

CABINET

Minutes of the Cabinet meeting held in Awelon, School Road, Ruthin on Tuesday 17 February 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 J Butterfield, M LI Davies, S Drew, D Jones, N Hugh Jones, M M Jones, R J R Jones, K N Hawkins and D M Holder.

ALSO PRESENT

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

1 URGENT MATTERS

[i] Item 1A - Prudential Indicators 2004/2005 to 2006/2007

2 MINUTES OF THE CABINET

The Minutes of the Cabinet meeting held on 27 January 2004 were submitted.

Typographical error: Observers should read Councillor M LI Davies.

Item 7 Revenue Budget 2004/2005: The School Transport Task and Finish Group had been established and was due to meet in the near future.

Item No 8 Sport and Recreation Services Best Value Review:
Councillor G M Kensler asked that the last sentence in the penultimate paragraph be amended to read "...agreements are currently being drawn up".

Item 11 Accommodation for the Registrar in North Wales:
Councillor R W Hughes asked that the second paragraph be amended to read "whilst accepting the representations made by Rhyl residents, she thought the Botanical Gardens was by far the best site ..."

Item 12 Customer Service Centre / Customer Relation Management System:

Councillor R W Hughes asked that the second paragraph be amended to read "staff from the One Stop Shops, including Libraries, be involved with ...".

The Chief Executive reported that the presentation on Contact Centres to be held on 25.02.2004 had been cancelled although the presentation on Customer Relationship Management would still go ahead on the same day. A visit to a Contact Centre would be arranged for any Members who wished to take part.

Item 17 Minutes of the Cabinet Item 4 TAIH Constitution: The Chief Executive confirmed that the contract was due to be signed shortly.

Item 18 3 Year Capital Plan:

In response to a query from Councillor G M Kensler, the Chief Executive said he, Councillor R W Hughes and Councillor E W Williams had met with officers from ELWa. ELWa were looking at different funding avenues for the community learning resource centres and they hoped to issue a further statement shortly.

Members agreed with Councillor E C Edwards' suggestion that the Task Group working on the community learning resource centres be reconvened as soon as possible.

RESOLVED that subject to the above, the Minutes of the Cabinet meeting held on 27 January 2004 be approved as a correct record and signed by the Deputy Leader.

3 PRUDENTIAL INDICATORS 2004/2005 TO 2006/2007

Councillor E A Owens presented the report seeking Cabinet's recommendation to Council for the setting of prudential indicators for 2004/05, 2005/06 and 2006/07. Councillor Owens thanked the Corporate Director: Resources and staff for their hard work in producing the report.

The Corporate Director: Resources also thanked the Financial Controller and Principal Management Accountant for the quality of work carried out on prudential indicators to date. He said prudential indicators would be considered in detail by Full Council. The Authority would need to look in particular at the 3 year framework around the financing implications of the capital plan. He indicated that in addition to the report, he would be required to issue a statement on the adequacy of reserves and robustness of the financial estimates.

The Principal Management Accountant outlined in detail the purpose and background information in respect of prudential indicators and answered questions from Members.

Councillor W R Webb queried the £10m difference between 2003/04 and 2006/07 in the authorised limit for external debt. The Corporate Director: Resources said the reduction was due to the assumption that housing stock transfer would take place.

In response to queries from Councillor P A Dobb, the Corporate Director: Resources suggested Councillor Dobb meet the Principal Management Accountant to discuss treasury management functions in general.

In response to a query from Councillor E W Williams regarding hypothecation of Welsh Assembly Government grants, the Chief Executive confirmed that only if capital grants were converted to revenue grants would there be a potential benefit for prudential borrowing.

The Financial Controller outlined the revenue budget requirements for 2004/05 to 2006/07 as detailed in Appendices 1 and 1(a). The figures in the first column were the latest estimates for 2004/05 whilst the figures in second column assumed inflation of 3%, including the various estimated pressures. The likely impact resulting from Housing Stock Transfer, the likely increase in employer's pension contributions for non teaching staff and single status pay grading negotiations had also been included along with the full year impact of the unitary charge for the new PFI building and the capital programme impact on the provision for capital financing costs.

The Chief Executive informed Members that he would lead the work to identify, within the next 6 months, options for reducing costs and/or increasing income across the Council.

With regard to the membership of the Pension Fund Panel, Members agreed that Denbighshire should press for representation on the Panel and it was agreed this should again be pursued.

Councillor W R Webb queried the staffing numbers at SO1 level and above as discussed at the recent Council meeting, and asked for a full list to be made available for the next Council meeting of those staff, the Department to which they have been appointed, how many staff and their full costs have been taken on by the Authority over the last 12 months. The Chief Executive agreed to circulate the information as requested but also including staffing numbers below SO1 in a letter to all Members. He said the vast majority of the increase in staff numbers was in Personal Services and that the staffing levels quoted at the recent Council meeting had not been placed in context or taken account of any job re-evaluation of grades. Councillor E C Edwards suggested that decisions on external recruitment should have remained with Cabinet rather than with the relevant Corporate Director and Lead Member thereby enabling Members to have a clearer indication of current staffing levels.

After further discussion it was

RESOLVED that Cabinet recommends to Council the setting of the Prudential Indicators for 2004/05, 2005/06 and 2006/07 [subject to any amendments which may be required arising from decisions affecting the Revenue Budget which may be made during the Cabinet meeting of 17.02.04].

At this juncture (3.15 p.m.) the meeting adjourned for 10 minutes to allow Members to participate in refreshments.

4 RESIDENTIAL HOMES

Councillor P A Dobb presented the report seeking Members' agreement to proposals for developing accommodation, support and care options for older people in Denbighshire, linked to resolving the future of the Authority's four residential homes. Councillor Dobb detailed the very sheltered accommodation which afforded the elderly as much or as little care as required with the residents purchasing the care in units whilst being able to live in the same accommodation throughout.

Members agreed with Councillor Dobb's suggestion that recommendation 8.10 should be a County-wide Member cross directorate officer working group.

Councillor E W Williams suggested the terms of reference of the working group should be considered by Cabinet.

Councillor W R Webb sought assurance from Members and officers that residential beds would be kept in Cysgod y Gaer and that there was no spare capacity in the home at present. He emphasised there were widely differing care requirements in the various parts of the County and that locality planning should be a major consideration by the working group. The Chief Executive assured Councillor Webb that any need for residential beds would emerge from consideration of local requirements. The Corporate Director: Personal Services agreed that the Corwen area could be included specifically when setting the terms of reference as to whether sheltered housing was required in the area.

In response to a query from Councillor G M Kensler regarding paragraph 6.3, Councillor P A Dobb said the Head of Housing had been involved because of the housing needs assessment and the report on the elderly by the Nuffield Institute.

Councillor E A Owens said the visit arranged by the Corporate Director: Personal Services to see very sheltered housing in Walsall had been most instructive and she had been particularly impressed with the concept of add-on packages. Councillor Owens suggested that similar fact finding visits should continue as the need arose.

Councillor E C Edwards asked whether the membership of the working group would be politically balanced and whether the working group would be selecting the pilot scheme. The Chief Executive said the Lead Member would make nominations to the working group and would take political balance into consideration. He also confirmed the working group would select the pilot scheme.

Councillor J Butterfield detailed the views from Personal Services Scrutiny Committee and reminded Members of the need to address best value issues. She expressed her thanks to the Lead Member and the staff for an excellent report.

RESOLVED that Cabinet:

- [a] endorse the findings of Member visits that, whilst it is possible to refurbish existing residential homes to a high standard, Very Sheltered Housing provides a popular and cost effective alternative to residential care and should represent a key component (with local variations) of Denbighshire's future developments for older people.*
- [b] support the notion of developing a pilot scheme in one area of Denbighshire.*
- [c] support a formal approach to health agencies and professionals to contribute to the development of a*

possible multi-purpose scheme to meet the needs of older people.

- [ch] support the similar involvement of Housing Services.*
- [d] subject to the above, agree that local consultation is undertaken and detailed proposals and funding options are brought forward that demonstrate Best Value.*
- [dd] agree that a consultation process is entered into with the Trades Unions.*
- [e] once the detail of the pilot site is confirmed the Building Group Manager be asked to undertake a further review of the existing residential homes to determine the minimum work required to maintain them to a reasonable level until such times as the new model of service is agreed for each locality.*
- [f] agree locality planning, as outlined in the November paper to Cabinet, is taken forward in the 3 other Area Partnership areas, apart from the pilot site, within 2004/05, to work up a detailed picture of needs and possibilities and bring forward detailed proposals and funding options.*
- [ff] recommend to Council the allocation of additional earmarked revenue resources of £30k in 2004-05 to enable Prudential Borrowing in support of the initial design of the development programme, subject to Cabinet approval of detailed proposals.*
- [g] agree a County-wide Member / cross-directorate officer working group, linked to multi-agency planning structures for older people, is established to drive and oversee the development of the pilot and the locality planning process and reports in six months.*

5 CCTV - CAPITAL REQUIREMENTS

Councillor E C Edwards presented the report advising Members of the current condition of the CCTV system in Denbighshire and seeking consideration of options for the future of the network. Councillor Edwards emphasised the lack of maintenance carried out on the present system and the lack of technical expertise within the County to run the system satisfactorily. Councillor Edwards said the control room and equipment could possibly move to Rhyl Police Station.

The Corporate Director: Environment detailed the options in paragraph 5.1 of the report and suggested the £600k total cost for the entire system could be phased in over a few years, dependent on capital availability.

The Chief Executive suggested that to do nothing to improve the system was not a viable option. He said the £600k total cost did not necessarily have to come from the 2004/05 budget but suggested taking £300k from 2004/05 followed by the balance in future years. The cost could be funded by a range of options, including displacing other items in the capital plan, funding from capital receipts or prudential borrowing.

Councillor D M Morris supported the need for CCTV and said it was an important part of policing. He agreed with the possible relocation of the CCTV control room to the existing Rhyl Police Station.

Councillor G M Kensler said she was pleased to see the report on CCTV and said the revenue and maintenance of cameras was very important. She suggested the consultant should be asked to do give a presentation to Cabinet.

Councillor E W Williams agreed that option 5.1(i) of the report was not viable and his preferred option was to await the generation of capital receipts from the sale of surplus assets and ensure that CCTV is prioritised for that funding.

Councillor E A Owens said that whilst the report had been helpful in detailing the current situation she suggested a further report be produced which could include the rest of the Vale and clearer detailed running costs.

In response to a question from Councillor W R Webb, the Chief Executive said the North Wales Police gave a grant of £19k annually towards the provision of CCTV facilities.

The Corporate Director: Environment detailed the ongoing revenue expenditure bids made along with staffing issues and said the bid for a full time control room manager had not been successful. He said it was also difficult to secure funding for any increase or expansion to the system and a higher level of cover could not be provided.

Councillor R J R Jones said the walkie talkie system used in Llangollen had proved of tremendous benefit and suggested this system could be used elsewhere in the County.

Councillor E C Edwards said a meeting was due to take place on 20.02.04 between Mr Don Touhig MP, Parliamentary Under-Secretary of State, Wales Office, members of the North Wales Police and the CCTV consultant regarding provision of CCTV in Denbighshire.

After further discussion it was

RESOLVED that Members support in principle the option of investing in the development of the CCTV system through the creation of a new CCTV control room, and upgrading the current CCTV equipment in Rhyl and Prestatyn. Members note the new CCTV control room will provide opportunities for the further expansion of the CCTV network in Denbighshire, subject to appropriate funding being available. Members agree the consultant's report be circulated to Cabinet Members with any questions on the report to be presented to the Corporate Director: Environment before the Cabinet meeting.

6 REVENUE BUDGET 2004-2005

Councillor E A Owens presented the report to enable Members to review the revenue budget proposals for 2004-2005 in light of the debate at County Council on 03.02.2004. Councillor Owens detailed the amendments to the budget with regard to the reduction of £54k in the contribution to the Fire Authority and the inclusion in the ELWa funding for 16+ education of funding for teachers' threshold payments. Councillor Owens said Denbighshire currently was the most expensive Band D Council tax level in North Wales.

Councillor W R Webb expressed his concern at the 4.3% Council tax level for this year and said the funding of £1m from specific reserves in the next financial year plus the possible funding of £720k for the care grant could lead to the following year's Council Tax being between 16 and 19% unless drastic cuts in services were made. He suggested the Council Tax should be set at 6.1% as originally recommended to Full Council.

The Chief Executive said clarification on the detail was still awaited from the Welsh Assembly Government on the £720k for the care grant in relation to the elderly. He said there was no guarantee that the funding, this year used for growth, would be available the following year and even if awarded in future years its use could be limited.

Councillor E C Edwards asked that the Chief Executive again write to Sue Essex AM, Minister for Finance, Local Government and Public Services to clarify the grant rules relating to the £720k.

Councillor G M Kensler suggested a 0.2% increase on Council Tax should be made for music tuition in schools. Councillor E A Owens said only 2 out of 5 senior headteachers had supported the suggestion for an increase for music tuition.

Councillor P A Dobb suggested more funding should be ring fenced for the care of the elderly.

The Chief Executive said all Personal Services growth bids bar 3 had been met. The 3 bids not met totalled £156k and suggested these could be reconsidered, if Members wished.

Councillor E A Owens said adjustments to the budget would be made if required when the clarification from the Welsh Assembly Government on the care for the elderly grant was received. She said that if Councillor W R Webb's suggestion was agreed, putting £1m into general reserves would put a further 5.7% onto Council Tax to make a total Council Tax of 10.2%.

Members had earlier agreed £30k for residential care homes and £50k for housing strategy staffing costs which would make an increase of 4.6% in Council Tax.

RESOLVED that Cabinet recommends to Council:

[a] the budget proposals as included in the paper first presented to Council on 03.02.2004 together with an additional £30k for prudential borrowing in respect of residential care homes and £50k for housing strategy staffing costs

[b] a Council Tax increase of 4.6%.

The meeting concluded at 5.00 p.m.

Report to: Cabinet

Cabinet Member: Cllr P A Dobb, Lead Member for Health and Well Being and Cllr E A Owens, Lead Member for Finance

Date: 24 February 2004

Subject: Housing Stock Transfer- action required

1. Decision Sought

1.1 To establish the process and governance arrangements for Housing Stock Transfer and establish arrangements for housing services after stock transfer

2. Reason for seeking decision

2.1 The Council at its meeting on 3 February decided to pursue Stock Transfer to Dyffryn Community Housing as the preferred option for the future of the housing stock. The Cabinet now needs to agree how the formal process of Stock Transfer is to be taken forward, what housing services the Council will continue to provide, and the detailed arrangements for this.

2.2 Background

Work relating to the transfer process

2.2.1 The process of Housing Stock Transfer now requires the following steps

- Application for Provisional Approval for Stock Transfer to the Welsh Assembly Government. (The Provisional Application to WAG is being updated with changes since the previous submission in June 2002. In particular the Tenanted Market Valuation and the Dyffryn Community Housing Business Plan are being revised.)
- Publication of a formal "Offer Document" to all tenants containing details of the proposal, promises on capital programme, services

and rents, and the draft tenancy agreement – minimum consultation period of 28 days.

- Consideration of comments and issue of second stage offer together with postal ballot of all tenants – minimum ballot period 21 days.
- Adoption of ballot result by Council
- If Ballot supports Stock Transfer
 - o finalisation of “Transfer Agreement” between Denbighshire and Dyffryn Community Housing
 - o Detailed arrangements by Dyffryn, securing of funding, registration as Registered Social Landlord, etc.
 - o TUPE Regulations and staff issues.
 - o Formal Transfer
- If Ballot rejects Stock Transfer
 - o Development of alternative proposals using Prudential Borrowing.

Housing services remaining with the Council

2.2.2 In terms of the arrangements for statutory housing services following stock transfer, the Council now needs to agree, and guidance suggests they should do so following systematic review, exactly which services should transfer to the new housing company and with what service specification (eg homelessness, allocations and register services.) How Dyffryn Community Housing Services interface to Council services will also need careful planning (eg in terms of Housing Benefit administration and adaptations for disabled people). Consideration is being given to how the council will discharge its housing strategy responsibilities. The Chief Executive is examining with the Corporate Executive Team where housing will sit in future in the overall structure of the Council, and proposals will be made in due course.

Maintaining existing housing services from now until transfer

2.2.3 While this work is going on, the Council will also have to continue to provide day to day housing services in the housing department and other areas of the Council and maintain performance.

Resourcing the work

2.2.4 Some of the work required will be led by consultants previously appointed by the council to assist with stock transfer viz

Penningtons- lead consultants

Trowers and Hamlin- legal consultants

First Choice- independent advocate for Denbighshire's tenants

Staniforths- communications consultants

It is self-evident, however, that considerable involvement will be required from officers and members to enable the authority to be fully satisfied with proposed arrangements.

2.2.5 There is significant work involved in establishing arrangements for housing services after transfer. The neatest solution is felt to be to establish a Housing Strategy Unit now (which has been the subject of unsuccessful budget bids for the last two years), with a remit to shape post stock transfer housing services and subsequently to manage housing services remaining with the Council, monitor performance of those transferred to Dyffryn and to lead the implementation of the Housing Strategy. If this is not feasible in the short-term, an alternative might be to seek an internal secondment to take forward this work on a temporary basis, and fund a replacement. This would nevertheless create additional staffing costs which would not be an eligible stock transfer cost.

2.3 Governance arrangements

2.3.1 The Council now needs to plan for how it will "sign off" key pieces of work directly related to the transfer of the housing stock, and how it will commission housing services in the post transfer world.

2.3.2 Currently, the Council has in existence a Housing Options Working Party, with elected member and tenant representation, to make recommendations on options for improving the housing stock. The main focus of its work has now been completed, and it is proposed to roll it up into the Housing Working Group that is proposed below.

2.3.3 A Shadow Board has been established for Dyffryn Community Housing comprising one third Council representatives, one third tenant representatives and one third independent representatives. Plainly the Shadow Board will now become more active as the new organisation becomes a stronger reality.

2.3.4 Personal Services Scrutiny Committee also established an informal working group to begin to examine “Housing After Transfer” issues. To date, this has begun to consider how Homelessness Services might be provided if the housing stock were transferred, and flagged up that it would consider Allocations and waiting lists next. It is suggested that this work should also be subsumed within the working group proposed below.

2.3.5 These arrangements need revision in the light of Council’s decision on February 3rd.

2.3.6 **It is proposed that a Housing Working Group of elected members be established.** This Working Group would be established with terms of reference to consider both detailed issues relating to the transfer process (including the formal consultation document, staff transfer arrangements and the overall transfer agreement) and the issues relating to the nature of housing services after transfer.

2.3.7 The Housing Working Group would be expected to make recommendations to Cabinet and Council as appropriate. It is suggested that, given the range of issues to be covered, membership includes the lead members for Health and Wellbeing and Finance together with two representatives of each of the relevant Scrutiny Committees (Personal Services, Environment and Resources). It would clearly have advantages if members previously involved on the Housing Options Working Party were given prior consideration. This would give a Working Group of 8, which would be a manageable size. Elected Members who are on the Shadow Board of Dyffryn Community Housing would not be eligible.

2.3.8 It is suggested that the Housing Working Group be supported by two officer groups, one focussing on the detail of the housing stock transfer implementation process, one focussing on representing the council's interest and arrangements after transfer. In the early stages housing officers could be involved in both groups as long as care is taken on matters of interest but eventually, and certainly after ballot, separation must be demonstrated.

2.3.9 Given the scale of the staff transfer issues involved, negotiations with the Trades Unions will be required. We will establish a special mechanism linked to the Joint Consultative Committee.

2.3.10 Penningtons and Trowers and Hamlin would report both to the Working Group and to the Shadow Board in the period leading up to the ballot, but separate advice arrangements would be required post ballot.

2.4 Timescales

2.4.1 A process leading to a ballot of tenants in September, October or November 2004 seems feasible. This will enable reasonable consultation times internally, with the Assembly and with tenants, and assuming a positive ballot, could lead to a transfer in April 2005. This timetable also avoids any impact on council tax in 2004-05.

3. Power to make the decision

3.1 Housing Act 1985, Part II

4. Cost Implications

4.1 The budget bid for establishing the Housing Strategy function in 2004-05 (see para 2.2.5 above) was £50k. Releasing a Senior Housing Officer to take forward the work outlined in 2.2.2 and to provide housing advice to the Council (eg on the terms of the Transfer Agreement) would involve similar costs.

- 4.2 Proposals will be brought to the next Cabinet meeting on possible changes to the HRA revenue budgets and capital programme to maximise the long term benefits for the county council.

5. Financial Controller Statement

- 5.1 Stock Transfer will involve the Council in incurring costs to facilitate the process up until transfer occurs. Previous reports have largely concentrated on ongoing costs borne by the Council after transfer, and Cabinet at its meeting on 17 February 2004 agreed to recommend £50,000 as part of the 2004-05 budget to resource "Housing after Transfer" work. However, overall estimates of the costs of stock transfer totalling £1.5m have also previously been provided. An updated estimate of costs to facilitate stock transfer together with the funding of these costs is currently being produced. Verification of eligibility for funding will also be sought from the Assembly and District Audit. These updated estimates will be reported to the next Cabinet meeting. Whilst it is likely that most of these costs will be met by Dyffryn Community Housing from funding provided by the Assembly, there may be costs which will have to be met from the Council Fund. As reported to Cabinet on 27 January 2004, Statutory Consultation and Ballot costs will need to be met from the HRA.
- 5.2 As the Council has now adopted Stock Transfer as the option to fund improvements to the housing stock, amendments to HRA Revenue and Capital estimates for 2003/4 and 2004/5 are being prepared in accordance with the decision taken by Cabinet on 27 January 2004. These will be presented to the next meeting of Cabinet, and will include any stock transfer costs which must be funded from the HRA.

6. Consultation carried out

- 6.1 The Corporate Executive Team and Head of Housing Services have been consulted and support the proposed governance arrangements. They also support the need to invest in the council's strategic housing function.

- 6.2 Tenants will continue to be consulted throughout the process but have not been specifically consulted on the proposals in this report, which relate primarily to matters internal to the council.

7. Implications for other policy areas including corporate

The financial implications of Housing Stock Transfer have been set out in detail in the series of previous reports to both Cabinet and Council. Stock transfer, however, has other detailed policy implications. For example, Housing Services currently play a key role in providing affordable housing, in anti-poverty work, the management of anti-social behaviour, community development, the housing of older people and special needs groups. The Council will need to consider carefully how it can build these functions into any agreement with Dyffryn – and arrangements with other social landlords - so that the advantages of a broad based housing service are protected. There will also be implications for economic development and training where the expansion of the capital programme will affect construction, design services etc, and co-operation will be required with ELWa and other partners.

8. Recommendations

It is recommended that the Cabinet:

- 8.1 approves the governance arrangements outlined in 2.3.6 to 2.3.9, with powers for the Lead Member for Health and Well-being to settle the membership of the Housing Working Group in consultation with chairs of scrutiny committees;
- 8.2 notes Cabinet's decision of 17th February to allocate £50k as part of the budget 2004/05 to resource "Housing After Transfer" work, with flexibility to explore internal secondment as a short-term measure or the establishment of a basic Housing Strategy Unit, if internal secondment does not prove feasible
- 8.3 receives a further report in March relating to the other financial implications set out in 5.1 and 5.2

8.4 agrees the proposed timescale for Stock Transfer as set out in paragraph 2.4.1.

REPORT TO: CABINET

REPORT BY: LEADER

DATE: 24 February 2004

SUBJECT: COMMUNITY STRATEGY AND AREA PARTNERSHIPS

1. DECISION SOUGHT

- 1.1 To receive and approve progress report on developing the Community Strategy and Area Partnerships and to provide comments on the draft Community Strategy **(see Appendix I)**.
- 1.2 To comment on the draft Community Strategy **(Appendix II)**.
- 1.3 To agree the Council's representation on the Denbighshire Community Strategy Partnership.

2. REASONS FOR SEEKING DECISION

- 2.1 That Cabinet receives regular updates on the development of this Strategy and needs to approve the general direction of its development **(See Appendix 1)**
- 2.2 The Cabinet's views on the draft Community strategy are required prior to its planned approval on 16th March 2004. Its comments along with those of the partners and other consultees will be fed into the report to the March Council meeting.

NB. The Community Strategy must be formally approved prior to the Elections in June 2004.

- 2.3 The Community Strategy Partnership has written to all member organisations asking them to define who their representatives will be and who will be their substitutes. It is therefore timely for the authority to consider its membership.

- 2.4** The current position is that the Leader , the Chief Executive and the Corporate Director of Life Long Learning are the Council's representatives on the seven person Steering Group. As a minimum therefore it would therefore be logical to confirm that these individuals are also the Council's representatives to sit on the wider partnership with their substitutes being The Deputy Leader, the Director of Resources and Deputy Chief Executive and the Director of Personal Services. The Steering Group has the power to coopt persons to attend its meetings in relation to specific strategies and this enables both relevant cabinet portfolio members and corporate directors to be brought in from time to time to assist with the driving of a particular strategy. There is therefore no need to require any additional Cabinet or Council officer representation on the partnership
- 2.5** Currently no membership principle (such as the thirds principle) has been adopted by the partnership. There is a general acceptance that the Council will have more members than other organisations because of its pivotal role but not a majority.
- 2.6** There is a need to consider whether any additional Council representation is necessary, bearing in mind the need for the council not to be seen to dominate the partnership. With regard to Councillors generally, each Area Members' Group is represented on the wider partnership. This was agreed as a temporary measure until such time as the area partnerships had been set up. The Area Partnerships will shortly elect their representatives to sit on the Community Strategy partnership - none, some or all 4 of these representatives may turn out to be County Councillors, but strictly speaking they would be there to represent the partnerships, rather than the County Council.
- 2.7** While our formal representation would be limited to 3 seats, meetings of the Partnership will be open to the public. Any Councillor may attend and, with the permission of the Chair, speak.

3. POWER TO MAKE THE DECISION

- 3.1** Section 4(1) Local Government Act 2000 states that "Every Local Authority must prepare a strategy (referred to in this section as a community strategy) for promoting or improving the economic,

social and environmental well-being of their area and contributing to the achievement of sustainable development in the United Kingdom”

4. COST IMPLICATIONS

- 4.1 Current officer time, administrative support, meetings costs are currently absorbed within existing budgets. As the process develops, increased demands on resources will impact on costs.

5. FINANCIAL CONTROLLER

- 5.1 The Council has agreed to the provision of £20k for each Area Partnership in the current year on a one off basis. Because of the unlikely need to spend this year the budget proposals for 2004/5 assume these sums will be carried forward for use next financial year. There is therefore no base budget provision and a budget allocation for future years will need to be considered as part of the budget setting exercise for 2005/6.

6. CONSULTATION

- 6.1 For this report and **Appendix I**, CET - content.
- 6.2 For the draft Community Strategy in progress: Partner Organisations, Scrutiny Committees, Area Partnerships, Area Member Groups, Corporate Executive Team (CET) and Heads of Service. Members of the business community

7. IMPLICATIONS FOR OTHER POLICY AREAS

- 7.1 All policy areas will be required to conform to the requirements identified within the Strategy.

8. RECOMMENDATIONS

- 8.1 To note and approve progress so far in the development of the Denbighshire Community Strategy and the Area Partnerships (**Appendix 1**).
- 8.2 To comment on the draft Community Strategy (**Appendix II**) and

8.3 That Cabinet agree to recommend to the partnership that the following representation be agreed for the Council on the Denbighshire Community Strategy Partnership: The Leader (sub: Deputy Leader); Chief Executive (sub: Corporate Director of Resources); Corporate Director: Lifelong Learning (sub: Director of Personal Services)

1. THE COMMUNITY STRATEGY

- 1.1 The Community Strategy Partnership was launched in November 2003, has agreed its constitution (attached) and appointed its Chair Mr. Alan Lawrie, the Chief Executive of Denbighshire Local Health Board. At its inaugural meeting on 23 January, 2004, the Partnership appointed a seven member Steering Group The membership includes:

Alan Lawrie Chair of the Community Strategy Partnership (Chief Executive of the Denbighshire Local Health Board),
David Jones (Chair of the Denbighshire CCET),
Eirwen Godden (Chief Officer of DVSC)
Les Starling (Chair of Local Agenda 21 Forum and the Local Biodiversity Plan Group).
Councillor Eryl Willams (Leader Denbighshire County Council),
Ian Miller (Chief Executive Denbighshire County Council)
Sioned Bowen (Corporate Director, Lifelong Learning, Denbighshire County Council)

The Steering Group's function is to oversee implementation of the Community Strategy and to report to the partnership on the steering group's progress. The membership of the group has been chosen to represent the six major community strategy themes:- Economic Prosperity, Community Safety, Children and Young People, Lifelong Learning, Health, Social Care and Well-being and Environment and Transport.. It is envisaged that the Steering Group of the Partnership will meet about five or six times per annum with the full Partnership meeting about three or four times.

Administrative support will continue to be provided to the Partnership by the County Council but the issue of resourcing needs of the partnership will be addressed by the Steering Group

- 1.2 Community Strategy Document. A questionnaire went out to 8,000 households in Denbighshire in late July 2003 and the results were analysed and reported to the Partnership in November 2003. A Visioning Day was held at the Royal International Pavilion Llangollen in October, 2003. The event was attended by well over 100

representatives from all over Denbighshire. A detailed report on the findings was presented to the Partnership on 28 November.

- 1.3 The draft Community Strategy, which is currently out for consultation, has been informed by input from service departments, other strategies and by the consultation process referred to in the previous paragraph. The impact of the strategy can only be judged over time, especially as it involves a new way of working for all partner organisations including joint budgetary planning and in some cases joint management, but one more immediate effect should be the streamlining and rationalising of the current number of strategies and supporting frameworks, which has been included on the work programme of the Steering Group
- 1.4 The Community Strategy is a partnership document but formally the County Council must approve it. It is included in the list of policies which must be approved by full council. Comments from all partner organisations on the draft have been requested by the beginning of March 2004 prior to submission of the document to the County Council on 16 March for approval. The Scrutiny Committees meet to discuss it and policy agreement targets on 16th February.

The draft document to be submitted to the Council will be circulated to all partners for final comments prior to the Council meeting.

For practical purposes the Partnership has agreed that the Chief Executive of Denbighshire County Council and the Chairman of the Community Strategy Partnership will approve any final minor amendments. It will then be launched prior to the County Council elections which are to be held in June 2004.

2. AREA PARTNERSHIPS

- 2.1 Inaugural meetings of Area Partnerships and Steering Group have now taken place or are scheduled to take place. Each will be constituted formally. The Partnerships themselves will choose who serves on their respective Steering Groups. The Steering Groups of the Area Partnerships will also choose who will represent them on the Community Strategy Strategic Partnership.

2.2 Although there is a general consistency of approach across the four areas, there are essential variations between areas and this is reflected in each area partnership's constitution and draft area plan. Thus the number on each steering group is as follows:

Rhyl [16]

Prestatyn and Meliden [12]

Central [15]

South Denbighshire [13]

The process is community-led and priorities, structures and geographic and thematic issues are identified and addressed at local level and in turn will inform the community strategy process. The Area Members' Groups continue to meet and will be an important feature of the area partnership structure.

2.3 Work is ongoing in each of the areas on the preparation of draft area plans and the different characteristics of each area is reflected in the way these plans are being put together. Although not necessarily working to the same timetable as the Community Strategy Plan, each Area Plan will be launched in May 2004 once appropriate consultation has been undertaken and consideration has been given to the priorities and actions identified by the working forums in each area.

2.4 Following an initiative by the Central Area Partnership Manager, a Denbighshire Officers' network has been established to bring together those County Council officers who are responsible for developing key strategies. The formation of such internal supporting frameworks is an on-going process and increasingly the Area Partnership Managers are being consulted by other co-ordinators or those responsible for strategies on community consultation and needs assessment. By developing information exchange and joint working, officers can avoid the danger of duplication.

2.5 A significant development has taken place in that the Council has agreed to the provision of £20k for each Area Partnership in the current year on a one off basis. Because of the unlikely need to spend this year the budget proposals for 2004/5 assume these sums will be carried forward for use during the next financial year.

~ F O R E W O R D ~

To be provided by the Chair of the CSP

The community Strategy for Denbighshire has SIX key themes

- ❖ Health, Social Care and Well Being
- ❖ Community Safety
- ❖ Lifelong Learning
- ❖ Economic Prosperity
- ❖ Environment and Transport
- ❖ Children and Young People

COUNTY MAP OF DENBIGHSHIRE

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- INTRODUCTION -

The Community Strategy Partners have spent nearly two years in developing a shared approach to community planning in Denbighshire.

This Strategy represents a shared vision for Denbighshire up until 2015.

A vision day and postal questionnaire have influenced and informed the development of the strategy. The vision day, held in Llangollen, enabled over 130 community representatives and individuals to contribute to the process. The questionnaire, sent to 8,000 households, provided a further opportunity for local people to have their views considered.

1. Partners in the Public, Private and Voluntary Sectors joined together to undertake the work.
2. The Community Strategy will be subject to detailed Consultation at all levels of the Community.
3. The aims and objectives of this Strategy document is to present an agreed shared vision for the future.
4. This Community Strategy does not belong to any individual partner, but belongs to the whole community.
5. The Shared Vision for the next 10 to 15 years is to improve the economic, social and environmental well being of Denbighshire and promote sustainable development. The Community Strategy details what will be done in partnership in each of the priority areas listed in the box below.
6. We have set ourselves targets to be achieved by 2008. Our performance against these targets will be monitored and reported annually to the people of Denbighshire.
7. This Community Strategy will be kept under review and take account of changing circumstances. The first major review will take place in 2006.

ROLE OF AREA PARTNERSHIPS

Due to the diversity of the communities within Denbighshire, 4 Area Partnerships have been developed to provide an opportunity for those communities to influence policy making and service delivery.

These Area Partnerships will produce Area Plans based on themes and geographical issues which will inform the Community Strategy. This process will ensure that the Local Plans and the Community Strategy are complementary.

The Vision

By working together we will achieve a more prosperous, better educated, healthier, greener, safer and more confident future for the people and communities of Denbighshire

This vision is informed by consultation with individuals, the community and organisations throughout the County. It reflects views expressed during the Vision Day and in the Questionnaire survey. The strategy document sets out how to achieve this vision.

The Vision Day and Questionnaire identified communities' aspirations for the future of the County. The statements below reflect the views gathered by these means.

1. A successful local economy with viable town centres, providing quality employment opportunities
2. Quality, affordable and appropriate housing whilst safeguarding our environment and providing green spaces
3. An integrated, sustainable, accessible and adequately maintained highways and transport network
4. Adequate, secure car parking facilities
5. Improved and sustained rural and urban environment, both built and natural, resulting in a beautiful, clean and well kept county
6. Young people actively involved in issues affecting their communities, having secured appropriate, accessible youth and children's provision in every town
7. Quality, accessible leisure services and activities for all
8. Improved quality and quantity of cultural sites and events
9. Ample social opportunities to use the Welsh language
10. A fully developed broadband network
11. Simple, speedy access to excellent health care services including rural and community based provision
12. Appropriate provision for older people to access quality health services and maintain independent living
13. Quality support structures for carers
14. Increased, responsive, police presence and effective crime prevention initiatives

15. Safe streets with reduction of anti-social behaviour
16. No increase in crime relating to drugs and alcohol
17. Zero waste and 100% recycling
18. Rhyl regenerated with other towns thriving with an excellent choice of retail facilities
19. Community spirit, ownership and involvement in planning and developing services locally
20. Excellent standards of education with lifelong community learning opportunities available to all

The Community Strategy will help partners plan and work together to achieve the vision and improve quality of life for the communities of Denbighshire.

GUIDING PRINCIPLES

The Partnership positively adopts the Guiding Principles in the Assembly Guidance on the preparation of Community Strategies:

- SUSTAINABLE DEVELOPMENT
- SOCIAL INCLUSION
- EQUAL OPPORTUNITIES

These **3** guiding principles are embedded within the objectives for each of the **6 Themes** :-

- * **Health and Social Well-Being**
- * **Community Safety**
- * **Lifelong Learning**
- * **Economic Prosperity**
- * **Environment**
- * **Children and Young Persons**

All the partners recognise there are cross cutting impacts between the themes, for example, achieving an objective within economic prosperity can impact on health, social care and well-being and crime and community safety.

THE FUTURE

What will Denbighshire be like in 2015?

The Community Strategy Partnership has identified themes based on all communities of interest.

The 6 themes as identified by the Partnership are also reflected in Questionnaire surveys, consultation meetings, area partnership surveys, partnership forums.

The Community Strategy addresses how partners plan to act together in response to the community's needs within the framework provided by the above themes.

Partnership Working

The aim of the partners is to improve the quality of life and well-being of Denbighshire's communities. Close partnership working underpins the Strategy and wherever possible will continue to build on existing successful partnerships and strategies whilst developing new ones built upon the views of local people and organisations.

Effective use of Resources

There is a commitment that the Partnership will continue to develop and improve techniques to collectively collate, up date and share information and data

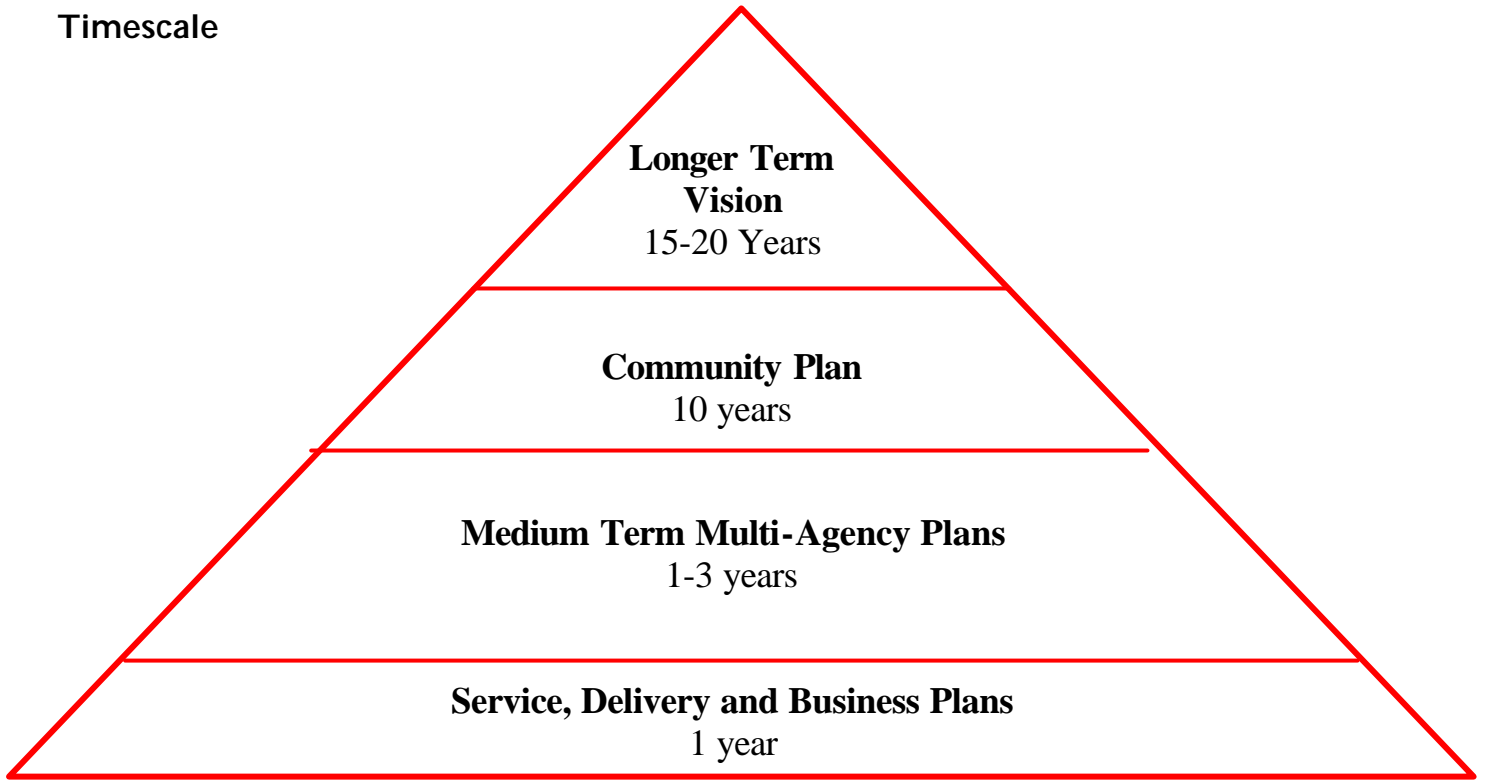
The partners will share information and resources in the delivery of the aims and objectives of the community strategy.

National Policy Framework

Policy guidance from the National Assembly Government including the Local Government Act 2000 has guided the preparation of this document. The Community Strategy will reflect and incorporate the principles and opportunities afforded by external funding. There are common themes focusing on economic, social and environmental well being.

All documents referred to within the Community Strategy can be found on page.....

Timescale



DENBIGHSHIRE UP TO 2015

The wider partnership will work together to build a picture of Denbighshire, where are we now and where do we want to be in 10 - 15 years' time. It will have links with area partnerships, town and community councils and the voluntary sector and business sectors and well as all of the organisations who have joined the partnership. It will also have involvement with elected politicians at all levels: community and town council, county, Assembly, Westminster and European.

The Community Strategy is an achievable, yet demanding forward programme, managing sustainable development and change in a modernised world.

1. HEALTH, SOCIAL CARE AND WELL-BEING

The partners will give priority to improving people's health and well-being, particularly those whose chances of good health are not equal

In developing services, we shall place a greater emphasis on prevention and early intervention based on evidence and needs assessment. We shall review current strategies and trends in health needs in order to improve future planning.

The strategic aspect of this theme is addressed by the Denbighshire Health Social Care and Well Being Strategy Partnership.

What you said.....

1.2 PARTNERSHIP VISION

By 2015 we will have:

- a) Ensured that all our citizens throughout Denbighshire have easy, equitable access to high quality health and social care services.
- b) Created the necessary support mechanisms for older people and disabled people to continue to live in their own homes and communities.
- c) Ensured that all children and young persons in Denbighshire, their carers and all who are responsible for their well-being, benefit from the best possible framework of service provision.
- d) Improved the condition of housing and neighbourhoods that historically have exacerbated physical and mental health problems.
- e) Ensured provision for homeless people to support them in establishing stable, healthy, fulfilling lives.
- f) Provided programmes and initiatives to address the full range of factors that impact on health, social care and well being.
- g) Ensured housing stock presently owned by the council is brought up to the Welsh Housing quality standard.

1.3 OUR OBJECTIVES

With our partners we will:-

Improve health and social well-being by :-

- a) To meet projected growth in demand in the most appropriate location
- b) Actively consulting with and engaging the community as to their health and social needs both as service users and public via the Area Partnerships.
- c) Implementing priorities in the Denbighshire Local Health Social Care and Well Being Strategy, in particular reducing the incidence of cancer and coronary heart disease.

- d) Increasing partnership working and developing new initiatives for older people and others whilst also improving support services for their carers so that they can maintain their independence in their community
- e) Enabling and re-enabling people with disabilities and health problems to live active lives within the community and to develop their potential to the full
- f) Developing initiatives to meet current growth in demand for affordable housing in Denbighshire and to provide flexibility and choice for all
- g) Tackling the underlying reasons for ill-health including poverty, social disadvantage and poor housing
- h) Aiming to prevent ill-health through prevention and early intervention via programmes aimed at healthier lifestyles (improving diet, exercise, reducing tobacco, alcohol consumption and reducing accidents and injuries)

1.4 TARGETS

By the year 2008 the partnership aims to :

- a) ensure access to quality services achieve the minimum standards set out in national frameworks.
- b) encourage public and patient involvement in Health and Social Care planning and provision using the Area Partnerships, user groups and focus groups so as to facilitate a more representative voice for the public.
- c) provide increased support within their own homes and communities for all older and disabled persons who need social and health care support
- d) reduce admissions to hospital as a result of hypothermia or falls, of people aged 75 and over **by xxx%**
- e) ensure that all carers of vulnerable adults are offered an assessment of their support needs and have those needs met
- f) have undertaken a cross sector review of stroke services in Denbighshire
- g) achieve a fully integrated mental health service which implements the key actions within the Adult Mental Health Services National Strategic Framework.
- h) Meet demand for affordable, appropriate housing
- i) develop and implement joint, targeted health promotion measures

- j) To ensure that 100% offer rate for all childhood immunizations is achieved and to take all reasonable steps to achieve 95% coverage level to ensure immunity.
- k) Be well on the way to ensuring that the housing stock currently owned by the council is brought to the quality Welsh Housing Quality standard.

2. COMMUNITY SAFETY

The people of Denbighshire should enjoy a good quality of life in the knowledge that theirs is a safe community where levels of crime and disorder are low.

The partners will continue to place a greater emphasis on prevention and early intervention and we shall review our three year Crime and Disorder Strategy, published in 2002, monitor current trends and continue to improve our future planning.

The strategic aspect of this theme is addressed by the Denbighshire Crime and Disorder Partnership

What you said.....

2.1 PARTNERSHIP VISION

By 2015 we will have:

- a) Achieved a significant year-on-year reduction in the level of burglary, vehicle theft and violent crime.
- b) Ensured that Denbighshire is a safe community in which to live and that the fear of crime is reduced.
- c) Reduced alcohol and substance misuse
- d) Reduced the involvement of young people in criminal and anti-social behaviour.

2.2 OBJECTIVES

The partners will :-

- a) Increasing awareness of the problems caused by car crime and introducing measures to reduce the amount of car-related crime.
- b) Identifying gaps in service provision for victims of domestic abuse and providing initiatives to tackle the problem.
- c) Increasing the effectiveness of the CCTV network, targeting well-known anti-social activity areas.
- d) Tackling irresponsible attitudes to the sale and consumption of alcohol and reduce the number of alcohol-related crimes.

- e) Expanding and enhancing services which help prevent and treat substance misuse particularly in respect of young people including preventative training opportunities for young people.

2.3 TARGETS

By the year 2008 the partnership will :

- a) reduce the level of burglary by 12% each year for the first three years
- b) reduce the level of vehicle crime 10% each year for the first three years
- c) reduce the level of disorder and in particular anti-social behaviour 10% each year for the first three years

3. LIFELONG LEARNING

The quality of life of all citizens can be enhanced by the best education and lifelong learning opportunities enabling everyone to fulfil their potential in terms of employment, leisure and cultural experiences.

The strategic aspect of this theme is addressed by the Education Strategic Plan, Dolen Dysg Dinbych (Community Consortium for Education and Training) and the Culture and Leisure Strategy

What you said.....

3.1 PARTNERSHIP VISION

By 2015 we will have:

- a) A vibrant learning county with a strong cultural identity which values diversity and respects the individual.
- b) An inclusive framework for all, through improved access, progression and quality of learning in adult basic skills, formal and informal learning, culture, the arts and sports as described in The Learning Country and Learning Pathways 14-19 Action Plan.
- c) Adaptable and innovative lifelong learning opportunities that harness new technologies for learning in a way that captures community involvement in learning within our schools, libraries, leisure and youth and community centres.

3.2 OBJECTIVES

The partners will:

- a) Provide lifelong learning opportunities for children, young people and their families that build self-esteem, life and work related learning skills as well as specific academic, physical and artistic abilities, particularly for learners who live in less advantaged communities.
- b) Develop excellence in the arts, science, humanities and technologies through implementing our charter of opportunities to which all children, young people and their families have access.
- c) Raise pupil achievement so that no young person leaves school ill-equipped for employment.
- d) Encourage and support young people and adults from all walks of life to achieve their potential and intervene early when there are practical barriers to learning or where there is a danger of social exclusion.

- e) encourage an entrepreneurial approach and use work experience and Objective 1 funding to the full to enhance provision
- f) provide training opportunities to create a quality workforce to meet the needs of new and expanding employment opportunities
- g) Welcome open discussions as we move towards transforming the traditional 'school' base into a resource for the whole community at all times of the day and evening. To do that, we will improve our learning environments through improving buildings and maximising our libraries, leisure and youth and community centres as learning resources.

3.3 TARGETS

By the year 2008 the partnership will:

- a) continuously improve school performance to match national expectations
- b) Secure a 2% increase in the amount and quality of early years education and childcare provision.
- c) Increase the number of school places for bilingual/Welsh medium education by 3%
- d) Provide community learning resource centres at all secondary schools and Corwen, linked with satellite provision in other learning environments such as primary schools, youth, leisure centres and libraries.
- e) Increase the level of school attendance by 0.5% per annum and develop a suitable alternative curriculum to more effectively meet identified needs
- f) Secure capital investment in buildings and infra structure of schools and learning environments and in 100% of secondary schools as a priority
- g) Continue to develop an inclusive, cost effective provision for children and young people with special educational needs so that 98% of school age leavers are educated on mainstream sites
- h) guarantee employment, education or training opportunities for all school leavers aged 16+ for 12 months
- i) Provide education and training to assist older and long-term unemployed people back into work and increase take up of higher education courses by 3%
- j) Provide equitable access to culture and leisure services to 2.75million users annually
- k) Increase the number of participants accessing the internet in our libraries to 60,000.

4. ECONOMIC PROSPERITY

The partners will give priority to improving people's economic prosperity health and well-being

In developing services, we shall place a greater emphasis on developing more industrial land to create new job opportunities in high income sectors. We shall redevelop key town centre properties to stimulate investment.

4.1 VISION

By 2015 we will have:

- a) A mature regeneration programme in our most economically deprived areas integrating funding initiatives and partnership arrangements.
- b) Extensive partnership co-operation between organisations and communities built out of the success of the Objective One Programme.
- c) Ensured that all our citizens have access to high quality well paid jobs.
- d) Anchoring developments prospering in major sector developments eg. ICT and initiatives for diversified agricultural sector
- e) Achieved progress in the Rhyl Going Forward process, a flagship initiative in tackling the fundamental problems of the town.
- f) Enhancing both cultural tourism through increased promotion of cultural provision and other tourism by emphasizing niche markets and quality improvements

4.2 OBJECTIVES

The Partnership will :-

- a) Tackle the underlying reasons for poverty and economic disadvantage, targeting the most deprived areas of Denbighshire.
- b) Support the regeneration of communities through Interreg, Small Towns and Villages Initiatives, providing grants for community groups, business groups etc.
- c) Help the long term unemployed to get back into work.
- d) Develop IT skills in the county for all with an emphasis on broadband.
- e) Make Denbighshire an attractive location for business to start and grow by providing as much advice on grant aid as is available.
- f) Seek to attract more employment opportunities in developing sectors (eg. ICT, Opto-electronic, care service and finance) and to provide a trained, quality workforce to meet the sectors needs.

What you said....

- g) Redevelop and create new sites ready for employment purposes.
- h) Bring new employers into the County; continue with Cadwyn and Coed Cymru to deliver rural development projects.
- i) To ensure that no ward in Denbighshire appears within the top 50 wards in the Index of multiple deprivation in Wales
- j) Develop new tourism marketing material and clarify the direction and balance of the tourism industry in Denbighshire.

4.3 TARGETS

By the year 2008 the Partnership will :

- a) reduce the level of registered unemployed in Denbighshire to below 1,000
- b) attract 150 jobs per annum to Denbighshire by inward investment.
- c) create 2,500 square metres of new industrial/commercial premises per annum.
- d) ensure no ward in Denbighshire shall be among the 20 most deprived areas of Wales by 2007, with none in the top 50 by 2012
- e) increase the numbers of tourists, especially within cultural tourism, who visit Denbighshire annually to over 2 million.

5. ENVIRONMENT

Denbighshire's local environment affects the quality of life of all its citizens and can affect health and well-being, quality of life within our communities, visual environment, wildlife and the local economy.

The partners will give priority to

- Promoting environmental well-being particularly in underprivileged urban areas and take account of the views of the community.
- Protecting scarce habitats and species and deal with social and environmental sustainability.
- Improving waste management and street cleansing.
- Promoting use of public transport, cycling and walking, using safer routes to schools
- Improving the quality and network of highways and footways across the county thereby reducing the risk of accidents
- Developing new play areas according to community needs
- Promote socio-economic development and prosperity through potential use of commuted sums for community facilities and infrastructure.

5.1 Partners VISION

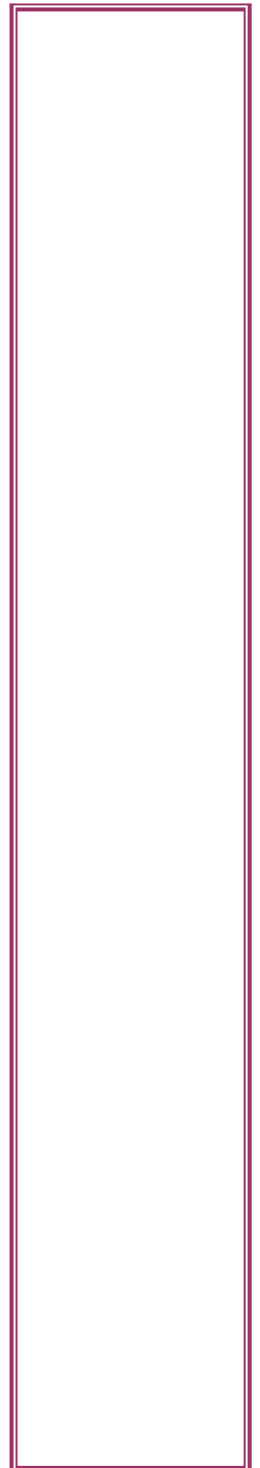
By 2015 we will have:

- a) All our citizens throughout Denbighshire, particularly those in deprived areas, living in a clean and attractive environment.
- b) Regenerated and revitalized town centres.
- c) A happy balance between our built and natural environment.
- d) Accessible play and community facilities

5.2 OBJECTIVES

The partners will :-

- a) Make Denbighshire an attractive location in which to live, work and visit.
- b) Encourage the community to influence our environmental policies.
- c) Involving the community in environmental schemes;
- d) Tackle the problems associated with effective and efficient waste management.



- e) Promote energy efficiency in home improvement schemes;
- f) Support improvements in public transport and promoting further opportunities for people to cycle and walk;
- g) Develop environmentally friendly tourism that considers the local community's needs;

5.3 **TARGETS**

by the year 2008 the partners will:

- a) Review and implement a strategy of annual % increases in the availability of transport information at bus stops and other public buildings and locations
- b) All schools will have a tailored Road Safety Education and Training Policy created with professional advice and support from, and in partnership with the Road Safety Unit.
- c) Review and implement a waste management strategy for businesses and factories linked to re-cycling opportunities and facilities of equal standard across the county.
- d) To protect and enhance Denbighshire Local Biodiversity Action Plan species, through the delivery of 2 Species Action Plans per year
- e) To increase the area of Denbighshire Local Biodiversity Action Plan habitats under favourable conservation management by 5%.
- f) Develop and implement a programme of culture and leisure tourism marketing initiatives with the North Wales Regional Tourism Partnership
- g) By 2006 increase the number of tourists who visit, and visitor expenditure in Denbighshire by 4%, working in partnership with private and public sector bodies
- h) All social/economic housing development will be linked to improved play facilities.
- i) All facilities will be brought up to DDA accessibility standards.

6. CHILDREN AND YOUNG PERSONS

The Partnership will place an emphasis on need assessment and evidence of effectiveness. We shall aim to support parents & guardians, as well as children and young people

Prevention and early intervention in the provision of improved health, social care and youth provision will enable us to tackle the issues and improve the quality of life for our children and young people.

The strategic aspect of this theme is addressed by the Denbighshire Children's and Young People's Partnership

What you said...

6.1 VISION

by 2015 our children and young people will:

- a) enjoy the best possible physical, mental, social and emotional well-being
- b) be provided with and engage in appropriate and effective learning
- c) have an equal and effective voice in a fully engaged community

6.2 OBJECTIVES

The partners will:-

- a) Safeguard and protecting children from harm.
- b) Develop and implement a strategy for young persons targeted at the most disadvantaged.
- c) Develop appropriate support services to ensure provision for all children assessed as needing protection from emotional, physical and sexual abuse and neglect.
- d) Work together in cross agency partnerships to tackle problems of drugs and substance misuse.
- e) Ensure that disadvantaged children and young persons have access to, and benefit from, high quality health, educational and social opportunities.
- f) Ensure that every child and young person has the best opportunities to obtain a flying start in life.
- g) Listen to the voice of children and young people.

- h) Develop a planned strategy for 0 - 10 year olds and older within the Children and Young Persons framework.

6.3 TARGETS

By the year 2008 the partnership aims to :

- a) Provide every looked after child or young person has a care plan to meet his or her health, educational and training needs.
- b) Ensure support is provided for parenting, based on the needs of children and families.
- c) Review social worker, child minder and fostering workforce to meet needs.
- d) Provide opportunities for effective community engagement enabling multi-agency initiatives to meet the identified needs of children and young people

WHAT IMPACT WILL THE COMMUNITY STRATEGY HAVE

- Improved involvement in the life of the community via the Area Partnerships.
- Enable all partners to continue to develop the dialogue necessary to engage the communities and local people.
- Create local strategies designed to meet the expressed needs of the people of Denbighshire.
- Provide opportunities for communities to continue their involvement in directly developing and evolving service delivery
- We will always strive to involve local people in looking for new ways of partnership working.

FUTURE PROGRESS ON COMMUNITY PLANNING

The Community Strategy is a continuous process to achieve the targets set out in the Plan.

How the partners will achieve these aims and objectives will be the subject of collective detailed planning and agreement.

The vision and strategy and targets will shape the budgets and the business plans of partner organisations.

The first major review of the Plan will take place in 2008.

The role, constitution, membership and terms of reference of the Community Strategy Partnership will be the subject of agreement and the detail will be appended to the working document.

Review of progress against targets will be annual with full formal reviews to be undertaken on a four yearly cycle, commencing in 2008.

CO-SIGNATORIES / PARTNERS

A list of all co-signatories and partners to the Denbighshire Community Strategy is appended.

**CO-SIGNATORIES
SEE SEPARATE DOCUMENT**

PARTNERS

North Wales Health Authority	DVSC
WDA	North Wales Police (Central Division)
Conwy and Denbighshire NHS Trust	North Wales Fire Service (Central Division)
Denbighshire County Council	Area Partnerships - Central, Rhyl, Prestatyn & South
Denbighshire Local Health Board	DALC
Cymdeithas Tai Clwyd	ELWa
Countryside Council for Wales	Environment Agency (Wales)
Cymdeithas Tai Clwyd Alyn	Wales Ambulance Trust
Dolen Dysg	Forestry Commission
Menter Iaith Sir Ddinbych	Local Biodiversity Partnership
LA21	National Public Health Service for Wales

**Denbighshire Community Strategy Partnership
Memorandum of Understanding**

adopted on the 28th day of November, 2003

A Name.

The name of the Partnership is Denbighshire Community Strategy Partnership (“the Partnership”)

B Administration.

The Partnership shall be administered and managed in accordance with the terms of this memorandum of understanding between the Partners.

C Objectives.

Definition.

A Community Strategy provides for a 10 - 15 year vision for promoting and improving the economic, social and environmental well-being of the community of Denbighshire and contributing to the achievement of sustainable development. The strategy produced by the Community Strategy Partnership (“the Partnership”) will overarch all public sector plans and strategies in the Local Authority area.

The Partnership’s objectives (“the objectives”) are:-

1. To develop a Community Strategy for Denbighshire through partnership working and consultation with the residents of Denbighshire.
2. To act as the multi-agency strategic partnership throughout the County for the purpose of co-ordinating and developing a Community Strategy for Denbighshire.
3. To develop and maintain robust communication systems with other strategic partnerships both those already established and those being developed.
4. To ensure that Community Strategy is given a high profile both internally within each partner organisation and externally with the communities of Denbighshire.
5. To share information and resources in the delivery of the aims and objectives of the community strategy.
6. To review membership regularly, thus encouraging participation by member agencies who have the ability to shape future service provision for the people of Denbighshire
7. To work in partnership with the County Council’s 4 Area Partnerships (Rhyl, Prestatyn, Central and South) and any other sub-partnerships which are created to deal with any county strategic issues .
8. To monitor the performance and achievements of the Community Strategy by the setting of achievable and measurable goals and targets.
9. To check for duplication and lack of co-operation between partners and to encourage joined up working.

D Partnership.

- (1) **“The Partnership”** shall consist of members who are representatives of each of the following:-

Health and Well Being Strategy Partnership [1]
Children and Young Persons Partnership [1]
Crime and Disorder Partnership[1]

Objective One Partnership [1]
 Community Consortium for Education and Training[1]
 Denbighshire County Council [3]
 Denbighshire Association of Local Councils [1]
 Education Learning Wales [ELWa] [1]
 Menter Iaith Sir Ddinbych [1]
 Welsh Development Agency [WDA] [1]
 Environment Agency Wales [1]
 Conwy/Denbs NHS Trust [1]
 Denbighshire Local Health Board [1]
 Local businesses/ Chambers of Trade [1]
 North Wales Police[1]
 North Wales Ambulance Trust [1]
 North Wales Fire Service [1]
 Denbighshire Voluntary Services Council [DVSC] [1]
 Rhyl Area Partnership [1]
 Prestatyn and Meliden Area Partnership [1]
 Central Denbighshire Area Partnership [1]
 South Denbighshire Area Partnership [1]
 Cadwyn Leader [1]
 Denbighshire Enterprise Agency [1]
 Environmental Groups[1]
 Housing Associations [1]

[There may, in future, be additions to the above membership list. No single partner organisation shall, by virtue of its involvement others listed above, exceed its membership entitlement in order to gain greater influence within the Partnership. Organisations will be invited to appoint representatives and named substitutes.]

(2) (a.) A Steering Group of the Denbighshire Community Strategy Partnership shall be appointed by the Partnership and shall comprise no more than 7 Members of which two [2] comprise the Leader and Chief Executive of Denbighshire County Council with a maximum one [1] other being either a Councillor or officer of Denbighshire County Council and one [1] representing Denbighshire Voluntary Services Council

(b.) The function of the Steering Group shall be to oversee implementation of the partnership strategy on an on-going basis.

(3) The Partnership may from time to time appoint non-voting co-opted members.

(4) The proceedings of the Partnership shall not be invalidated by any vacancy among their number or by any failure to appoint or any defect in the appointment or qualification of a member.

E. Chairperson

The members of the Partnership shall elect a Chair from among themselves and the office of Chair shall rotate over a set period of 12 months and he or she may be re-elected or not as the case may be every 12 months. Agenda items will be agreed with the Chair.

F Determination of Membership of Partnership.

A member of the Partnership shall cease to hold office if he or she:

(1) is absent without the permission of the Partnership from all their meetings held within a period of six months and the Partnership resolve that his or her office be vacated; or

(2) notifies to the Partnership a wish to resign (but only if at least three members of the Partnership will remain in office when the notice of resignation is to take effect).

G Meetings and proceedings of the Partnership.

(1) The Partnership shall hold at least three ordinary meetings each year.

(2) The Chair shall act as chairperson at meetings of the Partnership. If the Chair is absent from any meeting, the members of the Partnership present shall choose one of their number to be chair of the meeting before any other business is transacted.

(3) There shall be a quorum when at least one-third of the membership of the Partnership are present at a meeting (the same rule applies to meetings of the Steering Group) .

(4) Every matter shall be determined by consensus - voting shall only take place in exceptional circumstances e.g on amendments to the memorandum of association and there will be a presumption of equality amongst partners at all meetings of the partnership.

(5) The Partnership shall keep minutes of the proceedings at meetings of the Partnership and Steering Group.

(6) The Partnership may from time to time make and alter rules for the conduct of their business, the summoning and conduct of their meetings and the custody of documents.

(7) The Steering Group shall meet regularly (at least once a month) and shall appoint its own Chair who may be or may not be the Chair of the Partnership.

(8) Any member of the Partnership may attend as non-voting observers at meetings of the Steering Group and may be allowed to speak or contribute with the permission of the Chair.

(9.) The Agenda and Minutes of the Steering Group shall be circulated to all members of the Partnership.

H Annual Report.

The Partnership shall prepare an annual report highlighting the work of the Partnership during the year.

Signed

Report to Cabinet

Report by Leader

Subject Corporate Action Plan

Date 24 February 2004

1. Decision sought.

1.1 To approve the steps that have been taken to deliver the attached corporate action plan and to provide comment as necessary.

2. Reason for Decision

2.1 It is timely to review the corporate action plan before the advent of the new council to ensure that the new body inherits a legacy of good corporate management. The plan was last reviewed in September 2003.

2.2 The attached report indicates a high level of activity with respect to all of the items. However certain issues should receive comment.

- Activity in the performance management unit has been affected by sickness and staff changes which may impact on the capacity of the authority to deliver the improvement plan on target. Whilst the situation is not yet critical it does nevertheless need to be watched. One possible benefit is that the Improvement Plan's statutory approval date may be moved this year in the light of the election. Normally it is the 30 June.
- The work comparing our spending patterns with SSA and with other local authorities has not progressed as was hoped.
- The appointment of the project managers will allow for a more coherent management approach to key projects where there is currently insufficient capacity.

3. Power to make decision

3.1 Local Government Act 1999 Part 1 - Best Value legislation

4. Cost Implications

4.1 None arising from this report

5. Financial Controller Statement

5.1 Many of the actions in the plan have been considered as part of the revenue budget setting and capital programme development for 2004/2005.

6. Consultation

6.1 This report was put together in consultation with the Corporate Executive Team

7. Impact on other Policy Areas.

7.1 The aim of this plan is to address the major corporate risks facing the authority as identified through the Whole Authority Analysis. As corporate risks they affect the running of the Authority and the development and delivery of the Authority's policy priorities.

8. Recommendation

8.1 To note the progress report on the Corporate Action Plan and to recommend any necessary further action.

Corporate Action Plan

The programme below will be kept under review with this initial prioritisation of work being subject to capacity. The Plan will be monitored by Cabinet and the Corporate Executive Team who will make adjustments as necessary to ensure its delivery.

Action	Lead Responsibility	Timescale	Resource Required	Link To Corporate Themes	Update
<p>Review of revenue budgets to ensure expenditure reflects current priorities and ensure current expenditure is correctly analysed. In addition, there is a requirement to improve financial reporting</p> <p>Urgent Priority Priority B</p>	Corporate Director of Resources	2003/2004	1 additional experienced accountant for 9 months £40k Revenue	Underpins successful delivery of all priorities	<ul style="list-style-type: none"> • <i>First Round of meetings to review current year's financial position has been held.</i> • <i>Recommendations for the allocation of funding for 2004/05 in line with the Council's priorities, as agreed in July. Have been made</i> • <i>Accountants' posts filled.</i> • <i>Finance regulations revised – seeking approval.</i> • <i>3 year financial strategy being developed.</i> • <i>Work on SSA - comparative work on other LAs - has yet be carried out.</i>
<p>Develop a rolling three year capital plan to ensure priorities are supported and take advantage of additional funding opportunities (Sales Proceeds, Prudential Borrowing)</p> <p>Urgent Priority B</p>	Corporate Director of Resources	2003/2004	No additional resources required	Underpins successful delivery of all priorities	<ul style="list-style-type: none"> • <i>Three year capital programme approved by council 2/2/04</i>
Ensure County property assets meet agreed DDA requirements	Corporate Director of Resources	2003/04 and 2004/05	Capital requirement £1.5 m Revenue	Essential to comply with legislative requirements	<ul style="list-style-type: none"> • <i>The work required has been identified in the capital programme.</i>

Action	Lead Responsibility	Timescale	Resource Required	Link To Corporate Themes	Update
High Priority A			requirement – none currently identified		<ul style="list-style-type: none"> • <i>Capital provision has been made in 2003/04 and 2004/05.</i> • <i>Measures are in place to ensure that the Authority becomes compliant with the legislation.</i> • <i>Additional funding agreed as part of the three year capital plan.</i>
Development and implementation of Single Status Urgent Priority C	Head of Personnel	2003/2004 – Analysis Future Years implementation implication not yet evident	Additional resource already identified and budgeted	Implementation of Single Status is a national initiative	<ul style="list-style-type: none"> • <i>Analyst appointed</i> • <i>Process and implementation dates agreed</i> • <i>Evaluation training has been carried out</i> <i>Base data being collected</i>
Develop a Communication Strategy Urgent Priority C	Public Relations Manager	2003/04	Main demand is on staff time. Additional funding of up to £20k may be required	Communication of all Council activities	<ul style="list-style-type: none"> • <i>National Graduate Trainee work programme includes assistance with BV review.</i> • <i>Review has commenced. First phase to be completed by April</i> • <i>Meeting with Heads of service on communication methods held January.</i>
Development of more reliable and timely personnel information, including procurement and implementation of computerized personnel and payroll system High priority C	Head of Personnel	2003/04 and two following years	Capital cost exceeds £200k. Revenue costs of £25k pa for licences. The system will also require new ways of working	Underpinning strategy to provide workforce required to meet future priorities	<i>Currently still on target to implement HR system in 2004 and Payroll system in 2006</i>
Continued improvement in accuracy and timeliness of	Senior Management	2003/04	Additional resources may	Performance Management System	<ul style="list-style-type: none"> • <i>Corporate Performance Management Group set up.</i>

Action	Lead Responsibility	Timescale	Resource Required	Link To Corporate Themes	Update
<p>performance management information across the whole authority. Finalisation of the Performance Management Framework</p> <p>High Priority A & C</p>	<p>and the Performance Management and Business Planning Manager</p>		<p>be needed in certain areas to help develop better data collection</p>	<p>is major source of performance data to drive improvements</p>	<ul style="list-style-type: none"> • <i>Targeted training for specific areas has been delivered.</i> • <i>Improvements in quarterly reports noted.</i> • <i>Statutory indicator progress report introduced.</i> • <i>PI database almost complete.</i> • <i>Performance Management Handbook ready for printing.</i>
<p>Improve ability to carry out Best Value Reviews</p> <p>High Priority B & C</p>	<p>Senior Management and Performance Management and Business Planning Manager</p>	<p>2003/04</p>	<p>Flexibility to appoint external consultants – approx £50k per year</p>	<p>Ability to undertake Best Value Reviews effectively is important in order to achieve service improvements</p>	<ul style="list-style-type: none"> • <i>Review rationalisation will enable increased support. Short-term human resource issues affecting programme</i> • <i>Greater use of external consultants to improve reviews.</i> • <i>Monitoring of review progress by Corporate Governance</i>
<p>Develop Risk Management and Business Continuity Strategies (including in-house systems that need replacing)</p> <p>High Priority B & C</p>	<p>Head of Internal Audit and Risk Manager</p>	<p>2004/05</p>	<p>Strategies may identify actions that need funding</p>	<p>Supports the ability to maintain continuity of service delivery</p>	<ul style="list-style-type: none"> • <i>Risk Management Strategy approved.</i> • <i>Corporate Risk management group reinstated and meeting to assess financial bids and implementation of the new strategy.</i> • <i>Corporate Risk Group to discuss the way forward on business continuity at its February 2004 meeting.</i> • <i>Risk management training arranged for managers for February 2004.</i> • <i>Risk assessment has been built into service plan template for</i>

Action	Lead Responsibility	Timescale	Resource Required	Link To Corporate Themes	Update
					<p>2004/5</p> <ul style="list-style-type: none"> • New system of assessing council decisions in terms of risk will be introduced. Risk management group will be reinstated following the end of WAA process. • Budget provision 04/05 for IT systems which will assist with business continuity
Develop Project Management capacity High Priority B & C	Head of Personnel	2003/04	Training of staff £5k. Consider additional posts to undertake projects	Maintain ability and capacity to deliver local and statutory requirements	<ul style="list-style-type: none"> • Negotiations with Llandrillo College for coming year's programme taking place. • Project managers' posts will be filled. Shortlisting to take place shortly
Produce Community Plan Urgent Priority A	Principal Policy Officer and Area Partnership Managers	2003/04 to 2004/05	No additional resources required	Major WAG initiative	<ul style="list-style-type: none"> • Community Strategy Partnership constituted • Results of consultation analysed for inclusion in Draft Plan • Draft Community Strategy out for widespread consultation • Target date for approval by County Council, March 16, 2004
Funding in place to maximize Objective 1 opportunities in line with priorities High Priority A & B	Head of Economic Regeneration	2003/04	Capital match funding. Additional revenue funding to support projects	Objective 1 offers major opportunity to attract external funding	<ul style="list-style-type: none"> • Capital match funding - £150,000 allocated from Basic Credit Approval for 2003/04 • Capital commitment subject to availability of funds

Action	Lead Responsibility	Timescale	Resource Required	Link To Corporate Themes	Update
					<i>Additional revenue funding for match funding for future INTERREG projects for 2004/05 budget agreed from SDS sources</i>
Reduce absence levels Medium Priority C	Senior Management and Head of Personnel	2003/04	No additional resources required	Greater operational efficiency	<i>Authority wide training programme for all managers has taken place.</i> <i>Absence figures for 2nd and 3rd quarters indicate absence levels continue to fall.</i> <i>Meeting in September - Policy approved by unions and ACAS have adopted policy as "best practice" model.</i> <i>Authority wide training programme for all managers has taken place.</i>
Introduce Code of Corporate Governance Medium Priority B & C	Corporate Director – Resources	2003/04	No additional resources required	Modernising Agenda	<i>Agreed – delegated decision</i>
Development of a Procurement Strategy and provision of resources to ensure compliance with legislative requirements Urgent Priority B	Performance Management and Business Planning Manager	2003/04	Funding in place for 2 posts. Third post may be required	Effective procurement ensures financial benefits. Also need to ensure procurement is consistent with Council priorities	<ul style="list-style-type: none"> • <i>Strategy approved by cabinet</i> • <i>Procurement posts advertised.</i> • <i>Action plan being devised</i>

REPORT TO CABINET

CABINET MEMBER: Councillor John Smith, Lead Member for Social Inclusion

DATE: 24 February 2004

SUBJECT: Accountability arrangements for vulnerable children

1 DECISION SOUGHT

For Cabinet to approve the Corporate Accountability Framework attached at Appendix I

2 REASON FOR SEEKING DECISION

- 2.1** The need to make explicit how responsibility for child protection matters is carried in Denbighshire, following the recommendations of the Laming report (Inquiry into the Death of Victoria Climbié)
- 2.2** The Laming report, which was published on January 28, 2003, made far-reaching recommendations about the management of Children's Services. The report has prompted the publication of a major Green Paper in England "Every Child Matters", which proposes radical structural reforms to the arrangements for managing services for children. Though these do not apply in Wales, the Welsh Assembly Government will shortly be responding to Laming's recommendations on structure and organisation.
- 2.3** The report also made detailed recommendations relating to day to day child protection management and practice in Social Services, health services and the police, and the report has led to programmes of scrutiny of current practice in both England and Wales. For example, a very detailed audit of current child protection practice against the recommendations

had to be submitted to the Assembly by the end of June 2003, and a follow up inspection visit is awaited.

- 2.4** A strong theme of the Laming report and recommendations was that responsibility for child protection must be properly discharged throughout organisations. In particular, Laming was unimpressed with senior managers who said at the Inquiry that they did not know what was going on at the front-line. Laming took the view that those at the most senior levels of organisations must be accountable for the detailed work undertaken by staff.
- 2.5** Plainly it is not possible for lead members, or senior managers to know the detail and quality of all casework and practice. In effect, responsibility for good child protection practice is carried by a large number of people within organisations, with different responsibilities according to their roles.
- 2.6** The attached Accountability Framework aims to state who carries what responsibility. The Framework refers to existing Procedures, Standards and Codes of Practice, because these already provide the detailed framework of good practice with which compliance is expected. The Framework also makes reference to the management systems to be in place to enable lead members and senior officers to know how child protection services are performing overall and in detail. Finally, the Framework is cast in a way which is a positive approach to sharing a serious responsibility, rather than a negative approach to apportioning potential blame.
- 2.7** No Framework can ever guarantee the safety of a child, but clarity of expectation and responsibility can help.

3 POWER TO MAKE THE DECISION

Part III and V of the Children Act 1989.

4 COST IMPLICATIONS

There are no specific cost implications arising from the Framework itself. However, robust staffing is key to enabling responsibilities to be discharged properly. Additional budget has already been allocated in 2003/04 to help address child care social worker recruitment and retention problems. Budget bids for additional social work and senior practitioner time in Children's Services are being made as part of the 2004/05 budget round and are linked to safe staffing and supervision levels and reasonable workloads.

5 FINANCIAL CONTROLLER STATEMENT

There are no obvious, major financial implications resulting from the proposed framework, beyond those already identified within budget bids for next financial year.

6 CONSULTATION CARRIED OUT

Corporate Executive Team
Child Protection Co-ordinator
All Wales Heads of Children's Services Group
Staff groups within Childrens Srvices
UNISON
Lifelong Learning Directorate

All of whom support the approach to setting down clearly respective responsibilities in a positive way.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

As the Framework shows, Child Protection is a cross-cutting issue which can affect almost any part of the Council's work and where awareness needs to be continually reinforced.

8 RECOMMENDATION

It is recommended that

8.1 Cabinet adopts the Child Protection Accountability Framework attached at Appendix I.

CORPORATE ACCOUNTABILITY FRAMEWORK FOR CHILDREN AT RISK AND CHILDREN IN NEED

Introduction

This document has been developed as part of Denbighshire County Council's response to the Good Practice recommendations issued by the Welsh Assembly Government in March 2003 following Lord Laming's Inquiry Report into the death of Victoria Climbié.

Lord Laming's Inquiry starkly highlighted the need for personal responsibility and accountability to be taken by those charged with managerial and political leadership for services to children and for what happens within the local delivery of child protection in particular. However, his report also demonstrated that we all have responsibilities for child protection, from the top to the bottom of organisations. Local governance and management arrangements must support and enable this. This Framework sets out how responsibility and accountability will be discharged in practical terms in Denbighshire.

The Framework starts from a shared determination to ensure the protection and safeguarding of vulnerable children, and to promote the well-being of all children. The Framework refers to the Denbighshire Corporate Parenting Statement and Checklist, which was adopted in 2003. This complements the Accountability Framework, as it sets out how officers and elected members should promote the well-being of Looked After Children, one group of Children In Need to whom the Council has particular responsibilities.

The Framework defines the responsibility, delegated responsibility and accountabilities of key individuals with responsibilities for Children In Need/of Protection, from the Leader of the Council, to individual members of staff in all Directorates.

The Framework builds on existing statements and guidance, including the Local Government Codes of Conduct for

members and officers, the Care Council for Wales Codes of Conduct for Social Care Workers and Employers of Social Care Workers, on national guidance (e.g. that contained in Working Together and the all Wales Child Protection Procedures), and local guidance e.g. the Denbighshire Child Care Procedures Manual.

The Corporate Accountability Framework is built on a “no blame” culture. However, it has to be supported by committed and dedicated staff and members carrying out their jobs and responsibilities to the best of their abilities. It also requires that there will be transparent sharing of information when standards are not being met, that difficulties will be listened to, that the organisation collectively will seek to find ways of resolving problems, involving peer organisations (e.g. Association of Directors of Social Services, Syniad) and specialist Inspectorates (e.g. SSIW) where appropriate.

The Corporate Accountability Framework will be monitored by the submission of an annual report to Council on services to Children in Need in Denbighshire. This will bring together information from audit, quarterly briefings, reports to Cabinet, Scrutiny, the Area Child Protection Committee (ACPC), information on workforce issues (vacancies, turnover, sickness, training) and that derived from member and officer visits to front-line teams.

Role	Accountabilities
The Leader of the Council is responsible for	<ul style="list-style-type: none"> • Ensuring Children’s Services are explicitly included in the Council’s list of priorities • Showing leadership and concern on child protection matters and services for Children In Need, including for staff providing services for vulnerable children • Ensuring that the council fulfils its responsibilities as ‘corporate parent’ for Looked After Children
The Lead Member for Social Inclusion is responsible for	<ul style="list-style-type: none"> • Knowing the state of Child Protection Services and those for Children In Need • Ensuring Children’s Services are explicitly included in the Council’s list of priorities • Tracking performance in services for Children In Need and pushing for improvement, including receiving monthly performance reports • Advocating for services for Children In Need, including in budget discussions • Being visible to staff, and having regular contact with staff from all teams within Children’s Services • Encouraging effective cross Departmental working to benefit children in general and Children In Need in particular • Advising the Leader where there are particular pressures or concerns
All members of Cabinet are responsible for	<ul style="list-style-type: none"> • Attending training on child protection • Having awareness of child protection issues and ensuring these are addressed in their areas of responsibility • Ensuring familiarity with and maintaining a commitment to the Denbighshire corporate parenting statement and checklist and ensuring they are applied across portfolios • Promoting the well-being of all children

Role	Accountabilities
All members of the Personal Services Scrutiny Committee is responsible for	<ul style="list-style-type: none"> • Attending training on relevant Children’s Services issues • Scrutinising performance of all services for Children In Need through consideration of quarterly performance reports and in-depth probes • Consultation on policy documents
All Elected Members are responsible for	<ul style="list-style-type: none"> • Having awareness of child protection issues • Understanding their responsibility to share information to protect children as well as for confidentiality • Knowing how to make an appropriate child protection referral • Knowing their responsibilities as corporate parents of Looked After Children
The Chief Executive is responsible for	<ul style="list-style-type: none"> • Ensuring Children’s Services are explicitly included in the Council’s list of priorities • Showing leadership and concern on child protection matters and services for Children In Need, including for staff providing services for vulnerable children • Considering and addressing the risks posed to services for Children In Need by any proposed changes to resourcing levels or organisational structures • Receiving quarterly reports and briefings from the Corporate Director of Personal Services on the state of Child Protection/Children In Need services, briefing the Leader and taking further action if necessary • Urging members to address shortfalls in Child Protection Services, and pointing out the implications of not doing so, where these have been drawn to their attention • Ensuring effective cross-Departmental working to benefit children in general and Children In Need in particular • •

Role	Accountabilities
<p>The Corporate Director, Personal Services, is responsible for</p>	<ul style="list-style-type: none"> • Knowing the overall state of Child Protection Services and services for Children In Need and reporting on them at least annually to Cabinet • Knowing outcomes for children on the Child Protection Register • Listening to the voices of children, young people and families and ensuring they are heard in planning and feedback on services • Receiving monthly data on the state of services derived from audit and performance monitoring and agreeing required action with the Head of Service, consistent with the protocol between the Corporate Director and Heads of Service • Ensuring short, medium and long-term plans are in place to deal with pressure points (e.g. in terms of workforce, accommodation, training, arrangements for staff support, skill mix, standards, competencies, pay) • Ensuring compliance with the Code of Practice of Employers of Social Care Workers • Reporting to Cabinet on serious shortfalls within services for children in accordance with the requirements of s 6 of the Local Authority and Social Services Act 1970 • Involving the Social Services Inspectorate Wales when appropriate, for example when statutory requirements cannot be met and this is more than a short-term issue • Briefing the Chief Executive and the Lead Member on a regular basis • Being visible to staff, and having regular contact with staff providing Child Protection/ Children In Need services, including through “Back to the Floor” exercises • •

Role	Accountabilities
	<ul style="list-style-type: none"> • Playing a proactive role in the ACPC, the Children and Young People’s Framework, the Children’s/Young People’s Partnerships, Communities First and the Health, Social Care and Well-being Partnership, to model and support effective interagency working to benefit children in general and Children In Need in particular
<p>The Corporate Director of Lifelong Learning is responsible for</p>	<ul style="list-style-type: none"> • Ensuring that staff involved in all educational provision, whether preschool, day care, primary, secondary or residential schools, or out of school activities, youth work, play, childcare and family learning, receive appropriate training, support and guidance on child protection matters • Making sure all schools and educational services have policies and procedures for child protection and ensuring that responsibilities are appropriately discharged • Ensuring measures are in place to promote good attendance; to manage behaviour and tackle bullying and other forms of harassment; to provide effective personal, social and health education; and support for family learning, opportunities for personal and social development, and support for the voice of young people and children • Ensuring attention is given to groups at risk of low achievement, including Children Looked After, those with special needs and particular ethnic groups; the attendance, behaviour and provision for pupils out of school, within the context of a general approach to educational inclusion • Ensuring that all staff receive appropriate training support and guidance on child protection matters • Ensuring that the Education Department is a core member of the ACPC and that maintained schools, staff and governors and other direct educational provision are fully integrated in, and familiar with, child protection procedures

Role	Accountabilities
	<ul style="list-style-type: none"> • Playing a proactive role in the Children and Young People’s Framework, and other strategic forums relating to children, to model and support effective interagency working to benefit children in general and Children In Need in particular
All Corporate Directors are responsible for	<ul style="list-style-type: none"> • Knowing where child protection issues are most likely to arise in their Directorates and ensuring robust recruitment processes, policies and procedures and appropriate child protection training for staff involved • Developing appropriate policies and information sharing protocols with Social Services, so that children in need of protection, and their families, receive appropriate priority in all service areas • Ensuring familiarity with the Denbighshire corporate parenting statement and checklist and ensuring they are applied across Departments • Ensuring that all staff know how to make an appropriate child protection referral and from whom they can get advice on child protection matters • Ensuring that all staff are aware of the Whistle blowing Policy and Procedure and its application to child protection concerns
The County Clerk is responsible for	<ul style="list-style-type: none"> • Ensuring that adequate and skilled legal resources are available to advise child protection staff on care proceedings and court processes to safeguard children
The Head of Children’s Services is responsible for	<ul style="list-style-type: none"> • Developing high quality social care services for Children In Need of Protection and Children In Need, including those available out of hours • Listening to the voices of children, young people and families and ensuring they are heard in planning and feedback on services • Working in partnership with other agencies through the ACPC and other strategic partnerships to ensure delivery of a range of community based services to meet the needs of the most vulnerable children •

Role	Accountabilities
	<ul style="list-style-type: none"> • Achieving a position where only one information management system is used in Childrens Social Services • Ensuring a clear framework for the management of risk in Children's Social Services is in place, so as to ensure qualified practitioners are always available to meet statutory duties to the most vulnerable children • Ensuring a clear supervision, support and development framework is in place for staff • Flagging up to the Director, the Lead Member and Scrutiny Committee where delivery of these is threatened • Flagging up to other agencies where delivery of these is threatened, and seeking their practical help and support to ensure children’s safety • Ensuring core data sets and audit tools/plans are in place to enable the collection and quality checks (electronic and manual), of key child protection data and briefing the Director and Lead Member on a monthly basis • Ensuring compliance with the Code of Practice of Employers of Social Care Workers
<p>The Head of Adult Services is responsible for</p>	<ul style="list-style-type: none"> • Identifying where child protection issues are most likely to arise in Adult Services • Ensuring staff in Adults Services receive appropriate child protection training • Ensuring co-working protocols are developed between Children and Adult Services, and their effectiveness monitored
<p>The Head of Education is responsible for.....</p>	<ul style="list-style-type: none"> • Ensuring the Education Department has a designated, named, Child Protection Officer to be a core member of the ACPC and the main point of contact on all child protection matters •

Role	Accountabilities
	<ul style="list-style-type: none"> • Ensuring all School Link Officers, Inspectors, Advisory Staff and the ESW Service are fully conversant with child protection policies and procedures • Providing training, provision, guidance and support to all educational provision, including family learning, on child protection matters • Monitoring schools in respect of the following policies: <ul style="list-style-type: none"> - Child Protection - Anti-Bullying - Behaviour (as per ESTYN Inspections) - Racism - Attendance - Exclusions, etc. • Ensuring schools include information on the above in their school prospectus, and reviewing the content annually • Monitoring educational standards of Looked After Children (as per ESP/ Ch F requirements) and reporting progress at both the county and national level • Monitoring and supporting the work of the Looked After Children Liaison Officer with Social Services • The transparent sharing of information with Social Services • Ensuring that there are adequate mechanisms for tracking and recording progress • Promoting good working relationships with other agencies, especially Social Services • Leading by example • Agreeing arrangements with the Head of Children’s Services for regular meetings between the ESW Service and Social Service staff on child protection matters. •

Role	Accountabilities
The Head of Personnel is responsible for	<ul style="list-style-type: none"> • Ensuring that the County’s recruitment procedures are designed to ensure safe recruitment of staff who work with children • Ensuring that disciplinary procedures are used appropriately to deal with child protection matters • Ensuring that Whistle blowing Procedures reflect staff’s duty to report and pursue child Protection concerns • In conjunction with the Head of Children’s Services and the Child Protection Co-ordinator, advising managers where child protection and personnel policies and procedures interface
The Senior Manager, Business Support and Development within Social Services is responsible for	<ul style="list-style-type: none"> • Ensuring that timely information relating to child protection services is available and reported from care.comm, to enable routine compliance with statutory and national reporting requirements and local core data set requirements agreed with the Head of Children’s Services and the ACPC • The development and implementation of suitable Workforce Strategies and policies to enable the recruitment and retention of suitably qualified and experienced child protection staff and managers, and a supply of suitable staff for future years • Ensuring that the development of Customer Services Strategies is consistent with good child protection practice • Ensuring effective implementation of the Electronic Social Care Record and achieving a position where only one information system is used in Children’s Social Services • • •

Role	Accountabilities
<p>Service Managers (Operational) in Children's Services are responsible for</p>	<ul style="list-style-type: none"> • Ensuring effective systems are in place to enable team managers to establish how many children have been referred to their team, what action is required to be taken for each child, who is responsible for taking that action and when that action must be completed • Ensuring that all cases of children assessed as needing a service have an allocated worker, and where cases remain unallocated, reporting this directly to the Head of Service • Ensuring that staff are regularly supervised , that supervision notes are sampled at least quarterly and temporary promotions reviewed six monthly • Ensuring that staff follow procedures, protocols and guidance and that casework is checked on a regular basis, including via inspection of a random selection of case files at least quarterly • Reporting to the Head of Service on the quality and performance of their service, including workloads, referrals and allocation • Ensuring effective communication with other local authority social service departments and, where relevant, other countries • Ensuring provision of critical operational support functions including staff development and training and administrative support • Briefing the Head of Service where there are operational or managerial concerns in respect of departmental or individual ability to manage individual/ collective monitoring of visits to vulnerable children
<p>Service Managers (Resources) in Children's Services are responsible for.....</p>	<ul style="list-style-type: none"> • Ensuring effective systems are in place to enable team managers to establish how many children have been referred to their team, what action is required to be taken for each child, who is responsible for taking that action and when that action must be completed

Role	Accountabilities
	<ul style="list-style-type: none"> • Ensuring that all cases of children assessed as needing a service have an allocated worker, and where cases remain unallocated, reporting this directly to the Head of Service • Ensuring that staff are regularly supervised , that supervision notes are sampled at least quarterly and temporary promotions reviewed six monthly • Ensuring that staff follow procedures, protocols and guidance and that casework is checked on a regular basis, including via inspection of a random selection of case files at least quarterly • Reporting to the Head of Service on the quality and performance of their service, including workloads, referrals and allocation • Ensuring effective communication with other local authority social service departments and, where relevant, other countries • Ensuring provision of critical operational support functions including staff development and training and administrative support • Briefing the Head of Service where there are operational or managerial concerns in respect of departmental or individual ability to manage individual/ collective monitoring of visits to vulnerable children • Ensuring that National Minimum Standards and legislative requirements for fostering, adoption and residential services are fully applied
The Child Protection Co-ordinator is responsible for	<ul style="list-style-type: none"> • Ensuring the effective management and use of the Child Protection Register by relevant agencies • Promoting good practice as defined in the all Wales Child Protection Procedures • Ensuring via monitoring and audit that the child protection procedures are carried out in accordance with the Departmental and Area Child Protection Committee policy

Role	Accountabilities
	<ul style="list-style-type: none"> • Administering the ACPC postcard (whistle blowing) scheme • Contributing to the coordination and management of Social Services duties in respect of child protection • Contributing to the monitoring, evaluation and development of Child Protection Services in line with Government legislation and guidance and direction from the ACPC • Producing reports to the ACPC detailing child protection activity within the county
Team Managers in Children's Services are responsible for	<ul style="list-style-type: none"> • Ensuring knowledge of and adherence to the Department's Child Care Procedures, All Wales Child Protection Procedures, Working Together protocols and good practice guidance by all team members • Ensuring that cases are allocated to appropriately qualified and trained practitioners • Ensuring that practitioners are clear about what has been allocated, what action is required, and how that action will be reviewed and supervised • Ensuring and monitoring that standards for recording and managing case files are met, and that information systems are used effectively • Ensuring that correspondence is promptly actioned when child care staff are absent from work • Ensuring the quality of work and supervision, for example ensuring children and carers are seen and spoken to, assessments, plans and case closures are properly approved and that case files are read and signed • Meeting the standards set out in the Code of Practice for Social Care Workers • Ensuring that staff follow procedures, protocols and guidance and that casework is checked on a regular basis, including via inspection of a random selection of case files at least quarterly

Role	Accountabilities
The Quality Assurance Officer in Children's Services is responsible for	<ul style="list-style-type: none"> • Ensuring high quality standards by making sure that relevant external performance indicators, standards and good practice guidance are used in developing internal standards • Reviewing and auditing quality benchmarks to ensure consistency with national standards and that reports are made with recommendations for improvement
Social Workers, Educational Social Workers including agency staff and residential social workers, are responsible for	<ul style="list-style-type: none"> • Ensuring knowledge and adherence to the Department's Child Care Procedures, the all Wales Child Protection Procedures, protocols and good practice guidance • Meeting the standards set out in the Code of Practice for Social Care Workers • Maintaining clear and accurate records of their work • Maintaining professional development through training opportunities
Foster Carers are responsible for....	<ul style="list-style-type: none"> • Providing Children Looked After with high quality care that is safe, nurturing and promotes their full potential • Discharging fully their responsibilities as set out in their Foster Care Agreement with Denbighshire County Council • Meeting the requirements for foster carers as set out in the UK National Standards for Fostering June 1999
Family Support Workers are responsible for.....	<ul style="list-style-type: none"> • Maintaining professional development through training opportunities • Ensuring knowledge and adherence to the Department's Child Care procedures, the All Wales Child Protection Procedures, protocols and good practice guidance • Maintaining clear and accurate records of their work • Meeting the standards set out in the Code of Practice for Social Care Workers
Project Workers and Sessional Workers are responsible for.....	<ul style="list-style-type: none"> • Ensuring familiarisation with the Department's Child Care Procedures and all Wales Child Protection Procedures • Ensuring awareness of referral procedures

Role	Accountabilities
	<ul style="list-style-type: none"> • Passing concerns in respect of child protection to the appropriate team without delay
Administrative staff in Children's Services, including agency staff, are responsible for	<ul style="list-style-type: none"> • Ensuring familiarisation with the Department's Child Care Procedures and all Wales Child Protection Procedures • Ensuring awareness of referral procedures • Passing concerns in respect of child protection to the appropriate team without delay • Ensuring correspondence is checked, and promptly passed on when child care staff are absent from work
The Chair of a school's governing body is responsible for.....	<ul style="list-style-type: none"> • Ensuring the safeguarding of all children within the school and that child protection procedures are in place and utilised • Monitoring the Child Protection Policy and ensuring it is reviewed annually. • Receiving reports from the headteacher on In-Service training and developments regarding child protection and related issues • Ensuring that procedures are followed in line with the All Wales Child Protection Procedures • Ensuring that training is in place for Governors
The Child Protection Named Officer in Education is responsible for.....	<ul style="list-style-type: none"> • Ensuring that child protection policies are in place in all schools and that schools are supported in developing and implementing policies • Promoting practice as defined in the All Wales Child Protection Procedures • Contributing to the monitoring evaluation and development of child protection procedures in line with Government legislation and guidance and direction from the ACPC • Ensuring training is in place for all designated teachers in the first instance and for all teachers

Role	Accountabilities
	<ul style="list-style-type: none"> • Ensuring action is taken in accordance with the All Wales Child Protection Procedures in the case of allegations against members of staff • Ensuring that confidential records are kept and actions taken in cases of suspected child abuse • Ensuring that training is in place on all issues including Domestic Abuse • Ensuring that the voices of children and young people are heard and acted upon in planning and feedback on services • Working in partnership with other agencies through the Framework Partnership for Children and Young People and the ACPC to ensure the needs of all children are met
Headteachers are responsible for.....	<ul style="list-style-type: none"> • Ensuring that a senior member of staff with specific responsibility for Child Protection is appointed • Ensuring that the School Policy for Child Protection is published in line with the All Wales Child Protection procedures • Ensuring that designated teachers are trained in procedures in line with the All Wales Child Protection Procedures • Ensuring that all staff are alert to signs of abuse and be aware of the procedures to be followed • Ensuring that recording and reporting procedures are in place • Informing the following people in writing in the event of a suspension following an allegation: <ul style="list-style-type: none"> A) Chair of Governors B) Head of Education Service C) The parents of the child making the allegation or the individual where he/she is over 18

Role	Accountabilities
	<p>D) * Staff at the school should be informed that an allegation has been made.</p> <p>E) * The Headteacher should take the decision to inform other members of staff in the school of the allegation.</p> <p>* In respect of D and E, guidance and support should be sought from the Education Department, Personnel Service or the Police as relevant and appropriate</p>
<p>The Team Manager Education Social Work (ESW) Service is responsible for.....</p>	<ul style="list-style-type: none"> • Ensuring effective systems are in place in schools to establish how many children have been referred to the team, what action is required to be taken for each child, who is responsible for taking that action, and when that action must be completed • Ensuring that all cases of children referred are followed up • Ensuring that supervision is in place for each Education Social Worker • Ensuring that staff in their allocated schools follow procedures, protocols and guidance • Reporting to the Head of Service on the quality and performance of their service including workloads, referrals and allocations • Ensuring effective communication with other local authority Social Service departments and other agencies on educational and other issues • Ensuring that they are kept up to date with training and development in Child Protection
<p>Designated teachers are responsible for....</p>	<ul style="list-style-type: none"> • Ensuring that the All Wales Child Protection Procedures are followed • Attendance at strategy meeting and/ or child protection conferences or ensuring that the member of staff who knows the child best attends • Ensuring that teachers are kept up to date with training on child protection procedures • Liaising with the named Child Protection Officer and the ESW Service

Role	Accountabilities
	<ul style="list-style-type: none"> • Advising a member of staff against whom an allegation is made to contact their Union • Informing the Headteacher (where the Designated Teacher is not the Headteacher) as early as possible of a suspected case of child abuse, and keeping the headteacher informed of the case • Refer the case to the investigation agencies according to the All Wales Child Protection Procedures • Working in partnership with agencies for all Children in Need • Ensuring that they are kept informed of any developments/ discussions between the statutory agencies
All staff of the County Council, including teachers in maintained schools, are responsible for	<ul style="list-style-type: none"> • Passing concerns in respect of child protection to the appropriate team without delay

GLOSSARY

ACPC Area Child Protection Committee
ESW Education Social Work

REPORT TO CABINET

CABINET MEMBER: Councillor M A German , Lead Member for Sustainable Development & Environment

DATE: 24 February 2004

SUBJECT: DENBIGHSHIRE RETAIL AND LEISURE STUDY (Mar 2003)

1 DECISION SOUGHT

To seek endorsement by Cabinet of the Denbighshire Retail & Leisure Study (The Study) to be used:

- (i) for information;
- (ii) for use as a material consideration to inform both policy and in determining proposals, including planning applications
- (iii) to inform Members of the potential for regenerating the eight town centres within the County.

The document is to be used to inform policy and not to adopt as policy.

2 REASON FOR SEEKING DECISION

The Study was commissioned by Planning Services (with part funding from Economic Regeneration and WDA) primarily to inform the review of retail planning policies and the determination of retail proposals. It has been over 5 years since the previous studies were completed and this is the recommended period to undertake a review. Retailing is a fast changing, complex and important sector of the economy going well beyond administrative boundaries.

The Study is an important and substantial document with significant implications for several policy areas right across the County, especially for planning, economic regeneration, transport and town centres.

The Study sends out important messages about the uncertain future facing the County's town centres, and the steps needed to stem decline and turn them around.

· **THE STUDY**

Attached is a copy of the covering report to Planning Committee on 26th March 2003 which includes a copy of The Study's Executive Summary which sets out the need for the study and its aims, methodology, results, conclusions and recommendations (Appendix 1).

· **STUDY STATUS**

The study is an independent consultants report, it is not Council policy. Nevertheless, it is an important document with considerable information which will help to inform decision making.

3 POWER TO MAKE THE DECISION.

Town and Country Planning Act 1990 as amended – and associated Regulations.

The Cabinet can endorse studies such as this to be a material planning consideration. This does not amount to setting a planning policy and therefore does not need to be confirmed by Council. The separate report on the housing needs assessment involves a planning policy decision which falls to the Council to take.

4 COST IMPLICATIONS

No specific cost implications identified.

5 FINANCIAL CONTROLLER STATEMENT

There are no obvious significant financial implications resulting from this report.

6 CONSULTATION CARRIED OUT

Wide ranging consultation has taken place as follows;

The 4 area partnerships have been used as the most appropriate vehicle to consult externally. This has taken place as follows;

External Consultation

- Town and community councils, including attendance by Officers at several meetings
- Local and town centre business groups
- Retailers, property owners and developers/agents
- Community groups
- Customers.

Despite external consultation no responses were received.

For information, the following internal consultation has taken place:

Internal Consultation

- The Executive Summary has been circulated to all Members via the Planning Committee on 26th March 2003.
- Electronic versions have been circulated to Senior Management for information and comment
- Hard copies have been available in all Political Group rooms
- Hard copies have been available at most Council offices since March 2003.
- A workshop was held with appropriate senior managers and Members, given by the consultants Roger Tym & Partners. This gave Officers and Members the opportunity to have the study explained.

In May it was decided that before being reported to cabinet The Study should be the subject to wide ranging external consultation.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

There are potentially significant implications for several policy areas including Planning and Public Protection, Development

Services, Transportation and Infrastructure and Contract Services, in terms of both resources and policy.

8 RECOMMENDATION

That the Study be used as a:

- material planning consideration to inform both policy formulation and the determination of planning applications, where appropriate;
- justification to adopt a more positive and pro-active approach to town centre management including strategic long term (vision, attracting investment, site assembly) as well as short term operational matters (street cleaning, events).

REPORT BY HEAD OF PLANNING SERVICES
DENBIGHSHIRE RETAIL AND LEISURE STUDY 2003

1. PURPOSE OF THE REPORT

- 1.1 Denbighshire Planning Services appointed consultants Roger Tym & Partners to undertake a county-wide Retail Study to update the County's retail planning policies and proposals primarily for development plan and development control purposes. This Study is now complete and a copy of the Executive Summary is attached as Appendix 1 to this report. Copies of the Main Report are available for inspection in Group Rooms and at planning offices in Trem Clwyd, Ruthin and Nant Hall Road, Prestatyn.
- 1.2 The Report is submitted to the Planning Committee:
- (i) for information;
 - (ii) for use as a material planning consideration in determining policy and applications;
 - (iii) to inform members of the potential for regenerating the eight town centers within the County.

2. BACKGROUND

- 2.1 The two previous retail studies for the northern and southern parts of the County were undertaken separately over 5 years ago by consultants (i) Roger Tym and (ii) Chestertons, respectively. These studies informed both the preparation of the current UDP and development control decisions. Five years is the recommended period to update retail studies and accordingly the new County wide study commenced last year.

3. AIMS OF THE STUDY

- 3.1 This County wide Study was extended to cover leisure which are related to retail uses and are encouraged to locate in town centres. The Study closely followed advice set out in Planning Policy Wales (2002) and Technical Advice Note 4 (TAN 4) and covered the following:
- 1. Changing national planning guidance and advice;
 - 2. Changing trends and circumstances in retailing – both generally and locally;
 - 3. Quantitative and qualitative assessment of retail demand and capacity – including any significant developments within the county and beyond;
 - 4. Health checks of the viability and vitality of each of the 8 centres in the county;
 - 5. Feasibility and suitability of possible development sites and opportunities to meet any quantitative or qualitative retail need;
 - 6. Conclusions and recommendations to update the current retail strategy, planning policies and proposals, in order to:

- (i) to inform review of development plan;
 - (ii) assist in the determination of planning applications; and
 - (iii) generate more positive town centre management.
7. Identification of strategies and actions for each town centre to improve their future viability and vitality.

4. EXECUTIVE SUMMARY

- 4.1 The Executive Summary comprises 18 pages and provides a useful summary of the substantial main document of over 85 pages plus 10 Appendices. Rather than summarise the Executive Summary here, I have identified several key messages which are set out below:

5. KEY MESSAGES

- 5.1 The key messages of the study are:
1. A continued decline and deterioration has been experienced in nearly all of the town centres - in both relative and absolute terms;
 2. Competing centres such as Chester, Wrexham and Llandudno have expanded, improved and drawn clear of Denbighshire's centres.
 3. Unless positive measures and steps are taken as a matter of urgency, this decline will continue, resulting in further vacancies and missed investment opportunities;
 4. Further out-of-town retailing should be resisted as it will further exacerbate the decline of Denbighshire's centres – but this must be matched by development in town centres. This can only be achieved by a more pro-active approach to town centre management and re-development (including site assembly).

6. RECOMMENDATIONS

- 6.1 That the Study is used as a:
1. material planning consideration to inform both policy formulation and the determination of planning applications, where appropriate;
 2. justification to adopt a more positive and pro-active approach to town centre management – including strategic long term (vision, attracting investment, site assembly) as well as short term operational matters (street cleaning, events);
 3. basis for a presentation/workshop on the county's town centers, bringing together interested organisations and stakeholders in both the public and private sector;
 4. basis for the response of officers and other stakeholders on the issues raised within the report.

Appendix 1
Denbighshire Retail and Leisure Study 2003
Executive Summary

Denbighshire County Council

**DENBIGHSHIRE RETAIL &
LEISURE STUDY**

EXECUTIVE SUMMARY

February 2003

Roger Tym
 PARTNERS

Planners and Development Economists

17 St Ann's Square
Manchester M2 7PW

Tel 0161 834 0833 Fax 0161 834 0818 e-mail north@tymconsult.com

1 AIMS OF THE STUDY

1.1 The study brief sets the following aims:

- to provide a clear basis for an early review of the UDP's Retail Strategy;
- to identify strategies for the eight town centres that can be used to secure funding for urban regeneration;
- to assess quantitative and qualitative retail needs and the suitability of various town centre and edge-of-centre sites in meeting these needs;
- to assess the extent to which the Welsh Development Agency, Objective One or any other grants may assist in bringing forward opportunities; and
- to enable improved consideration of current and emerging proposals for food retail and non-food retail development.

1.2 In responding to the brief, we grouped the tasks to be undertaken under five headings, as follows:

- market research by means of a survey of households in order to establish current patterns of retail and leisure spending, the conditions necessary to secure an increase in the expenditure retention level and to assess quantitative expenditure capacity;
- health checks for the eight centres and an assessment of the main competing centres outside Denbighshire;
- a survey of the town centres to identify retail and leisure development opportunities, requirements for land assembly and so on;
- development of strategies for each of the eight centres, taking account of quantitative and qualitative needs, opportunities and the requirements of national policies; and
- identification of top priorities for action or further research and of the mechanisms which will need to be put in place to ensure complementarity with other Council initiatives and maximise the prospects of drawing down WDA and European funding.

2 THE REQUIREMENTS OF NATIONAL PLANNING POLICY

2.1 The national policy framework has established 12 important principles, as follows:

- i) the objective to promote, sustain and enhance the vitality and viability of existing town, district and local centres as part of a package of initiatives to promote sustainable development (Planning Policy Wales, TAN (W) 4 and 'a better quality of life');
- ii) the objective *'to secure accessible, efficient, competitive and innovative retail provision for all communities of Wales, in both urban and rural areas'* (paragraph 10.1.1 of Planning Policy Wales);
- iii) the objective *'to promote town, district, local and village centres as the most appropriate locations for retailing and for functions complementary to it'* (paragraph 10.1.1 of Planning Policy Wales)
- iv) the objective *'to promote access to these centres by public transport, walking and cycling'* (paragraph 10.1.1 of Planning Policy Wales);
- v) the need for Unitary Development Plans (UDPs) to establish a hierarchy of centres and a strategy for the location of employment, shopping, leisure, hospital, education and other uses which generate many trips, so as to identify the preferred locations for major retail and leisure investment and ensure that all significant generators of travel are well served by public transport (paragraphs 8.1.3, 10.2.1, 10.2.13 and 11.2.2 of Planning Policy Wales);
- vi) the need to adopt a plan-led approach to the promotion of all types of new development which generate many trips, so as to ensure that they are well served by public transport (paragraph 8.6.3 of Planning Policy Wales, and paragraphs 21 and 19 of TAN (W) 18 and the Draft TAN (W) on Transport respectively);
- vii) the requirement to adopt a sequential approach to selecting sites for new retail and leisure development and other town centre uses - in areas where there is a need and capacity for such development - which is an approach which requires flexibility on the part of local planning authorities, developers and retailers (paragraphs 10.2.11 to 10.2.12 and 10.3.2 of Planning Policy Wales and paragraph 6 of TAN (W) 4);
- viii) the need to assess the principle of 'severability' in applying the sequential approach, so as to investigate whether it is possible or desirable to disaggregate large retail and leisure development proposals into their constituent parts in seeking to fit them into existing town, district and local centres (paragraph 10.3.3 of Planning Policy Wales);
- ix) the desire to reduce overall travel and the demand for car travel in particular (paragraph 8.1.3 of Planning Policy Wales, paragraph 5.1.3 of the Transport Framework for Wales, paragraph 5 of the Draft TAN (W) on Transport, and 'a better quality of life');
- x) the presumption to resist applications for retail development on land designated for other uses in an approved development plan (paragraph 10.3.16 of Planning Policy Wales);
- xi) the desire to promote mixed-use developments, especially within town centres, and maximise the use of previously developed brownfield land (paragraphs 2.5.2 and 10.2.4 of Planning Policy Wales); and
- xii) the need to improve access to leisure, retail and other services for residents of deprived areas as part of the drive to promote social inclusion (paragraphs 2.3.2 and 2.5.5 of Planning Policy Wales, 'a better quality of life' – the first of the White Paper's four core objectives and paragraphs 1.8, 7.29 and 7.33).

3 TRENDS IN RETAIL AND LEISURE INVESTMENT

Expenditure

- 3.1 The growth in volume of retail sales in Great Britain since 1995 has been higher in the non-food comparison retail sector, than in the food sector, with highest growth secured by retailers of household goods. This recent trend reflects the longer term trend since the mid-1970's during which growth in comparison expenditure has averaged 3.6 per cent, per capita, per annum, compared to a growth of convenience (food) expenditure of only 1.8 per cent, per capita, per annum.

Location of Investment and Retail Trading Formats

- 3.2 Planning policy has substantially reduced the flow of new out-of-centre retail investment in recent years. Over 90 per cent of new shopping centre floorspace in Great Britain was developed in town centres in the year 2001, compared to a corresponding proportion of 68 per cent in 1990. Similarly the flow of out-of-centre retail warehouse park development is now just 40 per cent of its 1990's peak. Nevertheless, proposals to substantially extend major out-of-centre developments such as Broughton Park – which has already attracted many quality retailers to an out-of-centre location – remain a threat to Denbighshire's town centres.
- 3.3 In recent years, the prospects for department stores have improved. However, most of the leading operators require larger catchment populations than Rhyl. Moreover, department stores often command the ability to demand a subsidy from developers towards fit-out costs, so that large scale development opportunities are required, with the subsidy derived from the unit shopping which is anchored by the department store.
- 3.4 The 1990s witnessed substantial growth in the development of factory outlet centres (FOCs), which are groups of stores, that offer discounted brand goods which are typically out of season, or end of season, or slightly defective, or which represent excess stock. There are now 44 FOCs in the UK, the largest of which is Cheshire Oaks which has 32,500m² of floorspace. Nevertheless, the flow of FOCs has reduced as a result of the propensity for promoters to seek out-of-centre locations against the tide of national policies.
- 3.5 In the food sector, the major operators are finding it increasingly difficult to secure permissions for large supermarkets outside town centres. Many operators are seeking to offer an increasing range of non-food items, often associated with applications for store extensions. At the other end of the spectrum, several operators have introduced new small scale convenience formats of around 500m².
- 3.6 In the leisure sector there is evidence, in some part of the UK, of over supply in the multiplex cinema sector, with several closures of first generation schemes occurring since the year 2000. The new growth market in the leisure sector is likely to be 'gaming sheds', given the legislative reforms to gaming which will occur in the near future.
- 3.7 The e-tail market has grown, but the 'must try it on/feel it' factor means that most sectors remain competitive in the High Street, particularly the clothes and footwear sector.

4 CURRENT PATTERNS OF RETAIL SPENDING AND LEISURE VISITS

Comparison Expenditure

- 4.1 Only 41 per cent of the non-food comparison expenditure of the residents of Denbighshire's primary catchment area (PCA) is spent in stores and town centres which are located within the PCA. We consider that there is both scope and a need to increase the overall retention rate if Denbighshire's town centres are to improve. The retention rate varies from just 8 per cent for residents of the Llangollen area to 52 per cent for residents of Rhyl. Two thirds of the outflow of comparison expenditure, or leakage, is accounted for by Chester, Llandudno and Wrexham. There are also significant outflows to Cheshire Oaks, Broughton Park and to Manchester City Centre.
- 4.2 Rhyl is by far the most important town centre for comparison shopping within Denbighshire, with a comparison turnover drawn from residents of the PCA of £69m. However, Rhyl attracts only 27 per cent of the overall pot of expenditure available to the residents of Denbighshire's PCA. Prestatyn is the next largest centre, with a comparison turnover of around £8m, followed by Denbigh and Ruthin both of which have comparison turnovers of almost £6m. Rhuddlan, St Asaph, and Corwen have an extremely limited comparison goods offer and Llangollen's comparison retailing is very much aimed at the tourism market.

Convenience Expenditure

- 4.3 Convenience shopping is more of a locally oriented activity than comparison shopping, with most food and groceries shoppers preferring to use facilities as close to home as possible (or close to work) unless there are serious qualitative or quantitative deficiencies in local provision. Accordingly, the performance of the PCA in relation to the retention of convenience expenditure is significantly better than that for comparison spending. The survey indicates that retail facilities located within the PCA zones attract 84 per cent of convenience expenditure generated by residents of the area.
- 4.4 Whilst the overall retention level indicates that there is no generalised quantitative or qualitative deficiency in convenience retail provision, the local retention rates are low in Corwen (20 per cent), Abergele (29 per cent), the St Asaph/Rhuddlan area (31 per cent) and Llangollen (37 per cent). These low localised convenience retention rates suggest scope for further convenience provision of appropriate scale in these areas and the need in Abergele is in the process of being met by the Tesco proposal which should be supported. The local convenience retention rates are highest in Rhyl (90 per cent), Denbigh (77 per cent), Ruthin (59 per cent), and Holywell (51 per cent). In Prestatyn the local retention rate is 48 per cent, but this will be improved when the Tesco planning commitment is implemented.
- 4.5 There are six stores located outside Denbighshire's PCA which attract more than £1m of convenience expenditure from its residents; these are:
- | | |
|-------------------------|--------|
| • Tesco, Mold | £4.68m |
| • Asda, Wrexham | £2.41m |
| • Tesco, Wrexham | £2.35m |
| • Asda, Queensferry | £2.35m |
| • J Sainsbury, Wrexham | £2.22m |
| • Tesco, Broughton Park | £1.32m |
- 4.6 Most of the convenience leakage to the three Wrexham food superstores is from the Corwen and Llangollen areas. Most of the leakage to the Tesco at Mold is from Ruthin and Holywell. Most of the leakage to the Asda at Queensferry and the Tesco at Broughton is from the Holywell area.

Leisure Visits

- 4.7 Rhyl is the most important location within Denbighshire for visits to commercial leisure facilities such as cinemas, bingo halls and bowling, but Wrexham and Chester attract residents from the southern part of the County and from the Holywell area. As expected, the pattern of visits to pubs, bars and restaurants is much more localised, but many of Denbighshire's residents are prepared to travel significant distances to Llandudno, Mold and Manchester for visits to theatres/concert halls.

Conclusions

- 4.8 The analysis of current shopping patterns has shown that:
- i) Rhyl is by far the most important of the comparison centres within Denbighshire, with an overall market share for residents of the Denbighshire PCA of 27 per cent;
 - ii) the retention of comparison expenditure by stores and centres within the PCA amounts only to 41 per cent of aggregate expenditure, with leakage accounting for 59 per cent of expenditure – there is clear scope and a need to increase the comparison retention rate;
 - iii) Chester is by far the most important comparison competitor, followed by Llandudno and Wrexham;
 - iv) the overall convenience retention rate is very healthy at 84 per cent, but the retention rates in Corwen, Llangollen, the St Asaph/Rhuddlan area and Abergele are unacceptably low and indicate a qualitative need for enhanced provision; and
 - v) there is significant leakage of convenience expenditure from the Corwen and Llangollen areas to the three food superstores in Wrexham (Asda, Tesco, and J Sainsbury), there is significant leakage to the Asda at Queensferry and the Tesco at Broughton Park from the Holywell area and significant leakage to the Tesco store at Mold from Ruthin and Holywell.
- 4.9 The comparison business retention level will increase if further retail development occurs within the town centres of the PCA which is of a sufficient quality to resist the pulling power of the new developments which are occurring elsewhere in the region outside Denbighshire's PCA. The proposed retail element of the extension to Broughton Park in Flintshire should be resisted firmly by Denbighshire County Council.

5 QUANTITATIVE RETAIL CAPACITY ANALYSIS

Comparison Sector

- 5.1 If Denbighshire's town centres can be improved so as to increase the retention of the comparison expenditure available to residents of the PCA, from 41 per cent at present, to 47 percent by the year 2001, then we project a growth in retained expenditure amounting to around £64m. Some of this growth will need to be set aside for the needs of existing retailers, to allow for a growth in internet-based retailing, to allow for a reduction in vacancies, and to meet the turnover requirements of existing committed developments. However, even allowing for these 'claims' on the expenditure growth, there is projected to be around £28m available for new comparison retailing – over and above existing commitments such as Greenfield Place – assuming the retention level can be improved.
- 5.2 Under such a scenario, there would be quantitative need for around 7,500m² (81,000 ft²) of nett additional comparison sales area. However, this requirement shall not be regarded as a prescriptive floorspace limit, since further quality developments within Denbighshire's town centres could improve the retention level to a higher than that assumed. Quality developments in the right locations can create their own capacity by clawing back expenditure leakage.

Convenience Sector

- 5.3 If the retention of convenience (food) expenditure can be improved from its current level of 84 per cent to 86 per cent in the year 2011, then we forecast a growth in retained expenditure up to 2011 of around £39m. However, much of this growth will be absorbed by the Tesco commitment in Prestatyn, and small allowances need to be made also for the growth in internet-based shopping and the growth needs of existing retailers. As a consequence, we calculate a short term expenditure deficit in the period up to 2006 which means that the Tesco store in Prestatyn will have some competitive effects on other retailers in the short term. However, by the year 2011, there is a small positive convenience expenditure residual.
- 5.4 There is no overall quantitative need for further convenience provision in Denbighshire, over and above the Tesco commitment in Prestatyn. However, there are clear localised needs for further convenience provision of appropriate scale in Abergele and in the town centres of Corwen, Llangollen and the St Asaph/Rhuddlan area in order to improve the local retention rates in these towns.

6 TAN 4 HEALTH CHECKS

Rhyl

- 6.1 We consider that Rhyl is healthy in terms of its convenience sector provision, but that its comparison offer is not competitive in relation to competing centres outside Denbighshire, particularly in the fashion and higher order goods sectors. Rhyl is represented by few national multiple operators (relative to its main competitors) and whilst there is some evidence of national multiple operator demand, this demand is limited and mainly from the lower end of the retail spectrum.
- 6.2 Rhyl's position in the various retail ranking indices is slipping, which is an indicator of its poor health. Whilst Rhyl has good service sector representation generally, its food & drink outlets serve a restricted market, thereby narrowing the centre's appeal to families. Other indicators of Rhyl's poor health as a retail and leisure centre include: its deteriorating (increasing) level of retail yield; low retail rents (compared to competitor centres); a rising vacancy level; continuing problems in relation to parking and congestion; and the continuing crime problem (perceived and actual).

Prestatyn

- 6.3 We consider that Prestatyn is relatively healthy in terms of its convenience sector provision and that implementation of the Tesco commitment will strengthen its position. Prestatyn has quite good representation across the comparison sub-sectors, but fashion clothing provision remains particularly weak and we have not identified any fashion retailers that are looking to move into Prestatyn; this poor range of clothing provision is a prime reason for Prestatyn's recent dramatic slide down the MHE retail ranking index. There is, however, interest from at least two key national multiple retailers (Tesco and Argos) which could significantly reverse the fortunes of Prestatyn. Poor accessibility to the A55 is a key problem which needs to be addressed.

Rhuddlan

- 6.4 Rhuddlan's health as a retail centre is poor, both in terms of its convenience and its comparison offer (except for antiques shops, which have emerged recently as a niche market in Rhuddlan). This is reflected by Rhuddlan's very high vacancy rate. Rhuddlan is healthier as a service centre (hairdressers and beauty salons) and its environmental condition is good. In terms of leisure and tourism, Rhuddlan has a healthy mix of attractions, but these are not fully exploited.

St Asaph

- 6.5 St Asaph functions as a local convenience and service centre, but it has no material comparison offer. The convenience offer is limited, but the range of services and the quality of its restaurant offer are good. However, St Asaph has particular shortcomings in terms of HGV traffic, on-street parking, congestion and associated pedestrian-traffic conflict. If these problems are not addressed through implementation of a by-pass, there is a danger of existing businesses being lured elsewhere.

Denbigh

- 6.6 Denbigh's convenience offer has deteriorated recently, with the loss of butchers and bakers, largely attributable to increased competition from edge-of-centre supermarkets. Denbigh's health in terms of its comparison offer is similarly deteriorating (although there is a good mix of specialist retailers), and whilst Denbigh contains a high proportion of service uses, its food & drink offer appeals to a very narrow market. Moreover, Denbigh's level of vacancy is very high and there are parking problems, particularly

for businesses. All of these factors help to explain Denbigh's significant recent slide down the retail ranking indices.

Ruthin

- 6.7 We consider that Ruthin has a healthy convenience offer and is gaining a reputation as a centre for health and beauty services. Ruthin has a good range of quality hotels and restaurants, and tourist attractions; it has no significant traffic problems; and its environment and general setting is of a very high standard. The only area of its health which we consider has deteriorated in recent years is its role as a centre for comparison goods, with a contraction in both the overall number of comparison goods outlets, and, more worryingly, some contraction in its niche market (ladies' fashions).

Corwen

- 6.8 Corwen is reasonably healthy as a centre for local convenience shopping, but it does not provide for main food shopping. It is weak as a centre for comparison goods and service uses and a key indicator of Corwen's poor health in these sectors is the high vacancy level.

Llangollen

- 6.9 Llangollen provides for day-to-day convenience needs, but its supermarket offer is restricted. Llangollen's role as a centre that mainly serves the tourist market has been consolidated in recent years; this tourist role is complemented by the relatively good range of restaurant uses.

Conclusions

- 6.10 The status of Denbighshire's main retail centres in the retail hierarchy is diminishing, compared with competing centres (Chester, Wrexham and Llandudno), which are generally improving. This suggests that competing centres have more successfully managed to mitigate the undermining impacts of major out-of-town developments such as Cheshire Oaks and Broughton Park. The findings of the retail rankings analysis were corroborated by a wide range of consultees, who generally endorsed the view that Chester remains the dominant regional centre, followed by Wrexham as the major sub-regional centre; Llandudno is now generally regarded as a far superior retail centre to Rhyl and performs a sub-regional status, with Rhyl still elusively struggling for sub-regional status. Prestatyn is clearly the second centre in Denbighshire. Denbigh performs more as a district centre role, with Ruthin and Llangollen of a similar order, but serving a wider tourist market. Corwen, Rhuddlan and St Asaph essentially function as local centres
- 6.11 Out-of-centre development, such as, that proposed by Development Securities and Pillar Property for a 505,000 ft² (47,000 m²) extension to Broughton Shopping Park on the Welsh border near Chester, represents a further threat to Denbighshire's town centres. A planning application has been lodged with Flintshire County Council to build 347,000 ft² (32,300 m²) of offices and 127,000 ft² (11,755 m²) of retail space. According to Development Securities, Tesco, Alders, Woolworths, WHSmith, Boots and Next are already represented at the Park, but more retailers are said to require space. We consider that Denbighshire County Council should object strongly to the threat to its town centres posed by the proposed expansion of Broughton Park.

7 STRENGTHS AND WEAKNESSES OF DENBIGHSHIRE'S TOWN CENTRES

Rhyl

- 7.1 Rhyl's principal weaknesses are: its limited comparison goods offer, particularly in the mid-order clothing sector; the lack of recent town centre investment and only limited occupier demand to reverse this trend; a lack of supporting facilities such as quality, family oriented eateries; its very poor quality public realm in many respects, including the cluttered streetscape and street furniture, the poorly maintained property and the run-down appearance of the Promenade area; its congestion and pedestrian-traffic conflict problems; the continuing perception of Rhyl as a crime hotspot; and the town centre's close proximity to Wales's most deprived ward and all the attendant problems that brings (crime / anti-social behaviour, and so on).
- 7.2 Key strengths include the untapped expenditure potential of recent in-migrants who currently favour Chester and Llandudno as their main comparison spend locations, and the scope to enhance levels of tourism expenditure. Rhyl also has a healthy convenience sector.

Prestatyn

- 7.3 Prestatyn – like Rhyl – has more clearly identifiable weaknesses than strengths. Prestatyn's main plus points are its relatively healthy convenience sector which will be bolstered further by the implementation of the Tesco proposal, its relatively low vacancy level and the quite pleasant southern end of High Street, which contains some nice boutiques. Its main weaknesses are: the very small number of national multiple retailers (attractors) present in the town and the low level of identified retailer demand to overcome the problem; a very low-grade environment at the northern end of High Street which will not be improved until the Tesco commitment is implemented; the town centre's relative inaccessibility; the lack of supporting infrastructure including high quality restaurants; and the very limited amount of high quality tourist accommodation.

Rhuddlan

- 7.4 Rhuddlan's main strengths are: its good range of tourist attractions (castle / river / church), located in an attractive setting; its reputation as a centre for antiques; and its existing reputation as a service centre. Rhuddlan's main weaknesses are: its limited variety of shops (convenience and comparison); the lack of a bank and a coach park; and the continuing failure to fully tap the tourism potential of the Castle.

St Asaph

- 7.5 St Asaph's principal strengths are its good range service uses (restaurants and professional uses) and its buoyant housing market. Its main weaknesses are the hostile town centre environment (its topography and the problems associated with high volumes of HGV traffic, narrow footways and so on), and its very limited retail offer (both in the comparison and convenience sectors).

Denbigh

- 7.6 Denbigh's main strengths are its eclectic range of high quality architecture and well-respected ceramics and gift shops. Its main weaknesses are: the insufficient amount of parking for businesses; the very limited comparison shopping offer; the poor linkages to the castle; the very high vacancy level; and its poor quality supporting infrastructure (hotels and restaurants).

Ruthin

- 7.7 Ruthin's main strengths are: its reputation as a centre for high-quality ladies' fashions and its emerging reputation as a centre of hair & beauty services; the range of good restaurants, hotels and tourist attractions; and its attractive setting. Ruthin's main weaknesses are the lack of a strong concentration of Class A1 retail units, the pockets of vacancies in the town centre and the retraction of its niche market in ladies' fashions.

Corwen

- 7.8 Corwen's main strengths are: its good range of local shops and services; its status as a base for outdoor pursuits; and its location in relation to the strategic road network. Corwen's main weaknesses are: the lack of investment in the Pavilion; the lack of a supermarket, with no apparent operator demand to support one; and its very weak housing market.

Llangollen

- 7.9 Llangollen's main strengths are: its local history; its niche market for antiques; and its recently acquired Tourism Growth Area (TGA) status. Llangollen's main weaknesses are: the very limited range of both comparison and convenience shops; insufficient parking and resultant congestion; and the lack of any sizeable or unconstrained development sites.

8 THE CENTRE STRATEGIES

Introduction

- 8.1 Our recommended strategies for each of the centres contain projects and policy actions under four headings – Strategic Themes, Attractions (diversity and critical mass), Accessibility (mobility and linkages) and Amenities (security and identity). The new *attractions* are needed to meet actual and potential demand, whilst the recommended *accessibility* and *amenity* measures are those that are necessary to secure the new attractions, and to improve the town centres for existing users, which should be a policy aim, even where there is little or no scope for securing new attractions.

Rhyl

- 8.2 The strategy for Rhyl includes the following projects, aspirations, or policy action areas:
- to tackle the problems of West Rhyl ward as the most economically and socially deprived ward in Wales and a source of many problems for the image of the town centre;
 - to develop a retail occupier 'wish list' to assist in target marketing initiatives;
 - the promotion of town centre office employment;
 - improvements to West Kinmel Street car park, an enhanced park and ride scheme and better enforcement of parking restrictions;
 - to re-launch a site assembly initiative in respect of the High Street/Sussex Street/Queen Street/West Parade block – a process which may ultimately require CPO procedures – and to identify high quality private sector development partners which have the wide ranging expertise to take on difficult projects and help to create new markets;
 - to sort out the problems of the West Promenade and come to a conclusion on the feasibility and best mix for leisure projects at Foryd Harbour and Ocean Beach;
 - to identify private sector partners to provide new hotel accommodation of a higher standard than currently offered in Rhyl;
 - target marketing of quality family orientated restaurant operators; and
 - environmental enhancement through provision of green spaces and improvement of street furniture and shop fronts.

Prestatyn

- 8.3 The strategy for Prestatyn includes the following projects, aspirations, or policy action areas:
- to implement the High Street supermarket commitment as a matter of urgency and resolve any clashes of private sector interests which are preventing progress;
 - to redesignate the land to the rear of Kwik Save for comparison retail development;
 - to develop a retail occupier 'wish list' and undertake an intensive target marketing initiative to assess the conditions which would need to prevail to attract these retailers to Prestatyn and to identify specific property requirements;

- encouragement for a redevelopment of the Scala Cinema;
- enforcement of parking restrictions, traffic calming measures and provision of a shuttle bus service; and
- environmental enhancement of key streets and gateways.

Rhuddlan

8.4 The strategy for Rhuddlan includes the following projects, aspirations, or policy action areas:

- to promote business park development on the Triangle site so as to bring employment and economic activity to the town;
- to target banks and identify the conditions under which a bank can be persuaded (perhaps with grant assistance) to locate in the High Street;
- to upgrade the condition and appearance of the vacant properties on High Street;
- provision of a youth centre; and
- the promotion of Rhuddlan Castle and development of a heritage centre and coach park near to the Castle.

St Asaph

8.5 The strategy for St Asaph includes the following projects, aspirations or policy action areas:

- to undertake a feasibility study to identify and agree a route for a by-pass and funding sources;
- to encourage the WDA and other relevant agencies to make available grants for environmental improvements and building maintenance, provided that a commitment is given to proceed with the feasibility study and an in-principle commitment is made to proceed with the by-pass;
- to assess the feasibility of providing a new car park and a shuttle bus service to ferry people up and down the steep High Street;
- more efficient enforcement of parking restrictions; and
- to consider the imposition of a weight restriction to remove HGV traffic from High Street.

Denbigh

8.6 The strategy for Denbigh includes the following projects, aspirations, or policy action areas:

- to reverse the decline in the number and quality of independent comparison traders present in the town through the identification of niche opportunities and intensive marketing of the town to potential independent operators/regional multiples;
- to build a car park designated for the use of businesses located in the town centre;
- to encourage family friendly eating establishments which remain open after 5.00pm;

- improved linkages between the town centre and the castle;
- improvements to the public realm; and
- encouragement of improved building maintenance.

Ruthin

8.7 The strategy for Ruthin includes the following projects, aspirations, or policy action areas:

- to introduce an even tougher policy stance to ensure that the vacant units are eventually occupied for Class A1 retail uses only;
- to promote the redevelopment for retail use of land next to the Town Hall and Crown House; and
- investigation of the potential tourism uses for Nant Clwyd House.

Corwen

8.8 The strategy for Corwen includes the following projects, aspirations, or policy action areas:

- to forge linkages with potential private sector investors (existing or new) to ensure that mixed use development of the Common and adjacent areas is expedited, including provision for a new supermarket;
- to refurbish the Pavilion;
- provision of subsidised bus services from existing housing estates to the town centre;
- improvements to the A5/A494 junction, restriction of HGV access to Green Lane and traffic calming on the A5; and
- continued monitoring of the feasibility of the proposed extension of the steam railway.

Llangollen

8.9 The strategy for Llangollen includes the following projects, aspirations, or policy action areas:

- to secure a larger supermarket than presently exists, perhaps on the site of the Lower Dee Mill if this site was ever to be vacated;
- find a site for a new car park;
- to improve the physical links between the Royal International Pavilion and the town centre;
- to assess the feasibility of a 'park and float' scheme;
- the introduction of CCTV; and
- improvement to shop facias.

9 OVERALL CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- 9.1 Our study has demonstrated that Denbighshire's larger retail centres have lost ground in the wider regional retail hierarchy since the mid 1990s, with the diminished vitality and viability particularly noticeable in Rhyl, Prestatyn and Denbigh. The decline in these centres reflects, in part, the greater progress made in the competing centres of Chester, Wrexham and Llandudno and the competition posed by large out-of-centre developments such as Broughton Park and Cheshire Oaks. There are, however, localised factors which have also frustrated progress in the larger centres including the acute level of deprivation experienced in West Rhyl, the need for more focussed partnership between the public sector and business groups, difficulties caused by uncooperative property owners, low levels of entrepreneurial expertise and a dearth of quality development partners.
- 9.2 Similarly, the smaller centres of St Asaph, Rhuddlan and Corwen have not been able to stem the decline in the role they play in the economic and social life of the communities they serve. Only Ruthin and Llangollen can be described as being relatively healthy centres and the latter survives because of its specialist tourism role.
- 9.3 It is clear, therefore, that the time has come for the public sector to take the lead in stimulating public-private partnership initiatives, so as to take action which can improve investment confidence, reduce investment risk and, ultimately, boost vitality and viability. The partnership initiatives will need to succeed, not only in improving accessibility and the quality of the public realm, but also in attracting the new high quality retail and leisure occupiers, which are required to increase expenditure retention and arrest decline. The first task, however, is to find the quality of development partner – with wide ranging expertise across the UK – which has been so obviously not present in Denbighshire for many years.
- 9.4 In Section 8, we identify our recommended strategies for each of the County's eight main centres, with actions clustered under the headings of "Strategic Themes", "Attractions", "Accessibility" and "Amenities". Some of the actions involve further research, target marketing and feasibility assessments, but there are also a range of early win projects which should be capable of implementation in the short term. In this section we identify some of the prerequisites to successful implementation of the overall strategies and the top priority projects which require the Council's immediate attention, even if they are not capable of implementation until the medium to long term.

Planning Policy Context

- 9.5 The Unitary Development Plan (UDP) has only recently been adopted, but one of the aims of the study was to provide a basis for an early review of the UDP's retail strategy. Our need assessment has shown that there is a requirement for further comparison sector development of the right quality in the right locations, so as to increase the unacceptably low comparison expenditure retention rate which exists today. Our research suggests that it would be inappropriate for any review of the UDP to set rigid targets for new floorspace, since developments of the right type and quality in the right town centre locations can create their own capacity by reducing leakage and increasing the retention level. Nevertheless, the minimum nett gain in sales floorspace to improve retention to an acceptable level in the period up to 2011, is around 7,500m². The market will dictate that most new comparison development is directed to Rhyl, but there is clearly scope for further comparison sector development in Prestatyn and to a lesser extent in Denbigh and Ruthin.
- 9.6 However, the town centre comparison development that is so urgently required will not materialise unless the right development opportunities are assembled (through CPO procedures if necessary), and unless progress is made simultaneously in improving accessibility, improving the quality of the public

realm, reducing crime and so on. Moreover, the review of the UDP will need to take a tough stance against out-of-centre retail proposals, both within Denbighshire and in neighbouring authorities.

- 9.7 So far as the convenience sector is concerned, there is no generic shortage of provision, but our research has shown localised needs for improved provision of supermarkets of appropriate scale in Llangollen and Corwen and in the Rhuddlan/St Asaph area. The review of the UDP will need to identify sites of appropriate size to meet these local needs; and the principle of a new supermarket at the High Street site in Prestatyn should be renewed in the UDP review.
- 9.8 Sequentially preferable opportunities which are suitable, viable and likely to become available for comparison led development include:

Town Centre Sites

- i) The High Street/Sussex Street/Queen Street/West Parade block in Rhyl - this block was identified in our earlier 1995 study and in the adopted UDP, but little progress has been made. The WDA has acquired some properties on Queen Street, but a CPO process may be required to assemble the main site.
- ii) The area around the old indoor market south of Sussex Street in Rhyl, which appears to be ready for re-development .

Edge-of-centre Sites

- i) Morfa Hall, off Bath Street in Rhyl – this site has potential for retail use, but we consider that redevelopment for office purposes may be more beneficial given the site's peripheral location and the need to diversify the economy of the town centre.
 - ii) Land to the rear of Kwik Save in Prestatyn – the land to the rear of Kwik Save is currently allocated for employment purposes in the UDP, but we advocate that the allocation be changed to allow for non-food comparison development.
 - iii) Land between West Kinmel Street and the main railway line in Rhyl – this site is just about capable of being made to function as an edge-of-centre site and we consider that it is suitable for retail sheds for bulky comparison retailers.
 - iv) Land next to the Town Hall and Crown House in Ruthin – this represents a retail redevelopment opportunity which would link well with the nearby PFI project to provide new offices for the Council and it would provide a link between the Coop and the town centre.
- 9.9 Sequentially preferable town centre sites which are suitable, viable and likely to become available for food retail development include:
- i) The High Street site in Prestatyn, for which Tesco has an extant consent.
 - ii) Some of the vacant properties in Rhuddlan High Street.
 - iii) Some of the vacant properties in St Asaph High Street.
 - iv) Some of the vacant premises in Denbigh.
 - v) Some of the vacant units in Ruthin.
 - vi) Corwen Common and some of the vacant units in Corwen.

- 9.10 Sequentially preferable sites which are suitable, viable and likely to become available for commercial leisure, hotel and restaurant uses include:
- i) The Events Arena in Rhyl.
 - ii) The East and West Promenades in Rhyl, including Marine Lake and Foryd Harbour and Ocean Beach.
 - iii) The Scala Cinema site in Prestatyn.
 - iv) Nant Clwyd House in Ruthin.
 - v) Corwen Common.
 - vi) Some of the vacant units in all of the eight town centres.
- 9.11 Clearly further work will need to be undertaken in identifying and assembling sequentially preferable sites through the UDP review process.

Key Recommendations

- 9.12 Our recommendations for top priority action on the part of the County Council, the WDA and their associated private and public sector partners, for each of the eight centres, are as set out below, with details of the likely actors and potential funding sources given in the previous Section 8.

Rhyl

- 9.13 The top priorities for Rhyl are:
- i) to tackle the problems of West Rhyl ward as the most economically and socially deprived ward in Wales and a source of many problems for the image of the town centre;
 - ii) to develop a retail occupier "wish list" and undertake an intensive target marketing initiative to assess the conditions which would need to prevail to attract these retailers to Rhyl and to identify specific property requirements;
 - iii) to re-launch a site assembly initiative in respect of the High Street/Sussex Street/Queen Street/West Parade block – a process which may ultimately require CPO procedures – and to identify high quality private sector development partners which have the wide ranging expertise to take on difficult projects and help to create new markets;
 - iv) to sort out the problems of the West Promenade and come to a conclusion on the feasibility and best mix for leisure projects at Foryd Harbour and Ocean Beach; and
 - v) to identify private sector partners to provide new hotel accommodation of a higher standard to that currently offered in Rhyl.

Prestatyn

- 9.14 The top priorities for Prestatyn are:
- i) to implement the High Street supermarket commitment as a matter of urgency and resolve any clashes of private sector interests which are preventing progress;

- ii) to redesignate the land to the rear of Kwik Save for comparison retail development; and
- iii) to develop a retail occupier "wish list" and undertake an intensive target marketing initiative to assess the conditions which would need to prevail to attract these retailers to Prestatyn and to identify specific property requirements.

Rhuddlan

9.15 The top priorities for Rhuddlan are:

- i) to promote business park development on the Triangle site so as to bring employment and economic activity to the town;
- ii) to target banks and identify the conditions under which a bank can be persuaded (perhaps with grant assistance) to locate in the High Street; and
- iii) to upgrade the condition and appearance of the vacant properties on High Street.

St Asaph

9.16 The top priorities for St Asaph are:

- i) to undertake a feasibility study to identify and agree a route for a by-pass and funding sources; and
- ii) to encourage the WDA and other relevant agencies to make available grants for environmental improvements and building maintenance, provided that a commitment is given to proceed with the feasibility study and an in-principle commitment is made to proceed with the by-pass.

Denbigh

9.17 The top priorities for Denbigh are:

- i) to reverse the decline in the number and quality of independent comparison traders present in the town through the identification of niche opportunities and intensive marketing of the town to potential independent operators/regional multiples; and
- ii) to build a car park designated for the use of businesses located in the town centre.

Ruthin

9.18 The top priorities for Ruthin are:

- i) to introduce an even tougher policy stance to ensure that the vacant units are eventually occupied for Class A1 retail uses only;
- ii) to promote the redevelopment for retail use of land next to the Town Hall and Crown House; and
- iii) secure a tourism role for Nant Clwyd House.

Corwen

9.19 The top priorities for Corwen are:

- i) to forge linkages with potential private sector investors (existing or new) to ensure that mixed use development of the Common and adjacent areas is expedited, including provision for a new supermarket; and
- ii) to refurbish the Pavilion.

Llangollen

9.20 The top priorities for Llangollen are:

- i) to secure a larger supermarket than presently exists, perhaps on the site of the Lower Dee Mill if this site was ever to be vacated; and
- ii) find a site for a new car park.

The Fundamental Requirements

9.21 Several of the top priority recommendations have been known about for several years, with little or no progress. The fundamental requirement for future success is to obtain political consensus in different parts of the County and across political parties and announce a firm intention on the part of all the relevant agencies to come together in order to tackle market failure and negative perceptions. In turn, a resolution of market failure will require very careful target marketing of opportunities, filling knowledge gaps on the part of potential retail and leisure occupiers, financial assistance for pump priming investment and so as to reduce investment risk for early investors, publicity as to how accessibility and the public realm are to be improved, and preparation of marketing material which sets out the vision for each of the centres. Market failure is most apparent in Rhyl and the problems of West Rhyl will require a multi-agency, multi-departmental approach and radical measures to reduce social exclusion, encourage a better socio-economic profile and reduce the density and concentration of deprivation through selective property clearance, changed housing policies and concerted support from the police and social services. In addition it is clear that Denbighshire has suffered from the lack of high quality development partners with UK wide expertise which have the ability to take on difficult projects in low demand areas and to create new markets.

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REPORT TO CABINET

CABINET MEMBER: COUNCILLOR M.A. GERMAN, LEAD MEMBER FOR SUSTAINABLE DEVELOPMENT AND THE ENVIRONMENT AND COUNCILLOR P.A. DOBB, LEAD MEMBER FOR HEALTH AND WELL BEING

DATE: 24 FEBRUARY 2004

SUBJECT: DENBIGHSHIRE LOCAL HOUSING NEEDS ASSESSMENT (FORDHAM RESEARCH REPORT- FEB 2004)

1 DECISION SOUGHT

For the Cabinet to

1. endorse the broad content and findings of the Denbighshire Local Housing Needs Assessment (LHNA) which will be used as a material consideration to inform both Housing and Regeneration Strategy policy and programmes as well as Planning policy and planning applications.
2. endorse the need for further research to be carried out regarding the various options that the Council could pursue to deliver affordable housing within Denbighshire.
3. recommend to Council to take to WAG the case for additional funding for both substantial improvements to/regeneration of the existing private/general stock to meet need that can be met "in-situ" as well as the need for additional affordable housing
4. recommend to Council to approve interim working arrangements to require and deliver an agreed element of affordable housing in residential developments in planning applications and agree the need to prepare Supplementary Planning Guidance on Affordable Housing to enable detailed determination of planning applications. This level will be (i) 15% social RSL housing plus (ii) 15% low cost private sector housing – subsidised by the developer to

bring it to an affordable price. No site minimum site thresholds to be applied at present.

2 REASON FOR SEEKING DECISION

Fordham Research Consultants were commissioned by Regeneration Services, Planning Services (now Planning & Public Protection) and Housing Services to undertake a LHNA in March 2003. The LHNA addresses key affordable housing issues in Denbighshire and once approved:

- (i) will inform both Housing, Regeneration and Planning policy
- (ii) will assist in delivering affordable housing through the housing and planning systems.

This paper seeks to address predominantly issues in relation to-

- housing and regeneration policies and programmes - their role and the various ways they meet the identified need
- how planning policy can assist in the delivery of affordable housing within Denbighshire.

A further report will be submitted to a future meeting of the Cabinet on how the application of housing and regeneration based policies can influence the delivery of affordable housing via the application of policies such as empty homes strategies, use of social housing grant , housing renewal etc.

The LHNA raises significant issues in relation to-

- the need to adapt and improve the existing stock to bring it up to an acceptable standard but also to enable householders (including those requiring care at home or with some form of disability or other) in need of a different type of accommodation
- the need for affordable housing across the County.

Funding

The report closely follows the WAG guidance in preparing such assessments. Based on this and the substantial need identified clearly there is a case for making a bid for additional resources in respect of-

- Social housing Grant- to enable additional affordable houses to be provided
- Renewal Areas- to enable the current programme of renewal to be at least maintained if not enhanced.

Affordable housing and Planning

In respect of affordable housing in particular it:

- identifies an annual shortfall of 645 affordable dwellings per annum over the next 5 years;
- recommends that as an immediate implication, Denbighshire, as a local planning authority, should be negotiating for up to 50% affordable housing i.e. public sector social housing or Registered Social Landlord (RSL) stock, on all new applications for residential developments irrespective of size and location.

The report looks at both the County average and the average at the 4 Partnership Areas. There are pockets where - based on the "average" income and "average" price of certain types of houses - houses are affordable. However, it would be fair to say that generally speaking most households cannot afford the average price of a 3-bed house. Consequently the findings of the Report hold up across the county and the use of the "County average" does not significantly distort the picture or doubt the overall findings of the report.

Whilst the report provides evidence allowing the local planning authority to negotiate with developers for a target of 50% , the actual numbers achieved need to be lower due to the funding limitations (SHG) of the affordable housing providers i.e. Denbighshire's Housing Service and RSLs.

Planning and Public Protection Services worked closely with both Housing Services and RSLs in seeking different options and methods that work towards a solution to achieve this. In addition a member workshop has been held.

The LHNA and subsequent working agreements provide an opportunity for the Council to deliver an element of affordable housing to meet the needs of the residents of the County. There is a need to move forward quickly and reach agreement on the delivery mechanisms to enable a start to be made to address the significant need for affordable housing as identified in the Fordham Research report.

3. POWER TO MAKE THE DECISION.

Town and Country Planning Act 1990.

4 COST IMPLICATIONS

The resources to fund any development programmes by the Registered Social Landlord's would fall to be met primarily by the Social Housing Grant. The indicative figure from the Assembly for Denbighshire in 2004/2005 is £1,920,000 which is anticipated to form 56% of development costs by the RSL. An increase in the level of development from this source is likely to impact upon the ability of the RSL's to deliver other elements of existing Social Housing Grant schemes. Discussions regarding the level of affordable housing that can be realistically achieved through the planning process have commenced among all stakeholders and an outline of preliminary working arrangements is attached to this report as Appendix 1.

In addition it is likely that the adoption of such targets could effectively reduce the full market value of potential land disposals by the authority for residential purposes as a consequence of the requirement for a set percentage of properties within any development to be 'affordable'.

5 FINANCIAL CONTROLLER STATEMENT

The major potential financial implication for the Council from this strategy is highlighted in the final paragraph of part 4 of the report, namely the impact on the disposal value, and therefore the reduction in capital receipt, from Council owned land sold for housing development.

6 CONSULTATION CARRIED OUT

The consultants presented the findings of the report at Eirianfa, Denbigh on Wednesday 8th October. Members, officers, developers, estate agents and other interested groups were invited to this.

A workshop session was held by Planning Services in Henllan on 24th November. Members, Assembly Members officers (from both Denbighshire and other authorities) and representatives from RSLs were invited and attended this session.

There was considerable interest in the results of the LHNA at both events and the consensus is that a corporate and partnership approach is required to achieve the report's recommendations.

Further discussions and consultation regarding interim working arrangements for delivery of affordable housing policy have been held with RSLs and officers from Housing and Planning & Public Protection. Briefly these are:

- 30% affordable housing to be provided on new housing applications split 15% social rented, 15% low cost private sector market housing – but subsidized by the developer as the first entry price of new build housing exceeds the price of first entry existing properties available on the open market.
- On-site provision will be the norm
- Exceptionally off-site provision will be acceptable subject to detailed criteria
- Commuted sum fund to be established to deal with developer contributions that may arise from Planning Obligations and the way the payments are to be used
- Model Section 106 agreements to be drafted
- Supplementary Planning Guidance note required.

As stated above Appendix 1 sets out more detailed recommended arrangements. These will be brought back to Cabinet when necessary for reasons based on experience and circumstances.

The Environment Scrutiny Committee considered the Fordham Research Report at its meeting on the 18th December 2003 and endorsed the use of the findings to shape future Housing and Planning policy requirements.

The Personal Services Scrutiny Committee considered issues associated with Affordable Housing at its meeting on the 21st January 2004. The Committee recommended to the respective Lead Members, the adoption by Cabinet of the Fordham report and the adoption of interim working arrangements to seek at least 30% affordable housing as a general rule. In addition the Committee recommended that further consideration could be given of the opportunities for the Council to assist Registered Social Landlord's to identify suitable land for the development of affordable housing, including the potential to allocate publicly owned land for less than best price for affordable housing, the potential to place a greater emphasis on the allocation of land for affordable housing via land use policies such as the UDP and the feasibility of the Council assisting Registered Social Landlords in acquiring suitable land. The Committee also requested that further investigations be made into the opportunities for the Council to develop initiatives to encourage the most appropriate use of existing housing to release more family housing to meet existing needs.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

The recommendations of the report will have important implications for the RSLs, Housing and Regeneration policies , priorities and programmes.

8 RECOMMENDATION

For the Cabinet to

1. endorse the broad content and findings of the Denbighshire Local Housing Needs Assessment (LHNA) which will be used as a material consideration to inform both Housing and Regeneration Strategy policy and programmes as well as Planning policy and planning applications.
2. endorse the need for further research to be carried out regarding the various options that the Council could pursue to deliver affordable housing within Denbighshire.
3. to recommend to Council to take to WAG the case for additional funding for both substantial improvements

to/regeneration of the existing private/general stock to meet need that can be met “in-situ” as well as the need for additional affordable housing

4. to recommend to Council to approve interim working arrangements to require and deliver an agreed element of affordable housing in residential developments in planning applications and agree the need to prepare Supplementary Planning Guidance on Affordable Housing to enable detailed determination of planning applications. This level will be (i) 15% social RSL housing plus (ii) 15% low cost private sector housing – subsidised by the developer to bring it to an affordable price. No site minimum site thresholds to be applied at present.

Local Housing Needs Assessment Working Agreement

1. Introduction

The purpose of this report is to set out draft working arrangements for the operation of the policy to secure affordable housing on new residential development sites following the findings of the Fordham Research report on Local Housing Needs Assessment 2003.

2. Background

The LHNA raises significant issues in relation to the need for affordable housing across the County, in particular it:

- identifies an annual shortfall of 645 affordable dwellings per annum over the next 5 years;
- recommends that one of the immediate implications are that as a local planning authority, Denbighshire should be negotiating for up to 50% affordable housing i.e. Council housing or Registered Social Landlord (RSL) stock, on all developments irrespective of size and location.

Officers from Planning Services and Housing have met with representatives from local Registered Social Landlords (RSLs) to discuss the practical implications of the study findings and have made the following preliminary agreements.

3. Preliminary Agreements

- There was general agreement and support for findings of LHNA.
- The report highlighted substantial unmet need for affordable housing across the County. This confirmed the established understanding of need but provided up to date and robust evidence.
- There is a need for all housing and planning agencies to collaborate better to achieve
 - (i) mutual understanding
 - (ii) realistic delivery targets and mechanisms
- Need to identify
 - (i) priorities in terms of areas across the County

- (ii) agreed % for affordable housing provision
 - (iii) types of housing to be provided (rent, shared equity, homebuy)
 - (iv) low cost market housing (private)
- The report considered that all private market housing in the County was beyond the reach of those in need of affordable housing. This means that the full proportion of affordable housing would need to be provided via the RSLs as social housing. A significant difficulty in implementing the policy has been identified in that even if a recommended percentage figure of 40% affordable housing on new housing sites seeking planning permission were to be applied, Registered Social Landlords (RSL) could not deliver because of insufficient Social Housing Grant Fund.

4. Agreed Working Arrangements

- 4.1 On-site provision to be the normal policy and practice. Off-site provision to be agreed exceptionally and only if it would be unfeasible, unsuitable and inappropriate to make provision on site. This requires a set of tests and criteria to be met (type of need, location, site considerations, costs of development, proximity of services/transport etc).
- 4.2 30% provision of affordable housing is realistic and achievable but split:-
 - (i) 15% affordable housing provided by RSL's for rent
 - (ii) 15% low cost housing subsidized by private developer to bring it in line with existing properties subject to:
 - a) maximum space standard (as set by WAG guidance)
 - b) maximum price
 - c) no permitted development rights
 - d) preferably terraced properties,
 - e) 'local' qualification (within 5-10 miles)
 - f) average density of 12 dwellings per acre net (3.0 dwellings per ha) but not gross density (exclude public open space/roads and trees etc)

- g) normal discounted price to be set at £10k per plot (un-serviced) or £15k per plot (serviced)
 - h) clear preference for on-site design and build agreements to maximise presence to builder on-site
- 4.3. 30% rule to be applied with certain flexibility based on following thrust -
 - may be varied based on local circumstances
 - may be varied by prior formal agreement of all parties (builder, RSL, LPA and LHA)
 - commitment by RSL (or other) to implement scheme within reasonable period, say 3-5 years
- 4.4 Only as an exception, off-site provision or Commuted Sum (CS) payment may be required or accepted, provided :-
 - (i) Qualifying tests/criteria met – these are to be drafted and agreed
 - (ii) Land elsewhere has been identified/secured at a discounted/affordable price
 - (iii) Land elsewhere is within the same community or Town Council area as the application site
 - (iv) Land elsewhere is free or reasonably free of any abnormal development constraints/costs
 - (v) RSL can implement within a reasonable time period (3-5 years)
- 4.5 It was agreed that there was a need to draft and agree a model section 106 legal agreement to cover the provision of affordable housing.
- 4.6 It was also agreed that following formal ratification of agreed working/ delivery arrangements for affordable housing by the local planning authority, RSLs and LHA, that these be incorporated into Supplementary Planning Guidance.

REPORT TO CABINET

CABINET MEMBER: CLLR M. GERMAN – LEAD MEMBER FOR SUSTAINABLE DEVELOPMENT AND THE ENVIRONMENT

DATE: 24 February 2004

SUBJECT: PUBLIC REALM REVIEW UPDATE

1 DECISION SOUGHT

- 1.1 To advise Members that the development of the Public Realm Contract continues, with a proposed start date of April 2005.
- 1.2 To agree the continuation of existing contracts, which include grounds maintenance and street cleansing, pending the letting of the new public realm contract.

2 REASON FOR SEEKING DECISION

- 2.1 Members approved the development of a Public Realm Contract at the Cabinet meeting of 25 September 2003, to be let by October 2004 for each of the 4 partnership areas in Denbighshire.
- 2.2 The existing contracts in the public realm areas have ended or are due to end on the 31 March 2004. Service provision must be maintained until the new contract or procurement methods are in place. It is not feasible to implement revised contractual arrangements before April 2005 due to the long lead-in time required under E.C. procurement rules.
- 2.3 Following the approval of Cabinet, a Joint Scrutiny Committee was set up to appraise the options for this new contract and agree a Strategy for Green Spaces. This Committee met initially on the 12 November 2003 and again on the 9 February 2004 where they further endorsed this proposal, subject to additional consideration of the services to be included within the contract and the procurement methodology.

- 2.4** The Joint Scrutiny Committee is also seeking further consultation with Town and Community Councils and other authorities who have developed integrated service delivery. The Lead Member for Sustainable Development and the Environment, the Chair of Environment Scrutiny Committee, the Corporate Director for the Environment and the Head of Environmental Services are to visit Gateshead MBC and Barnsley MBC (2 authorities who have gone down this route) in March, to see how they have introduced similar schemes.

3 POWER TO MAKE THE DECISION

- 3.1** This review has been undertaken through the requirements of the Local Government Act 1999.

4 COST IMPLICATIONS

- 4.1** “Rolling over” the existing contracts will delay the introduction of the new contract and any operational and financial benefits that will arrive. However, in order to obtain the best solution, it is essential to invest adequate time in its development.

5 FINANCIAL CONTROLLER STATEMENT

- 5.1** It is evident from the content of the report that considerable additional work and evaluation will be necessary before it can be established whether operational efficiencies and potential cost reductions can be achieved.

6 CONSULTATION CARRIED OUT

- 6.1** There is a growing trend towards integrated service delivery through a Public Realm/Space approach to the provision of front lines services, exemplified by the Audit Commission report.
- 6.2** The consultation undertaken to date has been with the help of the Association of Public Service Excellence (APSE) and the Green Spaces Unit set up by the DETR. Consultation has also taken place with a number of other Authorities.
- 6.3** The Cabinet meeting of the 25 September recommended the adoption of Public Realm Contracts based upon four areas of the County. During the November 2003 meeting of the Joint Scrutiny

Committee it was established that more information was required before any decisions on the breakdown of the contracts was finalised. A paper will be brought to a future Cabinet meeting on completion of this assessment.

- 6.4** Further discussions are required with client departments outside the Environment Directorate to quantify other areas of the public realm and budgets available to maintain them.

7. IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

- 7.1** There are a number of Strategies being developed which will impact on this service including the Green Spaces Strategy, the Area Strategy Plans, Health & Well Being Strategy, Play Strategy, and the Leisure Best Value Improvement Plan.
- 7.2** The Public Realm Contract is intended to improve service delivery in open spaces to which the general public has free access. The Contract is therefore relevant to other areas involved in environmental maintenance, e.g. schools, leisure centres and the countryside parks. It would be possible to incorporate these work areas into the Contract, if the respective departments considered this to be beneficial.

8 RECOMMENDATION

- 8.1** Members support the continued development of the Public Realm Contract and note the proposed start date of April 2005.
- 8.2** Members agree to the continuation of existing public service contracts, which include grounds maintenance and street cleansing pending a final approval of the public realm approach following the consultation process outlined above.

REPORT TO CABINET

**CABINET MEMBER: COUNCILLOR A. OWENS, LEAD MEMBER
FINANCE**

DATE: 24 FEBRUARY 2004

**SUBJECT: REVISED FINANCIAL REGULATIONS AND
CONTRACT PROCEDURE RULES**

1 DECISION SOUGHT

1.1 To approve the enclosed draft Financial Regulations and Contract Procedure Rules for submission to County Council and inclusion in the Council's Constitution.

2 REASON FOR SEEKING DECISION

2.1 Local Government Act 2000 required local authorities to review their arrangements and introduce new forms of political structure. Introducing new political and managerial structures raises many important governance issues and can expose the Council to additional risk.

2.2 The Council therefore must ensure that sound financial management policies are in place and that they are strictly adhered to. Part of this process is the establishment of financial regulations that set out the financial policies and procedures of the County Council.

2.3 The current Contract Standing Orders and Financial Regulations have evolved from those used in Clwyd County Council and are in need of revision to accommodate the new political structure and to take account of the environment in which the Council now operates.

2.4 The revised Financial Regulations are based on a model suggested by CIPFA (Chartered Institute of Public Finance & Accountancy) but have been adapted to fit Denbighshire, while the new Contract Procedure Rules have been produced using legal precedent and models suggested by CIPFA and the Welsh Local Government Association.

GENERAL

- 2.5 Contract Standing Orders are to be renamed Contract Procedure Rules and will become a financial regulation. However, for the purpose of this report, they are considered as two documents.
- 2.6 It is proposed that the revised Financial Regulations including Contract Procedure Rules will be effective from 1 April 2004.
- 2.7 Both documents are considerably longer than those they replace. This is because the regulations are much more detailed and cover topics not previously considered, such as best value, risk management, external funding, etc. Also, the purpose of, and procedures supporting, each regulation are included where appropriate.

FINANCIAL REGULATIONS

- 2.8 There will be 30 financial regulations as compared to 21 in the current set. The general format of each regulations will be as follows:
- Purpose
 - Regulations
 - Responsibilities
- 2.9 This is a significant change in approach as it makes chief officers (directors and heads of service) responsible for the implementation of financial regulations within their departments. An effective scheme of delegation is vital in each department to ensure that all staff are aware of the procedures and of their responsibilities.
- 2.10 New regulations include
- Accounting Records & Procedures
 - Resource Planning
 - Treatment of Year-end Balances
 - Risk Management
 - Preventing Fraud & Corruption
 - Staffing
 - Taxation
 - Partnerships
 - External Funding

- Work for Third Parties

- 2.11 Additionally, much more emphasis has been placed on areas of importance, such as resource planning, budgetary control, capital expenditure and the control of assets.
- 2.12 Throughout the document, statutory titles have been used such as chief finance officer and monitoring officer, while the generic title 'chief officer' is defined as heads of service and members of the Corporate Executive Team.

CONTRACT PROCEDURE RULES

- 2.13 A key improvement in the new procedures is the inclusion of a flow chart, to help ensure those involved in procurement comply with the rules. It is hoped this will also reduce the number of queries currently submitted to both Legal Services and Internal Audit.
- 2.14 A fundamental change in the new procedures is the introduction of the concept of evaluating the purchasing need before the procurement exercise is commenced and expenditure is committed. This will require those involved in procurement to maintain a procurement file, recording details of the justification for expenditure and quotations obtained etc., where necessary.
- 2.15 Furthermore, there is a general move away from choosing 'the lowest price option'. Instead, the emphasis is more towards value for money, including evaluating the quality and delivery of the goods or services, as well as price. Tenders can therefore be measured against a defined criterion to select the best contractor.
- 2.16 However, with this amount of flexibility, controls must be in place and a responsibility is placed on those involved in procurement to maintain a contract file, recording details of all matters relating to the contract including the justification for expenditure, any exemptions granted, the appropriate information regarding the method of procurement (i.e. obtaining quotations or tenders).
- 2.17 In order to comply with the principles of transparency and accountability, the Council must always be able to justify why one contractor was chosen in preference to another.

- 2.18 Another change has removed the need to report 'exceptions to tendering procedure' to Cabinet in every case. Instead, a stepped authorisation approach is introduced to speed up decisions and reduce the burden on the Cabinet agenda.
- 2.19 The threshold value where formal quotations are required is raised from £5,000 to £10,000. The threshold requiring formal tender remains at £50,000.

3 POWER TO MAKE THE DECISION

- 3.1 The powers to change the County Council's Constitution are in Article 15.4 of the Constitution. In this case, the decision rests with Council.

4 COST IMPLICATIONS

- 4.1 Costs in connection with these revised Financial Regulations, if any, will be contained within departments' existing budgets.

5 FINANCIAL CONTROLLER STATEMENT

- 5.1 The revised regulations and procedures should strengthen financial management and control and contribute to achieving the Council's financial and service objectives. Although the new regulations are considerably longer than those they replace, each one is fully explained and includes the procedures that have to be followed in order to comply with the regulations and assigns responsibilities to specific posts.
- 5.2 The regulations aim to balance tighter controls and greater accountability with more devolved decision making and to allow the Council to operate effectively in an environment of change

6 CONSULTATION CARRIED OUT

- 6.1 Consultation has so far included the Chief Executive, Corporate Director (Resources), County Clerk and the Financial Controller. Additionally, Monthly Management Conference was presented with the documents for consultation in October. As a result, comments were given by a number of departments and these have been incorporated into the documents which are enclosed for your consideration.

6.2 The documents were presented to a special Corporate Governance Committee (including the Chair of each scrutiny committee) on 5th February 2004. Minor amendments were suggested at that meeting and are shown in ***bold italic*** print in the enclosed documents.

6.3 Further comments and amendments received by the **Chief Executive are shown in this font** in the enclosed documents.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

7.1 County Council's Constitution

8 RECOMMENDATION

8.1 That the Financial Regulations enclosed, incorporating Contract Procedure Rules, are recommended to County Council and be included in the Council's Constitution with effect from 1st April 2004.

FINANCIAL REGULATIONS

Status of Financial Regulations

Financial regulations are a part of the County Council's constitution and provide the framework for managing the Council's financial affairs. They apply to every member and officer of the Council and anyone acting on its behalf and failure to comply with Financial Regulations may result in disciplinary action.

The regulations identify the financial responsibilities of the full Council, Cabinet, Corporate Governance Committee, scrutiny members, the Chief Executive, the Monitoring Officer (County Clerk), the Chief Finance Officer (Director of Resources) and other chief officers (directors and heads of service).

Cabinet members and chief officers should maintain a written record where decision making has been delegated to members of their staff, including seconded staff. Where decisions have been delegated or devolved to other responsible officers, such as school governors, references to the chief officer in the regulations should be read as referring to them.

All members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.

The Chief Finance Officer is responsible for maintaining a continuous review of the financial regulations and submitting any additions or changes necessary to the full council for approval. The Chief Finance Officer is also responsible for reporting, where appropriate, breaches of the financial regulations to the Council and/or to Cabinet members.

Breaches will be investigated. Any breach of financial regulations may give rise to formal disciplinary action or action under competency procedures.

Chief Officers are responsible for ensuring that all staff in their departments are aware of the existence and content of the Council's financial regulations and other internal regulatory documents and that they comply with them. They must also ensure that an adequate number of copies are available for reference within their departments or that staff are able to access them via electronic means.

Reference to the Chief Finance Officer and other chief officers are subject to arrangements for deputising and directorate schemes of delegation. Chief Officers must ensure there is an effective scheme of delegation within all departments.

The Chief Finance Officer is responsible for issuing advice and guidance to underpin the financial regulations that members, officers and others acting on behalf of the Council are required to follow.

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1. FINANCIAL MANAGEMENT & ADMINISTRATION

Purpose

All staff, members and anybody acting on behalf of the Council have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

- 1.1. The Cabinet is responsible for making recommendations to the Council on the allocation of the resources of the Council and for controlling the available financial resources through the preparation of the annual budget.
- 1.2. The Chief Finance Officer shall, for the purposes of Section 151 of the Local Government Act 1972, be responsible for the administration of the Council's financial affairs, and the supervision of all aspects of financial management undertaken by all directorates of the Council.
- 1.3. The Chief Finance Officer has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from:
 - a) Section 151 of the Local Government Act 1972
 - b) The Local Government Finance Act 1988
 - c) The Local Government and Housing Act 1989
 - d) The Accounts and Audit Regulations 1996.
- 1.4. The Chief Finance Officer is responsible for:
 - a) the proper administration of the Council's financial affairs
 - b) setting and monitoring compliance with financial management standards
- 1.5. Section 114A of the Local Government Finance Act 1988 requires the director of finance to report to the full council, Cabinet and external auditor if the Council or one of its officers:
 - a) has made, or is about to make, a decision which involves incurring unlawful expenditure
 - b) has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council

- c) is about to make an unlawful entry in the Council's accounts.
- 1.6. Any such report is to be sent to all members of the Council and the external auditor. Once a report is made, the Council (or Cabinet regarding executive functions) is required to hold a meeting within 21 days to consider it.
 - 1.7. Section 114A of the 1988 Act also requires:
 - a) the Chief Finance Officer to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under Section 114 personally
 - b) the authority to provide the Chief Finance Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under Section 114A and Section 151 of the Local Government Finance Act.
 - 1.8. The Chief Finance Officer, as financial adviser to the Council, shall each year prepare a report to the Cabinet regarding the level of resources proposed for utilisation in each financial year, and shall keep Cabinet informed with respect to the Council's finances and financial performance.
 - 1.9. The Chief Finance Officer shall periodically inform Cabinet and Scrutiny Committees of the Council of the financial outcome of their activities, supplemented by reports by the Directors concerned, as appropriate.
 - 1.10. The Chief Finance Officer is responsible for recommending such changes to Financial Regulations to the full Council, as he considers necessary and desirable for the proper administration of the finances of the County Council.
 - 1.11. The Corporate Governance Committee shall be responsible to the Council for **monitoring** ~~ensuring~~ that appropriate control systems are in place to ensure the proper observance of the Council's Financial Regulations.
 - 1.12. Every chief officer of the Council shall consult with, and obtain the agreement of, the Chief Finance Officer if there should exist any doubt whatsoever whether an item of expenditure may be lawful. **Chief officers** ~~Every committee~~ shall also inform the Chief Finance Officer if there should exist any doubt whatsoever whether an item of expenditure may result in expenditure exceeding the **available budget resources** ~~available to the service committee~~.

- 1.13. All staff and elected members have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls in place to ensure that these standards are met.
- 1.14. Chief Officers shall be required to bring the Council's Financial Regulations to the attention of all staff within their Directorate or Department. Any employees who fail to observe Financial Regulations may be subject to disciplinary action.
- 1.15. Each chief officer is responsible for the accountability and control of their staff and the security, custody and control of all other resources relating to his/her Directorate or Department.
- 1.16. No officer may make a financial provision or financial commitment unless there is funding in place to support the expenditure.
- 1.17. Chief Officers must satisfy the Chief Finance Officer that every **proposal to incur expenditure** ~~report~~ to be submitted to any committee affecting the Council's finances is:
- a) Lawful
 - b) One that can be met from within the existing budget allocations of the directorate concerned or it is proposed within the report how the expenditure would be funded.
- 1.18. Every report to committee thereon shall contain confirmation that such consultation has taken place and that the Chief Finance Officer is satisfied that the report contains a clear statement of the financial impact and how this will be funded (if appropriate). This consultation will be reported in a statement from the Financial Controller.
- 1.19. Each financial year, or as often as the Cabinet may require, every chief officer shall prepare, in consultation with the Chief Finance Officer and within the agreed strategy, estimates of income and expenditure of a revenue and capital nature. If appropriate, a staff budget should be included.
- 1.20. It is the responsibility of chief officers to ensure that budget estimates reflecting agreed service plans are submitted to the **Members of** the Cabinet and that these estimates are prepared in line with guidance issued by the Cabinet.

- 1.21. Chief Officers shall ensure that appropriate and adequate supporting information is provided, including any reasons for increased or decreased estimated income or expenditure.

2. ACCOUNTING POLICIES

Purpose

Appropriate accounting policies must be in place to allow for the preparation of the Council's statement of accounts, in accordance with proper practices as set out in the format required by the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC), for each financial year ending 31 March.

General

- 2.1. The Chief Finance Officer is responsible for selecting accounting policies and ensuring that they are lawful and applied consistently. All accounting procedures and records of the Council and its officers shall therefore be in a form approved by the Chief Finance Officer.

Regulations

- 2.2. Systems of internal control must be in place to ensure that financial transactions are lawful.
- 2.3. Proper accounting records must be maintained
- 2.4. Financial statements must be prepared which present fairly the financial position of the Council and its expenditure and income.

Responsibilities

- 2.5. The Chief Finance Officer should ensure that the accounting policies are set out in the annual statement of accounts, which is prepared at 31 March each year, and covers such items as:
 - a) separate accounts for capital and revenue transactions
 - b) the basis on which debtors and creditors at year end are included in the accounts
 - c) details on substantial provisions and reserves
 - d) fixed assets
 - e) depreciation
 - f) capital charges
 - g) work in progress
 - h) stocks and stores

- i) deferred charges
- j) accounting for value added tax
- k) government grants
- l) leasing
- m) pensions

3. ACCOUNTING RECORDS & PROCEDURES

Purpose

Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for stewardship of public resources. The Council has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency, effectiveness and quality in the use of the Council's resources.

General

- 3.1. The Chief Finance Officer will determine the accounting procedures and records for the Council and arrange for the compilation of all accounts and accounting records under his or her direction.

Accounting Records Regulations

- 3.2. The duties of providing information about sums due to or from the Council and calculating, checking and recording these sums will be separated from the duty of collecting or disbursing them.
- 3.3. Employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

Responsibilities

- 3.4. The Chief Finance Officer will make proper arrangements for the audit of the Council's accounts in accordance with the Accounts and Audit Regulations 1996 and ensure that all claims for funds including grants are made by the due date.
- 3.5. The Chief Finance Officer will prepare and publish the audited accounts of the Council for each financial year, in accordance with the statutory timetable and with the requirement for the full council to approve the statement of accounts before 30 September.
- 3.6. The annual statement of account shall be produced in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC).

Accounting Procedures Regulations

- 3.7. Cabinet members, finance staff and budget managers should operate within the required accounting standards and timetables .
- 3.8. All of the Council's transactions, material commitments and contracts and other essential accounting information should be recorded completely, accurately and on a timely basis.
- 3.9. Procedures should be in place to enable accounting records to be reconstituted in the event of systems failure.
- 3.10. Reconciliation procedures should be carried out to ensure transactions are correctly recorded.
- 3.11. Prime documents should be retained in accordance with legislative and other requirements. For most financial records this will be 6 years plus the current year.

4. RESOURCE PLANNING

IMPROVEMENT PLAN & PERFORMANCE INFORMATION

Purpose

Each local authority has a statutory responsibility to publish various performance plans, including best value performance plans, crime reduction strategies, community care plans, etc. The purpose of performance plans is to explain overall priorities and objectives, current performance, and proposals for further improvement. The Council is required to publish annually an improvement plan, summarising its performance and position in relation to best value. The improvement plan is a key element in the Council's programme of engaging with the public. External audit is required to report on whether the Council has complied with statutory requirements in respect of the preparation and publication of the improvement plan.

General

- 4.1. The Leader of the Council is responsible for proposing the Improvement Plan to the Cabinet for consideration before its submission to the full council for approval.

Regulations

- 4.2. The Improvement Plan and any statutory performance information should be produced on time, in the form required and be consistent from one period to the next.
- 4.3. All performance information must be accurate, complete and up to date and include improvement targets which are meaningful, realistic and challenging.

Responsibilities

- 4.4. The Chief Finance Officer will contribute to the development of corporate and service targets and objectives and performance information.
- 4.5. The Chief Executive will ensure that systems are in place to measure activity and collect accurate information for use as performance indicators and ensure that performance information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.
- 4.6. **Chief officers will produce accurate, complete and up to date performance information.**

BUDGETING PREPARATION

Purpose

The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate, and sets the level at which funds may be reallocated within budgets. The revenue budget must be constructed so as to ensure that resource allocation properly reflects the service plans and priorities of the full council. Budgets (spending plans) are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for an authority to budget for a deficit.

Regulations

- 4.7. The Chief Finance Officer will ensure that a programme of capital expenditure and estimates of income and expenditure on the revenue account for such future period(s) is submitted to the Cabinet and full Council in such form and by such date(s) as required. These will be prepared in accordance with the Code of Practice on a Prudential Approach to Local Authority Commitments, recommended for adoption by the Local Authority Associations and the Audit Commission, together with published best practices in accounting codes of practice and the Code of Practice for Treasury Management, as published by CIPFA.
- 4.8. ***In line with the Budget & Policy Framework Procedure Rules, (Constitution Section 4.3)***, the Cabinet, on receipt of the report of the overall service programme and policy ***budget that has been studied by the relevant scrutiny committee***, shall consider the aggregate effect of these programmes and policies upon the Council's financial resources. Following consultation on any proposed amendments, they shall be submitted to the Council for approval with a recommendation of the Council Tax Rate for the ensuing financial year.
- 4.9. At least three days before the meeting of the Council, at which such matters will be considered, each member shall be provided with a copy of the proposed programme of capital expenditure and estimates of income and expenditure on the revenue account.
- 4.10. The general format of the budget will be approved by the full council and proposed by the Cabinet on the advice of the Chief Finance Officer. The draft budget should include allocation to different services and projects, proposed taxation levels and contingency funds.

Responsibilities

- 4.11. The Chief Finance Officer is responsible for ensuring that a revenue

budget is prepared on an annual basis and a general revenue plan on a three-yearly basis for consideration by the Cabinet, before submission to the full council. The full council may amend the budget or ask the Cabinet to reconsider it before approving it.

- 4.12. The Cabinet is responsible for issuing guidance on the general content of the budget in consultation with the Chief Finance Officer as soon as possible following approval by the full council.
- 4.13. It is the responsibility of chief officers to ensure that budget estimates, reflecting agreed service plans, are submitted to the Cabinet and that these estimates are prepared in line with guidance issued by the Cabinet and ***comply with Section 4.3 Budget & Policy Framework Procedure Rules of the Constitution.***

RESOURCE ALLOCATION

Purpose

A mismatch often exists between available resources and required resources. A common scenario is that available resources are not adequate to fulfil need/desire. It is therefore imperative that needs/desires are carefully prioritised and that resources are fairly allocated, in order to fulfil all legal responsibilities. Resources may include staff, money, property, equipment, goods and materials.

Regulations

- 4.14. Resources must be acquired in accordance with the law and using an approved authorisation process.
- 4.15. Resources should only be used for the purpose intended, to achieve the approved policies and objectives intended, and are properly accounted for.
- 4.16. Resources should be held securely.
- 4.17. Resources should be used with the minimum level of waste, inefficiency or loss for other reasons.

Responsibilities

- 4.18. The Chief Finance Officer will advise on methods available for the funding of resources, such as grants from central government and borrowing requirements and manage the allocation of resources to budget managers.
- 4.19. Chief officers and budget managers should operate within budget limits and use the resources allocated in the most efficient, effective and economic way.
- 4.20. Chief officers should also identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

5. BUDGET MONITORING & CONTROL

Purpose

Budget management ensures that once the full council has approved the budget, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

By continuously identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an annual budget limit, approved when setting the overall budget. To ensure that the Council in total does not overspend, each directorate is required to manage its own expenditure within the budget allocated to it

For the purposes of budgetary control by managers, a budget will normally be the planned income and expenditure for a service area or cost centre. However, budgetary control may take place at a more detailed level if this is required by the chief officer's scheme of delegation.

General

- 5.1. The approval of the revenue budget or capital programme by the Council shall constitute authority to incur such expenditure, save to the extent to which the Council shall have placed a reservation on such budget or programme.
- 5.2. However, nothing in these Financial Regulations shall prevent Cabinet from incurring expenditure which is urgent or essential to meet any immediate needs created by a sudden emergency, or which is referable to Section 138 of the Local Government Act, 1972 subject to their action being reported as soon as practicable to the full Council.
- 5.3. The Cabinet is responsible for periodically keeping the Council informed as to the state of the Council's finances.
- 5.4. It shall be the duty of Cabinet to keep under review the financial performance of each Directorate and service during the budget period.
- 5.5. The Chief Finance Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He or she must monitor and control expenditure against budget allocations and report to the Cabinet on the overall position on a regular basis.
- 5.6. It is the responsibility of chief officers to control income and expenditure

within their area and to monitor performance, taking account of financial information provided by the Chief Finance Officer. They should report on variances within their own areas to the Chief Finance Officer and then to Cabinet. They should also take any action necessary to avoid exceeding their budget allocation and alert the Chief Finance Officer to any problems.

- 5.7. The Cabinet, following agreement with the Chief Finance Officer should issue annual guidelines on the preparation of the budget to members and chief officers following initial indications of revenue funding levels from the Welsh Assembly Government. The guidelines should take account of:
- a) legal requirements
 - b) medium-term planning prospects
 - c) the improvement plan
 - d) available resources
 - e) spending pressures
 - f) budget timetables and the budget cycle
 - g) best value and other relevant government guidelines
 - h) other internal policy documents
 - i) cross-cutting issues (where relevant).

Regulations

- 5.8. Budget managers should be responsible only for income and expenditure that they can influence.
- 5.9. There must be a nominated budget manager for each cost centre heading.
- 5.10. Budget managers should accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities .
- 5.11. Budget managers should follow an approved certification process for all expenditure.
- 5.12. Income and expenditure must be properly recorded and accounted for.
- 5.13. Performance levels/levels of service should be monitored in conjunction

with the budget and necessary action is taken to align service outputs and budget.

- 5.14. Variances arising on budgets should be contained initially within the service budget or failing that within the directorate budget.

Responsibilities

- 5.15. The Chief Finance Officer will establish an appropriate framework of budgetary management and control that ensures that:
- a) budget management is exercised within annual budget limits unless the full council agrees otherwise
 - b) each chief officer has available timely, relevant and accurate information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities
 - c) expenditure is committed only against an approved budget head
 - d) all officers responsible for committing expenditure comply with relevant guidance, and these financial regulations
 - e) each cost centre has a single named manager, determined by the relevant chief officer. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure
 - f) significant variances from approved budgets are investigated and reported by budget managers regularly.
- 5.16. Chief officers should ensure that both revenue and capital spending remains within the service's overall budget limit, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast. Chief officers should consult with the Chief Finance Officer upon the systems and methods they adopt to ensure such control.
- 5.17. Where a chief officer is unable to balance expenditure and resources within existing approved budgets under his or her control, the Chief Finance Officer will submit reports to the Cabinet and to the full council, in consultation with the relevant chief officer.

- 5.18. Prior approval by Cabinet must be given for new proposals (not already included in the service business plan), of whatever amount, that:
- a) Create financial commitments in future years
 - b) Change existing policies, initiate new policies or cease existing policies
 - c) Change the timescale of an existing policy
 - d) Materially extend or reduce the Council's services.
- 5.19. A report on new proposals should explain the full financial implications, following consultation with the Chief Finance Officer. Unless the full Council or Cabinet has agreed otherwise, chief officers must plan to contain the financial implications of such proposals within their budget limit.

6. VIREMENT & YEAR END BALANCES

VIREMENT

Purpose

The scheme of virement is intended to enable the Cabinet, chief officers and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the full council, and therefore to optimise the use of resources.

Responsibilities

- 6.1. The full council is responsible for agreeing the procedures for virement of expenditure between budget headings and budget lines ('headings' being cost centres and 'lines' being items of expenditure within cost centres).
- 6.2. The Chief Finance Officer is responsible for proposing and administering the scheme of virement. Contingency funds are not included in the scheme of virement and may only be used if approved by Cabinet.

Regulations

- 6.3. Virement can only be approved if:
 - a) The proposed expenditure is not contrary to Council policy
 - b) It is not contrary to approved Service Business Plans
 - c) The future revenue burden on the service is not materially increased.
- 6.4. Budget virement within services is at the discretion of the Head of Service providing the three conditions above are met. All other virement should follow the process set out in the following table:

Amount or %	Between Services	Between Directorates
Greater of £50k or 5% of budget.	Corporate Director	Chief Executive Corporate Directors Chief Finance Officer
Greater of £100k or 10% of budget	Corporate Director Chief Finance Officer	Lead Members (Service) Lead Member (Finance) Chief Executive Corporate Directors Chief Finance Officer
Greater of £200k or 20%.	Lead Member (Service) Lead Member (Finance) Corporate Director Chief Finance Officer	Cabinet
Above £200k or 20%, subject to maximum of £500k.	Cabinet	Cabinet
Above £500k	County Council	County Council

TREATMENT OF YEAR-END BALANCES

- 6.5. Appropriate accounting procedures must be in operation to ensure that carried-forward totals are correct and comply with Council policy.

Responsibilities

- 6.6. The full council is responsible for agreeing procedures for carrying forward under and overspends on budget headings, as proposed by Cabinet.
- 6.7. The Chief Finance Officer will administer the scheme of carry-forward balances within the procedures approved by the full council and will report all overspendings and underspendings on all service estimates carried forward to the Cabinet and to the full council.

Regulations

- 6.8. Any overspending on service estimates in total on budgets under the control of the chief officer will normally be carried forward to the following year, and will constitute the first call on service estimates in the following year.
- 6.9. Net underspendings on service estimates under the control of the chief officer may be carried forward, subject to:
 - a) reporting to Cabinet the source of underspending or additional income and the proposed application of those resources
 - b) the approval of Cabinet where the underspending exceeds 5% of the individual budget heading.
- 6.10. All internal business unit surpluses shall be retained for the benefit of the Council and their application shall require the approval of the Cabinet.
- 6.11. Schools' balances shall be available for carry-forward to support the expenditure of the school concerned. Where an unplanned deficit occurs, the governing body shall prepare a detailed financial recovery plan for consideration by the Cabinet member concerned, following evaluation by the chief education officer and the Chief Finance Officer. A School's governing body will normally be expected to agree a plan to recover the deficit within a defined period, with the Cabinet member concerned.
- 6.12. In exceptional circumstances, schools may seek to incur expenditure to be financed by anticipating the following year's budget share. Such arrangements require the prior approval of the Cabinet. Proposals shall be accompanied by a detailed plan setting out how the arrangement is to be accommodated as the first call on the reduced budget share.

7. MAINTENANCE OF RESERVES

Purpose

The local authority must decide the level of general reserves it wishes to maintain before it can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the authority to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained, such as the purchase or renewal of capital items.

Responsibilities

- 7.1. It is the responsibility of the Chief Finance Officer to advise the Cabinet and/or the full council on prudent levels of reserves for the authority.

Regulations

- 7.2. Reserves should be maintained in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and agreed accounting policies.
- 7.3. For each reserve established, the purpose, usage and basis of transactions should be clearly identified.
- 7.4. Reserves may only be used for the purposes for which they were intended.

8. CAPITAL PROGRAMME & EXPENDITURE

Purpose

*Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Council, such as land, buildings, and major items of plant, equipment, **computer programs** or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs. The Government places strict controls on the financing capacity of the Council. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.*

General

- 8.1. The Chief Finance Officer is responsible for ensuring that a capital programme is prepared on an annual basis for consideration by Cabinet before submission to the full council. ***This process shall be in line with Section 4.3 of the Constitution (Budget & Policy Framework Procedure Rules)***. The annual approved capital programme shall be shown gross, fixed in budget terms and based on year-end outturn prices.
- 8.2. The definition of 'capital' will be determined by the Chief Finance Officer, having regard to government regulations and accounting requirements.
- 8.3. No expenditure shall be incurred on any capital project in the current financial year unless provision exists in the approved capital programme. Any project not so complying, which therefore requires additional capital funding, shall be the subject of a report to the Cabinet, which shall include the capital and revenue implications and shall then be the subject of a report by Cabinet for recommendation to Council.
- 8.4. The Capital Plan will be agreed by Council and updated regularly. Projects funded from the Block Allocations within the Capital Plan may be approved by Cabinet. Any variation to the approved expenditure, the approved outputs of the project or the timescale must be reported to Cabinet and Council to approve the changes.

Regulations

- 8.5. There must be specific approval by the full council for the programme of capital expenditure.
- 8.6. All expenditure on capital schemes is subject to the approval of the Chief Finance Officer.

- 8.7. All bids for capital expenditure must, in addition to the requirements of these financial regulations, conform with the Capital Planning & Project Management Procedures.
- 8.8. A scheme and estimate, including project plan, progress targets and associated revenue expenditure should be prepared for each capital project, for approval by the Cabinet.
- 8.9. Approval of the Chief Finance Officer is required where capital schemes are to be financed from the revenue budget.
- 8.10. Proposals for improvements and alterations to buildings must be approved by the appropriate chief officer.
- 8.11. Schedules of individual schemes within the overall budget approved by the full council must be submitted to the Cabinet for approval (for example, minor works), or under other arrangements approved by the full council.
- 8.12. An asset management plan should be in place **for each service, to underpin the corporate asset management plan.**
- 8.13. Accountability for each capital project must be formally accepted by a named manager who will be responsible for the management of the budget. **The relevant chief officer will appoint the responsible officer.**
- 8.14. Capital projects may only proceed when there is adequate provision in the capital programme.
- 8.15. Adequate records must be maintained for all capital contracts.
- 8.16. Capital projects should be continually monitored by the responsible officer (8.13) to assess progress, in conjunction with expenditure and comparison with approved budget. ***The responsible officer should immediately inform the Chief Finance Officer if a capital project is likely to exceed the approved budget. (See also CPR31 Contract Variation)***

Responsibilities

- 8.17. The Chief Finance Officer will prepare capital estimates jointly with chief officers and the Chief Executive and report them to the Cabinet for approval. The Cabinet will make recommendations on the capital estimates and on any associated financing requirements to the full council. Lead member approval is required where a chief officer proposes **to bid for additional capital grant not anticipated** ~~or exercise additional borrowing approval not anticipated~~ in the capital programme. This is because the extra borrowing may create future commitments to financing costs.
- 8.18. The Chief Finance Officer will prepare and submit reports to the Cabinet **on the projected income, expenditure and resources compared with the approved estimates.**
- 8.19. **Council Cabinet authorisation is required for individual schemes where the estimated expenditure exceeds the capital programme provision**, unless the estimated expenditure cannot be contained within the overall capital plan in which case council approval will also be required.

Chief Officer's Responsibilities

- 8.20. To ensure that the requirements of the Capital Planning & Project Management Procedures are followed.
- 8.21. Chief officers must prepare and submit reports, jointly with the Chief Finance Officer, to the Cabinet, of any variation in contract costs greater than the approved limits. The Cabinet may meet cost increases of up to 5% by virement from savings elsewhere within the capital programme.
- 8.22. To prepare and submit reports, jointly with the Chief Finance Officer, to the Cabinet, on completion of all contracts where the final expenditure exceeds the approved contract sum by more than the specified amount.
- 8.23. To ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Cabinet and, if applicable, approval of the scheme through the capital programme.
- 8.24. To seek the approval of the **lead member and Chief Finance Officer** ~~Chief Executive~~ for any ~~supplementary credit approval~~ **bid for additional capital funding** to support expenditure that has not been included in the current year's capital programme.

9. RISK MANAGEMENT

Purpose

All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being of the organisation. In essence it is, therefore, an integral part of good business practice. Risk management is concerned with evaluating the measures an organisation already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.

Responsibilities

- 9.1. The Corporate Governance Committee is responsible for approving the Council's risk management policy statement and strategy and for reviewing the effectiveness of risk management. The Cabinet is responsible for ensuring that proper insurance exists where appropriate.
- 9.2. The Chief Executive is responsible for approving ensuring that preparing the Council's risk management policy statement and for promoting it throughout the Council. The Chief Finance Officer is responsible for advising the Cabinet on financial risk, while the County Clerk will advise on legal risks. The Chief Finance Officer will advise the Cabinet on proper insurance cover where appropriate.
- 9.3. Chief officers should take responsibility for risk management and ensure that there are regular reviews of risk within their departments.

Regulations

- 9.4. Procedures must be in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the Council.
- 9.5. A monitoring process should be in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis.

- 9.6. Managers should know that they are responsible for managing relevant risks and be provided with relevant information on risk management initiatives.
- 9.7. Provision should be made for losses that might result from the risks that remain.
- 9.8. Procedures should be in place to investigate claims within required timescales.
- 9.9. Acceptable levels of risk should be determined and insured against where appropriate.
- 9.10. Business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources must be in place.

10. INSURANCE

Purpose

The Council must have adequate insurance to control identified risks. This regulation clarifies roles and responsibilities and separates the duty of making claims and arranging claims.

Responsibilities

- 10.1. The Chief Finance Officer shall arrange all required insurance cover and negotiate all claims in consultation with other officers where necessary.
- 10.2. The Chief Finance Officer shall ensure that all appropriate employees of the Council are included in a suitable fidelity guarantee insurance policy and any other appropriate insurance policy.
- 10.3. The Chief Finance Officer shall operate and administer an internal insurance fund to meet losses on claims and such risks deemed appropriate.
- 10.4. Chief Officers shall give prompt notification to the Chief Finance Officer of all new risks, properties or vehicles that are to be insured and of any alterations affecting existing insurances.
- 10.5. Chief Officers shall notify the Chief Finance Officer immediately of any loss, liability or damage that may lead to a claim against the Council, together with any information or explanation required by the Chief Finance Officer or the Council's insurers. The Chief Finance Officer should inform the police if appropriate.
- 10.6. The Chief Finance Officer shall annually, or at such period as he may consider necessary, review all insurances in consultation with other chief officers as appropriate.
- 10.7. Chief Officers shall consult the Chief Finance Officer regarding the terms of any indemnity that the Council is requested to give.

11. INTERNAL CONTROL

Purpose

The Council is complex and beyond the direct control of individuals. It therefore requires internal controls to manage and monitor progress towards strategic objectives.

The Council has statutory obligations, and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.

The Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.

The system of internal controls is established in order to provide measurable achievement of:

*efficient and effective operations
reliable financial information and reporting
Compliance with laws and regulations*

Regulations

- 11.1. Key controls should be reviewed on a regular basis and the Council should make a formal statement annually to the effect that it is satisfied that the systems of internal control are operating effectively.
- 11.2. Managerial control systems must be in place, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
- 11.3. Financial and operational control systems and procedures must be in place, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
- 11.4. There must be an effective and properly resourced internal audit function. It should operate in accordance with the principles contained in the Auditing Practices Board's auditing guideline *Guidance for Internal Auditors*, CIPFA's *Code of Practice for*

Internal Audit in Local Government in the United Kingdom and with any other statutory obligations and regulations .

Responsibilities

- 11.5. The Chief Finance Officer will assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations .
- 11.6. The Chief Finance Officer is responsible for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication.
- 11.7. Chief officers should manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.

12. AUDIT REQUIREMENTS

INTERNAL AUDIT

Purpose

The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 1996 (SI 1996/590), regulation 5, more specifically require that a “relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems”.

Accordingly, internal audit is an independent and objective appraisal function established by the Council for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

General

- 12.1. In accordance with the accounts and audit regulations approved by National Assembly for Wales from time to time, a continuous internal audit, under the independent control and direction of the Chief Internal Auditor, shall be arranged to carry out an examination of accounting, financial and other operations of the Council.
- 12.2. The Chief Finance Officer and Chief Internal Auditor have the authority to:
 - a) Access Council premises at reasonable times
 - b) Access all assets, records, documents, correspondence and systems
 - c) Receive any information and explanation considered necessary concerning any matter under consideration
 - d) Require any employee of the Council to account for cash or any other Council asset under his or her control
 - e) Access records belonging to third parties, such as contractors, when required
- 12.3. The Chief Internal Auditor has authority to directly access the Chief Executive, Council, Cabinet and the Corporate Governance Committee about any appropriate issue.

Regulations

- 12.4. Internal audit must be independent in its planning and operation.

- 12.5. The Chief Internal Auditor must have direct access to the Chief Executive, all levels of management and ~~directly to~~ elected members.
- 12.6. Internal auditors must comply with the Auditing Practices Board's guideline *Guidance for Internal Auditors*, as interpreted by CIPFA's *Code of Practice for Internal Audit in Local Government in the United Kingdom*.

Responsibilities

- 12.7. The Chief Finance Officer will agree the strategic and annual audit plans prepared by the Chief Internal Auditor which take account of the characteristics and relative risks of the activities involved. The plans will be approved by the Corporate Governance Committee.
- 12.8. The Chief Finance Officer should ensure that effective procedures are in place to investigate promptly any fraud or irregularity.

Responsibilities of Chief Officers

- 12.9. To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.
- 12.10. To ensure that auditors are provided with any information and explanations that they seek in the course of their work.
- 12.11. To consider and respond promptly to recommendations in audit reports.
- 12.12. To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion **in accordance with the agreed action plan**.
- 12.13. To notify the Chief Internal Auditor **and Chief Finance Officer** immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources. Pending investigation and reporting, the chief officer should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.

- 12.14. To ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the **Chief Finance Officer** and Chief Internal Auditor prior to implementation.
- 12.15. The Chief Internal Auditor shall review, appraise and report to the appropriate committee upon:
- a) The soundness, adequacy and application of a strategic risk management framework and financial and operational controls;
 - b) The extent of compliance with laws, regulations, policies, plans and procedures;
 - c) The extent to which the Council's assets and interests are accounted for and safeguarded from losses of all kinds arising from other offences, waste, extravagance, poor value for money or any other causes whatsoever;
 - d) The suitability and reliability of financial and operational information and systems developed within the Council.

EXTERNAL AUDIT

Purpose

~~The Local Government Finance Act 1982 set up the Audit Commission, which is responsible for appointing external auditors to each local authority in England and Wales.~~

The powers of the Audit Commission and the basic duties of the external auditor are defined in the Audit Commission Act 1998 and the Local Government Act 1999. In particular, section 4 of the 1998 Act requires the Audit Commission to prepare a code of audit practice, which external auditors follow when carrying out their duties. The external auditor has rights of access to all documents and information necessary for audit purposes.

The code of audit practice issued in March 2000 sets out the auditor's objectives to review and report upon:

- (a) the financial aspects of the audited body's corporate governance arrangements*
- (b) the audited body's financial statements*
- (c) aspects of the audited body's arrangements to manage its performance, including the preparation and publication of specified performance information and compliance in respect of the preparation and publication of the Improvement plan.*

The Council's accounts are scrutinised by external auditors, who must be satisfied that the statement of accounts 'presents fairly' the financial position of the Council and its income and expenditure for the year in question and complies with the legal requirements.

External auditors are appointed by the Audit Commission normally for a minimum period of five years. The Audit Commission prepares a code of audit practice, which external auditors follow when carrying out their audits.

Responsibilities

12.16. The Chief Finance Officer is responsible for the following:

- a) To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work.
- b) To ensure there is effective liaison between external and internal audit.
- c) To work with the external auditor and advise the full council, Cabinet and chief officers on their responsibilities in relation to external audit.
- d) To ensure that all records and systems are up to date and available for inspection.

13. PREVENTING FRAUD AND CORRUPTION

Purpose

The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Council.

The Council's expectation of propriety and accountability is that members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

The Council also expects that individuals and organisations (eg suppliers, contractors, service providers) with whom it comes into contact will act towards the Council with integrity and without thought of or actions involving fraud and corruption.

Regulations

- 13.1. The Council should have an effective anti-fraud and anti-corruption policy and maintain a culture that will not tolerate fraud or corruption.
- 13.2. Chief Officers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Council or who are corrupt.
- 13.3. A register of interests should be maintained in which any hospitality or gifts accepted must be recorded.
- 13.4. **All staff or elected members should report any declaration of interest to the Monitoring Officer who will maintain a register of interests.**
- 13.5. Whistle blowing procedures should be in place and operating effectively.
- 13.6. Legislation including the Public Interest Disclosure Act 1998 should be adhered to.

Responsibilities

- 13.7. Responsibilities of the Chief Finance Officer.
 - a) To develop and maintain an anti-fraud and anti-corruption policy in conjunction with the Monitoring Officer.

- b) To maintain adequate and effective internal control arrangements.
- c) To ensure that all suspected irregularities are reported to the Chief Internal Auditor, the Chief Executive, the Cabinet and the Corporate Governance Committee.

13.8. **Responsibilities of Chief Officers**

- a) To ensure that all suspected irregularities are reported to **the Chief Finance Officer** and Chief Internal Auditor.
- b) To instigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- c) To ensure that where financial impropriety is discovered, the Chief Internal Auditor is informed, and where sufficient evidence exists to believe that a criminal offence may have been committed, the police are called in. ~~to determine with the Crown Prosecution Service whether any prosecution will take place.~~
- d) To ensure that **all staff are aware of the requirement** to report any declaration of interest to the Monitoring Officer who will maintain a register of interests.

14. ASSETS

SECURITY OF ASSETS

Purpose

The Council holds assets in the form of property, vehicles, equipment, furniture and other items worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

General

- 14.1. Chief Officers should ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

Regulations

- 14.2. The regulations below have been established for the security and use of assets such as land, buildings, vehicles, fixed plant machinery, equipment, information and software and should be adhered to.
- 14.3. Resources should be used only for the purposes of the Council and be properly accounted for.
- 14.4. Resources should be available for use when required.
- 14.5. Resources no longer required should be disposed of in accordance with the law and the regulations of the Council so as to maximise benefits.
- 14.6. An asset register should be maintained and assets recorded when they are acquired by the Council and this record should be updated as changes occur with respect to the location, value and condition of an asset

Responsibilities

- 14.7. The Chief Finance Officer will ensure that an asset register is maintained in accordance with good practice for all fixed assets with a value in excess of £30,000, except for land and buildings for which there is no de

minimis level. The function of the asset register is to provide the Council with information about fixed assets so that they are:

- safeguarded
- used efficiently and effectively
- adequately maintained
- properly accounted for.

- 14.8. The Chief Finance Officer will ensure that assets are valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* (CIPFA/LASAAC).
- 14.9. The County Clerk shall have custody of all title deeds under secure arrangements. The Corporate Property Unit will maintain a terrier of all properties owned by the Council, recording the ~~holding committee~~, **responsible service department**, purpose for which held, location area and plan, reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies, leases, licences granted and other dealings with the property.
- 14.10. The responsibilities of chief officers in respect of the security of assets are as follows:
- a) To inform the Chief Finance Officer of all properties, plant and machinery and moveable assets currently owned or used by the Council. Any use of property by a department other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use.
 - b) To provide the Chief Finance Officer with the information required for the proper accounting and recording of assets.
 - c) To ensure that lessees and other prospective occupiers of council land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the County Clerk in consultation with the Chief Finance Officer, has been established as appropriate.
 - d) To ensure the proper security of all buildings and other assets under their control.

- e) To pass title deeds to the County Clerk who is responsible for custody of all title deeds.
- f) To ensure that no asset is subject to personal use by an employee without proper authority.
- g) To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Council.
- h) To ensure that the department maintains a register of moveable assets in the form of an inventory in accordance with arrangements defined by the Chief Finance Officer.
- i) To make sure that property is only used in the course of the Council's business, unless the chief officer concerned has given permission otherwise.
- j) To consult the Chief Internal Auditor in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- k) To ensure cash holdings on Council premises are kept to a minimum. If cash holdings are likely to exceed £500 the Chief Finance Officer should be consulted for instructions on safe custody.
- l) To ensure that keys to safes and similar receptacles are kept securely; loss of any such keys must be reported to the appropriate manager as soon as possible.
- m) To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Council in some way.

- n) To ensure all staff are aware of their responsibilities with regard to the Data Protection Act 1998, the Freedom of Information Act and the Council's Information Security Policy.
- o) To ensure all staff are aware of their responsibilities with regard to safeguarding the security of the Council's computer systems, including maintaining restricted access to the information held on them and compliance with the Council's Information Security Policy.

INVENTORIES

General

- 14.11. Chief officers must ensure for every department or establishment that inventories are maintained. Inventories are a departmental record of furniture and equipment and should record an adequate description and location of all furniture, fittings, equipment, plant and machinery above £50 in value. A standard template is available from the Chief Finance Officer and can be kept in manual or electronic form.
- 14.12. An annual check of all items on the inventory must be completed in order to verify location, review, condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. If an electronic inventory is maintained a hard copy showing the annual check should be retained.
- 14.13. Attractive and portable items such as computers, cameras and video recorders should be identified with security markings as belonging to the Council.

STOCKS AND STORES

Responsibilities

- 14.14. It is the responsibility of Chief officers to make arrangements for the care and custody of stocks and stores in the department to ensure stocks are maintained at reasonable levels and are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion.
- 14.15. Stock control procedures must be approved by the Chief Finance Officer.

14.16. **Regulations**

- a) A delivery note, signed by the person receiving the goods, should be obtained in respect of every delivery of goods, and all practicable steps must be taken to ensure that such delivery note is handed in at the time of delivery.
- b) All goods must be checked as regards quantity and where practicable, quality, at the time delivery is made.
- c) Where quality and compliance with specification cannot be checked at the time of delivery, this must be done as soon as possible thereafter. Goods that are clearly defective or not compliant with specification should not be accepted. Delivery notes shall be amended accordingly.
- d) Issues of stores by a storekeeper or other person having charge of stores shall be supported by a requisition signed by an authorised person, stating the quantity of goods required. A receipt for the stores issued shall be obtained on a stores issue note that shall be signed by the person issuing the stores.
- e) Stocks shall not be in excess of normal requirements except in special circumstances and shall be with the approval of the Chief Officer.
- f) The Chief Officer should investigate and remove from the Council's records (ie write-off) discrepancies as necessary, in consultation with the Chief Finance Officer. Material discrepancies should be reported to the Cabinet at the discretion of the Chief Finance Officer.
- g) Redundant stocks and equipment should be sold or written-off. Procedures for disposal of such stocks and equipment should be by competitive quotations or auction, unless the Chief Finance Officer and lead member decide otherwise in a particular case.
- h) Chief Officers shall arrange for and record periodical test examinations throughout the financial year of stocks by persons other than storekeepers and shall ensure that all stocks are checked and valued formally at the end of the financial year and the results passed to the Chief Finance Officer in the form of a stock certificate. The stock value will be included as part of the Council's published accounts.

INTELLECTUAL PROPERTY (SECTION TO FOLLOW)

ASSET DISPOSAL

Purpose

It is uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the regulations below.

Regulations

- 14.17. Assets should be disposed of at the most appropriate time, and only when it is in the best interests of the Council to do so. Best price should be obtained, bearing in mind other factors, such as environmental issues.
- 14.18. The disposal or part exchange of assets should normally be by competitive tender or public auction, unless, following consultation with the Chief Finance Officer, the **Asset Management Committee** lead member agrees otherwise.
- 14.19. ~~Where land or buildings with a value in excess of £10,000 are surplus to requirements, a recommendation for sale should be the subject of a joint report to Cabinet by the chief officer and the Chief Finance Officer. Land or buildings with a value below £10,000 may be recommended for sale by the Lead member and Chief Finance Officer.~~ **Disposal of land and buildings shall be undertaken in accordance with the delegations to the Asset Management Committee and the chief executive that are agreed from time to time by the Cabinet.**
- 14.20. The Chief Finance Officer must be informed of any disposal to ensure appropriate accounting entries are made to remove the value of disposed assets from the Council's records and to include the sale proceeds if appropriate.

15. TREASURY MANAGEMENT

Purpose

Many millions of pounds pass through the authority's accounts each year. This has led to the establishment of codes of practice which aim to provide assurances that the authority's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the authority's capital sum.

General

- 15.1. The Council has adopted CIPFA's *Code of Practice for Treasury Management in Local Authorities*. **Guidance on treasury management from the National Assembly for Wales will be considered when published.**

Regulations

- 15.2. The full council is responsible for approving the treasury management policy statement setting out the matters detailed in paragraph 15 of CIPFA's *Code of Practice for Treasury Management in Local Authorities*. The Cabinet proposes the policy statement to the full council. The Chief Finance Officer has delegated responsibility for implementing and monitoring the statement.
- 15.3. All money in the hands of the Council is controlled by the officer designated for the purposes of section 151 of the Local Government Act 1972, referred to in the code as the Chief Finance Officer.
- 15.4. The Chief Finance Officer is responsible for reporting to the Cabinet a proposed treasury management strategy for the coming financial year at or before the start of each financial year.
- 15.5. All executive decisions on borrowing, investment, cash flow or financing shall be delegated to the Chief Finance Officer, who is required to act in accordance with CIPFA's *Code of Practice for Treasury Management in Local Authorities*.
- 15.6. The Chief Finance Officer is responsible for reporting to the Cabinet not less than twice in each financial year on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. One such report will comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.

- 15.7. All of the Council's borrowings and investments comply with the CIPFA *Code of Practice on Treasury Management* and with the Council's treasury policy statement.

Responsibilities

15.8. Responsibilities of the Chief Finance Officer (Treasury Management)

- a) To arrange the borrowing and investments of the Council in such a manner as to comply with the CIPFA *Code of Practice on Treasury Management* and the Council's treasury management policy statement and strategy.
- b) To report at least twice a year on treasury management activities to the Cabinet.
- c) To report promptly to the Cabinet in any exceptional circumstance where the provisions of the CIPFA *Code of Practice on Treasury Management* are not met.

15.9. Responsibilities of the Chief Finance Officer (Investments and Borrowing)

- a) To ensure that all investments of money are made in the name of the Council or in the name of nominees approved by the full council. Bearer securities shall be excepted from this regulation, but any purchase of such securities shall be reported to the Cabinet
- b) To ensure that all securities that are the property of the Council or its nominees and the title deeds of all property in the Council's ownership are held in the custody of the appropriate chief officer.
- c) To effect all borrowings in the name of the Council.
- d) To act as the Council's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Council.

15.10. Responsibilities of Chief Officers (Investments and Borrowing)

- a) To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the **Cabinet** ~~full council~~, following consultation with the Chief Finance Officer.

15.11. Responsibilities of Chief Officers (Trust Funds and Funds held for Third Parties)

- a) To arrange for all trust funds to be held, wherever possible, in the name of the Council. All officers acting as trustees by virtue of their official position shall deposit securities, etc relating to the trust with the Chief Finance Officer, unless the deed otherwise provides.
- b) To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Chief Finance Officer, and to maintain written records of all transactions.
- c) To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

16. BANKING & IMPREST (PETTY CASH) ACCOUNTS

Purpose

The Council's banking arrangements must be regulated to ensure proper control and stewardship of all Council funds.

Regulations

- 16.1. All arrangements with the Council's bankers shall be made by, or under arrangements approved by the Chief Finance Officer who shall operate bank accounts as are considered necessary. Opening or closing any bank account shall require the approval of the Chief Finance Officer.
- 16.2. All cheques, etc. (excluding cheques drawn on authorised imprest accounts) shall be ordered only on the authority of the Chief Finance Officer who shall make proper arrangements for their safe custody.
- 16.3. The Chief Finance Officer or other specifically authorised officers shall sign cheques on the Council's main bank accounts. The Chief Finance Officer is authorised to use cheque-signing machines and shall be responsible for ensuring appropriate security for such machines.

IMPREST (PETTY CASH) ACCOUNTS

General

- 16.4. It is the responsibility of the Chief Finance Officer to provide employees of the Council with cash, bank or credit card imprest accounts to meet minor expenditure (generally £100 or less or other items approved by the Chief Finance Officer) on behalf of the Council and to reimburse imprest holders as often as necessary to restore the imprest, but normally not more than monthly.
- 16.5. Such accounts shall be maintained on the imprest system and be subject to audit by the Chief Internal Auditor.
- 16.6. The Chief Finance Officer must approve all imprest accounts and imprest accounts should never be allowed to go overdrawn. No income received on behalf of the Council may be paid into an imprest account.

Responsibilities

- 16.7. Chief Officers are responsible for ensuring that employees operating an imprest account:

- a) Obtain and retain vouchers (e.g. receipts) to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained
- b) Make adequate arrangements for the safe custody of the account
- c) Produce upon demand by the Chief Finance Officer cash and all vouchers to the total value of the imprest amount
- d) Record transactions promptly and in full
- e) Request reimbursement to restore the imprest in sufficient time (it is recommended a claim is submitted when $\frac{3}{4}$ of the imprest has been used) to avoid the account going overdrawn
- f) Reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder
- g) Provide the Chief Finance Officer with a certificate of the value of the account held at 31 March each year
- h) Ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made
- i) On leaving the Council's employment or otherwise ceasing to be entitled to hold an imprest advance, an employee shall account to the Chief Finance Officer for the amount advanced to him or her.

17. STAFFING

In order to provide the highest level of service, it is crucial that the authority recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level.

General

- 17.1. The Chief Executive is responsible for providing overall management to staff. He or she is also responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.

Regulations

- 17.2. An appropriate staffing strategy and policy should exist, in which staffing requirements and budget allocation is matched ***and monitored***
- 17.3. Procedures should be in place for forecasting staffing requirements and cost.
- 17.4. Controls should be in place to ensure that staff time is used efficiently and to the benefit of the Council.
- 17.5. Checks must be undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy.

Responsibilities

17.6. Responsibilities of the Chief Finance Officer

- a) To ensure that budget provision exists for all existing and new employees.
- b) To act as an advisor to chief officers on areas such as National Insurance and pension contributions, as appropriate.

17.7. Responsibilities of Chief Officers

- a) To produce an annual staffing budget.
- b) To ensure that the staffing budget is an accurate forecast of staffing levels and is equated to an appropriate revenue budget provision (including on-costs and overheads).
- c) To ensure proper appointment procedures are followed and appropriate security checks are completed and references obtained.
- d) To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.
- e) To ensure that the staffing budget is not exceeded without due authority and that it is managed to enable the agreed level of service to be provided.
- f) To ensure that the Head of Personnel and the Chief Finance Officer are immediately informed if the staffing budget is likely to be materially over or underspent.

18. FINANCIAL SYSTEMS & PROCEDURES

Purpose

Departments have many systems and procedures relating to the control of the authority's assets, including purchasing, costing and management systems. Departments are increasingly reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

Responsibilities

- 18.1. The Chief Finance Officer has a professional responsibility to ensure that the Council's financial systems are sound and should therefore be notified of any new developments or changes.
- 18.2. The Chief Finance Officer is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. Any changes made by chief officers to the existing financial systems or the establishment of new systems must be approved by the Chief Finance Officer. However, chief officers are responsible for the proper operation of financial processes in their own departments.
- 18.3. The Chief Finance Officer is responsible for ensuring arrangements are in place for the proper administration of the Council's financial affairs, including:
 - a) Issue advice, guidance and procedures for officers and others acting on the Council's behalf
 - b) Determine the accounting systems, form of accounts and supporting financial records
 - c) Establish arrangements for audit of the Council's financial affairs
 - d) Approve any new financial systems to be introduced
 - e) Approve any changes to be made to existing financial systems.
- 18.4. Any changes to agreed procedures by chief officers to meet their own specific service needs should be agreed with the Chief Finance Officer.
- 18.5. Chief Officers should ensure that their staff receive relevant financial training that has been approved by the Chief Finance Officer.

- 18.6. Chief Officers must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation and must ensure that staff are aware of their responsibilities under freedom of information legislation.

Responsibilities

- 18.7. Chief officers are responsible for the following within their departments:

- a) To ensure that accounting records are properly maintained and held securely.
- b) To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Chief Finance Officer **and subject to statutory requirements and the council's policy on records management.**
- c) To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.
- d) To incorporate appropriate controls to ensure that, where relevant:
 - i. all input is genuine, complete, accurate, timely and not previously processed
 - ii. all processing is carried out in an accurate, complete and timely manner
 - iii. output from the system is complete, accurate and timely.
- e) To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.
- f) To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.

- g) To ensure that systems are documented and staff trained in operations.
- h) To consult with the Chief Finance Officer before changing any existing system or introducing new systems.
- i) To establish a scheme of delegation identifying officers authorised to act upon the chief officer's behalf in respect of all financial matters including payments, income collection and placing orders (including variation orders), and showing the limits of their authority.
- j) To supply lists of authorised officers, with specimen signatures and delegated limits, to the Chief Finance Officer upon request, together with any subsequent variations.
- k) To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building or another Council site.
- l) To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.
- m) To ensure that the requirements of the Council's Information Security Policy are met.
- n) To take steps to ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.
- o) To comply with the copyright, designs and patents legislation and, in particular, to ensure that:
 - i. only software legally acquired and installed by the Council is used on its computers
 - ii. staff are aware of legislative provisions

- iii. in developing systems, due regard is given to the issue of intellectual property rights .

19. INCOME

Purpose

Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the authority's cash flow and also avoids the time and cost of administering debts.

Regulations

- 19.1. All income due to the Council should be identified and charged correctly, in accordance with the Local Government Act 2003 and the Council's approved charging policy.
- 19.2. All income should be collected from the correct person, at the right time, using the correct procedures and the appropriate stationery.
- 19.3. All money received by an employee on behalf of the Council should be paid in full and without delay to the Chief Finance Officer or, as he or she directs, to the Council's bank account, and properly recorded.
- 19.4. The responsibility for cash collection should be separated from that of:
 - a) identifying the amount due
 - b) reconciling the amount due to the amount received
- 19.5. Effective action should be taken to pursue non-payment of debt within defined timescales.
- 19.6. Debts below £10 should be recovered at the point of service delivery or sale and will only be processed as a formal sundry debt with the approval of the Chief Finance Officer.

- 19.7. Formal approval for any debt write-off must be obtained before any action is taken (see 19.11d and Financial Regulation 25).
- 19.8. Appropriate write-off action should be taken within defined timescales.
- 19.9. Appropriate accounting adjustments should be made following write-off action.
- 19.10. All appropriate income documents should be retained and stored for six years plus the current year .
- 19.11. Money collected and deposited should be reconciled to the bank account by a person who is not involved in the collection or banking process.

Responsibilities

- 19.12. **Responsibilities of the Chief Finance Officer**
 - a) To agree arrangements for the collection of all income due to the Council and to approve the procedures, systems and documentation for its collection.
 - b) To order and supply to departments all receipt forms, books or tickets and similar items and to satisfy himself or herself regarding the arrangements for their control.
 - c) To write back to departments any unpaid sundry debts at the date when the debt is referred to a collection agency
 - d) To agree the write-off of sundry bad debts up to £2,500 in respect of any one debtor in respect of any one financial year and with the agreement of the lead member up to £20,000 in respect of any one debtor in any one financial year and to refer amounts above £20,000 to Cabinet for approval.
 - e) To approve and maintain, in conjunction with the Financial Controller, write off procedures for debts in connection with local taxation, housing benefit and rents.

- f) To approve all debts to be written off in consultation with the relevant chief officer and to keep a record of all sums written off up to the approved limit and to adhere to the requirements of the Accounts and Audit Regulations 1996.

19.13. **Responsibilities of Chief Officers**

- a) To operate within the corporate charging policy and consult with the Chief Finance Officer when charging for the supply of goods or services to third parties, including the appropriate charging of VAT.
- b) To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- c) To initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- d) To issue official receipts or to maintain other documentation for income collection.
- e) To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- f) To hold securely receipts, tickets and other records of income for two years plus the current year.
- g) To lock away all income to safeguard against loss or theft, and to ensure the security of cash handling.
- h) To ensure that income is paid fully and promptly into the appropriate Council bank account in the form in which it is received. Appropriate details should be recorded on to paying-in slips to provide a reference to the debt (audit trail). Money collected and deposited must be reconciled to the bank account on a regular basis.
- i) To ensure income is not used to cash personal cheques or other payments.
- j) To supply the Chief Finance Officer with details relating to work done, goods supplied, services rendered, leases, contracts or other amounts due, to enable the Chief Finance Officer to record correctly the sums due to the Council and to ensure accounts are sent out promptly. To do this, chief officers should use established performance management systems to monitor recovery of income and flag up areas

of concern to the Chief Finance Officer. Chief Officers have a responsibility to assist the Chief Finance Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf.

- k) To keep a record of every transfer of money between employees of the Council. The receiving officer must sign for the transfer and the transferor must retain a copy.
- l) To recommend to the Chief Finance Officer all debts to be written off and to keep a record of all sums written off. Once raised, no bona fide debt may be cancelled, except by full payment or by formally writing-off the debt. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.
- m) To obtain the approval of the Chief Finance Officer when writing off debts in excess of the approved limit, and the approval of the Cabinet where required.
- n) To notify the Chief Finance Officer of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Finance Officer and not later than 30 April.

20. ORDERING AND PAYING FOR GOODS AND SERVICES

Purpose

Public money should be spent with demonstrable probity and in accordance with the authority's policies. Authorities have a statutory duty to achieve best value in part through economy and efficiency. The authority's procedures should help to ensure that services obtain value for money from their purchasing arrangements.

Regulations

- 20.1. Every officer and member of the Council has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council, in accordance with appropriate codes of conduct.
- 20.2. Goods and services may only be ordered by persons authorised to do so and must be correctly recorded when the order is actually placed.
- 20.3. All goods and services should be ordered in accordance with the Council's Contract Procedure Rules (Reg No..) and the Council's procurement strategy, unless ordered from sources within the Council.
- 20.4. Official orders must be in a form approved by the Chief Finance Officer. This includes paper or electronic orders.
- 20.5. Official orders must be issued for all work, goods or services to be supplied to the Council, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions specified by the Chief Finance Officer.
- 20.6. Orders should be issued to the supplier at the time the order is placed. If this is not possible, a confirmation order should be issued as soon as it is practical to do so. Orders should not be completed upon receipt of the supplier's invoice as this serves no purpose.
- 20.7. Standard terms and conditions should be included on all orders and must not be varied without the prior approval of the Chief Finance Officer.
- 20.8. Goods and services received should be checked to ensure they are in accordance with the order. **This check should be recorded on the delivery note if there is one.** Goods should not generally be received by the person who placed the order, but in certain circumstances this is unavoidable.

- 20.9. Payments should not to be made unless goods have been received by the Council at the correct price, quantity and quality standards as defined in the purchase order placed with the supplier (20.6).
- 20.10. All payments should be made to the correct person, for the correct amount and be properly recorded, regardless of the payment method.
- 20.11. All appropriate evidence of the transaction and payment documents should be retained and stored for the defined period, in accordance with the document retention schedule. For most payments this will be six years plus the current year.
- 20.12. Apart from petty cash, the normal method of payment from the Council shall be by automated credit, cheque or other instrument or approved method, drawn on the Council's bank account by the Chief Finance Officer. The use of direct debit shall require the prior agreement of the Chief Finance Officer.
- 20.13. All expenditure, including VAT, should be accurately recorded against the right budget and any exceptions are corrected
- 20.14. Purchases should not be funded by netting off cash income received.
- 20.15. Official orders should not be raised for any personal or private purchases, nor must personal or private use be made of Council contracts or discounts.
- 20.16. Effective procedures should be in place to maintain the security and integrity of data for transacting business electronically
- 20.17. All e-business/e-commerce developments must be approved by the Chief Finance Officer.
- 20.18. Regulations and responsibilities regarding purchasing cards are to follow here.*

Responsibilities

- 20.19. **Responsibilities of the Chief Finance Officer**
 - a) To approve the form of official orders and associated terms and conditions.
 - b) To make payments from the Council's funds on receipt of authorisation that the expenditure has been duly incurred in accordance with financial regulations.

- c) To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.
- d) To make payments to contractors on the certificate of the appropriate chief officer, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- e) To provide advice and encouragement on making payments by the most economical means.
- f) To ensure that a budgetary control system is established that enables commitments incurred by placing orders to be shown against the appropriate budget allocation so that they can be taken into account in budget monitoring reports.

20.20. **Responsibilities of Chief Officers**

- a) To ensure that unique pre-numbered official orders are used for all goods and services, other than the exceptions specified in 20.5 above. Orders should be completed and issued to the supplier at the time the order is actually placed. If this is not possible, a confirmation order should be sent to the supplier, quoting the Council's terms and conditions, as soon as it is practical to do so.
- b) To ensure that orders are only used for goods and services provided to the department. Individuals must not use official orders to obtain goods, services or discounts for their private use.
- c) To ensure that only those staff authorised to do so sign orders and to maintain an up-to-date list of such authorised staff, including specimen signatures identifying in each case the limits of their authority. The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, are consistent with the Council's procurement strategy, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best value principles should underpin the Council's approach to procurement and value for money should always be achieved.
- d) To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. **(This check should be recorded on the delivery note of there is one)** A different officer from the person who authorised the order should where possible, carry out this check. Appropriate entries should then be made in inventories or stores records.

- e) To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment, confirming:
 - i. receipt of goods or services
 - ii. that the invoice has not previously been paid
 - iii. that expenditure has been properly incurred and is within budget provision
 - iv. that prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices
 - v. correct accounting treatment of tax
 - vi. that the invoice is correctly coded
 - vii. that discounts have been taken where available
 - viii. that appropriate entries will be made in accounting records.

- f) The responsibility for ensuring that the above have been followed in every instance will be rest with the member of staff authorising the invoice or payment.

- g) To ensure that two authorised members of staff are involved in the ordering, receiving and payment process. If possible, a different officer from the person who signed the order, and in every case, a different officer from the person checking a written invoice, should authorise the invoice.

- h) To ensure that the names of authorising officers together with specimen signatures and details of the limits of their authority are forwarded to the Chief Finance Officer. Amendments to this list should be forwarded as and when changes in personnel or responsibility occur.

- i) To ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice. Instances of these being rendered will be returned to the department, unless the certifying officer provides a specific written authorisation.

- j) To encourage suppliers of goods and services to receive payment by the most economical means for the Council. It is essential, however, that payments made by direct debit have the prior approval of the Chief Finance Officer.

- k) To ensure that the department obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality and following the Council's contract procedures when required.

- l) To ensure that staff do not deliberately attempt to circumvent the

Council's contract procedures, for example by splitting up orders.

- m) To follow the Council's Contract Procedure Rules when putting purchases out to competitive quotation or tender. See Financial Regulation XYZ
- n) To ensure that employees are made aware of the Code of Conduct for County Council employees.
- o) To ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the Chief Finance Officer. This is because of the potential impact on the Council's borrowing powers, to protect the Council against entering into unapproved credit arrangements and to ensure that value for money is being obtained.
- p) To notify the Chief Finance Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31st March in line with the timetable determined by the Chief Finance Officer and, in any case, not later than 30th April.
- q) With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Chief Finance Officer the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.
- r) To notify the Chief Finance Officer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- s) To ensure that all appropriate payment records are retained and stored for six years plus the current year.

21. EMPLOYEE SALARIES & SUPERANNUATION

Purpose

Staff costs are the largest item of expenditure for most authority services. It is therefore important that payments are accurate, timely, made only where they are due for services to the authority and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for.

Responsibilities

21.1. **Responsibility of the Chief Executive**

- a) To approve annually an establishment of posts and changes from the previous year.

21.2. **Responsibilities of the Chief Finance Officer**

- a) To arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him or her, on the due date.
- b) To record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions .
- c) To ensure that there are adequate arrangements for administering Superannuation matters on a day-to-day basis.
- d) To ensure that all appropriate payroll documents are retained and stored for six years plus the current year.

21.3. **Responsibilities of Chief Officers**

- a) To ensure appointments are made in accordance with the regulations of the Council and approved establishments, grades and scale of pay and that adequate budget provision is available.
- b) To notify the Chief Finance Officer of all appointments, terminations or variations that may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Chief Finance Officer.
- c) To ensure that adequate and effective systems and procedures are operated, so that:

- i. payments are only authorised to bona fide employees
 - ii. payments are only made where there is a valid entitlement
 - iii. conditions and contracts of employment are correctly applied
 - iv. employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
- d) To send an up-to-date list of the names of officers authorised to sign records to the Chief Finance Officer, together with specimen signatures. The payroll section should have signatures of officers authorised to sign timesheets and other claims.
- e) To ensure that payroll transactions are processed only through the payroll system. Chief Officers should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. The Inland Revenue applies a tight definition for employee status, and in cases of doubt, advice should be sought from the Chief Finance Officer.
- f) To ensure that the Chief Finance Officer is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.

22. TRAVELLING, SUBSISTENCE AND ALLOWANCES

Purpose

The purpose of this regulations is to ensure the payment of travelling, subsistence and other allowances is accurate, timely, made only when due, conform with Council policy on travelling and subsistence and accord with the relevant schemes and conditions of employment. It is also important that members' allowances are paid in accordance with the members allowance scheme adopted by the full council.

Responsibilities

- 22.1. The Chief Finance Officer is responsible for making arrangements for the payment of all staff travel and subsistence claims or financial loss allowances.
- 22.2. It is the responsibility of Chief Officers to certify staff travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Council and comply with the Council's Travelling and Subsistence policy, ensuring that cost-effective use of travel arrangements is achieved.
- 22.3. **It is the responsibility of all staff and elected members who submit claims to ensure that they complete claims correctly.**
- 22.4. Chief Officers should try to ensure that staff submit claims within three months of the month to which they refer. Not doing so affects departmental budgetary control and accounting.
- 22.5. The Chief Finance Officer will make arrangements for paying the travel expenses or other allowances of elected members upon receiving the prescribed form, duly completed and authorised, that has met the requirements of the Members Allowance scheme. All claims must be made up to the end of each month and payment will normally only be made if they are submitted within three months of the month to which they refer. The County Clerk must approve claims from elected members that are over three months old.
- 22.6. ~~Elected members are responsible for following the regulations and procedures above.~~

23. TAXATION

Purpose

The Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

Responsibilities

23.1. Responsibilities of the Chief Finance Officer

- a) To complete all Inland Revenue returns regarding PAYE.
- b) To complete a monthly return of VAT inputs and outputs to HM Customs and Excise.
- c) To provide details to the Inland Revenue regarding the Construction Industry Tax Deduction Scheme.
- d) To maintain up-to-date guidance for Council employees on taxation issues.

23.2. Responsibilities of Chief Officers

- a) To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HM Customs and Excise regulations.
- b) To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary Construction Industry Tax Deduction requirements.
- c) To ensure that all persons employed by the Council are added to the Council's payroll and that tax is deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.
- d) To follow the guidance on taxation issued by the Chief Finance Officer.

24. UNOFFICIAL FUNDS

Purpose

Unofficial funds are those funds that are associated with the County Council, are usually operated by officers of the Council but do not form part of the accounting records or banking arrangements of the Council. Examples include school fund accounts, comforts or amenity funds and community living household accounts (Personal Services). This regulation identifies the responsibilities of staff administering the accounts.

General

24.1. The Council will not, as a general rule, supervise the financial administration nor audit unofficial funds, and accepts no liability whatsoever for any loss, however caused. Those operating such funds therefore have an overall responsibility to ensure that proper financial stewardship is observed. This includes ensuring that:

- a) A treasurer and an independent auditor are formally appointed (not applicable to Community Living Accounts).
- b) Proper rules are operated to secure adequate standards
- c) Adequate records and procedures are maintained.
- d) Regular reports on fund transactions and balances are received and checked against bank statements.
- e) Annual statements of income and expenditure and fund balances are prepared and audited.
- f) In the case of community living accounts, that the Community Living Financial Procedures are followed.

24.2. Those operating or intending to operate such funds are also required to:

- a) Notify the Chief Finance Officer and Chief Internal Auditor of details of the fund as soon as this is set up.
- b) Provide an independent annual audit certificate for the fund to the Chief Internal Auditor ***within three months of the end of the financial year***, showing at least opening and closing balances and total income and expenditure.
- c) The Chief Internal Auditor reserves the right to inspect the accounts and records of such funds as necessary.

25. WRITING OFF BAD DEBTS

Purpose

Writing off debts due to the Council is an acknowledgement that, contrary to Council policy, a debt cannot be pursued. Not recovering a debt affects the Council's revenue position and therefore it must be tightly controlled.

Regulations

- 25.1. Bad debts shall only be written off on the written authority of the Chief Finance Officer where such debts are up to £2,500 in respect of any one debtor in respect of any one financial year and with the agreement of the lead member up to £20,000 in respect of any one debtor in any one financial year. Amounts above £20,000 will be subject to Cabinet approval. (See Regulation 19 'Income')
- 25.2. The Chief Finance Officer shall approve and maintain, in conjunction with the Financial Controller, write-off procedures for debts in connection with local taxation, housing benefit and rents.

26. PROTECTION OF PERSONAL PROPERTY

Purpose

All people receiving services from the Personal Services Directorate are entitled to a reasonable expectation that their personal property will be properly looked after. This regulation sets out the minimum requirements.

General

- 26.1. In relation to those people whose affairs are administered under the Court of Protection and others in residential care, the Corporate Director Personal Services must ensure that steps are taken to prevent or mitigate loss or damage of personal property. An itemised inventory shall be taken as soon as possible after the Corporate Director (Personal Services) has been appointed as the Court Receiver and in each case the inventory should be completed in the presence of two officers and be retained.
- 26.2. All valuables including documents of title shall be deposited securely.
- 26.3. For all people to whom a personal service is provided, the Corporate Director Personal Services shall ensure steps are taken to prevent or mitigate loss or damage to the person's property.
- 26.4. Specific financial procedural guidelines are in place for community living (learning disability service) schemes and these guidelines should be classed as appended to this financial regulation.

27. PARTNERSHIPS

Purpose

The Council provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social or environmental well being of its area.

Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well being of the area. Local authorities are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Local authorities still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.

General

27.1. The main reasons for entering into a partnership are:

- (a) the desire to find new ways to share risk
- (b) the ability to access new resources
- (c) to provide new and better ways of delivering services
- (d) to forge new relationships.

27.2. A partner is defined as either:

- (a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project or
- (b) a body whose nature or status give it a right or obligation to support the project.

27.3. Partners participate in projects by:

- (a) acting as a project deliverer or sponsor, solely or in concert with others
- (b) acting as a project funder or part funder
- (c) being the beneficiary group of the activity undertaken in a project.

Responsibilities

27.4. Responsibilities of the Chief Finance Officer

- a) To advise on effective controls that will ensure that resources are not wasted.
- b) To advise on the key elements of funding a project. They include:
 - i. a scheme appraisal for financial viability in both the current and future years
 - ii. risk appraisal and management
 - iii. resourcing, including taxation issues
 - iv. audit, security and control requirements
 - v. carry-forward arrangements.
- c) To ensure that the accounting arrangements are satisfactory.

27.5. Responsibilities of Chief Officers

- a) To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Chief Finance Officer.
- b) To ensure that such agreements and arrangements do not impact adversely upon the services provided by the Council.
- c) To ensure that all agreements and arrangements are properly documented.
- d) To ensure if appropriate, that partners are made aware of their responsibilities under the Council's financial regulations and the Council's contract procedures
- e) To provide appropriate information to the Chief Finance Officer to enable a note to be entered into the Council's statement of accounts concerning material items.

27.6. **Partners have the following common responsibilities:**

- a) To act in good faith at all times and in the best interests of the partnership's aims and objectives
- b) Be open about any conflict of interests that might arise
- c) To hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature.

28. EXTERNAL FUNDING

Purpose

External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the authority. Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies provide additional resources to enable the authority to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the authority's overall plan.

General

- 28.1. Key conditions of funding and any statutory requirements must be complied with and the responsibilities of the Council are clearly understood.

Regulations

- 28.2. Funds are to be acquired only to meet the priorities approved in the policy framework by the full council.
- 28.3. Any match-funding requirements should be given due consideration prior to entering into agreements and that future revenue **and capital** budgets reflect these requirements.

Responsibilities

28.4. **Responsibilities of the Chief Finance Officer**

- a) To ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.
- b) To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue **and capital** budgets reflect these requirements.
- c) To ensure that audit requirements are met.

28.5. Responsibilities of Chief Officers

- a) To ensure that the Chief Finance Officer is informed of all external arrangements.
- b) To ensure that all claims for funding are approved by the Chief Finance Officer or an officer nominated by him .
- c) To ensure that all claims for funds are made by the due date.
- d) To ensure that the match-funding requirements are considered prior to entering into the agreements and are approved by the Chief Finance Officer
- e) To ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.

29. WORK FOR THIRD PARTIES

Purpose

Current legislation enables the authority to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work is minimised and that such work is intra vires.

Regulation

- 29.1. The contractual arrangements for any work for third parties or external bodies must be approved by Cabinet. **Once the contractual arrangements have been agreed by Cabinet all subsequent transactions shall comply with the Council's financial regulations.**

Responsibilities

29.2. **Responsibilities of Chief Finance Officer**

- a) To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

29.3. **Responsibilities of Chief Officers**

- a) To ensure that the approval of the Cabinet is obtained before any negotiations are concluded to work for third parties.
- b) To inform the County Clerk of all contracts entered into. The County Clerk will maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Chief Finance Officer.
- c) To ensure that appropriate insurance arrangements are made.
- d) To ensure that the Council is not put at risk from any bad debts.
- e) To ensure that no contract is subsidised by the Council.

- f) To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- g) To ensure that the department/unit has the appropriate expertise to undertake the contract.
- h) To ensure that such contracts do not impact adversely upon the services provided for the Council.
- i) To ensure that all contracts are properly documented.
- j) To provide appropriate information to the Chief Finance Officer to enable a note to be entered into the statement of accounts.

Financial Regulation No.

CONTRACT PROCEDURE RULES

Contract Procedure Rules

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Schedule 1 Table of Values

Annex A Council Approved List - Code of Practice

GENERAL

The purpose of these Contract Procedure Rules is to set a methodology for the procurement of goods, works and services for the Council. This will ensure that the procedures in obtaining goods, works and services are efficient, transparent and provide a system of openness and accountability. The highest standards of probity are required of all officers and Members involved in the procurement, award and management of the Council's contracts.

1. Interpretation

1.1 In these Contract Procedure Rules, the following terms have the following meanings:

<i>Chief Officer</i>	Chief Executive, Corporate Director, Head of Service as appropriate
<i>CPR</i>	Contract Procedure Rule
<i>Contract</i>	any agreement for the supply of goods, materials or services, or the execution of works
<i>Contract File</i>	a record of all matters relating to a contract
<i>Contractor</i>	a supplier of goods, material, works, services or concessions to the Council
<i>Corporate Purchasing Arrangement</i>	an arrangement to procure negotiated on behalf of the Council for corporate use
<i>Council Approved List</i>	lists drawn up for corporate use under CPR 11
<i>EU contract</i>	a contract covered by the Public Supply, Works or Services Contracts Regulations
<i>Framework Agreement</i>	An agreement which allows a Responsible Officer to call off from a contractor to provide goods services or works in accordance with the terms of the agreement. The Framework Agreement usually constitutes a non-binding offer with no obligations to call off from the contractor. If the Council calls off from the contractor a binding contract comes into being.
<i>Month</i>	means a calendar month

Draft Contract Procedure Rules

Quotation a quotation of price and any other relevant matter made without the formal issue of an invitation to tender; may be received as an e-mail or by fax

Responsible Officer any officer employed directly by Denbighshire County Council or any other person properly authorised to carry out any of the Council's contracts functions

Table of Values the table maintained and updated by County Clerk in accordance with CPR 14 and is identified as Schedule 1

Tender a Contractor's formal proposal submitted in response to an invitation to tender.

Working day means any day other than a Saturday or a Sunday or a day which is a bank or a public holiday throughout the United Kingdom **Wales**

- 1.2 Words denoting the singular number only shall include the plural and vice versa. Words denoting any gender include all genders.
- 1.3 Unless the context otherwise requires reference to any clause, sub-clause or schedule is to a clause, sub-clause or schedule of or to these Rules.
- 1.4 Under these Rules, periods expressed as a certain number of days from a particular event runs from the day following the day on which the event takes place. If the last day of the period falls on a Saturday, Sunday or a public holiday it will end on the next Working day.
- 1.5 Periods will include public holidays and weekends unless these are expressly excluded or the periods are expressed as a certain number of Working days.
- 1.6 *The Cabinet may amend any amount shown in £ sterling in these Rules (other than the Table of Values). It may also amend the provisions of CPR 10.2, 25.3, 25.4, 31.1, 31.4 so far as they specify which member or members of the Cabinet, a Cabinet sub-committee or the Cabinet itself are to take decisions or receive reports under those CPRs.***

2. Compliance with Contract Procedure Rules and Legislation

- 2.1 These Contract Procedure Rules apply to all contracts entered into by or on behalf of the Council with the intention of procuring goods, services or works.
- 2.2 The County Clerk shall advise on the implementation and interpretation of the Council's Contract Procedure Rules.
- 2.3 Every contract entered into by the Council or on its behalf shall be entered into pursuant to or in connection with the Council's functions and shall comply with:
- (a) all relevant statutory provisions;
 - (b) the relevant EU law and the EU public procurement rules (including the EC treaty, the general principles of EU law and the EU public procurement directives implemented by the UK regulations);
 - (c) the Council's constitution including these CPR's and the Council's financial regulations ;
 - (d) the Council's strategic objectives and policies, in particular the Council's Procurement Strategy (once approved).
- 2.4 Should there be a conflict between the provisions of the Council's Contract Procedure Rules and any provision of an EU directive or any domestic legislation, the latter shall prevail.
- 2.5 It shall be a condition of any agreement between the Council and anyone who is not an officer of the Council, but who is authorised to carry out any of the Council's contracts functions, that they comply with the Council's Contract Procedure Rules and Financial Regulations as if they were an officer of the Council.

3. Officers' Duties

- 3.1 Officers shall always:
- (a) seek value for money;
 - (b) show no undue favour to any contractor, nor discriminate against contractors from other EU states;
 - (c) conduct tendering and price-testing in accordance with the highest standards of propriety and proper practice (including respecting the confidentiality of commercial information);
 - (d) do nothing that contravenes EU or domestic law;
 - (e) ensure that adequate Contract Files are kept for contracts upon which they are engaged; and
 - (f) ensure that contracts are packaged to ensure best service delivery, competition and value for money.
- 3.2 As a general rule Members and officers must not accept from Contractors or potential Contractors or from any firm or organisation with whom the Council has had, is having or may be have any dealings of any kind
- (a) any gift; or

(b) any hospitality without the written authorisation of the Chief Officer **who is responsible for that officer, or in the case of Members, the matter has been reported to the Monitoring Officer.**

3.3 Members and officers shall comply with the Council's Code of Conduct.

4. Declaration of Interests

4.1 The following shall declare any interests which may affect the contract process:

- (a) all officers who ~~each Chief Officer considers~~ plays an influential role in any aspect of the contracts process, **including those designated under a scheme of delegation in CPR 5.3;**
- (b) Cabinet Members involved in the contracts process;
- (c) external consultants.

4.2 Chief Officers shall ensure Cabinet Members, officers and consultants appointed or agreed by them make declarations on their appointment and on any change in circumstances (and annually in the case of officers), and shall either certify them as acceptable or take any necessary action in respect of potential conflicts of interest.

4.3 Chief Officers shall keep completed officers declarations on the individual's personnel file and a register of officers declarations indicating the names and grades of those declaring and the nature of their declaration. Responsible Officers shall keep completed consultants' declarations on the Contract File.

5. Scheme of Delegation

5.1 Any procurement carried out on behalf of the Council may only be undertaken by officers with the appropriate delegated authority to carry out such tasks.

5.2 Each Chief Officer shall receive from Cabinet delegated powers to enter into contracts and to grant exemptions on behalf of the Council to specified financial limits (including unlimited sums).

5.3 Each Chief Officer shall compile and maintain a scheme of delegation specific to their Department, detailing the names and grades of officers approved for the purposes of obtaining quotations, tendering, entering into contracts and placing orders on behalf of the Council and the maximum contract value allocated to each officer for these purposes.

5.4 Each Chief Officer shall supply to and agree with the Chief Finance Officer their scheme of delegation before the start of each financial year, and on making any amendment.

5.5 The Chief Finance Officer shall keep a register of all schemes of delegation and shall supply a copy to the County Clerk at the beginning of each financial year.

6. Electronic tendering

6.1 ~~Procedures will be introduced to allow Electronic tendering to be used which will comply with the principles outlined in these CPRs as far as practicable.~~

The Chief Finance Office will be responsible for introducing and implementing procedures to allow for Electronic tendering.

7. Joint Procurement

7.1 Any joint procurement arrangements with other Local Authorities or public bodies including membership of a purchasing consortia shall be approved by Cabinet prior to the commencement of any procurement on behalf of the Council.

EXEMPTIONS

8. Exempt Contracts

- 8.1 The following contracts are exempt from the requirements of these CPRs:
- (a) individual agency contracts for the provision of temporary staff;
 - (b) employment contracts;
 - (c) contracts relating solely to disposal or acquisition of an interest in land.

9. Exemptions from Contract Procedure Rules

- 9.1 Exemptions from the CPR's can only be granted in the following circumstances:
- a) at the direction of the Cabinet subject to CPR 10.2 and CPR 10.3; or
 - b). in order to meet the requirements of European Union legislation or any domestic legislation including any regulations or directives from the National Assembly for Wales.
- 9.2 If the Responsible Officer is seeking an exemption to any CPR, a report must be provided to Cabinet setting out the reason for requiring the exemption and the CPRs from which exemption is required. The report shall include a legal and financial statement and shall highlight any future commitments (whether or not of a financial character) which the proposed contract might entail.
- 9.3 Where the purchase of supplies is proposed, the Responsible Officer shall ensure that, where a Corporate Purchasing Arrangement is in place covering the proposed supplies, the implications of not using the Corporate Purchasing Arrangement have been considered.

10 Exception from the Quotation or Tendering requirement

- 10.1 Where an exemption is sought by an Responsible Officer in respect of obtaining quotations or tendering (CPR 15-23) , the report to Cabinet shall, in addition to the requirements of CPR 9.2, justify the use of an alternative method of contractor selection so that propriety, value for money and compliance with EU and domestic legislation can be demonstrated, and shall include one or more of the following reasons:
- (a) that only one contractor is able to carry out the work or service or supply the goods for technical or artistic reasons or because of exclusive rights;
 - (b) that time limits required for tendering cannot be met where the delay attributable to the tendering process would create or increase the threat to life or property or would in the opinion of the relevant Chief Officer result in or continue an unacceptable level or standard of service (and, in the case of EU contracts, the reasons were unforeseen and unattributable to the Council);
 - (c) that additional works or services (not exceeding 50% of the value of the original contract in the case of EU contracts) are required which, through

- unforeseen circumstances, were not included in the original contract and which either are strictly necessary for the completion of the contract or, for technical or economic reasons, cannot be carried out separately;
- (d) that new works or services are required which are a repetition of works or services carried out under the original contract (provided in the case of EU contracts they are required within three years of the original contract and the contract notice stated that a new contract might be awarded by negotiation);
 - (e) that goods are required as a partial replacement or addition to existing goods or installations and obtaining them from another contractor would result in incompatibility or disproportionate technical difficulties in operation or maintenance;
 - (f) that the rules of a design contest require the contract to be awarded to one of the successful candidates, provided all successful candidates are invited to negotiate;
 - (g) that in the case of contracts for the supply of goods or materials the goods or materials are proprietary articles or are sold at a fixed price and no reasonable satisfactory alternative is available;
 - (h) the prices of the goods or materials are wholly controlled by trade organisations or government order and no reasonably satisfactory alternative is available;
 - (i) where delay attributable to the tendering process would in the estimation of the Chief Officer concerned result in the Council incurring net expenditure or forfeiting net income in excess of the savings on contract sum that might reasonably be expected to accrue from competitive tendering;
 - (j) where tenders have already been obtained in a proper manner by another public authority or group of authorities and are still valid and the Council is entitled to place contracts against those tenders;
 - (k) care services contracts, being the provision of personal social care (with or without the Supporting People element) to individual clients or groups of clients as set out in CPR 37
 - (l) for other reasons, there would be no genuine competition.
- 10.2 Exemptions from obtaining quotations or tendering on the basis of one or more of the reasons listed in CPR 10.1 may be granted in the following manner:
- (a) by a Cabinet Member **in whose portfolio the services falls** based on a report from the Chief Officer having consulted with Internal Audit, if the contract value is between £10,000 and £50,000;
 - (b) by a Cabinet Member **in whose portfolio the services falls and Lead Member for Finance** based on a report from the Chief Officer having consulted with Internal Audit, Chief Finance Officer and County Clerk, if the contract value is between £50,000 and £250,000
 - (c) by Cabinet if the contract value is over £250,000
- providing that where the proposed contract **affects two or more portfolios and falls within the limits specified in (a) or (b) above, the exemption may be granted by the Cabinet members responsible for those portfolios, acting jointly.** ~~would not affect the budget of more than one portfolio, in which case an exemption may only be granted by Cabinet.~~

Draft Contract Procedure Rules

Contract value is determined in accordance with CPR 14.

- 10.3 No exemptions may be granted:
- (a) which would result in a breach of European or domestic law;
 - (b) from CPR 3 (Officer's duties), CPR 4 (Declaration of Interests); CPR 5 (Scheme of Delegation), CPR 7 (Joint Procurement);
 - (c) from CPR 31 requiring Cabinet to approve certain contract variations.
- 10.4 Each Chief Officer shall keep a register of exemptions granted in respect of their department detailing the nature and value of the contract, the circumstances justifying the exemption and the name of the contractor awarded the Contract.

APPROVED LISTS

11. Council Approved Lists

- 11.1 Quotations and Tenders for contracts which are not subject to EU Thresholds may be invited from Contractors included on the Council's Approved Lists.
- 11.2 The Council Approved Lists shall be compiled and maintained by the relevant Chief Officers and approved by the Chief Executive.
- 11.3 The Council Approved Lists shall include all contractors that meets the Council's pre-qualification requirements and compiled as required by the relevant Chief Officer in the manner detailed in Annex A to these CPRs.
- 11.4 The criteria for admission to and suspension and exclusion from Council Approved Lists shall also be detailed in Annex A.

PURCHASING

12. Purchasing Need

- 12.1 The Chief Officer shall, having established and identified a purchasing need, nominate a Responsible Officer to fully assess the purchasing need.
- 12.2 Before undertaking a procurement, the Responsible Officer along with the Chief Officer, if appropriate, shall
- (a) take into account the requirements from any Best Value Review;
 - (b) consider whether there is an appropriate Corporate Purchasing Arrangement that should be used;
 - (c) consider all other means of satisfying the need (including recycling and re-use where appropriate);
 - (d) define the objectives of the purchase;
 - (e) appraise the need for the expenditure and its priority;
 - (f) assess the risks associated with the purchase and how to manage them;
 - (g) establish a business case for the procurement;
 - (h) identify the appropriate contract documentation to be used.
- 12.3 For each purchasing need that has an estimated cost of over £10,000, a Contract File shall be maintained by the Responsible Officer. The contract file is to contain evidence of all matters considered under CPR 12.2

13. Pre-Tender/Quotation Enquiries

- 13.1 Enquiries of contractors may be made before tenders or quotations are invited in order to:
- (a) establish whether goods, works or services the Council wishes to purchase are available, and within what price range;
 - (b) prepare tender documents, price estimates and contracts;
 - (c) establish whether particular contractors wish to be invited to tender or quote.
- 13.2 In making enquiries:
- (a) no information shall be disclosed to one contractor which is not then disclosed to all those of which enquiries are made, or who are suitably invited to tender or quote;
 - (b) no contractor shall be led to believe that the information they offer will necessarily lead to them being invited to tender or quote, or awarded the contract.
 - (c) a written record, including notes of any meetings held, the responses and the names of all individuals present shall be kept by the Responsible Officer on the Contract File.

14. Contract Value and Aggregation

- 14.1 Before conducting any procurement exercise the Responsible Officer will estimate and record the expected cost of a proposed contract, including any incidental or ancillary costs, net of VAT.
- 14.2. The Responsible Officer must be satisfied that authority exists within the Council's approved budget for such expenditure or will exist before expenditure is committed and that he has the delegated authority to spend from such budget.
- 14.3 The European Union (EU) regulates the procurement of works, services and supplies under the EU's Public Procurement Directives, implemented under the Treaty of Rome (1957). A set of financial thresholds exists, below which contracts do not need to follow the detail of the EU procurement rules
- 14.4 The EU thresholds are fixed in Special Drawing Rights and are converted into Euro. The value of the pound sterling is fixed every two years. The EU thresholds are published in the "C" series of the Official Journal of the European Communities in the November preceding the 1st January revision. The relevant EU Thresholds will be updated by the County Clerk as appropriate and will be noted in the Table of Values.
- 14.5 If the Contract value is over the EU thresholds, CPR 18 will apply.
- 14.6 If the EU procurement rules do not apply, then the Contract threshold will be split into three categories:
- Contracts up to £10,000 (See CPR 15.2)
 - Contracts between £10,000 and £50,000 (See CPR 15.3)
 - Contracts exceeding £50,000 (See CPR 16)
- 14.7 The Chief Officer may instruct that a contract is to be dealt with in a higher value category, in particular if:
- (a) the risk in a specific procurement is perceived to be high; or
 - (b) the particular procurement may involve the transfer of staff.
- A contract can not be dealt with by procedures that apply to a lower value category.
- 14.8 These limits applies to the overall cost of work goods materials and services. A contract can not be artificially divided into two or more separate contracts, nor a valuation method selected with the intention of avoiding these CPRs. Contracts shall be packaged to ensure best service delivery, competition and value for money.
- 14.9 Where a purchasing requirement is subdivided into several contracts, the estimated value of each shall be aggregated to estimate the total contract value. However:

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- (a) any works contract that has an estimated value of less than the small lots provision in the Table of Values; or
 - (b) any service contract that has an estimated value of less than the small lots provision in the Table of Values,
- need not be aggregated, provided the aggregate value of all those contracts is less than 20% of the total contract value
- 14.10 Where a service or supply contract does not stipulate a total price, the contract value shall be estimated as follows:
- (a) fixed term service contracts of up to 48 months: total consideration payable over the term
 - (b) service contracts, or contracts for the hire of goods, for an indefinite (or uncertain) period or for a fixed term of more than 48 months: consideration payable in respect of each month multiplied by 48
- 14.11 The contract value of regular or renewable service or supply contracts shall be estimated either:
- (a) by aggregating the value of similar contracts for the same categories of services or supplies awarded by the Council over the previous financial year or 12 months, adjusted where possible for anticipated changes in quantity or value over the next 12 months; or
 - (b) by taking the estimated aggregate value during the twelve months following the first supply or service performed, or during the term of the contract where this is greater than 12 months

QUOTATIONS AND TENDERING

15. Quotations - Contracts Valued at Less Than £50,000

- 15.1 The Responsible Officer shall check whether a Corporate Purchasing Arrangement is in use for the particular purchasing requirement. If so, an order shall be placed under the Arrangement accordingly.
- 15.2 The Responsible Officer may dispose of the requirement to obtain competitive quotations or tenders for contracts with an estimated value of less than £10,000. However, the Responsible Officer shall keep in mind the requirements of best value for money. The Responsible Officer shall obtain one written quotation before a formal purchase order shall be issued.
- 15.3 Contracts where the estimated cost for the execution of the works and the supply of goods materials and services is £10,000 or more but less than £50,000 shall be made with a contractor after at least three requests for written quotations has been made. Faxed or e-mailed quotations are acceptable for these purposes.
- 15.4 The requests for quotations must be made to the contractors on the Council's Approved list in the first instance. If the Council Approved List does not exist or such list is inappropriate, then the Responsible Officer may request quotations from those contractors that he deems suitable and competent for the purpose.
- 15.5 The Responsible Officer shall record contractors approached, the responses (including willingness to quote), details of any quotations provided, the name of the contractor offering the most favourable quotation and the reasons why that quotation was accepted. The Responsible Officer will have to demonstrate and produce, if requested, evidence of value for money.

16. Tenders - Contracts Valued at £50,000 or More

- 16.1 Where the estimated value of a contract is over the EU Threshold then at least five tenders shall be invited. In all other cases, at least four tenders shall be invited unless it shall be impossible to do so.
- 16.2 Where a contract is below the EU Threshold, Tenders shall be invited from contractors on a Council Approved List in the manner described in CPR 17.
- 16.3 Where
- (a) a contract is over the EU threshold in accordance with CPR 14; or
 - (b) a Council Approved List does not exist or such list is inappropriate, tenders shall be obtained following a public advertisement in accordance with CPR 18.

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16.4 The following contracts need not be tendered:

- (a) contracts valued at less than £50,000 providing that CPR 15 has been applied ;
- (b) contracts for which an exemption from tendering has been granted in accordance with CPR 10;
- (c) orders placed under a Corporate Purchasing Arrangement where it meets the purchasing requirement
- (d) contracts formalising the funding of particular voluntary sector bodies, where the purpose of the contract is to establish the general conditions whereby the body may be funded by the Council
- (e) contracts for the engagement of Counsel ~~or for obtaining legal advice.~~
- (f) contracts for the engagement of Expert Witness
- (g) contracts negotiated following tendering in the circumstances set out in CPR 24

TENDERING

17. Tendering From Council Approved Lists

- 17.1 Contractors shall be selected from within the appropriate work category or, where the contract involves several categories, from all or most of the categories needed for the work. If this does not produce the minimum number of tenderers required, contractors shall be selected from any work category under the appropriate main heading.
- 17.2 A contractor on the Council's Approved List shall be assigned an Annual Workload Threshold which shall equate to 50% of their most recent reported turnover from their annual accounts. (A Contractor shall provide their annual accounts in accordance with the requirements as detailed in Annex A.)
- 17.3 A contractor may not be invited to tender:
- (a) where the estimated annual value of a fixed term contract is more than its Annual Workload Threshold;
 - (b) where the estimated value of the contract, plus the value of all contracts placed with that contractor during the same financial year, would cause its Annual Workload Threshold to be exceeded.
- 17.4 The Annual Workload Threshold shall be strictly applied except in exceptional circumstances where prior approval has been obtained from the Chief Executive.
- 17.5 Contractors shall be invited to tender in strict rotation, save that up to 50% of the tender list may include:
- (a) the existing contractor; or
 - (b) a contractor who has worked on an earlier stage of the project in the last two years; or
 - (c) a contractor who has carried out similar work for the Council in the last two years.
- 17.6 Contractors shall be invited to tender in rotation by using a manual or computer system which gives contractors an equal chance of selection regardless of where their names appear on an alphabetical list.
- 17.7 In all cases, the Responsible Officer shall record on the Contract File how they compiled the tender invitation and shall ensure that contractors invited to tender by rotation in that category are not to be invited in the next rotation exercise.

18. Tendering Following Public Advertisement

- 18.1 In the case of EU contracts for work, a Prior Information Notice (PIN) shall be published in the OJEU (Official Journal of European Communities) as soon as possible after the decision approving the planning of the work.

- 18.2 For all contracts requiring public advertisement, a notice shall be published in the local press, the Council's web site and any appropriate national press and/or trade journals as the Chief Officer deems appropriate. The notice shall specify details of the contract and how tender documents may be obtained or inspected. In addition, for EU contracts, a notice shall be placed in the OJEU at the same time and shall specify whether the tendering process will follow an Open, Restrictive or Negotiated procedure.
- 18.3 The Chief Officer shall decide whether all interested contractors may tender (the Open Procedure for EU contracts), or whether only selected contractors may tender (the Restrictive Procedure for EU contracts), provided that for EU contracts for goods or materials, all interested contractors shall be allowed to tender, except when the cost would be disproportionate or because of the nature of the goods to be supplied or hired.
- 18.4 Where all interested contractors may tender, the notice shall invite tenders within the following periods (which shall be extended where necessary to allow contractors to inspect sites, premises or contract documents)
- (a) no less than 52 days from the date of publication in the case of EU contracts;
 - (b) no less than 36 days from the date of publication where a notice was published in respect of the work under CPR 18.1;
 - (c) no less than 36 days from the date of publication in any other case.
- 18.5 The Responsible Officer shall send all contractors requesting tender documents, a form as prescribed by the Chief Finance Officer from time to time to establish the standing of tenderers.
- 18.6 The Responsible Officer shall record on the Contract File where and on what dates notices were published and the justification where short notice was given under CPR 18.7 and 20.2.
- 18.7 Where only selected contractors may tender, the notice shall invite contractors to express their interest to tender within no less than 37 days of publication or 15 days in case of urgency.

19. Selection of Tenderers

- 19.1 The criteria for a contractor to be invited to tender is stated within the code of practice outlined in Annex A.
- 19.2 The Responsible Officer shall record on the Contract File which contractors were invited to tender, the reasons why they were invited and the reasons unsuccessful contractors were not invited.

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- 19.3 In the case of EU contracts the Responsible Officer shall, within 15 days of being requested to do so, notify the unsuccessful contractors why they were not invited to tender.

20. Tender Invitation

- 20.1 Where tenders are invited under CPR 18.4, contract documents shall be sent to contractors within 6 days of request, provided they are requested in good time and any fee specified has been paid.
- 20.2 Where tenders are invited under CPR 18.7 following the selection of tenderers, contractors shall be given at least 40 days to return tenders unless:
- (a) the contract is for works and a PIN was published under CPR 18.1, where only 26 days need to be given; or
 - (b) by reasons of urgency the time limit cannot be complied with, when at least 10 days shall be given.
- 20.3 The periods set out in CPR 20.2 shall be extended if necessary to allow for extra time to be given to contractors to inspect the premises on which the works or services are to be carried out or to inspect documents relating to the contract documents.
- 20.4 Reasonable requests for further information relating to the contract documents may be granted, provided the request enables the Council to supply the information not less than 6 days (or 4 days in case of urgency) before the date specified for receipt of tenders.
- 20.5 The Invitation to Tender shall include details of the Council's requirements for the particular contract including;
- (a) a description of the services, supplies or works being procured;
 - (b) the procurement timetable including the tender return date and time;
 - (c) a specification and instructions on whether any variants are permissible;
 - (d) the council's terms and conditions of contract;
 - (e) the evaluation criteria including any weighting as considered appropriate and in order of importance if applicable;
 - (f) pricing mechanism and instructions for completion;
 - (g) whether the Council is of the view that the Transfer of Undertaking (Protection of Employment) Regulations 1981 and/or section 102 of the Local Government Act 2003 applies;
 - (h) form and content of method statements to be provided;
 - (i) a statement to the effect that the Council is not bound to accept any tender submitted;
 - (j) the application of the Freedom of Information Act 2000 in respect of contractors;
 - (k) any further information which will inform or assist tenderers in preparing tenders or as County Clerk may require.

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- 20.6 If an evaluation criteria is to be applied, it must be further defined and may include references to price, service, whole life cycle costs, previous experience, period for completion or delivery, cost effectiveness, quality, relevant environmental considerations, aesthetic and function characteristics, safety, after sales service, running costs, profitability, partnering, technical assistance and technical merit (which for works contracts shall be based on an assessment of itemised and separately costed health and safety method statements and plans in accordance with the CDM 1994 Regulations). This list is not exclusive
- 20.7 Every Invitation to Tender shall state that a Tender will only be considered if it is received at a specified place and by a specified time and date in a sealed, plain envelope with the word "Tender" and the name of the contract written on it. If the envelope bears any distinguishing matter or mark intended to indicate the identity of the sender the Tender will be deemed invalid.
- 20.8 All Tenders shall be delivered to the Responsible Officer.
- 20.9 On receipt, all Tender envelopes shall be endorsed with the time and date of receipt and kept secure by the Responsible Officer until the time specified for tender opening.
- 20.10 If a Tender is opened in error, no attempt shall be made to ascertain any contents of the Tender or its origin and the matter shall be reported to the appropriate Chief Officer and Internal Audit. The envelope shall be resealed immediately and signed by the Responsible Officer and the Chief Officer.
- 20.11 No officer or Member shall communicate with any contractor proposing to tender once the Invitation to Tender has been posted to, or collected by the contractor. No information relating to that tender process shall be disclosed to anyone not involved directly in arranging the contract, except where it is necessary:
- (a) for an officer and/or contractor to carry out an inspection of works, in which case all contractors shall be offered an equal opportunity to carry out an inspection; or
 - (b) to inform contractors of a change in the tendering arrangements, including the supply of additional or changed information, in which case all tenderers shall be sent the same information at the same time.

21. Late Tenders

- 21.1 Any Tender received after the specified time shall be endorsed with the time and date of receipt.
- 21.2 If all other tenders have been opened, the late Tender shall not be considered for evaluation and shall be opened only to ascertain the name of the contractor. No other details of the Tender shall be disclosed. The Responsible Officer shall arrange for the Tender to be returned to the contractor immediately **with a letter explaining why the tender has not been considered.**

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- 21.3 The late Tender may be considered, providing that the other tenders have not been opened and that the County Clerk is satisfied:
- a) that there is evidence that the late tender was posted in time for delivery by the due date in the normal course of postal service; or
 - b) that exceptional circumstances surrounds the submission of the late Tender.
- 21.4 Any decision made under CPR 21.3 is to be recorded on the Contract File signed by the County Clerk and a copy of the decision is to be forwarded to the Chief Finance Officer.

22. Tender Opening

- 22.1 All Tenders shall be opened at the same time and place after the closing time for receipt of Tender as stated in the Tender documents or as early as reasonably practical thereafter.
- 22.2 Where the estimated value of a contract is £50,000 or more, Tenders shall be opened in the presence of a Cabinet Member and two or more officers of the Council designated for the purpose by the County Clerk and the Chief Officer concerned. The tender opening will be arranged by the County Clerk.
- 22.3 Where the estimated value of a Contract is below £50,000, Tenders shall be opened at one time in the presence of at least two officers of the Council designated for the purpose by the County Clerk and the Chief Officer concerned. The tender opening will be arranged by the County Clerk.
- 22.4 The County Clerk shall record the following details of each tender:
- (a) the last date and time for the receipt of tenders;
 - (b) the name of each tenderer and the amount of each tender;
 - (c) the date the tenders were opened
- and the record shall be signed by all designated persons present at the tender opening.
- 22.5 All designated persons present at the tender opening shall initial each Tender, indicating the number of tenders opened and the sequence in which the tenders were opened. All designated persons present at the tender opening shall initial the Bill of Quantities or Schedule of Rates or any other appropriate document.

23 Tender Evaluation and Alterations

- 23.1 Where a contract is to be awarded to the most economically advantageous tender, the Tenders shall be evaluated in accordance with the criteria stated in the OJEU notice and/or tender documents. The criteria shall be strictly observed at all times throughout the contract award procedure by all officers involved in the Tender evaluation.
- 23.2 Where the specification is sufficiently detailed to ensure that, for all practical purposes, all Tenders relate to identical commodities, goods, works or services

to be paid for in an identical manner, Tenders shall be evaluated solely on the respective Tender amount (i.e. price only)

23.3 Where the lowest tenders are for £250, 000 or more or in the case of contracts for works and works consultants, the Responsible Officer shall request from the Chief Finance Officer, the following information in respect of the lowest two tenders:

- (a) the Council's internal financial appraisal of the two lowest tenderers;
- (b) an independent financial appraisal supplied from a business information service on external contractors;
- (c) any internal references provided by the Council and any current external reference available;

and such information shall be considered by those involved in evaluating the tenders or awarding the contract, and kept by the Responsible Officer on the Contract File.

23.4 Where on examination of tenders

- (a) an error of clerical or arithmetical transcription or computation manifest upon the face of the document which would affect the tender figure in an otherwise successful tender, the Tenderer shall be given details of such errors **in writing** and shall be allowed the opportunity of correcting those errors;
- (b) the Tenderer has omitted information or has amended the tender specification or contract terms, then the tenderer shall be afforded an opportunity of confirming, rejecting or withdrawing its tender.

23.5 If the tenderer withdraws or the corrected tender is no longer the lowest tender, the next tenderer in competitive order is to be examined.

24. Contract Negotiation

24.1 The Responsible Officer may negotiate the contract in the manner set out in CPR 24.2, provided the terms of the contract remain substantially unaltered:

- (a) where tendering produced no tenders or inappropriate tenders for example where the tender figure in an otherwise successful tender exceeds approved or budgeted expenditure, or where the sum has changed since tenders were invited; or
- (b) where tendering was discontinued because of irregular tenders, for example because tenders fail to meet the requirements specified in the contract documents or offer variations on them or the works, supplies or goods fail to meet the technical specification.

24.2 The Responsible Officer shall invite all tenderers to amend their tenders, in writing, in such matters (e.g. unit price, delivery, discounts or by removing elements of the old bill of quantities) as the Responsible Officer specifies. All negotiations shall be conducted by at least two officers of different disciplines, one of whom is not involved in the contract award. The Responsible Officer shall

keep a written record of all negotiations, including notes of all meetings and the names of all individuals present.

- 24.5 Where post-tender negotiation results in a fundamental change to the specification or contract terms the contract must not be awarded but re-tendered.

25. Contract Award

- 25.1 In this CPR a 'tender' includes a quotation.

- 25.2 No contract may be awarded unless the expenditure involved has been included in approved estimates or on capital or revenue accounts, or has been otherwise approved by, or on behalf, of the Council. The Responsible Officer shall ensure that evidence of authority to spend, and the budget code to be used, is recorded on the Contract File.

- 25.3 When awarding contracts based on price, Contracts will be awarded to the tender which offers the lowest price in the following manner:
- (a) by the Chief Officer providing it does not exceed £50,000;
 - (b) by the Cabinet Member **in whose portfolio the services falls** in the presence of the County Clerk or an officer designated by him where the contract exceeds £50,000.

- 25.4 When awarding Contracts based on pre-determined evaluation criteria, as referred to in CPR 20.6, Contracts will be awarded to the tender which is the most economically advantageous, based in the following manner:
- (a) by the Chief Officer if the contract value is less than £10,000;
 - (b) by Cabinet Member **in whose portfolio the services falls**, based on a report from the Chief Officer having consulted with Internal Audit, if the contract value is between £10,000 and £50,000;
 - (c) by Cabinet Member **in whose portfolio the services falls** based on a report from the Chief Officer having consulted with Internal Audit and the Chief Finance Officer, if the contract value is between £50,000 and £250,000;
 - (d) following a report made to Cabinet if the contract value is over £250,000.

- 25.5 Chief Officers shall record all Contracts awarded by their department, including the nature of the goods, works, or services for which the Contract has been awarded, the value of the Contract, the difference in the Tenders and the name of the contractor and shall supply details to their Lead Member at least once every six months.

- 25.6 The Responsible Officer shall send a Contract Award Notice to the OJEU within 48 days of the award of an EU contract and shall send a Contract Award Note to the County Clerk within 7 days of the award of a EU Contract.

25.7 The Responsible Officer shall, within 15 days of receipt of a request in writing from any contractor who was unsuccessful, inform of the reasons why they were unsuccessful and, if an admissible Tender was submitted, the characteristics and relative advantages of the successful Tender as well as the name of the contractor awarded the contract (subject to certain exceptions e.g. commercial confidentiality).

26 Letters of Intent

26.1 Letters of Intent shall only be used in exceptional circumstances as follows:

- (a) Where the Contractor is required to provide services goods or works prior to formal written acceptance by the Council; or
- (b) Where the Council's form of tender does not include a statement that until such time as a formal contract is executed, the Council's written acceptance of a tender shall bind the parties into a contractual relationship.

FORM OF CONTRACT

27. Contracts in Writing

- 27.1 The following Contracts shall be in writing and executed under seal;
- (a) if the Council wishes to enforce the Contract for more than six years after its end;
 - (b) the price paid or received under Contract is a nominal price and does not reflect the value of the works goods or services;
 - (c) where there is any doubt about the authority of the person signing for the other contracting party;
 - (d) where it is required by law; or
 - (d) where the total value of the Contract exceeds £100,000.

The seal must not be affixed without the authority of Cabinet or of a Cabinet Member or a Chief Officer acting under delegated powers.

- 27.2 All other contracts over £50,000 shall be in writing and signed by the Chief Executive or the County Clerk on behalf of the Council.
- 27.3 Every other contract exceeding £10,000 in value shall be in writing and be signed by or on behalf of the Chief Officer of the purchasing department in accordance with their delegated powers.
- 27.4 Emergency Contracts awarded under CPR 10.1(b) need not be in writing before commencement but must be confirmed in writing as soon as possible.
- 27.5 Where there is an appropriate national standard form of contract, that standard form shall be used, subject to any amendments as may be agreed with the County Clerk in consultation with the Chief Finance Officer and the appropriate Chief Officer.
- 27.6 Commencement of any Contract shall not take place until the written contract is finalised except in cases of emergency in which case, the written contract shall be finalised as soon as practicable.

28. Contract Conditions

- 28.1 Every Contract shall include:
- (a) details of the works of services to be performed and/or the goods to be supplied;
 - (b) the parties to the contract, including any guarantor;
 - (c) the price and any discounts, or the method by which prices and discounts are to be calculated, and the method and timing of payments;
 - (d) the time within which the contract is to be carried out;
 - (e) a provision that the Contractor shall be prohibited from transferring or assigning directly or indirectly to any person or persons whatever any portion of the Contract without the written permission of the Chief Officer

- on behalf of the Council; subletting of any part(s) of the work except to the extent permitted in writing by the Chief Officer concerned shall be prohibited;
- (f) a provision that the contractor may pay liquidated damages (where these can be assessed and ascertained) or other liquidated damages to the Council should the terms of the contract not be properly carried out, including the method by which such damages will be calculated and the circumstances in which they will be payable;
 - (g) any performance bond or parent company guarantee that is required. The Responsible Officers shall consult the County Clerk and the Chief Finance Officer before including or excluding such a requirement in the tender documents;
 - (h) a statement that the Contractor shall not unlawfully discriminate within the meaning of the Sex Discrimination Act 1975, Race Relations Act 1976, the Race Relations (Amendment) Act 2000, The Employment Equality (Religion or Belief) Regulations 2003 or any comparable statutory provision relating to discrimination in employment, and shall ensure that all employees, agents and sub-contractors do not unlawfully discriminate. The Contractor shall also comply with all relevant codes of practice issued by the Commission for Racial Equality or comparable body and so far as practicable and operate an equal opportunities policy which complies with the practical guidance and recommendations contained in such codes of practice;
 - (i) a statement that the Contractor shall adopt safe methods of work and comply with all other requirements of the Health and Safety at Work Act 1974 in order to protect the health and safety of its personnel and to the extent applicable the personnel of the Council and all other persons;
 - (j) a provision that the Contractor shall comply with the Data Protection Act 1998 and indemnify the Council in respect of the use, disclosure or transfer of personal data by the Contractor, its employees, agents and sub-contractors;
 - (k) a provision that the Council may cancel the Contract and recover any loss if the contractor, its employees, agents and sub-contractors offer any reward relating to the contract or commit any offence under the Prevention from Corruption Acts 1889 to 1916;
 - (l) details of adequate insurance cover required to the satisfaction of the Chief Finance Officer;
 - (m) a statement that, where appropriate, the Contractor shall comply with the provisions of the Council's Welsh language policy;
 - (n) a statement that the Contractor shall comply with the provisions of the Human Rights Act 1998 and the Freedom of information Act 2000;
 - (o) any other terms and conditions specified by the County Clerk (who has general powers to set and amend contract conditions).

28.2 Any exception to the above Contract conditions shall be made only with the prior approval of County Clerk but no exception may be granted in respect of 28.1 (h), (i), (j), (k), (m), or (n).

29. Contract Specifications

- 29.1 The Responsible Officer shall ensure the Contract specifies the quality, performance, safety and other characteristics required of the works, services, or supplies. Specifications may include requirements relating to methods of construction, design and costing, tests, testing methods, inspection and acceptance, quality assurance, packaging, marking and labelling.
- 29.2 Technical specifications shall be defined by reference to relevant European specifications or, where they do not exist, in the following order: to British technical specifications, British standards implementing international standards, other British standards and technical approvals or any other standards. Where an appropriate standard is current at the date of tender, all works services and supplies shall be at least of equal quality.
- 29.3 Specifications shall not refer to supplies of a particular make or source unless:
- (a) it is justified by the Contract requirement; or
 - (b) the Contract requirement cannot otherwise be described precisely and intelligibly, provided references are accompanied by the words 'or equivalent'

OPERATION OF CONTRACT

30. Contract Performance

- 30.1 In the case of a Contract being performed by a Contractor on the Council Approved List, the Responsible Officer shall send an Annual Performance Report to the Chief Officer.
- 30.2 Incidents of poor performance shall first be raised with the Contractor in writing, or at a meeting where notes are made and sent to the Contractor, before the annual report is despatched. In cases of particularly poor performance, or persistent poor performance, the Responsible Officer shall consider whether to recommend suspension or exclusion from the Council Approved List.
- 30.3 In all other cases, and for the duration of the Contract, the Responsible Officer must monitor and assess the Contract in respect of performance, compliance with specification, cost, user satisfaction and risk management.
- 30.4 On completion of a Contract, the Responsible Officer must evaluate the extent to which the purchasing need and the contract objectives were met by the Contract.

31. Contract Variation

- 31.1 No variation may be made to a Contract, if that variation would:
- (a) extend the contract period by 50% or more than three calendar months, whichever is the greater; or
 - (b) add more than 20% to the estimated value of the contract or increase it from below £50,000 to £60,000 or more; or
 - (c) mean the works, services or goods to be added to or deleted from the original contract that are substantially different in scope,
- unless it has been approved in the following manner:
- (i) by a Chief Officer if the contract value is between £10,000 and £50,000 providing that the variation costs can be met within the budget;
 - (ii) by a Cabinet Member **in whose portfolio the services falls** based on a report from the Chief Officer in agreement with Chief Finance Officer if the contract value is between £50,000 and £250,000 providing that the variation costs can be met within the budget;
 - (iii) by Cabinet if the contract value is over £250,000
- 31.2 The value of a variation shall be calculated by taking the aggregate value of all variations made to the Contract. No variation which adds to the cost of the Contract shall be made until funding has been identified.
- 31.3 Subject to CPR 31.1 and the provisions of the contract, every other variation shall, unless otherwise deemed appropriate, be authorised in writing by the relevant Chief Officer.

- 31.4 CPR 31.1 shall not apply in cases of urgency or where the cost of contract delay would exceed the variation costs. In such cases, the variation may be approved by the appropriate Chief Officer providing that a report is prepared and submitted to Cabinet as soon as practicable to report on the impact of a variation order on a contract including budget implications.

32. Contract Payments

- 32.1 The relevant Chief Officer shall notify the Chief Finance Officer as soon as possible after any formal Contract has been entered into, and shall make available the Contract documents and accepted tenders to him for inspection as and when required.
- 32.2 Where Contracts provide for payment to be made by instalments, in conjunction with the relevant Chief Officer, the Chief Finance Officer shall arrange for the keeping of a contract register to show the state of account on each contract between the Council and the contractor, together with any other payments and the related professional fees.
- 32.3 Payments to Contractors on account of Contracts shall be made only on a certificate issued by the relevant Chief Officer (or private consultant whenever engaged by the Council) as appropriate, or by an officer nominated by him. The names of officers authorised to sign such records shall be sent to the Chief Finance Officer by each Chief Officer, together with specimen signatures, and shall be amended on the occasion of any change.
- 32.4 The final certificate of completion of any Contract shall not be issued until the appropriate officer, private architect, engineer or consultant has produced to the Head of Internal Audit Services a detailed statement of account, and all relevant documents if and when required.
- 32.5 The Head of Internal Audit Services shall, to the extent he considers necessary, examine final accounts for contracts and he shall be entitled to make all such enquiries and receive such information and explanations as he may require, in order to satisfy himself as to the accuracy of the accounts.
- 32.6 The Chief Finance Officer may at his discretion set off any sums due from a Contractor to the Council, against any sums due from the Council to the Contractor.
- 32.7 Claims from Contractors in respect of matters not clearly within the terms of any existing Contract shall be referred to the Chief Finance Officer before a settlement is reached.
- 32.8 Where completion of a Contract is delayed beyond the original Contract period or extended Contract period within the terms of the Contract, it shall be the duty of the relevant Chief Officer, in consultation with the Chief Finance Officer, to

consider what appropriate action, if any, should be taken in respect of a claim for liquidated damages by the Council under the Contract.

- 32.9 The Chief Finance Officer shall maintain a register of all grants, contributions etc. due to the Council. It shall be the duty of all Chief Officers to notify the Chief Finance Officer of all such grants, contributions etc. and any changes thereto.

33. Nominating Products/Contractors/Suppliers

- 33.1 These CPRs apply to the nomination of a sub-contractor or supplier for carrying out works or services or supplying goods or materials. Sub-contractors or suppliers shall send with the tender an undertaking to work for the main contractor and indemnify them for the sub-contracted works or materials.
- 33.2 Where a sub-contractor or product has been nominated without obtaining quotations / tendering and the value is more than £50,000, or 5% of the main contract the following procedure shall apply:
- (a) the Responsible Officer shall prepare a written technical evaluation of the product or service proposed, covering fitness for purposed, price, technical support, relevant national or EU standards, reliability and availability of other options;
 - (b) where the evaluation has been prepared internally, it shall have the written agreement of the Chief Officer. Where the evaluation has been prepared externally, it shall be signed by the responsible external consultant;
 - (c) internal or external agents must inform their clients from the outset when such a proposal is under consideration, and obtain their agreement to the evaluation and the course of action proposed;
 - (d) agents and Responsible Officers shall keep a copy of the evaluation on the Contract File.

34 Retention of Contract Files

- 34.1 The Contract File prepared for all contracts over £50,000 must be kept for six years unless the Contract was executed under seal in which case the Contract should be kept for twelve years. Documents relating to unsuccessful Tenderers may be microfiled or electronically scanned or stored by some other suitable method after 12 months from award of contract, provided there is no dispute about the award.

OTHER CONTRACTS

35 Engagement of Consultants

35.1 Unless the estimated value of the contract is less than £50,000, the engagement of consultants should be approved by the appropriate Chief Officer in agreement with the appropriate Cabinet Member.

35.2 Where it is proposed that consultants are engaged by the Council, the relevant Chief Officer shall ensure that :-

- (a) there is a clear identification of need, in particular, the availability of in-house resources should be considered before seeking to engage external consultants;
- (b) a budget has been agreed;
- (c) a project brief has been prepared;
- (d) tenders have been invited in accordance with these CPRs, including any in-house bids unless CPR 10 applies;
- (e) comprehensive criteria, against which proposals will be evaluated, are set, including:- Price, Quality, Experience and qualifications of team members, Understanding of client's needs, Feasibility and credibility of proposed approach, Ability to complete the project on time, Environmental appraisal, Adherence to Council's policies e.g. Welsh Language Scheme, Equalities Policy, Data Protection Policy etc.
- (f) the selection decision is clearly documented;
- (g) a formal agreement or detailed letter of engagement is prepared and signed;
- (h) fee payments and progress are monitored;
- (i) a detailed contract file is maintained;
- (j) performance is reviewed, including implementation of any recommendations made by consultants.

35.3 Consultants are external professional staff undertaking work on behalf of the Council. The following are examples of work carried out by consultants:-

- Policy and strategy review
- Review of organisational and department structures
- Job evaluation
- Financial planning
- Feasibility studies
- Marketing and business planning
- Public relations
- Project management
- Technical design services
- Technical advice
- Computer and IT strategy
- Managing change
- Total quality management/quality awards
- Senior staff recruitment and selection
- Individual service management e.g. Community Care, LMS

Draft Contract Procedure Rules

- Training.
- 35.4 The engagement of Consultants excludes the use of external staff to cover temporary staff vacancies and also excludes the use of external staff to undertake work as architects, surveyors, engineers, lawyers and other instances where normal market rates would be applicable.
- 35.5 It shall be a condition of the engagement of the services of any consultant, (not being an officer of the Council) who is to be responsible to the Council for the supervision of a contract, that they shall:
- (a) comply with Contract Procedure Rules and the Financial Regulations as though they were a Responsible Officer subject to the modification that the procedure to be followed in inviting and opening tenders shall be approved in advance by the appropriate Chief Officer;
 - (b) at any time during the carrying out of the contract, produce to the appropriate Chief Officer or his representative on request all the records maintained by him in relation to the contract;
 - (c) on completion of the contract transmit all such records to the appropriate Chief Officer.

36. Land Contracts

- 36.1 All land transactions must comply with Section 120 -123 of the Local Government Act 1972.

37. Personal Services - Care Services Contracts

- 37.1 Under this CPR,
- (a) the expression “Contract” shall be deemed to include the arrangements for implementing care plan / service plan for the service user.
 - (b) the expression “Contractor” shall be referred to as “Care Provider(s)”.
 - (c) the expression “Approved Care Providers” are those care providers who are registered with the Care Standards Inspectorate, or are on a list of Approved Care Providers maintained by the Chief Officer.
- 37.2 For the purposes of CPR 14 the contract value of the Care Provider Contracts shall be calculated as follows:
- (a) the estimated weekly cost of the care multiplied by 52 weeks; or
 - (b) where the figure is likely to be inaccurate due to changes in the level of care provision, the estimated value over a period of 52 weeks.
- 37.3 CPR 37.4 and 37.5 shall apply only to those contracts where the service provided is by a registered Care Home or registered Care Home providing nursing care for individuals under the general provisions of the National Health Services and Community Care Act 1990 and where user choice is paramount and where the Personal Services directorate has decided not to provide the service itself.
- 37.4 For contracts referred to in CPR 37.3 the Responsible Officer shall be exempt from having to obtain quotations and / or tenders.

Draft Contract Procedure Rules

- 37.5 When awarding contracts referred to in CPR 37.3, the contract will be awarded in the following manner:
- (a) by the Responsible Officer where the contract rates have been set by the Council by virtue of the National Assistance Act 1948, up to £750 per week.
 - (b) by the Chief Officer if the rates are over £750 per week either by reason of a specialist care package required or any other special circumstances.
 - (c) by a Cabinet member in whose portfolio the services falls, based on a report from the Chief Officer having consulted with Internal Audit and the Chief Finance Officer, if the contract rate is over £1,000 per week
- 37.6 Where the service(s) provided
- a) are services, other than those provided by a registered Care Home, arranged to implement a care plan; or
 - b) are services as part of the Supporting People initiative providing that the provider also provides an element of care;
- and where there is no directive from the National Assembly of Wales that makes user choice paramount, the following provisions apply.
- 37.7 The Responsible Officer shall at all times endeavour to obtain at least three written quotations from Approved Care Providers.
- 37.8 Where a contract is currently being performed by a Care Provider and the Responsible Officer envisages the terms of the contract to increase or reduce its scope, the existing Care Provider may be given an opportunity to submit a quotation in respect of the revised work.
- 37.9 Although user choice is not deemed to be paramount, it is considered to be best practice and the Responsible Officer shall give consideration to such matter, along with other criteria such as quality of service, best value for money, qualifications of providers, previous experience, compliance with all relevant policies of the Council, geographical proximity to the service user (list is not exhaustive), when awarding the contract.
- 37.10 Contracts will be awarded to the Approved Service Provider in the following manner:-
- (a) by the Responsible Officer if the contract rate is less than £250 per week;
 - (b) by the Chief Officer if the contract rate is between £250 and £1,000 per week;
 - (c) by Cabinet Member in whose portfolio the services falls based on a report from the Chief Officer having consulted with Internal Audit and the Chief Finance Officer, if the contract rate is over £1,000.
- 37.11 Where the Responsible Officer considers it desirable because it is in the best interest of the service user or it is an unforeseen emergency situation or for

some other reason, CPR 37.7 shall not apply providing that such action shall be approved in the following manner:

- (a) by the Chief Officer if the contract rate is up to £1,000 per week;
- (b) by Cabinet Member in whose portfolio the services falls based on a report from the Chief Officer having consulted with Internal Audit and the Chief Finance Officer, if the contract rate is over £1,000 per week.

38. Framework Agreements

- 38.1 Framework Agreements may be used where the Responsible Officer wishes to contract for the supply of goods, services or works without conducting a new procurement exercise for each contract providing that the Framework Agreement was tendered in accordance with these CPRs. Where the Council has entered into a Framework Agreement, a competitive exercise between any of the Contractors party to the Agreement must be conducted prior to any goods, services or works being supplied to the Council.

Schedule 1

Table of Values

The relevant EU Thresholds for period between 1st January 2004 and 31st December 2005 are as follows:

Contract provisions

Works	SDR 5,000,000	£3,834,411;
Supplies and Services	SDR 200,000	£153,376.

Small lots provisions

Works (CPR 14.9 (a))	€1,000,000	£647,308;
Services (CPR 14.9 (b))	€ 80,000	£51,785.

The EU thresholds are published in the "C" series of the Official Journal of the European Communities in the November preceding the 1st January revision.

These Values can also be found on the Office of Government Commerce website at www.ogc.gov.uk

Annex A

Council Approved List - Code of Practice for Compilation of Approved List and Selection of Tenders (CPR 11 and CPR 17)

This Annex will outline

- 1) nature of Council Approved Lists
- 2) the criteria to be used in compiling an Approved List and to suspend or exclude any Contractor from the List
- 3) the criteria to be used for the selection of Tenderers in accordance with CPR 19
- 4) the procedure to suspend or exclude any Contractor from the Approved List

1.1 Council Approved List shall:

- (a) be compiled for any goods services or works categories as the relevant Chief Officer may require
- (b) contain the names and addresses of all contractors who fulfils the Council Approved List criteria as listed below in 1.2;
- (c) indicate whether the contractors listed is approved for all contracts or for only some of the specified categories, values or amounts;
- (d) be publicly advertised and reviewed in full at least every three years. A public advertisement must be in at least one local newspaper circulating in the locality and in at least one appropriate trade journal;
- (e) be amended from time to time, subject to an annual report to the Chief Executive setting out reasons for such amendments.

1.2 The following criteria shall apply to Contractors who wish to be placed on the Council Approved List or to those Contractors who shall be invited to tender in accordance with CPR 19

The Contractor must:

- (a) have submitted a written request for the inclusion on the Council Approved List or submitted an interest to tender in accordance with CPR 19;
- (b) satisfied the Chief Finance Officer that subject to its Annual Workload Threshold which shall be specified on the list, it is of sound financial and economic standing;
- (c) provide a copy of their most recent reported turnover from their annual accounts so that its Annual Workload Threshold can be calculated. The Annual Workload Threshold shall be specified on the list. The Annual Workload Threshold shall not be amended unless the Responsible Officer is provided with an updated copy of the Contractor's reported turnover as indicated on their annual accounts;
- (d) satisfied the appropriate Chief Officer that, subject to any restriction that the Chief Officer may specify on the List, it is of

technical ability and is capable of performing contracts of the required type to the Council's satisfaction.

1.3 Where a contractor has stated that it does not wish to be considered for contracts below a specified value, that value shall be stated on the list.

1.4 Financial and economic standing shall be assessed on the basis of audited accounts, bank statements, evidence of relevant insurance cover, statements of overall turnover in respect of the work or service to be carried out for the previous three financial years and any other appropriate information as the Chief Finance Officer may require.

1.5 Technical ability shall be evaluated on the ability of the contractor to perform the contract to the standards set out in the specification. Skill, efficiency, experience and reliability shall be assessed on the basis of:

- (a) the educational and professional qualifications of the contractor's managerial staff of those who will be responsible for carrying out the work or service;
- (b) the contractor's technical knowledge and ability;
- (c) the principal services the contractor has provided in the past three years in respect of goods and services and in the last five years in respect of works;
- (d) the staff who will be available to carry out the work or service, especially those responsible for quality control;
- (e) the contractor's average annual work force and number of managerial staff for the past three years;
- (f) the contractor's plant and technical equipment which will be available to carry out the work or service;
- (g) the contractor's quality assurance systems;
- (h) the contractor's proposals (if any) for sub contracting any part of the work or service; and
- (i) the contractor's Health and Safety record.

1.6 A Contractor shall not be placed on the Council Approved List or invited to tender if :

- (a) it is bankrupt, or is being wound up, or is having its affairs administered by a court, or has entered into an arrangement with creditors, or has suspended its business activities, or is subject to court proceedings regarding any of these matters;
- (b) it or any of its current directors have been convicted of an offence concerning professional conduct or have been guilty of grave professional misconduct;
- (c) it has not fulfilled obligations relating to the payment of taxes or social security contributions; or
- (d) it has seriously misrepresented information supplied to the Council;
- (e) it is not registered in the professional or trade register in the State in which it is established.

- 1.7 The selection of contractors to be placed on the Council Approved List or invited to tender shall not be based on:
- (a) the terms and conditions of employment and the composition of a contractor's workforce, or the arrangement for the promotion, transfer or training of, or other opportunities given to, a contractor's workforce;
 - (b) whether contractors sub-contract with self-employed labour;
 - (c) any involvement of the business activities or interests of contractors with irrelevant fields of government policy;
 - (d) the conduct of contractors or workers in industrial disputes between them;
 - (e) any involvement of the business activities of contractors in other industrial disputes;
 - (f) a contractor's nationality or where his business activities or interests are located or its supplies originate from;
 - (g) any political, industrial or sectarian affliction or interest of contractors or of their directors, partners or employees;
 - (h) whether or not contractors financially support an institution which the Council frequently supports or from which the Council withholds financial support;
 - (i) whether or not contractors use technical or professional services provided by the Council under the Building Act 1984.

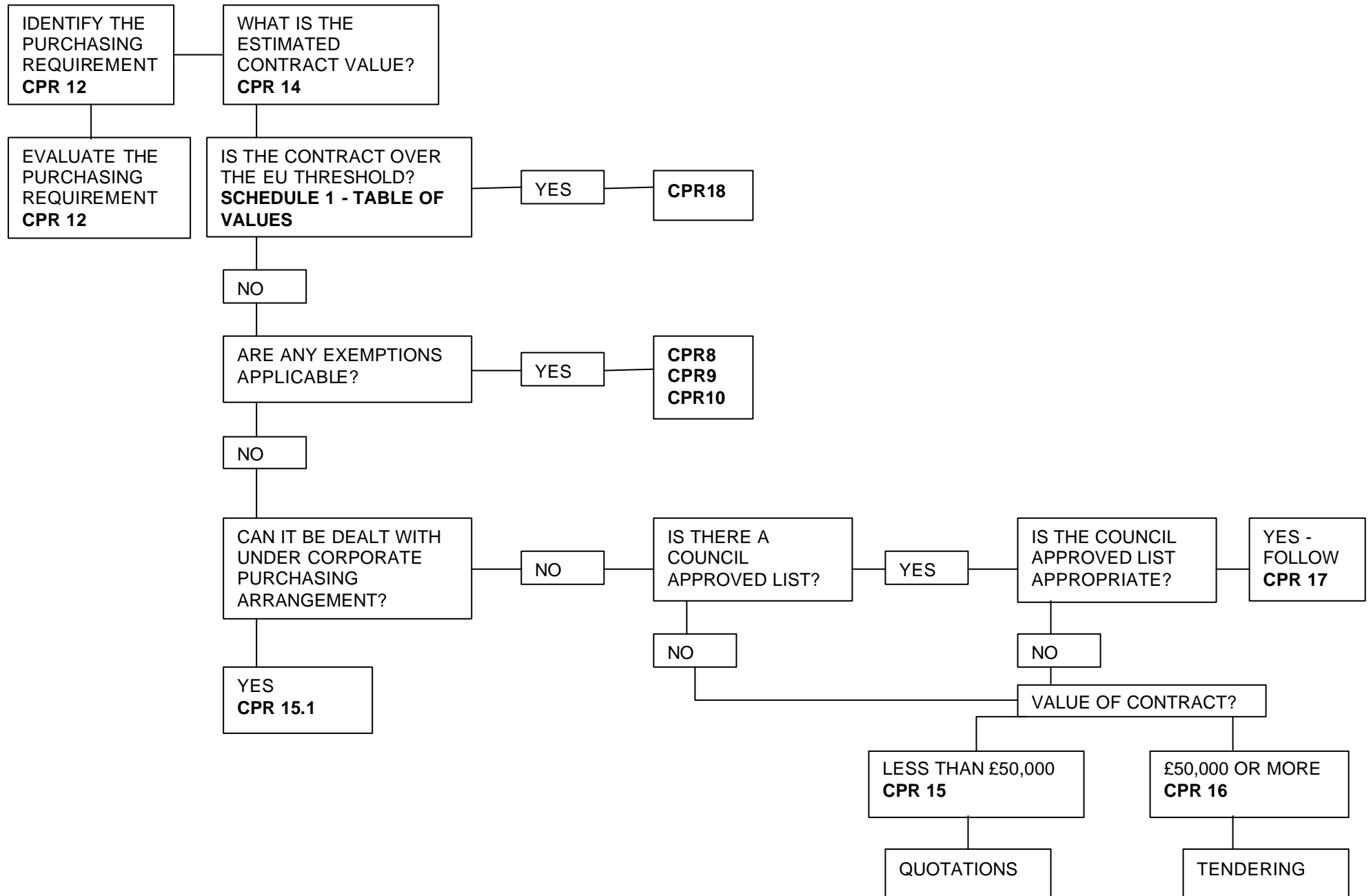
1.8 Whenever reasonable doubts arise as to the financial standing or, technical capabilities of a Contractor on a Council Approved List, the appropriate Chief Officer may, in consultation with the Chief Finance Officer immediately suspend that Contractor from the List and the Chief Executive shall be informed. Investigations of the Contractor must take place immediately. If the suspicions are confirmed the Contractor may be removed from the List or if the suspicions are dispelled, then the Chief Officer must immediately reinstate the Contractor to the list. The Chief Executive shall be kept informed of any decision made in respect of the Contractor.

1.9 If a Contractor consistently declines to tender when invited or consistently submits tenders which are so high as to suggest that the Contractor is not genuinely competing for the contracts, the Chief Officer shall seek an explanation by the Contractor. Subject to the explanation given by then Contractor, the Chief Officer may consider whether removal from the List should be recommended. Such recommendation should be made to the Chief Executive who will decide whether to remove the Contractor from the List.

1.10 A Contractor may be removed from the list if the appropriate Chief Officer considers that the Contractor or its staff have breached standards of conduct that are relevant to the nature of the work performed by the Contractor. Action may be taken under this paragraph even if there are no doubts about the financial standing or technical capability of the Contractor. Any decision to remove a Contractor from a list under this paragraph shall be reported to the Chief Executive.

~~Where a contractor has stated that it does not wish to be considered for contracts below a specified value, that value shall be stated on the list.~~

CONTRACT PROCEDURE RULES



ADDENDUM TO AGENDA ITEM NO: 10 [CABINET 2003-04]

**CABINET MEMBER: COUNCILLOR E A OWENS, LEAD MEMBER
FOR FINANCE**

DATE: 24TH FEBRUARY 2004

**SUBJECT: REVISED FINANCIAL REGULATIONS AND
CONTRACT PROCEDURE RULES**

1. DECISION SOUGHT

- 1.1 To consider the enclosed final amendments to the Financial Regulations and Contract Procedure Rules presented to cabinet today as Agenda Item 10.

2. REASON FOR SEEKING DECISION

- 2.1 The enclosed amendments were either proposed or finalised after the deadline for submitting papers to Cabinet.

3. POWER TO MAKE THE DECISION

- 3.1 Per main report.

4. COST IMPLICATIONS

- 4.1 Per main report.

5. FINANCIAL CONTROLLER STATEMENT

- 5.1 Per main report.

6. CONSULTATION CARRIED OUT

- 6.1 Additional information was submitted from Children & Family Services.

7. IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

7.1 Per main report.

8. RECOMMENDATION

8.1 That the additional amendments below are considered, along with the Financial Regulations and Contract Standing Orders already issued, for recommendation to County Council.

AGENDA ITEM 10 ADDITIONAL AMENDMENTS

Amendments are shown **in this text format**.

A FINANCIAL REGULATIONS

Following consultation with the Chief Executive and Corporate Director (Resources), the following text has been agreed in addition to those already highlighted in the report already issued to elected members.

The amendments affect Financial Regulation 4 (Resource Planning) and 7 (Maintenance of Reserves).

The following has been added to the regulation dealing with the preparation of the budget:

“4.11 The use of released provisions or additional external funding shall constitute a change to the approved budget and require the approval of the full council.”

There are several amendments to Financial Regulation 7 hence the entire regulation is shown below:

7. MAINTENANCE OF RESERVES

Purpose

*The local authority must decide the level of general reserves it wishes to maintain before it can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the authority to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained, such as the purchase or renewal of capital items. **Reserves are treated differently from balances that may accrue during the year from unexpected activity or deviation from planned income or expenditure.***

Responsibilities

1.1. It is the responsibility of the Chief Finance Officer to advise the Cabinet and/or the full council on prudent levels of reserves for the authority.

Regulations

7.2 Reserves should be maintained in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and agreed accounting policies.

7.3 For each reserve established, the purpose, usage and basis of transactions should be clearly identified.

7.4 The use of specific reserves as defined in 7.3 will require the approval of Cabinet.

The use of any general reserves will require the approval of full council upon a report from the Chief Finance Officer.

7.5 Reserves may only be used for the purposes for which they were intended. **Any deviation from this or re-allocation of reserves will require the approval of the full council.**

7.6 Balances that may accrue during the year because of underspends on an approved budgets will be subject to Financial Regulation 6 (Virement & Year End Balances).

B CONTRACT PROCEDURE RULES

Following consultation with the Personal Services Directorate, Children and Family Services, the following text has been requested in addition to those already highlighted in the report already issued to elected members.

37. Personal Services - Care Services Contracts

37.1 Under this CPR,

- (a) the expression "Contract" shall be deemed to include the arrangements for implementing a care plan / service plan for the service user, **and in respect of Children and Family Services it shall be deemed as a cost per child**
- (b) the expression "Contractor" shall be referred to as "Care Provider(s)".
- (c) the expression "Approved Care Providers" are those care providers who are registered with the Care Standards Inspectorate **(Wales) and Care Standards Commission (England)**, or are on a list of Approved Care Providers maintained by the Chief Officer.

37.2 For the purposes of CPR 14 the contract value of the Care Provider Contracts shall be calculated as follows:

- (a) the estimated weekly cost of the care multiplied by 52 weeks; or
- (b) where the figure is likely to be inaccurate due to changes in the level of care p

37.3 CPR 37.4 and 37.5 shall apply only to those contracts where the service provided is by:

i) Adult Services

A registered Care Home or registered Care Home providing nursing care for individuals under the general provisions of the National Health Services and Community Care Act 1990 and where user choice is paramount and where the Personal Services directorate has decided not to provide the service itself.

ii) Children and Family Services

a residential placement, fostering placement, respite care, secure unit placement, hospital placement or any other service provision registered by Care Standard Inspectorate (Wales) and Care Standards Commission (England)

37.4 For contracts referred to in CPR 37.3 the Responsible Officer shall be exempt from having to obtain quotations and / or tenders.

37.5 **i) Adult Services:**

When awarding contracts referred to in CPR 37.3, the contract will be awarded in the following manner:

- (a) by the Responsible Officer where the contract rates have been set by the Council by

- virtue of the National Assistance Act 1948, up to £750 per week.
- (b) by the Chief Officer if the rates are over £750 per week either by reason of a specialist care package required or any other special circumstances.
- (c) by a Cabinet member in whose portfolio the services falls, based on a report from the Chief Officer having consulted with Internal Audit and the Chief Finance Officer, if the contract rate is over £1,000 per week

ii) Children and Family Services

When awarding contracts referred to in CPR 37.3, the contract will be awarded in the following manner:

- (a) by the Responsible Officer where the contract rates have been set by the Council, up to £1,000 per week.**
- (b) by the Chief Officer if the rates are over £1,000 per week either by reason of a specialist care package required or any other special circumstances.**
- (c) by a Cabinet member in whose portfolio the services falls, based on a report from the Chief Officer having consulted with the Financial Controller, if the contract rate is over £4,000 per week**

- 37.6 Where the service(s) provided
- a) are services, other than those provided by a registered Care Home, arranged to implement a care plan; or
 - b) are services as part of the Supporting People initiative providing that the provider also provides an element of care;
 - c) are services, other than those** listed in CPR 37.3 (ii) and where there is no directive from the National Assembly of Wales that makes user choice paramount, the following provisions apply.
- 37.7 The Responsible Officer shall at all times endeavour to obtain at least three written quotations from Approved Care Providers.
- 37.8 Where a contract is currently being performed by a Care Provider and the Responsible Officer envisages the terms of the contract to increase or reduce its scope, the existing Care Provider may be given an opportunity to submit a quotation in respect of the revised work.
- 37.9 Although user choice is not deemed to be paramount, it is considered to be best practice and the Responsible Officer shall give consideration to such matter, along with other criteria such as quality of service, best value for money, qualifications of providers, previous experience, **suitability**, compliance with all relevant policies of the Council, geographical proximity to the service user (list is not exhaustive) when awarding the contract.
- 37.10 Contracts will be awarded to the Approved Service Provider in the following manner:-
- (a) by the Responsible Officer if the contract rate is less than £250 per week;
 - (b) by the Chief Officer if the contract rate is between £250 and £1,000 per week;
 - (c) by Cabinet Member in whose portfolio the services falls based on a report from the Chief Officer having consulted with Internal Audit and the Chief Finance Officer, if the contract rate is over £1,000.
- 37.11 Where the Responsible Officer considers it desirable because it is in the best interest of the service user or it is an unforeseen emergency situation or for some other reason, CPR 37.7 shall not apply providing that such action shall be approved in the following manner:
- (a) by the Chief Officer if the contract rate is up to £1,000 per week;
 - (b) by Cabinet Member in whose portfolio the services falls based on a report from the Chief Officer having consulted with Internal Audit and the Chief Finance Officer, if the contract rate is over £1,000 per week.

REPORT TO CABINET

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

DATE: 24 February 2004

SUBJECT: Revenue Budget 2003/04

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 January show current pressures on services at £503k (£609k at the end of December).

Pressures remain within School & College Transport and Special Education Needs within the Lifelong Learning Directorate. Budget savings in Social Services are offsetting an element of the projected budget pressure in the Homelessness service within the Personal Services Directorate.

Uncertainty remains 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 been completed. Budget savings arising from improved investment returns on cash flow management and interest savings on the Council's loan debt are sufficient to meet the current projected overspend on service budgets.

In the remaining weeks of the financial year Directorates must take appropriate action to contain any further cost increases.

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. Cabinet agreed at its meeting of 27 January 2004 that pressures identified to the end of December would be funded corporately from savings in capital financing charges. Action must be taken, where appropriate to accommodate any further increases from within existing service budget provisions. Adverse deviations 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 all pressures identified after 31 December 2003 for the current financial year must be absorbed by services to ensure the achievement of the 2003/04 Revenue Budget strategy.

MONTHLY BUDGET MONITORING REPORT - FINANCIAL YEAR 2003/04
Summary of Pressures
POSITION AS AT END JANUARY 2004

Directorate	- Year to Date -			- 2003/04 Totals -				Projected Variance (Previous Report) £000s
	Budget Profile	Actual to End Jan 04 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at End Jan 04	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Lifelong Learning (excluding schools delegated)	13,412	13,623	211	16,899	17,710	18,146	436	478
Environment	15,741	15,387	-354	18,613	19,396	19,363	-33	7
Personal Services	23,254	23,047	-207	25,852	26,040	26,140	100	124
Chief Executive	1,867	1,811	-56	2,243	2,409	2,409	0	0
Resources	4,979	4,330	-649	4,937	5,161	5,161	0	0
Corporate, Miscellaneous & Benefits	10,412	10,466	54	3,870	3,652	3,652	0	0
	69,665	68,664	-1,001	72,414	74,368	74,871	503	609
Non - Service Items:								
				100	0	0	0	0
				11,283	11,206	10,703	-503	0
				4,435	4,435	4,435	0	0
				1,000	1,000	1,000	0	0
				89,232	91,009	91,009		
				Total Variance			0	609

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 JANUARY 2004**

	- Year to Date -			- 2003/04 Totals -				Projected Variance (Previous Report) £000s
	Budget Profile	Actual to End Jan 04 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at End Jan 04	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Individual Schools Budget	36,321	32,449	-3,872	39,975	39,936	39,936	0	0
School Funds Held Centrally	7,131	8,114	983	10,004	10,721	11,066	345	389
Non school Funding	277	453	176	388	389	453	64	64
Leisure Services	3,123	2,412	-711	3,086	3,132	3,147	15	13
Culture	1,858	1,836	-22	2,414	2,468	2,468	0	0
Countryside	588	480	-108	434	441	441	0	0
Youth	435	328	-107	573	559	571	12	12
	13,412	13,623	211	16,899	17,710	18,146	436	478
Total Lifelong Learning	49,733	46,072	-3,661	56,874	57,646	58,082	436	478

Notes:

<u>Comments</u>	Current Month	Previous Month
	£ 000s	£ 000s
Education Pressures		
<u>School Funds Held Centrally</u>		
School Transport - Reduction in projected variance due to contract changes/variations and opportunities to merge contracts.	130	144
SEN - pressures incurred in recoupment - impact of placing authorities' Inclusion policies, withdrawing pupils from Plas Brondyffryn.	250	250
Less Delays in appointing staff	-15	0
Management & Administration efficiency savings	-20	-5
	345	389
<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)/ increase in licensing fees and security costs.	15	9
	15	9
<u>Youth</u>		
Prestatyn Youth Centre - Essential Repairs & Maintenance	5	5
Backdated Superannuation Contribution	7	7
	12	12
Directorate Total	436	474

MONTHLY BUDGET MONITORING REPORT - FINANCIAL YEAR 2003/04
ENVIRONMENT
POSITION AS AT END JANUARY 2004

	- Year to Date -			- 2003/04 Totals -				Projected Variance (Previous Report)
	Budget Profile	Actual to End Jan 04 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at End Jan 04	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Consultancy Services	1,700	2,089	389	1,095	1,225	1,388	163	6
Economic Regeneration	818	1,014	196	914	952	967	15	0
Highways and Transportation	4,861	4,625	-236	6,697	6,806	6,831	25	0
Planning Services	769	583	-186	935	935	900	-35	7
Public Protection & Regulatory Services	6,588	6,228	-360	7,903	8,288	8,098	-190	0
Support Services	735	587	-148	797	918	910	-8	-6
Contract Services	270	261	-9	272	272	269	-3	0
Total Environment	15,741	15,387	-354	18,613	19,396	19,363	-33	7

The overspend on Economic Regeneration is caused by a delay in receipt of grant and incorrect profiling of rental income.

Consultancy Services profiled income budget has not been achieved to date and is currently being reviewed.

Public Protection and Regulatory Services underspend against profiled budget is mainly due to the delayed agreement of contractor invoices.

Planning Services underspend against profiled budget reflects earlier receipt of income and later than anticipated commitment of project based expenditure.

**MONTHLY BUDGET MONITORING REPORT - FINANCIAL YEAR 2003/04
PERSONAL SERVICES
POSITION AS AT END JANUARY 2004**

	- Year to Date -			- 2003/04 Totals -				Projected Variance (Previous Report) £000s
	Budget Profile	Actual to End Jan 04 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at End Jan 04	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Children Services:								
Children and Families Services	5,153	5,132	-21	4,094	4,834	4,861	27	-179
Community Development	215	204	-11	274	261	258	-3	-1
Performance Management & Support	290	225	-65	381	348	282	-66	-58
Adult Services:								
Intake A & C M (North)	5,764	6,245	481	5,333	6,902	7,567	665	801
Preserved Rights/RCA	2,571	2,011	-560	3,404	3,001	2,334	-667	-679
Intake A & C M (South)	3,262	2,999	-263	3,772	3,851	3,578	-273	-85
Adult Services (Provider)	4,971	5,035	64	5,682	5,715	5,764	49	84
Performance Management & Support	1,768	1,572	-196	1,515	2,121	1,922	-199	-179
Business Support & Development	1,422	1,588	166	1,313	1,543	1,861	318	192
Supporting People	1,687	1,738	51	0	2,024	2,084	60	60
	27,103	26,749	-354	25,768	30,600	30,511	-89	-44
Supporting People Grant	-3,917	-3,917	0	0	-4,700	-4,700	0	0
	23,186	22,832	-354	25,768	25,900	25,811	-89	-44
Non HRA Housing	68	215	147	84	140	329	189	168
Total Personal Services	23,254	23,047	-207	25,852	26,040	26,140	100	124

General

Reprofiling of budgets account for the changes in projected variances identified between the current report and the previous report.

Children and Families

The Fostering Service which includes specialist placements is expected to overspend due to specific children with very complex needs.

Intake A & C M (North & South)

Included in outturn is 1% increase for domiciliary providers from October 2003.

Includes fee increase for Residential/Nursing Homes from October 2003.

Problem with backlogs of domiciliary bills at local offices has been resolved, which is reflected in outturn projection.

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 JANUARY 2004**

	- Year to Date -			- 2003/04 Totals -				Projected Variance (Previous Report) £000s
	Budget Profile	Actual to End Jan 04 Plus Commitments	Variance (Increase/ - Saving)	Budget As per Budget Book	Budget As at End Jan 04	Projected Outturn	Variance (Increase/ - Saving)	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Chief Executive's Dept	1,867	1,811	-56	2,243	2,409	2,409	0	0
Resources Directorate:								
Finance	2,460	2,272	-188	2,115	2,351	2,376	25	0
Audit	262	261	-1	299	312	312	0	0
I.T	1,517	1,148	-369	1,649	1,622	1,622	0	0
Personnel	740	649	-91	874	876	851	-25	0
Total	4,979	4,330	-649	4,937	5,161	5,161	0	0
Corporate & Miscellaneous Benefits	1,318	1,509	191	3,386	2,868	2,868	0	0
	9,094	8,957	-137	484	784	784	0	0
Total	10,412	10,466	54	3,870	3,652	3,652	0	0
Total Chief Executive's, Resources, Corporate & Misc. and Benefits	17,258	16,607	-651	11,050	11,222	11,222	0	0