

CABINET

Minutes of the Cabinet meeting held in Awelon, Ruthin on Tuesday 13 January 2004 at 2.00 p.m.

PRESENT

Councillors P A Dobb, Lead Member for Health & 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, W R Webb, Lead Member for Property and Asset Management and E W Williams, Lead Member for Economic Wellbeing.

Observers: Councillors S Drew, K N Hawkins, D M Holder, N Hugh Jones, G Jones, M M 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.

1 URGENT MATTERS

- (i) Lifelong Learning Scrutiny observations circulated for consideration with Agenda Item No 3.

2 MINUTES OF THE CABINET

The Minutes of the Cabinet meeting held on 16 December 2003 were submitted.

Item 4 Update on Children and Family Social Services: Councillor E A Owens asked that the first sentence of the second paragraph be amended to read "... the situation in particular she expressed concern that the agency chosen was based in London."

Item 5 Corporate Quarterly Performance Report: The Chief Executive apologised that the UDP departure information had not been provided for Councillor P A Dobb and assured her this would be forthcoming as soon as possible.

Item 7 New Vehicle Maintenance Workshops: In reply to a query from Councillor E C Edwards, the Corporate Director: Resources confirmed the provision of the new workshops would be included in the Capital Plan to be debated at the next meeting of the Cabinet.

Item 16 Prestatyn: Ffrith Beach Festival Gardens: Councillor W R Webb commented on the precedent being set in recommending to Council all sales proceeds from the disposal of part of the Ffrith be retained for investment in Prestatyn.

Item 19 Ysgol Plas Brondyffryn: (Councillor G M Kensler declared an interest in the item and left the room) The Corporate Director: Lifelong Learning advised that members of the Brondyffryn Trust would be meeting with the Charity Commission and members of the Trust later in the week.

Councillor E A Owens asked that her comments at the last meeting be included in the third paragraph: "Councillor Owens emphasised the need for the Council's liability to maintain residential places to be no greater than other Authorities across North Wales."

RESOLVED that subject to the above, the Minutes of the Cabinet meeting held on 16 December 2003 be approved as a correct record and signed by the Deputy Leader.

3 REVENUE BUDGET 2004-2005

Councillor E A Owens presented the report, and circulated the Lifelong Learning Scrutiny Committee's observations, seeking Members' consideration of bids for additional resources for services in the next financial year which took into account the review of prioritising by the service Scrutiny Committees. In the light of the Welsh Assembly Government's settlement, Members were asked to consider the funding proposals for the bids for additional funding for services and note the likely impact on the level of Council Tax for 2004-2005 and the potential impact of the proposals on the Council in 2005-2006.

Councillor Owens reminded Members that additional grants of £720k for the care of the elderly and £4k for deprivation had been awarded by the Welsh Assembly Government.

The Financial Controller detailed the figures in Appendix 1 attached to the report and said the first column was the starting position before the windfall from the Council Tax yield in the current year had been included. The second column included the impact in 2004-2005 of additional expenditure resulting from this increased yield. Column 3 detailed the inflation figure and column 4 the transfers in and out of the final settlement, for example the teachers' workload and threshold payments, the change in funding for housing and Council Tax benefit. The fifth column detailed the impact of the PFI scheme and the element of the costs to the Council. Column 6 therefore represented the standstill position if no additional expenditure was undertaken. Column 7 outlined the recommendations of bids for additional funding, and for 2004-2005 this additional funding would come from a variety of sources. If all the recommendations were agreed, the Council Tax increase would be just over 6%.

In response to a query from Councillor E C Edwards regarding the provision for PFI costs, the Financial Controller said the funding from the Welsh Assembly Government was greater in the early years than in later years. Funding had to be saved in a reserve for future years. He confirmed that the figure of £430k would not change although more staff would be accommodated in the PFI building than originally envisaged. The Chief Executive confirmed that the unitary charge of £1,740k could alter and if so, the budget would need to be adjusted at that time. Councillor Owens confirmed that Cabinet would be informed of any changes to costs once they were known.

Councillor E A Owens confirmed that there was no contingency funding for 2004-2005.

Appendix 3, which had been circulated separately, detailed the reserves carried forward from the last financial year and the element recommended for release by the Corporate Directors to fund bids.

In response to a query from Councillor W R Webb as to whether any further reserves were available other than those indicated, the Chief Executive said that other specific reserves of £1.931m were included in

Appendix 3. There was also a general reserve of £2.7m at March 2003, which should total £3m by the end of the current financial year 2003-2004.

Councillor R W Hughes said Bodelwyddan Castle were bidding for lottery funding and asked whether the original sum allocated could be included as the match funding. Councillor Owens said a new bid should be made for capital or revenue funding.

Councillor E A Owens discussed Appendix 2 which detailed the use of specific reserves in column 1 and the efficiency savings required by every Directorate detailed in column 2. She emphasised that neither the Schools Delegated Budget nor the Children's Services budget could be cut. Column 3 detailed the Potential allocation of Performance Grant funding from the Welsh Assembly Government.

Column 4 detailed the pressures which could not be funded from a source other than Council Tax whilst column 5 detailed elements for further review for which funding was not currently available. Column 6 detailed expenditure which may be possible to fund from other sources. This included the Personal Services Care Grant. Items not recommended for funding were detailed in column 7.

The Corporate Director: Lifelong Learning confirmed the GEST special grant funding has been cut by 30% by the Welsh Assembly Government and 50% of that funding was delegated to schools. This would result in parts of the statutory education strategic plan not being delivered although it needed to be recognised that the Authority's portion of the GEST funding had been kept at the same level.

With regard to the observations made by Lifelong Learning Scrutiny Committee, it was agreed that £60k for CDT could be released from reserves immediately. The SALT grant provision would need to be match funded and it was unlikely that this would be increased to allow provision in the south of the County. The Strategy and Resources staffing element at £111k required further examination. The transport provision was inflation proofed and as a result of a reduction in the number of school days in 2004-2005, the bid for £171k would not be required.

Councillor R W Hughes asked Cabinet to write to the Welsh Assembly Government with regard to the cuts in the GEST funding. The Corporate Director: Lifelong Learning said she would welcome a letter of support

from the Cabinet to the Welsh Assembly Government regarding the cuts in GEST funding.

Councillor E C Edwards asked the Corporate Director: Lifelong Learning whether all monies due had been claimed from the health alliances. The Corporate Director: Lifelong Learning confirmed that the Directorate was up to date with monies which could be drawn upon.

Councillor E A Owens referred to the position for schools as detailed in paragraph 2.4.5 of the report and said the funding should be carefully managed. In particular the teachers' threshold scheme gave teachers a salary of £6k over the maximum on the pay scale and Headteachers would need to take particular note of the figures.

With regard to the Personal Services Directorate, it was emphasised that some funding was for one year only. Councillor P A Dobb emphasised that the care specific grant was for reducing delays in patient transfers out of hospitals and housing schemes for the elderly and not for anything else. Councillor Dobb said the Authority was putting in a 6% increase to the independent sector whilst Conwy County Borough Council's increase was 7%. She asked Members to reconsider the use of the new grant of £720k and again emphasised that the specific care grant was to relieve NHS pressures, not funding for growth for the Authority.

The Chief Executive reminded Members that in Personal Services £750k had been agreed in the baseline change and that £1,528k was nearly half of the growth available for all services. The terms of the care grant had not yet been made available and the proposals might need to be reviewed when they were to hand.

Councillor E W Williams said the £22m awarded by the Chancellor to Wales was discussed at a recent meeting of some of the Local Authority Leaders. He said the Welsh Assembly Government had not consulted the WLGA regarding this award and their decision to award £19.1m as specific grant was contrary to what the chancellor had told Parliament. He said Cardiff had been awarded £1.9m towards 'bed blocking' but did not have a problem with 'bed blocking'. Councillor Williams said the Leaders hoped to have a meeting with the Minister, Sue Essex regarding this funding. The Chief Executive said there was no guarantee that this grant would be available in 2005-2006 although it was unlikely the Welsh

Assembly Government would not continue to fund capacity growth after one year.

Councillor W R Webb asked whether the Welsh Assembly Government would monitor the care specific grant. The Chief Executive said detailed guidance was awaited from the Welsh Assembly Government and that Denbighshire was acting appropriately as far as could be told at the moment and funding growth in services.

Councillor E A Owens detailed the Environment Directorate funding and agreed the Directorate had suffered more than other departments.

In response to a query regarding CCTV funding, the Corporate Director: Environment said the funding was partly for a new member of staff and partly to deal with operating problems. Councillor E C Edwards drew Members' attention to the major operational and maintenance problems with the current CCTV systems in Prestatyn and Rhyl and stressed the need for adequate investment in the CCTV system.

Councillor R E Jones, Chair of Resources Scrutiny Committee referred to the report considered by the Scrutiny Committee and the items listed in Appendix 2 of the current report and asked why some of the priorities had been changed. In response, Councillor E A Owens said Audit staff had been regraded. No extra efficiencies had been delivered and she was not prepared to fund a second additional post. Councillor Owens confirmed that there was no provision for Members' pensions or increases in allowances (over and above inflation), in line with the Council's aim to provide funding for front-line services. The Corporate Director: Resources indicated that he had made a proposal that more audit work could be undertaken on behalf of the Audit Commission in Wales, thereby reducing audit fees and increasing capacity.

In response to a query from Councillor G M Kensler regarding the £80k funding for the four Area Partnerships, Councillor E A Owens said the current year allocation had not been used and therefore the funding was being carried forward to the following year.

The Corporate Director: Lifelong Learning confirmed that details of the ELWa 6th form funding had not yet been received.

Members agreed with the Chief Executive's suggestion that the £60k for CDT equipment for schools should be released from special reserves immediately.

RESOLVED that Members:

- (a) *consider the bids for additional resources for services in next financial year*
- (b) *agree the early release of £60k of special reserves to fund CDT equipment in schools*
- (c) *in the light of the final Assembly settlement agree the funding proposals for the bids for additional funding for services*
- (ch) *agree the level of Council Tax at 6.1% for the next financial year for recommendation to County Council*
- (d) *note the impact of proposals on the level of Council Tax in 2005/6.*

4 TAITH CONSTITUTION

Councillor M A German presented the report seeking Members' agreement 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. Members were also asked to approve the Taith Constitution appended to the report subject to the changes outlined in paragraph 2.7 of the report.

Councillor E A Owens expressed her concern with regard to one Authority acting as the Management Authority and said the right of veto was required. The Chief Executive confirmed that the request that Cabinets should agree the recommendation as to which of the North Wales Authorities would be the lead authority would be put to other Councils.

The Corporate Director: Resources confirmed that paragraph 5.1 of the Appendix would need to be amended and the 5 other Authorities asked to agree the amendment. The Corporate Director: Resources agreed with

the concerns expressed by the Lead Member for Finance, and that there was a need for tight financial controls to be in place.

After further discussion, Members agreed Denbighshire's appointed representatives seek Cabinet agreement prior to appointing one lead authority.

RESOLVED that Members:

- (a) *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*
- (b) *approve the Taith Constitution appended to the report subject to the changes outlined in paragraphs 2.7 of the report and the amendment of paragraph 5.1 of the Taith Constitution to require Cabinet's prior endorsement of the proposed management authority.*

5 URGENT ITEMS

There were no Urgent Items

QUESTION AND ANSWER SESSION

There were no outstanding questions.

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

6 SINGLE TENDER ACTION - EXCEPTION TO TENDERING / QUOTATION PROCEDURE

Councillor D M Morris presented the report seeking Members' agreement to engage Open Logic Solutions to provide urgent assistance to the e-Government programme, as an exception to the Tendering / Quotation Procedure.

RESOLVED that Cabinet endorse the work and agree the exception to the quotations procedure in Standing Orders as detailed in the report.

The meeting concluded at 4.00 p.m.

REPORT TO CABINET

CABINET MEMBER: COUNCILLOR E A OWENS, LEAD MEMBER FOR FINANCE AND COUNCILLOR P A DOBB, LEAD MEMBER FOR HEALTH & WELLBEING

DATE: 27 JANUARY 2004

SUBJECT: IMPROVING THE COUNCIL HOUSING STOCK

1 DECISION SOUGHT

- 1.1 Cabinet notes the progress on reviewing options for the funding of improvements to the housing stock.
- 1.2 That Cabinet recommends to Council which option should be adopted in order to fund improvements to the housing stock :
 - a) stock transfer to a newly formed local housing company; or
 - b) retention of the housing stock and funding of improvements required via Prudential Borrowing.

2 REASON FOR SEEKING DECISION

- 2.1 “Better Homes for People in Wales”, the national housing strategy published by the Welsh Assembly Government (WAG) in 2002 requires all local authorities to quantify the extent of repair and improvement liabilities in respect of their housing stock, and to produce plans to bring their housing stock up to quality standards within 10 years. The strategy states that on the basis of current information, existing resources are nowhere near the amounts required to raise local authority housing to the quality standards required, and therefore local authorities must consider the options available to achieve this.
- 2.2 The Council is committed to finding a way to improve its housing stock to quality standards by 2012. Good quality housing also has positive effects on people’s physical health, their safety and mental wellbeing. Rundown housing causes other social and economic problems – communities become more prone to crime and vandalism, and attracting economic investment becomes difficult. Achieving improvement to the housing stock is therefore entirely consistent with the Council’s power under the Local Government Act 2000 to promote economic, social and environmental wellbeing.

2.3 A report to Cabinet on 21 October 2003 identified that of the only known viable options available to improve the housing stock to quality standards by 2012, Prudential Borrowing appeared to require a higher level of rent increases than stock transfer to a newly formed local housing company. It was noted, however, that it would be prudent to obtain the calculation of Housing Revenue Account (HRA) debt charges and HRA subsidy for 2004/5 from the WAG and an updated stock condition survey in order that these could be included in a final report from Deloitte & Touche on the funding potential of Prudential Borrowing. It was envisaged that this information would be available to enable a report to be brought forward in January 2004. Cabinet thus recommended to Council that a decision as to the option to be adopted to fund improvements to the housing stock be deferred for 3 months, and this was agreed.

2.4 The decision taken at paragraph 2.3 has been progressed as follows :

a) a draft stock condition survey report has been produced by FPDSavills, which takes account of the requirements of Welsh Housing Quality Standards. The stock condition survey provides details of the timing and value of repairs and improvements required, and these have been included in the business plan model used by Deloitte & Touche to identify the funding potential of Prudential Borrowing, and also to update the model used to value the housing stock if stock transfer is pursued. Further investigatory work is being undertaken by FPDSavills and Council Officers to finalise the report, but it is not expected that the timing or value of expenditure figures will change greatly.

b) the business plan model used by Deloitte & Touche has also been updated for latest estimates of income and expenditure (capital and revenue), plus details of the calculation of HRA debt charges and HRA subsidy for 2004/5 issued by the WAG for consultation. These calculations have not yet been finalised by WAG, although Assembly Officers have indicated that certain amendments will be made which do not appear to have any major impact on the calculations included in the business plan model.

2.5 The Prudential Code issued by CIPFA requires the affordability of improvements to be based on a consideration of whether the level of rent increases are acceptable. As a result of the updating to the business plan model outlined at paragraph 2.4 above, Deloitte & Touche have now been able to update the average level of rent increases required to fund improvements. The average level of rent increases that the Council would be required to make to 2012 and for the 20 year period thereafter to fund improvements via Prudential Borrowing (based on the central

scenario included in the Deloitte & Touche report), compared with the rent increases to tenants if stock transfer was pursued are shown at Table 1 below. The impact on the Council Fund of the adoption of either option, on the basis of both a worst-case scenario and a scenario where action is taken to mitigate the impact on the Council Fund is also included at Table 1.

Table 1

	Prudential Borrowing	Stock Transfer
	Average Rent Increases	
2004/5 - 2012/3	8.06%	4.07%
2013/4 - 2032/3	3.00%	3.00%
Compound rent increases to 2012/3	100%	43%
Average rents in 2012/3	£86.76	£62.15
Impact on Council Fund p.a. - worst case scenario	£158,000 - £178,000	£693,000 - £984,000
Impact on Council Fund p.a. - costs mitigated	£0	£324,000 - £329,000

2.6 Table 1 identifies that rent increases faced by tenants will be lower if the option of stock transfer is pursued. However, the impact on the Council Fund of stock transfer is greater than Prudential Borrowing. The rent increases in Table 1 are included in a report from Deloitte & Touche on the funding potential of Prudential Borrowing. This is enclosed at Appendix 1.

3 POWER TO MAKE THE DECISION

Part II of the Housing Act 1985, Provision of Housing Accommodation.

4 COST IMPLICATIONS

Stock Transfer

a) Revenue Issues

- 4.1 Certain costs currently borne by the HRA would instead be met by the Council Fund following stock transfer as they remain the responsibility of the Council. A detailed 5 year estimate of the revenue impact of stock transfer on the Council Fund is provided at Appendix 2 assuming stock transfer occurs on 1 April 2005. This has been updated for information concerning housing benefits and general capital funding.
- 4.2 Following stock transfer, the HRA would cease to exist. Any balance on the HRA and unused provision for bad debt would remain with the Council following stock transfer although this still has to be confirmed by WAG. This would help mitigate some of the ongoing costs to the Council Fund following stock transfer detailed at Appendix 2.
- 4.3 Appendix 2 indicates that on a worst-case scenario basis, stock transfer would appear to place a demand of £693,000 - £984,000 annually on the Council Fund. However, negotiation of transitional arrangements to provide support services and services delivered by Contract Services for 3 years and successful tendering for these services thereafter would reduce the impact on the Council Fund to £324,000 - £329,000 annually.
- 4.4 There would also be other costs which the Council would have to bear if stock transfer went ahead. These costs, which cannot be quantified at this stage, and will only become clearer if stock transfer is pursued, include :
- a) redundancy costs;
 - b) increase in the employers contribution to the Pension Fund;
 - c) insurance premiums to mitigate warranties given by the Council.
- 4.5 If stock transfer is adopted as the option to be pursued, the Council must obtain approval for the Provisional Application for Stock Transfer which has been previously submitted to the WAG. The Council must also begin the first stage of formal consultation with all tenants on the transfer of stock to Dyffryn Community Housing. The cost of this is estimated at £5,000, and can be met from the HRA. The cost of statutory consultation and the ballot would also be met from the HRA. Other costs incurred in relation to transfer can be defrayed against the capital receipt generated from the transfer. However, if transfer fails, any pre-ballot and post-ballot

costs will need to be met from the Council Fund, although the WAG have stated in principle it would meet up to 50% of reasonable pre-ballot costs.

b) Capital issues

- 4.6 Following stock transfer, all expenditure on improvements to the housing stock would become the responsibility of Dyffryn Community Housing. There may however be applications from tenants of Dyffryn Community Housing for Disabled Facilities Grants from the Council, which are met from general capital funding.
- 4.7 Stock Transfer would generate a capital receipt to the Council to be used to repay the outstanding amount of HRA debt, the costs of transfer and the early redemption of debt. If the receipt is not sufficient to meet these amounts, the “overhanging debt” would be met in full by the Assembly. This would thus extinguish the debt on the HRA. The latest valuation of the stock is being undertaken by Penningtons, and an update of this and the level of “overhanging debt” will be provided at the meeting.
- 4.8 Appendix 2 also provides a detailed 5 year estimate of the impact on capital of stock transfer. This shows that in the year following stock transfer, capital receipts of £2,147,000 would be received by the Council to fund improvements in the Council Fund. These receipts would be generated principally from the Council’s share of receipts from preserved right to buy sales under an agreement with Dyffryn Community Housing. The level of capital receipts produced annually for the Council Fund would then reduce annually, and would fall to £901,000 five years after stock transfer as the number of right to buy sales and the Council’s share thereof decreases. Initial legal advice on the use of the balance of capital receipts at 31/3/05 has raised concerns about whether this would be available to the Council. External legal advice is being sought to clarify this issue.

Prudential Borrowing

a) Revenue Issues

- 4.9 As Prudential Borrowing would involve retention of the housing stock, the Council would need to set rent increases and HRA estimates annually, as at present. The rent increases over the period to 2012 will be at levels as determined in the report by Deloitte & Touche. However, certain costs for housing strategy, welfare services and homelessness currently charged to the HRA should be charged to the Council Fund to ensure proper accounting treatment. The cost of this would be between £158,000 - £178,000.

- 4.10 The costs at paragraph 4.9 could be mitigated by recharges from the Council Fund for a share of services not currently met by the HRA e.g. committee administration, Members' allowances, external audit fees. It is likely that the recharges by the Council Fund would offset the costs noted in paragraph 4.9.
- 4.11 Estimates of HRA expenditure will also need to be set based on the stock condition survey and the findings in the Deloitte & Touche report. In particular, Management and Maintenance costs will need to be controlled to reflect the reduced housing stock as a result of right to buy sales. It is likely that expansions in service delivery will only occur if met by offsetting cost savings elsewhere. Such reductions will be required in order that debt charges incurred as a result of increased borrowing to fund improvements can be met. If reductions in Management and Maintenance costs are not made, rent increases will need to be higher than those indicated by Deloitte & Touche.

b) Capital Issues

- 4.12 Improvements to the housing stock based on those identified in the stock condition survey and the business plan model used by Deloitte & Touche will need to be undertaken. These would be funded by a combination of the MRA, capital receipts and borrowing.
- 4.13 The borrowing needed to undertake improvements to the housing stock will need to be added to the borrowing required for non-HRA capital projects, to determine prudential indicators for borrowing, as required by the Prudential Code issued by CIPFA. However, there is a risk that if the borrowing indicators set by this Council and other local authorities exceed overall borrowing limits set by HM Treasury, the WAG may require local authorities to reduce their borrowing indicators. Such a reduction could jeopardise the funding of the improvements required to the housing stock, and would mean that Welsh Housing Quality Standards may not be met.

5 FINANCIAL CONTROLLER STATEMENT

- 5.1 Appendix 2 to this report presents the impact of stock transfer on the Council Fund and capital resources. Negotiation of transitional arrangements for the first three years and success in tendering for services for the period thereafter would mitigate the financial impacts of stock transfer, but stock transfer will still have a significant impact on the Council Fund.

- 5.2 Retention of the housing stock would require rent increases as identified by Deloitte & Touche and noted at Table 1 above. These rent increases are higher than those that would be set by Dyffryn Community Housing in the period up to 2012 in order to achieve quality standards. Indeed the average rents charged by the Council in 2012/3 under Prudential Borrowing would be 100% higher than now, whereas rents would be 43% higher under Dyffryn Community Housing. The Prudential Code issued by CIPFA indicates that the affordability of improvements to the housing stock must ultimately be determined by a judgement of whether the associated rent increases are acceptable. If Members consider that rent increases are not acceptable, improvements expenditure must either be reduced or deferred. This, however, may mean that improvement of Council houses to quality standards by 2012 is not achieved.
- 5.3 Retention of the housing stock will require at least an annual update of the business plan model developed by Deloitte & Touche in order to ensure that decisions taken on capital and revenue expenditure ensure quality standards are met by 2012 and are acceptable in terms of the rent increases required. In particular, reductions in the Management and Maintenance costs associated with the housing stock to reflect the reduced housing stock levels following right to buy sales will be required. This represents a significant departure from the present situation where these costs are largely fixed and are often increased annually to expand the service. If such costs are not reduced, rent increases above those identified by Deloitte & Touche will be necessary to fund the improvements required.

6 CONSULTATION CARRIED OUT

A meeting of the Housing Options Working Party to consider this report was held on Thursday 22 January. The observations of the Working Party will be circulated at the Cabinet meeting. A briefing seminar on this report was given to all Members on Tuesday 20 January. The Housing Options Working Party involving Members and Tenants has been meeting regularly for three years. All tenants have received information on the proposed stock transfer in the form of five newsletters, a freephone enquiry line and 25 public meetings. An Independent Tenants Advisor is in place to ensure impartial and accurate information is given.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

Stock transfer or retention of the housing stock will have major implications for many areas of the Council including Community

Governance, Community Development, Regeneration and Anti-Poverty policies.

8 RECOMMENDATION

That Cabinet recommends to Council which option should be adopted in order to fund improvements to the housing stock :

- a) stock transfer to a newly formed local housing company; or
- b) retention of the housing stock and funding of improvements required via Prudential Borrowing.

Appendix 1

DENBIGHSHIRE COUNTY COUNCIL

**VIABILITY OF BORROWING TO FINANCE
HOUSING IMPROVEMENTS TO WHQS UNDER
THE PRUDENTIAL BORROWING REGIME**

January 2004

**Deloitte MCS Limited
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Manchester
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RE0303003/EPA

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Appendix C:HRA revenue account estimates: rents increased to make the plan affordable by 2012

Appendix D: Capital Expenditure Statement: capital expenditure based on Stock Condition Survey

Appendix E: Rent increases

Appendix F: HRA revenue account estimates: capital expenditure reduced to a level affordable to the HRA

Appendix G: Capital expenditure Statement : capital expenditure reduced to a level affordable to the HRA

Appendix H: Capital Expenditure

1. EXECUTIVE SUMMARY

This study has identified that £53.8m is required over the HRA business plan to enable the Council's housing stock to meet the Welsh Housing Quality Standard (WHQS) by 2012. This is based on improvement costs provided by FPD Savills. A funding shortfall of £18.4m results if rents are set by the Council to meet the Assembly's benchmark by 2012.

The average rent would need to rise by 8.09% annually in years 1-7 and at RPI of 2.5% + 0.5% annually thereafter in order to cover the funding shortfall. Stepped increases of this nature are not unusual within the housing sector. This equates to an average rise of 8.06%, compared with the 4.07% annual increase required to meet the Assembly benchmark by 2012, which would be the rent increase faced by tenants if stock transfer went ahead.

Capital expenditure would need be reduced by £18.4m in the period up to 2012. This would remove the funding shortfall without an additional increase in rents. However, this is likely to prevent the Council from meeting WHQS by 2012.

A reduction in capital expenditure, repairs expenditure or management costs, or an increase in supported borrowing provided to the HRA is unlikely to be feasible given the existing financial position of the Council. Therefore, rent increases are the only feasible way of funding the required improvements.

2. INTRODUCTION

2.1 Background

The National Assembly for Wales (NAfW) has set strict targets for local authorities to improve their housing to a new prescribed standard (WHQS) by 2012. Along with the WHQS, NAfW produced a template financial model for local authorities to use as a business-planning tool to verify the affordability of any planned approach.

Denbighshire County Council is currently examining the options available to it to achieve WHQS. The only current viable options to the Council are stock transfer to a newly formed local housing company or retention of the housing stock by the Council, who would fund the improvements required by the Prudential Borrowing regime. A business plan has already been developed for the company which would be formed if stock transfer went ahead. This is based on achieving WHQS by 2012, and would be funded by rises in rents towards benchmark rent, benchmark rent being achieved in 2012.

This report details the results of using the template financial model to explore the affordability of using the prudential borrowing arrangements (where local authorities manage their own borrowing) to finance the required improvements to WHQS.

2.2 Scope and terms of reference

2.2.1 Requirements

- Liaise with the lead consultants in relation to the business plan produced for the newly established local housing company.
- Produce 30 year Housing Revenue Account (HRA) estimates and capital expenditure plans, based on continuing ownership of the housing stock by the Council making use of the Housing Stock Business Plan Model supplied by the National Assembly (copy available). The Council will provide whatever information is required to complete the HSBP or agree appropriate assumptions.
- The HRA estimates and capital expenditure plans produced should allow the Council to manage and improve its housing stock to the WHQS.
- The 30-year HRA estimates produced should be based on current legislation, and the proposed legislative changes from April 2004. The changes incorporated should be based on the latest available information.
- Identify the resources available to meet the 30-year capital expenditure plans produced for the Council. This should be based on current legislation, and the proposed legislative changes from April 2004, which include the proposed Prudential Borrowing Regime. The

changes incorporated should be based on the latest available information.

- The impact on revenue of resources required to meet the 30-year capital expenditure plan should be incorporated within the 30-year HRA estimates. This should be based on current legislation, and the proposed legislative changes from April 2004, which include the proposed Prudential Borrowing Regime.
- Assumptions made by the appointed consultants at each of the stages described in the preceding paragraphs should be discussed and agreed with Council Officers.

2.2.2 Reporting

- The 30 year period to be reported on is 2003/4 to 2032/3 inclusive.
- Report the 30 year HRA estimates required to finance the 30 year capital expenditure plan, including the annual surplus/deficit on the Housing Revenue Account, and the HRA balance at the end of each year.
- Report any amendment that would be required to the capital expenditure plan to ensure the HRA balance remains at a level of at least 3.5% of income at the end of each year.
- Advise by means of a report to the Council incorporating the 30 year capital expenditure plans and HRA estimates, whether the Council can fund improvements required to its housing stock by 2012 to comply with “Better Homes for People in Wales” under current legislation and the legislative changes from April 2004, which include the Prudential Borrowing Regime.
- The final report must disclose the current legislation and the proposed legislation, including the proposed Prudential Borrowing Regime, relied upon to produce the final advice to the Council, including any assumptions made.

3. OUR APPROACH TO THE WORK

The work undertaken fell in to the areas outlined below :

- 1) the agreement of assumptions;
- 2) the creation of a 30 year business plan model for the Council based on :
 - i) 250 right to buy (RTB) sales in year 1, 200 in year 2 , 100 in years 3-10 and 60 in year 11 (RTB Scenario A) and the use of 25% of those receipts generated to finance improvements;
 - ii) the achievement of WHQS by 2012;
 - iii) rent rises to benchmark by this date.
- 3) amending the business plan model at 2) if setting rents to rise to benchmark by 2012 produced a shortfall of resources in the model. In this case, rent rises in the model were increased to the level needed to undertake improvements;
- 4) determining the following if the estimates of capital expenditure included in the business plan model at 2) cannot be met by setting rents to reach benchmark rents after 10 years :
 - a) the reduced level of capital expenditure which could be achieved;
 - b) the reduction in repairs required per annum;
 - c) the reduction in management costs required per annum;
 - d) the increase in supported borrowing required per annum;
 - e) the amendment of improvements expenditure per property to that given in the Stock Condition Survey.
- 5) The business plan model at 2) was then tested for different sensitivities :
 - a) different levels of usable capital receipts derived from the RTB Scenario A sales per annum;
 - b) different levels of right to buy sales.

Step 3) was repeated for each level of usable capital receipts and right to buy sales tested. The sensitivity with the lowest required average rent increase was identified, and steps 4) and 5) were repeated for this sensitivity only.

Further details of the work undertaken are provided at Appendix A.

4. FINDINGS

4.1 Assumptions

The assumptions underlying the business plan model were agreed with Denbighshire County Council Officers. See Appendix B for further details.

4.2 Business Plan Model

A 30 year business plan model for the Council was created based on :

- a) 250 RTB sales in year 1, 200 in year 2, 100 in years 3-10 and 60 in year 11 (Scenario A);
- b) the use of 25% of the receipts generated from these sales for improvements;
- c) the assumptions detailed at Appendix B.

This identifies that £53.8m needs to be spent on improvements to the Council stock if WHQS is to be achieved by 2012. However, the model indicates that if rent rises to the Welsh Assembly's proposed benchmark are adopted, there are insufficient resources available to undertake these improvements by that date. These real rent increases represent 1.57% in years 1-10 and 0.5% per annum thereafter. The shortage in resources generated by these rent increases is £18.4m.

4.2.1 Required Rent Increases

As noted in the previous paragraph, setting rent rises to reach benchmark by 2012 failed to provide the level of resources needed to undertake £53.8m of improvements required. As a result, the rent increases which would be required to undertake these improvements were determined. This identified that the average rent increase required to reach WHQS by 2012 was 8.06%. Real increases of 8.09% are required in years 1-7 and increases at RPI+0.5% in years 8-30. The HRA estimates and capital expenditure plans based on the required rent increases identified are detailed at Appendices C and D. A comparison of the rent increases required over the period to 2012 to undertake the improvements with the rent rises set to reach benchmark by 2012 is provided at Appendix E.

4.2.2 Reduced Expenditure/Increased Resources

As paragraph 4.2 highlighted that setting rent rises to reach benchmark by 2012 failed to provide the level of resources needed to undertake £53.8m of improvements, the following were determined:

- a) the reduced level of capital expenditure affordable. This totalled £35.4m over the period, leaving a shortfall in improvement expenditure required to achieve WHQS of £18.4m over the period to 2012. In addition, reductions in capital expenditure were required up to and including year 5. Therefore, WHQS is unlikely to be achieved by the deadline. The HRA estimates and capital expenditure plans based on the reduced

capital expenditure identified are detailed at Appendices F and G. For further details of the reduced capital expenditure and the expenditure required, see Appendix H.

b) the reduced level of repairs affordable. The reduction of repairs and cyclical maintenance costs to £nil per property per annum up to 2011 make the business plan affordable. However, the concept of not incurring repairs is not feasible;

c) the reduced level of management costs affordable. This totals £49.95m over the period, a reduction of £28.8m. Again, a reduction of this magnitude is unlikely to be feasible;

d) the increased level of supported borrowing required to enable the improvements expenditure in the model to be determined. Supported borrowing totalling £14.95m would need to be diverted from Council Fund activities over the period to 2012 in order to provide resources to enable improvements included in the business plan model to be undertaken. Total supported borrowing over the life of the business plan of £26.45m would be required;

e) the impact on required rent increases of including improvements expenditure based on the Stock Condition Survey rather than the improvements required to achieve WHQS by 2012. Average rent increases required to 2012 to achieve WHQS were reduced from 8.06% (per paragraph 4.2.1) to 7.66%.

4.3 Business Plan Model - Right to Buy Sales/Usable Capital Receipts

The business plan model at paragraph 4.2 was tested for:

- i) different levels of right to buy sales;
- ii) different levels of usable capital receipts derived from the RTB Scenario A included in the model.

This testing at i) and ii) was based on rent rises to benchmark, and indicated that insufficient resources were available in the business plan model to undertake improvements by 2012. Rent increases were set to ensure that funding was available throughout the business plan life cycle. Increases were also set in order to minimise the HRA fund balance to the Council's policy level. In practice this meant increasing rents in real terms through years 1-6/7 and only increasing rents by RPI or RPI + 0.5% in years 7/8-30.

Differing levels of RTB sales and differing levels of usable capital tested did not generate sufficient resources to undertake the required improvements within the 2012 deadline, or indeed over the whole of the 30 year period. It was therefore necessary to test for increasing rent levels and reduced capital expenditure.

4.3.1 Required Rent Increases

The rent increases required to undertake the improvements to WHQS by 2012 were identified for each of the levels of right to buy sales and usable capital receipts tested at paragraph 4.3 i) and ii) above. The best case average rent rise over the period to 2012 were those from the use of 25% of capital receipts to fund improvements and RTB sales of 250 in year 1, 200 in year 2 and 250 in years 3-6 (RTB Scenario D),

which produced the lowest average rent rise of 7.73%. This is greater than the level required to deliver rent rises to benchmark. The HRA estimates and capital expenditure plans based on this scenario are shown at Appendices I and J.

The results of testing provided at paragraphs 4.3.2-4.3.4 below are based on the inclusion of RTB Scenario D and 25% of capital receipts in the business plan model, as this is the sensitivity which produced the lowest average rent rise.

4.3.2 Reduced Expenditure/Increased Resources

The use of 25% of capital receipts generated from RTB Scenario D to undertake improvements does not provide sufficient resources to undertake the improvements included in the business plan model. Testing has identified the following:

- capital expenditure on improvements of £49.7m requires funding. Only a reduction in capital expenditure to £42.1m to 2012 can be funded by the Council. In addition, the WHQS deadline will not be met;
- as in 4.2.2 (b) a reduction in repairs and maintenance spend to £nil up to 2011 means that the plan becomes affordable. However, this is not a feasible option, given the Council's responsibilities to tenants;
- a reduction of management expenditure from £78.7m to £55.19m is required over the business plan life if major repairs are to be fully funded. This reduction of £23.51m is unlikely to be feasible;
- the level of supported borrowing necessary to fund the improvements of housing to meet WHQS by 2012 is £13.5m. The total supported borrowing over the life of the business plan of £33.6m would be required. Again, this level of funding is not supportable.

5. CONCLUSIONS

Based on the data and assumptions provided to us by the Council and the business plan model developed jointly by the Welsh Assembly, the Council and Deloitte, the main conclusions are as follows:

- the Council have calculated the rent increases necessary to reach the Assembly's benchmark rents by 2012. These real increases are 1.57% pa from years 1-10 and 0.5% thereafter.
- £53.8m of capital improvements are required over the period to 2012 and the rent increases that would be applied to the current average rent in order to meet the Assembly's benchmark are insufficient to deliver these improvements.
- A funding shortfall of £7.3m has been identified.
- The rent would need to rise by an average 8.06% annually to meet the funding shortfall by 2012. Real rent increases of 8.09% p.a. will be needed in years 1-7 and 0.5% p.a. thereafter.
- Reductions in capital expenditure, management costs and repairs expenditure could be actioned in order to meet the funding shortfall. However, this is likely to prevent the Council from meeting the WHQS by 2012 and other costs reductions are of such a magnitude that they are unlikely to be feasible. Increasing Council funding to the HRA is also unlikely to be feasible.
- Detailed testing of a scenario that applied RTB Scenario D (250 sales per annum) was also completed since this gave a "second best" rent increase of 7.73% up to 2012. The conclusions for this scenario are in line with the base case, thus reducing expenditure or increasing Council funding is either unfeasible or unlikely to enable the Council to meet its legislative requirements.

6. APPENDICES

6.1 Appendix A

6.1.1.1 Assumptions

We liaised closely with Denbighshire County Council finance staff to create the business plan model over the 30 year period required. The assumptions used in producing the business plan model for the Council are provided in detail at Appendix B. The cost per property of improvements (capital expenditure) over the 30 year period in the business plan model were mainly based on the FPD Savills stock condition survey. The cost per property is calculated to ensure that the housing stock of the Council is brought up to WHQS by 2012. Rent levels included in the model are set to reach benchmark rents after 10 years and then remain at these levels.

It has been assumed in modelling outcomes under the Prudential Borrowing regime that:

- a) a separate ring fenced HRA is retained;
- b) set aside of capital receipts is removed, meaning that 100% of capital receipts generated are available to the Council to fund the cost of improvements, however 75% set aside of capital receipts remains for subsidy purposes;
- c) rent rebates and accompanying subsidy are removed from the HRA;
- d) any housing element surplus within Housing Revenue Account Subsidy is paid into a national pool;
- e) prudential borrowing is introduced and credit approvals abolished. Any borrowing required is assumed to fall within corporate indicators set for the Council;
- f) the credit ceiling (or its successor) and minimum revenue provision continue to be used in the Prudential Borrowing regime;
- g) support provided for debt charges on borrowing within Housing Revenue Account Subsidy will be limited to past borrowings only. No subsidy support will be provided on borrowing undertaken following the introduction of Prudential Borrowing.

6.1.1.2 Business Plan Model

It was identified that the NAFW model to be used to produce the business plan model for the Council had not been designed with prudential borrowing in mind and it was found necessary to make adjustments to the NAFW model to rectify this.

The business plan model for the Council was then created based on the assumptions outlined above and those detailed at Appendix B.

Capital expenditure costs calculated took account of the fact that the number of Council properties will fall during the period covered by the business plan model as the Council sells properties under the right-to-buy scheme. Sales of 100 properties per annum were built into the model, as this is the historic rate at which Council properties have been sold. The capital expenditure costs from improvements were financed from 25% of the capital receipts generated from right to buy sales with the remainder of expenditure being funded from the Major Repairs Allowance and borrowing. The level of 25% of capital receipts generated was used as this is the level of receipts currently available to the Council.

6.1.1.3 Required Rent Increases

The level of borrowing and the costs associated with this in order to fund the improvements identified within the Stock Condition survey built into the business plan model must be affordable to the HRA. In order to validate this, a check is included in the business plan model to test if there are sufficient resources available to meet the capital expenditure plans in the model.

Where the capital expenditure plans produced by the business plan model were less than the resources available in the business plan model, increases to the annual rent rises were made until the resources in the model were sufficient to meet the capital expenditure plans.

6.1.1.4 Reduced Expenditure/Increased Resources

Where the resources in the business plan model were insufficient to meet capital expenditure plans produced by the business plan model, the following were determined :

- a) the reduced level of capital expenditure which could be met from the resources included in the model;
- b) the reduction in repairs per annum required to remove the shortfall;
- c) the reduction in management costs per annum required to remove the shortfall;
- d) the increase in supported borrowing per annum required to remove the shortfall;
- e) the amendment of improvements expenditure per property to that given in the Stock Condition Survey (i.e. elements are replaced when due, rather than when promised to tenants).

The amendment at e) was undertaken as improvements expenditure, whilst based on figures included in the Stock Condition Survey, is included in the business plan model to meet certain commitments made to tenants. This means that certain improvements expenditure occurs earlier in the business plan model than the Stock Condition Survey. Improvements expenditure based on the timing included in the Stock Condition Survey were included in the business plan model to identify if this could be met from the resources available.

6.1.1.5 Business Plan Model - Right to Buy Sales/Usable Capital Receipts

The level of right to buy sales per year included in the business plan model was then tested for different levels of sales. This was undertaken as it was recognised that the level of sales is uncertain, impacts on the level of capital expenditure incurred by the Council over the period of the business plan model, and influences the level of capital receipts available to fund the capital expenditure incurred.

The percentage of capital receipts generated from right-to-buy sales which were available to finance improvement expenditure was also tested, based on sales of 100 properties per annum. This was undertaken as it was recognised that the level of capital receipts made available to finance improvement expenditure was a funding variable that Denbighshire County Council could influence now the requirement to set aside capital receipts has been abolished.

The business plan model was thus tested for the right to buy sales levels and usable capital receipts levels included in Table 1 below.

Table 1

Right-to-buy sales per year	% Useable receipts
50	0
	25
100	50
	75
150	100
200	

6.2 Appendix B

Detail of assumptions and sources of data for the various scenarios line by line.

6.2.1.1 *Term of the business plan.*

This has been taken as the thirty years to April 2032. This timeframe has been used as it is the same as the timescale set out by the NAFW within their business plan model.

6.2.1.2 *Global inputs.*

- a) Type of stock:
The model allows for 6 types of stock, only one type has been entered because analysis along type of stock is not required for the purposes of this report.
- b) Rate of inflation:
Per the 'Guidance for Local Authority Housing Stock Business Planning' from the NAFW (2.5%) in all models. This rate is in line with the target rate of inflation set by the Monetary Policy Committee.
- c) Discount rate:
Although this appears in the model notes from the NAFW, no such field appears in the model provided, so no discount rate was entered.
- d) Interest rates:
 - (i) Consolidated rate of interest (subsidy) 7.05% for years 1-2, 7.04% for year 3, 7.03% for year 4, 6.99% for year 5, 6.98% for years 6-8, 6.95% for year 9, 6.96% for year 10, 6.76% for years 11-15, 6.46% for years 16-20, 6.22% for years 21-25 and 6.04% for years 26-30.
 - (ii) Consolidated rate of interest (HRA) uses the same rates as Consolidated rate of interest (subsidy).
 - (iii) Interest earned on balances 0% DCC assumption
 - (iv) LIBID rate for negative mid-year subsidy credit ceiling is 3.85% based on advice received by Denbighshire County Council.
- e) Return on capital:
Although this is mentioned in the notes to the model, this field does not appear in the version of the model provided to us, so no effort was made to estimate this amount.
- f) Number of rent weeks:
The number of rent weeks is 52 as agreed with Denbighshire County Council.

6.2.1.3 Income

- a) Stock levels:
3928 units. All have been classified as tenanted per information from Denbighshire County Council.
- b) Numbers achieving WHQS:
486 units per information from Denbighshire County Council. This is based on the number of improvements to properties over recent years.
- c) Average rents:
This has been taken as £43.46 for 2003/2004 as provided by Denbighshire County Council.
- d) Real increases/decreases:
1.57% in all models for years 1-10, to ensure rents equate to benchmark rent at the end of this period. 0.5% after this, to ensure rents remain at benchmark.
- e) Voids and bad debts:
2.15% per most recent experience at DCC per Penningtons.
- f) Service charges:
Service charges are included within the rent charge on the properties concerned so no service charge has been included.
- g) Increase/decrease in service charges:
Because of e) above these are not relevant.

6.2.1.4 Other income

The figure of £89,458 p.a. is for garage rental, which will remain static as regards real increases, and decreases for the purposes of the business plan.

The figure of £141,243 is for the recovery of housing benefit overpayments. As housing benefits are excluded from the HRA from 2004-05, this figure reduces to £0 from year 2.

6.2.1.5 Miscellaneous income

This is £15,000 p.a. reducing to zero over 4 years. This relates to interest earned from local authority mortgages provided to tenants, and is also included in the HRA subsidy inputs.

6.2.1.6 Right to buy

An estimate of 250 for the number of sales in the first year and 200 sales in the second year has been taken based on most recent estimates. The remaining years have been tested at three different values for the differing scenarios in different versions of the model.

50, 100, 150 and 200 sales per annum are the different scenarios used to check whether a variation in the rate of right to buy sales may affect the viability of financing with the prudential borrowing regime.

About 1% of sales relates to flats sold on a lease, but because the transaction is so similar financially it has not been separated out so all sales have been entered as freehold sales.

For the remaining right to buy data:

- a) Usable portion of the RTB receipt:
This has been taken as 25% corresponding to the situation for the year 2003/2004. The NAFW model has not been designed with the prudential borrowing regime in mind, and it is assumed that once the regime comes into force the proportion of the right to buy receipt available for use will be up to 100%. The construction of the HSBP model does not allow this proportion to be changed over the course of the business plan. Denbighshire County Council finance staff have provided an auxiliary model to adjust the NAFW model so that it will reflect changes in the proportion of usable receipts following the prudential borrowing regime coming into force (years 2-30).

The model has also been split into separate versions depending on this 'usable proportion', with the main assumption being that 25% will be usable, but also versions of the model being populated with data where the proportion is 0%, 50%, 75% and 100%. This has been done for the scenario of right to buy sales of 100 per year from year 2 onwards.

- b) The following assumptions were also agreed:
- (i) Projected average RTB valuation is the gross valuation for 2003/2004 (£39,829).
 - (ii) Average RTB discount is expected to be 43,54%.
 - (iii) The average increase in RTB discount is 0% per information provided by Denbighshire County Council.
 - (iv) The maximum RTB discount has been assumed to be £24,000 per Denbighshire County Council.
 - (v) The admin cost per each unit sold per Denbighshire County Council is expected to be £680 in 2003/2004
 - (vi) The real increase in the average valuation has been set to

ensure the receipt generated agrees to a separate working produced by Denbighshire County Council.

(vii) The authority is not debt free

(viii) There are not expected to be any non-RTB receipts

6.2.1.7 Other Stock changes

It has been assumed that no significant demolitions, transfers or acquisitions will occur during the period in question so these input variables have been left blank.

6.2.1.8 HRA subsidy and credit ceilings

- a) Management and maintenance subsidy:
Per information provided by Denbighshire County Council the subsidy for 2003/2004 is £1,255 per dwelling.
- b) Notional rent:
Per information provided by Denbighshire County Council the average notional rent for 2003/2004 is £43.48. The assumed growth rate used is 1.3% for year 2 and 0.88% for years 3-30, based on increase in notional rent for 2003/4.
- c) Other reckonable expenditure:
assumed to be £0 per Denbighshire County Council.
- d) Interest on receipts for subsidy:
This is £15,000 in year 1 and reduces linearly over 4 years, and represents interest from authority provided mortgages, which are coming to the end of their terms.
- e) Debt management expenses:
This is £10,000 per Denbighshire County Council.
- f) Admissible basic credit approvals:
For 2003/2004 this is £1,146,000 and is 100% for HRA use. However, the MRA will be introduced from 2004/5 and it is assumed no supported borrowing will be provided from 2004/5.
- g) Supplementary credit approvals:
SCAs for 2003/2004 are £250,000. Under the prudential borrowing regime SCAs are abolished from 2004/2005.
- h) Leasing subsidy:
This is £0 per Denbighshire County Council
- i) Credit ceilings:
£16,675,154 and £16,103,440 are per Denbighshire County Council.

6.2.1.9 Analysis of stock

From the guidance on completing the model given by NAFW this input area should only be completed if the authority believes the movement in the stock will be greater than 10% in any one year, so this area has not been completed as this is not the case.

6.2.1.10 Management and service charges

- a) The service charge for the tenanted properties is £0 as the figure is included in the rental charge. The management charge is based on the 2003/2004 estimates for Denbighshire County Council and is £2,072,454 (total of Supervision & Management General, Supervision & Management Special, Repairs Management, Welfare Services, Homelessness, and Rents) split 85% fixed 15% variable.
- b) Increase year on year:
This has been assumed to be 0.5% per Denbighshire County Council.

6.2.1.11 Other revenue spend

This input area has been used to correct an apparent functional difference in the model provided by the NAFW. The borrowing undertaken in the model is based on credit approvals included within admissible credit approvals, rather than what the Council can afford. This input area has been used to include debt charges on additional borrowing.

- a) One off other revenue spend:
This is calculated as the actual financing costs (the mid year credit ceiling multiplied by the consolidated rate of interest) less the borrowing cost calculated in the model.
- b) Real increase/decrease:
This has been entered as -2.5% to make sure that the effects of inflation aren't taken into account when the adjustment in a) above are put through the model.

6.2.1.12 Miscellaneous expenses

This input area has been used to correct an apparent functional difference in the model provided by the NAFW. The borrowing undertaken in the model and the subsidy given on associated debt charges is based on credit approvals, rather than what the Council actually borrows if this is lower than the credit approvals amount. This input area has been used to limit subsidy on debt charges to the lower of actual borrowing or that based on supported borrowing.

6.2.1.13 Rent rebates

For 2003/2004 rent rebates are 60.58, and the percentage for future years is based on a separate working provided by Denbighshire County Council.

- a) Percentage of rent rebated:
This has been taken from figures provided by Denbighshire County Council
- b) Threshold for rent rebate limitation :
This has been taken from the HRA Subsidy determination for 2003/4 and is assumed to remain unchanged over the course of the model.
- c) Base year contribution:
This has been taken from the average weekly rent for 2003/2004 at £43.48
- d) Net HRA cost of 'incentive area' expenditure:
This has been taken as 1.12% for year 1, 1.06% for year 2, 0.53% for year 3 and 0% for years 4-30 per Denbighshire County Council.

6.2.1.14 Responsive and cyclical repairs

Cost per unit per annum are based on the figures included in the FPD Savills Stock Condition Survey, adjusted for stock size reduction.

6.2.1.15 Catch up and planned repairs

This was taken from the figures included in the FPD Savills Stock Condition Survey. The figures were adjusted for stock size reduction.

6.2.1.16 Improvements

The approach was similar to 6.2.1.15 above with detail being provided from the FPD Savills Stock Condition Survey. The expenditure profile for Improvements differs to that in the FPD Savills Stock Condition Survey. Certain expenditure is timed to occur earlier than that in the Condition Survey to meet commitments made to tenants. As expenditure required in 2003/4 cannot be met in full from the resources available, part of the expenditure has been deferred into 2004/5 when the Prudential Borrowing regime is introduced.

6.2.1.17 Other capital spend

The approach has been similar to 6.2.1.15 above. Figures based on the Stock FPD Savills Stock Condition Survey were provided by Denbighshire County Council.

6.2.1.18 WHQS

The amount of houses meeting the Welsh Housing Quality Standard are shown to steadily increase from year 1 to year 10.

6.2.1.19 Contribution to repairs

This input area has not been used as there are no contributions to repairs per Denbighshire County Council.

6.2.1.20 Capital finance

This is another area where the auxiliary model has been used to adjust the main NAFW model. The amount calculated is taken as:

Total borrowing required;	less
Supported borrowing;	plus
net usable capital receipts;	less
unused right to buy receipts	

The financing costs are premiums for early repayment of debt, and any negative amounts are discounts for early redemption.

6.2.1.21 Other fixed asset movements

No data entered here per Denbighshire County Council.

6.2.1.22 Notes to the accounts

These figures have been derived from the spreadsheet or are estimates made by Denbighshire County Council.

6.2.1.23 Minimum HRA working balance

This has been taken to be 3.5% of annual HRA income over all 30 years, a working assumption per Denbighshire County Council.

6.2.1.24 Reduction in capital expenditure plans

Capital expenditure plans judged unaffordable are amended by reducing expenditure in the following order :

- a) Improvements;
- b) Catch Up & planned;
- c) Other Capital Spend.

6.2.1.25 Utilisation of resources

The model uses resources in the following order :

- a) Borrowing on which subsidy is provided;
- b) Usable Capital Receipts;
- c) Major Repairs Allowance;
- d) Borrowing on which subsidy is not provided.

Appendix C

Scenario : 25% usable capital receipts and 100 right-to-buy sales per year with the rents increased to make the plan affordable by 2012

Housing Revenue Account Estimates

Year	Year	Net Rent Income £'000	Other Income £'000	Misc. Income £'000	Major Repairs Allowance £'000	Total Income £'000	Management £'000	Maintenance £'000	Debt Charges £'000	HRA Cost of Rent Rebates £'000	HRA Subsidy Payable £'000	RCCO £'000	Total Expenditure £'000	Surplus/ (Deficit) for Year £'000	HRA Balance B/fwd £'000	HRA Balance C/fwd £'000
1	2003/4	8,410	231	15	0	8,655	(1,736)	(2,616)	(1,434)	(58)	(2,480)	(150)	(8,475)	180	286	466
2	2004/5	8,750	92	12	2,396	11,249	(1,773)	(2,303)	(1,122)	(403)	(2,498)	(2,396)	(10,768)	481	466	947
3	2005/6	9,271	94	8	2,311	11,684	(1,815)	(2,284)	(827)	(790)	(2,749)	(2,311)	(11,615)	69	947	1,017
4	2006/7	9,954	96	4	2,251	12,305	(1,863)	(2,295)	(606)	(1,198)	(2,947)	(2,251)	(12,351)	(46)	1,017	971
5	2007/8	10,677	99	0	2,252	13,028	(1,911)	(2,304)	(403)	(1,671)	(3,149)	(2,252)	(13,224)	(196)	971	775
6	2008/9	11,442	101	0	2,251	13,794	(1,961)	(2,401)	(196)	(2,176)	(3,355)	(2,251)	(14,091)	(297)	775	478
7	2009/10	12,249	104	0	2,247	14,600	(2,011)	(2,405)	17	(2,717)	(3,564)	(2,247)	(14,701)	(100)	478	377
8	2010/1	12,200	106	0	2,242	14,548	(2,063)	(2,407)	205	(2,686)	(3,627)	(2,242)	(14,580)	(31)	377	346
9	2011/2	12,137	109	0	2,234	14,480	(2,117)	(2,406)	383	(2,652)	(3,716)	(2,234)	(14,463)	17	346	362
10	2012/3	12,059	112	0	2,224	14,395	(2,172)	(2,403)	565	(2,614)	(3,806)	(2,224)	(14,343)	52	362	414
11	2013/4	12,057	115	0	2,216	14,387	(2,230)	(2,095)	702	(2,593)	(3,900)	(2,211)	(13,917)	471	414	885
12	2014/5	12,137	117	0	2,216	14,470	(2,291)	(2,099)	825	(2,590)	(4,000)	(2,195)	(13,941)	530	885	1,414
13	2015/6	12,211	120	0	2,216	14,547	(2,354)	(2,102)	953	(2,585)	(4,101)	(2,211)	(13,990)	557	1,414	1,971
14	2016/7	12,279	123	0	2,216	14,618	(2,419)	(2,103)	1,087	(2,578)	(4,205)	(2,225)	(14,033)	586	1,971	2,557
15	2017/8	12,340	126	0	2,216	14,682	(2,485)	(2,103)	1,227	(2,570)	(4,310)	(2,238)	(14,069)	614	2,557	3,171
16	2018/9	12,552	130	0	2,341	15,022	(2,557)	(2,129)	1,241	(2,592)	(4,420)	(2,249)	(14,463)	559	3,171	3,730
17	2019/20	12,928	133	0	2,341	15,402	(2,633)	(2,182)	1,241	(2,648)	(4,538)	(2,260)	(14,777)	625	3,730	4,355
18	2020/1	13,316	136	0	2,341	15,793	(2,712)	(2,237)	1,241	(2,704)	(4,659)	(2,328)	(15,156)	637	4,355	4,992
19	2021/2	13,716	140	0	2,341	16,196	(2,794)	(2,293)	1,241	(2,761)	(4,784)	(2,398)	(15,545)	651	4,992	5,643
20	2022/3	14,127	143	0	2,341	16,611	(2,877)	(2,350)	1,241	(2,820)	(4,913)	(2,470)	(15,946)	665	5,643	6,308
21	2023/4	14,551	147	0	2,701	17,398	(2,964)	(2,409)	1,195	(2,879)	(5,047)	(2,426)	(16,501)	897	6,308	7,206
22	2024/5	14,987	150	0	2,701	17,839	(3,053)	(2,469)	1,195	(2,939)	(5,184)	(2,486)	(16,908)	930	7,206	8,136
23	2025/6	15,437	154	0	2,701	18,292	(3,144)	(2,531)	1,195	(3,000)	(5,326)	(2,549)	(17,327)	965	8,136	9,101
24	2026/7	15,900	158	0	2,701	18,759	(3,239)	(2,594)	1,195	(3,062)	(5,473)	(2,612)	(17,757)	1,002	9,101	10,103
25	2027/8	16,377	162	0	2,701	19,240	(3,336)	(2,659)	1,195	(3,125)	(5,624)	(2,678)	(18,199)	1,041	10,103	11,145
26	2028/9	16,868	166	0	3,131	20,165	(3,436)	(2,725)	1,160	(3,188)	(5,780)	(3,702)	(19,825)	341	11,145	11,486
27	2029/30	17,374	170	0	3,131	20,676	(3,539)	(2,793)	1,160	(3,252)	(5,941)	(3,037)	(19,556)	1,120	11,486	12,605
28	2030/1	17,896	174	0	3,131	21,201	(3,645)	(2,863)	1,160	(3,318)	(6,107)	(3,128)	(20,055)	1,146	12,605	13,751
29	2031/2	18,433	179	0	3,131	21,742	(3,754)	(2,935)	1,160	(3,384)	(6,279)	(3,222)	(20,567)	1,175	13,751	14,926
30	2032/3	18,986	183	0	3,131	22,300	(3,867)	(3,008)	1,160	(3,451)	(6,456)	(3,319)	(21,094)	1,206	14,926	16,132

Appendix D

Scenario : 25% usable capital receipts and 100 right-to-buy sales per year with the capital expenditure plan based on stock condition survey

Capital Expenditure Statement

Year	Year	Expenditure			Financing				Check Total £'000	
		Catch Up Repairs £'000	Improvements £'000	Other Capital Expenditure £'000	Total Expenditure £'000	Borrowing £'000	RTB Receipts £'000	RCCO £'000		Total Financing £'000
	1 2003/4	0	2,909	0	2,909	1,396	1,363	150	2,909	0
	2 2004/5	0	11,355	0	11,355	7,734	1,226	2,396	11,355	0
	3 2005/6	0	7,048	0	7,048	4,090	647	2,311	7,048	0
	4 2006/7	0	7,082	0	7,082	4,147	684	2,251	7,082	0
	5 2007/8	0	7,110	0	7,110	4,136	722	2,252	7,110	0
	6 2008/9	0	3,650	0	3,650	639	760	2,251	3,650	0
	7 2009/10	0	3,657	0	3,657	608	801	2,247	3,657	0
	8 2010/1	0	3,660	0	3,660	575	843	2,242	3,660	0
	9 2011/2	0	3,658	0	3,658	538	886	2,234	3,658	0
	10 2012/3	0	3,653	0	3,653	496	932	2,224	3,653	0
	11 2013/4	0	3,287	0	3,287	488	588	2,211	3,287	0
	12 2014/5	0	3,293	0	3,293	481	617	2,195	3,293	0
	13 2015/6	0	3,297	0	3,297	440	646	2,211	3,297	0
	14 2016/7	0	3,299	0	3,299	397	677	2,225	3,299	0
	15 2017/8	0	3,299	0	3,299	352	709	2,238	3,299	0
	16 2018/9	0	3,708	0	3,708	1,458	0	2,249	3,708	0
	17 2019/20	0	3,800	0	3,800	1,540	0	2,260	3,800	0
	18 2020/1	0	3,895	0	3,895	1,568	0	2,328	3,895	0
	19 2021/2	0	3,993	0	3,993	1,595	0	2,398	3,993	0
	20 2022/3	0	4,092	0	4,092	1,623	0	2,470	4,092	0
	21 2023/4	0	2,426	0	2,426	0	0	2,426	2,426	0
	22 2024/5	0	2,486	0	2,486	0	0	2,486	2,486	0
	23 2025/6	0	2,549	0	2,549	0	0	2,549	2,549	0
	24 2026/7	0	2,612	0	2,612	0	0	2,612	2,612	0
	25 2027/8	0	2,678	0	2,678	0	0	2,678	2,678	0
	26 2028/9	0	4,819	0	4,819	1,117	0	3,702	4,819	0
	27 2029/30	0	4,939	0	4,939	1,902	0	3,037	4,939	0
	28 2030/1	0	5,063	0	5,063	1,935	0	3,128	5,063	0
	29 2031/2	0	5,189	0	5,189	1,967	0	3,222	5,189	0
	30 2032/3	0	5,319	0	5,319	2,000	0	3,319	5,319	0

Appendix E

Rent Increases

Year	Rent increases to Benchmark Rents %	Rent rises required %
2	4.07	10.59%
3	4.07	10.59%
4	4.07	10.59%
5	4.07	10.59%
6	4.07	10.59%
7	4.07	10.59%
8	4.07	3.00%
9	4.07	3.00%
10	4.07	3.00%

Appendix F

Scenario : 25% usable capital receipts and 100 right-to-buy sales per year with the capital expenditure plan reduced to a level affordable to the Housing Revenue Account

Housing Revenue Account Estimates

Year	Year	Net Rent Income £'000	Other Income £'000	Misc. Income £'000	Major Repairs Allowance £'000	Total Income £'000	Management £'000	Maintenance £'000	Debt Charges £'000	HRA Cost of Rent Rebates £'000	HRA Subsidy Payable £'000	RCCO £'000	Total Expenditure £'000	Surplus/ (Deficit) for Year £'000	HRA Balance B/fwd £'000	HRA Balance C/fwd £'000
1	2003/4	8,410	231	15	0	8,655	(1,736)	(2,616)	(1,434)	(58)	(2,480)	(150)	(8,475)	180	286	466
2	2004/5	8,234	92	12	2,396	10,734	(1,773)	(2,303)	(1,122)	(62)	(2,498)	0	(7,759)	2,975	466	3,441
3	2005/6	8,210	94	8	2,311	10,623	(1,815)	(2,284)	(828)	(71)	(2,749)	0	(7,747)	2,876	3,441	6,317
4	2006/7	8,295	96	4	2,251	10,646	(1,863)	(2,295)	(606)	(79)	(2,947)	(4,548)	(12,337)	(1,691)	6,317	4,626
5	2007/8	8,373	99	0	2,252	10,724	(1,911)	(2,304)	(464)	(116)	(3,149)	(4,662)	(12,606)	(1,882)	4,626	2,744
6	2008/9	8,444	101	0	2,251	10,796	(1,961)	(2,401)	(375)	(154)	(3,355)	(2,251)	(10,496)	300	2,744	3,044
7	2009/10	8,507	104	0	2,247	10,858	(2,011)	(2,405)	(214)	(193)	(3,564)	(2,247)	(10,635)	223	3,044	3,267
8	2010/1	8,561	106	0	2,242	10,909	(2,063)	(2,407)	(43)	(231)	(3,627)	(2,242)	(10,614)	295	3,267	3,562
9	2011/2	8,605	109	0	2,234	10,948	(2,117)	(2,406)	16	(269)	(3,665)	(2,234)	(10,674)	274	3,562	3,836
10	2012/3	8,638	112	0	2,224	10,974	(2,172)	(2,403)	(12)	(307)	(3,649)	(2,224)	(10,766)	208	3,836	4,043
11	2013/4	8,637	115	0	2,216	10,967	(2,230)	(2,095)	(250)	(287)	(3,690)	(2,211)	(10,762)	205	4,043	4,248
12	2014/5	8,694	117	0	2,216	11,027	(2,291)	(2,099)	(128)	(268)	(3,754)	(2,195)	(10,735)	292	4,248	4,541
13	2015/6	8,747	120	0	2,216	11,084	(2,354)	(2,102)	0	(248)	(3,783)	(2,211)	(10,697)	387	4,541	4,927
14	2016/7	8,796	123	0	2,216	11,135	(2,419)	(2,103)	135	(229)	(3,810)	(2,225)	(10,651)	485	4,927	5,412
15	2017/8	8,839	126	0	2,216	11,182	(2,485)	(2,103)	275	(209)	(3,876)	(2,238)	(10,636)	546	5,412	5,958
16	2018/9	8,991	130	0	2,341	11,462	(2,557)	(2,129)	(201)	(191)	(3,986)	(2,249)	(11,313)	149	5,958	6,107
17	2019/20	9,261	133	0	2,341	11,735	(2,633)	(2,182)	(201)	(174)	(4,103)	(2,260)	(11,554)	181	6,107	6,288
18	2020/1	9,539	136	0	2,341	12,016	(2,712)	(2,237)	(201)	(156)	(4,225)	(2,328)	(11,859)	157	6,288	6,445
19	2021/2	9,825	140	0	2,341	12,305	(2,794)	(2,293)	(201)	(137)	(4,350)	(2,398)	(12,172)	134	6,445	6,578
20	2022/3	10,120	143	0	2,341	12,604	(2,877)	(2,350)	(201)	(117)	(4,479)	(2,470)	(12,494)	110	6,578	6,688
21	2023/4	10,423	147	0	2,701	13,271	(2,964)	(2,409)	(492)	(95)	(4,613)	(2,426)	(12,998)	273	6,688	6,961
22	2024/5	10,736	150	0	2,701	13,587	(3,053)	(2,469)	(492)	(72)	(4,750)	(2,486)	(13,322)	265	6,961	7,226
23	2025/6	11,058	154	0	2,701	13,913	(3,144)	(2,531)	(492)	(46)	(4,892)	(2,549)	(13,654)	259	7,226	7,485
24	2026/7	11,390	158	0	2,701	14,249	(3,239)	(2,594)	(492)	(19)	(5,039)	(2,612)	(13,995)	254	7,485	7,739
25	2027/8	11,732	162	0	2,701	14,594	(3,336)	(2,659)	(492)	0	(5,190)	(2,678)	(14,354)	240	7,739	7,980
26	2028/9	12,083	166	0	3,131	15,381	(3,436)	(2,725)	(741)	0	(5,346)	(3,702)	(15,950)	(570)	7,980	7,410
27	2029/30	12,446	170	0	3,131	15,747	(3,539)	(2,793)	(741)	0	(5,507)	(3,037)	(15,617)	130	7,410	7,540
28	2030/1	12,819	174	0	3,131	16,125	(3,645)	(2,863)	(741)	0	(5,673)	(3,128)	(16,051)	74	7,540	7,614
29	2031/2	13,204	179	0	3,131	16,514	(3,754)	(2,935)	(741)	0	(5,845)	(3,222)	(16,497)	17	7,614	7,631
30	2032/3	13,600	183	0	3,131	16,914	(3,867)	(3,008)	(741)	0	(6,021)	(3,319)	(16,956)	(42)	7,631	7,589

Appendix G

Scenario : 25% usable capital receipts and 100 right-to-buy sales per year with the capital expenditure plan reduced to a level affordable to the Housing Revenue Account

Capital Expenditure Statement

Year	Year	Expenditure			Financing				Check Total £'000	
		Catch Up Repairs £'000	Improvements £'000	Other Capital Expenditure £'000	Total Expenditure £'000	Borrowing £'000	RTB Receipts £'000	RCCO £'000		Total Financing £'000
	1 2003/4	0	2,909	0	2,909	1,396	1,363	150	2,909	0
	2 2004/5	0	0	0	0	0	0	0	0	0
	3 2005/6	0	0	0	0	0	0	0	0	0
	4 2006/7	0	7,104	0	7,104	0	2,557	4,548	7,104	0
	5 2007/8	0	7,132	0	7,132	1,749	722	4,662	7,132	0
	6 2008/9	0	3,650	0	3,650	639	760	2,251	3,650	0
	7 2009/10	0	3,657	0	3,657	608	801	2,247	3,657	0
	8 2010/1	0	3,660	0	3,660	575	843	2,242	3,660	0
	9 2011/2	0	3,658	0	3,658	538	886	2,234	3,658	0
	10 2012/3	0	3,653	0	3,653	496	932	2,224	3,653	0
	11 2013/4	0	3,287	0	3,287	488	588	2,211	3,287	0
	12 2014/5	0	3,293	0	3,293	481	617	2,195	3,293	0
	13 2015/6	0	3,297	0	3,297	440	646	2,211	3,297	0
	14 2016/7	0	3,299	0	3,299	397	677	2,225	3,299	0
	15 2017/8	0	3,299	0	3,299	352	709	2,238	3,299	0
	16 2018/9	0	3,708	0	3,708	1,458	0	2,249	3,708	0
	17 2019/20	0	3,800	0	3,800	1,540	0	2,260	3,800	0
	18 2020/1	0	3,895	0	3,895	1,568	0	2,328	3,895	0
	19 2021/2	0	3,993	0	3,993	1,595	0	2,398	3,993	0
	20 2022/3	0	4,092	0	4,092	1,623	0	2,470	4,092	0
	21 2023/4	0	2,426	0	2,426	0	0	2,426	2,426	0
	22 2024/5	0	2,486	0	2,486	0	0	2,486	2,486	0
	23 2025/6	0	2,549	0	2,549	0	0	2,549	2,549	0
	24 2026/7	0	2,612	0	2,612	0	0	2,612	2,612	0
	25 2027/8	0	2,678	0	2,678	0	0	2,678	2,678	0
	26 2028/9	0	4,819	0	4,819	1,117	0	3,702	4,819	0
	27 2029/30	0	4,939	0	4,939	1,902	0	3,037	4,939	0
	28 2030/1	0	5,063	0	5,063	1,935	0	3,128	5,063	0
	29 2031/2	0	5,189	0	5,189	1,967	0	3,222	5,189	0
	30 2032/3	0	5,319	0	5,319	2,000	0	3,319	5,319	0

Appendix H

Capital Expenditure

Year	Capital Expenditure Required £000	Capital Expenditure Affordable £000
1	2,909	2,909
2	11,355	0
3	7,048	0
4	7,082	7,104
5	7,110	7,132
6	3,650	3,650
7	3,657	3,657
8	3,660	3,660
9	3,658	3,658
10	3,653	3,653
Total	53,782	35,423

Appendix 2

Housing Stock Transfer - Estimate of net impact on the Council Fund

	2005/6		2006/7		2007/8		2008/9		2009/10	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure										
Housing strategy	55		56		58		60		61	
Welfare services	17		18		19		19		20	
Homelessness administration	86		89		91		94		97	
Supporting people	0		0		0		0		0	
		158		163		168		173		178
Director - salary	32		33		34		35		36	
PA to Director - salary	8		8		8		9		9	
Debt management costs	10		10		10		11		11	
Interest charges	26		27		27		27		27	
Benefits conversion	11		0		0		0		0	
Other recharges to HRA	67		69		71		73		75	
RTB mortgage interest	-15		-13		-11		-9		-7	
Housing benefits	28		0		0		0		0	
		166		134		139		145		151
Total expenditure impact on revenue budget if support services are required by Dyffryn Community Housing		324		296		307		318		329
Support services charges :										
- Information technology	48		74		76		79		81	
- Courier service	1		1		1		1		1	
- Accomodation	26		35		36		37		38	
- Legal (including right to buy charges)	47		64		66		68		70	
- Personnel	1		2		2		2		2	
- Finance	113		158		163		168		173	
- Customer services	25		35		36		37		38	
- Recharges - other	5		7		7		8		8	
- HB overpayment admin recharge	12		17		18		18		19	
- Design services	76		106		109		112		116	
Less : savings in support charges	-102		-138		-143		-147		-151	
		253		362		373		384		395
Other costs :										
- Fleet management	7		15		15		16		16	
- Contract services	108		224		230		237		244	
		115		238		245		253		260
Total expenditure impact on revenue budget if services are not required by Dyffryn Community Housing		693		896		925		954		984

Housing Stock Transfer - Estimate of impact on capital resources

	2005/6		2006/7		2007/8		2008/9		2009/10	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
General capital funding available for non-HRA expenditure		0		0		0		0		0
Usable capital receipts earmarked for housing capital expenditure at 31/3/05		?		0		0		0		0
Right to buy sales - receipts from Dyffryn		2,122		1,020		975		927		876
RTB mortgage principal repayments		25		25		25		25		25
Net inflow of capital resources		2,147		1,045		1,000		952		901

REPORT TO CABINET

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

DATE: 27 January 2004

SUBJECT: Housing Revenue Account
Capital and Revenue Budgets 2003/2004 and 2004/2005

1 DECISION SOUGHT

- 1.1 To set the Housing Revenue Account Budgets and increase rents.

2 REASON FOR SEEKING DECISION

2.1 Introduction

There are several new major influences on the budgets mostly as a result of the Local Government Act 2003 and Regulations from the Welsh Assembly Government.

- 2.1.1 Sales of houses under the Right to Buy have increased with an influx of applications to beat the deadline for reduced discounts and continuing demand believed to be due to low mortgage rates. As a result sales of 250 dwellings are expected in 2003/04 (against 120 predicted when the budget was set) and 200 in 2004/05. This results in a loss of rental income but there is also a reduction in debt charges and an adjustment in subsidy. Expenditure on repairs and services can be maintained for 2004/05 despite the reduction in stock but must be affected in the longer term when lower income will not cover essentially fixed costs.

- 2.1.2 From 5th April 2004 Rent Rebates “come out of the Housing Revenue Account” and are funded by the Department of Work and Pensions in the same way as other Housing Benefits. A

residual amount, maximum £57,489 in 2004/05 tapering to zero over 2 years, is retained in the HRA to be transferred to the Council Fund to cushion the requirement to pay for overpayments and local schemes for war pensioners. Housing Revenue Account Subsidy which was paid from WAG to cover part of the Rent Rebates expenditure will be withdrawn. However, any surplus on the HRA as a result of these changes will have to be paid to WAG for “redistribution” within their budget, so the overall impact will be more or less neutral. (In 2003/04 Rent Rebates of £5.3 million were paid from the account and HRA Subsidy of £2.8 million was expected to be received. In 2004/05 the Rent Rebates will be paid as Housing Benefits from the Council Fund and receive 100% Subsidy, subject to certain charges. However £2.5 million will have to be paid from the HRA to WAG for redistribution.)

2.1.3 From 2004/05 WAG will provide a new Major Repairs Allowance (MRA) to the HRA to replace supported capital funding through Credit Approvals. The MRA is intended to fund continuing major investment in repair and improvement of the stock although it is not expected to clear the outstanding backlog. For Denbighshire the MRA will provide significant funding of some £2.4 million per year in place of only £1.4 million in Credit Approvals. WAG have stated that it will not be possible to borrow against the MRA but it can be paid into a “Major Repairs Reserve” which can then be used to make an equivalent revenue contribution to capital (CERA) and used to expand the major improvements programme.

2.1.4 If there is any excess surplus in the HRA other than from the MRA then from 2004/05 it can be used to fund Prudential Borrowing. It must be clear that it is affordable in the long term and will not be eligible for subsidy support from WAG. Unless rents are increased above the proposed levels it is not expected there will be room for Prudential Borrowing in 2004/05. A separate report on Housing Options is being presented to Cabinet and Council. If a decision is taken to adopt Prudential Borrowing then another report will be required on the consequences for rents and expenditure.

2.2 Capital 2003/04

The probable out turn on the Capital Programme is shown at Annex 1. This shows increased funding available from Usable Capital Receipts on Right to Buy and additional projects on the Stock Condition Surveys, IT replacement, and feasibility studies on Sheltered Housing. The current year's programme will be substantially complete by 31st March 2004 and any expenditure which does have to be carried over can also carry over its required funding.

2.3 Capital 2004/05

An expanded Capital Programme of £3.7 million is shown for 2004/05 (Annex 2). This assumes the anticipated level of MRA and the use of £511,000 of proceeds from Right to Buy plus £150,000 CERA. A further £570,000 might be available if sales do meet the forecast of 200 in the year. It will be necessary to implement the programme in stages only when the MRA and sales are actually in place.

There are several options available for the programme including:

1. Continue with the existing programme based on full improvement of the oldest properties in Groups through the County. This programme is running behind and, even if all resources are allocated to it, it will still not be possible next year to complete the schedule originally allocated for 2001/02.
2. Switch all or some of the funding to a wider programme of window replacement and/or central heating which are the priority of tenants and would contribute to energy efficiency targets. Some advantage in spreading the benefits more widely but delays the main programme.
3. Targeting specific problems in properties for older people which are becoming more acute.

It is recommended that an initial programme of £2.7 million be agreed at the 2003/04 level on the existing policy. Further consultation can then be carried out on the use of the additional

funding (shown as £1 million in Annex 2) based on the priorities to be set out in the Local Housing Strategy and the targets to be set in the policy agreement.

2.4 Revenue 2003/04

2.4.1 Spending on support services (Supervision and Management General and Special and HRA Homelessness) is expected to be reasonably close to budget. Rents Collection costs have reduced against budget but are in line with actuals for 2002/03.

2.4.2 Welfare Services (Sheltered Housing) is also expected to be on target with Supporting People funding received. The extra scheme introduced for Housing Support Assistants is estimated to have comfortably covered costs but the Supporting People funding is not yet fully certain. The expected surplus for this scheme is therefore shown as an underspend on Welfare Services and a contingency has also been allowed against clawback.

2.4.3 Responsive repairs and maintenance is heading for an overspend at current levels and this is being closely monitored. The additional cost of the temporary gas maintenance contract is the main concern but there are other factors. Further investigation may result in some of these costs being capitalised.

2.4.4 Debt charges have been reduced to reflect reducing stock but these result in reduced WAG subsidy. The provision for bad debts can be restricted to £100,000 given the improved performance on rent collection.

2.4.5 Rent income has also been reduced but, with the majority of sales nearer the end of the year, subsidy adjustments reduce the impact. See Annex 3.

2.5 Revenue 2004/05

2.5.1 WAG have announced that the Management and Maintenance Allowance, which influences subsidy, will increase provisionally

from £1,255 to £1,360 per property (8.37%). This will allow continuation of current service levels despite loss of stock.

2.5.2 Notional Rents for 2004/05 are increased from £43.48 to £45.15 (£1.67 or 3.84%). In fact actual rents are slightly below Notional Rents, partly because as more expensive properties are sold the average drops, and an average increase of 4.1% will be required to achieve Notional Rent.

2.5.3 Supervision and Management General and Special, Homelessness and Rent Collection can all be increased by inflation (2.5% for employee costs, higher for Grounds Maintenance, Insurances and Transport). This allows for current service levels including temporary staffing for Right to Buy Administration and for Housing Options investigations.

2.5.4 Repairs is increased by 4% which will allow for the indices in the contract with Contract Services and potentially higher inflation in other contracts especially the new gas maintenance servicing.

2.5.5 Debt charges and Subsidy (or Redistribution) have been calculated in accordance with the best information available. Rent Rebates have been removed from the account except for the residual contribution to the Council Fund.

2.5.6 The Major Repairs Allowance is allocated as a contribution to capital and a further revenue contribution of £150,000 is proposed. A further contribution to the Bad Debt Provision of £50,000 is proposed for 2004/05.

2.5.7 Rents have been increased by an average of 4.1%, and garage rents from £2.90 to £3.00 (3.45%). Heating Charges income is expected to be in line to cover expenditure and no changes are proposed.

2.5.8 The interim Rent Setting Policy introduced last year has reduced anomalies whilst avoiding excessive increases. Work is scheduled in the Rents Action Plan for 2004/05 to devise a fairer policy based on location and attributes but in the meantime a further step on the interim proposals is suggested as follows:

- Rents should move towards Target Rents based on Notional Rents for 2004/05 set by the Welsh Assembly Government, allocated proportionately according to size of dwelling.
- In order to avoid excessive increase the Target Rent should be 110% of Notional Rent.
- Rents currently above Target Rent to remain unchanged - no reductions.
- Rents below Target Rents to increase to Target but with a maximum increase depending on the size of property.

Target Rents 2004/05

	Notional Rent	Target Rent	Maximum Increase
Bedsit	37.83	41.62	1.65
1 Bedroom	39.82	43.81	1.65
2 Bedroom	43.06	47.37	2.05
3 Bedroom	49.65	54.62	2.50
4 Bedroom	54.61	60.08	2.50
Weighted Average	45.15	49.67	

- Thus for a Bedsit Property
Current rents below £39.97 will increase by £1.65.
Rents between £39.97 and £41.61 will increase to £41.62.
Rents above £41.62 will be unchanged.

See Annex 3.

2.5.9 If stock transfer were to be pursued to fund improvements to the housing stock, the costs of statutory consultation and the ballot would need to be met from the HRA. These costs have not been included in the 2004/5 budget set out in Annex 3.

3 POWER TO MAKE THE DECISION.

Housing Act 1985, Section 24.

4 COST IMPLICATIONS

The Housing Revenue Account is generally ring fenced and costs of implementation are covered by the increased income, especially rents

5 FINANCIAL CONTROLLER STATEMENT

The estimate for the working balance of £460,976 at the end of 2004/5 indicates that the Housing Revenue Account is in an improved position.

Management and maintenance costs in the budget reflect the level of services provided to tenants. These costs have largely remained fixed in total despite the reduction in the housing stock due to increases in right to buy sales and the loss of rental income associated with this.

If right to buy sales were to continue at their current levels over the next few years and management and maintenance costs continue to increase by inflation, it is likely that the working balance will start to decrease. The business planning model being used by Deloitte & Touche as part of the review of options to fund improvements to the housing stock will assist in the early identification of pressures on the housing budget.

If funding of improvements via Prudential Borrowing were to be undertaken, then Debt Charges in the 2004/5 budget would increase and the capital programme would be expanded.

If stock transfer were to be pursued to improve the housing stock, it would be necessary to revise the 2004/5 budget to meet certain costs as outlined in the report, and to ensure the budget maximises the benefits to tenants and the Council prior to transfer.

6 CONSULTATION CARRIED OUT

The Denbighshire Tenants' and Residents' Federation are being consulted on the capital and revenue proposals, particularly on the options for the capital programme. Personal Services Scrutiny Committee will also be consulted.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

Rent increases above inflation will impact on Anti-Poverty policies. The Capital Programme, especially environmental works, will contribute to Community Development. The impending decision on Housing Options between Stock Retention with Prudential Borrowing and Stock Transfer to Dyffryn Community Housing will influence future budgets.

8 RECOMMENDATIONS

- 8.1 That the Housing Revenue Accounts, Capital and Revenue be adopted.
- 8.2 That rents for Council dwellings be increased in accordance with the amended Rent Setting Policy in Section 2.5.8 above (average 4.1%) from Monday 5th April 2004.
- 8.3 That rents for Council garages be increased by 10p per week with effect from Monday 5th April 2004.
- 8.4 If the Council adopts Prudential borrowing as the preferred option to improve the housing stock, then a further report be presented on additional rent increases and associated capital programme and estimates.
- 8.5 If the Council adopts stock transfer as the preferred option to improve the housing stock, then a further report be presented detailing amendments to the 2004/5 HRA budget and capital programme.

HRA CAPITAL 2003/04**£K****Expenditure 2003/04**

2002/03 Schemes to Completion

449

Group A

South Ave, Prestatyn; Maes Hyfryd, Dyserth;
 Berllan Ave, Rhuddlan; Bryn Ibod, Waen;
 Maes Hyfryd, Waen

630

Group B

Lon Llewelyn, Denbigh; Mwrog St, Ruthin;
 Maes y Dre, Ruthin

172

Group C

Gwynfryn Ave, Rhyl; Rhydwen Dr, Rhyl

372

Group H

Pennant, Denbigh; Denbigh St, Henllan;
 Porth y Waen, Aberwheeler; Dolydd, Rhewl;
 Bryn Awelon, Llandymog; Bron y Clwyd, Llanfair;
 Maes Teg, Llandegla

617

Environmental Improvements

107

Disabled Facility Grants

100

Stock Transfer Costs

128

Additional Schemes

Energy Efficiency (Matching Grant) £85K
 Surveys - Stock Condition £49K, Airey Houses £4K
 Sheltered Housing Feasibility Study £5K
 Housing IT, Academy System £40K

183

Total**2,758****Funding**

Basic Credit Approval

1,146

Special Credit Approvals

324

Usable Capital Receipts Brought Forward

398

Usable Capital Receipts RTBs 2003/04

740

Revenue

150

Total**2,758**

pq/db/02.01.04

HRA CAPITAL 2004/05 Proposed Programme

£K

Expenditure 2004/05**Group A**

Kingsley Ave, Rhyl 2,3,4,5,7,8,9,12,14,17,25,27,38,40

Dawson Crescent, Prestatyn 1,3,6,7,8,10,15,17

St Margaret's Row, Bodelwyddan 1,2,3,4,7,8 28@£28K 784

Group B

Clwyd Ave, Denbigh 2,4,12,13,18

Victoria Terrace, Corwen 1,2,3,4,5,6

Corwenna Terrace, Corwen 1

Sun Terrace, Glyndyfrdwy 1,2,3,4,5,6

Beuno Terrace, Gwyddelwern 2,6

Aber View, Gwyddelwern 21@£10K 210

Group C

Brookes Ave, Rhyl 1,3~7,9~11,13,16,17,22,23,25~31

Gwynfryn Ave, Rhyl 7,13,25,31,37

28,30,34,38,40,44,48,54,56,60,64,72,74,76,78,80

63,65,67,71,75,77,79,83,89,93,95,97,99 55@£15K 825

Group H

Maes Hyfryd, Graigfechan 5~16

Maes Derwen, Llanbedr 17~22, 30~36

Bryn Awelon, Cyffylliog 1~6

Hafan Deg, Clawddnewydd 1~3

Bryn Awelon, Eryrys 1~7

Nant Glyd, Llandyrnog 1~10

Maes Garmon, Llanarmon 13~16

Bryn Refail, Bryneglwys 1~5

Gaer View, Corwen 1~4 64@£8K 512

Environmental Improvements

275

Disabled Facility Grants

100

Additional Schemes following Consultation

1,000

Total**3,706****Funding**

CERA 150

Usable Capital Receipts Brought Forward 620

Usable Capital Receipts RTBs 2004/05 511

WAG Grant, Stock Condition Survey 25

Revenue (Major Repairs Allowance) 2,400

Total**3,706**

HOUSING REVENUE ACCOUNT 2003/04 & 2004/05

Annex 3

	<u>Actual</u> <u>2002/03</u>	<u>Original</u> <u>Budget</u> <u>2003/04</u>	<u>Probable</u> <u>Out turn</u> <u>2003/04</u>	<u>Proposed</u> <u>Budget</u> <u>2004/05</u>
<u>Expenditure</u>				
Supervision & Management General	739,488	808,805	828,039	833,069
Supervision & Management Special	200,410	196,613	193,444	202,511
Welfare Services	546,009	185,266	127,810	131,644
Homelessness	71,616	80,798	84,817	83,222
Rents	414,950	471,580	417,487	430,012
Repairs & Maintenance	2,555,034	2,530,042	2,714,611	2,823,195
Total Management & Maintenance	4,527,507	4,273,104	4,366,208	4,503,653
Rent rebates	5,235,212	5,311,850	5,177,446	57,489
Debt charges	1,576,216	1,561,000	1,443,048	1,120,257
C.E.R.A.	100,000	150,000	150,000	150,000
Subsidy	0	0	0	2,512,367
Provision for bad debts	450,000	150,000	100,000	50,000
Total expenditure	11,888,935	11,445,954	11,236,702	8,393,766
<u>Income</u>				
Rents (net of voids)	8,727,067	8,591,344	8,563,083	8,293,676
Garages	86,652	89,458	89,458	92,500
Interest (R.T.B. mortgages)	17,266	15,000	15,000	15,000
Subsidy	2,937,677	2,775,403	2,721,426	0
Total income	11,768,662	11,471,205	11,388,967	8,401,176
Surplus/(Deficit) for the year	-120,273	25,251	152,265	7,410
Balance at the beginning of the year	421,574	286,131	301,301	453,566
Balance at the end of the year	301,301	311,382	453,566	460,976
Major Repairs Reserve				
Expenditure				
CERA	0	0	0	2,400,000
Income				
Major Repairs Allowance	0	0	0	2,400,000
	0	0	0	0

Report to Cabinet

Report by Councillor E W Williams, Leader

Subject Policy Agreements

Date 27 January, 2004

1. Decision Sought

1.1 To agree the attached appendix of proposed National and Local indicator information to form the basis for the Authority's policy agreement with the Welsh Assembly Government.

NB Members should bring the December report on policy agreements with them to the meeting including the prospectus.

2. Reason for decision

2.1 The Assembly requires the Authority's initial information on the national and local indicators for the policy agreement by the end of January. Members will recall that the original deadline was the 30th December, but this has been extended to enable authorities provide the information across the whole range of indicators.

2.2 Against each indicator the Assembly requires the following information

- Baseline data and targets for 2003 where the measure relates to an existing NAWPI indicator. (Relatively straightforward.)
- Baseline data and targets for 2003 for new indicators.
- Local measures, providing baseline data and targets.

2.3 Since the last report officers have been providing the information on the existing NAWPI indicators and for the new ones identified in the national measures. They have also come up with suggestions for the 8 indicators for the local measures.

2.4 The Authority has also sought clarification on the Assembly's statement that there are a maximum of 16 indicators: 8 nationally prescribed and 8 local ones, when, in fact, there are 13 nationally

prescribed indicators. The Assembly's view is that the grouping together of related indicators is an already established practice under the previous agreement. In short it is too late to object. Members may wish to note however that there is in consequence an obvious impact in terms of delivering the Assembly's 13 measures as opposed to the 8 local ones.

- 2.5 The information supplied at this stage is not intended to be final, but to form the starting point for discussions with the Assembly which it is hoped will be completed by the end of March, allowing for the authority to draw down the grant at the earliest opportunity to assist with the delivery of the targets. For its part the Assembly will be looking for evidence with respect to the local indicators that
- A. We have an agreed definition
 - B. That we have had careful consultation with appropriate partners
 - C. That we have consulted with the local business community in particular on the economic indicators
 - D. Have consulted with the Voluntary Sector Liaison Committee
 - E. That they are real indicators of local authority effectiveness
 - F. That they are significant. (I.e. that the numbers involved are significant)
 - G. They relate to Strategic priorities.
- 2.6 The Assembly is also keen that all of the indicators should be subject to the tests being proposed for the national performance measurement network as detailed on p10 of the prospectus.
- 2.7 It is therefore proposed that, once the areas to form the basis for these indicators have been agreed, they are subject to further scrutiny to test the validity and accuracy of the information contained in the attachment. For this purpose I propose to ask the Director of resources to carry out a quality check prior to the next Cabinet meeting.
- 2.8 I also propose that the agreed indicators are considered by the relevant Scrutiny Committees prior to the March Cabinet meeting to allow for a wider input as some of these targets will possibly be adopted within the community strategy.

3. Power to make Decision

3.1 Section 111 Local Government Act 1972 (Ancillary Powers)

4. Cost Implications

4.1 Denbighshire's PIG grant for 2004/05 is £997k. It should be noted that the grant is an unhypothecated grant and as such the authority may allocate the funding as it sees fit. The important issue is that the targets are delivered.

4.2 The following moneys have been identified against the grant in the budget proposals considered by Members on the 13th January. Members will need to indicate that they are content with this distribution now that they have evidence of the financial implications of delivering the indicators and the proposals for the local targets. Members are reminded that the budget report identified the following areas and amount for funding from the performance incentive grant

Sec Schools PI grant targets	£275k
Adult com/education post	£30k
Youth Service	£38k
Healthy Living Programme	£35k
Biodiversity	£19k
Sports Dev reduced grant	£14k
Dropped kerbs/Disabled	£50k
HMO registration	£40k
Housing Enforcement	£40k
Food safety	£30k
EHO/TSO Trainee	£30k
Learning and dev	£30k
Grad Trainee	£14k
E Gov	£75k
Children/Workers	£41k
Further S/W Agency Costs	£50k
Recruitment/Retention PS	£44k
Non HRA Homelessness	£125k
Total	£980k

4.3 There is £17k left to distribute, although proposals to use some of this funding has already been identified. The obvious funding gaps are:

- The Housing Indicator Targets

NB Funding for the public sector target has no hope of being covered from the grant, but might be met from the Council's decisions on securing improvement to its housing stock. The private sector target likewise requires additional funding

- Social Services – adult services

4.4 The Lead Member for Finance has also pointed out in her report to cabinet on the 13th January the implication for future years should the Authority not be able to draw down this grant in 2005/06 due to failure to meet the targets. It is essential therefore that before the agreement is signed Members are convinced that the target achievement is being adequately funded and that priority is given by directorates responsible for delivering the targets in their service business plans. I would therefore ask all members to ensure that they monitor the business plans to ensure that this priority is given.

5 Financial Controller Statements

5.1 The recommended budget for 2004/05 includes assumptions on funding for additional expenditure for services from performance incentive grant. These assumptions are provisional currently and will be firmed up in due course.

6. Consultation

6.1 There has been extensive consultation with the directorates to produce these figures. Monthly Management Conference was consulted on the local indicators and from that discussion some of these indicators have been derived. CET has overseen the process. This paper results from that process

6.2 Consultation will take place with the Denbighshire Community Strategy Partnership on 23rd January and its comments will be fed into the discussion at cabinet.

- 6.3 I have proposed earlier that scrutiny committees be consulted. Arrangements are being finalised to discuss the proposed indicators with the Voluntary Sector Liaison Group, and the Business Community will also be consulted.

7. Impacts of other policy areas

- 7.1 The Chief impact of the policy agreement system is to target resources to the achievement of specific indicators. The inherent danger is that the authority's activity becomes skewed to deliver on a narrow range of targets, leaving other areas bereft of attention and funding.

8. Recommendations

- 8.1. That Members approve the attached indicators as a basis from which to open up discussion with the Assembly, subject to being assured of the level of available finance to fund the targets.
- 8.2. That Cabinet agrees a consultation programme on these proposals with the scrutiny committees, the Business sector and the Voluntary Sector.
- 8.3 That the Director of Resources carries out a quality check on all of the figures in the attachment.

Policy Agreements 2004/2007

8 National Measures

NAWPI	Description	Responsible Officer	Baseline data	Targets 04/05/05/06/06/ 07	Cost Implications for delivering on the indicator	Theme
1. NAWPI 2.14A	Increase in the rates of attendance (those present or on approved educational activities) in secondary schools	Ieuan Lloyd Roberts	90% (02/03)	04/05 90.5% 05/06 91% 06/07 91.5%	.NB £275k (PIG) in budget proposals	Helping More People into Jobs
2. NAWPI2.7	A reduction in the number and percentage of 15 year olds (and within that, those in local authority care) leaving full time education without a recognised qualification	Ieuan Lloyd Roberts	38 (2.9%)	04/05 2.5% 05/06 2.0% 06/07 1.5% (act fig will depend on cohort in relevant year.)	NB £30k (PIG) in Budget proposals	Helping more People into Jobs
3	(and within that, those in local authority care)	Nicola Francis	4 (28.5%) (4 out of 14)	By 2007 to reduce the number to 2.		Helping more People into Jobs
4. New Really 2 indicators	<ul style="list-style-type: none"> Eliminating the use of Bed and Breakfast accommodation for homeless families, except in emergencies; 	Paul Quirk	105 No of families placed in BB. Does not include single people or emergencies such as fire and flood	04/05 70 05/06 35 06/07 0	£125k (PIG) in budget proposals	Strong, safe communities

	<ul style="list-style-type: none"> Reducing the average length of time people spend in temporary accommodation by 50% during the period of the agreement 	Paul Quirk	39 wks Includes families and Single people. Includes hostel ACC, but excludes BB	04/05 33wks 05/06 27 wks 06/07 20 wks		
5. New	Percentage reductions in carbon emissions in the non domestic public stock Total energy consumption excluding street lighting and housing	Roger Parry	Estimate for 2003/04 based on 2002/03 2842 Tonnes Baselines fig is the consumption of energy from oil, electricity gas and propane gas expressed in terms of the tonnes of carbon emissions. The supply of renewable sources will increase by 50%	2842 tonnes to 2312 tonnes by 2007	No cost to Council. Renewable energy increase part of contract with Scottish power	Strong, safe communities
6. New	Number of homes achieving efficiency element of Welsh housing Quality Standard. Public	P Quirk	648 This figure equates to 15% of the Public Sector housing stock	04/05 400 05/06 400 06/07 400	04/05 £800k 05/06 £800k 06/07 £800k Capital requirement.	Strong, safe communities

					To be achieved from housing stock transfer or prudential borrowing.	
	Private	Carol Evans	0.94% %tage improvement in energy efficiency.	04/05 1.54% 05/06 1.54% 06/07 1.54% 1.54% Improvement per annum	£40k per annum.	
7. NAWPI 3.8	The rate of delayed transfers of care for social care reasons per 1000 population aged 75 or over.	Neil Ayling	<2.53	04/05 <2.53 05/06 <2.53 06/07 <2.53	£116k to fund a 7% increase in fees for this indicator (funding for 6% secured). £75k to fund a Rapid Response Team Total needed 04/05 £191k	Improving Health
8+ 9 NAWPI 3.13	The number of older people (aged 65 or over) helped to live at home per 1000 population aged 65 and over	Neil Ayling	124	04/05 100 05/06 104 06/07 109	04/05 Additional 80 people helped. £262k (based on NAWPI 3.6b) Bereavement Service to help older people recently bereaved £24k £200k already allocated for 04/05 Total needed 04/05 £86k	Improving Health
	The number whom the authority	Neil Ayling	31	04/05 41	Development of	

	supports in residential care or nursing homes per 1000 population aged 65 or over.		Fig depends on sample week chosen	05/06 41 06/07 41		sheltered housing as an alternative to residential care. Project management resource to work up proposals - £50k Provision of additional carer services £65k Provision of aids and adaptation £40k (Assuming £80k capital bid awarded). Total needed 04/05 £155k	
10 NAWPI . 3.4	The percentage of first placements for looked after children during the year that began with a care plan in place.	Nicola Francis	23%	04/05 50% 05/06 60% 06/07 68%		£91k (PIG) in budget proposals against children services £44k (PIG) for recruitment and retention which may impact on these indicators Significant action has already been taken in the main budget proposals.	Improving Health
11. New 2 figs	For those children looked after whose second review (due at 4 months) was due to take place,	Nicola Francis	No existing data	04/05 45% 05/05 55% 06/07 60%		The reviewing officer post for looked after Children will have a significant role in ensuring that this	Improving Health

						target is met. The post is currently funded from PIG money, but there is no budget identified for the post from 1st April 2004.	
12	the percentage of above with a plan for permanence during the year to 31st March	Nicola	No existing data	04/05 40% 05/06 50% 06/07 55%		Comments in 3.4 apply	
13. New	Percentage of children looked after at 31st March who have experienced one or more changes of school, which were not due to transitional arrangements or sixth form college	Nicola Francis		04/05 05/06 06/07		Comments in 3.4 apply We do not have the baseline data for this target. However it is proposed that the data is collected from now on and used to set a target at the end of March for 04/05	Improving Health

8 Local Measures

Area	Possible Indicators	Persons Responsible	Baseline 03/04	Targets 04/05 05/06 06/07	Cost implication of delivering the indicator	Themes
1 drawn from community learning/ adult literacy and numeracy/ expanding childcare	Improvement in child care provision • Increase in number of child care places.	CYP p/ship - Sally Ellis	4,314	04/05 4700 05/06 4938 06/07 5194	04/05 05/06 06/07 Funding implication for supporting Mudiad Ysgolion.	Helping more people into jobs

<p>provision/ community based regeneration/ social enterprises, intermediate employment/ narrowing gap between best and worst performing schools/ procurement policies / transport.</p>					<p>2004/04 Supported from Ed. funding.</p> <p>The rest of the support comes from Cymorth funding and support to bodies wishing to draw down funding</p>													
<p>2 local indicators supported by local communities e.g. percentage of residents who feel satisfied with neighbourhood as a place to live; or specifics on local environment/ housing/ youth services/ support for vulnerable young people/support for thriving voluntary organisations</p>	<p>Meeting housing needs</p> <ul style="list-style-type: none"> Increase in affordable housing. Requirement for 15% increase in affordable housing for registered social landlords and 1st entry new residential housing. 	<p>Grham Boase 1st Entry</p> <p>P. Quirk for RSL</p>	<p>Targets set in response to housing needs survey</p>	<p>100% each year (1st entry new residential)</p> <p>90 dwellings per annum (RSL)</p>	<p>Possible implication for capital receipts. £5k available from HR for Rural Housing enabling officer</p>													
	<p>Annual Satisfaction Survey.</p>	<p>Steve Hatton</p>	<p>2.41</p>	<table border="1"> <tr> <td>04/05</td> <td>2.4</td> </tr> <tr> <td>05/06</td> <td>2.3</td> </tr> <tr> <td>06/07</td> <td>2.2</td> </tr> </table>	04/05	2.4	05/06	2.3	06/07	2.2	<table border="1"> <tr> <td>04/05</td> <td>£13k</td> </tr> <tr> <td>05/06</td> <td>£13k</td> </tr> <tr> <td>06/07</td> <td>£13k</td> </tr> </table>	04/05	£13k	05/06	£13k	06/07	£13k	
04/05	2.4																	
05/06	2.3																	
06/07	2.2																	
04/05	£13k																	
05/06	£13k																	
06/07	£13k																	

and volunteering.	Percentage of people satisfied with the services provided within Denbighshire					NB £40k HMO, (PIG) Housing enforcement are in budget proposals	
						£50k (PIG) for dropped kerbs	
1. Wider health indicator e.g. related to physical activity	Number participating in Health Living Initiative	Ann Gosse	650	04/05 682 05/06 716 06/07 752	04/05 £35k 05/06 £36k 06/07 £37k	NB There is £35k (PIG) in the budget proposals for Health living Programme	
	Number participating in Sports Development Programmes		24,426	04/05 28230 05/06 29736 06/07 31223	04/05 £25k 05/06 £26k 06/07 £27k	Also £14k (PIG) sport development reduced grant	
2 local indicators around creating better jobs and skills on ICT development; graduate opportunities; quality of the local environment, both built and natural	Creation of council (and other agency?) scheme for improving recruitment and retaining Denbighshire young people within the county. Scheme would involve offering jobs and training opportunities in the council linking training to vocational qualifications	Linda Atkin	Baseline includes Corporate Modern apps, 13 Graduate trainee, 1 None in new in new trainee scheme.	04/05 20 05/06 25 06/07 30	04/05 £100k 05/06 £75 06/07 £75	Creating Jobs and skills	
			14 Total	(04/05 includes 1 extra Grad trainee) Eventual scheme will be 13 M Apps 2 Grad Trainees 15 new Trainees	Budget to cover 1 additional Graduate trainee 1st year and 5 new trainees per year. NB Budget proposal of £30k Food safety and £30k EHO trainee.		

	including relevant degrees. Would require co-operation of colleges locally <ul style="list-style-type: none"> Indicator would be the number of (under 25s) young people to have taken up the scheme 				Also Learning and Development £16k	
	<ul style="list-style-type: none"> New high Quality jobs created through grant strategy 	Gareth Evans	211	04/05 57 05/06 57 06/07 114	No costs	
2 local indicators on fundamental themes to reflect sustainability and equality issues e.g. achievements in the generic equalities standard or in identifying areas of fresh action in relation to sustainable development.	Improve energy efficiency and encourage more environmentally friendly buildings <ul style="list-style-type: none"> Implement BREEAM Standard for all DCC sponsored buildings which are non residential 	Grham Boase	No current policy (investigation on possible level for target being undertaken)	100% each year	Not significant costs and impact on new build costs not substantial.	
	Encourage application of women to senior management positions. <ul style="list-style-type: none"> %tage of women in senior 	Linda Atkin	6 f (25%) 18 m	04/05 26% 05/06 28 % 06/07 33%	No costs associated with delivering this target.	
NB There is £19k in for biodiversity in budget proposals						

REPORT TO CABINET

CABINET MEMBER: Councillor E A Owens, Lead Member for Finance

DATE: 27 January 2004

SUBJECT: Revenue Budget 2003/2004

1 DECISION SOUGHT

That all pressures identified after 31 December 2003 for the current financial year must 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 December show current pressures on services at £609k (£549k at the end of November).

Pressures continue to be identified within School & College Transport and Special Education Needs within the Lifelong Learning Directorate and the Homelessness service within the Personal Services Directorate.

Uncertainty also exists regarding the actual level of Supporting People grant that will be obtained to meet service costs within the Personal Services Directorate. The final grant received could result in an adverse impact on the final budgetary position.

A review of Capital Financing Charges and Investment Income has commenced, the outcome of which will be reported to Cabinet. Initial indications suggest that the likely budget savings arising from improved investment returns on cash flow management and interest savings on the Council's loan debt will exceed the current projected overspend on service budgets.

Directorates must take appropriate action to contain any further cost increases within budget as the financial prospects for 2004/05 are expected to remain tight.

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 and action is required to accommodate these increases within existing budget provisions. Any adverse deviation from agreed budgets will endanger achievement of the Financial Recovery Plan.

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 DECEMBER 2003

Directorate	- Year to Date -			- 2003/04 Totals -				Projected Variance (Previous Report) £000s
	Budget Profile	Actual to End Dec 03 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at End Dec 03	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Lifelong Learning (excluding schools delegated)	13,164	12,113	-1,051	16,899	17,710	18,188	478	374
Environment	14,400	13,874	-526	18,613	19,396	19,403	7	7
Personal Services	19,477	19,581	104	25,852	26,039	26,163	124	168
Chief Executive	1,613	1,596	-17	2,243	2,409	2,409	0	0
Resources	4,440	3,854	-586	4,937	5,161	5,161	0	0
Corporate, Miscellaneous & Benefits	9,325	8,944	-381	3,870	3,556	3,556	0	0
	62,419	59,962	-2,457	72,414	74,271	74,880	609	549
Non - Service Items:								
Contingency				100	0	0	0	0
Capital Financing Charges/Investment Income				11,283	11,206	11,206	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	90,912	91,521		
						Total Variance	609	549

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 DECEMBER 2003**

	- Year to Date -			- 2003/04 Totals -				Projected Variance (Previous Report)
	Budget Profile	Actual to End Dec 03 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at End Dec 03	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Individual Schools Budget	32,845	29,575	-3,270	39,975	39,936	39,936	0	0
School Funds Held Centrally	7,525	7,064	-461	10,004	10,721	11,110	389	289
Non school Funding	211	563	352	388	389	453	64	64
Leisure Services	2,804	2,103	-701	3,086	3,132	3,145	13	9
Culture	1,683	1,691	8	2,414	2,468	2,468	0	0
Countryside	550	406	-144	434	441	441	0	0
Youth	391	286	-105	573	559	571	12	12
	13,164	12,113	-1,051	16,899	17,710	18,188	478	374
Total Lifelong Learning	46,009	41,688	-4,321	56,874	57,646	58,124	478	374

Notes:

Comments	Current Month	Previous Month
	£ 000s	£ 000s
Education Pressures		
<u>School Funds Held Centrally</u>		
School Transport -		
Impact of variations due to contract changes/variations	144	144
SEN -		
Impact of variations since budget setting	250	250
Less Efficiency savings/Use of Reserves	0	-100
Management & Administration efficiency savings	-5	-5
	389	289
<u>Non School Funding</u>		
College Transport - effect of increased contract prices from September due to reduced competition; increased fuel and insurance costs and Working Time Directive implications on drivers' pay and conditions. A review of college transport is underway.	64	64
	64	64
<u>Culture and Leisure</u>		
<u>Leisure Services Pressures</u>		
Pool Hoists for Disabled Persons (DDA)	9	9
	9	9
<u>Youth</u>		
Prestatyn Youth Centre - Essential Repairs & Maintenance	5	5
Backdated Superannuation Contribution	7	7
	12	12
Directorate Total	474	374

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

	- Year to Date -		
	Budget Profile	Actual to End Dec 03 Plus Commitments	Variance (Increase/ - Saving)
	£000s	£000s	£000s
Consultancy Services	2,015	1,936	-79
Economic Regeneration	719	953	234
Highways and Transportation	4,341	3,867	-474
Planning Services	681	562	-119
Public Protection & Regulatory Services	5,744	5,812	68
Support Services	661	510	-151
Contract Services	239	234	-5
Total Environment	14,400	13,874	-526

- 2003/04 Totals -			
Budget As per Budget Book	Budget As at End Dec 03	Projected Outturn	Variance (Increase/ - Saving)
£000s	£000s	£000s	£000s
1,095	1,225	1,231	6
914	952	952	0
6,697	6,806	6,806	0
935	935	942	7
7,903	8,288	8,288	0
797	918	912	-6
272	272	272	0
18,613	19,396	19,403	7

Projected Variance (Previous Report)
£000s
6
0
0
7
0
-6
0
7

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 DECEMBER 2003**

	- Year to Date -			- 2003/04 Totals -				Projected Variance (Previous Report) £000s
	Budget Profile	Actual to End Dec 03 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at End Dec 03	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Children Services:								
Children and Families Services	3,701	3,567	-134	4,094	4,935	4,756	-179	-126
Community Development	195	194	-1	274	260	259	-1	-3
Performance Management & Support	185	142	-43	381	247	189	-58	-32
Adult Services:								
Intake A & C M (North)	5,177	5,777	600	5,333	6,902	7,703	801	930
Preserved Rights/RCA	2,251	1,742	-509	3,404	3,001	2,322	-679	-695
Intake A & C M (South)	2,888	2,824	-64	3,772	3,851	3,766	-85	-153
Adult Services (Provider)	4,286	4,349	63	5,682	5,715	5,799	84	101
Performance Management & Support	1,591	1,457	-134	1,515	2,121	1,942	-179	-162
Business Support & Development	1,157	1,301	144	1,313	1,543	1,735	192	140
Supporting People	1,518	1,563	45	0	2,024	2,084	60	0
Management & Administration	0	0	0	0	0	0	0	0
	22,949	22,916	-33	25,768	30,599	30,555	-44	0
Supporting People Grant	-3,525	-3,525	0	0	-4,700	-4,700	0	0
	19,424	19,391	-33	25,768	25,899	25,855	-44	0
Non HRA Housing	53	190	137	84	140	308	168	168
Total Personal Services	19,477	19,581	104	25,852	26,039	26,163	124	168

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.

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

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

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 DECEMBER 2003**

	- Year to Date -			- 2003/04 Totals -				Projected Variance (Previous Report)
	Budget Profile	Actual to End Dec 03 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at End Dec 03	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Chief Executive's Dept	1,613	1,596	-17	2,243	2,409	2,409	0	0
Resources Directorate:								
Finance	2,158	2,044	-114	2,115	2,351	2,351	0	0
Audit	262	243	-19	299	312	312	0	0
I.T	1,360	1,002	-358	1,649	1,622	1,622	0	0
Personnel	660	565	-95	874	876	876	0	0
Total	4,440	3,854	-586	4,937	5,161	5,161	0	0
Corporate & Miscellaneous Benefits	1,140	1,333	193	3,386	2,772	2,772	0	0
	8,185	7,611	-574	484	784	784	0	0
Total	9,325	8,944	-381	3,870	3,556	3,556	0	0
Total Chief Executive's, Resources, Corporate & Misc. and Benefits	15,378	14,394	-984	11,050	11,126	11,126	0	0

REPORT TO CABINET

CABINET MEMBER: LEAD MEMBER FOR FINANCE

DATE: 27 JANUARY 2004

SUBJECT: REVENUE BUDGET 2004/2005

1 DECISION SOUGHT

1.1 That Members note and agree the updating of the bids for additional funding in 2004/5, as detailed in appendix 2 attached, following an exercise to firm up on the detailed budget position.

1.2 That Members note and agree the impact of these changes as reflected in Appendix 1, and recommend the overall proposals to Council.

1.3 That Members note the potential impact of the reduction in GEST funding next financial year.

1.4 That in accordance with S45A of the Schools Standards & Framework Act 1998, Members agree the provisional Schools Budget for 2004/5 (details to follow).

2 REASON FOR SEEKING DECISION

2.1 Additional Budget Bids

Members reviewed the bids for additional funding for services next financial year at the special meeting on 13 January. An update of the position has been completed and the amended recommendations are included in appendix 2.

The changes from the previous paper are as follows:

	£k	Note
(i) Bid for funding CDT funds from Service reserve accommodated in 2003/4	- 60	
(ii) Funding for Strategy & Resources staffing	+ 111	
(iii) SALT reduced grant	+ 30	
(iv) Increased provision for Private Care providers	+ 167	(1)
(v) Image improvements	+ 110	
(vi) Additional support for audit and investigations	+ 30	

	+ 388	

These increases are recommended to be funded as follows;

	£k	
(i) Reduced bid for Capital Financing Charges 04/05	450	(2)
Capital Financing Charges savings 03/04	150	(2)
(ii) Reduced contribution to balances	50	
(iii) Balance of Performance Incentive Grant	106	
(iv) Reserve used in current year	- 60	

	696	

Notes

(1) The calculation of the impact of increasing the provision for the cost of Private Care providers (6%) has had to be revised.

(2) The recent exercise to calculate the required level of budget for Capital Financing Charges has provided a saving of over £750k in the current financial year. After the projected level of service budget overspends has been accommodated a small balance of £150k is available to be used next financial year, although this is of course a one off item.

A further effect of this projected saving is the revision of the requirement for next financial year which can now be reduced by £200k with the bid for additional funding of £250k removed. A total reduction of £450k.

It is also recommended that £75k of the bid for funding for the EGovernment development be funded from within the Performance Incentive grant allocation.

The impact on the Council Tax requirement is a reduction of £308k, producing a revised Council Tax increase for the year of 4.5%. This position is still under review and an update will be provided at Cabinet if necessary. Once ELWA funding for 6th Form Education is clarified a further sum may become available if the grant includes provision for Teacher's Threshold payment that impact on 16+.

At 4.5%, the increase in Council Tax is lower than previously estimated and members may wish to consider adding further items of growth to the recommended budget. These could include:

- (1) the revenue costs of a contact centre - see separate report
- (2) support for additional capital expenditure through the prudential borrowing scheme - £100k of revenue provides £1m of capital.
- (3) other pressures for which funding has not be made available.

2.2 Impact of reduced GEST funding

The GEST funding for Education comes 40% from the Assembly RSG settlement and 60% as a specific grant. The grant for 2004/5 has been reduced by £325k but the element within RSG is intact.

An exercise has been carried out to assess the potential impact on the department of this reduction. The findings are as follows;

- (i) There will be enough funding overall to support the current staffing posts that are dependent upon this grant aid.

(ii) The other main area of spend, staff training together with resulting supply teaching costs for cover, can not continue at current levels.

2.3 Provisional Schools Budget requirement

In accordance with S45A of the 1998 School Standards & Framework Act, Councils are required to notify the Minister for Education & Lifelong Learning of the authority's proposed schools budget as defined in regulations.

This calculation is currently being firmed up and will be advised to members at the meeting. Early indications are of a figure of £46.508m.

Details of ELWa funding for 6th Form costs in 2004/5 are not yet confirmed and this may impact on the provisional figure for schools budgets. The announcement is seriously out of step with the need to report Schools Budget Requirement by the end of January.

2.4 Potential impact on 2005/6

As mentioned in the previous report to Cabinet, 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	980
iii) New specific grant for Older People support	720
iv) Personal Services bids for less than full year	523
v) Capital Finance savings B/F	150

TOTAL	2,773

This sum corresponds to an increased requirement for Assembly support of 2.6% 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.

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 9.6% **above** a standstill position.

3 POWER TO MAKE THE DECISION

Section 151 of the Local Government Act 1972

4 COST IMPLICATIONS

The summary position appears in appendix 1.

The revised list of additional funding bids is shown in appendix 2.

As in previous budget papers, there are still major elements of the budget that remain unclear primarily because of lack of information from other bodies. The Assembly have still not provided guidance on the use of the Specific Care Grant or on how the Performance Agreement funding will operate in the second year. In addition ELW have yet to indicate their sixth form funding proposals for 04/05

5 FINANCIAL CONTROLLER STATEMENT

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, this should be achieved by the end of March 2004.

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.

In order to allow for a very poor settlement and lack of clarity of funding, these budget proposals fully utilise all available funding. There is therefore no room to accommodate any overspends in 04/05 and directorates must contain expenditure within budget.

6 CONSULTATION CARRIED OUT

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.

Service Scrutiny Committees have also reviewed the prioritising of bids for additional resources.

Members are requested to refer to the reports on the Budget setting process presented to previous Cabinet meetings.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

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

8 RECOMMENDATION

8.1 That Members note and agree the updating of the bids for additional funding in 2004/5, as detailed in appendix 2 attached, following an exercise to firm up on the detailed budget position.

8.2 That Members note and agree the impact of these changes as reflected in Appendix 1, and recommend the overall proposals to Council.

8.3 That Members note the potential impact of the reduction in GEST funding next financial year.

8.4 That in accordance with S45A of the Schools Standards & Framework Act 1998, Members agree the provisional Schools Budget for 2004/5 (details to follow).

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	385	18,433
Environment	18,704	170	566 (3%)	-819	0	18,621	776	19,397
Personal Services	25,939	750	721 (3%)	-935	0	26,475	1,752	28,227
Resources	4,993	145	154 (3%)	0	0	5,292	76	5,368
Chief Executive	2,298	0	69 (3%)	0	0	2,367	0	2,367
Corporate	3,438	110	106 (3%)	-784	0	2,870	425	3,295
Precepts/levies	4,435	0	355 (8%)	0	0	4,790	0	4,790
Capital Financing / Interest	11,206	-150	0	0	-200	10,856		10,856
Contribution to balances	1,000	0	0	0	-1,000	0		0
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	1,355	3,694	-885	870	134,242	3,939	138,181

2. Level of Funding

Revenue Support 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	997	997
	103,052	0	3,165	-1,322	1,750	106,645	1,721	108,366
Service Reserves/b/f savings	0						1,024	1,024
Council Tax	26,156	1,350	91			27,597	1,194	28,791
	129,208	1,350	3,256	-1,322	1,750	134,242	3,939	138,181

ANALYSIS OF BIDS FOR ADDITIONAL BUDGET 2004/5 & POTENTIAL FUNDING SOURCES										APPENDIX 2
		-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
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
SALT reduced grant	60				30			30		60
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 PAn	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
TOTAL	1779	0	179	411	499	0	40	650		1779

			-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
Independent service providers	347	:				167		180		347
Care & repair schemes	37	:						37		37
		:								
Support		:								
Recritment & retention	44	:			44					44
Data inputters	32	:		32						32
Non HRA homelessness	125	:			125					125
		:								
	2096	:	340	188	260	432	0	720	156	2096
		:								
		:								
		:								
		:								
		:								

			-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
Trippers black spots	100	:						100		100
		:								
	1105	:	314	189	190	272	0	100	40	1105
		:								
		:								
		:								
		:								
		:								

			-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	:			30					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
Children's information service	88	:				30			58	88
Members allowances	30	:							30	30
Members pensions	50	:					50			50
		:								
	906	:	220	53	119	86	50	110	268	906
		:								
		:								

		:									
		:	-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	
5. RESOURCES		:									
		:									
Audit		:									
2 additional auditors	58	:				58					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	76	0	20	0		111
		:									
		:									
		:									
OVERALL TOTAL	5997	:	874	624	980	1365	50	990	1114		5997
		:	=====	=====	=====	=====	=====	=====	=====		=====

REPORT TO CABINET

CABINET MEMBER: COUNCILLOR G M KENSLER, LEAD MEMBER FOR PROMOTING DENBIGHSHIRE

DATE: 27 JANUARY 2004

SUBJECT: SPORT AND RECREATION SERVICES BEST VALUE REVIEW

1 DECISION SOUGHT

1.1 To consider the results of this Best Value review prior to final inspection by the Audit Commission, including receiving a report on the 4 C's of Best Value (Challenge, Consult, Compare and Compete), agreeing service delivery options, and approving a Sport and Recreation Services Improvement Plan.

2 REASON FOR SEEKING DECISION

2.1 Members will know that the Council is committed to a Best Value Review of Sport and Recreation Services this year as part of your Improvement Plan and Regulatory Plan. The services under review include leisure centres, sports development, countryside recreation, and parks and playing fields (although the latter service has subsequently been given more detailed scrutiny as part of the Green Spaces Best Value review). The Council's approved statement of Service Aims for Sport and Recreation Services is attached as Appendix 1.

2.2 The 4 C's underpin all Best Value reviews, and Appendix 2 to this report summarises the position of Denbighshire's sport and recreation services in respect of Challenge, Consult, Compare and Compete. Full documentation in support of the conclusions is available if required. In short, we have undertaken a robust challenge of the services; have consulted widely and had regard to the views expressed; generally compare favourably with other authorities; and also represent value for money in respect of delivery of the corporate

service aim to create “*more healthy, inclusive, motivated and prosperous communities.*” The critical issue that has emerged from the review is the need to invest in improving and developing our run down leisure centres.

2.3 A key part of the Challenge and Compete elements of a Best Value Review is the examination of alternative service delivery options. The review Project Team together with our consultants - APSE (The Association of Public Service Excellence) - identified the main options and prepared an initial appraisal of them which was considered by Cabinet on 25 September (see Cabinet Paper 2003 - 138). It was resolved to investigate 5 options in more depth as part of the review. These were:

- Retain in-house delivery with clear strategies in place to improve and invest in the services.
- Create a wider Culture and Leisure Trust, including the services under review and libraries, arts, archives, heritage and youth services.
- Externalise Leisure Centres through an existing or new trust, or via a private sector partner.
- Externalise Leisure Centres and Sports Development combined through an existing or new trust, or via a private sector partner.
- Create a new Countryside Trust to manage all or part of the Countryside Service.

2.4 Appendix 3 attached to this report summarises the detailed appraisal of these options which has been undertaken. Members will note that the Project Team and our consultants recommend that delivery of all the services should be retained in house for the following reasons:

- There are no clear financial or other advantages in externalisation which would address the key issue of securing major capital investment in the leisure centres.
- Stakeholder consultation clearly demonstrates a strong preference for retaining delivery and control of the services in house.
- The need to retain flexibility to respond to Council priorities and objectives.
- Consultation with staff shows a very strong preference for retention of in house delivery.

- A viable financial plan has been prepared which can address the critical issue of leisure centre capital investment.
- Significant improvements have already been delivered in house, and the proposed Improvement Plan puts forward a number of actions which will continue to deliver the necessary improvement.
- The cost of pursuing an externalisation option.

2.5 Demonstrating a commitment to continuous service improvement is a central component of Best Value, and the attached Improvement Plan (see Appendix 4) seeks to address this. The plan has been drawn up having regard to the recommended service delivery option, and will deliver significant service improvements in line with Council priorities and objectives.

2.6 The final inspection of the review and Improvement Plan by the Audit Commission for Wales will take place in February, following which we will receive their formal judgement as to how good the service is and what are the prospects for improvement. Their report and conclusions will be reported to the Corporate Governance and Lifelong Learning Scrutiny Committees in due course.

3. POWER TO MAKE THE DECISION.

3.1 Best Value is covered by the Local Government Act 1999.

4 COST IMPLICATIONS

4.1. The most significant financial implications relate to capital investment in our rundown Leisure Centres. Over the next few years £1.334m is required to address outstanding works from the Property Condition Surveys. In addition, there is a need to develop and improve the centres in line with the proposals set out in the draft document 'Sport for Life - A Strategic Framework for Sport and Recreation'. Given the constraints on capital finance, improvements listed in this document have been assessed to determine whether they are 'essential' or 'desirable'. The cost of essential works (such as refurbishing and improving changing facilities, sports halls and reception areas, upgrading parking and access, and new/improved fitness and all weather pitch facilities) are estimated at £5.211m. However, if all the development and improvement projects set out in

'Sport for Life' are included the total cost is £6.751m. The total investment therefore required in both maintenance and development is between £6.545 - £8.085m. A decision is required to determine if the Council wish to defer the 'desirable' schemes and to proceed with essential projects only at this stage.

4.2 Developing a clear strategy to address this capital requirement has been a dominant feature of the review, and a copy of the proposed Leisure Centres 8 Year Capital Plan is attached as Appendix 5. A longer term strategy has been devised in the knowledge that this level of capital resourcing cannot be delivered in the short term.

4.3 From the Capital Plan, members will note that of the investment required, some £2.724m is either already secured or committed from a variety of sources (including the Council's capital allocation for DDA works, Rhyl Leisure Centre CIP project, together with approved grants from SPORTLOT/NOF and public/private partnerships such as Pulse Fitness in Rhyl). Over the plan period between £0.986 - £1.376m can be sourced externally (including NOF, SPORTLOT, and other grants) thus leaving a shortfall of between £2.835 - £3.985m. It is proposed that this should be financed over the 8 year plan period by a combination of refocusing existing capital and revenue property maintenance resources, innovating in the way improvements are delivered, Welsh Assembly Policy Agreement Grant, and Prudential Borrowing and/or new Public Private Partnerships. In addition, an allocation of around £80k pa would be required in the Council's Capital Plan. In this way Denbighshire can secure first class leisure centres for the community.

4.4 An assessment of the revenue implications arising from the proposed capital projects has been undertaken. It has been identified that 6 of the 26 projects listed will have additional revenue costs (eg energy, maintenance, etc). However, given that the proposed capital plan is intended to enhance our facilities, to attract additional customers, and to create new markets these costs will be offset by increased income.

5 FINANCIAL CONTROLLER STATEMENT

5.1 A report elsewhere on the agenda details the first attempt at a three year capital programme for the County Council. The report takes account of the backlog of works on County buildings including Leisure Centres and other buildings referred to in this report.

5.2 The likely level of funding available for supported borrowing from the Assembly will be reduced from previous years as a result of the switch of funding to support the Housing Revenue Account. This will place a greater pressure on the need to attract external funding for schemes and to generate capital receipts from the disposal of surplus assets currently owned by the Council.

6 CONSULTATION CARRIED OUT

6.1 Consultation is a key component of Best Value, and extensive internal and external consultation has taken place as the review has progressed. The main outcomes are set out in Appendices 2 and 3.

6.2 A Project Team has been established to guide the review. Membership of the Project Team is deliberately wide to encompass the full range of interested parties within the Council, and to involve key external partners. Representatives include the Lead Cabinet Member, Corporate Governance Committee Member, Denbighshire Sports Council, Sports Council for Wales, Countryside Council for Wales, Head Teachers Federation, Education Adviser for PE, Health Strategy Facilitator, LA 21 Policy Officer, Area Partnerships Officer, Access Officer, Senior Grounds Maintenance and Cemeteries Officer, staff, Unions, Lifelong Learning finance and property managers, Youth Service, and other key staff from Culture and Leisure. The project team have endorsed this report.

6.3 Lifelong Learning Scrutiny Committee have been engaged in the review for some time. They have debated reports at various stages of the process (April, July and October 2003, and January 2004). At their meeting earlier this month, Scrutiny endorsed the conclusions of the service delivery options appraisal to retain services in-house, and supported the Improvement Plan.

6.4 This work has been informed by two wide ranging 'Challenge' events involving the Project Team and a range of stakeholders and other organisations. In addition, specific Options Appraisal Challenge events have been held with staff and external stakeholders to gauge opinion on the main options, and to seek views on possible service improvements. An internal Peer Group Challenge of the Review is also planned prior to Cabinet, and any modifications made as a result of this will be reported at your meeting.

6.5 As this review is a Staged Inspection, the Audit Commission have also been involved in the review as it has progressed. Their Stage 1 and 2 reports have provided feedback to the Project Team during the process, and the Inspector has attended other key meetings such as the Stakeholder Challenge Day.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

7.1. This Best Value review is a commitment in the Council's Improvement Plan and the Regulatory Plan. Other impacts relate to quality of life issues. The provision of high quality sport and recreation opportunities and facilities is a key component of the Council's commitment to promote the social, economic and environmental well being of the area.

7.2 The adopted Council Priorities for 2004-05 also demonstrate a commitment to *"improving buildings that are most often used by the public"* (646,000 visits to leisure centres in 2002-03, excluding school use on dual use sites); *"tackling rundown buildings"*; and *"increasing spending on our buildings by borrowing more money under the Local Government Act 2003"*. All these priorities are addressed in this review.

7.3 Sport and recreation services and facilities also feature in your approved Culture and Leisure Strategy 'Pick and Mix', the Cultural Tourism Strategy, and Countryside Strategy.

8 RECOMMENDATION

8.1. To endorse the assessment of the 4 C's of Best Value (Challenge, Consult, Compare and Compete) in respect of Sport and Recreation Services.

8.2 To retain in house delivery of Sport and Recreation Services.

8.3 To approve the Sport and Recreation Services Improvement Plan.

8.4 To recommend the Leisure Centres Capital Improvement Plan to Council for inclusion in the Council's Capital Plan.

Denbighshire's sport and recreation service aims to create:

“More healthy, inclusive, motivated and prosperous communities”

- ***Health*** - to promote the benefits to physical health and mental well-being of participation in sport and recreation through targeted initiatives and programmes to create healthier citizens.
- ***Inclusiveness*** - to increase access to sport and recreation by removing physical, economic and social barriers, specifically targeting disadvantaged groups to create inclusive communities
- ***Motivation*** - to nurture talent by providing the opportunity and encouragement to individuals to learn, explore, improve and realise their potential; creating inspirational achievers and role models
- ***Prosperity*** - to contribute to the economic regeneration of the county through the provision of high quality sport and recreational opportunities as a key component of our cultural tourism product.

APPENDIX 2

Denbighshire County Council

Sport & Recreation Services

Best Value Review

4C's Summary

January 2004

Denbighshire County Council
Best Value Review Sports & Recreation Services
Challenge and Compete Summary

Activities Undertaken

- Stake holder Challenge Day
- Local Authority / Voluntary sector Challenge Day.
- Market Invitation – Engaging with the private sector
- Development of new Sport and Recreation Service Aims

Summary of messages from work undertaken

- There is very clear support from stakeholders for the provision of sport and recreation services
- Stakeholder recognition that the County Council has a key role to play in the delivery of these services
- Endorsement of key sport and recreation service aim to “create more healthy, inclusive, motivated and prosperous communities.”
- Extending the reach of services to hard to reach and non-user groups is viewed as important.
- Services are seen as important in delivery healthier communities
- Services need to be more effective in helping:
 - Young People
 - Disadvantaged
 - Older Persons
 - Disabled People
- There is evidence that any externalisation of services would be a lengthy and time-consuming process, as well as a costly one, with regard to set-up costs.
- Response from the private sector market invitation has been poor reflecting the problematic nature of dual useage sites and the lack of private sector involvement and capacity in Wales. To date 6/1/04 only two companies from a total of 17 had responded. These indicated that any sourcing of capital investment form themselves would be a more costly option for DCC.
- There is clear evidence from Staff Challenge that any externalisation/ trust set-up would be resisted.

Denbighshire County Council
Best Value Review Sports & Recreation Services
Compare Summary

COMPARE SUMMARY

Activities Undertaken

- APSE Performance Networks Benchmarking
- NAW PI's 2002/2003
- CIPFA Benchmarking
 - Celtic Community Leisure Trust
 - Flintshire County Council
 - Wigan Cultural and Leisure Trust
- Countryside Services Benchmarking
- Sports Development Benchmarking

Summary of key messages from work undertaken

Detailed comparative benchmarking is now embedded in Sports and Recreation services and has ensured

- Performance Measurement is an integral part of the services and is continued rigorous use ensures that services are economic, efficient, effective and meet user expectations.
- APSE Performance Networks shows Denbighshire's performance in Leisure services and Management ranges from upper quartile to mid-lower quartile. Particular attentions have been paid to mid-lower quartile information in service improvement plans.
- CIPFA Benchmarking information contains that for leisure services pricing comparisons work with neighbouring Welsh Authorities are very good.
- Denbighshire are aware of the full range of service delivery options and utilise this information in improving and delivering their services.
- Sports Council for Wales Participation Surveys suggest that in Denbighshire 32% Never use local authority Leisure Facilities compared to 44% the Welsh average.
- The number of swims and other visits (NAW PI's) in 2002-03 was 9044 for Denbighshire. This compares to the Wales average of 8407 and is above the top quartile figure for English authorities.
- Denbighshire is the second highest performing Leisure services out of all North Wales authorities

- The Sports Council for Wales data has shown Denbighshire to be the only North Wales authority to have launched Girls First initiatives fully across the county. Statistics show that 75% more Women and Girls are taking part in physical activity since the successful launch.
- The Sports Council for Wales data illustrates that at 66% Denbighshire is 9% above the Wales average for overall participation.
- APSE PI's for Sport and Recreation in Wales show Denbighshire to be: in the upper quartile for facility use per head; Top quartile percentage for Sports Development participation/usage ; and in the upper quartile percentage for financial support of organisations per 50,000 head of population.
- Denbighshire is the only one of five authorities in it's APSE family group with a Cultural Tourism strategy.

Denbighshire County Council
Best Value Review Sports & Recreation Services
Consultation Summary

CONSULTATION SUMMARY

Activities Undertaken

- Staff Consultation
- Challenge Days
- Non user research report
- Head-Teacher consultation
- Countryside services consultation
- Postcode survey – Leisure Centres
- Options Appraisal consultation with staff
- Options appraisal consultation challenge with stakeholders

Summary of key messages from work undertaken

- Staff are committed to continued in-house provision across **ALL** Sports and Recreation Services
- Stakeholders are highly committed to continued in-house provision across **ALL** Sports and Recreation Services
- High reluctance of Head Teachers on dual useage sites to consider alternative delivery vehicles for management of sites
- Leisure Card Scheme has been arranged and re-launched
- 92% of customers rated Leisure Services as Very Good or Good
- Out and About event for countryside services had 100% customer satisfaction.
- Post code survey confirms that leisure centres are used by the local community and that geographical spread is consistent with user needs
- Countryside services performance in generating income as percentage of gross revenue budget is the best in North Wales
- Denbighshire's Sports and Recreation services are aware of the full range of services delivery options for their services and utilise this information in improving and delivering their services. Services are delivered in mixed economy mode.
- Denbighshire now offer a more varied and specific Sports and Recreation activities programme for people with disabilities, based on need and consultation during the review.
- Following consultation with all disability groups and respective representatives a range of improvements have been implemented concerning: marketing materials; increased and improved access to facilities; and provision of hearing loops within all DCC buildings.

APPENDIX 3

Denbighshire County Council

Sport & Recreation Services

Best Value Review

Detailed Options Appraisal

January 2004

DRAFT

Best Value Review of Sport and Recreation Services.

Detailed Options Appraisal

Background

As part of the Best Value Review of Sport and Recreation Services a report outlining options for future service delivery was considered by Cabinet on the 25th September 2003. It was resolved to investigate 5 options in more detail as part of the review. These options were:

- Continue in-house provision with clear strategies in place to resolve resource issues.
- Create a wider cultural trust to include the services under review and also libraries, arts, archives, heritage and youth services.
- Transfer Leisure centres to an existing trust/new trust.
- Seek private sector partner to manage services.
- Create a new Countryside trust to manage the countryside service.

Cabinet also agreed that the key drivers to assess these options were as follows:

- The ability to source capital investment.
- The ability to deliver corporate objectives.
- The capacity for long-term participation for all residents of Denbighshire.

The following paper has provided evidence for each of the options against the potential to deliver each of the key drivers. A judgement has been made as to which service delivery vehicle can best deliver the key drivers.

This decision has been made by the Best Value Review Team using the following scoring method that details: whether the option can either: totally satisfy the driver; can satisfy the majority of the driver; can satisfy a minority of the driver; or cannot satisfy the driver at all.

These judgements have been scored 3, 2, 1, and 0 accordingly and a recommended option could be identified using this scoring system. This is summarised in table 1.

It is clear from the table that the highest scoring option is continued in-house provision with clear strategies in place to resolve resource issues and this is our recommended option.

Table1

Denbighshire County Council

Best value Review Sport and Recreation Services

Weighting of Driver

Option	Issues	Opportunities	Driver Opportunities to Source Capital Investment	Driver Ability to Deliver Corporate Objectives	Driver Capacity for long term participation for all residents of Denbighshire
Continue in-house provision with clear strategies in place to resolve resource issues	<ul style="list-style-type: none"> ➤ Requirement for 8 million capital over say 8 years ➤ No scope to rationalise the service due to facilities serving very discreet communities ➤ Need for at least a 5 to 7 year commitment to support the investment ➤ Non-statutory service ➤ Political service priorities ➤ Emerging physical activity, health agenda ➤ Stakeholder and staff consultation indicates preferred option 	<ul style="list-style-type: none"> ▪ Prudential borrowing ▪ Sportlot ▪ NOF ▪ Capital Programme ▪ Public Private Partnerships ▪ DCC Maintenance 'Hit Squad' ▪ Realign Capital and Revenue Property Maintenance budgets ▪ Other grant opportunities 	3	3	3
			Total Score is 9		

Option	Issues	Opportunities	Opportunities to Source Capital Investment	Ability to Deliver Corporate Objectives	Capacity for long term participation for all residents of Denbighshire
Wider Cultural Trust	<ul style="list-style-type: none"> ➤ Capital liability of 7.9 million (minimum figure which does not include development costs) ➤ Cost of establishing a new trust could be significant (evidence from Wigan trust) ➤ School sites could be problematic in terms of disaggregating NNDR ➤ Are the ownership issues clear for all other sites? ➤ Timescales could be 12 to 18 months ➤ No VAT benefits 	<ul style="list-style-type: none"> ▪ 365 k NNDR could be ring-fenced for improvements ▪ Wider trading opportunities may exist 	1	1	1
			Total Score is 3		

Option	Issues	Opportunities	Opportunities to Source Capital Investment	Ability to Deliver Corporate Objectives	Capacity for long term participation for all residents of Denbighshire
Transfer to existing Trust	<ul style="list-style-type: none"> ➤ Does the existing trust have the capacity to manage the wider portfolio ➤ School sites could be problematic in terms of releasing NNDR ➤ Costs to Denbighshire CC in preparation for transfer ➤ The condition of the existing buildings and the limited NNDR could still leave the capital liability with the Council in the long term (particularly in relation to the statutory delivery of curricular P.E.) 	<ul style="list-style-type: none"> ▪ NNDR could be ring-fenced for improvements (approximately £130,000) ▪ Existing trust could reduce start up costs and lead time could also be reduced 	1	1	1
			Total Score is 3		

Option	Issues	Opportunities	Opportunities to Source Capital Investment	Ability to Deliver Corporate Objectives	Capacity for long term participation for all residents of Denbighshire
Private sector partner	<ul style="list-style-type: none"> ➤ Head Teacher resistance ➤ School sites could be problematic ➤ Requirement for tight specification could be a disincentive for Private Sector ➤ Limited scope for development of `cash cows` ➤ Adjourning Authorities have experienced lengthy and costly negotiation process with private sector 	<ul style="list-style-type: none"> ▪ Possibilities of investment linked to length of contract and scope for cash cow development ▪ Claw-back of grant needs clarifying 	2	1	1
			Total Score is 4		
Stand alone countryside trust	<ul style="list-style-type: none"> ➤ Limited NNDR benefit ➤ Examples of comparisons across the country are much smaller in scale ➤ Loss of synergy with other DCC services 	<ul style="list-style-type: none"> ▪ Potential wider freedom of operation outside the constraints of a local authority 	0	1	1
<p>Drivers can be scored between 0 and 3. 3 = Totally satisfies the driver; 2= Satisfies a minority of the driver; 0= Does not satisfy the driver at all.</p>			Total Score is 2		

CONTINUE IN-HOUSE PROVISION WITH CLEAR STRATEGIES IN PLACE TO RESOLVE RESOURCE ISSUES

The main pressure on the leisure centres is the requirement for capital investment. Over the next five years or so, the property condition surveys have identified a requirement for £1.334 million to address outstanding works. In addition, between £5.211 and £6.751 million is required to:

- The lower figure is the essential development works that are required to maintain the existing infrastructure
- The higher figure is the desirable works that would develop and improve the facilities to make them fit for purpose for future customer expectations.

The total investment required is therefore in the order of £6.545 million - £8.085 million depending on essential and desirable works.

Several opportunities exist to source this investment over an eight year period. The council has already identified £2.724 million in its capital programme, the majority of which is externally sourced (see Table 2 Appendix 5). A Leisure Centres 8 Year Capital Finance Plan has also been drawn up which shows how the remaining funding could be secured. This includes external grant sources such as NOF and Sportlot, new public/private partnerships, and Prudential Borrowing. If clear commitment to deliver this level of investment can be determined then the continued in-house provision will satisfy fully the driver for investment.

Continued in-house provision would ensure the council could continue to manage the services to deliver corporate objectives thus fully satisfying the second driver. Our evidence from stakeholder and staff consultation indicates that this is an important driver for these groups, and the results of our consultation with these groups, is that there is a very strong preference for continued in-house service provision.

Commitment to an eight year funding programme would develop the facilities to a modern day standard and if this was aligned with a maintenance programme of, say 2%, of asset value, the long term participation opportunities would be ensured thus fully satisfying the third driver.

Linked to this option could be the development of a new regime for building maintenance to allow for a more responsive, customer focused and reactive service. Further details of this have been developed and included in the eight year capital plan.

Concerning Sports Development and Countryside Services these are well managed, and high performing services that are clearly integrated with other Council services and that have clear synergy with the leisure centres.

The results of our consultation with Staff and stakeholders concerning the range of options for future service delivery are contained in Appendix A.

The above evidence leads us to the conclusions that concerning the three key drivers:

- The ability to source capital investment is fully met
- The ability to deliver corporate objectives is fully met.
- The capacity for long-term participation for all residents of Denbighshire is fully met.

CREATION OF A WIDER CULTURAL TRUST

The building portfolio of a wider cultural trust has an increased capital liability of a minimum of £6.6 million according to the condition survey reports (this does not include development work). The NNDR benefit which could accrue through the use of a trust is £365k (this assumes all sites could achieve this benefit, as there may be difficulties with the dual use facilities on school sites).

Our research into the potential for creating a wider Culture and Leisure Trust has included:

- ◆ Examining existing and proposed Trust Arrangements with specific work on Wigan Authority.

This research is available in the evidence files if required, but our specific conclusions are:

- ◆ Timescales for the setting up and establishment of a new trust could be significant, possibly 12 to 36 months.
- ◆ Set Up costs could be significant. Wigan Culture and Leisure cost over £190k plus a one off reserve payment of £347K.
- ◆ The track record of such trust for creating additional capital investment is unproven given the newness of such Trusts.
- ◆ The NNDR saving of 365K is not enough to meet the capital liability of the building portfolio.

The above evidence leads us to the conclusions that concerning the three key drivers:

- The ability to source capital investment is only partially met
- The ability to deliver corporate objectives is only partially met.
- The capacity for long-term participation for all residents of Denbighshire is difficult to make as assessment of this driver is difficult given the newness of this available option. If a judgement is to be made then our assessment would be at best only partially met.

LEISURE CENTRES TRANSFER TO EXISTING TRUST / CREATION OF NEW TRUST

Denbighshire already has transferred some services to a trust – Clwyd Leisure Limited currently operates the Sun Centre, Sky Tower, Nova Centre and the Indoor Bowls Centre.

The advantages of transferring to an existing trust include: potential reduced start up costs; and a quicker lead in time. However the situation is not as straightforward as may first appear. The capital liability that is presented with the building stock still requires resolution. It is unlikely that the existing trust would be able to secure the required £6.545 - £8.085 million from the market place so there could still be the possibility of the Council having to underwrite the liability. Also, the potential benefits of NNDR to a trust operation, is complicated by the dual use situation of all, except one of the Leisure Centres.

The requirement for a lease arrangement on the dual use sites is undoubtedly one that may provide a barrier which will not be overcome. This issue is over and above the fact that the available NNDR is only £135 K pa, and even if this was ringfenced and allocated to the trust as a revenue stream, it would still fall short of the leverage required to fulfil the £6.545 - £8.085 million required.

The existing Trust's track record to source capital investment is that to date no major capital projects have been delivered. However, there is planned delivery of two projects: the refurbishment of the Rhyl Sun Centre basement into fitness suite with value of £500k; and the development of two new swimming pool slides at these facilities.

Consideration would also need to be given to the capacity of the existing trust to deliver a spread of facilities which geographically, and from a service ethos perspective, may not provide a compatible fit. Our research into the existing trust arrangements is available in the evidence files, and our specific recommendations for improving the existing relationship between DCC and Clwyd Leisure have been incorporated into the Service Improvement Plan.

Although not under the three key drivers our consultation with Head teachers at each of the dual usage sites found:

- ◆ Schools were reluctant to consider alternative delivery vehicles for the management of the sites.
- ◆ Any developments to externalise would need to be the subject of extensive detailed consultation with the schools representatives. This could prove to be a lengthy and costly exercise with the outcome uncertain.

The above evidence leads us to the conclusions that concerning the three key drivers:

- The ability to source capital investment is only partially met
- The ability to deliver corporate objectives is only partially met.
- The capacity for long-term participation for all residents of Denbighshire is only partially met.

SEEK PRIVATE SECTOR PARTNER TO MANAGE SERVICES

A shortlist of 17 potential private sector partners with experience in leisure and recreation management was identified via market research. As part of an 'Engaging the Market' initiative, these organisations were invited to submit an initial expression of interest in the services under review. A copy of this letter is available in the evidence files and the companies to whom it was sent is also detailed in these files.

As at the 6 January 2004 two companies had responded. Whilst tentatively indicating that they may be able to work with DCC, in both replies, the companies indicated that the availability of capital finance through them would be more expensive than using the Council's sources, and that the effect on subsidy would be dependent on the level of investment capital.

As part of the overall consultation strategy to the Best Value Review we also interviewed Headteachers at each of the Dual usage sites and concluded:

- ◆ Schools were reluctant to consider alternative delivery vehicles for the management of the sites.
- ◆ There are difficulties in terms of the NNDR benefits in a trust scenario due to the facilities being invested in education and a reluctance from the schools perspective to enter into long term lease agreements with a third party.
- ◆ The specification for a private sector contract would be very prescriptive from the schools point of view in order to protect their curricula and extra curricular ambitions. This would be less attractive to the private sector.
- ◆ There was little interest in the schools taking on the overall management of the sites. This was due to concerns about the skill base and also the financial risk in terms of the market place and the pressures this could bring to bear on the schools budget.
- ◆ Any developments to externalise would need to be the subject of extensive detailed consultation with the schools representatives. This could prove to be a lengthy and costly exercise with the outcome uncertain.

This and our knowledge of the market, leads us to conclude that with regards to the future service delivery of Leisure Services by this method:

- ◆ Schools sites and dual usage would be problematic.
- ◆ The requirement for a tight specification would be resisted by Head Teachers at dual usage sites. This would restrict the additional revenue streams that a private sector partner would be able to access and would act as a barrier to potential interested parties.

- ◆ Our “Engaging the Market” questionnaire and informal market analysis indicates that there is little interest from the private sector in North Wales in running dual usage community/educational Leisure Centres. Even where there is the evidence, for example, from Flintshire County Council, the process is time consuming and costly.

The above evidence leads us to the conclusions that concerning the three key drivers:

- The ability to source capital investment is only partially met, and if met would be more expensive to DCC.
- The ability to deliver corporate objectives is only partially met.
- The capacity for long-term participation for all residents of Denbighshire is only partially met.

CREATE A NEW COUNTRYSIDE TRUST TO MANAGE THE COUNTRYSIDE SERVICE

The initial rationale for further exploring this option were given as:

- Opportunities to access funds not available to local authorities.
- Potential wider freedom of operation outside the constraints of local authority.

The Best Value Review Team, and ourselves, have researched a number of new trusts that have been formed in Countryside services and this evidence is contained in the Evidence Files.

Our conclusion from this research and evidence are:

- Any move to create a trust would still require significant support from DCC. Torbay Coast's – an area not even as big as Moel Famau Country Park requires £200K p.a.
- Set up costs are large, not financially, but in terms of staff time.
- There is no significant evidence that a countryside trust would access new sources of funding unavailable to DCC.
- There is evidence from our staff and stakeholder consultation that this would be a resisted change.
- This is a successful service and this method would break up an existing integrated Countryside Service. This could lead to a loss of flexibility and integration with other services in sports and recreation.

The above evidence leads us to the conclusions that concerning the three key drivers:

- The ability to source capital investment is not met at all.
- The ability to deliver corporate objectives is only partially met.
- The capacity for long-term participation for all residents of Denbighshire is only partially met.

APPENDIX A – STAFF CONSULTATION

All Leisure Centre and Sports Development staff (permanent and temporary) were invited to a briefing and Q and A session.

They were also invited to complete an options appraisal questionnaire. The session was presented and facilitated by Mark Harwood of APSE.

Countryside Services staff attended a separate briefing.

BRIEFING

The main queries were connected to the evidence of how Leisure Trusts have performed when they are set up. These concerns were dealt with by amending the questionnaire to include an article co-researched and written by APSE in August 2003 concerning the performance of Leisure Trusts. The redrafted questionnaire was sent out to all staff in the Leisure Centres and Sports Development service areas two days later.

QUESTIONNAIRE RESULTS

A summary matrix is attached, but the clear conclusions are:

Clearly staff's preferred option is Option A – Leisure Centres – In-House, that of continued in-house service provision with an identified improvement plan.

For Sports Development again staff's preferred Option is Option A – Continued in-house provision with an identified service.

For Countryside Services again staff's preferred Option is Option A – Continued in-house provision with an identified service improvement plan

A more detailed analysis of staff responses follows:

**Summary Matrix
Denbighshire County Council
Options Appraisal
Staff Consultation as at 25th November, 2003**

	Questionnaire Sent Out	Number of Returns	In-House Ranking			Wider Cultural Trust			Trust Partnership or Private		
			1	2	3	1	2	3	1	2	3
Leisure Centre		19	18	0	1	0	10	9	0	9	10
Sports Development		19	18	0	1	0	8	11	0	11	8
Countryside Services	20	16	16	0	0	0	9	7	0	7	9

REASONS FOR PREFERRED OPTION A – LEISURE CENTRES – IN-HOUSE

- Denbighshire County Council can have major control over the Leisure Centres.
- This option best benefits the public of Denbighshire.
- Confusion with a different provider would cause disruption to the schools.
- Why change something that is not broken?
- Concerns over erosion of Terms and Conditions by other service vehicle, especially with regard to pensions.
- Performing well when compared to other authorities.
- This method allows the public to receive a broad range of activities and opportunities, not just profitable activities.
- There are many positive recent developments in Leisure that have taken place which auger well for the future.
- There has been negative feedback from staff who are employed by Clwyd Leisure.
- I have worked under a Trust before and there were no opportunities for staff... also staff weren't a major part in the job. I think they are more bothered about the money.

REASONS FOR PREFERRED OPTION A – SPORTS DEVELOPMENT – IN-HOUSE

- In-house provision is able to respond quickly to changes in Welsh Assembly legislation and initiatives.
- Current service is performing well when compared to other local authorities.
- Is able to work with Sports Centres and help with their expert knowledge.

IMPROVEMENTS FOR THE FUTURE – OPTION A – LEISURE CENTRES IN-HOUSE

- Executive and Principal Officers should have more involvement at the sites – they should visit the Leisure Centres regularly.
- Leisure Centres should be advertised regularly – have billboards.
- Develop new dual use agreements.
- We need to promote healthy living i.e. we could work with the health authority (Heart Foundation Wales).
- More funding to the Leisure Centres for important factors such as security within the Leisure Centres e.g. security cameras to keep vandals and troublemakers away.
- Extend opening times e.g. school day.
- Closer working relationship with Sports Development Service needs to be developed.

- Increased advertising of the facilities.
- Change of management style by senior management – should create more of a ‘team approach’.
- Centres to work more closely with schools on dual use sites.
- A change of priority by the Council i.e. even though Leisure Services is a non-smoking service it should be given a higher priority.
- More access for public use in dual use sites.
- More Sports Development presence in Leisure Centres.
- Make sure dual use agreement is put into effect.
- More Sports Development presence – even if it means just visiting centres once a month.
- Better working relation with school so that swimming pool usage is maximised and the public can use it more.
- Greater links with the schools that shares the Leisure Centres, with a view to freeing time within the present programme for both sides.
- A few of the sites would benefit if they had a more modern fitness suite.
- Advertising could be better targeted. We spend on thousands of leaflets, but only use a tenth of these.
- We need to develop a product that is marketed to the right target audiences
- Improved links between Leisure Centres, Sports Development and schools
- Sort out Dual Usage agreements – all parties must agree with it and work to it.
- More face to face contact with senior management.
- It would be nice to have more in-house meetings between staff and management so that we can be put in the picture as to what is happening.
- More investment in maintenance and more investment in capital projects for the centres.

IMPROVEMENTS FOR THE FUTURE – OPTION A – SPORTS DEVELOPMENT IN-HOUSE

- Better communication/links between Leisure Centres and Sports Development Service.
- Get rid of “them and us” attitude between Sports Development and Leisure Centres.

OPTIONS APPRAISAL – STAFF CONSULTATION

COUNTRYSIDE

All Countryside staff (permanent and temporary) was invited to a briefing and Q and A session. They were also invited to complete the options appraisal questionnaire.

Briefing

The main queries were connected to understanding what a trust actually was, how it worked and what it would do. These queries were dealt with verbally. The main areas of concern consisted of splitting the Countryside Service up and losing the integrated nature; whether a trust would be interested in the non-income generating functions; and what the improvement plan will have in it.

The questionnaire survey

16 questionnaires were returned from 20.

The results of the questionnaire survey are as follows.

100% stated their preferred option was A – continued in-house provision with identified improvement plan.

There was an equal split with regard to the options chosen for 2nd and 3rd.
56% placed option B – wider cultural trust, as their second choice.
44% placing option C - Countryside trust, as their second choice.
This result is obviously reversed for the 3rd choice.

Reasons for preferred option

- Existing service works well and is well respected (both internally and externally and regarded as a model of its kind in Wales and is one of very few integrated services.
- Options B and C could/would break up this integration reducing effectiveness and credibility.
- Changing the way the service works would reduce grant aid.
- The existing service works well across all functions and geographical areas of the County. It is well placed to play a large roll in the community partnership when these are introduced.
- Existing service attracts a lot of grant aid and is successful working with other bodies to attract grant aid. Further, it has a proven track record of delivering the grant funded projects.

- The council benefits from an in-house provision - greater control over operations, staff and corporate objectives.
- The service gives good value for money and the community understand whom to contact for countryside management.
- Current operation allows for flexibility and better working with other council departments such as planning.
- Service can deliver crosscutting themes such as health and biodiversity in the current structure.
- 'If it ain't broke, don't fix it'
- "Because we deliver an excellent service now, why change it?"
"As long as annual reviews of the service delivery are made and improvement plans are in place then things will continue to work well as they are".
- A trust would mean restructuring and extra cost.
- The relationships and rapport that the service has gained locally.... does not happen overnight. This is something that takes years to attain and could not be matched by a fragmented service.
- Financial savings would be small when compared to the cost of establishing a trust.
- An integrated service with the ability to respond across the County does bring advantages to our 'customers'. It allows us to give thought to strategic matters... the current 'can do' ethos is good.
- The service secures funds with community groups without trust status. Is there any guarantee that money generated through options B or C would be reinvested?

Improvement for the future

- Work to extend the AONB into the Dee Valley.
- Improve funding for the Access to Open Country project.
- Improve performance management to become more 'customer aware'.

- Be clearer about our objectives and strategic aims. Make these available and promote them.
- Work to be less reliant on grant funding.
- Invest in office accommodation and meeting area at Loggerheads.
- More resources for environmental education work. Employment of education officer.
- Better links with other relevant services in the Authority.
- Increased resources to deliver planning advise, LBAP process, protected species. Include these in the improvement planning process for planning.
- Better publicity for the works of the service and more events for the public.
- More promotional materials and promotion systems for our sites to raise awareness.
- Continue to make the Service geographically countywide – i.e. more staff resources.
- Increase school involvement in works of the Service.
- Continue IT improvements.
- Fill vacant posts.
- Realistic budgets for maintenance.
- Realistic budgets for marketing and promotion.
- Persuade Tourism Department to adopt countryside sites and activities as tourism product and help finance it.
- Upgrade public facilities – toilets, car park and other buildings etc.
- More secure and long-term commitment of resources by Authority to countryside to improve stability.

APPENDIX B

OPTIONS APPRAISAL - STAKEHOLDER CHALLENGE

**Best Value Review
Denbighshire County Council
Sport and Recreation Services
Options Appraisal – Stakeholder Challenge**

Stakeholders that attend the two Challenge Days held earlier in September 2003 were invited to an Options Appraisal – Stakeholder Challenge. The purpose of this event was:

- For a variety of stakeholders to give their views and opinions on the evidence presented in the Options Appraisal report;
- To ask questions and seek answers concerning the Options Appraisal reports;
- To complete the Options Appraisal questionnaire;
- The evidence from the event is fed into the Options Appraisal reports for Lifelong Learning Scrutiny and Cabinet

QUESTIONNAIRE RESULTS

A summary matrix is attached.

Clearly stakeholders' preferred option is Option A – Leisure Centres – Continued In-House service provision with an identified improvement plan.

For sports development stakeholders' preferred option is Option A – Continued In-House provision with an identified service improvement plan.

For Countryside, again the clearly preferred option is Option A – retained in-house provision.

A more detailed analysis of stakeholder responses follows:

**Summary Matrix
Stakeholder Consultation – Options Appraisal**

	Questionnaire Sent Out	Number of Returns	In-House Ranking			Wider Cultural Trust			Trust Partnership or Private		
			1	2	3	1	2	3	1	2	3
Leisure Centre	17	17	15	2	0	0	13	4	2	4	13
Sports Development	17	14	14	2	0	0	8	6	0	6	8
Countryside Services	17	14	12	1	1	0	13	1	2	1	13

REASONS FOR PREFERRED OPTION A – LEISURE CENTRES – IN-HOUSE

- Ability to react to changing circumstances.
- Only in-house can have overview of what is required within the County and can respond quickly to it.
- Believe/hope council will see value of preventative health care through their retention.
- Head-teachers favour in-house services and no desire for any other service vehicle.
- Continuity of services.
- Unless/until DCC is confident with its trust arrangements with Clwyd Leisure, it would be ill-advised to extend the process to other aspects of the Leisure Service.
- Problems integrating school's requirements with possibly conflicting requirements of another operating environment.
- With trust and private sector everything becomes profit-orientated.
- No alternative. The views expressed by headmasters is paramount for joint usage sites.

REASONS FOR PREFERRED OPTION A – SPORTS DEVELOPMENT IN-HOUSE

- Loss of direct control over service.
- Local Authority must be allowed to “cherry pick” young people with sporting ability.
- Need overview of needs of population, available facilities, aims and plans for the future.
- Gives more opportunities to those wanting to gain qualifications (coaching) to do so, and not restricted by high financial cost and low numbers wanting a course at that time.
- Sports Development in Denbighshire is the envy of many other authorities – very pro-active and inclusive.

REASONS FOR PREFERRED OPTION – COUNTRYSIDE SERVICES IN-HOUSE

- Authority provides a wide range of services successfully and works well with other agencies to achieve the balance between recreation and protection.
- Would lose flexibility with any other option.
- Do not agree with a break-up of integrated successful countryside service.
- Method of existing provision appears most suitable, efficient and makes economic sense.
- Local Authority more aware of local needs and can ensure they are protected for the future of its community.

- The service is operating successfully. Leave well alone.
- Present countryside service is a good one and well co-ordinated.
- This is a successful service and it would be completely negative to split it up or transfer its management.

IMPROVEMENTS FOR THE FUTURE – OPTION A – LEISURE CENTRES IN-HOUSE

- Access statement for every service. Consultation between DCC and contractors to ensure that all work carried out are concurrent with BS8300; 2001 Access for All.
- Recognized systems and procedures for talented athletes to progress up to elite status.
- Means of transport to get to facilities offering specialist training/equipment.
- Improve communication.
- Daytime access across County's schools.
- Improve access of dual-use facilities.
- Detailed surveys should be undertaken to provide user statistics on the full range of facilities offered.
- Look after what you have.
- Improve decoration and cleanliness of facilities.
- Maintenance of existing facilities is essential.
- Thought must be given to access to community on dual use sites.
- Leisure services available for public in school sports facilities should be more widely advertised.

IMPROVEMENTS FOR THE FUTURE – OPTION A – SPORTS DEVELOPMENT IN-HOUSE

- Provision for Elite training opportunities.
- Raise awareness of the service.
- Young persons should be encouraged to remain involved with sport after school as fitness should be part of their lifestyle.
- Widen access to sport for under privileged, less able.
- Focus groups set up made up of the community, DCC and other relevant interested parties to meet on a minimum every quarter. Aim for cross-fertilisation of information.

IMPROVEMENTS FOR THE FUTURE – OPTION A – COUNTRYSIDE SERVICES IN-HOUSE

- Advertise the Countryside Service to the general public.
- More work in schools with Education.
- Extend the service.
- Better access to the service and provision for people with disabilities.

APPENDIX 4.

DENBIGHSHIRE COUNTY COUNCIL
BEST VALUE REVIEW OF SPORT AND RECREATION
SERVICES

IMPROVEMENT PLAN

SPORT AND RECREATION SERVICES BEST VALUE REVIEW

IMPROVEMENT PLAN

1. INTRODUCTION TO THE IMPROVEMENT PLAN

This Improvement Plan sets out the key actions required to deliver significant improvement in the services which have been subject to review, and has been informed by the 4C's of the best value process (Challenge, Consult, Compete and Compare). This is not a one off event, but is part of a process of improvement which has been going on for some time. In recognition of this, the first two sections of the plan set the scene by highlighting both strategic and service/operational improvements already delivered over the last year or so. The Plan is in many ways a continuation of this work.

The Improvement Plan is set out in a table format designed to show: linkages with corporate and service priorities; an assessment of risk (ie the consequences of not delivering an action); estimated additional cost; who is responsible for delivery; reporting/monitoring arrangements; and the target date by which the action should be achieved. In addition, a priority ranking is also included - High, meaning within a year; Medium, within 2-3 years; and Low, beyond 3 years.

2. STRATEGIC IMPROVEMENTS IMPLEMENTED

Strategic Direction

- Approved 'Pick And Mix' Culture and Leisure Strategy in place
- Cultural Tourism Strategy approved
- Countryside Strategy in place
- Clwydian Range AONB Management Strategy in place
- Local Biodiversity Action Plan Framework in place

Marketing and Customer Service

- Appointed Marketing Manager and set up Culture and Leisure Marketing Group
- Appointed Customer Services Officer
- Culture and Leisure Customer Services Improvement Plan in place
- Introduced 'Welcome Host' customer care training
- Reviewed and improved the quality and range of promotional material
- Increased Health and Safety training and awareness

Staff Development and Communication

- Culture and Leisure Communication Group set up.
- Communication Strategy in place.
- Introduced new annual Performance Development Reviews (PDR's) for all staff to identify training and development needs.
- Increased staff training and development opportunities and budgets
- IIP recognition gained for Countryside Service

Financial Management

- Introduced annual 'zero basing' of all Culture and leisure budgets

- Helped deliver the Council's Financial Recovery Plan

Performance Management

- Introduced Culture and Leisure Strategic Performance Management Information System
- Preparation of annual Service Business Plans, integrated into Corporate Performance Management System
- Introduced new annual Performance Development Reviews (PDR's) for all staff

Project Management

- Appointed new Culture and Leisure Project Coordinator to improve development and delivery of projects.

Asset Management

- Corporate and Service Asset Management Planning process developed

3. SERVICE IMPROVEMENTS IMPLEMENTED

Leisure Centres

- Implemented major staff restructuring/decasualisation exercise
- Secured £1.35m capital (including £850k SPORTLOT grant) to refurbish Rhyl Leisure Centre
- Secured £830k capital via NOF for improvements at Rhyl, Prestatyn, St Asaph, Ruthin and Llangollen Leisure Centres.
- Developed NOF funded proposals for new community leisure facility and MUGA at Christchurch School in SW Rhyl.
- Implemented major £250k refurbishment of Pulse Fitness Suite at Rhyl Leisure Centre via public/private partnership
- Leisure Card review completed; rebranding and relaunch of initiative.
- Initiated Leisure Centre Online Booking Project as key part of e government agenda; Phase 1 completed.
- Successful delivery of Welsh Assembly Government Free Swimming Initiative for young people
- Attained RLSS National Pool Lifeguard accreditation for all four swimming pools.
- 'Living Well' GP exercise referral scheme set up in Rhyl and extended to Llangollen.
- Set up Leisure Centre User Forums for all sites, and Management Liaison Groups at Dual Use sites.
- Progressing new Community/Dual Use Agreements with School Governing Bodies for dual use leisure centres
- Implemented swimming pool plant improvements across all sites, such as new boilers, automatic dosing and monitoring, HTH feeders, and CO2 gas dosing has improved pool water quality and health and safety for staff

Sports Development and Community Recreation

- Launched new Gold Card to support talented local athletes by providing free access to all N Wales leisure centres for training (partnership with all local authorities).
- Developed N Wales' largest ever SCW funded Sports Development Programme for 2003-04.
- Appointed Womens and Girls Football Development Officer in partnership with Flintshire
- Formed a new partnership with Conwy to appoint a Netball Development Officer

- Only authority in Wales to have all leisure centres signed up to the SPORTLOT 'Leisure Centre Challenge' initiative.
- Continue to deliver Community Chest grants to support local sports clubs and organisations
- Restructured Denbighshire Sports Council; relaunched as Denbighshire Sports Association
- Additional budget allocation of £50k in 2004-05 to support events
- Higher profile for the annual Denbighshire Sports Awards
- Only N Wales County to develop and operate a Coach Accreditation Scheme
- Successful launch and delivery of new 'Active8' Sports Camps initiative.

Countryside Recreation

- Major refurbishment of Loggerheads Countryside centre completed
- Increased variety and number of countryside events in response to customer feedback
- Successful launch and delivery of off road cycling initiative 'ridetheclwyds.com'
- One of the first Welsh authorities to appoint an Open Access Warden in response to the CROW Act
- 'Footloose' Walking the Way to Health scheme successfully delivered in Rhyl
- Developed Hiraethog Development Study partnership project with Conwy
- Created new countryside site to improve access for Bruton Park in Rhyl in partnership with the local community
- Effective use of external funding to enhance countryside access for urban communities, particularly in Rhyl (eg Objective 1, Adfywio, Cyd Coed)
- Introduced programme of counting/monitoring users of countryside assets and sites
- Effective and successful partnership with CCW and Flintshire to manage and improve Offas Dyke National Trail
- Developed 'Clwydian Ranger' bus service to enhance sustainable access to the countryside and address social inclusion objectives.
- Coed Moel Famau Partnership established with Forestry Commission; new joint Countryside Warden appointed to improve recreational potential

Parks and Playing Fields

- New MUGA and supporting Community Sports Development Officer provided in West Rhyl in partnership with Community Agency
- Developed new MUGA project at Rhuddlan in partnership with the Town Council
- Developed new methodology for Open Space Audits and Action Plans to be applied to all main centres
- Formulated new Skateparks Policy
- Embarked on programme to devolve management of parks and playing fields to the local community/sports clubs (eg Denbigh Middle and Lower Park)

4. SPORT AND RECREATION SERVICES BEST VALUE REVIEW - IMPROVEMENT PLAN

Action No:	Corp/ Service Aim	Improvement Action	Risk Assessment	Cost	Lead Officer	Reporting/ Monitoring Arrangements	Target Achievement Date	Priority (High, Medium, Low)
STRATEGIC ACTIONS								
Strategic Direction								
1	A, B, D CLSO1-6 (HIMP)	Complete 'Sport for Life' Strategic Document	Provide a strategic framework for delivery of sport and recreation services	Print £4k	TH	Cabinet, Scrutiny Committee	June 2004	High
2	A,B, D CLSO1-6 (HIP)	Review Countryside Strategy	Need up to date strategic framework for service delivery	Print £4k	HR	Cabinet, Scrutiny Committee	March 2006	Medium
3	A,D CLSO1-6 (HIP)	Complete Open Spaces Strategy	Provide a strategic framework for service delivery	–	MH	Cabinet, Joint Scrutiny Committee	April 2004	High

Action No:	Corp/ Service Aim	Improvement Action	Risk Assessment	Cost	Lead Officer	Reporting/ Monitoring Arrangements	Target Achievement Date	Priority (High, Medium, Low)
4	A CLSO1-6 (HIMP)	Integrate strategic service issues into emerging Community Strategy and Area Partnership Plans.	Need for joined up approach with corporate initiatives	–	AG/TH	Council, Cabinet, Scrutiny Committee	Ongoing	Medium
5	A, D CLSO1-5 (HI)	Integrate sport and recreation/physical activity issues and actions into the emerging Health, Social Care and Well Being Strategy for Denbighshire.	Need for joined up approach to deliver this strategic objective.	–	JG	Council, Cabinet, Scrutiny Committee, Health and Wellbeing Partnership	March 2005	Medium
Marketing and Customer Service								
6	A, B, D CLS01, 3,5,6 (IP)	Produce and implement Marketing Strategy and Action Plan	Failure to deliver enhanced participation, especially amongst key target groups.	Realign existing marketing spend	RW	Scrutiny Cttee and C&L Senior Management Team	Strategy and Action Plan March 2004; implementation ongoing thereafter	High
7	A, B, D CLS01, 3, 5, 6 (IP)	Implement Customer Service Improvement plan	Increased complaints and customer dissatisfaction	£3k pa	SW	C&L Senior Management Team	Ongoing	High
8	A,	Develop a structured approach to Consultation, regular	Unresponsive to customer/	£5k pa	RW	C&L Senior Management Team	Ongoing	High

Action No:	Corp/ Service Aim	Improvement Action	Risk Assessment	Cost	Lead Officer	Reporting/ Monitoring Arrangements	Target Achievement Date	Priority (High, Medium, Low)
	CLS03, 5 (IP)	programme of research, and act on findings.	stakeholder needs and expectations; dissatisfaction with services.					
9	A CLSO5	Introduce new Corporate Customer Feedback Procedure	Unresponsive to customer needs and expectations; dissatisfaction with services.	–	Corp Coms Unit	Corporate Executive Team, Monthly Management Conference	January 2004	High
Staff Development and Communications								
10	C CLSO5	Secure IIP Recognition	Demonstrate commitment to staff; improve morale	–	C&L SMT		March 2004	High
11	C CLSO5	Implement PDR/Training Planning Process	Clear staff objectives and develop skills to match.	Existing Service Training Budget Corporate Budget £112k	C&L SMT	C&L Senior Management Team	March 2004; ongoing thereafter	High
12	C CLSO5	Implement C&L Staff Communication Strategy	Address staff concerns; enhance internal communication	–	C&L SMT	C&L Senior Management Team	March 2004; ongoing thereafter	High

Action No:	Corp/ Service Aim	Improvement Action	Risk Assessment	Cost	Lead Officer	Reporting/ Monitoring Arrangements	Target Achievement Date	Priority (High, Medium, Low)
13	A, C CLSO5 (HIMP)	Respond to/implement suggestions for service improvements from annual staff surveys.	Take account of suggestions from those closest to service delivery	–	C&L SMT	C&L Senior Management Team	December 2003; annual thereafter	High
Financial Management								
14	B CLSO5	Annual zero basing of budgets	Need to understand cost of services	–	SJ	C&L Senior Management Team	Ongoing	High
15	B CLSO5	Monthly Budget Monitoring Reports	Financial and budgetary control	–	SJ	Cabinet; C&L Senior Management Team	Ongoing	High
Performance Management								
16	A CLSO5	Integrate Improvement Plan into Service Business Planning Process	Strategic direction and delivery uncoordinated	–	TH	C&L Senior Management Team	Ongoing	High
17	A CLSO5	Develop C&L Strategic Performance Information System	Need for timely and accurate performance information.	–	C&L SMT	C&L Senior Management Team	Ongoing	Medium
Strategic Partnerships								

Action No:	Corp/ Service Aim	Improvement Action	Risk Assessment	Cost	Lead Officer	Reporting/ Monitoring Arrangements	Target Achievement Date	Priority (High, Medium, Low)
18	A ,D CLSO4, 6 (HI)	Develop and improve partnership working with Clwyd Leisure	Capitalise on existing investment to deliver service objectives	–	AG	Scrutiny Committee; Clwyd Leisure Quarterly Liaison Meetings	March 2004; ongoing thereafter	High
19	A, B, D CLSO4, 5 (HIM)	Reestablish N Wales Principal Leisure Officers Group	Opportunities to develop new partnership initiatives, share ideas, and coordinate actions.	–	DL	N Wales Chief Leisure Officers	Sept ember 2004	High

SERVICE ACTIONS

Leisure Centres

20	A,B,D CLSO1,4 5 (HIMP)	Implement Leisure Centres 8 Year Capital Improvement Plan	Need to invest in maintaining and improving rundown facilities for users	£6.5 - 8.1m	TH/PH	Asset Management Cttee, Scrutiny Cttee	Ongoing 2004 - 09	High
21	A.D CLSO1,5 (IP)	Prepare Annual Building Maintenance Plans	Deteriorating of building leads to failure in all areas	–	Site Mgers, Bldg Servs	Leisure Centre User Forums/Management Groups	March 2004, Ongoing	High
22	A,D CLSO1,5 (IP)	Introduce pilot Building Maintenance 'Hit Squad' Initiative	Improved and more responsive maintenance	£90k pa		Asset Management Cttee	April 2005	Medium
23	A,D	Integrate Leisure Centre	Failure to improve		CPU,	Asset Management	December 2004	Medium

Action No:	Corp/ Service Aim	Improvement Action	Risk Assessment	Cost	Lead Officer	Reporting/ Monitoring Arrangements	Target Achievement Date	Priority (High, Medium, Low)
	CLSO1 (HIMP)	Improvement Plans into relevant High School Strategic Site Masterplans	access to sites and provide a safer environment	–	PH, Site Mgers	Cttee, Scrutiny Cttee		
24	A,D CLSO5,6 (HIMP)	Inform users/staff of service aims	Failure to reach and engage with users and stake holders	Boards £1k	PH/JG	Leisure Centre User Forums	April 2004	High
25	A CLSO2,3 (I)	Review effectiveness of Leisure Card	Failure to meet social inclusion objectives	–	PH/JG	Cabinet/Scrutiny in annual review of charges	Annually	High
26	A CLSO1, 2,3 (HIMP)	Dual Use Agreements to be drawn up for 6 leisure centres to enhance community access	Community access aspirations not met; deterioration of school/ leisure relationship	–	PH	Leisure Centre User Forums/Management Groups, Scrutiny Committee	Llangollen in place, Rhyl January 2004, St.Asaph, Ruthin, Denbig, Prestatyn 2004-05	High
27	A CLSO5 (I)	Maintain and develop Leisure Centre User Forums and Management Groups	Need to engage with and consult key stake holders	–	PH	Leisure Centre Management Groups, Scrutiny Committee	Ongoing	Medium
28	A CLSO5 (IP)	Develop on line booking initiative, including card payment system	Failure to embrace e-government, and to meet customer expectations	Not known at present	PH	SMTF , Leisure Centre User Forums	Ongoing	High
29.	A CLSO1 (I)	Implement DDA improvements and remove barriers to participation	Failure to provide access for all and to comply with legislation	Main Works £284k Pool Hoists £15k	CPU PH	Asset Management Committee; Leisure Centre User Forums	October 2004	High
30	A	Draw up site specific annual	Integrated delivery	–	SE/	Leisure Centre User	Appoint Sports	High

Action No:	Corp/ Service Aim	Improvement Action	Risk Assessment	Cost	Lead Officer	Reporting/ Monitoring Arrangements	Target Achievement Date	Priority (High, Medium, Low)
	CLSO3 (IM)	Sports Development Plans	of service aims		Site Mgers	Forums	Development Link Officers at Leisure Centres - March 2004; develop plans - April 2004	
31	A,B CLSO1,3 5 (HIMP)	Investigate and develop further public/private partnerships for upgrading fitness provision (See also Action 20)	Failure to meet public demand and to develop capacity to improve health	Partnership based on increased business	PH	Leisure Centre User Forums/Management Groups	Denbigh, March 2005	Medium
32	A CLSO1,3 (HI)	Expand 'Living Well' GP Exercise Referral Initiative	Capacity to address national health/ physical activity objectives	£15k pa	PH	Leisure Centre User Forums/Management Groups	Denbigh, March 2005	Medium
33	A CLSO3,4 5 (I)	Develop opportunities for integrated service delivery with Leisure Centres and Youth Services	Joined up approach to service delivery; possible economies of scale.	-	PH/RE	Leisure Centre User Forums/Management Groups; Youth Centre Management Committees	St Asaph, Sept 2004 Rhyl, March 2005	Medium
34	A,B,D CLSO5	Continue Benchmarking of services via APSE Performance Network	Need to monitor and maintain efficiency and effectiveness of service	£1k pa	PH	Leisure Centre User Forums	Annual, Ongoing	High
35	A CLSO5	Secure 'QUEST' or similar recognised service quality accreditation for Leisure Centres	Failure to demonstrate ability to deliver quality service	£7k	PH	Leisure Centre User Forums	March 2006	Low

Action No:	Corp/ Service Aim	Improvement Action	Risk Assessment	Cost	Lead Officer	Reporting/ Monitoring Arrangements	Target Achievement Date	Priority (High, Medium, Low)
Countryside Recreation								
36	A, B, D CLSO6 (IP)	'Heather and Hillforts' Initiative. Appoint Project Officer to develop project and secure funding for implementation	Failure to improve and capitalise on the potential of Denbighshire's unique countryside assets	£60k Project Planning; £2m Main Project (HLF)	FG	Heather and Hillforts Partnership Board	Appoint Project Officer Jan 2004; Project Plan Jan 2005; bid for funding March 2005	High (Project Planning); Medium (Main Project)
37	A, B, D CLSO3,4 6 (IMP)	Complete Clwydian Range Off-road cycling initiative and Dee Valley Way Project; Extend cycling initiative to rest of Denbighshire	Need to deliver existing Adfywio Grant Aided projects, and exploit demand for off road cycling	£90k existing projects; £30k new project	HR/HS	AONB JAC	July 2004	High
38	A, B, D CLSO1 (IP)	Complete CROW Open Access Wardening pilot project and implement findings.	Delivery of grant aided project; statutory obligation; meet landowner and user expectations	£30k (Pilot) £8k pa Implementation	HS	AONB JAC	Mar 2004 (Pilot Project); April 2004 - Mar 2007 (Implementation); review effectiveness of Open Access Wardening Service Mar 2007	High (pilot); Low (Implementation)
39	A,D CLSO1,3 (HIM)	Maintain and develop 'Footloose' Walking the Way to Health initiative	Existing scheme due to end April 2004; continuation vital to address national health/ physical activity objectives	£30k	HR	'Footloose' Steering Group	April 2004	High
40	A,D	Loggerheads Access for All	Failure to respond	£30k	HR	AONB JAC	March 2006	Medium

Action No:	Corp/ Service Aim	Improvement Action	Risk Assessment	Cost	Lead Officer	Reporting/ Monitoring Arrangements	Target Achievement Date	Priority (High, Medium, Low)
	CLSO1,2 (IP)	Trail	to customer/user requirements; DDA implications					
41	A,D CLSO1 (IP)	Provide Play Area at Loggerheads	Failure to respond to customer/user requirements	£60k	HR	AONB JAC	March 2006	Medium
42	A,D CLSO2 (IMP)	Upgrade Loggerheads Meeting Room	Improved opportunities for public use of the park	£15k	HR	Countryside Management Group	July 2004	High
43	D CLSO6 (P)	Secure 'Green Flag' status for Loggerheads Country Park	National recognition for quality site/service	£1k	HR	AONB JAC	March 2006	Low
44	A,D CLSO1 (IP)	Public Toilet improvements at Loggerheads, Moel Famau and Llantysilio	Address major cause of customer complaints at these sites.	£75k	HS/HR	Asset Management Committee; AONB JAC	March 2005 (Loggs) March 2006 (M Famau) March 2007 (Llantysilio)	High
45	A CLSO5 (IP)	Maintain and develop People Counter monitoring project	Valuable countryside user information to help prioritise work programmes	£2k	HR/DS	Countryside Management Group	Ongoing	High
46	A,B,D CLSO1,2 4 (IMP)	Deliver AONB Sustainable Development Fund (SDF) community grants scheme	Failure to deliver NAW funded programme; loss of credibility	£60k pa	HS	AONB JAC	Ongoing to March 2007	High

Action No:	Corp/ Service Aim	Improvement Action	Risk Assessment	Cost	Lead Officer	Reporting/ Monitoring Arrangements	Target Achievement Date	Priority (High, Medium, Low)
47	A,D CLSO3,6 (IP)	Countryside Service, AONB and Biodiversity Website improvements	Provision of information for users and stakeholders; e-government implications	£15k (AONB site)	HR	AONB JAC, Biodiversity Partnership	March 2004	High
48	A, D CLSO2,6 (HIMP)	Develop Countryside Education Service	Respond to considerable demand for and potential to develop educational work	£25k pa	HR	Scrutiny Committee	March 2005 (Feasibility) April 2006 (Implement)	Medium
49	A, D CLSO1,3 6 (HIMP)	Develop Countryside Events and Awareness Raising Programme (eg 'Step by Step' annual walking festival, conservation and wildlife activities) (see also Action 61)	Enhance popular participative programme for users/customers. Raise awareness of countryside issues.	£10k	VC	Countryside Management Group	March 2005	High
50	A,B, D CLSO4,6 (IP)	Implement Hiraethog Development Study partnership project with Conwy CBC	Need to develop tourism potential of underutilised area of countryside; delivery of EU funded project.	£1.5m (Obj 1)	HS	Hiraethog Steering Group	March 2007	Medium
51	A, D CLSO1,2	Develop new Countryside Site in Upper Denbigh	Enhance access to countryside for deprived urban community; opportunities for	£20 CLSO1 k (Cyd Coed)	GD	Asset Management Committee	March 2005	Medium

Action No:	Corp/ Service Aim	Improvement Action	Risk Assessment	Cost	Lead Officer	Reporting/ Monitoring Arrangements	Target Achievement Date	Priority (High, Medium, Low)
	(IM)		volunteering and environmental education					
52	A, D CLSO1,2 (IM)	Complete development of new Countryside Sites in Rhyl (Bruton Park, Glan Morfa)	Enhance access to countryside for deprived urban community; opportunities for volunteering and environmental education	£95k (Cyd Coed, Adfywio, DUNE Obj 1)	GD		March 2005	Medium
Sports Development and Community Recreation								
53	A,B,D CLSO1,2 3,4 (HIM)	Develop County Sports Development Plan and annual Programme	Sustain and develop partnerships with external funding agencies	£1k pa (Print)	DL	Scrutiny Committee	April 2004	High
54	A CLSO1,2 3 (IM)	Review effectiveness of N Wales Gold Card	Need to support talented local athletes	£1k (Marketing)	SE	Cabinet, Scrutiny Committee, NW Chief Leisure Officers	March 2005	Medium
55	A,B CLSO1, 3,4	Initiate new Watersports Development Partnership and Programme	Failure to capitalise on natural local resources (coast and Marine Lake) to develop sport	P/T SDO £25k pa; Programme funding £5k pa	SE	Marine lake Users Forum	Feasibility Study March 2004; establish partnership and prepare Development Plan Sept 2004; Appoint Watersports SDO	High

I/leisure/bvreview/Improvement Plan – Strategic/Service Actionsb

Action No:	Corp/ Service Aim	Improvement Action	Risk Assessment	Cost	Lead Officer	Reporting/ Monitoring Arrangements	Target Achievement Date	Priority (High, Medium, Low)
	(HIMP)		and increase participation				February 2005	
56	A,B CLSO1, 2,3,4 (HIM)	Expand and develop Hockey Sports Development Partnership/Programme throughout the County	Opportunity to develop new partnership and enhance sports participation and excellence	P/T SDO £25k pa; Programme funding £5k pa	SE	C&L Senior Management Team	Audit of clubs/existing provision April 2004; Develop partnership/prepare Development Plan with GB/SCW June 2004; Appoint Hockey SDO Sept 2004; Develop Hockey Forum, schools leagues, and COD's/COE's Mar 2005	High
57	A,B CLSO1, 2,3,4 (HIM)	Secure continuation and development of Women's and Girls Football Development Partnership/Programme	Failure to address key gender imbalance in participation	P/T SDO £25k pa; Programme funding £5k pa	SE	C&L Senior Management Team	Reaffirm partnership with Flintshire Feb 2004; Confirm continued appointment of SDO April 2004	High
58	A CLSO3 (IM)	Develop integration of services via Leisure Centre Sports Development Plans and Link Officers (see also Action 30)	Integrated delivery of service aims	–	SE/ Site Mgers	Leisure Centre User Forums	Appoint Sports Development Link Officers at Leisure Centres - March 2004; develop plans - April 2004	High
59	A CLSO5	Secure 'QUEST' or similar recognised quality accreditation for Sports Development service	Failure to demonstrate ability to deliver quality service	£1k	DL/SE	C&L Senior Management Team	March 2005	Medium

Action No:	Corp/ Service Aim	Improvement Action	Risk Assessment	Cost	Lead Officer	Reporting/ Monitoring Arrangements	Target Achievement Date	Priority (High, Medium, Low)
60	A, B, D CLSO2,3 6 (HIMP)	Develop and expand Events Programme	Poor image of County; failure to exploit funding opportunities	£50k pa	SD	Scrutiny Committee	April 2004	High
Parks and Playing Fields								
61	A, B, D CLSO3,5 (HIM)	Open Space Audits/Action Plans for all main towns	Assess open space quantity and quality and define action to resolve identified issues; link to planning policy; risk to external funding	–	TH/DL	Cabinet, Asset Management Committee	Rhyl Sept 2004 Ruthin March 2005 Agree remaining programme March 2005	High
62	A, B, D CLSO1,3 5	Community MUGA Initiative	Increased opportunities for community recreation, especially in areas of deprivation;	£80k each (2003 prices)	DL	Asset Management Committee	Rhuddlan April 2004 Meliden Sept 2004 SW Rhyl March 2005 SE Rhyl March 2006 Denbigh March 2006 Prestatyn Sept 2006	High

Action No:	Corp/ Service Aim	Improvement Action	Risk Assessment	Cost	Lead Officer	Reporting/ Monitoring Arrangements	Target Achievement Date	Priority (High, Medium, Low)
	(HIM)		significant opportunities for external funding				Ruthin March 2007 Llangollen/Corwen March 2007	
63	A,B,D CLSO3,4 5,6 (IP)	Complete Marine Lake Environmental Improvements	Major enhancement of key facility for local community and visitors; significant external funding	£135k (Ph2) £100k (Ph3)	DL/MB	Marine lake Users Forum	Ph 2 March 2004 Ph 3 March 2005	High Medium
64	A, B, D CLSO4,5 (I)	Develop and implement policy for devolving management of open spaces to the local community	Enhanced opportunities for community governance; increased access to external funding	–	TH	Cabinet, Asset Management Committee	Policy - June 2004 Implementation ongoing	High
65	A,D CLSO6 (I)	Identify and dedicate Owain Glyndwr Open Space in partnership with NPFA	Failure to respond to national initiative	–	DL/MH	Asset Management Committee	Consultation Sept 2004 Dedication March 2005	Medium
66	A,D CLSO3,5 (HIM)	Integrate Sports Pitch Plan into Open Spaces Strategy and Open Space Audit process (see also Actions 3 and 61)	Vital to assess sports pitch needs; link to planning policy; risk to external funding	–	DL/MH	Cabinet, Asset Management Committee	Ongoing	Medium

Notes: Priority ranking: High - within Year 1; Medium - within Years 2-3; Low - beyond Year 3
Corporate Aims: A - To provide the services that the people of Denbighshire want; B - Obtain as much money as possible for Denbighshire and use it wisely; C - Invest in Councillors and staff; D - Improve the Image of Denbighshire
Service Aims: H - Health; I - Inclusiveness; M - Motivation; P - Prosperity; CLSO refers to 2003-04 Culture and Leisure Service Business Plan

APPENDIX 5.

DENBIGHSHIRE COUNTY COUNCIL

**BEST VALUE REVIEW OF SPORT AND RECREATION
SERVICES**

LEISURE CENTRES CAPITAL PLAN

DENBIGHSHIRE COUNTY COUNCIL

BEST VALUE REVIEW OF SPORT AND RECREATION SERVICES

LEISURE CENTRES 8 YEAR CAPITAL PLAN

INTRODUCTION AND BACKGROUND

1. The Best Value Review of Sport and Recreation Services has highlighted that the most significant financial issue for the Council relates to the need to secure capital investment in our rundown Leisure Centres. Over the next 8 years or so investment is required to address outstanding works from the Property Condition Surveys, and to develop and improve the centres in line with the proposals set out in the draft document 'Sport for Life - A Strategic Framework for Sport and Recreation'.

2. Developing a clear strategy to address this capital requirement has been a dominant feature of the review, and this Leisure Centres Capital Plan suggests a way forward. Clearly the required level of resourcing cannot be delivered in the short term, and a more realistic and attainable 8 year strategy has been devised for the period 2004 -2012.

SUMMARY OF PROJECTED COSTS

3. The Council's **Property Condition Survey** identifies a requirement for £1.998m investment in maintenance works to bring the seven leisure centres up to current standards. Since the original survey was carried out £257k of property maintenance work has been carried out at Rhyl, Prestatyn, Denbigh, Ruthin, Corwen and Llangollen Leisure Centres, and a further £407k investment in maintenance works is planned in Rhyl as part of a SPORTLOT Community Investment Programme (CIP 2) refurbishment project. This has reduced the Property Condition Survey financial requirement to £1.334m. Building Services advise that these costs have not been updated for inflation.

4. In addition to carrying out essential works to address property maintenance issues, the Best Value Review also highlights the need to invest in **developing and improving the quality and range of facilities** on offer at Leisure Centres. As part of the work undertaken on the consultative draft document 'Sport for Life – A Strategic Framework for Sport and Recreation in Denbighshire' the development proposals for each of the Leisure Centres have been identified. An extract of the relevant 'Sport for Life' policies (FAC1 and 2) and actions follows:

"FAC1 To maintain multi-purpose Leisure Centres in Rhyl, Prestatyn, St Asaph, Denbigh, Ruthin, Corwen and Llangollen to meet the sport and recreational needs of both schools and local communities.

FAC2 To maintain, refurbish and develop all Leisure Centres to ensure that they provide high-quality facilities that meet or exceed customer expectations.

Actions

- *To prepare **Leisure Centre Development Plans** for each facility in consultation with Leisure Centre User Forums, and in partnership with schools on dual-use sites consistent with emerging School Site Master Plans.*

- To seek the necessary funding to implement Leisure Centre Development Plans, with priority given to investment in refurbishment and remodelling of rundown Leisure Centres such as Rhyl, Prestatyn and St Asaph.

- The Development Plans will incorporate the following elements:

General Development Requirements

All of Denbighshire's Leisure Centres are in need of the following improvements:

- Improved internal and external signage.
- Extend and improve parking areas.
- Redecoration and refurbishment.
- Improved, safer vehicular access on dual-use sites.
- Greater separation of school and community access to facilities.
- Upgraded external lighting.
- Meet disabled access requirements.
- Upgrading changing and toilet facilities; separation of school/community changing
- Improved security, CCTV, etc.
- Improved storage facilities.

Corwen Leisure Centre

- Remodel and refurbish reception
- Develop three court indoor sports hall
- Enhance pool viewing area

Denbigh Leisure Centre

- Provide new County health and fitness suite
- Refurbish tennis courts
- Provide pool viewing area
- New 110m outdoor all-weather athletics facility for central and south Denbighshire.

Llangollen Leisure Centre

- Provide all-weather artificial turf pitch
- Develop new climbing wall

Prestatyn Leisure Centre

- Provide full size all-weather artificial turf pitch
- Refurbish sports hall, including new floor, lighting and ventilation
- Refurbish gymnasium
- Upgrade Community Health and Fitness Suite
- Improve internal access/circulation

Rhyl Leisure Centre

- Upgrade all-weather pitch lighting and fencing
- Develop crèche facility
- Remodel reception area
- Redevelop County health and fitness suite
- Refurbish gymnasium
- Upgrade sports hall lighting and ventilation
- Develop new 110m outdoor all-weather athletics facility serving north Denbighshire.

Ruthin Leisure Centre

- Provide new all-weather pitch in medium term
- Remodel and improve reception area

St Asaph Leisure Centre

- Remodel and refurbish reception area
- Refurbish sports hall, including new floor, lighting and ventilation
- Refurbish gymnasium and squash courts
- Provide new full size all-weather pitch with new fencing, lighting and artificial turf surface
- Develop Community Arts Centre
- Relocate Youth Centre”

5. The draft ‘Sport for Life’ document and development proposals have been considered and endorsed by the Lifelong Learning Scrutiny Committee and the relevant Leisure Centre User Forums.

6. Table 1 shows the estimated cost of each of the projects outlined in the ‘Sport for Life’ policy and action list. Based on current prices, the total estimated cost of these schemes is £6.751m. It should be noted that implementation of these development proposals will in many instances address property maintenance issues included within the £1.334m outstanding property condition survey work (eg £407k at Rhyl Leisure Centre will be covered by the SPORTLOT CIP2 project). However, with the exception of Rhyl where detailed plans have been drawn up, any similar further savings cannot be quantified at the present time.

7. The projects identified in Table 1 can also be divided into essential and desirable development works. Desirable works are highlighted by the use of italics in the table. Essential works include, for example, the refurbishment and renovation of changing facilities, upgrading of parking, access and lighting, and improving reception areas: whilst ‘desirable’ projects include large capital schemes as a new sports hall at Corwen Leisure Centre (which can be partially met by the proposed Corwen Pavilion project) and new full-size all weather pitches at Prestatyn and Ruthin which could be scaled down to ‘essential’ half-size pitches. If only ‘essential’ category projects are taken forward, the estimated cost will be £5.211m. The Council should aspire to deliver all the essential and desirable works to provide state of the art leisure facilities across the County, but it is recognised that competing capital priorities within the Council may make this difficult to achieve within the timescale of this plan. The following Financing Plan includes both essential and desirable options for pursuing development projects.

FINANCING PLAN

8. Table 2 summarises the 8 year capital financing plan, taking account of the investment required to address identified property condition survey maintenance works, and essential/desirable development proposals. Most importantly, the means by which these works can be financed is also set out in the plan, which is divided into already committed or secured funds, and proposed future funding. It should be noted that £2.724m funding has already been committed or secured from a variety of sources, which illustrates the Council’s ability to source capital funds for investment in sport and recreation. This includes £1.936m of external funding, which demonstrates excellent grant leverage for the Council. The committed work is planned to go ahead in 2003-04 and 2004-05.

9. The proposed funding requirement varies between £3.821m and £5.361m, depending on whether essential or essential and desirable works are included. It is estimated that between £986 - £1.376m of this can be sourced externally, leaving a shortfall of between £2.825m - £3.985m to be financed by the Council. However, by realigning existing budgets (such as the property maintenance capital and revenue budgets), taking advantage of opportunities arising from Prudential Borrowing and/or public private partnerships, and targeted use of Welsh Assembly Policy Agreement Grant the requirement for ‘new ‘ Council funds can be reduced.

PROPOSED FUNDING

10. Several proposed funding streams are identified in Table 2. In addition, six out of Denbighshire's seven leisure centres are dual-use facilities serving both the community and High School. The Welsh Assembly Government has significantly increased the capital available to invest in schools via School Buildings Improvement Grant (SBIG), which is a potential source of capital for upgrading and improving sports facilities in schools. Current SBIG priorities allocate these funds to other school projects, but opportunities to invest in dual-use leisure centres will be kept under review. Over the plan period other potential funding streams may come to light and every opportunity should be taken to target such funds to deliver the capital plan.

11. The proposed funding streams identified in the plan are risk assessed below.

- **SPORTLOT Grant** Since 1996 the County Council has secured SPORTLOT grant for a number of leisure projects across the county, the three largest of which involve major investment in Leisure Centres. These are Llangollen Leisure Centre (£449k grant), Denbigh full-size all weather pitch (£125k grant), and for major refurbishment and upgrading of Rhyl Leisure Centre (£850k grant) under the second round of the SPORTLOT Community Investment Programme (CIP2). The total SPORTLOT grant secured to date for investing in leisure centres is £1.424m, and despite current known pressures on the SPORTLOT capital fund it is estimated that £600 - £850k could be secured over the next 8 years towards eligible leisure centre projects.
- **Other Grants** There are other opportunities to secure capital funding for investment in leisure centres, but these are only likely to produce relatively small amounts. The plan therefore only makes a very cautious allocation of £86k for essential projects, and a more challenging target of £226k if the desirable projects are included. Possible sources of such funds include Town Council contributions, Foundation for Sport and the Arts, Communities First, Planning Obligation Commuted Sums, etc.
- **NOF Community Sports Fund** This is a planned new national programme soon to be launched by NOF. Around £6.5m is to be allocated to Wales. It is not yet clear whether this will be a competitive programme or if each local authority will receive an allocation along the lines of the NOF PE and Sport Initiative. However, this programme provides a clear opportunity to secure new capital investment in leisure and, if the allocation follows the pattern set by the PE and Sport Initiative, Denbighshire could expect around £300k from this fund. The Community Sports Fund is currently a one-off initiative, but it is likely that within the timescale of this plan there will be other NOF initiatives which could assist with delivery of leisure centre development proposals. However, no allowance has been made for this possibility in the plan.
- **DCC Capital Plan (Property Maintenance Block Allocation)** In recent years the Council has made an allocation of around £1.1m pa in the Capital Plan for capitalised maintenance works to address the backlog of work identified in the Property Condition Surveys. Since the block allocation was introduced, some £261k has been invested in leisure centres. Indications are that this block allocation will continue in future years, and it is proposed that expenditure on leisure centres should continue at £100kpa over the plan period to help deliver the property maintenance backlog.
- **DCC Capital Plan** Despite Denbighshire's much publicised capital problems inherited from previous authorities, the Council has nevertheless secured the

necessary funding and made its own scarce resources available through its Capital Plan and invested £2.634m capital in leisure centres between 1996 and 2003. To match fund proposed grants it will be necessary to continue to allocate some funds in the Council's Capital Plan for investment in leisure centres. To deliver the essential works, a modest allocation of £80k pa will be required. This may be financed from general funds or capital receipts, and will be subject to the usual capital project assessment procedures.

- **Prudential Borrowing or Public/Private Partnerships** Some of the improvements identified in the plan can be packaged into Prudential Borrowing projects for which a business case can be made. For example, investment in new or upgraded fitness facilities will generate income which can offset the cost of borrowing. Alternatively, Leisure Services have successfully brokered two partnership deals with Pulse Fitness to initially establish (1997) and subsequently refurbish (2003) the Fitness Suite at Rhyl Leisure Centre. Approx £462k capital has been invested as a result of these profit share arrangements. Further work is required to determine which option - Prudential Borrowing or a public/private partnership - is the most appropriate vehicle to deliver such a project. It is estimated that at least £300k for essential projects can be sourced via this route. If Council wish to pursue the desirable list of projects, the amount that would have to be raised via Prudential Borrowing would have to be significantly increased to provide two full size all-weather pitches. Another option for further consideration is the possible use of Prudential Borrowing to buy out the deferred purchase agreement relating to the Pavilion Theatre, which would release significant additional capital to invest elsewhere, including leisure centres.
- **DCC Revenue Maintenance 'Hit Squad'** (See Appendix 1. Leisure Centre 'Hit Squad' Proposal). The 2003/04 non-devolved revenue maintenance budget for the seven leisure centres is £149k. It is proposed that a proportion of this budget, together with contributions from devolved budgets be allocated to property maintenance works in leisure centres over the period of the capital plan. The focus of this would be the creation of an innovative dedicated leisure centre 'Hit Squad' to tackle planned and reactive maintenance at an estimated cost of £90k pa. This will initially be piloted in partnership with Building Services and Contract Services. The total 8 year investment would be £720k.
- **Policy Agreement Grant 2004-07** From 2004/05 the Welsh Assembly Government intend to divide this annual performance grant between nationally prescribed and locally determined measures. Denbighshire's annual grant is around £1m. One of the key local themes is 'Improving people's health', which can be delivered through improved facilities for physical activity at leisure centres. It is suggested that £125k pa could be allocated for the 3 year period up to 2007. It is not clear at this stage whether Policy Agreement Grant will continue in its present form after 2007, and it is not therefore prudent to assume any allocation beyond this date.

CONCLUSION

12. Although the capital requirement of between £6.545 to £8.085m identified in this plan may at first sight appear to be a very challenging target to achieve, it should be noted that a considerable proportion has already been secured or is in place (£2.724m). In addition, by taking a longer term planned approach to delivery the risk can be spread. By adopting a proactive approach to sourcing external funding, refocusing existing resources, and by innovating in the way improvements are delivered, the funding proposals set out in the plan are realistic and attainable. In this way Denbighshire can secure first class leisure centres for the community.

APPENDIX

LEISURE CENTRE MAINTENANCE

A 'HIT SQUAD' PROPOSAL TO ENHANCE PLANNED AND REACTIVE SERVICE

Background

A significant number of leisure centre complaints relate to small scale property maintenance issues (eg no hot water, poor decoration, failed lighting, showers not working, doors/locks broken, etc). Complaints are regularly made by the public/users, schools, staff, and Councillors. The delivery of most minor building maintenance work is handled centrally by Building Services within the Environment Directorate. It is suggested that local performance in Leisure Centres could be improved by adopting a property 'Hit Squad' model already successfully introduced by Caerphilly County Council.

The 'Hit Squad' Model

This innovative scheme involves directly employing appropriately skilled staff to carry out reactive and day to day minor maintenance work as well as some planned maintenance. The skills required of the team would be plumbing, electrics, decorating and general handyman skills. A new partnership between Leisure Services, Building Services and Contract services is proposed to deliver the initiative. A Supervisor would be appointed to manage the work on a day to day basis under the direction of the partnership. The 'squad' would be provided with the necessary transport, tools and equipment to carry out this work, and a materials budget would also be required. It is not proposed that such a team would carry out larger or more specialised maintenance works (eg replacing boilers, air handling equipment, etc) which should continue to be managed wholly by Building Services. Caerphilly has 3 full time staff working on 10 Leisure Centres, and it is suggested that a team of 2.5 full time equivalents (with an appropriate skills mix) would provide adequate cover for our 7 Leisure Centres.

Estimated Costs

Staff (inc full oncosts, 2003/04 pay scales)

1 full time Supervisor/Tradesman (Sc6)	£26200
1 full time Tradesman (Sc 5)	£23785
0.5 Maintenance Operative (Sc1, Scp6)	£6828
Insurance	£652
Training and Development	£750

Transport

Lease Van (inc OL Costs)	£3000
Fuel	£2500
Trailer (OL Costs)	£500

Supplies

Protective Clothing	£400
Tools and Equipment (set up costs; annual cost £2000 pa thereafter)	£5000
Mobile Phones	£250
Materials	£20000

TOTAL **£89865**

The above costs are estimated only at this stage and further work is required to define the most appropriate staffing structure. The proposals would be financed by part of the non devolved maintenance budget for leisure centres (£149k in 2003/04) and devolved budgets.

Next Steps

Leisure Services, Building Services and Contract Services to research, develop and operate a viable pilot scheme. This should be for a minimum of two years to fully evaluate the effectiveness of the initiative. The possibility of seconding appropriate staff from Contract Services for a pilot project will be explored.

TABLE 1. BEST VALUE LEISURE CENTRE DEVELOPMENT PROPOSALS

	Corwen	Denbigh	Llangollen	Prestatyn	Rhyl	Ruthin	St. Asaph	Total
	£k	£k	£k	£k	£k	£k	£k	£k
1 Improve signage	5	10	5	10	25	10	7	72
2 Extend & improve parking	0	20			100			120
3 Improve vehicle access	0	50			39		20	109
4 Greater separation of school & community access	0	10	0	30		30	20	90
5 Upgrade external lighting	10	20	10	20	20	20	20	120
6 Meet disabled access requirements	30	40	15	55	82	30	32	284
7 Upgrade/separate changing/toilet facilities	100	150	10	200	700	300	150	1,610
8 Improve security, CCTV etc.	15	20	10	20	20	10	20	115
9 Improve storage	15	15	2	15	80	15	15	157
10 Remodel & refurbish reception	10				50	50	50	160
11 Develop 3 court indoor sports hall	900							900
12 Enhance pool viewing area	5							5
13 Provide new health & fitness suite		300						300
14 Refurbish tennis courts		40						40
15 Provide pool viewing area		30						30
16 Create new 110m outdoor athletics facility		90			90			180
17 Provide all-weather artificial turf pitch			180					180
18 Develop new climbing wall			24					24
19 Provide full size all-weather artificial turf pitch				370		370	370	1,110
20 Refurbish sports hall				80	100		80	260
21 Refurbish gymnasium				65	60		80	205
22 Upgrade Community Health & Fitness Suite				250				250
23 Improve internal access/circulation				50				50
24 Upgrade all-weather pitch lighting & fencing					100			100
25 Develop creche facility					30			30
26 Redevelop Pulse health & fitness suite					250			250
Total	1,090	795	256	1,165	1,746	835	864	6,751

Notes:

- 1 Source: "Sport For Life" Draft Strategic Framework for Sport & Recreation March 2003
- 2 Costs are based on 2003/04 prices
- 3 DDA requirement costings are based on November 2003 report
- 4 Figures in italics denote "desirable" projects

TABLE 2.**LEISURE CENTRES 8 YEAR CAPITAL FINANCE PLAN**

Required Investment:	Essential Works £k	Desirable Works £k
Property Condition Survey:	1998	1998
Less maintenance investment already made	-257	-257
Less maintenance issues addressed by Rhyl CIP2 Project	-407	-407
Essential Best Value Development Proposals	5211	
Essential and Desirable Best Value Development Proposals		6751
TOTAL INVESTMENT REQUIRED	6545	8085
Financed By:		
Committed Funds (2003 - 2005):		
SPORTLOT CIP2 Grant (Rhyl Leisure Centre)*	850	850
DCC Capital Plan (Rhyl CIP2)	504	504
DCC Capital Plan (DDA Programme)	284	284
NOF PE and Sport Initiative Grant*	830	830
Public/Private Partnerships* (New Fitness Suite)	256	256
Total Committed	2724	2724
Proposed Funding (2005 -2012):		
External Sources		
SPORTLOT Grants*	600	850
Other Grants*	86	226
NOF Community Sports Fund*	300	300
External Sources Sub Total	986	1376
DCC Funding	2835	3985
TOTAL FINANCED BY:	6545	8085
Options for DCC Funding Include:		
Capital Plan		
Property Maintenance Block Allocation (circa £100kpa x 8 yrs)	800	800
Leisure Block Allocation (circa £80k x 8yrs)	640	800
Prudential Borrowing or Public/Private Partnership (Fitness Suites/ATP)	300	1290
Revenue		
Maintenance 'Hit Squad' £90k x 8yrs	720	720
Policy Agreement Grant 'Improving People's Health' £125k x 3 years	375	375
DCC Sub Total	2835	3985

Notes:

Property Condition Survey Prices 2000/01

Development Proposal Prices 2003/04

* Funds Sourced Externally

REPORT TO CABINET

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

DATE: 27 Jan 2004

SUBJECT: Managing School Places – Progress Report

1 DECISION SOUGHT

1.1 Members are asked to:

- endorse the approach and project plan in light of WAG guidance on School Organisation Proposals – Circular 23/02
- note the dependency of future progress on resource availability
- note the indicative budget modelling

2 REASON FOR SEEKING DECISION

2.1 Members should be aware that Welsh Assembly Government Guidance Circular 23/02 School Organisation Proposals informs us that:

”Proposals for changes in the organisation of schools must be seen against the background of the WAG’s commitment to drive up standards of teaching and attainment in all schools. LEAs...should bear in mind...in particular that the interests of learners should override all others... The Minister would not normally be prepared to approve closure of a popular and effective school...In the case of rural schools...the case for closure has to be robust and the proposals must be in the best interest of educational provision in the area.”

2.2 This paper seeks to report on the specific actions taken following the approval by Cabinet at the meeting held on 25th September 2003 for officers to proceed to consultation with Governing Bodies, Headteachers, Staff, Parents, Diocesan Authorities, Unions, Professional Associations and others as may be appropriate. It was agreed that Members would be updated on progress at the January 2004 Cabinet meeting.

2.3 The report includes indicative financial impact modelling of 3 possible scenarios arising from a review of school places in response to

Members request for this information. It also highlights the dependency of future progress on the availability and sufficiency of project resources.

3 POWER TO MAKE THE DECISION

- 3.1 The Managing School Places review is undertaken in accordance with guidance issued by the Welsh Assembly Government in Statutory Instrument 2003 No. 1732, Education, Wales – The Education (School Organisation Plans) (Wales) Regulations 2003 which refers to Section 26 of the School Standards and Framework Act 1998

4 COST IMPLICATIONS

- 4.1 The indicative cost information looks at three possible scenarios arising from a review of school places, detailed in Annex 1
- Scenario 1: Merger of an Infant and Junior School in close proximity
 - Scenario 2: Closure of one small rural school, pupils transferring to the nearest like-category school with sufficient capacity to accommodate them
 - Scenario 3: Closure of one small rural bi-lingual school, pupils transferring to the nearest school which accommodates their language/cultural preference – on a 40:60 Welsh:English split.

The project is demanding of time, expertise and capacity within the Strategy and Resources section. A successful budget bid for £111k, supported by the Scrutiny Committee and the Lead Member for Finance, is key to ensuring continued progress on this important strategic work.

5 FINANCIAL CONTROLLER STATEMENT

County Council in February 2003 agreed as part of the approval of the budget for 2003/4 to implement the results of the Managing Schools Places exercise during 2004. The financial implications and likely timetable for change will be reported regularly as the position clarifies.

6 CONSULTATION CARRIED OUT

See Annex 3

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

The MSP review will impact upon the following policy developments:

- Transport Policy Review – WAG/DCC
- Welsh Education Scheme – WLB/DCC
- Foundation Stage Changes - WAG
- Disability Discrimination Act - WAG/National
- Asset Management Plans - DCC
 - Corporate
 - Directorate
- Admissions Policy - DCC
- Education Strategic Plan 2002 – 2005 - DCC
- School Organisation Plan 2003 – 2006 - DCC
- School Building Improvement Grants 2005 – 2010 - WAG
- Community Learning Resource 2003 - 2006 - ELWa

8 RECOMMENDATION

Members are asked to:

- note the project progress to date
- endorse the approach and project plan
- note the dependency of future progress on resource availability
- note budget modelling figures which indicate the financial impact of each scenario

Annex 1 MSP Indicative Scenario Modelling

Definitions and Terminology:

To avoid misunderstanding, the terms used in the scenario modelling have been used with the following meanings:

Term	Definition
Budget	Amount calculated by formula available for spending in the financial year
Cost	The actual amount spent
Surplus	The amount of budget remaining available for spending after actual costs have been accounted for, i.e. "within budget"
Deficit	Amount by which budget has been exceeded after actual costs have been accounted for, i.e. "over budget"
Current Present	This financial year, 2003-2004 As understood at the moment for the whole financial year
Projected Variance	As applied to the future scenario Difference between 'Budget' and actual Cost – can be a 'deficit' or 'surplus'

A1.1 Projections for Scenario 1

Current Budget as 2 Schools	£480,850
Projected Budget as 1 School	£439,210
Budget Saving	£41,640
Present Costs	£482,440
Projected Costs	£470,170
Present Variance [Budget minus Costs]	£(1,590) – Deficit
Projected Variance [Budget minus Costs]	£(30,960) – Deficit

A1.1.1 Staffing and Other Assumptions & Exclusions:

- 1 x Head Teacher, 1 x Deputy Head, 1 x redesignated Class Teacher
- No salary protection accounted for
- No redundancy costs accounted for

A1.1.2 Implications:

- Due to budget formula calculation for one school, only one 'lump sum' payment included. It may be necessary to phase in the budget change by awarding a fading transitional allowance for a period of years to allow for adjustment.

A1.2 Projections for Scenario 2

Current Budget as 2 Schools	£244,980
Projected Budget as 1 School	£166,290
Budget Saving	£78,760
Present Costs	£244,576
Projected Costs	£197,081
Costs Saving	£47,495
Present Variance [Budget – Costs]	£404 – Surplus
Projected Variance [Budget – Costs]	£(30,791) – Deficit

A1.2.1 Staffing and Other Assumptions & Exclusions:

- 1 x Head Teacher, 1 x Deputy Head, 2 x Class Teachers (i.e. 4 posts projected, current staffing level for 2 schools – 4.4 posts)
- No salary protection accounted for
- No redundancy/redeployment costs accounted for
- Additional pupil transport costs £16,340
- No building extension costs – assumed sufficient accommodation available

A1.2.2 Implications:

- As for Scenario1, due to budget formula calculation for one school, only one 'lump sum' payment is included. It may be necessary to phase in the budget change by awarding a fading transitional allowance for a period of years to allow for adjustment.
- Although a potential cost savings of £47.5k is achievable, this is eroded by the additional cost of pupil transport (190 days x £86/day) yielding £31,155. This is likely to be neutralised by payment of a transitional allowance.
- Although this scenario potentially releases a school site, it should not be assumed that any capital sum could be realised from its disposal. Many such schools are owned by other bodies and are not in council ownership.

A1.3 Projection for Scenario 3

Current Budget as 3 Schools	£380,974
Projected Budget as 2 Schools	£281,191
Budget Saving	£99,783
Present Costs	£430,479
Projected Costs	£315,682
Costs Saving	£114,797
Present Variance [Budget – Costs]	£(49,505) – Deficit
Projected Variance [Budget – Costs]	£(34,491) – Deficit

A1.3.1 Staffing and Other Assumptions & Exclusions:

- 2 x Head Teachers, 2 x Deputy Head, 2 x Class Teachers (i.e. 6 posts projected, current staffing level for 3 schools – 7.72 posts)
- No salary protection accounted for
- No redundancy/redeployment costs accounted for
- Additional pupil transport costs £21,569
- No building extension costs – assumed sufficient accommodation available

A1.3.2 Implications:

- As for Scenario 1, due to budget formula calculation for one school, only one 'lump sum' payment is included. It may be necessary to phase in the budget change by awarding a fading transitional allowance for a period of years to allow for adjustment.
- Although a potential cost savings of £114.8k is achievable, this is eroded by the additional cost of pupil transport (calculated on a per capita basis from Scenario 2) yielding £93,231. This is likely to be neutralised by redundancy, redeployment and/or salary protection costs.
- Although this scenario potentially releases a school site, it should not be assumed that any capital sum could be realised from its disposal. Many such schools are owned by other bodies and are not in council ownership.
- It should be noted that the school used for closure modelling in this example has been subject to reducing numbers on roll in recent years, this trend is reversing in projected roll numbers following changes in school management and housing developments taking place in the near vicinity. The projected increase in numbers has not been reflected in the transport costs.

Annex 2 Annex 2 Project Costs to Date

- A2.1 Project activity and officer resource allocation has been charted using recognised Project Management Software. The software calculates the cost of resource allocation by time commitment and daily rates. The rates used include employment on-costs and a cautious contribution to corporate running costs and overheads. The time allotments have been calculated both on actual MSP review work and, most significantly, the considerable amount of additional work undertaken by officers prior to the appointment of a full time project manager.
- A2.2 Up to the point of completing consultation and review *with the Denbigh Schools only*, it is estimated that the MSP review has cost in the order of £226,000 to date. The proposed consultation plan for the remainder of the county is likely to add significantly to this cost – several tens of thousands of pounds to the end of Stage 2.
- A2.3 The most significant result of the project scoping and mapping exercise has been to establish the order of magnitude of the work involved in:
- a) carrying out county wide consultation
 - b) rigorous modelling of each potential outcome scenario – essential if members are to make fully informed decisions
 - c) progressing, co-ordinating and managing the statutory processes for making changes to school provision.
- A2.4 Whilst not yet fully quantified, it is clearly implied that greater resource will be required in order to take the project forward safely, avoiding the pitfalls signposted by other Authorities' experience.

Annex 3 – Slides used at Denbigh consultation meetings

Managing School Places

Initial Consultation
Denbigh Schools
Dec 2003



Rheoli Lleoedd Ysgol

Ymgynghori Dechreuol
Ysgolion Dinbych
Rhagfyr 2003



Background Managing School Places

- District Audit recommendations: audit in 1997
- 98-2000: Statistical data collection reviewed & revised data collection procedures developed
- 11 point Action Plan based on July 2001 follow-up report
- School consultations held in Prestatyn, Rhyl, Ruthin & Llangollen Oct 2001
- Objective criteria for review agreed by Cabinet Nov 2002
- Priority given to: Denbigh Town and Ruthin/Denbigh Rural approved by Cabinet Sept 2003
- Priority also given to: Prestatyn/Rhyl and Dee Valley/Other Areas
- Project Management approach to co-ordinating activities



Cefndir Rheoli Lleoedd Ysgol

- Argymhellion yr Archwiliad Dosbarth: archwiliad yn 1997
- 98-2000: Adolygu'r dull casglu data ystadegol a datblygu trefniadau casglu data diwygiedig
- Cynllun Gweithredu yn cynnwys 11 pwynt wedi'i seilio ar adroddiad diilynol a gyhoeddwyd ym mis Gorffennaf 2001
- Cynnal sesiynau ymgynghori ym Mhrestatyn, Y Rhyl, Rhuthun a Llangollen ym mis Hydref 2001
- Y Cabinet yn cymeradwyo'r meini prawf gwrthrychol ar gyfer yr adolygiad, Tachwedd 2002
- Rhoi blaenoriaeth i: Ysgolion tref Dinbych ac ysgolion gwledig Dinbych/Rhuthun – cymeradwywyd gan y Cabinet ym mis Medi 2003
- Rhoi blaenoriaeth hefyd i: Brestatyn/Y Rhyl a Dyffryn Dyfrdwy/Ardaloedd eraill
- Dull Rheoli Prosiect i gydlynw'r gweithgareddau



Objective Criteria

- Pupil budget 125+% or 90-% DCC average
- 25+% places surplus, 30+ unfilled
- School occupancy 110+%
- Year groups: <8-10 pupils Primary <80 pupils Secondary
- Headteacher >50% teaching commitment
- Proximity Infant/Junior Schools
- School building condition: cost per pupil
- Language/Culture/Denominational provision
- Community Impact/Future Sustainability: <30 pupils on roll
- Travel-to-school times: 45 mins Primary, 60 mins Secondary



Meini Prawf Gwrthrychol

- Cyllideb y disgybl 125+% neu 90-% cyfartaledd CSDd
- 25+% lle dros ben, 30+ lle heb eu llenwi
- Nifer yn yr ysgol ar lefel 110+%
- Grwpiau Blwyddyn: <8-10 disgybl Cynradd <80 disgybl Uwchradd
- Pennaeth >50% ymrwymiad addysgu
- Ysgolion Babanod/lau agosaf
- Cyfwr adeiladau'r ysgol: cost y disgybl
- Darpariaeth Iaith/Diwylliant/Enwad penodol
- Effaith ar y Gymuned/Cynaliadwyedd yn y dyfodol: <30 o ddisgyblion ar y gofrestr
- Amser teithio i'r ysgol: 45 munud Cynradd, 60 munud Uwchradd



Strategic Developments

- Transport Policy Review – WAG/DCC
- Welsh Education Scheme – WLB/DCC
- Foundation Stage Changes - WAG
- Disability Discrimination Act - WAG/National
- Asset Management Plans - DCC
 - Corporate
 - Directorate
- Admissions Policy - DCC
- Education Strategic Plan 2002 – 2005 - DCC
- School Organisation Plan 2003 – 2006 - DCC
- School Building Improvement Grants 2005 – 2010 - WAG
- Community Learning Resource 2003 - 2006 - ELWa



Datblygiadau Strategol

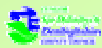
- Adolygu'r Polisi Cludiant – Cynulliad/CSDd
- Cynllun Addysg Gymraeg – Bwrdd yr Iaith Gymraeg/CSDd
- Newidiadau i'r Cyfnod Sylfaen – Cynulliad
- Deddf Gwahaniaethu ar sail Anabledd – Cynulliad/Gwladol
- Cynlluniau Rheoli Asedau – CSDd
 - Corfforaethol
 - Cyfarwyddiaeth
- Polisi Derbyniadau – CSDd
- Cynllun Strategol Addysg 2002 – 2005 – CSDd
- Cynllun Trefniadaeth Ysgol 2003 – 2006 – CSDd
- Grantiau Gwella Adeiladau Ysgolion 2005 – 2010 – Cynulliad
- Adnoddau Dysgu Cymunedol 2003 - 2006 - ELWa



Scheduled Approach

Determined by resources & time available NOT priority:

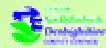
- Denbigh Town Schools
- Ruthin/Denbigh Rural Schools
- Prestatyn/Rhyl Schools
- Dee Valley Schools



Dull ymdrin â'r mater

Wedi ei benderfynu ar sail adnoddau ac amser NID blaenoriaeth:

- Ysgolion tref Dinbych
- Ysgolion gwledig Dinbych/Rhuthun
- Ysgolion Prestatyn/Y Rhyl
- Ysgolion Dyffryn Dyfrdwy



Potential Outcomes

- Merger
- Clustering
- Federation
- Partnership (joint Governing Body committees)
- Closure
- New premises build or extension
- Use of premises by community
- Maintain status quo
- Other options - yet to be suggested?



Canlyniadau Potensial

- Uno
- Clystyru
- Ffederasiwn
- Partneriaeth (cyd-bwyllgorau Cyrff Llywodraethol)
- Cau
- Adeiladu ysgol newydd neu estyniad i'r adeilad presennol
- Y gymuned yn defnyddio'r adeilad/safle
- Cynnal y sefyllfa bresennol
- Dewisiadau eraill – heb eu hawgrymu eto?



Annex 4 Summary Handout issued to all schools and meeting attendees

Managing School Places in Denbighshire: Stage 1 Consultation

Background

There are substantial surplus school places in Denbighshire schools and overcrowding in coastal areas. While places remain unfilled, they wastefully divert resources from other important areas of service provision such as addressing overcrowding. Denbighshire County Council (DCC) has a policy of regularly reviewing and managing its Learning Provision, ensuring that quality services are available to meet present and future needs. The Managing School Places strategy is central to planning for excellence.

Approach & Timescales

DCC is committed to working closely and inclusively with the people who make up our communities. This means encouraging all interested parties to share their views with us and make their contribution to our planning and development projects. We want to share our thoughts and findings through inclusive, open and fair consultation and communication processes wherever possible. The draft timetable is:

	Dec 03	Jan 04	Feb 04	Mar 04	Apr 04	May 04	Jun 04	Jul 04	Aug 04	Sept 04	Oct 04	Nov 04	Dec 04
Denbigh	1a	1b	1b	2	2	2							
Ruthin/Denbigh		1a	1a1b	1b	1b	2	2	2					
Prestatyn/Rhyl			1a	1a1b	1b	1b	2	2	2				
Dee Valley & Other Areas							1a	1a1b	1b	1b	2	2	2

1.a Initial, gathering views and ideas

1.b Review options and implications

2 Follow-up, sharing potential and/or preferred options, timescales, etc.

Impartiality and Objectivity

The following objective criteria, approved by the Cabinet of Elected Members, will form the basis of review for all schools:

- Pupil budget greater than 125% or less than 90% of the DCC average
- More than 25% of capacity spare, over 30 places unfilled
- School occupancy exceeds 110% capacity
- Year groups: fewer than 8-10 pupils in any Primary year group, less than 80 pupils in a Secondary cohort
- Headteacher has more than 50% timetabled teaching commitment
- Proximity of nearest Infant/Junior Schools is less than 0.5 mile
- School building condition: cost per pupil as a % of DCC average
- Access to Language-/Culture-/Denominational-specific provision in the county
- Community Impact/Future Sustainability: schools with fewer than 30 pupils on roll over a 3 yr period
- Transport journey-to-school times: 45mins primary, 60mins secondary

Possible Outcomes

Might include any combination of:

- Merger of two or more schools
- Clustering: One Head, One Governing Body, Different Sites
- Federation: One Head, Separate Governing Bodies, Separate sites
- Closure – Pupils accommodated in another school
- Partnership between Governing bodies committees
- New Premises Build
- Extension of Existing Premises
- Premises used for different community purpose
- Maintain Status Quo
- Other Options yet to be suggested

Project Focus Areas

Covering the whole county but NOT in any order of priority:

- Denbigh Town Schools
- Ruthin/Denbigh Rural Schools
- Prestatyn/Rhyl Schools
- Dee Valley & Other areas



Rheoli Lleoedd Ysgol yn Sir Ddinbych: Ymgynghori Cam 1

Cefndir

Mae nifer sylweddol o leoedd dros ben yn ysgolion Sir Ddinbych a nifer o ysgolion gorlawn yn yr ardaloedd arfordirol. Tra bo lleoedd yn parhau yn wag, maent yn dargyfeirio adnoddau o feysydd pwysig eraill megis ymdrin ag ysgolion gorlawn. Mae gan Gyngor Sir Ddinbych (CSDd) bolisi o adolygu a rheoli ei Ddarpariaeth Dysgu yn rheolaidd, gan sicrhau bod gwasanaethau o'r radd flaenaf yn bodoli i ddiwallu anghenion presennol a'r anghenion yn y dyfodol. Mae'r strategaeth Rheoli Lleoedd Ysgol yn ganolog i'r broses o gynllunio gwasanaeth rhagorol.

Y Dull a'r Amserlen

Mae CSDd wedi ymrwymo i weithio'n agos â'r holl bobl sy'n llunio ein cymunedau. Mae hyn yn golygu annog pawb â diddordeb i rannu eu barn â ni a gwneud eu cyfraniad i'n prosiectau cynllunio a datblygu. Rydym am rannu ein canfyddiadau a'n meddylfryd drwy brosesau cyfathrebu ac ymgynghori cynhwysol, teg ac agored lle bynnag y bo modd. Yr amserlen arfaethedig yw:

	Rhag 03	Ion 04	Chwef 04	Maw 04	Ebrill 04	Mai 04	Meh 04	Gorff 04	Awst 04	Medi 04	Hyd 04	Tach 04	Rhag 04
Dinbych	1a	1b	1b	2	2	2							
Rhuthun/Dinbych		1a	1a1b	1b	1b	2	2	2					
Prestatyn/Y Rhyl			1a	1a1b	1b	1b	2	2	2				
Dyffryn Dyfrdwy ac ardaloedd eraill							1a	1a1b	1b	1b	2	2	2

- 1.a Cyfarfod dechreuol, casglu barn a syniadau
- 1.b Adolygu'r dewisiadau a'r goblygiadau
- 2 Cyfarfod dilynol, rhannu'r dewisiadau potensial a/neu a ffafriar, amserlenni, ac ati

Gwrthrychedd a Didueddrwydd

Bydd y meini prawf gwrthrychol isod, a gymeradwywyd gan y Cabinet Aelodau Etholedig, yn ffurfio sail adolygiad yr holl ysgolion:

- Cyllideb disgyblion yn fwy na 125% neu llai na 90% o gyfartaledd CSDd
- Mwy na 25% o le gwag, dros 30 o leoedd heb eu llenwi
- Nifer yn yr ysgol ar lefel 110% yn uwch na nifer y lleoedd
- Grwpiau Blwyddyn: llai na 8-10 disgybl mewn unrhyw grŵp blwyddyn cynradd, llai na 80 disgybl mewn carfan uwchradd
- Pennaeth â mwy na 50% o ymrwymiad addysgu wedi'i amserlennu
- Yr ysgol fabanod/iau agosaf lai na 0.5 milltir i ffwrdd
- Cyflwr adeiladau'r ysgol: cost y disgybl fel % o gyfartaledd CSDd
- Mynediad i ddarpariaeth Iaith/Diwylliant/Enwad penodol yn y sir
- Effaith ar y gymuned/Cynaliadwyedd ysgolion â llai na 30 disgybl ar y gofrestr dros gyfnod o 3 blynedd
- Hyd y cyfnod teithio i'r ysgol: 45 munud cynradd, 60 munud uwchradd

Canlyniadau posibl

Gall gynnwys unrhyw gyfuniad o:

- Uno dwy neu fwy o ysgolion
- Clystyru: Un Pennaeth, Un Corff Llywodraethol, gwahanol safleoedd
- Ffederasiwn: Un Pennaeth, Cyrff Llywodraethol ar wahân, gwahanol safleoedd
- Cau – Disgyblion yn cael lle mewn ysgol arall
- Partneriaeth rhwng pwyllgorau Cyrff Llywodraethol
- Adeiladu Ysgol newydd
- Estyniad i'r adeilad presennol
- Defnyddio'r adeilad at wahanol ddibenion cymunedol
- Cynnal y sefyllfa bresennol
- Dewisiadau eraill heb eu hawgrymu hyd yma

Ardaloedd Ffocws y Prosiect

Yn cwmpasu'r sir gyfan ond NID mewn unrhyw drefn blaenoriaeth:

- Ysgolion tref Dinbych
- Ysgolion gwledig Dinbych/Rhuthun
- Ysgolion Prestatyn/Y Rhyl
- Dyffryn Dyfrdwy ac ardaloedd eraill



REPORT TO CABINET

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

DATE: 27 January 2004

SUBJECT: Youth Club Buildings

1. DECISION SOUGHT

To confirm priorities for action

2. REASON FOR SEEKING DECISION

Cabinet requested further information regarding the condition of Youth Clubs at its meeting on the 16th December 2003.

The Youth and Community Service delivers informal learning opportunities for young people throughout the county. There are 7 buildings that are the responsibility of the council. There are a further 23 youth clubs and projects that the service makes a contribution towards, offers advice and guidance or works in partnership with (Appendix 1). The condition of the main 7 Youth Clubs is highlighted below.

The condition and design of buildings influences the type of youth work that can be programmed. This in turn has an impact on how the service can make a contribution to meeting obligations under the Extending Entitlement agenda and the new ESTYN Framework for Youth Support Services.

Some of the key areas include:

- The implementation of the Youth Work Curriculum for Wales
- The achievement and accreditation levels of young people
- Joint planning between agencies working with young people
- Engaging young people in democratic processes
- Quality youth work training and development for staff and young people
- The quality of resources, buildings and equipment

In the first half of 2004 the service will conduct a review based on the ESTYN Inspection Framework to determine the strengths and weaknesses of current provision. The outcomes of the review will be reported in due course.

The review process will determine where there is youth work excellence and provide recommendations for raising standards where practice is weaker. The recommendations will include options for the style and delivery of youth work across the differing communities in Denbighshire. This might be a mixture of centres of excellence, outreach programmes, detached youth work, school based youth work, leisure centre based youth work, after school clubs, project work and using the latest innovative mobile 'van' technology. This approach would help address the needs of young people taking account of the economic and social influences of local communities.

The recommendations of the review will inform a long-term strategy for the development of youth work excellence in purposeful partnerships with other key services and agencies across Denbighshire.

Current Priorities

A priority order has been identified. The assessment of the priority order was based upon the current condition of the building, the risk of the club being closed if work is not carried and progress made in implementing repairs or improvements. The priority order is:

1. Rhyl Youth Club

The club is currently undergoing essential repairs. This facility will be lost when the building is re-developed as a Learning Centre in September 2004. In December 2003 Cabinet decided that the long term preferred option is for a new build on the existing site. The new club will provide a base to enable lead youth workers to work in partnership with other agencies to secure a comprehensive young people's needs focused youth work programme. This work is in progress.

The club is open for two evenings per week and it would be desirable to expand contact time with young people as part of the new provision.

2. Prestatyn Youth Club

The building is in poor condition and has been included in the Capital Programme priorities. The boiler has recently been replaced and facilities for young people will be significantly improved through the provision of an outdoor multi purpose activity area. (Included in the Capital Programme priorities) Further development and investment of staffing and equipment will regenerate the learning opportunities available for young people.

The club is open for three evenings per week. Local views have been expressed that suggests further development of provision could contribute to addressing anti social behaviour. This will be considered in partnership with other organisations.

3. Ruthin Youth Club

The club is in need of minor essential repairs and general refurbishment including a new kitchen and external lighting. There is potential for further development through the provision of an outdoor recreation area and addressing site car parking issues. The building requires DDA work to improve access. Further development and refurbishment of the building will be desirable in order to develop a good quality venue for young people to meet.

The club is open four evenings per week including one evening for the Brownies. Other groups use the building during the day (i.e. keep fit, and dance groups) There is scope for further development in partnership with other services and agencies.

4. Denbigh Youth Club

The club is located in Middle Lane Education Centre. There is a high rent cost to the service, the facilities are in need of some modernisation and the kitchen is in need of updating. The Town Hall market hall has been explored as an option for future youth work. This potential relocation is not currently supported by the management committee who consider that the space is not appropriate for youth work activity. In response to their concerns we have begun to explore the possibility of pilot projects using the Town Hall premises. Evaluation of the success of projects could help determine a way forward.

The club is open 3 evenings per week and options for further development of youth work programmes will be explored in partnership with Denbigh Youth Project, the Clwyd Young Farmers and Urdd.

5. St. Asaph Youth Club

The Youth Club is about to be relocated to the Leisure Centre. Part of this relocation will include DDA access improvements. There has been extensive consultation with the school and the management committee and the relocation is highly desirable. This is an innovative and integrated development that will support the implementation of a quality youth work curriculum involving sport and art.

The club operates 2 evenings per week and it will be desirable to expand the art and sports programme.

6. Llangollen Youth Club

The building has recently benefited from a general refurbishment although the kitchen needs replacing. The club offers a bright and inviting environment and is well respected by young people and youth workers. DDA work required to improve access.

The club is open 3 evenings per week which includes one evening for the Clwyd Young Farmers. The building is in use 3 mornings and one afternoon per week. The building has capacity for expansion of youth work programmes in the future. The management committee supports this view. This could be achieved through further club based sessions.

7. Corwen Youth Club

The youth club is part of the healthy living centre initiative. The initiative is well respected and successful. We are the lead partner of a multi agency group that work together to improve the quality of life for young people and adults in Corwen and surrounding villages. We were successful in securing £693K New Opportunities Funding to improve the quality of life for young people and adults. DDA work is required to improve access.

The club is open 3 evenings per week (including the Kids Club) and has full day time use. Further development of youth work programmes would be desirable. This could be achieved through use of outreach, detached and mobile methods of youth work delivery.

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

The DDA indicative costs of £121K is contained within existing expenditure.

The Capital Priorities Programme includes £396K to meet some of the indicative expenditure for Rhyl and Prestatyn centres in the 2004/5 and 2005/6 financial years.

The Youth Service review that will be conducted in the first part of 2004 will lead to an improvement strategy.

5 FINANCIAL CONTROLLER STATEMENT

A report elsewhere on the agenda details the first attempt at a three year capital programme for the County Council.

The likely level of funding available for supported borrowing from the Assembly will be reduced from previous years as a result of the switch of funding to support the Housing Revenue Account. This will place a greater pressure on the need to attract external funding for schemes and to generate capital receipts from the disposal of surplus assets currently owned by the Council.

6 CONSULTATION CARRIED OUT

The DDA audit was conducted by external consultants.

The relevant schools, youth club management committees, the youth forum and leisure centres have been consulted

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

None.

8 RECOMMENDATION

To confirm the priority list outlined in section 2 (Reasons for Making the Decision priority list numbered 1-7)

DUKE OF EDINBURGH AWARD OPEN AWARD CENTRES

Denbigh Open Award Centre
Denbigh High School
Denbigh
Denbighshire
Wednesdays 7.00 pm – 9.00 pm

Prestatyn Open Award Centre
Prestatyn High School
Prestatyn
Denbighshire
Mondays 7.00 pm – 9.00 pm

Rhyl Open Award Centre
Rhyl Library
Church Street
Rhyl
Denbighshire
Thursdays 7.00 pm – 9.00 pm

Ruthin Open Award Centre
Brynhyfryd School
Mold Road
Ruthin
Denbighshire
Tuesdays 7.00 pm – 9.00 pm

BODELWYDDAN YOUTH CLUB

Community Centre
Bodelwyddan
Rhyl
Denbighshire
Wednesday 7.00 pm – 9.00 pm

CARROG YOUTH CLUB

Community Centre
Carrog
Corwen
Denbighshire
Friday 6.45 pm – 9.15 pm

CLOCAENOG YOUTH CLUB

Church Hall
Ruthin
Denbighshire
Wednesday 7.00 pm–9.00pm Clocaenog

CYNWYD YOUTH CLUB

Ysgol Cynwyd
Cynwyd
Corwen
Denbighshire
Wednesday 7.00 pm – 9.00 pm

DYSERTH YOUTH CLUB

Community Centre
Dyserth
Denbighshire

Monday 7.00 pm - 9.00 pm

ERYRYS YOUTH CLUB

The St David's Centre
Eryrys
Nr Mold

Friday 7.00 pm - 9.00 pm

GLYNDYFRDWY YOUTH CLUB

Village Hall
Glyndyfrdwy
Corwen
Denbighshire

Friday 7.00 pm - 9.00 pm

GWYDDELWERN YOUTH CLUB

Neuadd Pentre
Gwyddelwern
Corwen
Denbighshire

Thursday 7.00 pm - 9.00 pm
September - April

HENLLAN YOUTH CLUB

Church Hall
Henllan
Denbigh

Monday 7.00 pm - 9.00 pm

LLANDEGLA YOUTH CLUB

Village Hall
Llandegla
Nr Wrexham

Tuesday 6.30 pm - 9.00 pm

LLANDRILLO YOUTH CLUB

Village Hall
Llandrillo
Corwen Denbighshire

Wednesday 7.00 pm - 9.00 pm

LLANDYRNOG YOUTH CLUB

Village Hall
Llandyrnog
Denbigh

Wednesday 7.15 pm - 9.15 pm

LLANFAIR DC YOUTH CLUB

Neuadd Eleanor
Llanfair DC
Ruthin
Denbighshire

Tuesday 7.00 pm - 9.00 pm

LLANRHAEADR YOUTH CLUB

Youth Wing
Ysgol Bro Cinmeirch
Llanrhaeadr

Thursday 6.45 pm - 9.15 pm

LLANTYSILIO YOUTH CLUB

The Conquering Hero
Llantysilio
Llangollen
Denbighshire

Friday 7.00 pm - 9.00 pm

MELIDEN YOUTH CLUB

Community Centre
Ffordd Talargoch
Meliden

Friday 7.00 pm - 9.30 pm

TREFNANT YOUTH CLUB

Youth Centre
Village Hall
Trefnant
Denbighshire

Monday and Thursday
7.00 pm - 9.30 pm

COMMUNITY AUTOS RHYL

Unit C5
Pinfold Trading Estate
Ffordd Derwen
Rhyl
Denbighshire

Tuesday and Thursday
7.00 pm - 9.30 pm

DENBIGH YOUTH PROJECT

Rock House
Love Lane
Denbigh
Denbighshire

Days 9.30 am - 3.30 pm
Evenings Monday & Wednesday 6.30 pm - 8.30 pm

REPORT TO CABINET

CABINET MEMBER: Councillor Rhys Webb; Lead Member for Property & Asset Management

DATE: 27th of January, 2004

SUBJECT: Registrar's Service in North Denbighshire

1.0. DECISION SOUGHT

1.1. That Members consider the options for relocating the Registrar's Service from Morfa Hall, Rhyl, and approve a solution and funding for it in the proposed capital plan for 2004-05.

2 REASON FOR SEEKING DECISION

2.1. The Registrar's Service will have to move from Morfa Hall by 31 st of July, 2004 because of the disposal of that property.

2.2. Time is very short. Progress has been delayed partly because of opposition from local councilors and residents to an earlier proposal by the Asset Management Committee ['AMC'] that the former café at the Botanical Gardens should be used.

Service needs

2.3 As things stand, the Council has an obligation to provide suitable accommodation for the Registrar's Service for Births, Marriages & Deaths in the Denbighshire North district. While the service is currently provided mainly in Rhyl, with a sub-office in Prestatyn, in theory it can be located anywhere in the registration district which covers Rhyl, Prestatyn, Rhuddlan, St Asaph and neighbouring areas.

2.4 There are three distinct requirements:

2.4.1 offices and a waiting area for registration of births and deaths and arranging wedding and other ceremonies. There are three full time and a number of part-time registrars and support staff. The need is for four offices and a strong room for storing certificates and registers;

2.4.2 a ceremonies room with seating for a minimum of 12 people for weddings, citizenship ceremonies (from April 2004) and, subject to legislation, child-naming and relationship ceremonies. However this does not necessarily mean that there should be a room solely for ceremonies, just that there is a room available that is suitable for ceremonies. Ideally, the requirement is for the ceremonies room to be at the same location as the offices.

2.4.3 accessibility of the offices and ceremonies room. There should be sufficient parking available nearby, but it is certainly not a requirement that the parking should be on site or free. Apart from any new facilities being compliant with the Disability Discrimination Act, they should ideally be accessible by public transport.

2.5 The number of events registered in Denbighshire North District from 1st January 2003 to 31st December 2003 was as follows: -

Births	2,336
Deaths	1,708
Still Births	9
Register Office Marriages	= 104

2.6 The licensing of alternative venues for marriages, such as hotels, has had an impact on the number of wedding ceremonies over several years. There is also evidence that the uncertainty about the future location of the registrar is having an impact on future bookings, quite apart from any impact of the relatively poor quality accommodation in Morfa Hall. Nevertheless, even allowing for the increase in number of ceremonies that may arise from providing new or refurbished facilities and as result of new types of ceremonies, members need to be aware that the ceremonies room is not going to be in continuous use. A generous assumption might be one ceremony a day, compared to two a week at present. Accordingly it would not be sensible to spend large amounts of scarce capital resources on providing new facilities. There is also expected to be legislation that will abolish the present registration districts. This could allow the council, if it so chose, to provide only a single ceremonies room for the whole county although office accommodation would still be required in different parts of the county because of the much larger element of work that relates to registration of births and deaths.

2.7 The council does not set the level of fees for marriages and therefore there is no scope for funding part or all of the costs of new facilities via prudential borrowing from higher fees. While some additional income will be generated from new types of ceremonies, these are unlikely to be significant enough to generate a revenue stream to fund a sufficient amount of borrowing.

Options

2.8 Some of the better options could not be delivered in the time available before Morfa Hall is sold. Therefore members are offered some options which might suit in the short term, although it would not be advisable to invest heavily in a ceremonies room in those circumstances.

Short term options

2.9 Morfa Clwyd:

Economic Regeneration Services have confirmed that there is spare accommodation in the Business Centre which could be allocated for use by the Registrar's Service on a short-term or permanent basis. The registrar's comments are reported in the consultation section. There is sufficient space available on two floors to deliver the service, with a slightly greater floor area to the Botanical Gardens solution, together with on site parking available. It is located on Marsh Road, which is on a bus route and has ample parking for staff and clients.

2.10 Former café, Botanical Gardens

Notwithstanding the previous objections, which were based mainly on misunderstanding about the future of the gardens (there was not, and is not now, any suggestion of creating a business park etc.), this still represents a suitable, cheap option. Many married couples go from Morfa Hall to take their photographs in the gardens. The setting is distinctly more pleasant than Morfa Clwyd although parking is more restricted. (An expression of interest has been received from another organization which will be pursued if the building is discounted for use for the registrar's service.)

Longer term options

2.11 Rhyl Town Hall

This would require relocation of the cash office to the library alongside the works to create the one stop shop in that building. There would also be a knock on impact for the museum which, in the short term, could be met only by relocating it to the ground floor gallery although the

preferred but more expensive solution would be relocation of the museum to the Children’s Village. There would not be a dedicated ceremonies room at the Town Hall - the existing meeting room would be refurbished and turned into a dual usage venue. This option could not be delivered for June 2004 without a considerable degree of risk.

2.12 New Offices in Rhyl

The Corporate Director – Environment was advised to bear the Service in mind in developing options for new build. However, the timescale for delivery is at least 2 years hence. This could provide office space and perhaps a dual usage ceremonies room/meeting room – alternatively the option of that room being located in the Town Hall could be pursued.

2.13 Former café, Botanical Gardens

See above.

2.14 No ceremonies room in Rhyl, only offices.

Ceremonies would be held in the former council chamber which is being refurbished as part of the Ruthin PFI scheme.

Summary of options

Option / Site	Advantages / Disadvantages	Estimated Costs
Botanical Gardens	<p>Advantages: Pleasant Setting Accessible Economical</p> <p>Disadvantages: Negative response to earlier consultation Parking restricted</p>	£ 77.5 k [inc fees]
Town Hall	<p>Advantages: Central Location Character</p>	£ 307.6 k min. £ 891.6 k max.
<p>NB: Ref para 4.2.Town Hall: Refurb. for Registrar following relocation of cash office to Library and sub option a [temp.] - minimum cost option for museum; alternatively, sub option b [permt.] - relocate Museum to ‘CV’]</p>		

	<p>Disadvantages: Availability Parking Expensive on costs Planning constraints</p>	
Morfa Clwyd	<p>Advantages: Adequate space Accessible Economical</p>	£ 105.1 k [inc fees]
	<p>Disadvantages Setting [photos] Temporary option from perspective of registrar</p>	
New offices, Rhyl	<p>Advantages Should meet requirements Should be accessible</p>	Unknown
	<p>Disadvantages No guarantee about setting Will not be available for at least 2 years</p>	
Town Hall, Ruthin (ceremonies only)	<p>Advantages Purpose-designed room Accessible Lowest cost option Character</p>	Nil
	<p>Disadvantages Potential opposition from customers/others Depends on passage of legislation</p>	

Advice

2.15 Any proposal to amend the Registration Districts would require a formal review of the Registration Scheme and involve full Public Consultation. If there were not separate registration districts within the county, the obvious, low-cost solution would be to identify suitable offices in Rhyl for the bulk of registration activity and use only the ceremonies room in Ruthin, despite any opposition there might be to such a solution around longer journey times for clients etc. (Whilst there is a review of the Registration Service proposed,

there is currently no published timetable. In the long term, there is potentially no reason why arrangements for the wedding could not be made in Rhyl or Prestatyn with the service being conducted in Ruthin by the registrar located there. The registrars would not have to travel. There is a regular bus service from Rhyl to Ruthin although journey times will obviously be longer.)

- 2.16 Among the viable options, the former café in the Botanical Gardens continues to represent an attractive possibility notwithstanding the previous strong local opposition – which was largely based on misunderstanding. In many respects a better solution than Morfa Clwyd.
- 2.17 Unless members are prepared to ignore the previous opposition in the case of the Botanical Gardens, then the recommended solution is Morfa Clwyd but with a best value review of the registrar's service after 2 years. Such a review would examine all the long term options mentioned in this report, including leaving the service at Morfa Clwyd and the option of ceasing to have a ceremonies room other than at Ruthin.

3 POWER TO MAKE THE DECISION

- 3.1. The Registration Act 1953, Section 10 [District Register Offices]
Local Government Act 1972, Section 132 [Provision of Offices etc]

4 COST IMPLICATIONS

[Per Consultancy Services, except * - Culture & Leisure]]

- 4.1. Botanical Gardens:
Building Works = £49 k
ICT = £ 8 k
Traffic = £ 6 k
Total = £63 k + update say £ 68 k + fees [14 %] = £ 77.5 k
- 4.2. Town Hall: including relocation of Cash Office
Relocation of Cash Office [Library]:
£ 147 k + fees [14 %] = £ 167.6 k [inc fees]
Refurbishment of Cash Office [Town Hall]; = £ 40.0 k [inc. fees]
Sub Option a: [Estimate to be verified]
Refurbishment of Library for Museum: = £ 100.0 k [inc. fees]
Plus £ 20 k / a revenue staffing costs [security]
Sub Option b:

Relocation of Museum to Children's Village:
£ 600 k * + Fees [14 %] = £ 684.0 k

- 4.3. Morfa Clwyd:
Building Works = £ 85 k
ICT = up to £ 7.2 k
Total = £92.2 k + fees [14 %],] = £ 105.1 k

Revenue implications: £4.8 k / a. for Economic Development service lost rental which would need to be made up, plus £ 1 k ICT.

Removal costs excluded generally, but a corporate cost.

5 FINANCIAL CONTROLLER STATEMENT

- 5.1. The draft Capital Programme included in the report elsewhere on the agenda contains provision for alterations to several premises to fund all the necessary office moves including the provision of accommodation for the Registrar's service. However, it should be noted that as currently reported, the funding for the Registrar Service is dependant upon Capital Receipts and this may need to be reviewed.

6 CONSULTATION CARRIED OUT

- 6.1. Local Members:
All Local Members in Rhyl have been consulted previously on the Botanical Gardens option. Representations from 3 Local Members (1 on behalf of the Labour Group) objected to the proposal in view of very strong local objection & Open space requirements. Members are being consulted once again in the light of recent developments and *any comments received will be relayed at the meeting.*
- 6.2. Rhyl Town Council ['RTC']: were consulted on the Botanical Gardens option and, mindful of the significant local opposition; the potential damage to the Bowling Greens and the loss of open space, were strongly opposed to the proposal, requesting that the County Council retain the Registry Service within the Town of Rhyl and invest in a new build facility for the Service.

6.3 Public opinion: In September, 2003 Full Council received a 4,162 signature petition opposing the Botanical Gardens proposal. An action group has been established and continues to strongly oppose the proposal. In summary, the Action Group's views are ; -
- '.....runs against Welsh Assembly Government Climbing Higher Campaign& Central Government aim to promote sport & recreation.Once there this scheme will no doubt gradually expand and the park will cease to be a leisure park.The Café should be re-opened & the whole park promoted seriously.....must not be ruined by turning it into a business centre'.

6.4 Resources Scrutiny Committee 7 January 2004. The Committee agreed the following recommendations, [ref. draft minutes]:

RESOLVED that, subject to the suggested amendments to recommendation (v) in the report, the following recommendations be confirmed –

That the findings of the review:-

- (i) endorse the need for full consultation to take place with appropriate local members prior to any decision to dispose of land or property;*
- (ii) endorse the requirement for reports seeking approval for the disposal of land or property to detail all reasonable offers received and where appropriate, the rationale as to why any offer should be seen as the favoured option;*
- (iii) endorse the requirement for reports seeking approval for the disposal to confirm the actual land to be disposed of;*
- (iv) endorse the comments from the Corporate Director: Resources regarding the designation of a Project Manager, the use of Member/Officer Working Groups and the importance of good communications to staff and members in the development of similar projects in the future;*
- (v) note the concerns expressed by the Superintendent Registrar over the inability to date to fully address the future location for service delivery within the Denbighshire North Registration District; to ensure (i) adequate consultation with staff over relocation in the future, and (ii) that the highest priority be given to the securing of suitable alternative accommodation for the Superintendent Registrar and her staff; and*
- (vi) endorse the suggestion to review the existing delegation with regard to the appropriate forum to approve any such sales at*

*an undervalue in view of the Local Government Act 1972 –
General Disposal Consent (Wales) 2003.*

The final recommendation from the committee was a call that the possibility of relocating the Register Office in areas of the District other than Rhyl should be examined (Prestatyn, St Asaph and Rhuddlan were mentioned).

6.5 Superintendent Registrar [North]

We feel that the site at Morfa Clwyd would be suitable for the Registration Service only as a temporary measure and then only if we are able to have the Superintendent's Office downstairs where the strong room and marriage room are situated.

6.6 Economic Regeneration Services.

Following consultation, the Regeneration and Objective One Manager is receptive to the concept of the Registrar occupying space at Morfa Clwyd on a permanent basis, but requests that the deficit in income be addressed.

6.7. Planning Services

The Development Control Manager does not foresee any difficulties associated with a change of use of part of the premises.

6.8. Assistant Director: Culture and Leisure

Expresses concern regarding the temporary option in para. 2.11. , specifically the sub option to relocate the Museum onto the ground floor] as part of the move of the Cash Office etc ; -

“The impact would be that we would lose the national registration for the museum which we have just spent eight months fighting to retain. The loss involves not only the loss of national status but also the marketing that comes with that. It also means that we would not be able to have any items/collections on loan from other museums and we would not be eligible for any Cymal and HLF grants. Once a registration is lost (and we have just lost Denbigh) it takes greater effort and investment to regain it. On the gallery side we would lose the £15k current Arts Council funding and opportunities for other funding. We would ruin our unique relationship with the Haywood Gallery and other London Galleries and of course the ability to open nationally important exhibitions such as Eduardo Paolozzi. It is important to point out that no other authority has this relationship and it would be impossible to re-establish if destroyed. It is important to consider these impacts. We

have always tried to be as flexible as we can but this would be a retrograde step from a service point of view”.

6.9. Head of Countryside & Leisure Services

“I have serious reservations about the suggestion in para 2.11 that relocation of the cash office / one stop shop to Rhyl library could be facilitated by a temporary relocation of the museum to the ground floor of the building, even as a short term measure. This is because it would have a serious effect on the operation of the library, would involve the loss of the gallery (for which we have planned exhibitions for up to two years), and there would be serious technical problems with ensuring compliance with Museum Registration requirements (we could lose our existing registration, which would be a disaster for us.”

[Grant / public deposit implications].

His preferred, long term solution therefore, involves relocating the museum to the Children’s Village.

6.10. The County Archivist & Heritage Officer:

In the government white paper published January 2002 entitled Civil registration: Vital Change (see [www,statistics.gov.uk](http://www.statistics.gov.uk)) following a consultation document by the Office of National Statistics various proposals are outlined for the future of the registration service. One of them (6.8 Historic records) talks of transferring historic records (say over 100yrs old) to the local record offices once they are available electronically. They say they intend to do the digitisation as soon as possible. If this were adopted it would have implications for the future special storage needs of the registration service. I have not discussed this with our registration service yet as this is in the future but as this issue of accommodation has arisen I thought it should be noted for strategic purposes.

7. IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

7.1. The Council is committed to the principle of equal opportunities and affording public access to services. All of the options could satisfy these requirements.

8. RECOMMENDATION

8 That Members:

- 8.1 note the urgent need to relocate the Registrar's Service from Morfa Hall, Rhyl;
- 8.2 consider the available options;
- 8.3 assuming members decide not to pursue the former café, Botanical Gardens as the preferred option, authorize Officers to proceed with relocating the Service to the Morfa Clwyd Business Centre, with a best value review to be undertaken in two years' time to examine all the options for the future;
- 8.4 recommend to Full Council the allocation of sufficient funding to effect the move within the proposed 2004 / 5 Capital Plan and (in the case of Morfa Clwyd) revenue budget.

AGENDA ITEM NO: 12

REPORT TO CABINET

CABINET MEMBER: COUNCILLOR D M MORRIS, LEAD MEMBER FOR COMMUNICATIONS

DATE: 27 January 2004

SUBJECT: Customer Service Centre/Customer Relation Management System

1 DECISION SOUGHT

1.1 To approve a capital and revenue bid to allow progression towards implementing a Customer Service Centre and associated Customer Relation Management (CRM) System.

2 REASON FOR SEEKING DECISION

2.1 The Council decided in July 2002 that it was a priority to improve Customer service. The reasons for this included:

- to meet public expectations for consistent levels of high quality service delivery.
- to address the requirements of modernising government.
- to deliver on the requirements of e-Government.
- to address the issues of poor customer service
- no system in place to track enquiries from the public
- multiple systems in each service function would hinder traceability

2.2 There is clear evidence that, for the public, telephone is the preferred method of contact but in many cases, without knowing the structure and responsibilities of the Council Services, it is difficult for the public to ascertain which telephone number to ring. There are also additional problems with unanswered calls, interdepartmental transfers and nil responses to requests.

2.3 The purpose of a Customer Service Centre is to have one focal point of contact, where the incoming telephone identification will pull up a record of the customer from the CRM system giving information of preferred language and any previous logged enquiries. The Customer Service Operator will establish the nature

of the call and use menued scripts to provide answers, accessing service systems for information if necessary or triggering actions for information/expert service requests to service functions. The Customer Service Operator will ensure a log is recorded within CRM, which will require closing when the action is complete. The expectation is to satisfy 80% of the calls by the Customer Service Centre and refer the other 20% to the service experts.

- 2.4 There is no reason why this service could not be extended in due course to include e-mails, text messages and letters, ensuring consistency of customer response and service however customers chose to contact us. A CRM system would allow a similar level of service for members of the public who visit the one stop shops.

3 OPTIONS

There are many options to consider as to how Denbighshire County Council is to proceed with implementing Priority A from our Mission Statement. To have any chance of success we need to at least introduce a minimum budget bid for Year 2004-2005, allowing us to progress the development of a Customer Service Centre via the telephone, supplementing web based services and face-to-face One-Stop Shops. The new Head of Information and Communication Technology has reviewed the work done to date by the Council and has identified the following options.

3.1 OPTION I – Externalisation/Partnership with the Private Sector

- 3.1.1 A solution that has been tried in other authorities such as Liverpool, Rotherham Metropolitan and Lincolnshire, is to look to the private sector for externalisation on the delivery of the vision.
- 3.1.2 These models usually involve significant upfront investment in delivery of the Council's vision by the private sector partner, with a return to them in the long term in that they take a sizable percentage of all future savings. They also have the option to use their products and business partners for delivery.
- 3.1.3 In order for it to be viable, the externalisation could not be solely based on the delivery of the vision; it would also have to focus on areas where the private sector could make the most significant savings with their economies of scale - e.g. Support Services across the Authority.

3.1.4 The process for selection and negotiation of such deals takes approximately 18 months and costs in the region of £200,000 for external advice and help, as well as taking up a lot of staff resource.

3.1.5 Due to its size, Denbighshire County Council may not receive the major upfront investments that the larger authorities have accrued and subsequent profitability for a private sector partner may be less.

3.2 **OPTION 2 – Hosted Service**

3.2.1 Many commercial organisations have identified a need for a cheaper variant of implementing CRM solutions that do not require an upfront purchase of packaged software. In effect, the organisation leases the use of the software on a per seat basis monthly, using the commercial organisation's hosted services.

3.2.2 If we want to use CRM in the Customer Service Centre with a limited number of users (e.g. 20) then this can be a cost effective solution at £12,000 pa. However, if we want a closed loop solution requiring Service Experts and other staff to update and close calls recorded within the CRM system, then the costs escalate dramatically e.g. 500 users would cost £300,000 p.a. It may even be more cost effective to purchase the software.

3.2.3 The market is continually changing, with indications that the major CRM software vendors are thinking of producing scaled down versions of their Sales/Marketing based packages in order to meet the needs of Local Authorities who do not require the full functionality. This may be to counter the much less expensive jointly developed Local Authorities Software Consortium (LASC) CRM package now available.

3.3 **OPTION 3 - In House & Best Value Sourcing**

3.3.1 This option is based on "best" sourcing, which assumes the courage, strong leadership and drive needed for Denbighshire County Council to make the required radical changes and deliver a solution in house. Best sourcing refers to the use of best of breed partners in areas where we are short of skills and packaged software currently available and used in other authorities e.g. LASC

CRM such as the Belfast/Newham Local Authority package recently installed in Pembrokeshire Council. This unlimited seat package can be purchased for a one-off cost of £12,000.

3.3.2 There may be a requirement for loose partnerships with the private sector, to bring in the relevant technical skills and assist in the delivery over the next two year period. The delivery of the vision would be the responsibility of Senior Managers and Members of Denbighshire County Council. All Heads of Service have an important role to play in ensuring this process is a success. Without all of their wholehearted involvement and drive towards the corporate view, the project as a whole will fail.

3.3.3 It is hoped that for some elements, for which other Authorities have a like requirement, (e.g. interfacing to Care.com) we would be able to agree on partnership approaches.

3.4 Option 4 – Shared Customer Service Centres

3.4.1 This option uses the Customer Service Centre facilities that another authority has already set up e.g. Newport or Cardiff.

3.4.2 There will be a shared cost to using their system and additional service operatives would be required to handle our County telephone calls.

3.4.3 Operators could be based locally in order to ensure that there was no criticism of jobs being moved out of the county : in any event this would be required to ensure that there was adequate provision for Welsh speakers.

3.4.4 There will be increased difficulties interfacing the other Council's CRM system to our Service systems and additional costs of maintaining two variations of their CRM package to satisfy both authorities.

3.4.5 It adds communications vulnerabilities routing data links across the length of Wales.

3.5 Option 5 - Do Nothing

3.5.1 If we do not progress and meet the needs of our customers in line with the rest of local and central government, we will become a

failing authority. If there is no record kept of public interactions then there is no means to measure and improve effectiveness.

3.5.2 Performance indicators are designed around the modern way of working. If we progress down that route, performance indicators will improve.

3.5.3 Failure to challenge and re-engineer our business processes is likely to result in bad inspections.

3.5.4 Doing nothing is not a viable option.

3.6 To proceed with either option 1 and 2 in the long term would firstly require a fuller and more detailed options appraisal i.e. a detailed review on delivering the strategic vision. However coupled with this is the urgent need to progress.

3.7 **Therefore it is recommended that delivery would have to be based on Option 3** in the short term, subject to a review to decide on the best direction in the long term. This approach is low cost compared to the other options. It has the advantage of using the Council's existing staff, with retraining where necessary. If the review after the pilot period concludes that we should not continue with the customer service centre, we will have "wasted" only a small amount of money – many of the capital items, such as the server, can be redeployed. Alternatively, if the review concludes that one of the other options for customer service should be pursued, we will be able to build on the progress already achieved instead of beginning from scratch. And the review could find that the approach adopted has been fully successful and should continue.

3.8 When we should carry out the review is a matter for determination although a minimum 12 months pilot period of operation would be necessary. Sufficient resource must be allocated to a review of this magnitude and it should not be at the detriment of resource committed to the workloads of delivering the recommended option.

3.9 A presentation about the process of implementing a customer services centre in Surrey has been scheduled for 25 February. In the event that this causes Cabinet members to wish to rethink the approach, the recommendation is to make financial provision for

Option 3 subject to final ratification at the Cabinet meeting on 23 March.

4 POWER TO MAKE THE DECISION

- 4.1 Part 1, Local Government Act 1999 (Best Value); Section 111, Local Government Act 1972 (miscellaneous powers).

5 COST IMPLICATIONS FOR OPTION 3

- 5.1 There is a Capital requirement for £100,000 to purchase software, hardware equipment, telecommunications equipment and office equipment. There is a further £50,000 Revenue requirement for 1 additional manager and training expenses (see attached Appendix).
- 5.2 It is assumed that Customer Service Operator and Senior Business Analyst positions would be filled by internal transfer of staff from service functions; and accommodation will be contained within existing Council facilities.

6 FINANCIAL CONTROLLER STATEMENT

- 6.1 In view of budgetary restrictions, this priority has not yet been financed.

7 CONSULTATION CARRIED OUT

- 7.1 In 2001, the initial Customer Service Strategy "Delivering Quality Services" was written by the previous Head of ICT through consultation with all stakeholders (lead members and managers) over a nine month period. It was agreed and endorsed by Cabinet and Council in February 2002. The Council has had a corporate priority since 2002 on the following lines:

We aim to provide the services that the people of Denbighshire want.

By 2005, the public should be able to receive 80% of all services in the way that best suits them. They will be able to contact the council by a single telephone centre, face to face in our one stop shops and through our web site on the internet.

7.2 During the last three years there have been numerous consultations, presentations, training, reports and debates on this initiative which has included all Elected Members, the Chief Executive, all Directors, all Heads of Service and all other staff.

8 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

8.1 The proposals are consistent with Council policies.

9 RECOMMENDATION

9.1 That Cabinet agrees to propose the allocation of the funding required to progress **Option 3** for the implementation of a Customer Service Centre/Customer Relationship Management System, subject to final ratification of its decision at its meeting on 23 March.

Revenue Funding

Item	Priority (1, 2, 3, etc, 1 being high)	2004/2005 £.000's	Reason why a funding priority	Link to Policy and Priorities
Set up Customer Contact Team	1	40	Ten posts are required: new CRM Manager, Senior Business Analyst and eight generic Customer Service Officers to be the beginnings of the Customer Service Centre. The Customer Service Officers are professional positions, which require a good level of intelligence, IT literacy and motivation, as they will be responsible for delivery of varied and complex transactions, as well as determining customer requirements. The new CRM Manager will be responsible for the operation and setup of the Customer Service Centre, whereas the Senior Business Analyst will be dedicated to the major task of managing the re-engineering and transfer of processes from the Service function office to the Customer Service Centre. Posts will report directly to the Corporate IEG Project Manager, who will be responsible for the overall delivery of the project as part of IEG.	<p>22 We aim to provide the services that the people of Denbighshire want.</p> <p>By 2005, the public should be able to receive 80% of all services in the way that best suits them. They will be able to contact the council by a single telephone centre, face to face in our one stop shops and through our web site on the internet.</p>
Training	1	10	The Customer Service Officers will require thorough training in the Customer Relationship Management System/IEG online forms/Customer Focus	
Total		50		

Capital Funding

Item	Priority (1, 2, 3, etc, 1 being high)	2004/2005 £.000's	Reason why a funding priority	Link to Policy and Priorities
Customer Relationship Management System	1	22 – report says 12. If that's correct, why 22 here?	There will be a requirement for an integrated Customer Relationship Management system to provide one view of the customer across the organisation, integrate to relevant Service function systems, provide the relevant scripts at the front office and be the first step towards the aim of one point of access and one point of update for the majority of Denbighshire's Information Systems.	A. We aim to provide the services that the people of Denbighshire want. By 2005, the public should be able to receive 80% of all services in the way that best suits them. They will be able to contact the council by a single telephone centre, face to face in our one stop shops and through our web site on the internet.
Unix Server	1	40	Required to run the Customer Relationship Management System.	
Furniture (Office Setup)	1	10	Desks and chairs etc. required to comply with Health & Safety reg's. for Service Centre Operators	
PCs and software	1	10	Standard PCs and Software	
Telephony equipment	1	18	There is a requirement for specific equipment to track calls and integrate to the CRM system. Hardware upgrades to existing telephony equipment are also required	
Total		100		

REPORT TO CABINET

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

DATE: 27 JANUARY 2004

**SUBJECT: DECRIMINALISATION OF ON STREET CAR
PARKING**

1 DECISION SOUGHT

To seek Members' agreement to Penalty Charge Notice (PCN) levels, contravention codes and to agree to establish a joint committee with the National Parking Adjudication Service.

2 REASON FOR SEEKING DECISION

Members approved making a formal application to the National Assembly for Wales to undertake on-street enforcement under the powers available in the Road Traffic Act 1991 on the 9 September 2003. A full application for decriminalisation has been submitted to the National Assembly for Wales. This report seeks agreement on various detailed aspects of decriminalisation.

The level of Penalty Charge Notice (PCN) issued for contraventions is set by Government. Currently PCNs can be levied at multiples of £10 between £40 and £60. In considering the appropriate level of PCNs there are the following considerations:

- the lower the level of PCN the less effective it is likely to be in securing compliance.
- the revenue taken from the Notices will be used to fund enforcement.
- currently Excess Charge Notices issued in off-street car parks are levied at rate of £60.

Cabinet approval is sought to adopt £60 as the PCN level. The regulations require that a 50% discount be offered for payment within 14 days. This would offer motorists the option to pay £30.

Cabinet approval is also sought for the definitions of parking regulation contraventions that will be enforced by the Council's Parking Attendants. The table shown in Appendix 1 lists the contravention codes and their definitions. The "Evidence/Observation" Criteria are standard to all local authorities, however, it is possible for Councils to adopt different "Special Considerations". The "Special Considerations" listed are those that are used by most Councils. Their intention is to enforce at a satisfactory level without being laid open to criticism of over-zealously enforcing regulations. The missing code numbers are codes that have not been allocated, refer to contraventions that apply only in London, or refer to methods of parking control such as parking meters that are not used in Denbighshire.

As part of the granting of powers of decriminalisation the Council has to enter into agreement with the National Parking Adjudication Service (NPAS). The legislation provides motorists who wish to challenge the issuing of a PCN with access to impartial adjudication. NPAS operates the adjudication service and appoints adjudicators. It is necessary for the Council to enter into a Local Government Act NPAS Joint Committee Agreement. As part of the Agreement the Leader will appoint a Member to serve on the Joint Committee. The functions of the Committee, taken from the Agreement, are listed in Appendix 2.

3 POWER TO MAKE THE DECISION

Section 43 of Road Traffic Act 1991. 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

The contents of this report have no significant cost implications. The PCN level and the contravention codes are in line with the assumptions made in the feasibility report undertaken by consultants and therefore do not have any impact on the anticipated business case for decriminalisation.

5 FINANCIAL CONTROLLER STATEMENT

The proposed level of penalties has been built into the overall costings for the decriminalisation of parking.

6 CONSULTATION CARRIED OUT

The County Clerk has been consulted and recommends that the Council enter into an agreement which provides for a National Parking Adjudication Service.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

Road safety and improvement to commercial (town centre) business premises

8 RECOMMENDATION

That Members agree:

(i) that the PCN level be set at £60

(ii) the contravention codes shown in Appendix 1 be adopted

(iii) to enter into the joint committee for the National Parking Adjudication Service.

APPENDIX 1

Proposed Contravention Codes

Code	Description	Evidence/ Observation Criteria	Special Considerations
01	Parked in a restricted street during prescribed hours	Single or double yellow lines. (CPZ or plate or both or pedestrian zone markings). Observation to refute loading. Stricter observation if disabled.	Observe for 5 minutes. Badges must be valid (i.e. 'time clock only' is insufficient).
02	Parked or loading/unloading in a restricted street where waiting and loading/unloading restrictions are in force	Lines, CPZ, plates as 01. Plate must prohibit loading. There must be kerb markings.	Instant ticket unless activity of picking up/ setting down passengers is observed – allow 2 minutes but use discretion in respect of infirm/ disabled passengers. PCNs are to be issued for parking by disabled badge holders
05	Parked after the expiry of paid for time at a pay & display** bay	Observation of 5 minutes from time 1 st seen to refute loading. Note signs on machine/ correct marking of parking places signs. Note time paid for & ticket details.	Allow 5 minutes from time of expiry for motorist returning late. Permit genuine loading, within loading definition, without charge or PCN issue. Note time 1 st seen & ticket details if unclear
06	Parked without clearly displaying a valid pay & display ticket**	Observation of 5 minutes from time 1 st seen to refute loading. Note signs on machine/ correct marking of parking places signs. Evidence of checking windscreen before issue & noting any tickets/ permits seen.	Permit genuine loading without charge or issue of PCN.
09	Parked displaying multiple pay & display tickets where prohibited	Observation of 5 minutes from time 1 st seen to refute loading. Note signs on machine/ correct marking of parking places signs. Note time paid for & ticket details. Note windscreen contents.	Issue PCN if the prohibition on the signage is clear. This code may be more appropriate than 06.
15	Parked in a residents' parking space without clearly displaying a valid residents' parking permit	Evidence of markings & signs. Observation to refute loading. Observe for 5 minutes for vehicle loading.	Check expiry dates on displayed permits. Check & report suspected fraud or misuse of permit.
16	Parked in a permit space without displaying a valid permit	Evidence of markings & signs. Observation to refute loading. Observe for 5 minutes for vehicle loading.	Check expiry dates on displayed permits. Check & report suspected fraud or misuse of permit.
20	Parked in a loading gap marked by a yellow line	Evidence of markings & signs. Observation to refute loading. Observe for 5 minutes for vehicle loading. (NB: Signs/ markings not mandatory but their presence should be noted).	

21	Parked in a suspended bay/space or part of bay/space	Evidence of markings & signs. Observation for loading not needed. Check that the bay is suspended.	Loading NOT permitted. This is an instant PCN.
22	Re-parked in the same parking place within one hour* of leaving	Evidence of markings & signs. Observation to refute loading. Observe for 5 minutes for vehicle loading. Observation of valve positions & VRM.	Contravention is restricted to specific parking place.
23	Parked in a parking place or area not designated for that class of vehicle	Evidence of markings & signs. Observation to refute loading. Observe for 5 minutes for vehicle loading. Note vehicle class.	
24	Not parked correctly within the markings of the bay or space	Evidence of markings & signs. Diagram to display vehicle position.	At least one wheel should be outside bay/ space. Report to police if dangerous and/ or causing obstruction (See NB4 above). If cars have straddled bay markings do not issue PCN unless the instigating vehicle can be identified.
25	Parked in a loading place during restricted hours without loading (on street loading bays)	Evidence of markings & signs. Observation to refute loading. Observe for 5 minutes for vehicle loading. Verify whether place restricted to commercial vehicles or all loading.	Place must be correctly marked & not a loading gap where 20 applies.
30	Parked for longer than permitted	Evidence of markings & signs. Observation to refute loading. Observe for 5 minutes for vehicle loading. Observation of valve positions & VRM.	
40	Parked in a designated disabled person's parking place without clearly displaying a valid disabled person's badge.	Markings & signs. Orange/ blue badge plate must be present. Evidence of searching windscreen before PCN issue. Note details of tickets/ permits displayed (e.g. expired badges)	Issue warning notice if badge expiry no more than 14 days ago.
42	Parked in a parking place designated for police vehicles	Markings & signs. Observation to refute loading. Check for evidence of police use.	Restriction is not restricted to liveried vehicles but issue PCN unless there is clear evidence of being police vehicle.
45	Parked on a taxi rank	Markings & Signs.	Rank is for 'Hackney' carriages only. Private hire vehicles (e.g. 'mini cabs') may not park there.
46	Parked on a clearway where stopping is prohibited	Markings & Signs. 'Clearway' sign must be present.	This restriction is restricted to the carriageway only. PCNs are to be issued for parking by disabled badge holders.
47	Parked on a restricted bus stop/stand	Markings & signs. There must be a 'Bus Stop Clearway' sign plus SOLID yellow line.	The restriction does not apply to a 'courtesy' bus stop. PCNs are to be issued for parking by disabled badge holders.

48	Stopped in a restricted area outside a school***	Markings & signs. There must be a 'School Clearway' sign and yellow 'zig zag' lines.	Restriction may only apply in school term times. Verbal warning on 1 st observation but issue PCN if ignored on 2 nd observation.
49	Parked wholly or partly on a cycle track	Markings & signs.	Restriction does not apply to cycle lanes.
55	A commercial vehicle parked in a restricted street in contravention of the Overnight Waiting Ban	Markings & signs. Evidence that vehicle is commercial & note observation time.	
56	Parked in contravention of a commercial vehicle waiting restriction (non overnight)	As in 55.	Prohibition is not restricted to overnight.
57	Parked in contravention of a coach ban (non overnight)	As in 55.	As in 56.
61	A heavy commercial vehicle wholly or partly parked on a footway, verge or land between two carriageways	Evidence of vehicle weight (unladen weight over 7.5 tonnes). Observation to refute loading.	Nationwide Primary legislation – TRO not required. Loading permitted if no alternative. If there is an alternative & motorist refuses when pointed out, loading exemption does not apply & PCN must be issued.
70	Parked in a loading area during restricted hours without reasonable excuse (off street loading areas)	Evidence of clearly marked restriction.	
80	Parked for longer than the maximum period permitted (off street car parks)	Evidence of clearly marked restriction. Observation/ Evidence that vehicle returned before 'no return' period.	Allow motorists 5 minutes for disparity of times between that on ticket & that on HHC.
81	Parked in a restricted area in a car park (off street car parks)	Evidence of clearly marked restriction. Make a diagram	
82	Parked after the expiry of time paid for in a pay & display** car park (off street car parks)	Note ticket details, especially expiry time.	Allow 5 minutes from time of expiry before issuing PCN.
83	Parked in a pay & display** car park without clearly displaying a valid pay & display ticket**	Evidence of searching windscreen & vehicle interior before PCN issue. Note details of tickets/ permits displayed, particularly if face down!	Allow 5 minutes for motorist to get change/ return late.
85	Parked in a permit bay without clearly displaying a valid permit (off street car parks)	Evidence that permit conditions are clearly shown. Note details of permits/ tickets, if any, displayed.	Check expiry dates on displayed permits. Check & report suspected fraud or misuse of permit.
86	Parked beyond the bay markings (off street car parks)	Evidence of markings & signs. Diagram to display vehicle position.	At least one complete wheel should be outside the bay or space. Where a series of cars have straddled the bay markings and it is not possible to identify which vehicle first caused this effect, do not enforce. Do not issue a PCN unless more than 2 bays are affected.

87	Parked in a disabled person's parking space without clearly displaying a valid disabled person's badge (off street car parks)	Markings & signs. Orange/ blue badge plate must be present. Evidence of searching windscreen before PCN issue. Note details of tickets/ permits displayed (e.g. expired badges).	Issue warning notice if badge expiry no more than 14 days ago. (See NB5 above).
89	Vehicle parked exceeds maximum weight and/or height permitted in the area (off street car parks)	Evidence of height &/or weight.	
91	Parked in an area not designated for that class of vehicle (off street car parks)	Evidence that vehicle is not in permitted class.	
92	Parked causing an obstruction (off street car parks)	Evidence of obstruction. Full diagram made.	This contravention may be covered within 86 above.
93	Parked in car park when closed (off street car parks)	Evidence of car park hours & of observation times	Prohibition may only apply on specific or special days/ dates.

* = Or other specified time ** = or "voucher/ valid permit/authority to park" *** = optionally add "during term time".

Functions of NPAS Joint Committee

- (a) to appoint (re-appoint and dismiss) subject to the Lord Chancellor's consent Parking Adjudicators for the purposes of the Road Traffic Act 1991;
- (b) to provide or secure the provision of accommodation and administrative staff for the Parking Adjudicators;
- (c) to determine after consultation with the relevant Parking Authority where Parking Adjudicators are to sit;
- (d) to commission and receive an annual report upon the Parking Adjudication Service from the Parking Adjudicators;
- (e) to make an annual report to the National Assembly for Wales as appropriate on the discharge of the functions of the Parking Adjudicators and to publish the same;
- (f) to establish and approve annual budgets and receive annual accounts and regular monitoring reports on associated expenditure;
- (g) such other associated functions as the Parking Authorities may lawfully arrange for the NSPASJC to perform as they from time to time consider appropriate.

REPORT TO CABINET

CABINET MEMBER: Councillor J A Smith, Lead Member for Social Inclusion

DATE: 27 January 2004

SUBJECT: Corporate Parenting – Report back on the Corporate Parenting training event facilitated by Syniad.

1. DECISION SOUGHT

- 1.1 Endorse the recommendations and specific actions arising from the Corporate Parenting training event.
- 1.2 Agree that a Social Services Practice Review Forum be established (paragraph 2.8).

2. REASON FOR SEEKING DECISION

- 2.1 County Councillors have important responsibilities in relation to the corporate parenting of Children Looked After. These were explored in detail at a training event which was facilitated by Syniad and attended by 13 Elected Members on 21 July 2003.
- 2.2 As part of forward planning, at the training event Members identified 3 key principles to be incorporated into ongoing work and practice across the Council:
 - The need to develop opportunities for joint working when developing and monitoring services to Looked After Children.
 - Increased Member involvement in the development of corporate policy and Denbighshire's performance in relation to Looked After Children.
 - That all Members need to be aware of their responsibilities and the important issues affecting the delivery of services to Looked After Children in Denbighshire.

2.3 Members identified that there was a need to improve joint working and made 2 proposals:

- The need for Scrutiny Committees to collaborate in the review of policy and monitoring of performance in relation to Looked After Children. This includes committees for Financial Support, Lifelong Learning for Services to Young People, Environment for Planning and Building Control and Transport, Personal Services for Social Services, Health and Housing. This should be reflected and similar collaboration should be established between Senior Managers.
- Members would welcome a shared pool of information available to Directors and Members regarding services to clients, data and the number of clients, and their progress through the support provided by the Authority. The information provided should be subject to the requirements of the Data Protection Act and client confidentiality.

2.4 Members noted that they would like to increase their involvement by:

- Developing a group, including members and officers, that could monitor action, track progress, and consider particular cases.
- Examining corporate actions to address the shortage of foster carers.

2.5 Members identified the need to be made more aware of current issues by:

- The provision of training and development for all Members.
- Inviting foster carers and young people to committees to share an understanding of local issues.

2.6 Proposed actions to progress principles and actions identified by Members are:

2.6.1 Officers responsible for policy development, training, and supporting Scrutiny functions are requested to note the contents of this report.

- 2.6.2** Chairs of Scrutiny Committees are asked to identify cross-cutting issues in relation to Looked After Children and the Corporate Parenting role, and agendas planned accordingly.
- 2.6.3** A Joint Lifelong Learning and Personal Services Scrutiny Committee should be held in early 2004.
- 2.6.4** Regular reporting on the position of Children Social Services (and therefore Looked After Children) is proposed as part of Denbighshire County Council's response to the Good Practice recommendations issued by the Welsh Assembly Government following the Victoria Climbié Inquiry. Monthly reports are to be available to the Lead Member for Social Inclusion, annual reports to Cabinet, and specific topic reports to Personal Services Scrutiny Committee.
- 2.6.5** As part of a national initiative, an integrated children's system will be in place across all Council departments providing services to children and families by 2005. There is a major programme of development proposed; the development of this programme will be subject to reporting to relevant committees in 2004/05.
- 2.7** A review of foster carer recruitment and retention practices is proposed for 2004. As part of this development programme a report will be presented to Cabinet on a proposed payment for skills scheme for foster carers to aid recruitment and retention. Opportunities for Members' involvement in developing corporate actions to improve foster carer availability will be developed.
- 2.8** It is proposed to establish a Social Services Practice Forum. The remit of this forum will be:
- For officers to present anonymous examples of case work in Children and Families Social Service (this format could be potentially extended to include other user groups).
 - For performance, commissioning, and corporate parenting issues arising from individual case examples to be explored and related to wider cross-cutting corporate policy and service development.
 - To meet on a quarterly basis.

- To report on key issues to the relevant Scrutiny Committees and as required to Cabinet via the annual report on Children and Families Services.
- The Forum will be chaired by officers in Children Services and open to all Members who wish to explore and contribute to the ongoing development of Children and Families Social Services.

3 POWER TO MAKE THE DECISION

The Corporate Parenting role is based on various duties contained within the Children Act 1989.

The development 'Building for the Future: Welsh Office 1999' states that 'local authorities must accept responsibility at a corporate level for the services provided to children'.

The role of Local Councillors in relation to their corporate parenting role is clearly set out in the 1999 Children First circular.

4 COST IMPLICATIONS

Detailed proposals to improve the quality of fostering services are being developed, and these will include a 'Payment for Skills' scheme for carers. Additional investment of £570,000 for the fees has been included within the Children and Families Service budget proposals for 2004/5.

5 FINANCIAL CONTROLLER STATEMENT

Financial implications resulting from this report appear to be restricted to some additional training requirements together with attendance at meetings. These costs will need to be contained within the relevant budgets.

6 CONSULTATION CARRIED OUT

Members were consulted at the Corporate Parenting training event. This paper reflects the views of those who attended.

7 IMPLICATIONS ON OTHER POLICY AREAS

Corporate Parenting issues are affected by numerous policies regarding services for children within a number of Directorates.

8 BACKGROUND PAPERS

- Denbighshire's Statement of Corporate Parenting (Launched on 21st July)
- Denbighshire County Council Member Development Feedback Report, Corporate Parenting, 21/7/03

9 RECOMMENDATIONS

- 9.1** Members are requested to endorse the recommendations and specific actions arising from the Corporate Parenting training event.
- 9.2** Members are requested to agree that a Social Services Practice Review Forum be established (paragraph 2.8).

Statement of Corporate Parenting.

In Denbighshire, we believe that ensuring the effective care, protection and education of children who are looked after by the local authority is one of the most important responsibilities held by Councillors, officers and professional agencies working with children. In order to give our Looked After Children the best possible start in life and to counter the negative effects of earlier life experiences, we will work together to provide high quality services and support.

We are aware that research has demonstrated that children who are looked after are more likely than their peers to be disadvantaged, especially in the areas of health, housing and educational attainment. As corporate parents we will challenge these inequalities by working collaboratively across council departments to provide flexible and appropriate services to meet individual needs. Similarly we will work with the Local Health Board and Conwy and Denbighshire NHS trust to ensure that Looked After Children have equal access to both universal and specialist health care services.

We expect our Looked After Children to have successful lives, becoming valued and contributing members of the wider community in Denbighshire both as children and when they are adults. From Councillors, officers and support professionals, Looked After Children should expect to receive care, praise, support and advocacy.

We will consider all aspects of children's lives not only those which have led to a period of separation from home. We will make sure that appropriate plans are made for Looked After Children and that these are rigorously recorded and acted upon. We will promote continuity in the lives of children who are being looked after, and reduce or where possible eliminate disruption and discontinuity. We will help young people to leave care and support them into independence throughout their year's of early adulthood until they are in a position to become self-sufficient.

REPORT TO CABINET

**REPORT BY: COUNCILLOR NEVILLE HUGH JONES, CHAIR
LIFELONG LEARNING SCRUTINY
COMMITTEE**

DATE: 27 JANUARY 2004

**SUBJECT: SCHOOL AND COLLEGE TRANSPORT
POLICY**

1 DECISION SOUGHT

To request the Cabinet to review its previous decision that, in respect of denominational schools, free transport will be provided only where “the religious education provided is that of the religion or denomination to which [the pupil’s] parent adheres”.

2 REASON FOR SEEKING DECISION

2.1 The Lifelong Learning Scrutiny Committee at its meeting on 8th January 2004 reviewed the decision made by the Cabinet on 22nd July 2003 as outlined above and agreed to request the Cabinet to review its original decision.

2.2 The Lifelong Learning Scrutiny Committee made this request based on the following:

(a) lack of consultation about the implications of the decision, and

(b) insufficient information on which to base such a decision, in terms of the likely number of pupils affected and the possible effect on other already overcrowded schools in particular areas.

2.3 Relevant extracts from the Cabinet report of 22 July 2003 and the minutes of that meeting are attached as Appendix 1. Attached in Appendix 2 is information on the number of pupils who benefit from the current policy and where they live. The Cabinet report and other information were considered in detail by the committee and comments from the Chief Executive were also tabled at the meeting. The scrutiny committee’s main concern was the lack of consultation which had been carried out and reference was made

verbally at the meeting to the Welsh Assembly Government's Circular 19/95, Home to School Transport. In particular, members' attention was drawn to the guidance given in the Circular that where an authority intended to change their school transport policy, "it is the view of the Secretary of State that fairness requires them to carry out an adequate consultation. The authority should consult the schools likely to be affected and the parents of pupils who benefit, or who might reasonably expect to benefit, from their transport policy about any proposals to withdraw or reduce their provision under that policy before reaching a decision."

- 2.4 In addition, the committee noted the following guidance in the same Circular:
"That the Secretary of State considers it desirable for authorities to change their transport arrangements only at the beginning of a school year, and for amended policies to be applied to pupils only as they change school. In his view, it would not be desirable for amended policies to be applied to new pupils if their parents were not informed of the amended policy at the time of their applications for admission."
- 2.5 The scrutiny committee noted that, as well as the letter from the Wrexham Diocese, objections from a number of Denbighshire residents, and the local MP and AM to the change in policy had been received following a report in the local press. The grounds of the objections were, mainly, the lack of consultation.
- 2.6 The scrutiny committee agreed unanimously that the recommendation in the report be approved, that Cabinet be recommended to fully fund the school transport provision from September 2004 which would otherwise have been withdrawn under the policy change, and that this specific policy change should not be pursued in the future.
- 2.7 The Lead Member for Lifelong Learning expressed her support at the scrutiny meeting for a full consultation exercise to be carried out.

3 POWER TO MAKE THE DECISION

Under the Local Government Act 2000 Section 21 (3), scrutiny committee have the powers to recommend that a decision be reconsidered by the person who made it.

4. COST IMPLICATIONS

4.1 Until detailed consultation is carried out with the schools affected by the change in policy, it is not possible to give accurate figures relating to the potential savings which could result from it. This is due to the fact that some of the schools in question are not able to provide details of the denominational status of all of their pupils. Any such analysis would also need to include details of new pupil admissions in September 2004. The costs provided in the attached Appendix 3 relate to existing pupil numbers. In the case of Blessed Edward Jones, Rhyl, as an estimated 75% of pupils being transported are Catholic, it is envisaged that the cost of providing transport would remain unchanged.

5 FINANCIAL CONTROLLER STATEMENT

The costs of reversing this decision have not been fully costed yet but may not be substantial.

6 CONSULTATION CARRIED OUT

Co-opted Member, Lifelong Learning (Church in Wales) – supports the recommendation

Diocesan Director of Education – supports the recommendation

Diocesan Director, St Asaph Diocese, Church in Wales- supports the recommendation

Transportation Services Manager (Lifelong Learning) – comments incorporated

Corporate Director, Lifelong Learning – previously consulted on report to scrutiny - no comments

Head of Strategy and Resources – previously consulted on report to scrutiny – no comments

7. IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

Education Strategic Plan

School Organisation Plan

Local Transport Plan

8 RECOMMENDATION FROM THE SCRUTINY COMMITTEE

(1) That the Cabinet reconsider its decision to amend the wording of the school transport policy in terms of the definition of

“appropriate school” so that, in respect of denominational schools, free transport will be provided only where “the religious education provided is that of the religion or denomination to which the pupil’s parent adheres”, on the grounds that (1) no consultation has taken place with those likely to be affected and (2) Cabinet did not have before them all relevant information on which to base an informed decision and

(2) that Cabinet should not pursue this policy change in the future.

9. ADVICE AND RECOMMENDATION FROM THE CHIEF EXECUTIVE_

9.1 The Scrutiny Committee rightly points out that there was inadequate consultation on this change. The Director of Lifelong Learning has also apologized for the failure promptly to notify affected parties of the Cabinet’s decision of 22 July. The original decision cannot stand as a consequence.

9.2 However, the Cabinet is not obliged to maintain the “old” policy forever. There are good reasons why opportunities should be taken to limit expenditure commitments in respect of school transport, not only now but in the future. Therefore my recommendation is that the Cabinet should consult on amending the school transport policy so that, with effect from September 2005, the definition of “appropriate school” be amended as resolved on 22 July 2003. Such a change clarifies when free transport is to be provided in respect of denominational schools and Welsh medium education. If the Cabinet agrees to adopt my recommendation, a report will be brought back in due course to seek a final decision in good time before parents make choices for September 2005.

EXTRACTS FROM CABINET REPORT OF 22 JULY 2003

RECOMMENDATION

8.6 “That Members agree that the wording of the Policy in terms of the definition of “appropriate school” be amended so that:

8.6.1 in respect of denominational schools, free transport will be provided only where “the religious education provided is that of the religion or denomination to which [the pupil’s] parent adheres”, to reflect precisely the wording of Section 509(4) of the 1996 Act

8.6.2 in respect of Welsh medium education, free transport will be provided only if the pupil is being educated wholly or mainly through the medium of Welsh whether in a designated Welsh medium school or natural Welsh medium school or in the Welsh medium stream of a primary or secondary school.

REVIEW OF EXTENSIONS BEYOND THE STATUTORY MINIMUM PROVISION

A.2 “to the nearest Welsh medium (whether designated, natural or bilingual) or Voluntary Aided Denominational school under the criteria in 2.1

The estimate current cost per annum of this provision is approximately £270k and benefits approximately 700 children in Welsh medium schools and 100 children in denominational schools.

Under Section 509 (4) The Education Act 1996 the Authority must have regard to parental wishes with regard to denominational religious education in considering whether it is necessary for free school transport to be provided. There is no specific statutory requirement to take account of parental preference for Welsh medium schools although Denbighshire County Council’s policy allows for the provision of transport to the nearest Welsh medium school outside the minimum distance criteria, noting the Authority’s duty to provide education at a school “suitable” to the child’s needs. Removing this provision from the policy would be contrary to the Council’s policies on promoting and fostering Welsh language and culture. Additionally, there could be significant accommodation and staffing issues to be addressed if this entitlement was withdrawn because fewer parents might choose to send their children to denominational or Welsh medium schools.

The wording of the policy should be tightened, however to make clear that free transport will be provided only where the parent adheres to the religion of the denominational school, in line with the wording of the 1996 Act, or where in schools which have Welsh and English medium streams (eg Brynhyfryd, Dinas Bran) free transport under this limb of the policy is available for pupils attending the Welsh medium stream.

EXTRACT FROM CABINET MINUTES 22 JULY 2003

“RESOLVED that

(dd) Members agree that the wording of the Policy in terms of the definition of “appropriate school” be amended so that:-

- 1. in respect of denominational schools, free transport will be provided only where “the religious education provided is that of the religion or denomination to which [the pupil’s] parent adheres”, to reflect precisely the wording of Section 509(4) of the 1996 Act, and*
- 2. in respect of Welsh medium education, free transport will be provided only if the pupil is being educated wholly or mainly through the medium of Welsh whether in a designated Welsh medium school or natural Welsh medium school or in the Welsh medium stream of a primary or secondary school.”*

REPORT TO CABINET – SCHOOL TRANSPORT POLICY

Roman Catholic

Blessed Edward Jones	50 -	Prestatyn	28
		Denbigh	8
		Meliden	7
		Dyserth	3
		St Asaph	2
		Bodelwyddan	1
		Rhyl	1 (Medical grounds)
Ysgol Mair, Rhyl	23	Prestatyn	17
		Meliden	5
		Rhuddlan	1 (Medical grounds)
St Winefrides	5	Bodelwyddan (Glan Clwyd Hospital)	
St Joseph's High W'ham	3	Corwen	2
		Llandegla	1
St Mary's Prim W'ham	2	both Llangollen	
<u>Church in Wales</u>			
Trelawnyd	13	Dyserth	6
		Rhyl	5
		Rhuddlan	2
Caerwys	1	Bodfari	

Denominational Schools					Transported by								
In County	Number on role	Baptised Catholics	School Transport	Catholics Transported		Conwy	Denbighshire	Flintshire					
Ysgol Mair RC	412	309	59	49		36	20	3					
Blessed Edward Jones RC	504	378	176	132	Estimated	?	50	?					
St Winifride's RC	24	?	6			1	5	0					
Out of County - Denb. Pupils attending													
St Joseph's High School (Wrex.)							3						
St Mary's (Wrex.) RC							2						
Trelawnyd (Flintshire) CW							13						
Caerwys CW							1						
						number of pupils	non denominational	total cost per day	cost per annum (190 days)				
Pupils transported to Ysgol Trelawnyd from Rhyl and Rhuddlan by 8 seater taxi						7	unknown	£27.00	£5,130.00	School unable to give details re. denominational status of pupils.			
Pupils transported to Ysgol Trelawnyd from Cwm and Dyserth by 8 seater taxi						7	unknown	£30.00	£5,700.00				
Caerwys - Bodfari						1	unknown	£20.00	£3,800.00				
Blessed Ed Jones - Denbigh, St Asaph & Bodelwyddan						11	Est. 25%	£50.00	£9,500.00	It is envisaged that cost of transport would remain unchanged based on 75% of pupils being Catholic			
Blessed Ed Jones - Dyserth, Meliden & Prestatyn						39	Est. 25%	£80.00	£15,200.00				
Ysgol Mair - Meliden, Prestatyn						22	Est. 25%	£91.25	£17,337.50				
St Winifride's - Bodelwyddan						5	unknown	£27.00	£5,130.00				
St Mary's Wrexham - Llangollen						2	0%	£28.00	£5,320.00				
St Joseph's Wrexham - Corwen and Llandegla						3	0%	£50.00	£9,500.00				