date is distorted by receipt of Early Years Provision Grant £385k

Budget as at 31st January increased for pay award and insurance adjustments

**Update**

Scrutiny Panel 8th + 15th January  
Cabinet 28th January



Information about notional over and underfunding of services within the Directorate clarified

Financial Controller information 30th January relates to actual and notional variance from SSA

Comparison of Notional Budgets based on SSA with Actual Budgets set 2002/03	SSA	Notional Budget based on SSA	Actual Budget per RA Forms	Variance from SSA (col 1 - col 3)	Variance from Notional Budget (col 2 - col 3)
	£000s	£000s	£000s	£000s	£000s
<b>Lifelong Learning</b>					
<b>Education</b>	47,739	48,007	46,425	1,314	1,582
<b>Culture and Leisure</b>	4,909	4,946	6,243	-1,334	-1,297
<b>Total</b>	52,648	52,953	52,668	-20	285

<b>Comments</b>	Current Month £ 000s	Previous Month £ 000s
<b>Education</b>		
Individual Schools Budgets This is based on the latest outturn projections for each school.	-60	-60
<b>Pressures</b>		
<b>School Funds Held Centrally</b>		
SEN specialist provision to compensate for capacity issues at Tir Morf	65	65
SEN significant pressure currently at the same level as this point last y	264	264
N.B. Total potential central funding of £123k to meet demand led element		
Joint Use Leisure Centres	18	18
Transport increase identified following receipt of information from transportation in January - retendering & leasing	246	196
Insurance premia	9	
<b>Savings</b>		
<b>School Funds Held Centrally</b>		
Management and administration - various	-20	-20
Delay in appointment of SEN Lead Officer and other staff	-69	-69
Reduction in Free Meal numbers	-45	-45
Equipment Leasing	-15	-10
Boarding Grants	-2	-2
Remissions	-10	
Travelling	-2	
<i>Discussions ongoing to seek compensatory savings</i>	439	397
<b>Non-School Funding</b>		
Student Awards Support	-2	-2
<b>Culture and Leisure</b>		
<b>Current pressures include:</b>		
Costs associated with hosting the Blue Peter Event	5	5
Loss of income from the Apollo profitshare agreement	23	23
Funding of Supernumary post	18	18
Pavilion Theatre - increased costs and underachievement on producti	20	20
Resolution of decasualisation claim	2	2
Offset by internal delayed appointments and increased income	-60	-45
	8	23

**MONTHLY BUDGET MONITORING REPORT - FINANCIAL YEAR 2002/03  
ENVIRONMENT  
PERIOD ENDING JAN 2003**

	- Year to Date -		
	Budget Profile	Actual to end Jan 2003 Plus Commitments	Variance (Increase/ - Saving)
	£000s	£000s	£000s
Consultancy Services	1,358	1,667	309
Economic Regeneration	919	845	-74
Highways and Transportation	3,931	3,998	67
Planning Services	726	599	-127
Public Protection & Regulatory Services	5,964	5,583	-381
Support Services	524	470	-54
<b>Total Environment</b>	<b>13,422</b>	<b>13,162</b>	<b>-260</b>

- 2002/03 Totals -				
Budget As per Budget Book	Budget As at end Jan 2003	Projected Outturn	Variance (Increase/ - Saving)	Projected Variance (Previous Report)
£000s	£000s	£000s	£000s	£000s
995	1,048	1,048	0	43
798	847	847	0	-5
5,929	5,997	5,997	0	-4
889	894	873	-21	-21
7,540	7,555	7,591	36	7
617	649	634	-15	-20
<b>16,768</b>	<b>16,990</b>	<b>16,990</b>	<b>0</b>	<b>0</b>

Reasons for Variance Against Budget Profile

Consultancy Services - does not include last quarter income.

Economic Regeneration - underspend against profile is caused by receipt of WDA funding due to be paid to other parties.

Planning Services - further commitments of £97k, further projects and increased/earlier receipt of Building Control income.

PP & RS - late payment of contracts and rates invoices.

Support Services - incorrectly profiled project based expenditure.

**MONTHLY BUDGET MONITORING REPORT - FINANCIAL YEAR 2002/03  
PERSONAL SERVICES  
PERIOD ENDING JAN 2003**

	- Year to Date -		
	Budget Profile	Actual to end Jan 2003 Plus Commitments	Variance (Increase/ - Saving)
	£000s	£000s	£000s
Children and Families	3,595	3,973	378
Intake A & C M (North)	7,458	7,563	105
Intake A & C M (South)	2,506	2,374	-132
Provider	4,824	4,762	-62
Business Support & Development	1,447	809	-638
Non HRA Housing	70	99	29
<b>Total Personal Services</b>	<b>19,900</b>	<b>19,580</b>	<b>-320</b>

- 2002/03 Totals -			
Budget As per Budget Book	Budget As at end Jan 2003	Projected Outturn	Variance (Increase/ - Saving)
£000s	£000s	£000s	£000s
3,805	4,314	4,768	454
8,011	9,021	9,466	445
3,046	3,033	2,899	-134
5,442	5,425	5,424	-1
2,910	1,736	971	-765
83	83	83	0
<b>23,297</b>	<b>23,612</b>	<b>23,611</b>	<b>-1</b>

Projected Variance (Previous Report)
£000s
377
453
-129
26
-727
0
<b>0</b>

**Children and Families**

As previously reported Fostering will be the major drain on the 2002/03 budget.

The NCH Residential establishment (Bryn Y Wal) is expected to overspend by £77k. This is due to both a high inflationary increase by NCH and insufficient budget within Children's Services.

**Intake A & C M (North & South)**

Preserved Rights and Residential Care Allowance budget and spend included in A & C M (North). Currently underspent as fees have not yet been increased.

Increase in spend in both Community Care Older People and Physically Disabled & Learning Disabilities.

**Adult Services - Provider**

Elderly Residential Services - estimated overspend year end - £200K

Mental Illness - Llys Marchan Residential Home overspend estimated to be £69K

**Adult Services General**

Learning Disabilities and Mental Illness Services - Transitional Housing Benefit (THB) Income has been removed from Adult Services,

**MONTHLY BUDGET MONITORING REPORT - FINANCIAL YEAR 2002/03  
CHIEF EXECUTIVE, RESOURCES, CORPORATE & MISCELLANEOUS  
PERIOD ENDING JAN 2003**

	- Year to Date -		
	Budget Profile	Actual to end Jan 2003 Plus Commitments	Variance (Increase/ - Saving)
	£000s	£000s	£000s
<b>Chief Executive's Dept</b>	2,023	1,744	-279
<b>Resources Directorate:</b>			
Finance	3,043	3,080	37
Audit	252	258	6
I.T	1,413	1,167	-246
Personnel	511	497	-14
Total	5,219	5,002	-217
<b>Corporate &amp; Miscellaneous Benefits</b>	2,193	1,406	-787
	8,917	9,652	735
Total	11,110	11,058	-52
<b>Total Chief Executive's, Resources, Corporate &amp; Misc. and Benefits</b>	<b>18,352</b>	<b>17,804</b>	<b>-548</b>

- 2002/03 Totals -			
Budget As per Budget Book	Budget As at end Jan 2003	Projected Outturn	Variance (Increase/ - Saving)
£000s	£000s	£000s	£000s
2,244	2,312	2,268	-44
2,155	2,213	2,213	0
308	300	300	0
1,492	1,497	1,497	0
588	627	627	0
4,543	4,637	4,637	0
2,622	3,792	3,777	-15
475	475	475	0
3,097	4,267	4,252	-15
<b>9,884</b>	<b>11,216</b>	<b>11,157</b>	<b>-59</b>

Projected Variance (Previous Report)
£000s
0
0
0
0
0
0
0
0
0
<b>0</b>

Contract Services Memorandum	Actual Income	Actual Expenditure	Actual Surplus / - Deficit
	£000s	£000s	£000s
	9,497	9,347	150

Projected Income	Projected Expenditure	Projected Surplus / - Deficit
£000s	£000s	£000s
11,750	11,550	200