

CABINET

[CABINET 2003 - 150]

Minutes of the Cabinet meeting held in Canolfan Cae Cymro, Clawddnewydd on Tuesday 21 October 2003 at 1.35 p.m.

PRESENT

Councillors P A Dobb, Lead Member for Health and Wellbeing (Chair); M A German, Lead Member for Sustainable Development and Environment; G M Kensler, Lead Member for Promoting Denbighshire; R W Hughes, Lead Member for Lifelong Learning; 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, Lead Member for Economic Wellbeing.

Observers: Councillors M.Ll. Davies, I.M. German, K.N. Hawkins, G. Jones, M.M. Jones, R.E. Jones, R.J.R. Jones, A.J. Tobin, C.H. Williams

ALSO PRESENT

Chief Executive; Deputy Chief Executive / Corporate Director: Resources; Corporate Director: Environment; Corporate Director: Lifelong Learning; Corporate Director: Personal Services; Financial Controller and the County Clerk.

APOLOGIES

Councillor E C Edwards, Lead Member for Safeguarding our Communities.

ANNOUNCEMENT

Councillor J A Smith thanked all involved in the preparation of the excellent venue and the refreshments provided at the meeting.

1 URGENT MATTERS

- [i] Part 2 - Preserved Rights and Residential Care Allowances - to update Cabinet following receipt of correspondence from Sue

Essex AM, Minister for Finance, Local Government and Communities.

2 MINUTES OF THE CABINET [CABINET 2003 - 135]

The Minutes of the Cabinet meeting held on 25 September 2003 were submitted for accuracy and the following amendments were agreed:

Item 4 - Managing School Places:

- (i) Councillor R W Hughes referred to the last sentence of the 2nd paragraph and felt that there was no need for this sentence to be included. It was agreed that the sentence commencing with "*She said the Welsh Assembly Government*" be deleted.

- (ii) Councillor G M Kensler referred to the last sentence of the 5th paragraph and queried her quote as saying the schedule would be referred to the Asset Management Committee. Councillor W R Webb said that the note reflected the decision taken.

Item 6 - Summary Report for the future of Greenspace Management in Denbighshire - Councillor M A German asked that his name be deleted as he was not present at the meeting.

Item 9 - Ysgol Plas Brondyffryn - Councillor R W Hughes advised Members that the funding was in the form of a loan and therefore needed to be recorded in the Resolution. The Corporate Director: Resources agreed, and the Minute would be amended accordingly.

RESOLVED that subject to the above amendments, the Minutes of the Cabinet meeting held on 25 September 2003 be approved as a correct record and signed by the Deputy Leader

The following matters arising were discussed:

Item 5 - Sport and Recreation Best Value Review: Initial Options Appraisal - it was confirmed that the Lifelong Learning Committee had agreed the options, as previously approved by Cabinet.

Item 10 - Revenue Budget Monitoring 2003-04: Councillor E A Owens referred to the School and College Transport Report and asked if a copy could be made available. The Financial Controller advised Members that an electronic copy of the report had been sent to Members late afternoon of the previous day.

Item 13 - Disposal of Morfa Hall: Councillor W R Webb advised Members that the sale of Morfa Hall was moving ahead.

It was agreed that item 12 on the agenda - Customer Care Strategy be discussed first due to Councillor Morris' presence being required at another meeting with the Audit Commission.

3 CUSTOMER CARE STRATEGY [CABINET 2003 - 160]

The Chief Executive presented the report seeking Members' agreement to:

- (i) agree that work on improving customer services needed to be driven forward more quickly and with stronger co-ordination, and
- (ii) allocate funding for the proposed post of Assistant Chief Executive (Customer Service).

The Chief Executive explained that this had been the subject of discussion at Cabinet over several months, and that there was now a need to bring together the different strands.

Councillor E A Owens owing to the fact that the order of the agenda had changed, referred Members to 4.1 of the report and indicated that she proposed to delay the allocation of the full costs of the new post until an appointment had been made.

Councillor R W Hughes said that she had no argument with the reason for decision, but discussions on this subject had always been based around the post. In her view, no information had been provided on costings, options, where it would fit, and its

implications on other services. Councillor Hughes referred to the postholder being responsible for managing 7 members of staff and as to whether £65k needed to be spent on an Assistant Chief Executive post to carry out this function.

Councillor E W Williams said that there was a need to have the responsibility for Customer Care within the Authority clear, and that the post needed to have an alignment to the Corporate Executive Team. He added that the Complaints system was insufficiently co-ordinated across the Authority, and the postholder would secure systems across services and improve the Authority's Customer Care.

Councillor P A Dobb understood why the post was required and what its objectives were, but wondered whether partnership arrangements as per the BT presentation were included.

Councillor D M Morris reminded Members that the post required had been the subject of previous discussions as part of the Strategy to improve Customer Care within the County. The new post would undertake work presently being carried out by other Officers within the County.

Councillor R W Hughes agreed that progress needed to be made, but felt that the recommendation needed to be evidenced specifically with regard to the information on costings and the impact on services.

Councillor E W Williams explained that the Council did not have all the expertise in-house to undertake the work required to deliver better services to the residents of Denbighshire.

In response to Councillor G M Kensler's reference to a meeting due to be held in the coming weeks, Councillor D M Morris advised Members that a meeting had been arranged for 11 November 2003 where a presentation would be given by Caryl Wright from Surrey County Council on her experiences of setting up a Call Centre. This meeting will provide Members with the opportunity to ask any questions.

Councillor G M Kensler asked each Member if they knew how the Complaints system in each of their Directorates worked. If Members could all indicate the current position, then it would make it easier to say where we wanted to be.

The Chief Executive explained that the content of the report was clear, but as Members required further information and discussion, the paper could be deferred until after a further informal meeting of the Cabinet.

Councillor P A Dobb suggested that in order to assist Members, a pictorial mapping of what the County can provide in-house and what we need to go external for would be useful.

RESOLVED that the report be deferred until after a future meeting of the Informal Cabinet.

4 JOINT REVIEW [CABINET 2003 - 151]

Councillor P A Dobb presented the report seeking Members' approval of the draft action plan for consultation following the presentation by the Joint Review Team to Council.

Councillor Dobb commended staff on their work and reported the importance for the Authority to begin the process of responding to the findings of the Joint Review Team. A total of 53 objectives need to be achieved by the Authority over the next 3 years. The vision for Denbighshire is to make the Social Services Department the best in Wales.

Councillor E A Owens asked that in order to provide clarity and guidance to non Social Services colleagues on what the Authority wants to achieve, a 2 page précis of the report be prepared for distribution.

RESOLVED that:

- (a) *Cabinet approves the Draft Action Plan for consultation*
- (b) *a 2 page précis of the action plan be prepared for distribution.*

5 REGULATORY PLAN [CABINET 2003 - 152]

Councillor P A Dobb welcomed Mr Rod Alcott and Mr Kevin Emmitt from the Audit Commission in Wales to give Members a presentation on the Audit Commission's Regulatory Plan for the Authority for 2003/04.

Members were asked to note the contents of the draft summary and to agree to ensure that the necessary response from the Authority is forthcoming in order to help deliver the plan's objectives.

Mr Alcott circulated handouts to Members which covered the following areas:

The Regulatory Plan - Where does it fit in?

Regulatory Plan - What's new?

Audit and Inspection Fees

Audit and Inspection - what happens next?

Regulatory Plan - The longer term

Mr Alcott provided Members with the background information as to the production of the Plan following discussion with the Authority. He advised Members that a work programme which listed the areas of regulation, the Lead Officer and timescale, was being prepared and would be distributed once completed.

He explained that there are issues occurring across Wales which would be subject to mandatory regulatory work in each Authority.

Denbighshire would be the first Authority to be inspected and would be the pilot for Arts and Culture as this is an area of good practice. Communication and Regeneration are also mandatory pieces of work.

Mr Alcott explained that all of the work to be undertaken by the Audit Commission would be done in agreement with Denbighshire to discuss when would be the most suitable time.

The Audit Commission is aiming a programme of audit/inspection over the next 8 months which will inform their opinion of revised risks in Denbighshire and a document outlining Denbighshire's Improvement Journey will be produced next year.

Councillor E W Williams thanked both Mr Alcott and Mr Emmitt for the presentation and for the comment that Denbighshire was improving. Councillor Williams also asked whether Local Authorities were treated the same as the Health Board when it came to Inspection fees.

Mr Emmitt explained that Local Authorities and the Health Boards were treated in the same way when it comes to fees. He explained that the Audit Commission in Wales is appointed to the Health Board the same way as it is appointed to Local Authorities, and both had similar risk based plans.

Councillor E Williams reported that the Authority would be willing to share any areas of good practice with other Welsh authorities but acknowledged that it was not always easy for other authorities to adopt each other's practices.

Rod Alcott in response to Councillor Williams' comment admitted that the Audit Commission in Wales was not as good as it should be in sharing good practice, and that mandatory work was being undertaken to improve this to share more effectively. Denbighshire's Arts and Culture Department had been chosen for a pilot scheme because it is an area of good practice.

RESOLVED that Members ensure that the necessary response from the Authority is forthcoming in order to help the Audit Commission in Wales to deliver the Regulatory Plan for Denbighshire.

6 IMPROVING THE COUNCIL HOUSING STOCK [CABINET 2003 - 153]

Councillor E A Owens presented the report and sought Members' views and general comments on the progress on reviewing options for the funding of the improvements to the housing stock and to determine which of the three options to support.

Councillor Owens provided Members with background details in relation to the three options available:

- (a) to recommend to proceed to Stock Transfer;
- (b) to recommend deferment for 3 months until further information had become available, and
- (c) to pursue Prudential Borrowing

Councillor Owens advised Members that the prudential borrowing model could not be completed until all the information had been received from the Welsh Assembly Government on the calculation of the Housing Revenue Account debt charges and the Housing Revenue Account Subsidy.

Councillor Owens thanked the Head of Housing Services and the Senior Management Accountant for disseminating the ideas and for moving the WAG Officials forward.

Councillor Owens explained that the Prudential Borrowing model would mean a significant rent increase for tenants. Stock Transfer alternatively would have an implication for Council Tax payers. Meaningful discussions had been taking place with tenants and that their involvement should continue under either option.

Councillor Owens asked whether Members had any questions on the modelling.

Councillor E W Williams asked that if the Authority opted for Stock Transfer, would the rent increase remain at 3.97%.

The Head of Housing Services explained that the rent increase would average 3.97% for the next 9 years, which would include 2.5% for inflation. The Prudential Borrowing model implied an average 8.89% increase for the same period including 2.5% for inflation. In some years the rent increase could be as high as 14%. Over 50% of tenants were eligible for Housing Benefit.

By opting for the Prudential Borrowing model, the cost to the Council Fund would be up to £180k. The cost to the Council Fund

if the Authority opted for Stock Transfer would be £600k - £1m - on a worst case scenario basis.

However, in the Stock Transfer model Denbighshire would receive a share of capital receipts from the Preserved Right to Buy Council houses of approximately £1m per annum. The Chief Executive explained that these receipts would reduce over a period of 14 years whereas revenue consequences might continue. Councillor Owens explained that a capital receipt could not necessarily be used to off set a revenue cost.

Councillor P A Dobb asked if the revenue impacts of the stock transfer model could be met through cut backs in service rather than increases in Council Tax.

The Chief Executive referred Members to Appendix 1 and explained that there is scope over time to reduce staffing costs. For example, £115k is spent on finance services, but the Authority is unsure as to how much of these services Dyffryn Community Housing would want to buy. However certain costs could not be reduced if stock transfer went ahead, such as the director's salary.

Councillor R W Hughes thanked Officers for the report and was pleased to see more options available. She explained said that she opposed Stock Transfer in principle. She criticised the Welsh Assembly Government for the length of time the exercise had taken.

In response, the Head of Housing Services explained that the Welsh Assembly Government had also been constrained on this policy, and that the overall drift of the policy had been from the Treasury.

Councillor E W Williams asked if Cabinet were to agree to defer the decision for 3 months, what would be the timescale for ballot to tenants.

The Head of Housing Services explained that there were 2 stages to the process. Firstly, it would go to formal consultation to tenants and they would be given 4 weeks to comment. Secondly, the Authority would have 2-3 weeks to consider the comments

received followed by a 3 week postal ballot. All of the above could take place in the Spring, but the timescale was very tight.

Councillor P A Dobb referred to the meeting of the Working Party Group held on 16 October 2003 and reported that Members of the Working Party had opted for Option A.

Councillor E W Williams explained that this report was for Cabinet to look at the process and make a recommendation to Council. The decision of which option to adopt would be for Council to debate and agree.

Councillor R W Hughes proposed that Cabinet agreed Option B to recommend to Council that the decision as to the option to be adopted to improve the housing stock be deferred for 3 months.

Councillor J A Smith proposed that Cabinet agreed Option A to recommend to Council that stock transfer is progressed in order to fund improvements to the housing stock.

Councillor G M Kensler felt that given the estimates provided and the significant assumptions being made, it was not possible to make such an important decision without the further information and seconded Councillor R W Hughes' proposal.

Upon being put to the vote, it was

RESOLVED that Cabinet agree Option B and recommend to Council on 18 November 2003 that the decision as to the option to be adopted to improve the housing stock be deferred for 3 months i.e. until January 2004.

7 ADOPTION OF CORPORATE PROCUREMENT STRATEGY [CABINET 2003 - 154]

Councillor E W Williams presented the report seeking approval from Cabinet to adopt the Corporate Procurement Strategy. He commended the work which had been done by the Performance Management Unit on producing the Strategy.

Councillor E A Owens congratulated the Performance Management and Business Planning Manager and her Team for producing some very imaginative material. The Plan should be seen as a workable tool which through the inclusion of procurement objectives would strengthen the Authority's procurement priorities and procedures.

Councillor G M Kensler referred to 1.8 and 1.9 of the Strategy and asked whether this included Welsh Language and Equal Opportunities.

The Chief Executive referred Members to 2.7 of the Strategy which provided the response *that fair employment is an integral part of the Council's approach to service planning and delivery.*

Councillor G M Kensler asked the following questions:

- (i) could the Authority insist that external bodies who are funded by the Authority meet the requirements of the Procurement Strategy?
- (ii) Objective 2.5 - Item 7 - is the Authority putting enough emphasis on fresh produce produced by local growers?
- (iii) Objective 2.5 - Item 16 - ethical vending machines. At present schools benefit from the income that is raised from vending machines. If the Council is proposing to remove chocolate and fizzy drinks from vending machines in schools, the schools may suffer from a loss of income.

The Chief Executive in response to Councillor G M Kensler's question in (i) and (iii) above explained that the Authority could not insist that external bodies adopt the Council's Procurement Strategy. The Authority could only ask, not instruct, the schools to use more ethical vending machines, as they have an independent budget.

The Corporate Director: Resources, in response to question (ii) explained that whilst the Council could, for example, specify in contracts that fresh/seasonal produce should be used, it was against EC regulations to favour local suppliers.

Councillor P A Dobb referred to 2.7 - Item 3 and asked whether the Strategy ensured that the elderly were included in the procurement process.

The Chief Executive explained that all equalities issues need to be considered, so it was agreed that the word Race be deleted.

RESOLVED that

- (a) *the word "Race" be removed from 2.7 of appendix 1 and amended to read "Ensure Equality issues are incorporated into the procurement process"*
- (b) *that Members approve the adoption and implementation of the Corporate Procurement Strategy.*

8 BIDS FOR ADDITIONAL BUDGET 2003-2004 [CABINET - 155]

Councillor E A Owens presented the report seeking Members' approval to the bids made by Directorates for additional funding in the current financial year for one off expenditure or spend to save initiatives.

Councillor Owens reported that the County Council at its meeting in June agreed the recommendation taken by Cabinet to seek bids from Directorates for additional revenue budget allocations for the current year. Taking account of the current information in relation to the collection of Council Tax, which was up by 1% on last year, and the likely level of Assembly support through the Performance Improvement initiative, Councillor Owens advised Members that an estimated additional £400k of resources would be available for the whole of the current financial year.

Councillor Owens expressed her thanks to the Principal Local Taxation Manager and his Team for their excellent work in the collection of Council Tax.

Councillor Owens reported that the bids contained in the appendix, some of which had been agreed by Cabinet, had been reviewed by the Corporate Executive Team and herself and recommendations had been made as indicated in the appendix.

Councillor Owens explained that the County Council wished the bids list to be reviewed by service Scrutiny Committees. Each of the 4 Scrutiny Committees had reviewed the list, but of the 4, only 2 had submitted additional proposals namely Lifelong Learning and Personal Services which would give the Authority an overall overspend of £120k.

Councillor Owens proposed that it was only fair to the Resources and Environment Committees to remove the additional proposals by Lifelong Learning and Personal Services from the list. In order to reduce the remaining overspend, Councillor Owens also proposed that the monies allocated to bids that involve staffing costs be restricted to the actual costs to take account of slippage in appointments.

RESOLVED that

- (a) *the total sum to be made available for additional funding in 2003/04 be increased by £400k*
- (b) *the monies allocated to bids that involve staffing costs be restricted to the actual costs to take account of slippage in appointments*
- (c) *subject to the removal of the additional proposals of £40k by Lifelong Learning and £32k by Personal Services, all other bids listed within the Appendix be approved.*

9 REVENUE BUDGET MONITORING REPORT [CABINET 2003 - 156]

Councillor E A Owens presented the report informing Members' that all the pressures which had been identified in the latest budget performance figures for the current financial year should be absorbed by services in order to deliver the Council's agreed budget strategies.

Councillor Owens advised Members that because of the decision taken in the previous report the overspend on Lifelong Learning had been reduced from £404k to £204k leaving an overall overspend of £331k.

Councillor Owens indicated that spend within Personal Services was causing concern due to the service having to respond to homelessness.

Councillor P A Dobb reported that the Directorate was in negotiation to lease a property to house the homeless and was confident that the Directorate would be projecting a nil variance by the end of the financial year.

The Corporate Director: Personal Services explained however, that this would not eradicate the current projection on homelessness costs, but measures being taken would have an impact.

Councillor Owens reported that the virement between budgets within Personal Services is high. It needs to be reviewed to ensure budgets are in line with spending patterns.

RESOLVED that

- (a) Members note the figures in the appendices
- (b) Directorates take appropriate actions to monitor spend and absorb pressures.

10 SOCIAL CARE ELECTRONIC RECORD [CABINET 2003 - 157]

Councillor J A Smith presented the report seeking Cabinet approval to enter into a contract with the Development Partner of the Welsh ICT Systems Consortium to enable Social Services to further develop their Social Care Electronic Record system.

RESOLVED that Cabinet agrees to the contract being signed with Bridgend and the 'Preferred Supplier'.

11 GENERAL PROPERTY MATTERS - DELEGATED POWERS [CABINET 2003 - 158]

The Chief Executive presented the report seeking Cabinet agreement to grant him the delegated powers to undertake the operational running of the Council's property portfolio as set out in Appendix 2 of the report.

The Chief Executive explained the reason for reviewing the delegation was to reflect changes in the structure of the Council since delegations had been agreed in 1996. The main addition was to delegate all operational issues of the agricultural estate to Officers in order to bring them in line with council housing and business units, which would result in the removal of a significant amount of work which was now currently being submitted to the Asset Management Committee. Any decisions that involved financial implications, would, unless covered by delegated powers, continue to require the agreement of the Asset Management Committee.

The Chief Executive referred Members to paragraph 4 of Appendix 2 and advised Members that it needed to be deleted because it duplicated material in paragraph 5.

A copy of the paper had been circulated to Members of the Asset Management Committee for comments prior to the Cabinet meeting: Councillor Owens had responded to say that she was content.

Councillor E W Williams differed from the Chief Executive's view regarding the agricultural estate arguing that there was a difference between taking decisions on housing stock/business units. Decisions required on the agricultural estate could change the rural identity of the area, and that it was up to Members of the Authority to decide the type of rural activity needed.

The Chief Executive explained these concerns could be easily addressed through an allocation Policy. Members should not directly control tenancies.

Councillor E W Williams reiterated his comments that there was a very big difference when it came to farm lettings.

Councillor W R Webb apologised that he had not responded to the letter from the Chief Executive which had asked for comments on the proposed delegation. Councillor Webb expressed his concern that the agricultural estate was being compared to housing stock/business units and was certain that the letting of

farms should remain the responsibility of the Asset Management Committee. As the current system was working well, why was there a need to change it?

Councillor E A Owens shared with Members her involvement in the decision on two letting applications. Councillor Owens commented that because of the length of the agenda on the Asset Management Committee it was sometimes difficult to set aside the time required to discuss the applications in detail. Delegations needed to be looked at as whole and the paper was the first valid attempt at doing that. If Members agreed, the policy could be monitored.

In response to Councillor Owens' comment about the discussion of letting applications, Councillor W R Webb advised Members that when a decision was required in respect of lettings, a day was set aside for the Asset Management Committee to discuss.

Councillor G M Kensler expressed her view that Members had lost something by not being able to be involved in the decisions on tenancies. Councillor Kensler referred to tenancy decisions taken on Business Units and that in the past Members were able to provide local knowledge. Councillor Kensler asked whether it would be possible for Officers to consult with Members on any tenancy applications within their locality.

The Chief Executive agreed that if Members wished to be consulted on free tenancies within their locality and provide Officers with comments, this could be done.

Councillor P A Dobb asked Councillor W R Webb as Chair of the Asset Management Committee on the policy that the Committee followed when agreeing tenancies.

Councillor W R Webb responded that a policy is followed and referred to a recent decision taken by the Asset Management Committee to appoint 2 sons to 2 tenancies at what was a fair and sensible hearing. Councillor Webb also expressed his personal opinion that far too much had been delegated to Officers.

The Chief Executive explained that there was a need to protect Members from accusations of patronage.

Councillor R W Hughes disagreed that Members would act unprofessionally when looking at applications.

In his response, the Chief Executive explained the paper did not suggest that inference, but that there had been occasions in the past in Local Government when decisions had been taken on Council Housing tenancies in particular, and the process had not been dealt with impartially.

Councillor M A German referred to the recent consultation which had been undertaken on the Ffrith Beach and that Officers had consulted with all Prestatyn Members, and not just the ward Councillors. When consulting there is a need to look at the wider picture and consult all Members within the area in question.

RESOLVED that Members agree the granting of delegated powers (except in respect of the agricultural estate) as outlined in Appendix 2.

12 YSGOL PLAS BRONDYFFRYN [CABINET 2003 - 159]

Councillor R W Hughes presented the report seeking Cabinet approval to authorise the Leader, the Lead Member for Finance, herself as Lead Member for Lifelong Learning to make further payments of up to £20k as a loan to Plas Brondyffryn Trust to cover its operating costs for a further 2 months, and to approve an interim partnership agreement in principle with the Brondyffryn Trust.

RESOLVED that the Leader, Lead Members for Finance and Lifelong Learning and Finance be authorised to make further payments to Plas Brondyffryn Trust of up to £20k as a loan to cover its operating costs for a further 2 months, and approve an interim partnership agreement in principle with the Brondyffryn Trust.

13 URGENT ITEMS [CABINET 2003 - 161]

There were no Part I urgent items.

QUESTION AND ANSWER SESSION

Councillor R E Jones presented three questions as follows:

- (i) Number of teacher redundancies in Denbighshire - Councillor E W Williams said that there had been 2 redundancies this financial year in Denbighshire, but that this had been due to falling numbers.
- (ii) Appointment of L.E.A. Governors - Councillor R E Jones pointed to inconsistencies in the advertising of school governor vacancies. Councillor R W Hughes advised Councillor Jones that the Authority is moving to a more open process on appointing Governors, but that she would check on the information to ensure consistent information is available. Councillor E W Williams said if people want to become a L.E.A. Governor, then they should be putting their names forward rather than wait for a vacancy to arise.
- (iii) Delegated Decisions - not all Members have access to the Authority's internet database and are therefore not aware of important decisions being taken. Agreed to provide all Members with a list of all delegated decisions taken.

At this juncture the meeting adjourned for 10 minutes to allow Members to participate in refreshments.

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 5,7,8 and 9 of Part 1 of Schedule 12A of the Local Government Act 1972.

PART II

14 RHYL: 68 WELLINGTON ROAD [CABINET 2003 - 162]

Councillor P A Dobb presented a report seeking Members' approval to the sale of 68 Wellington Road, Rhyl to a named party at an open market value.

***RESOLVED** that Members approve the sale of 68 Wellington Road, Rhyl to a named party at an open market value, on terms to be agreed by the Corporate Director: Environment in consultation with the County Clerk.*

15 AGRICULTURAL ESTATE - URGENT CAPITAL EXPENDITURE [CABINET 2003 - 163]

Councillor W.R. Webb presented the report seeking Members' approval to recommend to Council that further funds be made available for capital works on the Agricultural Estate.

***RESOLVED** that Members recommend to Council that further funds be made available for officers to undertake capital works on the Agricultural Estate, to be funded from the first available capital receipts and that an equivalent amount of funding from the first capital receipt from an agricultural property be transferred back for general capital purposes.*

16 EXTENSION OF CONTRACT: DECRIMINALISATION [CABINET 2003 - 164]

Councillor M A German presented the report seeking Members' agreement to vary the contract tendering procedure and to appoint Consultants on a contract extension.

***RESOLVED** that Members agree to vary the contract tendering procedure and to appoint Consultants on a contract extension.*

17 SOCIAL SERVICES COMMUNITY LIVING SERVICE FOR PEOPLE WITH LEARNING DISABILITIES: DECISION TO AWARD CONTRACTS FOR TWO SCHEMES [CABINET 2003 - 165]

Councillor P A Dobb presented the report seeking Members' approval to award two contracts for the provision of services to two Community Living Schemes following tendering.

***RESOLVED** that Members accept the recommendations for the awarding of the two contracts as contained in the appendix.*

18 CONVERSION GRANT: HOTEL MARINA, EAST PARADE, RHYL [CABINET 2003 - 166]

Councillor P A Dobb presented the report requesting a forward commitment of a maximum of £188k housing grant in 2004-05 towards the cost of converting the Hotel Marina, East Parade, Rhyl into 20 good quality self-contained flats. The project is a very important regeneration project within the Rhyl Going Forward process and for improving East Parade.

Councillor Dobb explained that the Hotel Marina is rapidly falling into disrepair and the Council had granted planning permission for the conversion into flats. The Welsh Development Agency (WDA) have agreed in principal to grant aid 80% of the cost of external works and the Authority would cover the remainder of the costs.

Councillor Dobb informed Members that the WDA has insisted that a percentage of the costs are spent during the current financial year. The developer has also requested a housing grant from the Authority towards the costs of the internal works. In order for the project to proceed the Authority has to make a commitment from next year's capital budget, which has yet to be set.

Councillor E A Owens advised Members that there was insufficient information to make a decision; that the capital allocation from the Welsh Assembly Government was changing next year and she was concerned at committing Strategic Housing

funds to this extent when the amount to be allocated from the Welsh Assembly Government was uncertain.

The Corporate Director: Environment advised Members that private sector housing issue is far wider than that contained in the report. The project is very important, because the Authority has had to deal with a twilight zone in Rhyl comprising of flats and houses in multiple occupation.

The Corporate Director accepted the concerns raised by Councillor E A Owens in relation to the allocation of budget for next year, but conveyed his fear that because of the impositions by other partners, the project may fail. The Head of Housing Services also supported this view.

Councillor P A Dobb said that more 2 bedroom homes in Rhyl were required, and that this project would provide for this type of accommodation.

The Chief Executive said the Authority could not overlook the regeneration issues of the Rhyl Going Forward process and the improvement of East Parade and pointed out that, if the costs had fallen within the current year and could have been met, there would have been no need for a report to Cabinet.

The Corporate Director: Personal Services said that this is a regeneration project and is not only meeting high priority housing but also meeting regeneration needs.

Following a lengthy debate it was

RESOLVED that

- (a) *Cabinet approve a commitment of a maximum of £188k of housing grant in 2004-05 towards the cost of converting Hotel Marina, East Parade, Rhyl into 20 self contained flats;*
- (b) *Cabinet recommend to Council that it notes the forward commitment of the 2004/05 capital allocation for private sector housing; and that greater flexibility needs to be built*

into the capital plan in order to address the inflexibility in order to allow decisions such as this to be taken in future, and

(c) the Chief Executive and the Corporate Director: Resources to prepare a proposed 3 year capital plan.

19 CLWYD LEISURE LEASE GUARANTEE [CABINET 2003 - 167]

Councillor E A Owens presented the report and a supplementary paper from the Corporate Director: Resources seeking delegated powers to act as a guarantor for an operating lease to Clwyd Leisure Ltd for the development of the Sun Centre as a fitness centre.

The request for a guarantee had emerged at a late stage, at the end of September after the Asset Management Committee had considered an approved Landlord Consent. In addition Clwyd Leisure Ltd had indicated that a different funding option may be available, but had not been fully evaluated. As a consequence a supplementary paper had been circulated seeking delegation of the decision to the Leader, Lead Member for Finance and Lead Member for Promoting Denbighshire, in consultation with the County Clerk and Corporate Director: Resources, authority to enter into an agreement to act as a guarantor for the Fitness Centre project, subject to Clwyd Leisure Ltd providing a suitable funding option and that the funding agreement provides the Authority with the level of protection it needs.

Members expressed their concern that the Sale and Transfer Agreement had not yet been signed and that the Council would have to underwrite any debts in the event of Clwyd Leisure Ltd ceasing to operate.

Councillor E A Owens referred Members' to Clause 2 of the Sale and Transfer Agreement which provides:

'The Council agrees to give good faith consideration to providing continuing support to Clwyd Leisure Ltd including acting as guarantor or surety of for Clwyd Leisure Ltd in respect of such projects and/or contracts as are agreed between the

parties as at the Completion Date or as may from time to time be agreed by the parties’.

Although Members were supportive of the project, it appeared that the guarantee sought in respect of the Operating Lease would expose the Council to an unacceptable financial risk, having regard to the 7 year term and possible interest charges.

Following a lengthy discussion, it was

RESOLVED *that the County Council should not be exposed to a substantial financial risk and that the need for a guarantee was not proven and that the request to act as guarantor for an operating lease to Clwyd Leisure Ltd. be refused.*

20 URGENT ITEMS [CABINET 2003 - 168]

TRANSFER FOR PRESERVED RIGHTS/RESIDENTIAL CARE ALLOWANCE 2002/03

The Corporate Director: Personal Services circulated copies of various correspondence relating to the Transfer for Preserved Rights and Residential Care Allowance.

The Chief Executive referred Members to the letter from Sue Essex AM, Minister for Finance, Local Government and Public Services dated 10 October 2003, contents of which did not provide the Authority with a satisfactory answer to the questions raised.

The Chief Executive sought views from Members as to whether or not they felt the Authority's attempts had amounted to nothing and as to whether they wished to mount a legal challenge against the Welsh Assembly Government.

The County Clerk referred to a similar challenge mounted by Liverpool City Council, and advised Members to seek Counsel's opinion before mounting a legal challenge.

Following a discussion, it was

RESOLVED that

- (a) *the County Clerk seeks the opinion of Counsel on mounting a legal challenge*
- (b) *report back Counsel's advice and recommendations to the November meeting of Cabinet.*

The meeting concluded at 4.50 p.m.

CABINET

Minutes of the Cabinet meeting held in the Council Chamber, Prestatyn on Monday 3 November 2003 at 5.00 p.m.

PRESENT

Councillors P A Dobb, Lead Member for Health and Wellbeing; M A German, Lead Member for Sustainable Development and Environment; 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, Lead Member for Economic Wellbeing.

Observers: Councillors I M German.

ALSO PRESENT

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

APOLOGIES

Councillors E C Edwards, Lead Member for Safeguarding our Communities; G M Kensler, Lead Member for Promoting Denbighshire and R W Hughes, Lead Member for Lifelong Learning.

1 URGENT MATTERS

There were no urgent matters.

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 paragraph 8 of Part 1 of Schedule 12A of the Local Government Act 1972.

PART II

3 OFFICE ACCOMMODATION

The Chief Executive presented the report seeking a decision on whether to rent additional space at the former Zurich building in Prestatyn for the education department, in order to meet the short and medium-term accommodation problems facing the Council; or to retain the education department at Caledfryn whilst recognising that this is not a sustainable solution for the long term because of overcrowding. (Throughout the report, "Education Department" was used as shorthand for the Education Services and Education Strategy and Resources Departments). The County Landlord also circulated an extract by the Corporate Director: Lifelong Learning of the PFI Full Business Case.

The Chief Executive informed Members that recent bids for the number of staff to be housed in the Ruthin PFI building totalled 375, which was greater than the previous figure. This would increase removal costs and the unitary charge payable to the Private Sector Partner. Options included moving the Education Department to the former Zurich building in Prestatyn, or leaving them in Caledfryn, Denbigh, which was not sustainable. The figure of 375 would not allow for any subsequent growth in staff numbers.

Councillor E W Williams suggested the cost of moving the Education Department outlined in paragraph 2.3 of the report could be higher than the costs of relocating the Department to Ruthin. The Financial Controller said that whilst discussions are required with the Private Sector Partner / developer of the PFI building about staff numbers, it was expected that it would also charge for any changes to the internal layout and that energy and cleaning costs could also rise.

The County Landlord said that whilst Social Services had forecasted growth in staff numbers over three consecutive years, no other Service had historically been able to forecast growth.

In response to a query from Councillor E A Owens, the Corporate Director: Resources said approximately 65 staff would move from Russell House which would enable the disposal of Morfa Hall.

In response to a query from Councillor W R Webb, it was agreed that Culture and Leisure staff currently based at Russell House would move to the Children's Village although a reception facility was required in the Children's Village to facilitate the move.

The Financial Controller confirmed that the Fire Service certificate for the PFI building was for over 400 persons.

Councillor E W Williams suggested that the number of staff to be located in the PFI building should now remain at 343. The Education Department should limit their staff numbers to be located in the building to 44. It was uncertain at this stage whether 10 Animal Licensing staff and the Housing staff would need to be housed in this building.

Councillor D M Morris reminded Members and officers that the staff were the Authority's most important resource and fire safety in particular was of paramount importance.

Councillor E A Owens suggested that the allocation of space per person in the PFI building should be re-examined. The County Landlord confirmed that an average figure of 10 sq m per person including interview / meeting rooms etc was used in reviewing capacity levels elsewhere in the County's offices. Councillor Owens considered this to be generous.

Councillor Owens suggested moving the senior Education Department staff to the PFI building. In response, the Chief Executive said a split of moving 33 staff to Ruthin and 10 remaining at Caledfryn could hinder joint working. However, the Head of Strategy & Resources - Lifelong Learning agreed there was potential to compromise on the split of staff numbers.

In response to a query from Councillor E A Owens, the Chief Executive confirmed that he viewed it as essential that the Legal and Personnel Departments were located in the new PFI building, as outlined in the report.

Members discussed the possibility of homeworking or hotdesking. The Chief Executive confirmed this had already been taken on board. It was agreed that Environmental Health Officers and Social Workers for example spent much of their working day out

of the office. However, the Head of Personnel confirmed that there would be Health and Safety issues around any staff working from home and a pilot study was currently being undertaken by 3 members of Social Services staff.

The County Landlord reminded Members that Social Services had previously agreed to the concept of addressing an element of growth by the adoption of flexible working.

Councillor E W Williams agreed that the deployment of staff was the ultimate responsibility of the Head of Paid Service. He also suggested 343 staff should be located in the PFI building and the option to rent additional space at the Zurich building should not be pursued.

In response to a query from the Financial Controller, Members were not minded to pursue an option of an extension to the PFI building.

Members noted that it had previously been agreed to investigate the provision of a new permanent building in Rhyll.

The Chief Executive agreed to provide Members with details of the space allocation per member of staff that would result from accommodating 343 staff in the building.

After further discussion, it was

RESOLVED that Cabinet:

- (a) *agree to accommodate 343 staff in the PFI building at Ruthin, including a maximum of 44 staff from the Education Department at Caledfryn*
- (b) *agree to progress moving the Animal Licensing staff to alternative accommodation*
- (c) *if the Housing Stock is transferred in due course, ask the Housing Association to vacate the PFI building.*

The meeting concluded at 6.05 p.m.

AGENDA ITEM NO: 3 [CABINET 2003 - 170]

REPORT TO CABINET

CABINET MEMBER: COUNCILLOR P. A. DOBB, LEAD MEMBER FOR HEALTH & WELLBEING

DATE: 25th November 2003

SUBJECT: Planning social care and housing services for older people in Denbighshire.

1 DECISION SOUGHT

1.1 For Cabinet to endorse the broad approach to determining short, medium and long term strategy for planning social care and housing services for older people in Denbighshire.

2 REASON FOR SEEKING DECISION

2.1 The high and increasing numbers of older people in Denbighshire are requiring new approaches to planning social care and housing services.

2.2. Detailed background information and implications are set out in Annexe I

3 POWER TO MAKE THE DECISION

3.1 S46 NHS and Community Care Act 1990
NHS and Health Care Professions Act 2002 and Health, Social Care and Wellbeing Regulations 2003

4 COST IMPLICATIONS

4.1 The cost implications of upgrade to residential homes to meet urgent health and safety requirements are costed at £292k and a capital bid for 2004 – 2005 has been made. Other proposals arising from strategy development are currently unknown and would have to be considered as part of routine budget planning processes.

5 FINANCIAL CONTROLLER STATEMENT

5.1 Cost implications, both revenue and capital, need to be considered and a full estimate of potential budget implications

developed as part of the budget setting exercise for 2004/5 and future years.

6 CONSULTATION CARRIED OUT

- 6.1 Senior Officers in Housing, Social Services, the Local Health Board and the Trust, all of whom support the approach. Personal Services Scrutiny Committee have already prioritised services for Older People, and Sheltered Housing, in their work programme for 2003/04 and their comments on a locality approach to planning will be sought at their meeting on December 9th.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

- 7.1 The increasing population of older people is a highly significant issue for the whole Council. A locality planning approach offers good opportunities to address issues, beyond social care, housing and health.

8 RECOMMENDATION

It is recommended that:

i) Cabinet endorses the need for whole systems planning for older people and participation in the development of the Service and Estates Strategy with health services in particular.

ii) Cabinet endorses the notion of locality planning of social care and housing services for older people, as described in paragraph 4.3 of Annexe I attached.

iii) Further detailed work is undertaken and incorporated in the Housing Strategy identifying how the housing needs of older people can be addressed more fully through use of capital resources and Social Housing Grant.

iv) Any Transfer Agreement arising from Housing Stock Transfer covers arrangements to ensure continuing co-operation to meet the housing and care needs of older people.

v) Cabinet recommends the inclusion of funding for essential health and safety related capital works in local authority residential

homes in the Capital Programme for 04/05, and supports funding from slippage in 2003/04, if available, pending the determination of their longer - term future.

vi) a programme of learning opportunities is agreed for members and officers to enable greater understanding of future options and best practice in services for older people.

Background.

- 1.1 Over the last 4 years, Denbighshire has taken forward a range of significant developments in its social care services for older people. Against a tight financial background, these have included Best Value Reviews of domiciliary and residential care and a wealth of initiatives in OT services to restrict or reduce waiting lists. Innovative multi-agency projects, like the Reablement Service and the Minor Adaptations Partnership, praised by the Joint Review, and the Community Assessment Partnership, have also been established, many grant funded.
- 1.2 Over the same period, and longer, health services have increasingly been stretched by the number of unplanned admissions of older people to acute hospitals. This has prompted intense scrutiny of the reasons for admission, innovative health care projects, and exploration of where older people could be treated as, or more effectively in the community.
- 1.3 Housing services have also developed over the last four years. For example there has been a substantial expansion of the Contact Warden Service by 700 units. Two hundred intercoms/carelines have been installed in Council Stock in the South of the County and the number of Piper Lifeline Systems has doubled in the private sector over the last four years and Care and Repair systems have flourished. Last year saw the establishment of a new Housing Support Service, funded by Supporting People Grant. Most recently, contingency funding has been secured to pilot a scheme to provide a Contact Warden Service in an area of private sector housing - East Rhyl.
- 1.4 Demographic trends relating to older people are well known generally, but the specifics are perhaps less well understood. Denbighshire has the second highest proportion of those over 75 and of those aged over 85 in Wales. The numbers of those aged between 85 and 89 rose by 15% between 1991 and 2001, while those aged 90+ rose by 34%. While we do not yet have detailed population projections based on the 2001 Census, we expect the population of very old people in Denbighshire to continue to increase over the next 10 - 20 years. (For example, there were approximately 7000 people aged 75 - 85 in Denbighshire in 2001, and the recent ADSS / LGA publication "All our Tomorrows"

projected a UK average increase in the number of people aged 85+ from 2% in 2003 to 2.5 by 2020 and 3.2% by 2031).

- 1.5 It is those aged 85+ who are the heaviest users of social care services. For example, a spot check of social care users undertaken in Denbighshire in 1999 showed 58% of those in the highest eligibility criteria category were in this age group. In addition, across the UK the number of people in these ages who traditionally provide informal support to older people (35 - 60 years) is set to fall from 3:1 for every older person aged 70+ to 2:1 by 2031.

2. Implications

- 2.1 The impact of these changes in the population of older people is already being seen in Denbighshire. The number of supported placements of older people aged 85+ in residential / nursing home care rose by 18% in 2002/03, while remaining largely static for other age groups. The number in this age group helped to live at home is projected to increase in 2003/04 by 14%. The financial implications of this are stark, and budget projections for 2004/05 already show spend significantly above likely available budgets, even at modest assumptions of growth in demand.
- 2.2 There are corporate implications arising from these trends, because a wide range of community facilities matter to older people and affect their independence (e.g. transport, street lighting, access to information and advice services, community safety measures, lifelong learning opportunities, leisure services, including exercise, befriending, gardening and decorating services). The Older People's Wellbeing Strategy Group, chaired by Councillor Pauline Dobb, Denbighshire's Champion for Older People, has already begun to look at how well Denbighshire is responding to this broader set of entitlements for older people.
- 2.3 But the implications for social care, housing and health services are intense, and this has prompted a number of national (Wales and UK wide) policy initiatives which are shaping local action:-

* The Wales Care Strategy Group reported earlier this year that, if we do nothing and sustain present levels in social care over Wales as a whole, then demography will mean we need to achieve rapid increases in resource with the need for an increase of 24% in

residential / nursing beds and an increase in the range of 23% - 32% in home care users between 2001 and 2020. The report concludes that this is not sustainable and to survive financially, services need to invest urgently in comprehensive preventative and rehabilitative services to reduce dependency levels in the elderly population. Even if modest decreases in dependency are achieved, then services can be effective, but the key objective is to attain such health improvements.

(Currently, infrastructure and financial investment are far from equal to the task. A steady trickle of homes closing is evident in the independent sector, the fragility of which is underlined by high staff turnover rates).

* The Wanless Report: The Review of Health and Social Care in Wales (2003) - came to similar conclusions - that the current pattern in provision of services is not sustainable in the longer - term. The systematic development of preventative and community based services, the “engagement” of people in maintaining their own health, together with the effective development of intermediate care services, acting as a stepping stone between hospital and community services is essential.

* The recent ADSS / LGA publication, “ All our Tomorrows”, launched in October 2003, identifies a similar development path - through identifying also that measures to tackle the social inclusion of older people, the participation of older people in shaping solutions, age discrimination, poverty, uncoordinated commissioning and governance, the need to modernise the workforce and legislation are also required.

* Older People themselves generally reflect a diverse range of wishes and expectations from housing, social care and health services. Most people wish to stay living in their own homes as long as possible. However some greatly value the security, care and companionship offered by communal living. Choice is critical, and the role of families, communities and community facilities are major variables.

2.4 The message from all this is a strong imperative to change radically and quite quickly, the range and balance of services for older people. The community care reforms in the early 1990's led to a focus of effort and resources on those people with higher levels of need and dependency. The “new” approach is to

recognise that specialised services are still needed but that these need to be complemented by “invest to save” services which promote wellbeing, maintain independence and have the potential to prevent significant financial costs longer-term. It is, however, accepted that double running costs are involved. There is a time delay before the impact of investment in new service patterns will make any difference to “traditional” services.

- 2.5 In social care and housing terms, authorities which have progressed down this path have begun to develop the following kinds of services: Extra Care or Very Sheltered Housing, Resource Centres for Older People combining One Stop Shop advice and information services for older people with day services, a range of intermediate care, respite care and support services for carers, refocusing of local authority home care services, for example on “reablement”, integrated public, community and social care transport schemes and so on.

3. Local Opportunities

- 3.1 The requirement on local authorities and Local Health Boards to develop a Health, Social Care and Wellbeing Strategy, in draft by April 2004, has opened up unprecedented opportunities for dialogue between the local authority and health services. Denbighshire County Council and the LHB are jointly commissioning a needs assessment of older people which should be completed by the end of 2003, and which will feed into the HSCWB Strategy. An Older People’s Partnership, answerable to the Health, Social Care and Wellbeing Partnership Board, will provide a mechanism to drive development forward.
- 3.2 The Local Health Board, and the Conwy and Denbighshire NHS Trust have also agreed to commission jointly a “Service and Estates Strategy” which will feed into the HSCWB Strategy. Using consultants, this will attempt to identify best practice in future models of (health) care in primary, community and mental health services. The future use of NHS buildings (estate) will then be planned to take account of the best practice models. The process will involve 3 area based workshops within Conwy/Denbighshire before the end of 2003. In undertaking this exercise, health services will be planning against a background in which:

* The majority of intensive health service users are older people

- * Unplanned admissions to hospital are increasing and the report of the North Wales Capacity Mapping Project showed particularly high levels of admissions to hospital from Denbighshire

- * Health services are required to implement the National Service Framework for Older People which sets national standards for hospital services, EMI services, intermediate care, treatment of falls and strokes, age discrimination in health services etc.

Given the high level of common ground, the local authority has been invited to participate in the development of the Service and Estates Strategy.

3.3 For Social Services, the Joint Review has highlighted a significant number of priority actions, which add up to a requirement to plan in a whole systems way for older people. They include:-

- *Develop commissioning strategies for each user group, possibly using officer/member working groups, prioritising services for older people.

- *Aim to make services more equitably available across the County, with a more explicitly defined strategy for commissioning services in rural areas.

- *Re-think contracting strategies with the aid of Contracts Officers, especially for domiciliary care services.

- *Identify 'Invest to Save' monies in order to shift from crisis intervention to preventative and/or rehabilitative support in all services.

- *Address the growing demand for extra care housing instead of residential care.

- *Prioritise investment in preventative services that challenge admission to care.

- *Agree the priorities for joint commissioning with other agencies.

3.4 Three interlocking pieces of work have highlighted the housing agenda for older people in Denbighshire. The Private Housing Stock Condition Survey, completed in 2002, identified the extent of

unfitness and disrepair in the private housing stock in Denbighshire. In particular, it estimated the investment required to upgrade washing/bathing facilities alone to meet the needs of disabled residents as £5m.

3.5 The Local Housing Needs Assessment, undertaken in 2003, identified the need for smaller accommodation, particularly to rent. Some of this is identified as being needed to meet the housing and care needs of older people.

3.6 Finally, work undertaken by the Nuffield Foundation identified the range of issues facing local authority sheltered housing in Denbighshire. Sheltered housing works, it protects and promotes wellbeing, provides people with their own front door, provides companionship and there is some evidence of lower hospital admissions. Unlike many local authority areas, demand for the 1200 sheltered housing units here has remained reasonably strong and the age range of tenants has remained quite balanced across the age range.

3.7 However, sheltered housing is at a crossroads - physical repair and facilities are increasingly poor compared with public expectations, the current tenant population are likely to reach a very ripe old age in place and the design of some units is unsuitable for people with high levels of need e.g. no lifts in the two storey developments, unsuitable washing and bathing facilities. This raises a whole set of issues - how can developments be upgraded? Should the allocations policy prioritise those with high levels of care need or seek to maintain the ethos of mutual support which has kept schemes as more or less balanced communities? What does all this mean for the role of wardens?

3.8 The use of SMART technology provides a further major opportunity to extend independent living options for older people. A demonstration house has been included as a pilot proposal in the "Rhyl Going Forward" Strategy. SMART technology has the potential to have major impact on future living patterns.

4 Potential Action

4.1 Paragraphs 2.1 to 2.13 above demonstrate what a complex issue this is and also how it does not make sense to be attempting to plan in anything but a "whole systems" way. The social care,

health and housing agendas are inter-dependent. Given the complexity, and the high stakes, it makes sense to create opportunities to learn proactively about options, risks, opportunities and costs.

4.2 We have a unique opportunity in Denbighshire at the moment, but we have limited time to make the most of it. The unique opportunity arises because:-

- * with the LHB, we have a statutory duty to develop a HSCWB strategy, and we agree planning for older people is a priority - draft to be completed by April 2004.

- * the LHB/Trust "Service and Estates Strategy" process provides an opportunity to look at future best practice models of care in health alongside best practice social care models and to plan together for the future use of key resources (e.g. residential homes, community hospitals) - target date for completion - April 2004.

- * Social care and health agencies face different but related budget pressure arising from the needs of older people

- * We have up-to-date information on housing needs and an opportunity to consider strategic development options - Housing Strategy to be completed by April 2004.

- * The Joint Review Priorities for Action are enjoining us to make rapid progress on commissioning for older people, with partners.

4.3 A significant suggestion of this paper is that following on from the visits to other authorities being undertaken as part of the Best Value Review of Residential Homes, the LHB / DCC needs assessment work, and the Service and Estates Strategy workshops, we should implement a process to agree social care and housing plans for older people on a locality basis, linked to Area Partnership areas. This would involve a process of sharing information, projections, community strengths and best practice models with local interest groups and would attempt to build consensus on priorities for future development. It would also help identify how we can support and equip families and communities to provide care themselves – an essential part of future planning for an ageing population.

4.4 Denbighshire is committed to undertake a Best Value Review of Services for Older People in 2004/05 though this has not yet been scoped in detail. Undertaking this for all services for older people would probably be over-ambitious. However, it would be essential to be clear about how this process meshed with that described in 4.1 above.

AGENDA ITEM NO: 4 [CABINET 2003 - 171]

REPORT TO CABINET

CABINET MEMBER: Councillor E Williams Leader

DATE: 25 NOVEMBER 2003

SUBJECT: RESPONSE TO AUDITOR'S REPORT ON THE
IMPROVEMENT PLAN

1 DECISION SOUGHT

- 1.1 To agree the Authority's draft Action Plan (Appendix I) in response to the Auditor's report on the Improvement Plan (Appendix II).

2 REASON FOR SEEKING DECISION

- 2.1 The Council is required to prepare and publish an annual Improvement Plan and Summary. The Council is also responsible for establishing appropriate performance management and for ensuring that the capabilities and capacity required to manage change and improvement are provided.
- 2.2 The Authority is required to publish the statutory report and to prepare a statement explaining the action it intends to take as a result of the statutory recommendations and the timetable it intends to follow within 30 working days
- 2.3 As the Council's auditors, the Audit Commission in Wales is required to carry out an audit of the Improvement Plan and to report on whether the Plan meets statutory requirements and to make statutory recommendations where there are areas for improvement.
- 2.4 The Auditor's report on the Improvement Plan 2003– 2004 was very encouraging. The Council received an unqualified opinion on the Plan and overall the Authority's performance is improving particularly in the areas of education, housing and council tax benefit and planning. The report also noted the significant improvement in the accuracy of performance indicator data and the well developed performance monitoring process which has been implemented

3 POWER TO MAKE THE DECISION

The requirement to carry out an audit of the Improvement Plan is under Section 7 of the Local Government Act 1999.

4 COST IMPLICATIONS

The achievement of the Action Plan will be dependent upon additional staff and financial resources.

5 FINANCIAL CONTROLLER STATEMENT

Any cost increases relating to the Improvement Plan will need to be clearly identified and considered as part of the budget setting exercise if funding is to be made available.

6 CONSULTATION CARRIED OUT

The draft Action Plan has been discussed at Corporate Executive Team and will be debated at Monthly Management Conference on the 20 November. The Action Plan will be presented to Corporate Governance Committee on the 2 December and it will be recommended that quarterly progress reports against the Action Plan be added to the Committee's forward Work Programme.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

Implementation of the Action Plan will have implications on all policy areas and Directorates.

8 RECOMMENDATION

That Members approve the Action Plan in response to the Auditor's report on the Authority's Improvement Plan.

audit 2002/2003

WPI Audit Report –
Improvement Plan
2003/2004

Denbighshire County
Council

ACTION PLAN



DISTRICT AUDIT

Reference:	
Authors:	Denbighshire County Council
Date:	October 2003

The Authority must formally respond to all the recommendations in the action plan within 30 working days.

S – Statutory recommendations

Ref	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
Whole Authority Analysis (WAA)/Joint Risk Assessment (JRA)						
S1	It is recommended that the next risk assessment should consider the outcome from the Corporate Improvement Assessment in identifying the extent of ongoing corporate risks.	3	Members, Corporate Executive Team (CET) and Performance Management Unit (PMU)		The ACiW will produce a report on the Corporate Improvement Assessment which will include recommendations. These recommendations will be incorporated into the Corporate Action Plan which is published in the Council's Improvement Plan and monitored by Cabinet.	30 June 2004
S2	It is recommended that the next risk assessment should consider the outcome from the Corporate Improvement Assessment in identifying the extent of ongoing corporate risks.	3	Members, Corporate Executive Team (CET) and Performance Management Unit (PMU)		The Corporate Improvement Assessment report will be used to help identify ongoing corporate risks. The corporate risk assessment will involve Members and officers and will be conducted as part of the Policy and Priorities Review.	April - July 2004
Improvement Plan Audit						
S3	Service key or priority actions should be linked to corporate objectives, be allocated a priority and responsibility and the necessary resources should be identified.	3	CET, Heads of Service and PMU		Service Business Plans already link actions to corporate objectives, allocate responsibility and identify resources. However, the current process will be strengthened and services will be requested to prioritise key actions as part of the 2004/2005 business planning process. Services will also be actively encouraged to attend Action	1 March 2004

Ref	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
					Planning Workshops which will be facilitated by the ACiW.	
S4	Significant differences in service performance should be consistently identified and explained for both national and local indicators as they relate to service and corporate objectives.	2	Members, CET, PMU and Scrutiny Support Officers		Performance issues are highlighted by the PMU and Scrutiny Support Officers and reported quarterly to the respective Scrutiny Committee. These reports are amalgamated into a Corporate Quarterly Performance Report which is discussed at Cabinet, Corporate Governance Committee and CET. Greater emphasis will be placed on the relationship between performance and objectives in future.	Quarterly
S5	It is recommended that the relevance of all local PIs is reconsidered before inclusion in next year's Plan. PIs should measure performance that is relevant to corporate, services and individuals' objectives.	2	CET, Heads of Service, PMU		This is already in the PMU's Work Programme. A quality assurance checklist is currently being devised which will be used to ensure the relevance of local PIs. It is planned to prioritise each service before scheduling a visit by an officer from the PMU.	December 2003 – February 2004
S6	It is recommended that the work programmes in future plans are limited to priority improvements and contain SMART targets.	2	Members, CET, Heads of Service, PMU		This recommendation will be incorporated into the Performance Management Framework and business planning process and discussed at Monthly Management Conference (MMC). All targets are agreed by Members before being included in Service Business Plans.	20 November 2003 – MMC 1 March 2004 - Service Business Plans
S7	It is recommended that future plans show the capacity/capability requirements, including finance, necessary to achieve the planned improvements in the work programmes.	2	Members, CET, Heads of Service, PMU		This recommendation will be incorporated into the Performance Management Framework and business planning process and discussed at Monthly Management Conference (MMC).	20 November 2003 – MMC 1 March 2004

Ref	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
						- Service Business Plans
S8	The outcome of the consultation and communication review should clearly influence the future risk assessment and the preparation of the next Improvement Plan.	2	Members, CET, Communication Review Project Team, PMU		A Member/officer project team has been established to carry out a review of communication. The review will be in two parts. Part I of the review will focus on external communication and Part II on internal issues. The outcome of the review will feed into the risk assessment and the Improvement Plan 2003 - 2004	1 May 2004
Performance Management						
S9	It is recommended that: - a) services are encouraged to focus on fewer actions that explicitly state how improvement will be delivered and that these are highlighted in the monitoring process b) those services adept at action planning should share their expertise with others	3	CET, Heads of Service, PMU		a) the recommendation will be incorporated into the Performance Management Framework and business planning process and discussed at Monthly Management Conference (MMC). Services will also be actively encouraged to attend Action Planning Workshops which will be facilitated by the ACiW. b) the best way to implement this recommendation will be discussed at MMC.	20 November 2003

Ref	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
S10	<p>It is recommended that:-</p> <p>a) the emphasis of the PMU is changed towards challenging the quality and robustness of performance management in key service areas, particularly how the key actions are linked to improvements</p> <p>b) consideration is given to how best to provide additional resources to the corporate centre to support the review and improvement process, whilst achieving a balance between this investment and the more direct support of front line services</p>				The council will look at ways of developing the Performance management Team bringing in additional resources through possible amalgamation with the Project Management Team, which is being developed. A review of the use of consultants is underway and possible efficiency savings will, in part, be used to fund any additional new resources.	
S11	Where good practice exists, it is recommended that this is used to encourage outcome-based SMART targets for all plans that can be used to measure and monitor performance management.	2	CET, Heads of Service, PMU		The recommendation will be incorporated into the Performance Management Framework and business planning process and discussed at Monthly Management Conference (MMC).	20 November 2003
S12	It is recommended that actions and improvements stemming from service reviews are systematically integrated into service and corporate plans.	2	CET, Heads of Service, PMU		This is standard practice within the Authority and reality checks are carried out by the PMU during the audit of Service Business Plans	

Ref	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
S13	The Council needs to continue the good work on improving PI accuracy so that monitoring and decision making is based on reliable information.	1	Heads of Service, PMU, Internal Audit		The current system will continue with an audit of PI systems being carried out between November and January and PI data being checked for accuracy by Internal Audit during May and June.	June 2004
S14	The Council needs to ensure that it rolls out the development of performance appraisal across all departments.				To be provided by Linda Atkin	
Track Record						
S15	It is recommended that the Council: - a) implements a risk-based approach to the managing and delivery of reviews resulting from the WPI process, particularly in terms of the complexity of the service under review and the project management skills available b) build on the positive experiences of some of its successful reviews, communicating what works well and using team leaders and members in a mentoring role to help in the induction of less experienced review teams	3	CET, Heads of Service, PMU		a) the "Best Value Toolkit" is to be updated as part of the PMU Work Programme. The recommended risk-based approach to reviews will be incorporated into the Authority's corporate methodology. b) this recommendation will be implemented by inviting Members and Project Team Leaders of successful reviews to talk to review teams as part of the process. The Authority already carries out a Peer Challenge of completed reviews as part of the process.	1 February 2004
S16	It is recommended that the progress on recommendations from regulators including statutory recommendations is reported to scrutiny or corporate governance committee.	2	CET, Heads of Service, PMU		Regular progress reports are already provided to the Corporate Governance Committee. The Action Plan in response to the Auditor's Report on the Improvement Plan will be an item on the Committee's forward Work Programme and a quarterly progress report will be produced.	

Ref	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
S17	Whilst acknowledging that the Council is awaiting the results of a Food Standards Agency Inspection, it is recommended that robust action is taken on inspection of high risk food premises as a matter of urgency.	3	Corporate Director, Head of Service		<p>The Food Standards Agency (FSA) satisfied with enforcement policies and procedures and that there has been an improvement in service delivery.</p> <ul style="list-style-type: none"> • Main reason for not achieving target is that to ensure food premises are properly clean and hygienic requires repetitive visits to ensure compliance. • Repeat visits mean that the planned programme of visits is delayed whilst officers give priority to the problems they have encountered. • Acting Head of Public Protection and Regulatory Services has raised the issue of the additional funding required to meet target. 	

Auditors' Report
**Denbighshire County
Council**

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Statutory Report

- Auditors' report to Denbighshire County Council on its Improvement Plan published June 2003

Reference:	772A2003final
Author:	Anthony Barrett
Date:	October 2003

Auditors' report to Denbighshire County Council on its Improvement Plan published June 2003

Certificate

We certify that we have audited Denbighshire County Council's Improvement Plan in accordance with Section 7 of the Local Government Act 1999 and the Audit Commission's Code of Audit Practice. We also had regard to supplementary guidance issued by the Audit Commission.

Respective responsibilities of the Council and the auditors

Under the Local Government Act 1999 (the Act), the Council is required to prepare and publish a Best Value Performance Plan summarising the Council's assessments of its performance and position in relation to its statutory duty to make arrangements to secure continuous improvement to the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Following the Local Government Act 1999, the Welsh Assembly Government (the Assembly) has issued further guidance to Best Value authorities in the Wales Programme for Improvement: Guidance for Local Authorities, which sets out how the new Wales Programme for Improvement will be implemented under Sections 3, 5 and 6 of the Local Government Act 1999. Under this guidance, the statutory Best Value Performance Plan has been replaced by a statutory Improvement Plan (the Plan) which must be published by 30 June of the financial year to which the Plan relates.

The Council is responsible for the preparation of the Plan and for the information and assessments set out within it. The Council's future work programme set out in the Plan should connect to the outcomes of the completed Whole Authority Analysis (WAA) and risk assessment. The Council is also responsible for establishing appropriate performance management and internal control systems from which the information and assessments in its Plan are derived and for ensuring that it provides sufficient capabilities and capacity needed to manage change and improvement. The form and content of the Plan are prescribed in Section 6 of the Act and statutory guidance issued by the Assembly.

As the Council's auditors, we are required under Section 7 of the Act to carry out an audit of the Plan, to certify that we have done so, and:

- to report whether we believe that the Plan has been prepared and published in accordance with statutory requirements set out in Section 6 of the Act and statutory guidance and, where appropriate, recommending how the Plan should be amended so as to accord with statutory requirements;
- to recommend:
 - where appropriate, procedures to be followed in relation to the Plan;
 - whether the Audit Commission should carry out a Best Value Inspection of the Authority under Section 10 of the Local Government Act 1999;
 - whether the Assembly should give a direction under Section 15 of the Local Government Act 1999.

Report and recommendations on the Plan

We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to report and make recommendations in accordance with Section 7 of the Act. For the purposes of our report, we have interpreted compliance with the statutory guidance issued by the Assembly in the Wales Programme for Improvement: Guidance for Local Authorities as being sufficient to meet the statutory requirements under Section 6 of the Act.

We are not required to form a view on the completeness or accuracy of the information or realism and achievement of the Plan published by the Authority. Our work therefore comprised a review and assessment of the Plan and, where appropriate, examination on a test basis of relevant evidence, sufficient to satisfy ourselves that the Plan includes those matters prescribed in legislation and statutory guidance and that the arrangements for publishing the Plan complied with the requirements of the legislation and statutory guidance.

Included in the Plan are the Council's estimates for the year ended 31 March 2003. Actual results for the year may be different from the figures reported, because events and circumstances frequently do not occur as expected and the differences may be material. To the extent that the figures included in the Plan are estimates, our audit work comprised an assessment as to whether the estimates made by the Council had been properly compiled in all significant respects on the basis of the assumptions stated by the Council, as at the date at which the Plan was prepared.

For the purpose of determining whether or not to make recommendations on procedures to be followed in relation to the Plan, our work included a review and assessment, and where appropriate, examination on a test basis of evidence relevant to the adequacy of the systems set in place by the Council for collecting and recording specified performance information; and the testing of specific Performance Indicators (PIs) selected by the Audit Commission in Wales because of the inherently higher risks of their mis-statement.

The work we have carried out in order to report and make recommendations in accordance with Section 7 of the Act cannot be relied upon to identify every weakness or opportunity for improvement. In particular, it has not necessarily covered the same areas as a Best Value Inspection.

Some of the issues identified by this work as requiring further attention have already started to be addressed by the Council by their incorporation into an amended work programme. Others are being actively pursued with the Council and will be the subject of further discussions. However, there are a number of significant issues which are so fundamental to the successful implementation of the improvement agenda that we consider it necessary to make them the subject of statutory recommendations. These recommendations, together with a brief commentary on the Council's progress so far, are set out below under the following headings:

- Whole Authority Analysis (WAA)/Joint Risk Assessment (JRA);
- Improvement Plan;
- performance management;
- track record.

Recommendations on procedures for the preparation and publication of the Plan

On the basis of our work, we have the following comments and recommendations to make in respect of the procedures for the preparation and publication of the Plan:

Whole Authority Analysis (WAA)/Joint Risk Assessment (JRA)

The Council developed its own corporate and service diagnostics to complete the WAA. This provided a good analysis of the Council's corporate aspects, including identification of a range of corporate significant risks. These included performance and project management, human resources and communications.

In recognition of these corporate risks, we have identified the need to undertake a corporate improvement assessment in 2003/2004 to track progress in these areas.

S1 We recommend that the next risk assessment should consider the outcome from the Corporate Improvement Assessment in identifying the extent of ongoing corporate risks.

Whilst significant service risks were also identified, the robustness of the service analysis was variable and overall we assessed that this aspect of the process was weaker. There were examples of services that identified lack of resources as a risk, for example, renovation grants and area renewal. The planned action is to obtain adequate resources. Rather than being an improvement action, this is an aspiration. There is no clear description of the action proposed to mitigate the risk. For example, it is not explained how the achievement of adequate resources will improve the services. Other services such as highways and transportation and economic regeneration identified insufficient PIs as a risk. Whilst PIs are essential in performance management, their existence will not lead directly to improved service delivery.

S2 We recommend that the next risk assessment should ensure that in identifying risks, service managers are also setting out actions proposed to mitigate the risks. This should be subject to some form of quality monitoring.

The Council and the regulators have agreed the risks identified by the WAA, both corporate and services. We are satisfied that the Council has taken ownership of the issues and is committed to delivering solutions to the identified risks, and the Regulatory Plan has been agreed.

Improvement Plan audit

The Plan adequately reports the results of the JRA and we make no recommendations in this respect.

The Plan runs to some 100 pages and has been brought together by the Performance Management Unit (PMU). It is based on the corporate and service assessments completed for the WAA. The Corporate Section replicates the higher risks identified by the WAA, links actions to corporate objectives, allocates a priority and responsibility and identifies the resources required.

The service section replicates all the service risks identified by the WAA and describes them all as key actions for improvement in 2003/2004; even those referred to above relating to resources and PIs. Service risks and actions are not linked to corporate objectives, they have not been allocated a priority and responsibility and the necessary resources have not been identified. We acknowledge that the Council's service business plans do contain this information.

S3 Service key or priority actions should be linked to corporate objectives, be allocated a priority and responsibility and the necessary resources should be identified.

Some services have identified significant differences in performance and provided explanations, or as a minimum, there is recognition of significant differences. There is, however, no consistency in approach between services.

S4 Significant differences in service performance should be consistently identified and explained for both national and local indicators as they relate to service and corporate objectives.

The Plan includes a range of local PIs. It is not clearly demonstrated how these have been linked to cross-sections of the community. The majority included in the Plan are measures of internal performance. There are, however, some exceptions, such as those produced for leisure.

S5 We recommend that the relevance of all local PIs is reconsidered before inclusion in next year's Plan. PIs should measure performance that is relevant to corporate, service and individuals' objectives.

The improvement work programme set out in the Plan, does not clearly set out the improvement pathway and the expected impact on services. Few of the outcomes contained in the Plan's improvement work programmes contain SMART (Specific, Measurable, Agreed, Realistic, Timebound) targets and therefore their impact on service improvements will be difficult to assess.

S6 We recommend that the work programmes in future plans are limited to priority improvements and contain SMART targets.

The Council is not yet in a position to identify in the work programme the sources of capacity/capability it will need to provide the improvement solutions. We believe that there are 4 main sources that should be considered:

- collaborative/collective;
- within the Authority;
- requiring national/policy/political decisions;
- external.

Furthermore, although the Plan contains some information on the resource requirements for the corporate work programme, there is little equivalent information for the service work programmes.

S7 We recommend that future plans show the capacity/capability requirements, including finance, necessary to achieve the planned improvements in the work programmes.

The results of consultations are communicated internally via a management reports and externally via the Citizen's Panel Quarterly Newsletter 'Sounding Board' and the County Voice Newsletter which is delivered to households. Consultation reports will also be placed on the performance management database to ensure that all members and officers have access to information relating to consultations carried out, including outcomes. We have not seen evidence that consultation with the community has generated change. Details of the consultation exercises carried out are included at Section 1.4 of the Plan. These detail the responses received, but not what, if any, impact they had upon aims and objectives other than they would be considered in setting future aims and objectives. The Council is undertaking a review of consultation and communication; supportive work has been included in the Regulatory Plan.

S8 The outcome of the consultation and communication review should clearly influence the future risk assessment and the preparation of the next Improvement Plan.

Recommendations in respect of the procedures to be followed in relation to the Plan

We have also identified a number of issues in respect of the procedures to be followed in relation to the Plan and accordingly we make the following comments and recommendations:

Performance management

The Council has produced corporate guidance on performance management, including the Corporate Improvement Plan and Service Planning Processes (reference the Performance Management Handbook September 2003). There is a well developed monitoring process in place which involves quarterly performance reports that provide information on progress against statutory and local indicator targets, budget and key actions. These are audited and performance issues are reported to the appropriate scrutiny committee. A corporate performance report is produced quarterly by the PMU for Cabinet, the Corporate Governance Committee and Corporate Executive Team.

The quality of action plans being produced varies. Some lack SMART targets and relate purely to completion of tasks, or requests for additional funding, which are difficult to link to delivery of service improvement (for example, many of the actions in the Public Protection and Regulation Service Business Plan). There are, however, examples of action plans that have contributed to exceptional improvement in service delivery. The inspection of housing rents in May 2001 assessed the service as poor and that it would not improve. As a result of action taken, the re-inspection in March 2003 assessed the service as good, with excellent prospects of improvement.

S9 We recommend that:

- **services are encouraged to focus on fewer actions that explicitly state how improvement will be delivered and that these are highlighted in the monitoring process;**
- **those services adept at action planning should share their expertise with others.**

There is limited capacity in the PMU which means that the evaluation of the robustness of actions is largely self assessment. Presently, the emphasis is on the control of the process.

S10 We recommend that:

- **the emphasis of the PMU is changed towards challenging the quality and robustness of performance management in key service areas, particularly how the key actions are linked to improvements;**
- **consideration is given to how best to provide additional resources to the corporate centre to support the review and improvement process, whilst achieving a balance between this investment and the more direct support of front line services.**

There are examples where the performance management approach is becoming embedded in work areas (such as social services and benefits). However, in others there is a lack of operational plans to ensure timely completion of tasks. A more uniform performance culture needs to be developed.

S11 Where good practice exists, we recommend that this is used to encourage outcome-based SMART targets for all plans that can be used to measure and monitor performance improvement.

Where reviews have been carried out, the service appears to have benefited in its awareness of the need to challenge priorities and ask why and how the services are provided. However, there is a mixed picture in relation to implementing recommendations from reviews.

S12 We recommend that actions and improvements stemming from service reviews are systematically integrated into service and corporate plans.

There has been a significant improvement in the accuracy of PI data included in the Plan. The Assembly PIs found to be mis-stated, when expressed as a percentage of those tested, fell from 31% to 17.5%. Whilst there was also a reduction in those materially mis-stated, this was only from 14% to 13%. The improvement is, however, apparent across services with an overall reduction in both mis-statements and material mis-statements.

S13 The Council needs to continue the good work on improving PI accuracy so that monitoring and decision making is based on reliable information.

A personal development review (PDR) document has been developed and it includes links to the Council's priorities and local and national PIs. It needs further development with the Personnel Department, and is not embedded in all directorates. There is no formal performance appraisal system, but the PDR document does include performance appraisal issues. The view of the PMU is that performance appraisal is developing, but is not in place across the Council.

S14 The Council needs to ensure that it rolls out the development of performance appraisal across all departments.

Track record

The Council has had a mixed track record in completing timely, robust service reviews. In recognition of this, we undertook an inspection of the review process earlier this year and reported the findings to the Council. We found that the scope of reviews, and their complexity, had a significant bearing on their chances of success. In particular, the Council seemed more able to deliver successful outcomes where reviews focused on one service area; reviews of a cross-cutting nature proved much more difficult to manage.

S15 We recommend that the Council:

- **implements a risk-based approach to the managing and delivery of reviews resulting from the WPI process, particularly in terms of the complexity of the service under review and the project management skills available;**
- **build on the positive experiences of some of its successful reviews, communicating what works well and using team leaders and members in a mentoring role to help in the induction of less experienced review teams.**

It is clear the Council has put in place many of the key actions which will help address the concerns raised in the Audit Commission in Wales 2002/2003 WPI Audit Report on the Improvement Plan. Other issues, such as delays in the review programme, have still to be dealt with and are referred to above.

S16 We recommend that the progress on recommendations from regulators including statutory recommendations, is reported to scrutiny or corporate governance committee.

Overall, the Council's performance is improving, with almost 76% of the key comparative 2002/2003 national PIs reported in the Plan showing an improvement over the previous year. This is particularly noticeable in the areas of education, housing and council tax benefit and planning. Performance is, however, deteriorating in approximately 24% of the PIs, with continuous improvement less evident in social services, environmental services and transport. For example, in environment, the percentage of high risk food premises inspections that should have been carried out has fallen from 49% to 42.3%, against a target of 100%.

S17 Whilst acknowledging that the Council is awaiting the results of a Food Standards Agency Inspection, we recommend robust action on inspection of high risk food premises as a matter of urgency.

Clearly this report, and indeed the Council's own Improvement Plan, identify some significant issues affecting the improvement agenda in Denbighshire. The Council will need to make significant progress in implementing the recommendations by the end of February 2004. Should this not be the case, then we will consider the need for additional and specific regulatory activity.


Recommendations on referral to the Audit Commission in Wales/Welsh Assembly Government

We are required each year to recommend whether, on the basis of our audit work, the Audit Commission in Wales should carry out a Best Value Inspection of the Authority or whether the Assembly should give a direction.

On the basis of our work:

- we do not recommend that the Audit Commission in Wales should carry out a Best Value Inspection of Denbighshire County Council under Section 10 of the Local Government Act 1999;
- we do not recommend that the Assembly should give a direction under Section 15 of the Local Government Act 1999.

The Authority must consider this report and formally respond to the statutory recommendations contained within it, within 30 working days.

District Auditor's signature:	
Date:	30 October 2003

AGENDA ITEM NO: 5 [CABINET 2003 - 172]
REPORT TO CABINET

DATE : 25 NOVEMBER 2004

REPORT BY: COUNCILLOR E A OWENS, LEAD
MEMBER FOR FINANCE

SUBJECT : STANDSTILL BUDGET REQUIREMENT
FOR 2004/5

1 Decision Sought

1.1 That Members note the details of the provisional Assembly settlement for next financial year.

1.2 That Members consider the content of the attached appendix showing the anticipated standstill position for the authority's overall budget for 2004/5 and agree the methodology for establishing the standstill budget.

1.3 Provide a steer as to the basis for funding further service development.

2 Reason for seeking decision

2.1 The Assembly has released details of the provisional settlement for Welsh Councils for 2004/5, the Cabinet therefore needs to begin the process of developing and recommending budget proposals for approval by Council.

Settlement details

2.2 The level of Revenue Support Grant and allocation of Business Rate is provisionally set at £107.728m, an increase of £4.829m, 4.7%, over the current financial year

2.3 The above increase includes additional resources of £1.653m for Teacher's Workload Agreement and the next round of Teacher's Threshold payments.

2.4 The settlement also takes account of additional funding towards the annual charge for the new PFI building in Ruthin. The funding stream is similar to a conventional capital scheme and is therefore 'front ended' with a need to set aside the surplus funding in the early years of the scheme into a reserve to compensate for reduced funding levels after year 10.

2.5 Adjustments have been made to the settlement to allow for the transfer out of local authorities budgets of the cost of providing nursing care for clients in Nursing Homes.

2.6 The recent growth in the funding for extending the Concessionary Fares scheme has been removed from the settlement and converted into a specific grant to be based on actual spend.

2.7 The balance of the Assembly funding is the sum available to support the impact of pay awards and price increases, the impact of borrowing in connection with the Capital Programme and the full year impact of pressures from the current year. This figure is provisionally £3.815m and represents an increase in 'core funding' of 3.7%.

2.8 The final Assembly Settlement figures are due out in early December and will take account of adjustments to data used in the distribution formula. One such adjustment will take account of the improved Council Tax Base for the Council. An assumption of a loss of £250k of Revenue Support Grant has been included in the appendix to reflect this change.

Inflation

2.9 An assessment has been made of the impact of inflation on next year's costs within the appendix. An overall level of about 3% has been allowed with varying percentages for different items of spend. Pay awards are assumed at 2.5%, contracts including an industry indices 5%, private care providers 6% office expenses 2% and levying body

costs 7%. These assumptions will be kept under review during the budget setting process.

Growth & Service Development

2.10 The settlement provides little scope for growth in expenditure for service development. If Council Tax levels are to be kept to a reasonable level for the next financial year the only additional funding would be economies from current service provision costs, service specific reserves that are not required immediately together with the potential of up to £1m from the next round of Performance Improvement Grant . Such a strategy has the disadvantage of effectively committing budget increases into the following financial year for those service cost reductions that are one off and for the use of reserves.

This strategy will be followed over the next few weeks in meetings with Directorates to produce a recommended budget for 2004/5.

Specific Grants

2.11 The detail of most specific grant allocations to the Council are still awaited however it is clear that some grant levels are likely to be increased above inflation or are new money eg. Children First and Wanless while other grants are likely to be reduced eg GEST and Learning Difficulties Strategy.

Capital Programme

2.12 The provisional level of general capital expenditure that will be supported by the Assembly in 2004/5 is £6.886m, compared with £8.063m in the current year. The ring fenced support for HRA borrowing is increased to £2.3m, from £1.146m by the introduction of the Major Repairs Allowance.

An assessment of the potential for increasing the size of the Capital Programme through the use of the new Prudential Borrowing code will be carried out and reported later in the budget setting exercise. The code enables the Council to increase borrowing beyond the level

supported within the Assembly settlement provided affordability in the medium term can be demonstrated.

3. **Power to make decision**

Section 151 of the Local Government Act 1972.

4. **Cost implications**

See attached appendix

5. **Financial Controller Statement**

A further report will be produced before Christmas which will detail the final Assembly funding figures together with proposals for service development as mentioned in para 2.10.

The delivery of the final stage of the Council's Financial Recovery Plan requires the topping up of balances to £3m by the end of 2004/5. To achieve this position strict budgetary control at all times will be essential.

6. **Consultation carried out**

Regular meetings are currently taking place between Lead Cabinet Members, Directors, Heads of Service and senior finance staff to develop a recommended budget position for 2004/5.

7. **Implications on other policy areas including corporate**

The level of funding available, together with budgetary performance, impacts upon all policies of the Council.

8. **Recommendations**

That Members:

8.1 note the details of the provisional Assembly settlement for 2004/5

- 8.2 consider the content of the attached appendix showing the anticipated standstill position for next financial year and agree the methodology for establishing the standstill base
- 8.3 provide a steer as to the basis for funding further service development.

DENBIGHSHIRE COUNTY COUNCIL

STANDSTILL BUDGET REQUIREMENT FOR 2004/05

1. Budget Requirement

	-1- 2003/04 Base Budget £000	-2- 2004/5 Changes Agreed £000	-3- 2004/05 Inflation £000	-4- Transfers of funding £000	-5- 2004/05 Commitments £000	-6- 2004/05 Standstill Base £000
Schools delegated budgets	39,948	0	1,198 (3%)	1,653	0	42,799
Lifelong Learning	17,150	330	524 (3%)	0	0	18,004
Environment	18,692	170	566 (3%)	-879	0	18,549
Personal Services	25,913	750	900 (3%)	-960	0	26,603
Resources	4,979	145	154 (3%)	0	0	5,278
Chief Executive	2,243	0	67 (3%)	0	0	2,310
Corporate	3,124	110	97 (3%)	0	0	3,331
Precepts/levies	4,435	0	310 (7%)	0	0	4,745
Capital Financing Charges	11,624	0	0	0	300	11,924
Contribution to balances	1,000	0	0	0	-950	50
PFI Unitary Charge	0	0	0	0	1,740	1,740
- PFI Funding Reserve	0	0	0	0	430	430
Contingency	100	0	0	0	-100	0
	----- 129,208	----- 1,505	----- 3,817	----- -186	----- 1,420	----- 135,764

2. Level of Funding

Revenue Support Grant	83,697		3,375	-486	0	86,586
- RSG PFI	0		0		1,750	1,750
- RSG Tax Base Adj	0	-250	0		0	-250
NNDR	19,202		440		0	19,642
Deprivation grant	153		0		0	153
	----- 103,052	----- -250	----- 3,815	----- -486	----- 1,750	----- 107,881
Council Tax	26,156	1,100	627			27,883
	----- 129,208	----- 850	----- 4,442	----- -486	----- 1,750	----- 135,764

AGENDA ITEM NO: 6 [CABINET 2003 - 173]

REPORT TO CABINET

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

DATE: 25 November 2003

SUBJECT: Revenue Budget 2003/04

1 DECISION SOUGHT

That all pressures identified in the latest budget performance figures for the current financial year (as detailed in the attached appendices) should be absorbed by services.

2 REASON FOR SEEKING DECISION

The need to deliver the Council's agreed budget strategies.

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 based on budget monitoring at the end of October show current pressures on services at £602k (£531k at the end of September).

The review of School & College Transport and Special Education Needs has concluded that the projected overspends will be met from Directorate reserves, with any remaining balance being carried forward as a first call against service budget allocations for 2004/05.

The latest estimate of resources available to finance the Supporting People initiative within the Personal Services Directorate has been reduced. This in turn has reduced the provision made for possible clawback of grant entitlement. It should be noted that the actual amount of clawback (if any) cannot be determined at this stage of the financial year and accordingly an adverse impact upon the final budgetary position may arise.

5 FINANCIAL CONTROLLER STATEMENT

The Council's financial strategy for the year requires a contribution of £1.0m to be made to balances in 2003/04. Services continue to identify pressures which must be accommodated within existing budget provisions by adjusting spending priorities. Any adverse deviation from agreed budgets will endanger achievement of this objective.

6 CONSULTATION CARRIED OUT

Lead Cabinet members are consulting on an ongoing basis with Heads of Service to agree necessary remedial action to prevent overspends in 2003/04.

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

8.1 That Members note the figures in the appendices.

8.2 That Members consider actions to ensure the achievement of the 2003/04 Revenue Budget strategy to contribute £1.0m to balances.

MONTHLY BUDGET MONITORING REPORT - FINANCIAL YEAR 2003/04
Summary of Pressures
POSITION AS AT END OCTOBER 2003

Directorate	- Year to Date -			- 2003/04 Totals -				Projected Variance (Previous Report) £000s
	Budget Profile	Actual to End Oct 03 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at End Oct 03	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Lifelong Learning (excluding schools delegated)	9,750	8,659	-1,091	16,899	17,775	18,227	452	404
Environment	11,338	10,707	-631	18,613	19,396	19,403	7	0
Personal Services	16,819	16,297	-522	25,852	26,971	27,114	143	127
Chief Executive	1,275	1,146	-129	2,243	2,409	2,409	0	0
Resources	3,327	2,909	-418	4,937	5,161	5,161	0	0
Corporate, Miscellaneous & Benefits	7,251	7,172	-79	3,870	3,188	3,188	0	0
	49,760	46,890	-2,870	72,414	74,900	75,502	602	531
Non - Service Items:								
Contingency				100	0	0	0	0
Capital Financing Charges/Investment Income				11,283	11,574	11,574	0	0
Precepts & Levies				4,435	4,435	4,435	0	0
Contribution to Balances				1,000	1,000	1,000	0	0
				89,232	91,909	92,511		
						Total Variance	602	531

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 2003/04
LIFELONG LEARNING
POSITION AS AT END OCTOBER 2003**

	- Year to Date -			- 2003/04 Totals -				Projected Variance (Previous Report) £000s
	Budget Profile	Actual to End Oct 03 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at End Oct 03	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Individual Schools Budget	25,231	22,994	-2,237	39,975	39,936	39,936	0	0
School Funds Held Centrally	5,268	4,716	-552	10,004	10,786	11,193	407	357
Non school Funding	177	324	147	388	389	413	24	24
Leisure Services	2,212	1,714	-498	3,086	3,132	3,141	9	5
Culture	1,337	1,350	13	2,414	2,468	2,468	0	6
Countryside	454	331	-123	434	441	441	0	0
Youth	302	224	-78	573	559	571	12	12
	9,750	8,659	-1,091	16,899	17,775	18,227	452	404
Total Lifelong Learning	34,981	31,653	-3,328	56,874	57,711	58,163	452	404

Notes:

<u>Comments</u>	Current Month	Previous Month
	£ 000s	£ 000s
Education Pressures		
<u>School Funds Held Centrally</u>		
School Transport -		
Impact of variations since budget setting	157	157
SEN -		
Impact of variations since budget setting	250	200
	407	357
<u>Non School Funding</u>		
College Transport - per report to Cabinet	24	24
	24	24
<u>Culture and Leisure</u>		
<u>Leisure Services Pressures</u>		
Increase in Licensing Fees	0	2
Pool Hoists for Disabled Persons (DDA)	9	14
Paddling Pool backdated sewerage charges	0	9
Staff advertising savings	0	-6
Savings from delayed staff appointments	0	-12
Swimming Development Programme - Increased Income	0	-2
	9	5
<u>Cultural Services Pressures</u>		
Increase in Licensing Fees	0	1
Extension of the Peoples' Network Programme- reduced NOF funding	0	5
	0	6
<u>Youth</u>		
Prestatyn Youth Centre - Essential Repairs & Maintenance	5	5
Backdated Superannuation Contribution	7	7
	12	12
Directorate Total	452	404

**MONTHLY BUDGET MONITORING REPORT - FINANCIAL YEAR 2003/04
ENVIRONMENT
POSITION AS AT END OCTOBER 2003**

	- Year to Date -			- 2003/04 Totals -				Projected Variance (Previous Report) £000s
	Budget Profile	Actual to End Oct 03 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at End Oct 03	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Consultancy Services	1,616	1,656	40	1,095	1,225	1,231	6	6
Economic Regeneration	635	802	167	914	952	952	0	0
Highways and Transportation	3,310	2,943	-367	6,697	6,806	6,806	0	0
Planning Services	536	407	-129	935	935	942	7	0
Public Protection & Regulatory Services	4,553	4,351	-202	7,903	8,288	8,288	0	0
Support Services	511	375	-136	797	918	912	-6	-6
Contract Services	177	173	-4	272	272	272	0	0
Total Environment	11,338	10,707	-631	18,613	19,396	19,403	7	0

The overspend on Economic Regeneration is caused by a delay in receipt of grant against profile.
The projected overspend on Planning Services is the result of two successful planning appeals.

**MONTHLY BUDGET MONITORING REPORT - FINANCIAL YEAR 2003/04
PERSONAL SERVICES
POSITION AS AT END OCTOBER 2003**

	- Year to Date -			- 2003/04 Totals -				Projected Variance (Previous Report) £000s
	Budget Profile	Actual to End Oct 03 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at End Oct 03	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Children Services:								
Children and Families Services	3,469	3,242	-227	4,094	5,271	5,145	-126	120
Community Development	164	130	-34	274	301	298	-3	-3
Performance Management & Support	315	299	-16	381	542	509	-33	-13
Adult Services:								
Intake A & C M (North)	4,056	4,368	312	5,333	6,887	7,803	916	932
Preserved Rights/RCA	1,800	1,411	-389	3,404	3,086	2,392	-694	-680
Intake A & C M (South)	2,383	2,237	-146	3,772	3,911	3,879	-32	23
Adult Services (Provider)	3,532	3,521	-11	5,682	5,989	6,067	78	65
Performance Management & Support	1,289	1,174	-115	1,515	2,274	2,152	-122	-50
Business Support & Development	908	932	24	1,313	1,327	1,343	16	-395
Supporting People	916	916	0	0	1,570	1,570	0	0
Management & Administration	319	319	0	0	546	546	0	0
	19,151	18,549	-602	25,768	31,704	31,704	0	-1
Supporting People Grant	-2,382	-2,382	0	0	-4,873	-4,873	0	0
	16,769	16,167	-602	25,768	26,831	26,831	0	-1
Non HRA Housing	50	130	80	84	140	283	143	128
Total Personal Services	16,819	16,297	-522	25,852	26,971	27,114	143	127

Work is to be undertaken to vire Budgets between services to reflect the full impact of the Supporting People programme.

Children and Families

As in 2002/03, Fostering will be the major drain on the 2003/04 budget.

Intake A & C M (North & South)

Domiciliary and day care spend may be underestimated as there is a backlog of paperwork at local offices

Spend within Community Care PD in the North is steadily increasing, however there is an underspend in the South

For reporting purposes Residential Care Allowance budget and spend has been moved to Community Care (Older People).

Outturn assumes 1% fee increase to independent sector providers of care. Also Preserved Rights to be uplifted to SSD rates.

Adult Services - Provider

Elderly Residential Services continue to be a major pressure area circa £154k.

Potential savings regarding the loan facility in respect of Llys Marchan Residential home circa £80k

Homecare is underspending due to less demand

A High Court judgement means there is the potential that DCC may get claims for refunds of fees for residential care

for people under Section 117 of the Mental Health Act.

These claims so far have been identified as approximately £3-£5k per individual but further work is being undertaken in order to see what the full impact would be if all those eligible to claim

Business Support & Development.

Pressure areas include IT and central telephone recharges.

**MONTHLY BUDGET MONITORING REPORT - FINANCIAL YEAR 2003/04
CHIEF EXECUTIVE, RESOURCES, CORPORATE & MISCELLANEOUS
POSITION AS AT END OCTOBER 2003**

	- Year to Date -			- 2003/04 Totals -				Projected Variance (Previous Report) £000s
	Budget Profile	Actual to End Oct 03 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at End Oct 03	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Chief Executive's Dept	1,275	1,146	-129	2,243	2,409	2,409	0	0
Resources Directorate:								
Finance	1,570	1,431	-139	2,115	2,353	2,353	0	-26
Audit	204	184	-20	299	312	312	0	-13
I.T	1,050	889	-161	1,649	1,622	1,622	0	27
Personnel	503	405	-98	874	874	874	0	12
Total	3,327	2,909	-418	4,937	5,161	5,161	0	0
Corporate & Miscellaneous Benefits	885	1,111	226	3,386	2,404	2,404	0	0
	6,366	6,061	-305	484	784	784	0	0
Total	7,251	7,172	-79	3,870	3,188	3,188	0	0
Total Chief Executive's, Resources, Corporate & Misc. and Benefits	11,853	11,227	-626	11,050	10,758	10,758	0	0

AGENDA ITEM NO: 7 [CABINET 2003 - 174]

REPORT TO CABINET

CABINET MEMBER: COUNCILLOR J A SMITH, LEAD MEMBER FOR SOCIAL INCLUSION

DATE: 25 NOVEMBER 2003

SUBJECT: RHYL YOUTH CLUB

1 DECISION SOUGHT

To endorse the decision to undertake emergency Health and Safety work at the existing youth club and seek further urgent investigation into options and costs for a permanent solution which will be needed by September 2004. This will be reported to Cabinet at its meeting in December.

2 REASON FOR SEEKING DECISION

A Health and Safety report identified a range of health and safety problems facing Rhyl youth club including fire exits, security lighting, access and infestations of mice and cockroaches. The report concluded that the youth club should be re-located to provide safer and better facility with more space and easier supervision. It was identified that the conversion of the under-used squash court could provide this and work was undertaken to identify the costs associated with the conversion that totaled £55,000, a report to Asset Management was submitted indicating the request for the DDA monies identified for the youth club to be redirected towards the squash courts which was agreed. The Sport Council was approached regarding their view on the conversion; a letter was eventually received on 21st July, which clearly highlighted that any loss of dedicated sports facilities on the site would jeopardise the CIP 2 Sportlot grant of £850,000.

Lifelong Learning agreed that the DDA works should be undertaken on existing premises to allow the youth club to stay as the ELWa funded learning centre was in long-term planning. On 27 October we were alerted to the fact that the ELWa scheme was more advanced than originally envisaged, work beginning in summer 2004.

Short Term Options:

Option 1

To address the immediate Health and Safety issues of the existing youth club including pest control, repair electrical faults, replace ceiling tiles and insert balcony railing – cost £9,655 for the year. Although this will be lost when re-developed as a Learning Centre in summer 2004, it is still the lowest cost option.

Option 2

Mobile classroom style facility – cost £42,200 including groundwork, foundations, planning, installation and hire.

Option 1 is the lowest cost option and can be contained within budget and the work will be undertaken by December.

Long Term Options

An urgent analysis will be undertaken by Corporate Property, Culture and Leisure and Design Services to look at costs for a suitable and sustainable building for the youth club, youth and social workers from September 2004.

3 POWER TO MAKE THE DECISION

Throughout Wales the Statutory Youth Services Provision made by local authorities under the Section II of the Further and Higher Education Act 1992 and Sections, 2, 15 and 508 of the Education Act 1996. This statutory basis has been strengthened by the new provisions in the Learning and Skills Bill 2000 to provide, secure and participate in the provision of youth support services.

4 COST IMPLICATIONS

Preferred Option 1, the cost of meeting the immediate health and safety work, estimated cost £9,658 to be met from Lifelong Learning Repairs and Maintenance block allocation. The fees for design services need to be undertaken at risk.

5 FINANCIAL CONTROLLER STATEMENT

The funding for the options stated needs to be identified. The cost of option 1, whilst the cheapest, would not fit the definition of

capital expenditure and so needs to be contained within the overall Directorate revenue budget.

6 CONSULTATION CARRIED OUT

The Assistant Director met all the youth club management committee and young people to discuss the issues. The Management Committee has looked for other venues but none were immediately suitable for the youth club. In addition it was felt that the school and leisure centre campus provided a neutral safe location that offered other opportunities for leisure and sports activities and there was a wish to remain on the existing site. However, further consultation will be taken following the review of all the options available.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

None.

8 RECOMMENDATION

To endorse the decision to undertake the immediate Health and Safety work of the existing youth club provision be undertaken and officers be requested to look at the options urgently for a long-term solution.

AGENDA ITEM NO: 8 [CABINET 2003 - 175]

Report to Cabinet

Report by Leader

Subject Reviewing the LGA / WLGA relationship

Date 25 November, 2003

1 Decision Sought

1.1 To agree for the Authority to:

- Either to retain membership of the Local Government Association (LGA), albeit involving a restructuring of financial contributions given the current provision of services by the WLGA **or**
- Withdraw from LGA membership and for the WLGA to consider buying back certain services under service level agreements arrangements.

NB At this stage Cabinet is being asked to determine the principle to enable a response to the LGA and the WLGA. It would seek to finalise its decision following consultation with the County Council.

2 Reason for Seeking Decision

2.1 The WLGA and the LGA have written to the authority seeking its views concerning the future of the WLGA/ LGA relationship. The LGA letter has been prompted by a request from the WLGA for input from authorities into a review which is being carried out during this autumn. The LGA letter seeks a response by the 21 November if possible

2.2 The question arises because the effect of devolution has been to widen the gap between the English and the Welsh local government agendas. Some examples being

- Primary and secondary legislation
- The policy framework in general
- The creation of 22 Local Health Boards based on unitary authority areas

- the Wales Programme for Improvement
- policy agreements

and reflects the continuing and increasing capacity of the National Assembly to vary the outcome of primary and secondary legislation.

2.3 Put simply, Welsh dependence on the English agenda has waned and given the new political structure of the Assembly, it is timely to consider whether there should be a change in the way the interests of Welsh Local Government are represented.

2.4 To assist the review the WLGA has put forward 3 options for consideration.

- **Option A** Retain membership of LGA , but restructure relationship between LGA and WLGA
- **Option B** For the Welsh Councils to have an Associate Membership of LGA and for there to be Service Level Agreements for certain services
- **Option C** Independent WLGA

2.5 Unfortunately, there is little information provided by the WLGA letter to help differentiate Option A from Option B and no information provided on what is entailed by each option. However the argument should be based on the need for clarity and there are only really two choices: retain membership of LGA or withdraw. Anything else would produce a hybrid lacking clarity.

The arguments for withdrawal are clear:

- The increased autonomy of Wales makes the need for representation by the LGA of local government interests in Wales to Westminster largely irrelevant.
- The LGA does not currently effectively represent the interests of Wales. The LGA is dominated by English authorities who tend to show a lack of interest in or knowledge about Welsh matters. Likewise Welsh authorities have become less involved in the English agenda because of the existence of the Assembly.

What therefore is the need for a continuing relationship? Several arguments may be adduced

- **Primary Legislation** The Westminster Government still retains control of primary legislation which, despite separate provision for Wales - often included in the legislation - and the power of the Assembly to vary the impact of primary legislation through its secondary power, still impacts on Wales. This is possibly the strongest reason for the status quo, but it needs to be asked whether the LGA adequately fulfils the lobbying role on behalf of Wales given the devolved set up.

- **The loss of a Welsh local government voice within the LGA** primarily in relation to non devolved services e.g. Home Office (Police and asylum services) Lord Chancellor's Department (justice department), DCMS (Broadcasting and Licensing), DEFRA related services and services based on national policy organisation such as the Commission for Racial Equality. It will, however, be possible to utilise the lobbying power of the Assembly with the Secretary of State for Wales and it is difficult to believe that the LGA's lobbying power would be more influential than via existing Welsh channels. This also applies equally to the first point.

- One suggestion is that Welsh Local Government forges stronger relationships with Welsh MPs. This would seem to be a sound move, if the withdrawal goes ahead, but there are merits in this suggestion outside the issue of the LGA/WLGA relationship. It is significant that the WLGA maintains a Brussels office but doesn't maintain a London one.

- **There will be liabilities arising from withdrawal of the WLGA from the LGA and the costs may be significant** No breakdown is, however, provided of the likely costs and whether these would be offset by lower payments to an independent WLGA. Until this is provided the force of this objection cannot be assessed.

- **There are other services provided by the LGA to the WLGA: pensions payroll and legal services for which alternative arrangements would have to be found.** These, however, are not major issues and would only tip the balance if the case for withdrawal was weak. These services (along with news and information services below) could be bought back from the LGA under a service level agreement.

- **Loss of the valuable news and research services.** The LGA has at its disposal a large staffing complement, access to greater funding for research and can draw on the experiences of a larger number of authorities. Many English authorities have also been pioneers in new

forms of service provision. However these benefits would not necessarily disappear. Organisations can access material via the LGA website and the authority receives the major all UK journals which report on changes to the local government agenda. Also the WLGA has expanded its policy research capacity.

· **Wales would be separating itself from England at a time when the agenda over regionalism is about to merge.** There will be many issues which we have addressed in Wales, through the creation of a developed regional structure, which will be of interest to any newly created English region. It is difficult, however, to believe that membership of the LGA will be a determining factor in the exchange of influence between Wales and England. There is, for example, an all UK forum for local government which exists to promote sharing of information and good practice and therefore this objection seems weak.

· **Withdrawal will reinforce a 'Fortress Wales' mentality leading to peripheralisation.** There are several points here:

- This point does not seem to have influence in Scotland or Northern Ireland.
- The review of the relationship between the National Assembly and Wales (The Richard Commission) is examining the need for greater Welsh autonomy and the transfer of additional powers from Westminster. A decision to withdraw would be consistent with the general drift in Wales towards greater autonomy
- The perception of being on the periphery is a very Anglocentric concept.

2.6 In summary, the arguments for retaining the current relationship would seem to be weak. However, if Members feel the relationship should be retained, then I would advise that, along with other Welsh authorities, it should insist upon a review of the subscription with a view to reducing the subscription element to the LGA to reflect the lower level of representation which is being offered to Welsh authorities. The current position is that authorities pay both an LGA subscription and a WLGA subscription, the level of which is based on population.

A Welsh authority therefore pays to the LGA for a level of service which arguably it does not get both because its main lobbying agency is the WLGA and for the reasons noted above. It should also be noted that the WLGA has expanded its activities significantly since its inception and that the funding that is

subvened from the LGA now accounts only for 13% of its budget as opposed to 50% in previous years.

- 2.7 If Members agree to withdraw, then they must give 12 months' formal notice to withdraw from the close of the financial year giving an effective withdrawal date of April 2005.

3 Power to make the decision

- 3.1 Section 143 Local Government Act 1972 [Subscriptions to Local Government Associations].

4 Cost implications

- 4.1 The costs implications arising from a decision to withdraw are difficult to determine at this stage as are the implications of a reviewed subscription since the discussions have not taken place and there is no offer on the table.

- 4.2 In the current financial year the subscription to the LGA and the WLGA is

LGA subscription	£26,241	WLGA subscription	£27,680
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- NB There are also a number of other services which are funded from additional payments made to the WLGA but these lie outside the subscription issue:

Welsh Procurement support unit	£9,000
WLGA European office	£7,035
ADC Debenture discount / repayment	£1,023

Payments to Welsh Local Government - employers organisation

Regional levy	£9,982.35
National Levy	£3,823

5 Financial Controller Statement

- 5.1 Whichever option is supported the resulting costs are not likely to impact upon the corporate budget provision for subscriptions.

6 Consultation

- 6.1 I recommend Cabinet consult with County Council prior to confirming any decision either on the status quo with a revised subscription rate or withdrawal.
- 6.2 CET has been consulted and could not determine any substantial reason for continuing membership of the LGA

7 Impact on other Policy Areas.

- 7.1 There are no obvious impacts arising from this decision.

8 Recommendation

- 8.1 For Cabinet to agree for the Authority to:

- Either to retain membership of the Local Government Association (LGA), albeit involving a restructuring of financial contributions given the current provision of services by the WLGA
- or**
- Withdraw from LGA membership and to buy back certain services under service level agreements arrangements.
- To consult with the County Council prior to finalising its decision

AGENDA ITEM NO: 9 [CABINET 2003 - 176]
REPORT TO CABINET

CABINET MEMBER: Leader

DATE: 25 November 2003

SUBJECT: International Links

1 DECISION SOUGHT

To support further developments with regions who have indicated a wish to co-operate with Denbighshire.

2 REASON FOR SEEKING DECISION

It is opportune to review the current situation, given that several exchanges have recently occurred and to ensure that the inter-regional element of regeneration work is making an appropriate contribution to Council activities.

3 POWER TO MAKE THE DECISION

Section 2 Local Government Act 2000

4 COST IMPLICATIONS

Cost of inter-regional visits are met from the budget allocations for this purpose.

5 FINANCIAL CONTROLLER STATEMENT

Costs need to continue to be contained within the service budget concerned

6 CONSULTATION CARRIED OUT

I have consulted with some of the representatives who attended inter-regional exchanges on behalf of the Council and the Head of Development Services has also consulted with

representatives of our partner regions who support the continuation of inter-regional links.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

Inter-regional visits contribute to the overall regeneration strategy of the Council, responding to European Commission encouragement for inter-regional programmes of work, they can make a contribution to Objective One strategies, Community initiatives such as Leader and Interreg and provide useful support for a range of corporate strategic areas which are beyond the reach of the Structural Funds.

8 RECOMMENDATIONS

That the Cabinet notes the successful visits with other North West Wales Authorities to the Luberon, approve continuing progress on the development of exchanges with Alto Adige, approves continued efforts to develop Interreg projects with Clare and Kildare and supports the new initiative with Gliwice to provide a long term basis for European Programme work with a region in the accession countries. That the Cabinet receives further reports on developments as they arise.

International Visits

THE LUBERON

Delegations from North West Wales visited the Luberon in Provence between 30 October and 3 November, 2003. The delegation from Denbighshire comprised Councillor Rhiannon Hughes, Councillor Gwyneth Kensler and Sian Morgan of the European Unit. The purpose of the delegation was to gain an insight into specific examples of successful local actions in the domain of rural development. The group visited an example of a successful local project run by a local co-operative. The conference allowed both the French and the visiting delegations to share and identify local problems and obstacles in the area of rural development and work together to establish common answers and initiatives. It is anticipated that a return visit can be hosted in and by North West Wales in the near future.

ALTO ADIGE

During the period 18 to 19 October 2003 two companies from Alto Adige visited the Food Festival as did the region's farmers Union with its President. They believed they had a very successful visit and wished to be invited to return next year. The Leader Plus Group in Denbighshire are developing a trans-national project with an Alto Adige Leader Plus area. This will help to consolidate the partnership arrangements that are developing and nine high school students are undertaking a whole academic AS in high schools in Denbighshire and Conwy extending the range of the partnership involvement.

For the future there will be visits from young farmers from North Wales to Alto Adige and a return visit from a Sudtiroil young farmers with further exchanges planned for the Summer. Denbighshire are also proposing a business seminar in Bolzano promoting Wales for inward investment and business to business opportunities and it is possible that this can be expanded into north east Wales where additional interest has been expressed.

Links involving a theatre in Bolzano in Alto Adige and the Royal International Pavilion are also developing. The Alto Adige / Denbighshire link is an excellent example of inter-regional links outside the European funding sector which is increasingly involving ordinary members of the communities of Denbighshire and Alto Adige.

VASTERNORRLAND

A successful conference at which some 100 specialists in tourism attended was held in Llangollen between 3 and 4 October. Hosted jointly by Denbighshire and Vasternorrland, the conference provided opportunities for speakers from Denbighshire, Vasternorrland, Clare and Budapest to present papers on specialist areas of tourism. There were useful exchanges of views in the discussions and the main conference sessions were well attended by representatives from a wide cross section of Denbighshire organisations. The conference focused on European funding for tourism and some discussion has developed regarding the possibility of establishing the conference on a more permanent basis, perhaps rotating between, Vasternorrland and Clare. Vasternorrland expressed an interest in visiting Llangollen's Food Festival.

The relationship with Vasternorrland is covered by an administrative letter providing for regular exchanges and it is interesting to note that a neighbouring county to Vasternorrland, Vasterbotten visited Denbighshire on 5 November as part of a tour of North West Wales when presentations were made on Denbighshire's use of the Structural Funds. There are many similarities between northern Sweden and Wales's use of Structural Funds and such exchanges are always instructive.

ATHY / RHYL

A joint steering group to be held in Athy on the 23 to 24 October was aborted because of difficulties in securing a flight to Dublin. Members of the Rhyl Steering Group were detained at Liverpool Airport for over eight hours waiting for a flight which

never materialised. Efforts are now being made to re-arrange the steering group through a video link and fresh arrangements will be made for a joint meeting in the New Year. Both Interreg projects are now fully staffed.

GLIWICE

The Welsh Assembly Government has identified Silesia as one of two key regions for Wales to secure partners within the accession countries – those countries which are due to join the European Union. Following suggestions from the Welsh European Centre in Brussels and support from the Welsh Assembly Government, the Head of Development Services and the Council's European Officer visited the County Council of Gliwicki between 16 and 17 October in order to discuss partnership prospects. In a series of meetings with European Officials in Gliwicki and with the President of the Council, the visit centred on the Structural Funds and the preparations Gliwice were making to receive Structural and Cohesion Funds,. Gliwicki has a population of 120,000, 80% of it rural with substantial industry within the rural area. The functions of the Gliwicki County Council are slightly different from Denbighshire and Gliwicki as with other Polish County Councils also have Community Councils which play a substantial role in local administration.

Gliwicki's Structural Fund strategies are very similar to Denbighshire and there is broad agreement between officials of the two Councils that there are significant areas where co-operation is possible. Priority area identified for future work included tourism, e-government and a centre for community groups. There are other areas of work as well which could be explored such as cycle paths, the use of conservation for regeneration and they particularly requested co-operation in the establishment of new choral festival, as members of a local choir had recently visited Llangollen. A delegation from Gliwicki County Council propose to visit Denbighshire County Council during March 2004

CLARE

In pursuit of a developing Interreg application, a Council delegation will visit Clare between 27 and 29 November for the Clare Tourism Conference. The delegation to comprise Councillor David Morris and Councillor Gwyneth Kensler with Officers will be responding to the delegation from Clare which visited the tourism conference at Llangollen. A senior member of Clare County Council has suggested that the two counties should consider the prospect of twinning arrangements and will seek discussions with the Council's delegation while in Clare.

ACTIONS

Future actions will be developed

Luberon – Return visit to North Wales, further co-operation on rural development issues.

Alto Adige – Range of interesting experience exchanges and conferences cutting across businesses, education, cultural and agricultural themes.

Vasternorrland – Issues arising from the conference in the field of tourism and cultural tourism will continue to be explored as will further visits arising out of the agreed Letter of Intent.

Rhyl / Athy – Continued implementation of the Interreg project and new project ideas being explored with Kildare Council.

Gliwice – Return visit anticipated in Spring when further consideration to links will be needed.

Clare – Attendance at Clare Tourism Conference combined with further work on tourism Interreg project proposal.