

CABINET

Minutes of the Cabinet meeting held in the Town Hall, Denbigh on Tuesday 16 December 2003 at 11.00 a.m.

PRESENT

Councillors P A Dobb, Lead Member for Health and Wellbeing; E C Edwards, Lead Member for Safeguarding our Communities; M A German, Lead Member for Sustainable Development and Environment; 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 and E W Williams, Lead Member for Economic Wellbeing.

Observers: Councillors S Drew, D Jones, R E Jones, R J R Jones and P O Williams.

ALSO PRESENT

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

APOLOGIES

Councillor W R Webb, Lead Member for Property and Asset Management

ANNOUNCEMENT

The Deputy Leader welcomed both Peter Wickes, Head of ICT and Roger Ellerton, Principal Youth Officer to their first Cabinet meeting.

Members asked that a card be sent to Councillor W R Webb, wishing him a speedy recovery.

1 URGENT MATTERS

- (i) Part II - Verbal report by the County Clerk on Wirral and North Wales Purchasing Organisation

2 MINUTES OF THE CABINET (CABINET 2003 - 169)

The Minutes of the Cabinet meeting held on 25 November 2003 were submitted.

Item 20 Transfer for Preserved Rights / Residential Care Allowance 2002/03: Members were informed by the County Clerk that Counsel's advice had been received regarding the position of the Welsh Assembly Government on a possible challenge by judicial review of the final settlement. The County Clerk confirmed that further documentation was to be provided to Counsel. The Chief Executive reminded Members that Cabinet would make the final decision on whether to challenge the Welsh Assembly Government by judicial review of the final settlement. Councillor E W Williams said the letter received from Sue Essex AM, Minister for Finance, Local Government and Public Services had not resolved all the difficulties but had expanded on others.

Amendment to minutes of 03.11.2003 - Councillor R W Hughes asked that the sentence be amended to read "Councillor R W Hughes expressed her concern at the implications of staff moves as regards the Education Department."

Item 7 Rhyl Youth Club - Councillor J A Smith confirmed that a report to Cabinet on all youth club facilities in Denbighshire would be provided on 27 January 2004.

Item 9 International Links - Councillor R W Hughes suggested officers should take part in European exchange study visits.

Item 12 Clwyd Leisure - Lease Guarantee - Councillor G M Kensler had not taken part in a debate or voted on this item as she had left the meeting.

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

3 JOINT REVIEW REPORT (CABINET 2003 - 182)

Councillor P A Dobb presented the report seeking Cabinet endorsement of the Management Action Plan and the linked Summary

Action Plan and for agreement to the arrangements for monitoring progress against the Action Plan.

RESOLVED that:-

- (a) *Cabinet adopts the Management Action Plan and the Summary Action Plan responding to the Joint Review Report*
- (b) *Personal Services Scrutiny Committee monitors progress against the Action Plan on a regular basis, and there is exception reporting to Cabinet on a quarterly basis, linked to the quarterly performance reports*
- (c) *an annual conference with service user / carer representatives is organised to enable progress against the Plan to be tracked.*

4 UPDATE ON CHILDREN AND FAMILY SOCIAL SERVICES (CABINET 2003 - 183)

Councillor J A Smith presented the report seeking Members' agreement to continue to endorse the current approach to stabilising Children's Services (as outlined in Appendix 1 to the report) and to note the potential budget implications of child care social work recruitment / retention for 2004/05. Members were asked to agree a further allocation at £43,207 to support short term recruitment measures for 2003/04 and note the £86,413 for short term recruitment measures in Children Services for 2004/05.

Councillor E A Owens agreed the report detailed serious problems in recruitment and retention and asked for details of steps taken to strengthen the situation. The Head of Children's Services detailed the various recruitment agencies used and said a good relationship had developed with an agency in Liverpool which helped on a short term basis. Retired qualified staff were also used whenever possible.

The Chief Executive said the situation was of great concern and he fully endorsed the proposals.

RESOLVED that Members:-

- (a) *Endorse the ongoing approach to stabilising Children's Services;*
- (b) *Approve the one-off allocation of £43,207 to support short-term recruitment measures in 2003/04, to be funded from the savings in office rentals identified in paragraph 5.2 ;*
- (c) *Support the one-off allocation of £86,413 to continue short term recruitment measures in 2004/05;*
- (ch) *Agree to receive a further report in March 2004, and*
- (d) *Note the other potential budget implications for 2004/05 (paragraph 2.2 (v))*

5 CORPORATE QUARTERLY PERFORMANCE REPORT (CABINET 2003 - 184)

Councillor E W Williams presented the report for Members' consideration of the Corporate Quarterly Performance report attached to the report at appendices I and II and for Members to closely monitor progress towards target of the statutory performance indicators with a view to considering any issue in greater depth if necessary.

Members queried various aspects of the report, in particular:

Information on the three departures from the Unitary Development Plan to be provided for Councillor P A Dobb. The Chief Executive confirmed that the Head of Planning Services would decide whether or not a scheme departed significantly from the plan.

The Corporate Director: Environment detailed the current recycling facilities available across the County and said the north of the County would be working with community groups.

In response to a query from Councillor G M Kensler, the Chief Executive said performance indicators did not measure satisfaction with building works completed and said any building works carried out for the

Council had to meet the satisfaction of the Council. The Chief Executive suggested this could be measured by local indicators.

RESOLVED that Members agree the Corporate Quarterly Performance Report (Appendices I and II).

6 POLICY AGREEMENT PROSPECTUS (CABINET 2003 - 185)

Councillor E W Williams presented the report seeking agreement to participate in the next round of policy agreements 2004-2007, responding positively to the prospectus but indicating to the Assembly the difficulty of adhering to the deadline requirements. A further report would be prepared outlining the initial proposals on all of the indicators by the Cabinet meeting on 27 January 2003.

RESOLVED that Members:-

- (a) *agree to participate in the next round of policy agreements 2004 – 2007;*
- (b) *respond to the prospectus attached to the report positively, but, nevertheless, indicating to the Assembly the difficulty of adhering to the deadline requirements, and*
- (c) *agree a report should be prepared outlining the initial proposals on all of the indicators by the Cabinet meeting on 27.01.2004.*

7 NEW VEHICLE MAINTENANCE WORKSHOPS (CABINET 2003 - 186)

Typographical error: Page 4, paragraph 3, sub para 3 to read "The Freight Transport ...".

Councillor M A German presented the report seeking approval for the provision of funding, allocated from within the Council's Capital Plan, to erect the new centralised workshop facility in Bodelwyddan Depot.

RESOLVED that:-

- (a) *Members agree to recommend to Council the allocation of capital funding to enable the construction of new workshop*

facilities in the Bodelwyddan Depot, with the lower cost option 2 being preferred;

- (b) Officers should revisit the Best Value Review report and explore / evaluate the other service delivery options identified in the report, with the outcome of the exercise to be the subject of a further report and recommendation to Members, and*
- (c) Officers should immediately act to put in place short term service continuity arrangements to cover a possible period between loss of the existing maintenance facilities and procurement of the long term service delivery solution.*

8 CAPITAL PLAN 2003-2004 AND 2004-2005 (CABINET 2003 - 187)

Councillor E A Owens presented the report for Members to note the latest revisions to the 2003-2004 general funded element of the Capital Plan and to recommend to Council the strategy proposals set out in paragraph 8 of the report. Councillor Owens said detailed information was still awaited from the Welsh Assembly Government. Slippage of £1m had been identified and Members were asked to bring forward 40% of the block allocations for 2004-2005 as a result.

Councillor E C Edwards informed Members and officers that a report on CCTV provision in the County would be brought to Cabinet in January 2004 and that urgent substantial funds were required for the service.

In response to a query from Councillor R W Hughes regarding the Area Partnership investment, Councillor Owens said the money allocated in the next financial year was for revenue or capital. Councillor E W Williams said some projects could have capacity problems and project managers could be employed to move the projects forward.

The Corporate Director: Resources indicated that a report would be brought to the next meeting indicating suggested revised procedures for the authorisation of the Capital Plan. This would include suggested improved layout to make the reports easier to read.

RESOLVED that Cabinet notes:-

- (a) *the revisions to the general funded element of the 2003-2004 Capital Plan and recommends to Council the proposal to approve 40% of the Block Allocations in respect of 2004-2005, and*
- (b) *the currently identified new projects listed in Appendix 2 to the report and the potential prudential borrowing schemes listed in Appendix 3 to the report and that they are considered for inclusion in the Capital Plan strategy for 2004-2005 and future years.*

9 REVENUE BUDGET 2003-2004 (CABINET 2003 - 188)

Councillor E A Owens presented the report which advised Members that all the pressures 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 reported a projected £0.5m overspend by the current year end and there would be a need to examine clawback proposals. Councillor Owens said control of the SEN budget had improved.

The Chief Executive reported that £40k of the increase in college transport was due to retendering.

Councillor E W Williams suggested more clarity on school transport contracts was required and some anticipated increases in school transport costs as required due to higher specifications.

RESOLVED that Cabinet note the figures in the appendices and consider actions to ensure the achievement of the 2003/2004 revenue budget strategy to contribute £1.0m to balances.

10 STANDSTILL BUDGET REQUIREMENT 2004-2005 (CABINET 2003-189)

Typographical error - date of meeting - 16.12.2003.

Councillor E A Owens presented the report detailing the final Assembly settlement for 2004-2005 and asked Members to note the impact on

the standstill position for the Authority's overall budget for 2004-2005 and provide a steer as to the basis for funding further service development. Councillor Owens pointed out that £35k of the additional resources for Teachers' Workload should be shown under the Non Delegated Education B.

Councillor Owens said the Welsh Assembly Government final settlement would have severe implications for the Authority. However, the potential Performance Incentive Grant would provide £1m of additional funding. GEST funding was being dramatically reduced and would cause difficulties for Lifelong Learning.

The Financial Controller detailed the changes from the draft report provided at the last Cabinet meeting. He confirmed that the housing and Council Tax benefit would now be paid directly by the Department of Work and Pensions. He also referred to funding included in the settlement for Stop Now Orders and 'end of life vehicles'.

RESOLVED that Members:-

- (a) *note the details of the final Assembly settlement for 2004-2005;*
- (b) *considered the content of the Appendix attached to the report showing the anticipated standstill position for the next financial year and agreed the methodology for establishing the standstill base, and*
- (c) *provided a steer as to the basis for funding further service development.*

11 LON PARCWR CAR PARK, RUTHIN (CABINET 2003 - 190)

The Corporate Director: Environment presented the report seeking authorisation from Members to declare the Lon Parcwr car park surplus to requirements and commence marketing the site for disposal on the open market to obtain 'expressions of interest', to be reported to the Asset Management Committee in due course.

The Corporate Director: Environment reported that Councillor K N Hawkins' comments were similar to those included in the report by Councillor E C Edwards. The Corporate Director: Environment also

reported on comments by Councillor D A Thomas, Chair of Environment Scrutiny (circulated at the meeting), who expressed his concern on the potential impact of the loss of the car park.

Councillor E C Edwards thanked officers for early consultation with the Local Members and, whilst he agreed with marketing the site, he suggested a study of both public and Council staff car parking requirements be carried out for Ruthin.

Councillor P A Dobb expressed her concerns with regard to parking and suggested rural Members be consulted on this issue. As the Older People's Champion she suggested that the site was possibly suitable for provision of housing facilities for the elderly. She suggested community needs should be taken into account and consultation carried out with the community.

The Chief Executive said marketing the site could lead to housing development proposals being submitted, and that diverse proposals may emerge.

Councillor R W Hughes asked whether the Authority could categorically say the car park was no longer required after the move into the PFI building had taken place. Councillor E A Owens suggested a survey of parking provision was required and reminded Members that if parking provision for all staff was made available, the staff could be liable to pay tax on the provision.

Councillor E C Edwards agreed with the Chief Executive that diverse proposals could emerge from marketing of the site and said this could be a planning gain for the Authority. He reminded Members that whilst it was important sufficient suitable housing provision was made for the elderly, a balance was required with housing provision for younger people to ensure Ruthin did not become a dormitory town.

Councillor G M Kensler suggested the Environment Scrutiny Committee be asked to look at various parking spaces in both Ruthin and across the County.

With regard to car parking for Council staff, the Chief Executive reminded Members that not all staff, for various reasons, would be at work at the same time and that some of those staff based in Ruthin would walk or cycle to work.

Councillor E C Edwards proposed a further resolution to 8.1 and was seconded by Councillor E A Owens, that a study of parking facilities in Ruthin be carried out.

RESOLVED that Members:-

- (a) *declare the site surplus;*
- (b) *approve marketing the site on the open market to obtain expressions of interest for a disposal, at best consideration;*
- (c) *note the results of the marketing campaign will be reported to the Asset Management Committee / Cabinet for a decision in due course, and*
- (ch) *a study of parking facilities in Ruthin be carried out and reported as soon as possible.*

12 LLAIS Y SIR / COUNTY VOICE (CABINET 2003 - 191)

Councillor D M Morris presented the report seeking agreement to secure a regular method of communication and consultation with the public through publishing Llais y Sir / County Voice monthly, funded from existing departmental advertising / publicity budgets.

Councillor P A Dobb asked how representative the random examples in the report were and why the publication was not self financing, in a similar way to Design Services being self financing. Councillor R W Hughes said many officers not living in Denbighshire would not have seen job advertisements if they were only advertised in County Voice.

In response, Councillor D M Morris said some posts would still be advertised in the national press or specialist journals.

Councillor E W Williams stressed the need to use County Voice as a way of publicising the Authority's good news.

RESOLVED that Cabinet agree to Option 1 - top slicing directorate budgets to finance the monthly publication of Llais y Sir / County Voice.

13 DENBIGHSHIRE EVENTS 2003-2004: INTERIM EVALUATION (CABINET 2003 - 192)

Councillor G M Kensler presented the report for Members to note the findings of the interim evaluation of the enhanced programme of events for 2003-2004.

The Head of Countryside and Leisure Services agreed to provide Councillor P A Dobb with dates of events.

***RESOLVED** that Members note the findings of the interim evaluation of the enhanced programme of events for 2003-2004.*

14 BUS SERVICE D6149.04 (A) - NANTGLYN AREA - CONTRACT EXTENSION (CABINET 2003 - 193)

Councillor M A German presented the report seeking approval to vary the local bus service contract D6149.04 (a) operating in the Nantglyn area, to terminate 26 September 2004. The current contract was due to expire on 4 January 2004. The extension of the contract constitutes an exception to Contract Standing Orders (Ref 9.1(b)).

***RESOLVED** that Cabinet approve extending local bus service contract D6149.04 (A) to terminate on 26 September 2004*

15 PART I URGENT ITEMS (CABINET 2003 - 194)

There were no Part I Urgent Items.

QUESTION AND ANSWER SESSION

There were no outstanding questions.

At this juncture (12.30 p.m.) the meeting adjourned for 30 minutes to allow Members to participate in refreshments provided by the Leader and for which Councillor J A Smith thanked him on behalf of those present.

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, 9 and 10 of Part 1 of Schedule 12A of the Local Government Act 1972.

PART II

16 PRESTATYN: FFRITH FESTIVAL GARDENS (CABINET 2003 - 195)

The Corporate Director: Resources presented the report seeking Members':-

- (a) agreement that there are no feasible options for public sector developments on the Ffrith;
- (b) agreement to the disposal of part of the Ffrith for non-food retail development as per Option 4 of Section 2.2;
- (c) agreement to report back to Asset Management Committee (AMC) on the precise boundaries and responsibilities (on terms to be recommended by the Corporate Director: Environment and the County Clerk);
- (ch) recommendation that a significant proportion of sales proceeds are retained for investment in Prestatyn;
- (d) agreement to urgently develop plans to address the capacity issues at Prestatyn High School and build a new primary school to meet the increased demand, and
- (dd) agreement to a programme of consultation with all interested parties, in particular the residents of Prestatyn.

The Corporate Director: Resources said the site was possibly suitable for but not ideal as a primary school site. The cost of moving the high school was prohibitive. As a result, selling part of the site for any development thereby generating a capital receipt which could be retained for investment in Prestatyn appeared the best option.

The Chief Executive verbally reported comments received from Councillor N Hugh Jones as he was unable to be present at the meeting, to the effect that Councillor Hugh Jones was opposed to a decision unless public meetings had taken place.

The Corporate Director: Resources said that in a telephone conversation, Councillor G Clague had also stressed the importance of public consultation.

Councillor S Drew agreed development of the site should take place and stressed the need for public consultation to take place. Dependent upon the development, she emphasised the need for provision of sea defences. Other planning implications were also of vital importance.

Councillor E A Owens agreed that the site was unsuitable for a primary school where proposed.

Councillor G M Kensler said she understood the residents of Prestatyn wanted to retain the area for public use and supported the need for consultation.

The Chief Executive outlined the various options in the report and suggested developing part of the site and retaining the remainder was the way forward. He suggested Members agree in principle to the disposal of part of the site and then have public consultation.

The Corporate Director: Environment emphasised the need for an 'in principle' decision to ensure further work is undertaken by the developers.

Councillor E W Williams suggested the public consultation should take place over several days including evenings, with officers being available to discuss the plans.

The Chief Executive confirmed that the Planning Department would be unable to support any retail food development on the site.

After further discussion it was:-

RESOLVED that:-

- (a) *Members agree that there are no feasible options for public sector developments on the Ffrith;*
- (b) *Members agree in principle to the disposal of part of the Ffrith for non-food retail development as per Option 4 Phase I of Section 2.2 of the report;*
- (c) *Members recommend to Council that all sales proceeds are retained for investment in Prestatyn;*
- (ch) *Members agree to urgently develop plans to address the capacity issues at Prestatyn High School and build a new primary school to meet the increased demand and to ask for the public's views on these issues, and the possible development of the parts of the Ffrith site which are not being disposed of;*
- (d) *Members agree to a programme of consultation with all interested parties, in particular the residents of Prestatyn be held with an opportunity for the public to inspect the development plans, and*
- (dd) *a press release detailing the decision be issued as soon as possible.*

17 ACCESS FOR DISABLED PEOPLE (CABINET 2003 - 196)

The Chief Executive presented the report for Members to note progress with adaptations to buildings to make them accessible for disabled people and sought agreement to recommending additional funding of £1m in the proposed capital plan for 2004-05 for adaptations to the buildings.

RESOLVED that *Cabinet notes progress with adaptations to buildings to make them accessible for disabled people and agrees to consider recommending additional funding of £1m for this purpose in the proposed capital plan for 2004-2005.*

18 RHYL YOUTH CLUB (CABINET 2003 - 197)

Councillor J A Smith presented the report seeking agreement to a preferred option for a permanent solution for Rhyl Youth Club.

Members discussed the various options contained in the report.

Councillor G M Kensler stressed the need to consult the young people of Rhyl on any proposed new development.

Councillor E A Owens suggested the first three options were not viable and emphasised the need for a functioning youth service provision across Rhyl.

Councillor G M Kensler proposed Members agree Option 4 as detailed in the report, with consultation with young people.

Councillor E A Owens agreed with Councillor G M Kensler's proposal and said a programme for young people be formed to ensure the Authority discharged its statutory responsibility in the interim which would include, for example, outreach workers.

RESOLVED that Members endorse Option 4 as detailed in section 2 of the report with consultation with the young people of Rhyl to ensure the building meets their requirements. It was further agreed a fully costed plan be produced in the interim to address the immediate youth club provision.

19 YSGOL PLAS BRONDYFFRYN (CABINET 2003 - 198)

(Councillor G M Kensler declared an interest in the item and left the room).

The Corporate Director: Lifelong Learning, the Corporate Director: Resources and the County Clerk presented the report for Members to note the progress to date in developing the draft Partnership Agreement and sought comments on the terms within the draft Agreement and other arrangements. Agreement was also sought to further funding of £10k, in the form of a loan, to keep the Trust operational.

Members were informed that the views of the Charity Commission were being sought, along with a precise business plan for the residential provision.

Councillor E A Owens expressed her concern as to whether the proposals would match the future needs of Denbighshire and the other Authorities using the facility. The Corporate Director: Lifelong agreed and indicated that the size of the new facility had not been finalised for this reason.

The Corporate Director: Lifelong Learning detailed the residential requirements as given in the statement of educational needs. She said the Charity Commission would address any perceived problems the Trust may have.

The Principal Management Accountant outlined the charging policy and said the benchmark levels in the current market would ensure the operating costs of the joint venture company, if established, could be recovered through reasonable charging. Fixed and variable costs would determine the charges. He outlined the results of possible increases in unit charges if less use was made of the residential facility and stressed this was a long term commitment for the Authority.

The Corporate Director: Resources indicated that the Trust (as a Charity) could not fund a statutory provision. As a consequence, Service Level Agreements would be required with other Local Authorities, although there was potentially a financial risk to the Council. The Service Level Agreements needed to be in place before the Council could enter the Partnership Agreement.

Councillor E A Owens stressed that there was a need for a clear notice of withdrawal of a pupil from the residential facilities more strictly administered than at present.

The Chief Executive said the Authority wished to carry on working with the Trust to gain an agreement which would include finance arrangements. He stressed there would always be financial risks with residential provision.

RESOLVED that Cabinet:-

- (a) note the progress to date in developing the draft Partnership Agreement;
- (b) support the terms within the draft Partnership Agreement and other arrangements, and
- (c) agree further funding of £10k in the form of a loan to keep the Trust operational.

20 ENGAGEMENT OF CONSULTANT: EXCEPTION TO TENDERING / QUOTATION PROCEDURE (CABINET 2003 - 199)

Councillor J A Smith presented the report seeking Cabinet approval to appoint a consultant to carry out an urgent review and to make recommendations regarding the provision of services to children with disabilities and their families, as an exception to the Contract Standing Orders Tendering / Quotation Procedure.

RESOLVED that Cabinet agree to appoint the consultant to carry out an urgent review and to make recommendations regarding the provision of services to children with disabilities and their families, as an exception to the Contract Standing Orders Tendering / Quotation Procedure.

21 WIRRAL AND NORTH WALES PURCHASING ORGANISATION (CABINET 2003 - 200)

The County Clerk reported that Flintshire County Council's external auditor considered that it was not possible to divide the deficit between the 4 Authorities other than on an equal basis in the absence of loss being established and it was anticipated that Counsel's written advice would confirm this.

In the circumstances it appeared the only option was to refer the matter to the appropriate Secretary of State / Welsh Assembly Government for determination in accordance with the Organisation's constitution.

RESOLVED that Members note the verbal report and support a reference for determination in accordance with the Wirral and North Wales Purchasing Organisation constitution.

The meeting concluded at 2.35 p.m.

REPORT TO CABINET

DATE : 13 JANUARY 2004

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

SUBJECT : BUDGET 2004/5

1. Decision sought

1.1 That Members consider the bids for additional resources for services in the next financial year which take into account the review of prioritising by the service Scrutiny Committees (excluding Lifelong Learning at the time of writing this report).

1.2 That in the light of the final Assembly settlement Members consider the funding proposals for the bids for additional funding for services and take note of the likely impact upon the level of Council Tax for 2004/5.

1.3 To consider the potential impact of the proposals on the Council in 2005/6

2. Reason for seeking decision

2.1 The Assembly has released the final details of the settlement for Welsh Councils for 2004/5. Members have considered the Standstill Budget requirement at the last Cabinet meeting in Denbigh. Much work has gone into developing bids for additional resources for services at a series of meetings between Lead Members, Directors, Heads of Service and senior Finance staff.

2.2 Cabinet needs to review these bids and finalise budget proposals and the resulting impact on Council Tax for recommendation to full Council.

Appendix 1 shows the overall summary position of the budget recommendations.

Proposals for utilising the potential for increasing capital expenditure through the Prudential Borrowing system by funding borrowing from existing revenue budget are currently being evaluated.

2.3 Bids for additional service budget resources.

2.3.1 Appendix 2 details the result of weeks of review of the bids made by Directorates for additional funding for services.

2.3.2 The first column shows expenditure that is proposed to be funded from existing Service Reserves which it is considered are no longer required at the current levels of provision. Much of the cost could be regarded as one off but a total of £400k, mainly Personal Services costs, will need to be funded again in 2005/6.

2.3.3 It has been assumed that services could make some cost reductions from efficiency measures excluding Schools Delegated budgets, Children's Services and corporate budgets. A general level of 1% has been assumed as deliverable. Service budget increases to be funded from efficiencies are detailed in column 2 of the appendix. To comply with the Council's budget setting rules the savings must be robust and deliverable. More work needs to be carried out before this additional funding can be spent.

2.3.4 The Assembly have announced the level of Performance Incentive Grant for 2004/5 together with the main areas for improvement. Column 3 lists potential areas for support through this scheme. It is however not certain that funding at this level would be available for future years.

2.3.5 The details of bids that cannot be funded from other sources but are highly desirable service improvements/pressures are listed in column 4. The only potential funding for these items is through an increase in Council Tax above the level of the Standstill Base. Some of the bids are for a part year only and so have an additional impact upon 2005/6. A further rationing of funding to reflect a part year impact for the other bids would have the effect of lessening the potential impact on Council Tax next year but would involve a larger full year impact in 2005/6.

2.3.6 Column 6 shows pressures that can be funded by carrying forward projected underspends from the current year, such as for Area Partnership projects and utilising special grants including the recently announced additional special funding to care for people in their own homes and communities.

2.3.7 In view of the extremely tight financial position all additional expenditure to be funded by releasing reserves, efficiency measures, Performance grant and the new Care Specific grant will need to be agreed in advance with the Financial Controller.

2.4 Schools' Delegated Budgets

2.4.1 The current proposals provide for an overall increase in Schools' budgets of 8.87%. This compares to proposals for average growth of 5.28% [excluding transfers and PFI funding] in other budget lines. Over £1m is provided for inflation for schools, including the 2.5% pay deal which is covered in full. The full additional sum included in the Assembly settlement for the effects of the Teacher's Workload agreement has been passed through to the Schools. The assumption for the impact of the latest round of Threshold payments to teachers is that 100% be included at this stage, although UK Government views are that 30% should be the target. Schools therefore have the option to agree payouts to all teachers currently at the top of their grade who meet the criteria or to adhere to central advice that only 30% should qualify. Any saving on these two provisions would be available for Governors to invest elsewhere within the Schools' Delegated budgets.

2.4.2 In addition the final round of review of the Special Education Needs budget has resulted in a recommendation for a further increase of £250k. The whole of this budget can now be delegated to schools from the 2004/5 financial year.

2.4.3 It is also proposed to top up the Fair Funding maintenance budget with a further £200k provided from the capital programme.

2.4.4 A further sum of £275k has been included for Secondary Schools as potential funding from the Performance Improvement scheme for reducing truancy levels and improving examination results, which are key indicators in the second round of policy agreements.

2.4.5 The total position for Schools is as follows:

	£000
2003/4 Base	39,937
Provision for inflation	1,198
Transfers of funding	
- Workload agreement	1,018
- Teacher's threshold	400
- Leadership	200
SEN increase	250
Performance grant	275
TOTAL	43,278
Plus Fair Funding maintenance	
Contribution from capital	200

2.4.6 At the time of writing the report the details of ELWa funding for Sixth Form Education have not been released. Any major impact on the attached figures will be provided at the meeting.

2.5 Additional Resources from Chancellor

The Assembly have announced the distribution of the additional funding announced by the Chancellor before Christmas. Denbighshire's share will be £720k with a further £4k of Deprivation grant. The funding will be in the form of a specific grant the purpose of which will be to increase the capacity to care for people in their own homes and communities. Further details of the grant conditions are awaited. The use of this funding shown in column 6 of appendix 2 has to be regarded as provisional at this stage. The position is further complicated by the fact that it is not clear if the funding is to be on going.

2.6 Impact on 2005/6

2.6.1 As mentioned in previous paragraphs, some of the funding options suggested would impact on 2005/6, thus effectively making decisions over increases in expenditure in that year in advance. An estimate of the potential impact of the increased spending recommendations is as follows:

	£000
i) Items funded from specific service reserves but ongoing.	400
ii) Performance Improvement funding if not ongoing	
	841
iii) New care specific grant	720
iv) Personal Services bids for less than full year	523

TOTAL	
	2,484

2.6.2 This sum corresponds to an increased requirement for Assembly support of 2.33% above the requirement for inflationary and other pressures in 2005/6. The first indications of the likely level of Assembly support for 2005/6 & 2006/7 will not be announced until the Spring following the current spending review.

2.6.3 In the worst case scenario the impact of this rollover commitment on Council Tax levels if this proved to be the only funding source available would be an increase in 2005/6 of just over 8.5% above a standstill position.

3. Power to make decision

3.1 Section 151 of the Local Government Act 1972

4. Cost implications

4.1 The overall position is summarised in appendix 1, while the detail of bids for additional budget together with the proposed method of funding are shown in appendix 2. The impact on Council Tax of the current proposals would be an increase of 6.1% in 2004/5.

5. Corporate Director of Resources and Financial Controller statement

5.1 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, although this may be substantially achieved by the end of March 2004.

5.2 Some of the funding proposals for increased expenditure on services require efficiency savings to be delivered. It is an important element of the Council's agreed Financial Recovery Plan that all savings and cost reductions built into Budget proposals need to be robust and deliverable. A system of monitoring the achievement of the proposed reductions will be introduced to demonstrate delivery. Only after the savings are shown to be robust will expenditure increases be allowed. The monthly monitoring report on the new financial year performance against budget will report progress.

5.3 Attention is drawn to the potential impact of these proposals on Council Tax levels in 2005/6

6. Consultation carried out

6.1 Regular meetings have taken place between Lead Cabinet Members, Directors, Heads of Service and senior Finance staff, together with the Corporate Executive Team, to develop the recommended budget position for 2004/5.

Members are requested to refer to the two previous reports on the Standstill Budget requirement presented to the November and December Cabinets.

7. Implications on other policy areas including corporate

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

8. Recommendations

8.1 That Members consider the bids for additional resources for services in next financial year.

8.2 That in the light of the final Assembly settlement Members consider the funding proposals for the bids for additional funding for services.

8.3 That Members agree the level of Council Tax for next financial year for recommendation to County Council.

8.4 That Members consider the impact of proposals on the level of Council Tax in 2005/6.

1. Budget Requirement 2004/5

	-1- 2003/04 Base Budget £000	-2- 2004/5 Changes Agreed £000	-3- 2004/05 Inflation (provisional) £000	-4- Transfers of funding £000	-5- 2004/05 Commitments £000	-6- 2004/05 Standstill Base £000	-7- Recommended Growth £000	-8- 2004/05 Budget Requirement £000
Schools delegated budgets	39,937	0	1,198 (3%)	1,618	0	42,753	525	43,278
Lifelong Learning	17,158	330	525 (3%)	35	0	18,048	334	18,382
Environment	18,704	170	566 (3%)	-819	0	18,621	666	19,287
Personal Services	25,939	750	721 (3%)	-935	0	26,475	1,528	28,003
Resources	4,993	145	154 (3%)	0	0	5,292	46	5,338
Chief Executive	2,298	0	69 (3%)	0	0	2,367	0	2,367
Corporate	3,438	110	106 (3%)	-784	0	2,870	395	3,265
Precepts/levies	4,435	0	355 (8%)	0	0	4,790	0	4,790
Capital Financin /Interest	11,206	0	0	0	250	11,456		11,456
Contribution to balances	1,000	0	0	0	-950	50		50
PFI Unitary Charge	0	0	0	0	1,740	1,740		1,740
- PFI Funding Reserve	0	0	0	0	430	430		430
Contingency	100				-100			0
	129,208	1,505	3,694	-885	1,370	134,892	3,494	138,386

2. Level of Funding

Revenue Suport Grant	83,697		2,725	-1,322	0	85,100		85,100
- RSG PFI	0		0		1,750	1,750		1,750
NNDR	19,202		440			19,642		19,642
Deprivation grant	153		0			153	4	157
New Care grant	0					0	720	720
Performance Incentive grant	0					0	891	891
	103,052	0	3,165	-1,322	1,750	106,645	1,615	108,260
Service Reserves	0						934	934
Council Tax	26,156	1,350	741			28,247	945	29,192
	129,208	1,350	3,906	-1,322	1,750	134,892	3,494	138,386

ANALYSIS OF BIDS FOR ADDITIONAL BUDGET 2004/5 & POTENTIAL FUNDING SOURCES									
		-1-	-2-	-3-	-4-	-5-	-6-	-7-	
	BIDS	Service Reserves	Efficiency Measures	Performance Grant	Pressure	Further Review	Other inc b/f	Not rec for funding	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000
1. LIFELONG LEARNING									
Schools Delegated Budgets									
SEN - LSA/recopument	250				250				250
Sec schs PI grant targets	275			275					275
Music tuition inc demand	50							50	50
Non Delegated									
Music Service loss of grant	35							35	35
O/door Educ inc cont Jt Service	23		23						23
Sch Lib service loss of GEST	25							25	25
CDT replace equip H & S	60	60							60
SALT reduced grant	30						30		30
EAL inc demand reduced grant	55		40		15				55
Support Services to Schools									
Criminal Records Bureau	15		15						15
Staffing - Strategy & Resources	111					111			111
Curriculum support	35		35						35
ICT h/w & s/w support to schs	11		11						11
LEA Provision									
Transport	171							171	171
GEST reduced funding	325							325	325
Welsh Language scheme	14							14	14
Adult/Com Educ post	30			30					30
School security alarms	40						40		40
Student awards data migration	6		6						6
Tim Data reduced grant	20		20						20
Culture & Leisure									
3 yr Library PLan	44				44				44
Events programme	49				49				49
Youth service	38			38					38
Healthy Living Prog	35			35					35
Dig collections & artifacts	29		29						29
Biodiversity	19			19					19
Sports dev reduced grant	14			14					14
Children's Info service	88				30			58	88
TOTAL	1897	60	179	411	388	111	70	678	1897

		:									
		:	-1-	-2-	-3-	-4-	-5-	-6-	-7-		
		:	Service	Efficiency	Performance	Pressure	Further	New Care	Not rec		
	BIDS	:	Reserves	Measures	Grant		Review	Grant	for funding	TOTAL	
	£000	:	£000	£000	£000	£000	£000	£000	£000	£000	
2. PERSONAL SERVICES		:									
		:									
Children's		:									
Fostering	570	:	340	120		110					570
Addit management posts	54	:				54					54
Leaving care	41	:				41					41
Children's s/workers	101	:			41	60					101
Further s/w agency costs	86	:		36	50						86
		:									
Adults		:									
Fair charging	22	:							22		22
Disability equip CBAS	75	:						75			75
Care management	102	:						102			102
OPs service development	200	:						200			200
Care brokers	36	:						36			36
Work ops demog	74	:							74		74
Work ops PDSI	20	:						20			20
Sen Practitioner posts	37	:						37			37
EMH	60	:							60		60
Occ Therapists	33	:						33			33
		:									
Support		:									
Recritment & retention	44	:			44						44
Data inputters	32	:		32							32
Non HRA homelessness	125	:			125						125
		:									
	1712	:	340	188	260	265	0	503	156		1712
		:									
		:									
		:									
		:									
		:									
		:									
		:									

			-1-	-2-	-3-	-4-	-5-	-6-	-7-	
		:	Service	Efficiency	Performance	Pressure	Further	Other	Not rec	
	BIDS	:	Reserves	Measures	Grant		Review	inc b/f	for funding	TOTAL
	£000	:	£000	£000	£000	£000	£000	£000	£000	£000
3. ENVIRONMENT		:								
		:								
Image improvements		:								
Image improvements	220	:	70	40			110			220
Decriminalisation of parking	100	:	100							100
Liquor licencing	94	:	94							94
CCTV maintenance	42	:				42				42
Intereg	50	:	50							50
Dropped kirbs re disabled	50	:			50					50
CCTV staffing	40	:		40						40
		:								
Enforcement		:								
Contaminated land	85	:				85				85
HMO Registration	40	:			40					40
Housing enforcement	80	:			40				40	80
Food safety inspection	80	:		50	30					80
		:								
Property maintenance		:								
Valuation officer	12	:		12						12
Estates Man s/ware imp	35	:				35				35
Agri estates mtce	25	:		25						25
		:								
Workforce development		:								
Ob 1 claims support	22	:		22						22
EHO/TSO trainee	30	:			30					30
		:								
		:								
	1005	:	314	189	190	162	110	0	40	1005
		:								
		:								
		:								
		:								

			-1-	-2-	-3-	-4-	-5-	-6-	-7-	
		:	Service	Efficiency	Performance	Pressure	Further	Other	Not rec	
	BIDS	:	Reserves	Measures	Grant		Review	inc b/f	for funding	TOTAL
	£000	:	£000	£000	£000	£000	£000	£000	£000	£000
4. CORPORATE		:								
		:								
Chief Executive		:								
Jt Crime & Disorder Trainee	15	:		15						15
		:								
Legal & Admin		:								
Clerical support	18	:	18							18
Translation service	30	:	30							30
Members support	30	:							30	30
		:								
Personnel		:								
Occ Health p/t nurse	21	:				21				21
Single Status software	12	:	12							12
Learning & Dev	30	:			16	14				30
Trainer ICT	28	:		28						28
Graduate Trainee 2nd round	14	:			14					14
		:								
ICT		:								
Disaster recovery	30	:						30		30
Account manager support	32	:							32	32
		:								
Corporate		:								
C. C. Election	160	:	160							160
Area Partnerships funds	80	:						80		80
E Gov	173	:				75			98	173
Ruthin One Stop Shop	35	:				35				35
Info Man Strategy	20	:							20	20
Building Managers supplement	10	:		10						10
Members allowances	30	:							30	30
Members pensions	50	:					50			50
	818	:	220	53	30	145	50	110	210	818
		:								
		:								
		:								

		-1-	-2-	-3-	-4-	-5-	-6-	-7-		
	BIDS	Service Reserves	Efficiency Measures	Performance Grant	Pressure	Further Review	Other inc b/f	Not rec for funding	TOTAL	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
5. RESOURCES										
Audit										
2 additional auditors	58				28			30	58	
Personnel										
Relocation travel costs	15		15						15	
Personnel Asst for PSS	18				18				18	
Finance										
Procurement team	20						20		20	
	111	0	15	0	46	0	20	30	111	
OVERALL TOTAL	5543	934	624	891	1006	271	703	1114	5543	

PROPOSED BUDGET 2004/5

ANALYSIS OF PROPOSED USE OF SPECIFIC SERVICE RESERVES TO FUND GROWTH

	Current fund balance £000	Recommended application £000	Retained balance £000
<u>Lifelong Learning</u>			
Bodelwyddan Castle 1996 Lottery bid match funding	50	50	0
Mousematics	42	10	32
<u>Environment</u>			
Former Clwyd Enterprise fund	52	52	0
Contract services - equipment reserve	63	22	41
Bellwin threshold	220	220	0
<u>Personnal Services</u>			
Cefndy Enterprises - major works match funding	300	300	0
Llys Marchan repairs	50	40	10
<u>Corporate</u>			
Purchasing Consortium windup costs	670	120	550
Housing benefit subsidy clawback	500	120	380
	-----	-----	-----
	1947	934	1013
Other fund balances as at 31 March 2003 as per Statement of Accounts	1931	0	1931
	-----	-----	-----
	3878	934	2944
	-----	-----	-----

REPORT TO CABINET

**CABINET MEMBER: COUNCILLOR M A GERMAN, LEAD MEMBER
FOR SUSTAINABLE DEVELOPMENT AND
ENVIRONMENT**

DATE: 13 JANUARY 2004

SUBJECT: TAITH CONSTITUTION

1 DECISION SOUGHT

- 1.1 To establish a joint committee under section 101(5) of the Local Government Act 1972 and regulation 4 of the Local Authorities (Executive Arrangements) (Discharge of Functions) (Wales) Regulations 2002 No. 802 for the Taith consortium.
- 1.2 That Members approve the appended Taith Constitution subject to the changes outlined in paragraph 2.7.

2 REASON FOR SEEKING DECISION

- 2.1 The Cabinet meeting on 25 March 2003 (minute no. 1197) considered a report on a draft constitution for the Taith Regional Transport Consortium. The report noted the need for a regional approach to transport matters and the role that Taith plays in securing Transport Grant funding from the Welsh Assembly Government. It was resolved that Members:
 - approve in principle the setting up of a Taith board and subsidiary groups
 - authorise the County Clerk, Corporate Director: Resources and other relevant officers to contribute to the formalising of the Constitution
 - receive a further report to seek approval for the final version of the Constitution.

The reason for bringing the report to this Cabinet meeting is that the Cabinets/Boards of the other North Wales Authorities will have received reports recommending adoption of the Taith constitution

in time for the next meeting of the North East Wales Trunk Roads Partnership Joint Committee on January 23 2004.

- 2.2 There have been a number of meetings between the North Wales transport and highways heads of service to develop the final version of the constitution. Comments and suggestions from the Authority's County Clerk and Corporate Director: Resources have been fed into these meetings.
- 2.3 A final draft constitution was accepted by the Taith Consortium at its meeting on 12 November 2003 and requires ratification by each of the constituent Authorities.
- 2.4 The final draft constitution is shown in the appendix. It proposes that each authority appoints two Members to the Board to serve for a period of four years. A chairperson is to be appointed by the Board annually, that person being a councillor from each Authority in turn. Each Authority is to have one vote and decisions by the Board are to be made by a simple majority of votes. The Board is to be responsible for the adoption of the Taith Business Plan. The Cabinet has delegated to the Leader the power to appoint members of joint committees such as this body.
- 2.5 The Board will appoint a Management Group which will consist of an equal number of officers from each Authority. The Group will be responsible for implementing the Business Plan. Beneath the Management Group it is proposed to establish operational teams, the responsibilities of which will include the day-to-day business and management of Taith.
- 2.6 It is proposed to appoint one Authority to act as a management Authority for a period of at least four years. The management authority will provide all secretarial and administrative services, while its Section 151 Officer will make provision of all financial and accountancy services to Taith. The latter will include receiving and managing grants from the Welsh Assembly Government. The costs of the Management Authority, where not covered by grants, will be split between the six Authorities pro rata to the population of each Authority.

2.7 The final draft constitution was considered by a meeting of the North Wales authorities' Chief Executives who recommended the constitution subject to the following changes:

- paragraph 5.11 - appointment of staff would be undertaken by officers, unless the post was of sufficient seniority that would normally involve Members in the selection process. Should Members be involved in appointments these would comprise the Members nominated to the Taith Board. Consultation with the Board would be limited to consideration of the number and grades of posts or job descriptions;
- paragraph 6.22 four weeks instead of three should be allowed for consideration of the draft Business Plan;
- paragraph 7.1.1 should be re-written to ensure that Taith can continue should any member authority withdraw. Arrangements would also be needed to enable an account to be struck to ensure that a departing authority pays its dues (if any).

3 POWER TO MAKE THE DECISION

The Council has powers under section 101(5) of the Local Government Act 1972 and regulation 4 of the Local Authorities (Executive Arrangements) (Discharge of Functions) (Wales) Regulations 2002 No. 802 to enter into joint agreements with other local authorities.

4 COST IMPLICATIONS

At this stage all costs incurred by Taith are being covered by Welsh Assembly Government grants. Additional costs will be contained within service budgets.

5 FINANCIAL CONTROLLER STATEMENT

Costs in connection with the support of this group will need to be contained within the service budgets concerned.

6 CONSULTATION CARRIED OUT

The development of the constitution has been the subject of a number of meetings between the North Wales transport and

highways heads of service into which have been fed comments and suggestions from the Authority's County Clerk and Corporate Director: Resources. The final draft constitution was considered at a meeting of the North Wales authorities' Chief Executives who recommended the constitution subject to the changes outlined in paragraph 2.7.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

The future development of Taith will support the Council's efforts to reduce social exclusion through improved accessibility for non-car owners and to support Local Agenda 21 aims.

8 RECOMMENDATION

- 8.1 That Members agree to establish a joint committee under section 101(5) of the Local Government Act 1972 and regulation 4 of the Local Authorities (Executive Arrangements) (Discharge of Functions) (Wales) Regulations 2002 No. 802 for the Taith Consortium.
- 8.2 That Members approve the appended Taith Constitution subject to the changes outlined in paragraph 2.7.

APPENDIX

DATED

2003

AGREEMENT AND CONSTITUTION OF TAITH

THIS AGREEMENT is made the day of 2004 **BETWEEN**
CYNGOR SIR YNYS MON/ISLE OF ANGLESEY COUNTY COUNCIL of
GWYNEDD COUNCIL of
CONWY BOROUGH COUNCIL of
DENBIGHSHIRE COUNTY COUNCIL of
FLINTSHIRE COUNTY COUNCIL of
and WREXHAM COUNTY BOROUGH COUNCIL of
(collectively referred to as “the parties”) and is made pursuant to Section 101(5) of the Local Government Act 1972 as amended.

1. DEFINITIONS

Area	means the Local Government Area of each Authority as defined in Part 1 of Schedule IV to the Local Government Act 1972 (as amended) but excluding the Meirionnydd area of Gwynedd Council.
Authority	means any one of the individual parties to this Agreement
Board	means the joint Committee of the parties established pursuant to Section 101(5) of the Local Government Act 1972 as amended and comprising of two elected Councillors from each Authority as appointed by each Authority.
Business Plan	means the annual Business Plan approved by the Board to discharge the functions established by this Agreement for the following twelve month period.
Management Authority	means the Authority appointed from time to time to carry out the administrative, secretarial, financial and accountancy functions of Taith as set out in this Agreement
Management Group	means the group of Officers of each Authority established by this Agreement.
Region	has the same meaning as Area
Taith	means the name given to the joint committee, its functions and the work undertaken by its authority as established by this Agreement
Local	means any area within the Area being less than the whole of it

2. PURPOSES OF THIS AGREEMENT

The parties wish to establish the Board as a joint Committee under the Local Government Act 1972 as amended and hereby enter into this Agreement in order to:

- 2.1 fulfil the aims as set out in clause 3.1 below within the Region,
- 2.2 promote Taith as a recognisable identity within the Region,
- 2.3 adopt the constitution of Taith as set out in this Agreement and delegate to Taith the power to act on behalf of the parties for the matters and in the manner set out in this Agreement,

3. AIMS & OBJECTIVES

- 3.1 The aims of Taith are the development and adoption of a transport strategy and subsidiary strategies for the Region embodying the following principles and such other principles as may from time to time be agreed by the Board:
- 3.1.1 to extend the multi modal infrastructure of the Region,
 - 3.1.2 to support sustainable improvements to the level of commercial and economic activity in the Region,
 - 3.1.3 to enhance the safety and quality of transport services and infrastructure within the Region,
 - 3.1.4 to support a transport system meeting the needs of all the Region's residents,
 - 3.1.5 to promote improvement to transport links and policy integration with other areas outside the Region.
- 3.2 To achieve the above aims, Taith will undertake to complete the following objectives:
- 3.2.1 the development, review and implementation from time to time of a Regional Transportation Strategy or strategies setting the framework for Regional and Local transport investments to be made,
 - 3.2.2 the development, review and implementation of subsidiary strategies to address specific transport issues,
 - 3.2.3 the maximisation of benefits obtainable from all financial and grant aided sources for Regional and Local transport projects and initiatives,
 - 3.2.4 to support each Authority in the delivery of projects and initiatives contributing to the aims as set out in clause 3.1 above,
 - 3.2.5 to respond to the Welsh Assembly Government's transport initiatives for the benefit of the Region,
 - 3.2.6 to represent the Region in the lobbying and the making of representations on all transport issues within and beyond the Region which affect or relate to the aims as set out in clause 3.1 above.

4. BOARD AND MANAGEMENT GROUP

- 4.1 Each individual Authority shall appoint two of their elected Councillors to the Board to serve preferably for a period of four years.
- Each Authority shall have the right to nominate a substitute in place of either or both of their appointed Councillors who may carry out their functions at any one or more meetings of the Board.
- 4.2 A Chairperson shall be appointed by the Board annually with the Chairperson being a Councillor from each Authority in turn (so that each Authority shall provide one Chairperson in every six years).
- 4.3 Each Authority represented on the Board shall have one vote and decisions of the Board will be made by a simple majority of votes. The Authority providing the Chairperson for the time being shall have a casting vote in the case of votes being tied.
- 4.4 The Board shall be responsible for the adoption of the Business Plan.
- 4.5 A quorum for meetings of the Board shall consist of at least one elected Councillor (or their nominated substitute) from no less than five of the parties. Meetings of the Board shall be conducted in accordance with the standing orders for proceedings at meetings of the Management Authority. Where the provisions of those standing orders may conflict with the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4.6 The Board shall meet at least once a year or at such times as it may determine.

- 4.7 The Board shall have delegated authority from their parties to make decisions, enter into contracts and incur expenditure in pursuance of the aims of this Agreement as set out in clause 3.1 above.
- 4.8 The Board shall appoint a Management Group which shall consist of an equal number of officers from each Authority. The Management Group shall:
- 4.8.1 report to and support the Board,
 - 4.8.2 be responsible for liaising between each Authority and
 - 4.8.3 implement the Business Plan.
- 4.9 The Director of Transportation (or the person holding the equivalent post) of the Management Authority will act as the lead officer of the Management Group.
- 4.10 An officer serving on the Management Group may nominate a substitute to attend meetings of the Management Group in his or her place. Any member of the Management Group (or their nominee) may attend meetings of the Board but no such officer shall have a vote at meetings of the Board.
- 4.11 The quorum for meetings of the Management Group shall consist of at least one officer from at least five of the parties and such meetings shall be conducted in accordance with such procedures as the Management Group may from time to time agree by unanimity.
- 4.12 The Management Group shall meet at least four times a year and more frequently at the request of any officer of the Management Group on the giving to each Authority of seven days notice in writing.
- 4.13 The meetings of the Management Group will be held at the offices of the Management Authority unless otherwise unanimously agreed by the Management Group.
- 4.14 The Management Group shall not have power to amend or vary this Agreement or to bind any Authority on any matter without the approval of the Board.
- 4.15 The Management Group may establish an Operational Team (or Teams) consisting of at least one officer from each Authority (as chosen by the Management Group). Each Operational Team shall undertake such functions relating to this Agreement as may be determined by the Management Group and such functions may include the day-to-day business and management of Taith and the carrying out of the instructions given to that Team by the Management Group. Each Operational Team shall report to the Management Group who will resolve any disagreement amongst the officers of any Operational Team.

5. MANAGEMENT AUTHORITY

- 5.1 The Board shall appoint one Authority to act as Management Authority for a period of at least four years subject to the provisions for terminating this Agreement as set out in clause 7.1 below.
- 5.2 The appointment of the Management Authority may be terminated by all the other parties giving to the Management Authority three months' notice in writing.
- 5.3 Terminating the appointment of the Management Authority within four year period may only be made on the grounds of the Management Authority's incompetence, inability to act, negligence or wilful misconduct.
- 5.4 The Management Authority shall be responsible for the preparation and distribution of Agendas for meetings of the Board and Management Group, the taking of full minutes at such meetings and the preparation and subsequent distribution of those minutes at future meetings of the Board and Management Group respectively. The Management Authority shall, in addition to the foregoing, provide all secretarial and administrative services necessary to fulfil the functions of Taith.

- 5.5 The Section 151 Officer of the Management Authority shall make provision of all financial and accountancy services to Taith in accordance with the financial regulations and standing orders of the Management Authority for the time being.
- 5.6 The cost to the Management Authority of providing administrative, secretarial, financial and accountancy services to Taith shall be borne by each Authority in accordance with the provisions of Schedule 1 to this Agreement.
- 5.7 The Management Authority shall report on a regular basis to the Board on the financial status of Taith and lay before the Board once every year an account of Income and Expenditure for the previous year and a Balance Sheet for that year duly certified by the Section 151 Officer.
- 5.8 The Section 151 Officer shall be responsible for:
- 5.8.1 receiving and managing all grant monies from the Welsh Assembly Government (and any other grant-awarding body),
- 5.8.2 paying all proper accounts due under any contracts or agreements entered into by Taith pursuant to this Agreement and
- 5.8.3 paying all proper invoices rendered to the Management Authority by another Authority in respect of work done by that other Authority in pursuance of this Agreement which work has been authorised by the Board. Payment of such invoices shall be in accordance with the provisions of Schedule 2 to this Agreement.
- 5.9 Each Authority will allow access to any records, documents and accounts created by them in pursuance of this Agreement to the Auditors of the Management Authority within a reasonable time following a written request from such Auditors.
- 5.10. The Management Authority undertakes:
- 5.10.1 To ensure that the contents and specification of bids for funding to the Welsh Assembly Government (or any other funding agency) prepared by the Management Group and approved by the Board are in accordance with the terms agreed by the Board under the procedures set out in this Agreement.
- 5.10.2 To circulate to all other parties details of all bids for funding and details of the grants awarded or refused arising from such bids.
- 5.10.3 To abide by the standing orders of any Authority whom the Board has agreed shall procure a contract on behalf of Taith
- 5.11 Management Authority shall appoint the staff as detailed in Schedule 3 to this Agreement in accordance with their policies and procedures for appointments of staff and the costs of appointing and employing such staff shall be borne by each Authority in accordance with the provisions of that Schedule. Appointments to any vacancy amongst such staff shall be made in accordance with recruitment and selection procedures of the said Management Authority in consultation with officers of the Management Group. All appointments, whether initial or subsequent ones, shall only be made by the Management Authority after consultation with the Management Group and the Board.
- 5.12 The parties agree to indemnify the Management Authority for the time being in respect of all costs incurred by it in the discharge of its functions as the Management Authority under this Agreement other than any costs, liabilities or damages arising from the negligence or wilful misconduct of or on behalf of the Management Authority for the time being when discharging such functions.
- 5.13 All the costs properly payable to the Management Authority for the time being in accordance with clause 5.12 above shall be borne by the parties in the proportions as set out in Schedule 1 to this Agreement and shall be paid to the Management Authority in accordance with the provisions of that Schedule.

- 5.14 The Management Authority shall annually prepare and submit a Business Plan to the Board for approval at its first meeting on or after 1st April in each year. Each such Business Plan for the forthcoming year shall be circulated to each Authority before 30th September in the preceding year. The Business Plan shall include the following:
- 5.14.1 The annual budget for Taith which shall include all sums proposed to be recharged to the parties by the Managing Authority in the discharge of its functions as such under this Agreement and as calculated in accordance with Schedule 1 to this Agreement.
 - 5.14.2 The audited account of Income and Expenditure and the Balance Sheet as mentioned in clause 5.7 above including the auditor's comments.
 - 5.14.3 The details of any duly authorised borrowing undertaken in the previous financial year
 - 5.14.4 The details of all contracts entered into in the previous financial year and all those proposed to be entered into for the forthcoming financial year in pursuance of this Agreement.
 - 5.14.5 The details of any sums outstanding to or from each Authority from the previous financial year.
 - 5.14.6 The details of strategies and action programme during the Plan period.
 - 5.14.7 Any such other matter as any Authority may request and approved by the Board, be included.

6. OBLIGATION OF INDIVIDUAL AUTHORITY

- 6.1 Each Authority authorises Taith to act on its behalf in undertaking the role of Regional Consortium for the purpose of fulfilling the requirements of the Welsh Assembly Government relating to Regional Transport Strategies, transport and other grants and matters as may be set out from time to time which such matters shall include:
- 6.1.1 To hold grant monies awarded pursuant to applications made under this Agreement and awarded by the Welsh Assembly Government or any other funding agency and to use them for the purposes authorised by decisions of the Board.
 - 6.1.2 To make further application for and to receive, administer and make proper payments out of such grant monies as shall be required for the purposes of this Agreement throughout its duration and report such applications, rejections and awards to the Board.
- 6.2 Each Authority undertakes to be responsible for:
- 6.2.1 The procurement in accordance with their respective standing orders of any contracts that they are authorised to enter into pursuant to a decision of the Board.
 - 6.2.2 Considering the draft Business Plan submitted to it and either approving, rejecting or requesting amendments to it within (three) weeks of its receipt. Any Business Plan or part of such a plan which is rejected by any majority of the parties may not be submitted for approval to the Board in respect of that part of it which is rejected.
 - 6.2.3 Implementing the Business Plan and every subsequent Business Plan within its geographical area and ensuring that the provision of all resources required to fulfil its obligations as detailed in the Business Plan and in accordance with this Agreement are available.
 - 6.2.4 Paying to the Management Authority their own share of the costs incurred by the Management Authority properly acting as such as calculated and in the manner set out in Schedule 1 to this Agreement.
 - 6.2.5 To fund the work undertaken by Taith in each financial year pro rata to the population of each Authority. 'Population' here shall mean the population of each of the parties (excluding the Meirionnydd area when calculating the population of Gwynedd Council) according to the Registrar General's mid-year estimates for the month of June two years prior to each such financial year.

- 6.2.6 In respect of any work within its geographical area to make good any shortfall in funding between that allocated to the Authority by Taith and the actual cost of completing those works.
- 6.3 Any borrowing proposed to be made by Taith must be expressly approved by each Authority before being agreed to by the Board. Any borrowing so approved and agreed shall as to its principal sum and any interest thereon be treated as a liability of Taith and divided between the parties pro rata to the population of each of the parties (Gwynedd Council shall exclude the population of the Meirionnydd area). 'Population' here shall mean the population of each of the parties according to the Registrar General's mid-year estimates for the month of June two years prior to the financial year in which each such borrowing is incurred.
- 6.4 The ownership of and responsibilities for vehicles, equipment and tools and any other tangible assets to be held by Taith and the ownership and responsibilities of any highway, highway structure and street furniture constructed by monies secured and expended under the terms of this Agreement shall be in accordance with the provisions set out in Schedule 4 to this Agreement.
- 6.5 Where any Authority, other than the Management Authority incurs approved expenditure on behalf of Taith then that Authority shall notify the Management Authority of such expenditure. The Management Authority shall apportion the costs of such expenditure between the parties in accordance with Schedule 2 to this Agreement.

7. GENERAL PROVISIONS

7.1 Termination

- 7.1.1 Any of the parties may terminate this Agreement by giving to each of the other parties at least six months' notice in writing of its wish to do so.
- 7.1.2 On termination of this Agreement Taith shall be wound up in accordance with the provisions of Schedule 5 to this Agreement.
- 7.1.3 The Management Authority may terminate its appointment as such by giving to each of the other parties at least six months' notice in writing prior to the end of the financial year of its wish to do so.

7.2 This Agreement shall not be deemed to create an Agency or Partnership between each individual Authority under the Partnership Act 1890 but each Authority shall owe a duty of care and good faith to each other individual Authority in carrying out the obligations contained in this Agreement.

7.3 Nothing in this Agreement shall prohibit limit or hinder the actions of each Authority as a Local Highway Authority and the lawful application by them of any grant monies allocated to them.

7.4 Each Authority shall be responsible for any works undertaken pursuant to this Agreement on land which lies within that Authority's administrative boundaries.

7.5 Liabilities to Third Parties

7.5.1 Each Authority undertakes to indemnify the other parties to this Agreement against any costs claims demands damages or liabilities arising in favour of third parties as a result of any failure by such Authority to fully observe and perform its obligations contained in this Agreement insofar as such obligations are required to be performed and observed by that Authority.

7.5.2 Where any such costs claims demands damages or liabilities in favour of third parties arise other than through the said failure of any one or more Authority, then such costs claims demands damages and liabilities shall be treated by Taith as a cost of the Management Authority within the meaning of Schedule 1 to this Agreement and shall be recharged to each Authority in the proportions and in the manner provided for in that Schedule.

7.6 Any dispute or difference arising with any Authority as to the respective rights, duties and obligations or to any matter arising out of or in connection with the subject matter of this Agreement (including any dispute or difference with regard to the meaning or construction of this Agreement)

save as otherwise provided for by this Agreement shall be referred by any individual Authority and determined by an independent Solicitor or Barrister of at least 10 years standing and who is also a specialist in relation to such subject matter as is in dispute. Failure to agree on the appointment of such independent Solicitor or Barrister shall result in the appointment of the same by the President or Vice President or other duly authorised Officer of the Law Society on the application of either party. Any person so appointed under this clause shall act as an arbitrator in accordance with the Arbitration Acts 1950-1996 or any statutory modification from time to time in force.

- 7.7 The decision of any Arbitrator appointed hereunder shall be final and binding upon the parties to that dispute and the costs of such arbitration shall be in the absolute discretion of the Arbitrator.
- 7.8 Any notice to be served under this Agreement shall be sufficiently served if it is delivered or sent by Recorded Delivery Post or prepaid first-class post to the Director of Transportation (or the holder of the equivalent post) of each Authority at the address given for each Authority at the head of this Agreement (or such other addresses as subsequently notified by the Authority to the other parties to this Agreement in writing) and such notice shall be effective immediately.
- 7.9 The headings in this Agreement shall be not taken as part of the Agreement or in any way affect the interpretation or construction of the Agreement.
- 7.10 No modification alteration or waiver of any of the provisions of this Agreement shall be effective unless the same is approved by the Board whose decision must be unanimous and is in writing and signed by the duly authorised Representative of each Authority on the Board.
- 7.11 This Agreement represents the entire agreement between the parties and the full extent of the enterprise at the date hereof. Any subsequent variation or extension to the terms of this Agreement shall be fully and effectually incorporated into it and form part of it if set out in full in a Memorandum of Further Agreement sufficiently identifying and referring to this Agreement and signed by each Authority in accordance with clause 7.10 hereof.

IN WITNESS WHEREOF the parties hereto have caused their respective Common Seals to be hereunto affixed the day and year first before written.

SCHEDULE 1

Costs of the Management Authority

(a) The costs incurred by the Management Authority for the time being properly acting in its capacity as such and in respect of administrative, secretarial, financial and accountancy services to Taith and all other costs incurred by it arising out of or in connection with the work undertaken by it for Taith shall be certified by the Section 151 Officer of that Management Authority for each financial year and divided between the parties pro rata to the population of each of the parties.

(b) For the purposes of paragraph (a) above the population of each of the parties for the financial year in question will be the Registrar General's mid-year estimates for the month of June two years prior to that financial year. In calculating the population of Gwynedd Council the population of the Meirionnydd area shall be omitted.

(c) Following certification of the costs as calculated above the said Officer shall notify each Authority of the sum due from them and payment of such sums shall be made in a manner and in accordance with a timetable as agreed by the parties or, in default of such agreement, as notified to each Authority by the said Director.

SCHEDULE 2

Costs incurred by each Authority

Where an Authority other than the Management Authority for the time being, incurs expenditure previously authorised by the Board, such expenditure shall be notified to the Section 151 Officer of the said Management Authority in a manner as shall be agreed by the parties or, in default of such agreement, in a manner chosen by the said Officer and notified to each Authority in writing. Such expenditure, having been duly certified for each financial year and notified to each Authority by the said Officer, shall be divided between the parties pro rata to the population of each of the parties.

Population shall have the same meaning as given in paragraph (b) of Schedule 1 to this Agreement.

Having been duly notified of their share of the said expenditure, each Authority shall make payment of their allotted share to the said Management Authority in such a manner and in accordance with a timetable to be agreed by the parties or, in default of such agreement, by the said Officer.

SCHEDULE 3

Staff employed by Taith

In accordance with clause 5.11 of this Agreement, the Management Authority for the time being shall employ the staff and resources as determined by the Management Group and approved by the Board.

On termination of this Agreement the parties shall make reasonable endeavours to offer employment to any member of the said staff who would otherwise be redundant.

All costs of employing such staff including any costs of redundancy shall be treated as a cost of the said Management Authority within the meaning of Schedule 1 to this Agreement and dealt with accordingly.

SCHEDULE 4

Assets and Infrastructure

1. Any equipment, vehicle, tool or other tangible asset (asset) transferred by any Authority to Taith shall be transferred at the value it shall have on the open market at the date of such transfer. In default of any agreement as to that value between the Management Authority and the Authority transferring the asset, that value shall be determined by arbitration as provided for in this Agreement.
2. Any asset acquired by or on behalf of Taith shall be owned by each Authority jointly in shares pro rata to the population of each of the parties except that the population of Gwynedd Council shall exclude that of the Meirionnydd area. 'Population' shall mean the Registrar General's mid-year estimates for the month of June two years prior to the financial year in which such asset was acquired by Taith.
3. Any highway (as is defined in section 328 of the Highways Act 1980), highway structure or street furniture (infrastructure) constructed, adapted or improved pursuant to this Agreement shall be treated thereafter as the responsibility of the Authority within which such infrastructure is located except for highways for which the Welsh Assembly Government is the responsible Authority. The Authority bearing such responsibility shall be solely liable for the costs of future maintenance, improvement and repair of that infrastructure.

SCHEDULE 5

Provisions on Termination

Between the date of service of a notice to terminate this Agreement in accordance with clause 7.1 and the date when such notice takes effect, the Section 151 Officer of the Management Authority for the time being shall calculate all of the following matters for the period up to the date of such termination:

1. all sums due to the Management Authority in accordance with Schedule 1 to this Agreement,
2. any sum due to each Authority in accordance with Schedule 2 to this Agreement,
3. any sum due to the Management Authority in accordance with Schedule 3 to this Agreement,
4. any sum calculated as being a liability of Taith to a third party,
5. the share of each Authority in the assets of Taith as provided for in Schedule 4 to this Agreement,
6. the share of each Authority in respect of any outstanding borrowings (if any) made by or on behalf of Taith as provided for by clause 6.3 of this Agreement.

All such sums and shares as calculated above shall be notified in writing by the said Officer to each Authority within 3 months of the termination of this Agreement.

Any Authority so notified that they owe sums to Taith shall pay such sums to the Management Authority within 28 days of such notification.

Any Authority so notified that a sum is due to them from Taith shall be paid that sum in a manner as may be agreed between it and the Management Authority or, in default of such agreement, in a manner as decided by the said Officer.

If any sums or shares as detailed in the points numbered 1 to 6 in this Schedule shall arise or come to the notice of the said Officer after the date of termination of this Agreement, then each Authority shall, notwithstanding the termination of this Agreement, be bound to pay such sums or to receive such shares as may be notified to them by the said Officer as if such notification had been given before this Agreement had been terminated