

**CABINET**

Minutes of the Cabinet meeting held in Conference Room 1, Council Offices, Ruthin on Tuesday 31 January 2006 at 10.00 a.m.

**PRESENT**

Councillors S A Davies, Lead Member for Business & Communications; P A Dobb, Lead Member for Health & Wellbeing; E C Edwards, Lead Member for Communities; R W Hughes, Leader and Lead Member for Regeneration; M A German, Lead Member for Children and Young People; P J Marfleet, Lead Member for Finance and Personnel; D Owens, Lead Member for Lifelong Learning; S Roberts, Lead Member for Promoting Denbighshire, J Thompson Hill, Lead Member for Property and Asset Management and E W Williams, Lead Member for Environment.

Observers: Councillors R E Barton; G C Evans; K N Hawkins, M M Jones.

**ALSO PRESENT**

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

The Leader welcomed Mrs. Anwen Jones a member of the Housing Options Working Party to the meeting.

**APOLOGIES**

None

**ANNOUNCEMENT**

The Chief Executive announced that the WLGA had awarded £25k to the Visioning exercise from their Innovation and Improvement fund. He congratulated the Strategic Policy Unit for all their efforts in attracting this substantial funding.

**1 URGENT MATTERS**

There were no urgent matters.

**2 MINUTES OF THE CABINET**

The Minutes of the Cabinet meeting held on 17 January 2006 were submitted. Matters Arising - Item 3 Asset Review Programme – Councillor P J Marfleet referred to the collaboration agenda and stated that this collaboration should

not be the main objective of the Asset Review, although all areas should consider the efficient use of resources.

**RESOLVED** that the Minutes of the Cabinet meeting held on 17 January 2006 be approved as a correct record and signed by the Leader.

### 3 REVENUE BUDGET 2005-06

Councillor P J Marfleet presented the report asking Members to note the budget performance figures for the current financial year. He reported that the service pressure projections were as at the end of December and not November as indicated in the report, and that the information provided on the pressures and savings within the corporate budgets were as at mid January.

He highlighted savings which had been made in Social Services and Housing of £195k in anticipation of pressures for the coming year.

Due to the improved financial position, a potential underspend of £320k was to be carried forward. He congratulated all involved but urged all Directorates/Departments to consider the best use of any carry forwards/underspends.

Councillor Marfleet referred to Cabinet's agreement to invest money into the Visioning exercise's marketing requirements in terms of 'branding' the County. He said that the Authority needed to establish its identity as some of the major corporations still referred to the Authority as Clwyd and did not recognise it as Denbighshire. He highlighted the importance of starting the work as soon as possible and some of the money earmarked being spent during the 2006/07 financial year.

Councillor J Thompson-Hill asked whether the £50k earmarked for the Visioning exercise was now affected by the £25k allocated by the WLGA. The Leader explained that the money allocated from the WLGA could be used as match funding.

Councillor E W Williams referred to the branding and said that locally, he had not heard people referring to the Authority as Clwyd for a number of years. He said that the Authority had its own individual stamp.

**RESOLVED** that:

[a] *Members noted the figures in the appendices, and agreed to earmark £25k from 2005/06 budget together with £25k allocated by the WLGA to be carried forward to 2006/07 and used for the Visioning exercise's marketing requirements.*

#### **4 REVENUE BUDGET 2006/07 TO 2008/09**

Councillor P J Marfleet presented the report asking Members to consider the budget proposals, and recommend the budget package to County Council for approval. Members were also asked to recommend the resulting 2% impact of the proposals on Council Tax in 2006/07 to Council, and to note the indicative budget position for 2007/08 and 2008/09.

The report provided Members with an update on the position considered by Cabinet on 20 December 2005. Councillor Marfleet commended Managers and staff for rising to the challenge and coming up with the proposals for savings which had been thoroughly debated by Service Scrutiny Committees.

He highlighted the strategy to improve our position on the level of council tax with regard to the other North Wales Councils, and the impact of council tax on pensioners living in Denbighshire.

Councillor Marfleet reported that it had also been possible to recommend providing an additional £470k into the Education budget to look specifically at improvement of Key Stage 3 and above, and that the Corporate Director: Lifelong Learning would be reporting back to Cabinet within the next couple of months with proposals.

It had also been recommended that the Community Capital Scheme be increased by £150k to be used by Directorates in consultation with their Local Members. He also referred to the revenue provision of £385k which, when turned into capital would provide £4m of capital resources which should be invested into the Council's priorities.

Councillor P J Marfleet conveyed his thanks for the support he had received from the Financial Controller and Finance Officers, and thanked all Members for providing their views which had been taken into consideration when putting together the proposals, which had resulted in an excellent budget being achieved, and the lowest increase in council tax in the history of Denbighshire.

Councillor S A Davies commented that the process had been transparent and inclusive.

Councillor J Thompson-Hill commended the report and asked that once the proposals had been agreed, it was important that work was undertaken to earmark how the extra capital would be split.

The Chief Executive drew Members attention to Page 2 of Appendix 4 and to the further resources available through prudential borrowing. He said that a report would be presented to Cabinet in March providing proposals on how

the resources had been allocated. Efficiency savings in future years also needed to be considered.

Councillor E W Williams queried whether community groups could link into the County's Prudential Borrowing Scheme.

The Deputy Chief Executive / Corporate Director: Resources agreed to review the matter.

The Leader thanked Officers and Members for their work in providing the Council with such an excellent budget.

**RESOLVED** that Cabinet:

- (a) *recommend to Council the budget package for approval;*
- (b) *recommend to Council the resulting 2% impact of the proposals on Band D of Council Tax in 2006/07, and*
- (c) *note the indicative budget position for 2007/08 and 2008/09*

## **5 CAPITAL PRIORITISATION PROCESS**

Councillor P J Marfleet presented the report seeking approval of the capital programme prioritisation process.

Councillor Marfleet highlighted the need to ensure that the Council continued to invest in areas it considered a priority and that those projects were clearly defined. He referred Members to the guidance document which explained the three different types of capital projects. He reported the importance of understanding at an early stage any risks and revenue implications concerned with the projects. He referred Members to the flow chart and said that one area that had not been sufficiently addressed was the need for capital projects to be discussed at an early stage with Members, and that this had now been included on the flow chart.

Councillor E W Williams referred to Appendix A, the Project Proposal and Mandate and asked whether consultation with the Lead Member could be included, as it was important from the onset that the Lead Member was aware of any projects being considered.

Councillor E C Edwards commended the report which was long overdue and agreed that Member involvement needed to be included, and that all community projects needed to be considered by their relevant Elected Members' Group.

The Leader referred to the appraisal of projects being discussed by CET and asked that Members be involved before any proposals are rejected by the Corporate Executive Team. She also referred to the scoring system and her concern that non-statutory projects would not fair well in the scoring system.

In response to the comments made, the Deputy Chief Executive / Corporate Director: Resources advised Cabinet that Lead Member involvement would feature predominantly at every stage and that this had now been included in the flow chart. He also pointed out to Members that the Scoring methodology was a guide and would be reviewed after six months' time.

The Chief Executive referred to the capital block allocations stating that these would also be subject to this process.

The Deputy Chief Executive / Corporate Director: Resources confirmed with Members that the prioritisation process would only be used on future projects. Councillor E W Williams asked for reassurance that the process did not affect the Community Allocation Bids, and that the money was not removed from projects within communities already agreed.

Councillor E C Edwards explained that the purpose of the Area Elected Members' Groups was to ensure all appropriate parties were represented.

**RESOLVED** that Cabinet agree the approval of the process, with a review to take place in September 2006.

## **6 IMPROVING THE COUNCIL HOUSING STOCK**

1 Councillor P A Dobb presented the report seeking approval to recommend to Council the Housing Stock be retained and the Housing Stock Business Plan (HSBP) be implemented. She also sought agreement for the HSBP to be monitored on a monthly basis with an annual report as part of the Housing Revenue Account budget setting process, and a formal review in 2009.

Councillor Dobb thanked everyone involved for all their work and dedication over the last six years. A telephone survey of tenants had been undertaken which revealed that 74% wished to stay with Denbighshire, 4% wished to transfer and 22% did not know, which clearly demonstrated that the HSBP was the preferred option.

The Stock Transfer option needed the support of the tenants and following the telephone survey, it was clear that it would not have been supported by the tenants and that a ballot would have failed, although this option would have provided a better financial outcome in future years.

Councillor Dobb reported that it had now been agreed that the HSBP was workable, but concern had been expressed by WAG and the Wales Audit Office that the plan operated on a very tight financial margin, and suggested that milestones were established to measure progress with the Plan with monthly reports to Cabinet, a yearly report as part of the Housing Revenue Account budget setting process and a formal review of options in 2009.

Councillor P J Marfleet welcomed the report which proved how complex an issue the whole process had been. He referred to the varying sale figures of the right to buy and asked whether it would still be an option to resurrect the Stock Transfer option if the scenario were to change.

The Head of Housing explained that the plan would be monitored monthly, and if there appeared to be a problem, a major review would be undertaken, and the option of Stock Transfer could be reconsidered.

In response to Councillor G C Evans' question about the future involvement of tenants, the Head of Housing explained that he did not wish to lose the involvement and support of tenants; for example a tenant representative regularly attended the Scrutiny meeting on any housing issues. He explained that the County Clerk was now looking into the tenant representative being given voting rights at such meetings on any matters in relation to housing.

The Leader thanked Councillor Dobb, Officers and all the tenants for their involvement. The commitment to this process had been evident at the Seminar held earlier in the month between Members and Tenant Representatives.

**RESOLVED** that Cabinet:

- (a) *recommend to Council that the Housing Stock be retained and the Housing Stock Business Plan be implemented; and*
- (b) *that the Housing Stock Business Plan be monitored on a monthly basis with an annual report as part of the Housing Revenue Account budget setting process and a formal review of the options in 2009 to confirm progress to Welsh Housing Quality Standards by 2012.*

**7 DENBIGHSHIRE COUNTY COUNCIL (HIGH STREET AND CHURCH LANE) COMPULSORY PURCHASE ORDER 2004**

(The Chief Executive declared an interest in the item and left the meeting).

Councillor E W Williams presented the report seeking Cabinet approval to extend the indemnity agreement currently in place.

**RESOLVED** that the County Clerk be authorised to affix the Common Seal of the County Council to a Deed of Variation extending the current indemnity agreement with Tesco to 31st October 2006 whereby it agrees to endeavour to acquire the land which is the subject of the compulsory purchase order by private treaty and in any event to bear the compensation and acquisition costs together with associated expenses incurred by the Council in the acquisition of such land the costs and expenses associated with the compulsory purchase order.

## **8 SOCIAL SERVICES FEES AND CHARGES 2006 - 2007**

Councillor P A Dobb presented the report seeking approval of the proposed increases in fee levels for providers of Nursing and Residential Care, Day Care and Home Care services for 2006/07. Cabinet was also asked to agree the proposed increases in charges for Domiciliary and Day Care Services, Meals on Wheels and Local Authority Residential Accommodation for 2006/07.

Councillor Dobb explained that in accordance with the Corporate Guidance on Setting Fees and Charges that states that fees should be increased annually, the Department was proposing to increase the fees paid to providers by more than inflation.

Councillor P J Marfleet asked what provision had been made for the elderly to cope with the increase in fees.

The Corporate Director: Personal Services explained that a Charging Policy is operated and that all individuals are means tested to establish how much they can contribute to the costs.

The Leader reported that she had received representations from other Councillors asking whether a leaflet campaign could be undertaken advising service users that if they are not able to cope with the increase in fees, that help was available.

The Corporate Director: Personal Services assured Members that all service users, who wished to be, were referred to the Welfare Rights Unit for a benefit check.

Councillor E C Edwards agreed with the recommendation and commended the Department for the way it was running the Residential Homes and highlighted the importance of protecting the Authority's residential homes and Community Hospitals.

**RESOLVED** that Cabinet agreed the fee levels and charging rates for services provided in 2006/2007 for implementation from April 2006.

## **9 DISCOUNT ON COMMUNITY COUNCIL BY-ELECTION CHARGES**

Ian Miller, the Returning Officer presented the report seeking approval from Cabinet to revoke the decision made by the Council's Policy and Performance Committee in July 1996 to grant a discount on by-election charges to Community Councils with less than 1000 electors.

Councillor P J Marfleet asked about the current position and as to what the how many discounts had been given.

The Returning Officer explained that the costs involved would be dependant on a contested election, and that in the last 4 years all the contested elections had been held in the urban areas.

***RESOLVED** that Cabinet revokes the current policy of giving a percentage discount on Community Council By-Election costs.*

## **10 CABINET FORWARD WORK PROGRAMME**

Councillor S A Davies presented the Cabinet Forward Work Programme. He explained that the Beyond Area Partnerships report would now be presented to the March meeting.

***RESOLVED** that Cabinet note the Cabinet Forward Work Programme.*

## **11 URGENT ITEMS**

There were no Part I Urgent Items.

## **EXCLUSION OF PRESS AND PUBLIC**

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

## **PART II**

## **12 THREE YEAR CAPITAL PLAN**

Councillor P J Marfleet presented the report asking Members to note the latest projected position on the 2005/06 element of the Capital Plan. Members were also asked to agree to slip funding of £1m into 2006/07 to match the forecast further slippage in expenditure.



Councillor Marfleet referred to the total capital expenditure and the need to incur increased levels of expenditure from now until the end of the financial year in order to ensure revised forecasts were achieved. He explained that any schemes not agreed in the Plan would need to go through the Capital Prioritisation Process.

**RESOVLED** that Cabinet:

(a) *note the position of the 2005/06 element of the Council's agreed 3 year Capital Plan, and*

(b) *agree to slip funding of £1m into 2006/07 to match the forecast further* slip,

The meeting concluded at 11.15 a.m.

**REPORT TO CABINET**

**CABINET MEMBER:** CLLR P J MARFLEET, LEAD MEMBER FINANCE AND PERSONNEL

**DATE:** 21 FEBRUARY 2006

**SUBJECT:** MONITORING THE AUTHORITY'S KEY PERFORMANCE INDICATORS

**1 DECISION SOUGHT**

That Cabinet consider the attached Corporate Quarterly Performance Report which details the Authority's key performance indicators, with a view to considering any issue in greater depth as deemed necessary (Appendix 1 refers).

**2 REASON FOR SEEKING DECISION**

The Authority's key performance indicators have been chosen to reflect Denbighshire County Council's priorities and areas of risk. Regular monitoring of these indicators will ensure that priorities are being progressed and areas of risk improved.

The key issues for consideration from Quarter 3 (October, November, December) are noted below:-

32% of key indicators are ahead of target – 4% lower than Qtr 2  
32% of key indicators are on target – 6% higher than Qtr 2  
36% of key indicators are below target – 2% lower than Qtr 2

Performance shows a slight improvement in Qtr 3. However, it should be noted that if current trends continue the Authority is unlikely to meet certain key targets for 05/06 and this is detailed in Appendix 1.

**3 POWER TO MAKE A DECISION**

Performance management is a key element of the Wales Programme for Improvement which is underpinned by the statutory requirements of the Local Government Act 1999.

**4 COST IMPLICATIONS**

There maybe cost implications to the achievement of some key performance indicator targets.

## **5 FINANCIAL CONTROLLER STATEMENT**

Failure to deliver National Policy Agreement targets may lead to the risk of clawback of grant for those areas significantly adrift.

## **6 CONSULTATION CARRIED OUT**

Progress against key performance indicators should be discussed with Lead Cabinet Members and at Departmental Management Team meetings and team meetings. Quarterly performance reports which include key performance indicators are also distributed to the relevant Scrutiny Committees for review.

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













Key performance indicators impact upon all policy areas including corporate.






















## **8 ACTION PLAN**

<b>Action</b>	<b>Responsibility</b>	<b>Deadline</b>
To explore and address the reasons for below target performance at Departmental Team Meetings and CET	CET	10 March 2006
Report to Informal Cabinet on actions taken to address below target performance	CET	28 March 2006

## **9 RECOMMENDATION**

That Members consider the Corporate Quarterly Performance report and identify any issues which require further discussion and/or remedial action (Appendix I). It is recommended that particular attention is paid to those indicators which are not on target.

Indicator Reference	Type of Indicator	Description	Responsible Member & Officer	Welsh Comparative data 04/05	04/05 Quartile	2004/05 Annual Target	2004/05 Data	Data Quarter 1 (Apr-Jun) July 05/06	Performance against 05/06 target QTR 1	Data Quarter 2 (Jul-Sep) Oct 05/06	Performance	Data Quarter 3 (Oct-Dec) Jan 05/06	Performance	Data Quarter 4 (Jan-Mar) April 05/06	Performance	2005/06 Annual Target
KEY: Symbol denotes progress against 05/06 Targets		SLIPPAGE AGAINST TARGET														
		ON TARGET														
		AHEAD OF TARGET														
S		Welsh Assembly Government - National Strategic Indicator														
C		Welsh Assembly Government - Core Set Indicator														
Local PI		Local Performance Indicator														
NPA		National Policy Agreement (Bold)														
LPA		Local Policy Agreement (Bold)														
<b>HEALTH, SOCIAL CARE &amp; WELL-BEING</b>																
SCC/S/001	NATIONAL STRATEGIC & POLICY AGREEMENT 7	a) The percentage of first placements of looked after children during the year that began with a care plan in place.	Cllr M German, Nicola Francis	80.80%		a) 70%	a) 52%	77%		82%		86.40%				a) 80%
		b) For those children looked after whose second review (due at 4 month) was due in the year, the percentage with a plan for permanence at the due date.	Cllr M German, Nicola Francis	64.00%		b) 60.00%	b) 44.44%	50.0%		78%		70.00%				
<p>This PI measures care planning for children at the point they become looked after. This quarter has seen progressive improvement for this PI. In 2004/2005 there were 52% of children with a care plan in place for their first placement.</p>																
SCC/C/004	CORE	The percentage of children looked after on 31 March who have had three or more placements during the year.	Cllr M German, Nicola Francis	N/A		N/A	New Indicator 2005/06	6.04%		12.58%		18.57%				17%
<p>This indicator measures the extent to which the local authority is able to provide stable placements for children looked after. The need to find appropriate placements for children with complex needs continues to be a challenge. Strategies to improve placement stability require sustained investment to achieve medium and long term improvement. Given the needs of the looked after population it is unlikely that we will be able to demonstrate performance improvement from 2004/2005. However, it should be noted that efforts to appropriately reduce our Looked After population mean that whilst the % of children with 3 or more placements remains static the actual number of children who have experience 3 or more placements during 05/06 has reduced.</p>																

Indicator Reference	Type of Indicator	Description	Responsible Member & Officer	Welsh Comparative data 04/05	04/05 Quartile	2004/05 Annual Target	2004/05 Data	Data Quarter 1 (Apr-Jun) July 05/06	Performance against 05/06 target QTR 1	Data Quarter 2 (Jul-Sep) Oct 05/06	Performance	Data Quarter 3 (Oct-Dec) Jan 05/06	Performance	Data Quarter 4 (Jan-Mar) April 05/06	Performance	2005/06 Annual Target
SCC/C/005	CORE	a) The percentage of children looked after on their 16th birthday who have a care plan;	Cllr M German, Nicola Francis	N/A		N/A	New Indicator 2005/06	33.30%		57.14%		90.00%				a) 85%
		b) The percentage of 'eligible' children looked after on their 16th birthday who have a pathway plan for their continuing care	Cllr M German, Nicola Francis	N/A		N/A	New Indicator 2005/06	100.00%		71.42%		70.00%				b) 85%
<p>This indicator measures the efficiency of the local authority in relation to care planning for those children who have reached the age of 16 whilst in care. Measures have been taken to strengthen the structuring a services for looked after children and children leaving care and should underpin and strengthen performance in relation to care planning.</p>																
SCA/S/001 NPA 5	NATIONAL STRATEGIC (National Policy Agreement 5)	The rate of delayed transfer of care for social care reasons per 1,000 population aged 75 or over	Cllr P A Dobb, Neil Ayling	9.35		<2.53	1.23	0.10		0.20		0.20				<2.53
SCA/S/002 NPA 6	NATIONAL STRATEGIC & NATIONAL POLICY AGREEMENT 6	The rate of older people (aged 65 or over):	Cllr P A Dobb, Neil Ayling	a) 115.41		36.15	a) 114.59	36.15		32.82		29.28				a) 104
		b) Whom the authority supports in care homes per 1,000 population aged 65 or over		b) 26.87		32.46	b) 32.82	32.46		33.39		34.53				b) 41.00
<p>This PI measures the extent to which the authority provides effective community support to enable older people to live independently in their own homes. The target was set in consultation with the Welsh Assembly Government and reflected the Authority's intention to support older people to live at home at a rate above the Welsh average, which is challenging given the ageing population profile of Denbighshire. Since the target was set the definition for the PI has changed to exclude 'professional support' services. This is particularly pertinent for Denbighshire as the target was set based on the previous definition which included areas of performance where the Authority traditionally performs well e.g. welfare rights support. This type of service is now explicitly excluded from the definition. It is apparent however that some eligible services under the revised definition are not being collected. We are therefore refining our data recording and data collection processes to ensure that we capture the full extent of people helped to live at home through the provision of reablement, adaptations and equipment - all of which are areas where Denbighshire is performing well. It is anticipated that this will have a positive impact on our PI performance. However, we will not achieve the year end target given the definitional change.</p>																
SCA/C/003	CORE	a) The percentage of clients supported in the community during the year, who are: a) aged 18-64	Cllr P A Dobb, Neil Ayling	N/A		75.30%	New Indicator 2005/06	75.30%		80.60%		86.80%				a) 90%
		b) The percentage of clients supported in the community during the year, who are: b) aged 65+	Cllr P A Dobb, Neil Ayling	N/A		64.80%	New Indicator 2005/06	64.80%		73.60%		79.80%				b) 75%
<p>This is a new indicator which measures the balance of support provided to people in the community and to people living in a Care Home setting. Work has been undertaken to script reports to collect performance data for this PI and to collect data held outside Care.comm. Data reported this quarter is actual performance data whereas data in previous quarters was indicative. The actual performance data is showing positive performance.</p>																

Indicator Reference	Type of Indicator	Description	Responsible Member & Officer	Welsh Comparative data 04/05	04/05 Quartile	2004/05 Annual Target	2004/05 Data	Data Quarter 1 (Apr-Jun) July 05/06	Performance against target QTR 1	Data Quarter 2 (Jul-Sep) Oct 05/06	Performance	Data Quarter 3 (Oct-Dec) Jan 05/06	Performance	Data Quarter 4 (Jan-Mar) April 05/06	Performance	2005/06 Annual Target
LP 3.14a	LOCAL INDICATOR (previously NAW PI 3.14a)	The number of adults aged under 65 with a physical or sensory impairment, whom the Authority helps to live at home, per 1,000 aged under 65	Cllr P A Dobb, Neil Ayling	6.00		2.64	7.12	2.73		2.71		2.60				7.50
LP 3.14b	LOCAL INDICATOR (previously NAW PI 3.14b)	The number of adults aged under 65 with a learning disability, whom the authority helps to live at home, per 1,000 adults aged under 65	Cllr P A Dobb, Neil Ayling	3.92		2.02	3.73	2.02		2.20		2.02				3.9

This is considered to be a test of how well we support a) adults with a physical/sensory disability and b) adults with a learning disability to live at home. The calculation of the data has been brought in line with the definitions used for the new suite of PI's i.e. excluding professional support. The impact of this change is that performance appears to have reduced but this is due to the definition of what is eligible for inclusion within the PI as opposed to the actual number of people who are being supported. Indeed the number of people with learning disabilities supported by the Authority is actually increasing. However, it is acknowledged that there is also a need to improve data recording and collection processes so that we capture the full range of services provided. A data improvement programme has commenced and will be completed by the end of April in time for reporting of year end performance.

HHA/S/001	NATIONAL STRATEGIC & POLICY AGREEMENT 3	a) The number of homeless families with children who have used bed and breakfast accommodation during the year, except in emergencies	Cllr P A Dobb, Paul Quirk	N/A		70	61	12		14		7				a) 35
		b) The average number of days all homeless households spend in temporary accommodation		N/A		33 weeks	118 days	81.4 days		57.2 days		88 days				b) 189 days

HHA/S/001 - a) Use of Bed and Breakfast accommodation for families is reducing but there is concern that the target for 2005/06 will not be met - and the Performance Grant Target for 2006/07 is more challenging again. Further options are being considered and reports will be presented to Scrutiny and Cabinet.
















HLS/C/001a	CORE (previously NAW PI 4.5a)	The total amount of rent arrears owed by current tenants as a percentage of the total rent collectable for the financial year	Cllr P A Dobb, Paul Quirk	2.57%		3.70%	3.60%	3.50% (est)		3.49% (est)		3.6% (est)				3.30%
HLS/C/002	CORE (previously NAW PI 4.7)	Re-let times for local authority dwellings	Cllr P A Dobb, Paul Quirk	30.7calendar days		39 calendar days	46.8 calendar days	33 calendar days		26.8 days		36 days				40 calendar days
PPN/S/001bii) (previously NAW PI 8.1)	NATIONAL STRATEGIC	The percentage of high risk businesses liable to a programmed inspection or alternative enforcement activity during the year for Food Hygiene	Cllr E W Williams, Graham Boase	93.9%	22/22	60.0%	60.6%	12.5%		17.0%		27.0%				65.0%

We are still concentrating on providing a balanced approach in food safety and even though there have been staffing issues within the team it is anticipated that the annual target may still be met.

Indicator Reference	Type of Indicator	Description	Responsible Member & Officer	Welsh Comparative data 04/05	04/05 Quartile	2004/05 Annual Target	2004/05 Data	Data Quarter 1 (Apr-Jun) July 05/06	Performance against target QTR 1	Data Quarter 2 (Jul-Sep) Oct 05/06	Performance	Data Quarter 3 (Oct-Dec) Jan 05/06	Performance	Data Quarter 4 (Jan-Mar) April 05/06	Performance	2005/06 Annual Target
	LOCAL INDICATOR	Action all 15 recommendations in the Inter Authority audit on Health & Safety	Cllr E W Williams, Graham Boase	N/A	N/A	N/A	New Indicator 2005/06	0		7		8				15/15
Currently below the projected target but priority will be given to inspect these premises so that the target is achieved.																
	LOCAL INDICATOR	Number of private sector houses improved as a result of direct financial assistance	Cllr E W Williams, Graham Boase	N/A	N/A	N/A	New Indicator 2005/06	52		139		220				260
<b>LIFELONG LEARNING</b>																
EDU/S/001	NATIONAL STRATEGIC & POLICY AGREEMENT 1	The percentage of attendance, those present or on approved educational activities, in secondary schools	Cllr D Owens, Ieuan Lloyd Roberts	90.53%	N/A	91%	89.44%	89.8% unverified		89.90%		89.6% revised				91.00%
The 2004/2005 data column refers to the period September 2003 to May 2004. The target has not been reached due to the negative impact of 2 coastal secondary schools - strategies are in place to improve attendance in both schools. The data in QTR 1 refers to unverified data for the period September 2004 to May 2005 - the data in QTR3 refers to the same time scale and has now been verified by the Welsh Assembly Government. QTR3 data is different to QTR2 data as it has been revised by the Welsh Assembly Government. Although attendance has improved across the county, it is still slightly lower than the target set. Attendance in the two coastal schools is being monitored closely.																
	LOCAL INDICATOR	Reduction in the number of mobile class rooms used by Denbighshire's schools	Cllr D Owens, Gay Brooks	N/A	N/A	New Indicator 2005/06	See note below		See note		See note					5% per annum ("4")
Due to an increase in the number of pupils in some schools, an additional 5 mobile classrooms have been provided for September '05. It is hoped that a reduction in mobiles will take place at the end of the current academic year, partly as a result of falling rolls and partly through the completion of building projects."																
	LOCAL INDICATOR	Sq. metres of new/refurbished school buildings completed each quarter, measured against priorities determined by the Service Asset Management Plan	Cllr D Owens, Gay Brooks	N/A	N/A	New Indicator 2005/06	See note below	See note	See note	See note	See note	See note				Strategy & Resources - see comment below
During the first 3 quarters of this financial year, major projects have been completed at Ysgol Plas Brondyffryn (Glasfryn site), Ysgol Bryn Hedydd, Rhyl, Ysgol Glan Clwyd, St Asaph, Ysgol Hiraddug, Dyserth and Ysgol Bro Famau, Llanarmon.. The County Council also completed 60 contracts at schools over the summer break, funded from the Capitalised Maintenance budget. These schemes cover such issues as major window replacement, re-roofing and re-lamping. A number of other major contracts are currently on-site and will be reported later in the year.																
<b>ENVIRONMENT</b>																
ED.101	LOCAL INDICATOR	Percentage of the most urgently required building maintenance works carried out	Cllr E Williams, Gareth Evans	N/A	N/A	New Indicator 2005/06	4%		13%		20%					22%

Indicator Reference	Type of Indicator	Description	Responsible Member & Officer	Welsh Comparative data 04/05	04/05 Quartile	2004/05 Annual Target	2004/05 Data	Data Quarter 1 (Apr-Jun) July 05/06	Performance against 05/06 target QTR 1	Data Quarter 2 (Jul-Sep) Oct 05/06	Performance	Data Quarter 3 (Oct-Dec) Jan 05/06	Performance	Data Quarter 4 (Jan-Mar) April 05/06	Performance	2005/06 Annual Target
WMT/S/001	NATIONAL STRATEGIC	ia) The total tonnage of municipal waste reused and or recycled;	Cllr E Williams, Steve Parker	N/A		N/A	ia) 4761.5 tonnes	1,421		3,445		4,797				ia) 6890
		ib) The percentage of municipal waste reused and/or recycled	Cllr E Williams, Steve Parker	i) b) 12.90%		i) b) 10.50%	ib) 8.86%	10.7%		13%		13%				ib) 13%
		ii) The total tonnage of municipal waste composted or treated biologically	Cllr E Williams, Steve Parker	N/A		N/A	New Indicator 2005/06	1,037		2,175		2,809				ii) 4505
		iib) The percentage of municipal waste composted or treated biologically	Cllr E Williams, Steve Parker	N/A		N/A	New Indicator 2005/06	7.90%		8.10%		7.40%				iib) 8.5%
<p>The contractor has reported very poor composting figures for April which continue to have an effect. When the target was set it was anticipated that household collections of compostable waste would have started but this has not been the case.</p>																
WMT/S/002	NATIONAL STRATEGIC	a) The total tonnage of biodegradable municipal waste sent to landfill	Cllr E Williams, Steve Parker	N/A		N/A	New Indicator 2005/06	7,518		14,491		19,445				a) 29167 tonnes
		b) The percentage of biodegradable municipal waste sent to landfill	Cllr E Williams, Steve Parker	N/A		N/A	New Indicator 2005/06	79%		77%		79%				b) 61%
<p>This is a new indicator and although ahead of target in tonnage terms, the % target put forward for 2005/06 is clearly unrealistic and this will be reviewed for 2006/07 and subsequent years.</p>																
STS/C/001	CORE	The percentage of highways and relevant land inspected of a high or acceptable standard of cleanliness	Cllr E Williams, Steve Parker	95.39%		96.00%	98.05%	93%		91%		93%				93.00%
<p>An external contractor is carrying out the survey independantly and the data is now accurate. The target for 05/06 will be reviewed in light of this new data.</p>																
	LOCAL INDICATOR	Number of enforcement actions taken for dog fouling/litter/fly tipping/abandoned cars, etc	Cllr E Williams, Steve Parker	N/A		N/A	157	40		55		80				100
<b>COMMUNITY SAFETY</b>																



Indicator Reference	Type of Indicator	Description	Responsible Member & Officer	Welsh Comparative data 04/05	04/05 Quartile	2004/05 Annual Target	2004/05 Data	Data Quarter 1 (Apr-Jun) July 05/06	QTR 1 Performance against 05/06 target	Data Quarter 2 (Jul-Sep) Oct 05/06	Performance	Data Quarter 3 (Oct-Dec) Jan 05/06	Performance	Data Quarter 4 (Jan-Mar) April 05/06	Performance	2005/06 Annual Target
	LOCAL INDICATOR	Reduction in the overall level of crime and disorder	Cllr E Edwards, Graham Boase	N/A	N/A	N/A	18,100 reported incidents	N/A	-	N/A	-	1% reduction				15% reduction
This information is provided by North Wales Police. Comparing April - Dec '05 with April - Dec '04 crime is down by 6% and disorder is up by 4%. Overall 1% reduction.																
	LOCAL INDICATOR	Reduction of levels of violent crime	Cllr E Edwards, Graham Boase	N/A	N/A	N/A	2,179 reported incidents	N/A	-	N/A	-	6% increase				15% reduction
	LOCAL INDICATOR	Reduce the level of burglary	Cllr E Edwards, Graham Boase	N/A	N/A	N/A	N/A	N/A	-	N/A	-	22% reduction				15% reduction
This information is provided by North Wales Police.																
<b>ECONOMIC PROSPERITY</b>																
LPA 14	POLICY AGREEMENT	Number of new high quality jobs created through financial support programme	Cllr Rhiannon Hughes, Gareth Evans	N/A		57	131.5	12.5		27		252.5				97
We have exceeded the expected final achievement figure of 228 jobs created over 3 years (start date Sept 03 - end date Aug 06)																
<b>CORPORATE HEALTH</b>																
CFH/C007	CORE INDICATOR	The percentage of council tax due for the financial year which was received by the authority (cumulative, however, base figure can increase by input from the Valuation Office)	Cllr P Marfleet, Ken Jones	96.00%		97.00%	97.20%	31.80%		59.80%		87.20%				97.00%
CFH/C/008	CORE INDICATOR	The percentage of non-domestic rates due for the financial year which were received by the authority (cumulative, however, base figure can increase by input from the Valuation Office)	Cllr P Marfleet, Ken Jones	97.45%		97.50%	97.80%	33.60%		63.80%		89.80%				97.50%
I/RS/REV	LOCAL INDICATOR	Outstanding sundry debt ratio (sundry debts outstanding as a percentage of the total sundry debts raised in the financial year)	Cllr P Marfleet, Ken Jones	N/A		N/A	New indicator 2005/06	33%		9.45%		4.65%				9%

Indicator Reference	Type of Indicator	Description	Responsible Member & Officer	Welsh Comparative data 04/05	04/05 Quartile	2004/05 Annual Target	2004/05 Data	Data Quarter 1 (Apr-Jun) July 05/06	Performance against 05/06 target	QTR 1 Performance	Data Quarter 2 (Jul-Sep) Oct 05/06	Performance	Data Quarter 3 (Oct-Dec) Jan 05/06	Performance	Data Quarter 4 (Jan-Mar) April 05/06	Performance	2005/06 Annual Target
	LOCAL INDICATOR	Percentage increase over Rateable Value base line for LABGI	Cllr P Marfleet, Ken Jones	N/A		N/A	New indicator 2005/06	1.1%		1.80%		1.80%					2%
CHR/C/002	CORE INDICATOR CORPORATE OBJECTIVE	The number of working days/shifts per full time equivalent (FTE) local authority employees lost due to sickness absence	Cllr P Marfleet, Linda Atkin	11 .0days		11.0 days	11 .0days	2.91 days		2.59 days		3.51 days					10.0 days
KI 2	LOCAL INDICATOR	The percentage of the local workforce whose pay has been determined through Job Evaluation	Cllr P Marfleet, Linda Atkin	N/A		N/A	New Indicator 2005/06	54.70%		75.70%		76.30%					100%
On target to implement Single Status by end of year. The focus in Qtr 3 has been on achieving consensus on the components of jobs, particularly in family groups and agreeing other pay related issues.																	
BNF/S/002a	NATIONAL STRATEGIC	a) Average time for processing new benefits claims	Cllr P Marfleet, Jackie Walley	N/A		N/A	New Indicator 2005/06	33 days		29 days		32 days					36 days
CO5	CORPORATE OBJECTIVE	We will save at least £2 million from efficiency savings and increased income from fees and charges by March 2006	Cllr P Marfleet, Roger Parry	N/A		N/A	New Indicator 2005/06	£1.85m reported as achieved or achievable (see note*)		£1.925m reported as achieved or achievable (see note*)		£2 m					£2 million
CO5 – The level of performance will depend upon the extent to which the current budget pressures, about £300k, can be contained within the overall level of service budgets. £353k is the target to be delivered from within Schools Delegated Budgets.																	
	LOCAL INDICATOR	Deliver £500,000 of procurement savings in 2005/06	Cllr P Marfleet, Roger Parry	N/A		N/A	New indicator 2005/06	£450k full year		£492k		£507k					£500,000
On target to exceed procurement savings target by end of year. Further non-cash realising savings have also been secured through improved process efficiencies.																	
CO8	CORPORATE OBJECTIVE	Total Capital Receipts achieved from Property Portfolio sales	Cllr J Thompson-Hill, Gareth Evans	N/A		N/A	New indicator 2005/06	£44k		£123k		£2.3m					£3 million each year

## REPORT TO CABINET

AGENDA ITEM NO. 4

**CABINET MEMBER:** Cllr P A Dobb, Lead Member for Health and Wellbeing

**DATE:** 21 February 2006

**SUBJECT:** Health, Social Care and Wellbeing Strategy- headline achievements for 2005/06 and key actions for 2006/07

### 1 Decision Sought

Cabinet are asked to agree the key action points arising from implementation of the Health, Social Care and Wellbeing Strategy one year after its formal adoption

### 2 Reason for Seeking Decision

2.1 It is now a year since the Health Social Care and Wellbeing Strategy was adopted by the Council, making this a timely review point. The formal agreed arrangements for report back are set out in the companion report on "Local Health Board accountability arrangements".

#### 2.2 Health Social Care and Wellbeing Partnership

2.2.1 The Health, Social Care and Wellbeing Partnership has been in existence since 2002. The Strategic Partnership Board includes lead member and officer representatives of the local authority, the Local Health Board, the Conwy/Denbighshire Trust, the Community Health Council, the Independent Sector, and the voluntary sector. Minutes of Board meetings are included in the Council minutes book.

2.2.2 The Health, Social Care and Wellbeing Strategy was formally adopted by Council, the Local Health Board, the Trust and a range of other partner organizations in 2005. This was the first Strategy, covering 3 years to 2008. Subsequent strategies will have a 5 year span. The range of the Strategy is such that numerous reports to Scrutiny Committees and Cabinet have provided update information on actions included in the Strategy since its adoption one year ago.

2.2.3 The purpose of the Strategy, based on a formal needs assessment undertaken in 2004, is to identify priorities for joint work to improve the health, social care and wellbeing of the Denbighshire population, especially between health partners and the local authority. The Strategy contains a detailed Action Plan for implementation of the Strategy. Priority groups identified in the Strategy are Older People, People with mental Health Needs, Children, young people and families, People living in poverty, Carers. The Strategy also has a number of cross cutting priority themes- for example the development of joint workforce measures, performance management. There are two principle types of relationship between health partners and the local authority

**shared care**- where both the Council and health services have responsibilities for service provision to the same individuals

**improving health and wellbeing**, where the local authority's responsibility for policy making, for a wide range of environmental, education and other services, can affect public health

#### 2.2.4 Shared care

The main areas of progress over the last year have been as follows:

- *integrated mental health service launched in July 2005*
- progress towards *Occupational Therapy integration*
- implementation of a major national initiative "*Unified Assessment*"
- successful joint *Speech and Language Therapy project*
- joint commissioning project across health and social care to ensure integrated arrangements for procuring *domiciliary care for people with EMH needs*

Further developments which will be pump-primed by Joint Working Grant in 2006/07 include

- a joint *Intermediate Care Service* (a range of services designed to support care in community rather than acute settings)
- a joint *Disabled Children's Register* across health, social care and education
- development of a *Joint Equipment Store*
- pilot projects deploying *telecare and a Telecare Strategy*
- two linked proposals- *formal integration of disabled children's services and of services for adults with learning disabilities* across Denbighshire and Conwy
- a "*generic assistant*" scheme across health, social care and the independent sector. This scheme is designed to train both a cohort of school-leavers, and a cohort of existing staff, in a skill set which is accredited and can be used in either health or social care settings.

#### 2.2.5 Improving health and wellbeing.

The local authority continues to be very active in promoting the broader health agenda. In particular, we have

- launched *Health Challenge Denbighshire at the Flint and Denbigh Show and adopted a detailed, creative Action Plan,*
- *supported tobacco control*
- offered to provide leadership *for the Physical Activity Group*
- promoted *WAG free swimming initiatives*
- played an *active part in the Nutrition Working Group*
- supported the *Keep Well this Winter campaign*
- promoted and extended the *Healthy Schools scheme*

- funded an extensive programme of *Council housing improvement* and secured funding for our first extra care housing scheme
- developed a range of interventions to minimize drug/alcohol misuse eg attitude surveys, *proof of age scheme*
- contributed to development of a *Falls Strategy and a Childhood Injuries Action Plan*

2.2.6 Plans for 2006 include ensuring that the Health, Social Care and Wellbeing Partnership promotes the same key themes, at the same time, for optimum impact. Therefore, for each month in 2006, there is a health promotion theme identified. This has been done by using the themes of Health Challenge Denbighshire and the Department of Health's Health Event Calendar 2006. Where possible, the aim is to tie into National Campaigns. For example, smoking is the theme for March, as National No Smoking Day is always held on the second Wednesday of March. The current planned programme is attached at Appendix A.

Plans for the future also include the development of "*champions*" for each health promotion area, and names of prominent individuals are being sought. A brief "role description" for these individuals is being prepared.

### 2.2.7 Challenging areas

The range of work being undertaken under the auspices of the Health Social Care and Wellbeing Strategy, is plainly very extensive and much good work is going on. The Wales Audit Office undertook a review of the current Partnership arrangements late in 2005, and the draft report is awaited. Some of the more challenging areas, however, appear to be

**resource pressures.** These are of various kinds- sheer finance to implement aspects of the Action Plan, human capacity (especially, for example, when financial recovery is an overwhelming priority for health partners). No co-ordination development of joint systems and incompatible IT systems, time required for partnership development/maintenance. This is an issue for Mental Health Partnership and is also becoming an issue in relation to the Occupational Therapy integration.

**the health agenda and governance is not the same as the local authority agenda and governance** and this can produce tensions

**developing a robust performance measurement framework.** An Inter-Agency Performance Management Group has done excellent work to establish a disciplined framework for reporting. However, the Health Social Care and Wellbeing Strategy Action Plan contains more process targets than hard improvement targets and these will need development as will a framework for establishing value for money

**inequity in pay and conditions between health services and Social Services staff** has the potential to hinder integrated service developments

**priorities of neighbouring Counties are not necessarily the same** as Denbighshire's (eg OT integration)

**consultation/communication.** Engagement of front-line staff has been patchy in Strategy development and implementation

**lack of clarity in the next stage of the national strategic agenda** eg what will emerge as the result of the Beecham Review

## **2.2.8 Key action points**

### **Key actions for 2006/07 are**

- reviewing the HSCWB Strategy Action Plan to ensure full cross agency sign up. This is being undertaken particularly in the light of financial recovery in the health economy. Not identifying overwhelmingly clear priorities in this situation, recognizing there are different health and local authority agendas, as well as common ones, leads to frustration and has the potential to undermine current good relationships, which are essential to productive partnership working
- taking forward a demanding set of joint service delivery projects (see 2.2.4) involving extensive collaboration and likely formal integration arrangements with health colleagues and Conwy County Borough Council
- focusing on developing joint workforce action- initially through a workshop day in February. Despite the obvious common issues, this area of the agenda has proved difficult to move forward together
- further implementation of public health measures across agencies and the local authority's Health Challenge Denbighshire Action Plan in particular (2.2.6 and Appendix A)
- focusing on measuring the effectiveness of partnership working on service delivery, developing a formal Partnership Agreement and other actions arising from the Wales Audit Office study and recommendations (see 2.2.7)

## **3 Power to Make the Decision**

3.1 S24 of the NHS Reform and Health Care Professions Act (2002) is the statutory basis for the local authority and the LHB to prepare Health, Social Care and Wellbeing Strategies. The Health, Social Care and Wellbeing (Wales) (Regulations) 2003 set out the requirements for HSCWB Strategy preparation, including the duty of co-operation (Regulation 3), the requirement to integrate and consider other prescribed strategies and plans (Regulations 7 and 8 and s 4 of the Local Government Act 2000) and the duty of adoption (Regulation 10).

## **4 Cost Implications**

There are no specific cost implications arising from this report

## **5 Financial Controller Statement**

There are no financial implications for the Council currently. Any future proposals for budget pooling will need to be reviewed thoroughly at the time.

## 6 Consultation carried out

Report arises from meetings of the Strategic Partnership Board, Lead Officer Group, and observations of the Health, Social Care and Wellbeing Strategy Manager

## 7 Implications on other policy areas including corporate

The Health Social Care and Wellbeing Strategy is a cross-cutting strategy impacting on all Council Directorates and areas of responsibility

## 8 Action Plan

Action	By whom	By when
Senior Manager review of HSCWB Action Plan	Senior reps of LA, LHB, Trust, NPHS	15.2.06
HSCWB Workforce Workshop	Strategic Partnership Board/Lead Officer Group	16.2.06
Monitoring of Joint Working Grant Projects	Lead Officer Group	monthly
Implement Health Challenge Denbighshire Action Plan and calendar	Nominated officers and "champions"	Throughout year
Developing work to measure performance, action plan to meet WAO recommendations	Health, Social Care and Wellbeing Strategy Manager	September 2006
The Needs Assessment process needs to start for the beginning of the 2008-13 HSCWB Strategy in the Autumn ready for consultation in December and January assuming a similar timescale to the development of the last Strategy. This will also be the start of the Equality Impact Assessment process.	Health, Social Care and Wellbeing Strategy Manager.	Autumn 2006

## 9 Recommendations

Cabinet are asked to agree the key action points arising from implementation of the Health, Social Care and Wellbeing Strategy one year after its formal adoption , as set out in para 2.2.8 above

**Denbighshire Health, Social Care and Well-being Partnership  
Health Challenge Denbighshire Health Promotion Programme 2006**

<b>Month</b>	<b>Theme</b>	<b>Specific dates &amp; more information</b>	<b>Champion</b>
January 2006	Fitness	<a href="http://www.bbc.co.uk/health/healthy_living/fitness/">www.bbc.co.uk/health/healthy_living/fitness/</a>	
February 2006	Dental Health	<a href="http://www.dentalhealth.org.uk">www.dentalhealth.org.uk</a>	
March 2006	Smoking	National No Smoking Day March 8 <sup>th</sup> <a href="http://www.nosmokingday.org.uk">www.nosmokingday.org.uk</a>	Meirion Hughes
April 2006	Mental Health and Well-being	Mental Health Action Week April 16 <sup>th</sup> – 22 <sup>nd</sup> <a href="http://www.mentalhealth.org.uk">www.mentalhealth.org.uk</a>	
May 2006	Sun Safety	Sun Awareness Week <a href="http://www.cancerresearchuk.org">www.cancerresearchuk.org</a>	
June 2006	Men's Health	National Men's Health Week June 12 <sup>th</sup> – 18 <sup>th</sup> <a href="http://www.menshealthforum.org.uk">www.menshealthforum.org.uk</a>	
July 2006	Child Safety	<a href="http://www.capt.org.uk">www.capt.org.uk</a>	
August 2006	Healthy Eating	<a href="http://www.eatwell.gov.uk">www.eatwell.gov.uk</a>	Cllr Jeanette Chamberlain-Jones
September 2006	Keep Well this Winter	<a href="http://www.kwtw.org.uk">www.kwtw.org.uk</a>	
October 2006	Breast Cancer Awareness	Breast Cancer Awareness Month October 1 <sup>st</sup> – 31 <sup>st</sup> <a href="http://www.breastcancercare.org.uk">www.breastcancercare.org.uk</a>	
November 2006	Sexual Health	Sexual Health Week August 7 <sup>th</sup> – 13 <sup>th</sup> <a href="http://www.fpa.org.uk">www.fpa.org.uk</a>	
December 2006	Alcohol Awareness	<a href="http://www.alcoholconcern.org.uk/">www.alcoholconcern.org.uk/</a>	



## REPORT TO CABINET

AGENDA ITEM NO: 5

**CABINET MEMBER:** Cllr P Dobb, Lead Member for Health and Wellbeing

**DATE:** 21 February 2006

**SUBJECT:** Accountability Arrangements- Local Health Board

### 1 Decision Sought

Cabinet are asked to ensure systematic review of major current issues arising in the Local Health Board

### 2 Reason for Seeking Decision

2.1 Cabinet has previously agreed that it should receive appropriate updates of issues arising both from representation on the Local Health Board and implementation of the Health Social Care and Wellbeing Strategy through the HSCWB Partnership. The accountability/reporting back arrangements were agreed almost three years ago in June 2003. The agreed arrangements for report back were

“a. Council representatives on the Local Health Board and the Health, Social Care and Wellbeing Strategic Partnership Board will be required to produce an overview report at least annually for the relevant Scrutiny Committee(s). This will highlight the key issues that have been decided (from the Council’s perspective) and those that face the organisation in the coming year, and key performance monitoring information eg financial performance, performance against national indicators, quality information, resident views. The LHB will receive a copy of this report, with the opportunity to ensure accurate and fair reporting.

b. The Health, Social Care and Wellbeing Strategy will be submitted to Scrutiny for comment, and to the Cabinet for recommendation to Council for adoption, as it is part of the Council’s Policy Framework.

c. Board Minutes will be submitted to the Council.

d. Senior officers of the LHB/HSCWB will be invited to Scrutiny Committees of the Council, and expected to attend, given reasonable notice.

e. In-year, Council representatives on the LHB/HSCWB Board have a responsibility to report the following to Scrutiny for comment and/or Cabinet for decision:  
(It would be expected that the LHB would be alerted to the fact that Council representatives were doing this.)

- all proposals for integration of services, commissioning services cross border, pooling of budgets and lead commissioning;

- all reviews/proposals which could lead to major increases or reductions in the level of health service, or major changes to the nature of service;
- all reviews/proposals which present significant opportunities or threats for the Council;
- all proposals which do or have the potential to conflict with the priorities and objectives of the Council (or of the Community Strategy in future years);
- significant financial issues which will or could impact on the Council
- any issue causing difficulties at the service delivery interface with Council services.

f. Where representatives are unclear as to their responsibilities, they should consult the Council's Legal Officer for advice.

g. It will also be necessary to review delegations to Cabinet members and officers to ensure that those serving on partnership bodies are appropriately equipped to commit the Council within clear limits."

2.2 Health organizations are plainly key partners of the County Council. Not only is the health sector a major employer in Denbighshire, but the County Council itself provides many services which directly or indirectly promote health. In addition, we provide social care services to many vulnerable people who also receive health services. Health partners have been actively involved in our Community Strategy and Visioning process for this reason. The effectiveness of our relationships with health bodies is therefore critical and merits regular review, especially as health services are currently undergoing significant changes.

2.3 This report deals with representatives' participation in the Local Health Board. An accompanying report considers issues arising from the Health, Social Care and Wellbeing Strategy and Partnership.

## **2.4 Local Health Board- nature of representation**

2.4.1 The County Council has four representatives on the Local Health Board, two elected members and two officer representatives. These representatives are the Lead Member for Health and Wellbeing, the Chair of Personal Services Scrutiny Committee, and the Corporate Directors for Social Services and Housing and for Environment. These representatives have been in place since the inception of the Local Health Boards in March 2003. The Board also includes representatives of, for example, GPs, nursing, pharmacy, dentistry, professions allied to medicine, carers and the voluntary sector.

2.4.2 Local authority members on the LHB are expected to devote at least 2 days per month to LHB business. They are also required to sign a "local authority member" Code of Conduct which outlines expectations of them as members of LHBs while respecting their role as elected members or employees of local authorities. Nominees are expected to take an active part in the business of the LHB, attending Board meetings and briefings, participating in project boards and workshops, chairing sub-committees, contributing to quality assurance arrangements for example.

## **2.5 Compliance with accountability arrangements**

2.5.1 In terms of reporting/accountability, there has been a high level of compliance with the original arrangements set out in 2.1 a to g above, but it has not been complete. Conversely, there has been significantly greater reporting in some areas than perhaps was expected. In brief

- Council representatives have produced reports for discussion on LHB and HSCWB issues for Scrutiny at various intervals over the last 3 years, though have not produced an Annual Report as such. In addition, LHB reports of particular interest have been circulated to members in a variety of ways, some to all members, some to members of Personal Services Scrutiny only (eg on Out of Hours services and dental services). On reflection, production of an Annual Report for Scrutiny does not seem adequate to deal with the range, pace or scale of developments.
- The HSCWB Strategy was formally considered by Scrutiny Committees and adopted by full Council as envisaged
- HSCWB Board minutes are now included in the Council minutes volume, though this has only been established fairly recently
- Senior Officers of the LHB have attended Scrutiny on request, and are due to attend again in the Spring.
- LHB/HSCWB Board members have used the “triggers” outlined under 2.1.e to flag up issues and ensure proper corporate governance within the local authority. For example
  - o Proposals for integration of mental health services were considered by Scrutiny and Cabinet
  - o There has been formal consideration of the options for Prestatyn Community Hospital at Personal Services Scrutiny Committee; the Cabinet has received a presentation on the Secondary Care Review
  - o Information on health funding issues (eg application of the Townsend formula) has been shared and joint work undertaken on issues of common interest (eg the impact of temporary residents)

2.5.2 However, with the approach we have taken, there may be a danger of being reactive, of issues being seen in isolation, without full consideration of all the risks and opportunities presented by such a key relationship across three large organizations within the public sector (local authority, LHB and Conwy Denbighshire Trust). The remainder of the report, therefore, tries to summarise some of the overarching themes that, from a local authority perspective, we may want to pursue more proactively, with more specific requirements for reporting back to the Council.

## **2.6 Key issues**

2.6.1 From the local authority perspective, the following have been the key issues on which decisions have been made by the Board over the last year and which will

continue to feature prominently during 2006/07. During the year, local ward members, Lead Members, Personal Services Scrutiny and Cabinet have been variously involved in detailed discussions on these matters.

**2.6.2 Primary Care Estates Strategy.** The LHB's Primary Care Estates Strategy would see the redevelopment of primary care in Denbighshire. The purpose is to ensure continuing good access to primary care services, while taking advantage of an increasing range of professional skills and technologies which mean that more services can now be provided in community settings.

The Strategy would involve a network of primary care centres, similar to existing GP practices, but providing a wider range of services, backed up by 3 larger "Primary Care Resource Centres" where more specialized teams and technology would be located, a good number of which currently operate from acute care settings.

Primary Care Resource Centres, particularly, offer good potential for co-location of health and local authority services, for example social care teams. Denbighshire's Strategy has been accepted by WAG and is now entering a second phase involving detailed discussions as to which services should be provided from which setting.

Development of a Primary Care Resource Centre in Rhyl, redevelopment of the Clarence Road GP practice in Rhyl, Bronyffynnon and Beech House practices in Denbigh are the four priority schemes. Consultants, Strategem, have been retained by the LHB to work up detailed proposals and to submit business cases to WAG for funding.

**The developments plainly offer good opportunity for joint working between the LHB and the local authority- not purely in terms of health/social care services, but also in terms of their potential to contribute to thinking about the future presence of public services across Denbighshire, how services and asset management links across sectors and across the County and to regeneration across the County.**

**2.6.3 Review of Community Hospitals.** Following the Wanless Review, and in common with all health economies in Wales, Conwy/Denbighshire Trust and the Denbighshire LHB are reviewing each community hospital in Denbighshire. The reviews are considering both future service patterns, based on best practice, and the condition and cost of maintaining existing buildings. The reviews are tied closely with, and complement, the development of the Primary Care Estates Strategy. Again, Denbighshire elected members have been involved in detailed discussions in a range of ways, specifically in Llangollen and Prestatyn, where significant alternatives to the current hospital provision are being considered. In both cases, the possible links between planned local authority developments (co-location of staff, extra care) are being extensively explored, involving elected members. The LHB will decide on a preferred option for future development in Prestatyn at a specific Board meeting in April 2006, following the end of the current public consultation. **Just as the potential for**

linked developments in Llangollen and Prestatyn have been considered, there may well be opportunities elsewhere in the County too. These need to be borne in mind both as the County develops its asset management strategy and as it develops the Local Development Plan.

**2.6.4 Secondary Care Review.** Again in common with all health economies in Wales, LHBs across North Wales have jointly commissioned a review of secondary care. “Designed for Life”, the key vision document for NHS Wales published in 2005, set a milestone of April 2006 for completion of these reviews. The purpose of the review has again been to identify the future pattern of service delivery, based on best practice, clinical safety, and developing technology. The Review has been strongly led from a clinical perspective, though with input from other stakeholders via a Reference Group. Although the development of primary care, community hospitals and secondary care clearly complement each other, and should combine to produce a holistic pattern of care, it does not currently feel possible to have a complete picture of future health care patterns or their consequences. **Local authority representatives have been, and remain keen, to understand the total plan for the future as there are risks as well as opportunities. For example, it will be vital that in any changed pattern of services which emphasizes care and treatment in the community, that “resources follow the patient”. If they don’t, there could be unrealistic expectations of community based resources- including informal carers, housing and social care services, as well as primary care.**

**2.6.5 Public Health matters.** The Board has received a number of reports aimed at addressing key public health issues in which the local authority has a strong interest- including immunizations and obesity, for example. These issues are picked up more fully in the companion report on the HSCWB Strategy.

**2.6.6 Funding and Financial position.** Cabinet and Scrutiny have previously been briefed on some of the financial pressures in the health economy, not least those arising and potentially arising from WAG’s intention to adopt needs based financial allocations for health services, linked to the “Townsend formula.”. As members know, this formula seriously disadvantages Denbighshire and would lead, over time, to effective loss of resources to local health services equivalent to many million pounds. The local authority is supporting the LHB in its work to challenge some of the basis/outworkings of the Townsend formula. Two areas being advocated for review are the health of residents of residential/nursing homes (who were not surveyed as part of the Welsh Health Needs Survey on which Townsend is based) and the health service impact of temporary residents.

Aside from Townsend issues, the health economy is now in financial recovery as the result of significant projected overspends arising from both local and national actions. From a local authority point of view, a visible pressure area is “Continuing Health Care” where there are hard and continued negotiations between health and local authority partners as to the relative responsibilities for individuals with complex (and frequently high cost) needs.

**A Change Agent Team has been appointed and detailed work on a SCEP (Service Change and Efficiency Plan) is underway. Local authority reps on the Board are in a difficult position on this issue- plainly it is critical that the health economy returns to financial balance and the local authority reps must support this from a corporate governance perspective. On the other hand, there are risks of service cuts with impact on local authorities responsibilities and budgets.**

**2.6.7 New GP contract and out of hours arrangements.** During the last year, the LHB has implemented the new GMS contract, which has had significant implications for the organization, management and payment arrangements for GP services. The contract has led to improvements in the range of services available through primary care and to enhanced quality assurance arrangements. It has also given GPs further ability to decide if they wish to provide certain services or not- which, for example, has led to changes in out of hours provision. New arrangements have been in place, in both the north and the south of the County, for over a year. Arrangements now appear to be settling down with a positive report on access to the service over Christmas/New Year 2005/06 having recently been submitted to the LHB (covering Morfadoc though not Shropdoc, which covers Llangollen).

**2.6.8 Dental services.** The loss of NHS dental services over the past year in Denbighshire has been widely publicized. Similar problems have been experienced in neighbouring authorities and nationally. The difficulties have arisen from a failure to agree terms nationally between the NHS and dental practitioners, which led to a number of practitioners going private, coupled with the fact that the LHB was initially unable to access from WAG the funding streams necessary to enable alternative services to be commissioned. Despite these difficulties, Denbighshire has continued to have one of the higher rates of residents registered with an NHS dentist in Wales. After a difficult few months, access to funding streams has been resolved, and the LHB is negotiating with a preferred provider for provision of NHS dental services in Denbigh, and Rhyl. It is expected that this will lead to about 20,000 extra registrations.

**2.6.9 Performance management.** Each LHB Board meeting considers a performance report against each of the performance targets included in the SAFF (the Service and Financial Framework). This has to be negotiated and agreed each year between the LHB and relevant providers, particularly the Conwy and Denbighshire NHS Trust. Indicators cover, for example, waiting times in A & E, or timescales for accessing services eg orthodontics, cancer services. The reports generally show good performance by the NHS Trust, with evidence of improvement over time in areas where performance is weaker. Indicators have been very heavily orientated towards acute health services, though this is perhaps changing, linked to expectations that services should be transformed, with more services provided in the community and less dependence on acute hospital services.

### **3 Power to make the decision**

3.1 Local Health Boards are established under the NHS Reform and Health Care Professions Act (2002), with local authority representation prescribed.

### **4 Cost implications**

There are no specific cost implications arising from this report.

### **5 Financial Controller statement**

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

### **6 Consultation carried out**

Lead Member for Health and Wellbeing, Corporate Director for Environment, Local Health Board Chief Executive- all of whom recognize the opportunities and risks referred to in this report.

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

The report identifies a number of areas where collaboration arrangements with health services are already close and identifies others where closer working could generate improved services for the public.

### **8 Action Plan**

Action	By whom	By when
Conclusions on Cabinet discussion relayed to all Council representatives on the LHB, to Scrutiny Committee and to the LHB itself	Corporate Director, Social Services and Housing	March 2006
Revised accountability arrangements implemented	All local authority representatives on the LHB	From March 2006

### **9 Recommendations**

Cabinet are asked

9.1 to agree that, following discussion at Scrutiny Committee, they will specifically review in 2006/07 the risks and opportunities relating to

- 9.1.1 asset management decisions across the health and local authority sectors
- 9.1.2 the implications for the local authority of service delivery changes arising from the secondary care, community hospitals and primary care reviews
- 9.1.3 the impact for the local authority of the health economy financial position and “Service Change and Efficiency Plan” (SCEP)



**REPORT TO CABINET**

**BY:** Corporate Director: Resources

**DATE:** 21 January 2006

**SUBJECT:** Response to the current consultation on the Local Government Pension Scheme (Amendment) (No 3) Regulations 2005

**1 DECISION SOUGHT**

1.1 To agree a response on the current consultation on changes to the local government pension scheme (LGPS)

**2 REASON FOR SEEKING DECISION**

2.1 On the 5<sup>th</sup> December 2005, the office of the deputy Prime Minister issued a consultation document on proposed changes to the LGPS. Included in Appendix 1 are the following documents which formed part of the circulation:

Letter from T Crossley, ODPM  
Annex A Introduction from the Minister for Local Government  
Annex B/C/D Explanation of proposals  
Partial Regulatory Impact

The Statutory Instrument itself has not been included

2.2 The issue of pensions is currently a critical one, having a high public profile. Industrial action is also a possibility. Key to the debate is the significant cost of operating a Defined Benefit (Final salary) scheme although much of the current cost revolves around the pension backfunding issue.

2.3 The first draft of the Council response is shown in Appendix 2 and is unchanged from the one presented to Resources Scrutiny on 9<sup>th</sup> February. The response seeks to adopt a measured position, accepting the need for change whilst also seeking to ensure that LGPS staff are not disadvantaged

2.4 A copy of the draft response was also passed to Unison as agreed at a meeting pre-Christmas. Unison attended the Resources Scrutiny meeting and indicated their general agreement with the response, with the exception of the comments on the 85-year rule. It was their view that no current employee should lose any current benefits, which is the agreed position in negotiations in other pension schemes.

2.5 Resources Scrutiny were also generally in agreement with the draft response. In discussion however they suggested the following changes

1 the third paragraph should be strengthened to emphasise the fact that local authority workers are currently being treated inconsistently and unfairly. It is suggested that the following words are added

‘The Authority strongly feels that local government workers should be treated equally with workers in other public sector agencies, particularly where it has been agreed that existing staff will not lose current benefits’

2. Part IV. The wording should be amended to read

‘On the basis of consistency, existing employees should retain current pension scheme benefits, including the retention of the 85-year-rule.’  
It may be possible to introduce different arrangements for new employees.

3. Other comments – point 2 would need to be removed.

2.6 Appendix 2 has not currently been amended to reflect these comments

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

3.1 Section III Local Government Act 1972 [Subsidiary Powers of Local Authorities].

### **4 COST IMPLICATIONS**

4.1 Annual pension payments currently amount to approximately £9.4m per annum. This is equivalent to 21% of pensionable pay for local government workers. Teachers have their own pension scheme.

4.2 Employees contribute 6% of their salary

4.3 £4.4m (9.9%) of the employers contribution relates to future liabilities of current employees.

£5m (11.1%) relates to pension backfunding to cover deficits in the scheme, and is calculated to bring the fund back to full funding over a period of 20 years

4.4 The UK Government in its proposals are seeking to limit in part the significant costs associated with the pension scheme and therefore minimise the burden for taxpayers

4.5 The draft response agrees with this view, but does not accept that this should be done in a manner which unfairly and inconsistently affects local government

workers, and these points are strengthened in the proposed wording in paragraph 2.5

- 4.6 On a national basis the costs involved with the Pension Scheme are significant and are often based on assumptions. This is illustrated in the fact that the government and union calculations of some figures differ widely and work is currently ongoing to reconcile the two figures.
- 4.7 At present it is impossible to quantify the financial impact to the Authority of the amendments as referred to in paragraph 2.5, particularly around retaining the 85 Year Rule

## **5 FINANCIAL CONTROLLER STATEMENT**

- 5.1 Employer's pension contributions prior to 1996 were below 10%. They have risen substantially since then for a number of reasons. The main cause is the contributions break that followed the amendment to the funding level rules introduced by Central Government in 1990. Councils were encouraged to reduce contributions to help reduce costs. After 1993 the funding levels targets were reinstated and contributions have risen to claw back the lack of payments over the previous 3 financial years.

A further pressure created by Central Government was the abolition of Tax Credit recovery in 1997. Although the reduced level of investment yields from 2001 and the longer life expectancy of pensioners have also had an effect, the main adverse impacts on the pension fund have been caused by Central Government. It could be argued that the effect of these issues at the time was to reduce Central Government support of local authorities and increase tax revenues. It would therefore seem equitable that the funding of the resulting deficits on funds should fall on Central Government and not local authorities and staff.

## **6 CONSULTATION CARRIED OUT**

- 6.1 The draft response has been discussed in detail in Resources Scrutiny, where it was also possible to hear the Unison position

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

- 7.1 Whilst much of the debate has focused on costs, the provision of an attractive pension provision is considered to be one of the major factors in recruiting and retaining staff.

Any significant changes to the pension fund could therefore have a major impact on workforce planning

## **8 ACTION PLAN**

- 8.1 Consultation ends on 28<sup>th</sup> February and it is essential that the Authority response is returned by this date.

## **9 RECOMMENDATION**

- 9.1 To agree the response as outlined in Appendix 2, subject to the amendments in paragraph 2.5

Office of the Deputy Prime Minister

From: Terry Crossley  
Head of Local Government & Firefighters' Pensions Schemes Division  
Zone 2/G9  
Ashdown House  
123 Victoria Street  
LONDON SW1E 6DE

e-mail: [terry.crossley@odpm.gov.uk](mailto:terry.crossley@odpm.gov.uk)

Web Site: [www.odpm.gov.uk](http://www.odpm.gov.uk)

Date: 5 December 2005

To: Addressees as attached

Dear Colleague

**The Local Government Pension Scheme (Amendment) (No.3) Regulations 2005:  
Consultation draft**

With Ministers' agreement I enclose, for your comments, draft regulations to amend the Local Government Pension Scheme Regulations 1997 (the "principal regulations").

The amendments, as now proposed, will have the effect of removing from the Scheme the provision, commonly known as the 85 year rule, from 1 October 2006. They will also have the effect of amending the regulations in accordance with the Finance Act 2004, from 6 April 2006. The regulations have been divided into five Parts in order to achieve this objective.

This consultation follows a Statement made to Parliament on 2 December by the Minister for Local Government, Phil Woolas. A copy of the Statement is attached at Annex A.

Consultees are requested to consider the terms of the Statement carefully. It provides a context for this current national, statutory consultation exercise and the parallel discussions needed, to begin the task of reforming the LGPS, involving all LGPS interests in England and Wales.

Ministers see considerable advantage in both workstreams being seen as mutually supportive, with each contributing to and influencing the other. A timetable to summarise current intentions is set out below.

<b><u>Statutory consultation exercise for 2006 amendments</u></b>	<b><u>Discussions on a new-look LGPS for 2008</u></b>
1. Begin consultation (December 2005 until February 2006)	2. Begin discussions December 2005

3. Discussions on contents of the consultation to continue within the framework provided by the Tripartite Committee	4. Monthly meetings thereafter until early summer 2006
5. If necessary, consultations on the transitional protections to be integrated with those taking place for the new-look Scheme	6. Issue policy discussion paper June 2006, for comment by early September
7. Regulations made and laid in March 2006, to achieve coming into force date of 6 April for HM Revenue and Customs taxation simplifications and coming into force date of 1 October 2006 for provisions dealing with the 85 year rule and transitional protections	8. Statutory consultation exercise on draft regulations implementing a new-look LGPS to begin November 2006 until early New Year 2007
	9. New-look LGPS provisions in place April 2007
	10. New-look LGPS provisions coming into force April 2008

As detailed in the Regulatory Impact Assessment (RIA) accompanying this consultation, two feasible ways of meeting the cost pressures arising from the reinstatement of the 85 year rule were considered. This consultation is based on the Government's preferred option.

Your comments are invited by no later than 28 February 2006.

### **Schedule Contents**

#### **Part I: General**

This Part relates to the citation, commencement, interpretation and application of the regulations. The separate Parts of the SI have different coming into force dates, which are set out in regulation 1.

#### **Part II: Cost of Liabilities**

This Part contains the provision intended to meet the cost pressures of temporarily reinstating the 85 year rule in the Scheme following the revocation of the Local Government Pension Scheme (Amendment) (No.2) Regulations which had originally removed it. It will come into force from 6 April 2006.

When the decision was taken to revoke the 2004 regulations, it was made clear, in a Statement to Parliament on 13 July, that any cost pressures arising from that decision, would have to be met, at no cost to the taxpayer.

Both the local government employers and trades unions have agreed that there is a cost pressure which needs to be met. By using a provision permissible under the Finance Act 2004, and by spreading any identified cost pressures over the period set out in the Funding Strategy Statement, it will be possible to reduce the liabilities facing the Scheme, This will ensure that the cost pressures arising from the temporary reinstatement do not fall on the taxpayer.

An illustration of how the tax provision will work, in practice, is set out in Annex B.

### **Part III: The tax regime**

This Part of the SI relates to other tax simplification measures which need to be enacted in accordance with the Finance Act 2004. It will come into force from 6 April 2006.

This consultation follows an earlier exercise conducted from July to September 2005, which set out the planned amendments to the Local Government Pension Scheme Regulations 1997, in order that they comply with provisions as set out in the Finance Act 2004.

The Finance Act 2004 provisions introduce a single tax regime from 6 April 2006 which will:

1. Introduce annual and lifetime limits;
2. Allow the maximum sum an individual can put into their pension scheme in a single tax year (from 2006) to be a sum equal to their annual salary (up to a maximum of £215,000). If the maximum amount is exceeded then a tax charge will fall due;
3. Introduce a capital limit of £1.5 million which may be built up over a person's working lifetime. Where the total capital value of an individual's pension rights breaches this lifetime limit, a tax recovery charge will be made. (To put this into context, only employees earning in excess of £130,000 per annum and with 40 years membership of a scheme, with accrual rates as per the current LGPS, would be affected. This follows from the method of calculating the capital value which is based on multiplying pension by 20 and adding any lump sum);
4. Allow for the release of a pension from a scheme operated by an employer by whom they are still employed;
5. Allow individuals to contribute towards concurrent pension arrangements in respect of the same employment.
6. The 40 year limit on contributions will be removed, but a limit will be placed on the amount of added years that can be purchased from the Scheme.

The amendments in this part are intended to introduce the provisions as set out above, in the LGPS with effect from 6 April 2006.

### **Part IV: The 85 year rule**

This Part removes the 85 year rule from the Scheme. It will come into effect from 1 October 2006.

The European Employment Directive 2000/78/EC, which establishes a framework for equal treatment in employment and occupation, requires the UK to remove any practices which could be considered age discriminatory.

To implement the Directive into UK law, draft Employment Equality (Age) Regulations 2006 were issued for consultation from July to October 2005 by the Department for Trade and Industry (DTI). These regulations will come into force from 1 October 2006.

The Government believes that the 85 year rule is age discriminatory and must, therefore, be removed from the Scheme by no later than 1 October 2006.

Further explanation of the 85 year rule and why it is deemed to be age discriminatory is contained in Annex C.

This Part of the SI also proposes a facility which would permit members to nominate a chosen individual retirement age between 60 and 65 and make further contributions so as to offset possible actuarial reduction to part of a pension. Working beyond the nominate date would result in an actuarial increase in rights accrued. This provision has been included in the light of the number of requests from Scheme members to permit specific contributions to allow for early retirement.

#### **Part V: Miscellaneous**

This part contains miscellaneous provisions and relates to transitional protections and savings, and the right to opt out. It will come into effect from 1 April 2006.

#### **Schedule: Transitional Provisions and Savings**

The Schedule is provided here for consultation purposes in order to provide an indication, to consultees and their representatives, of what form the transitional protections might take and what cost implications will need to be resolved.

This aspect of the current consultation, is intended to provide LGPS Stakeholders an opportunity to continue discussing transitional protection options, within the framework now provided by the Tripartite Committee, and in parallel with those taking place about the development of the new-look LGPS. The precise form of the transitional protections selected is intended to take effect from 1 October 2006.

It may be necessary, with the agreement of Ministers, to extend these discussions, and so this part of the current consultation. This could necessitate, a further consultation on the proposed final form of the transitional protections, as agreed by the Stakeholders. This could take place next summer, with amending regulations coming into force from 1 October 2006, as originally planned.

#### **Responses**



Your comments should be sent in the first instance to Nicola Rochester, Local Government and Firefighters' Pensions Schemes Division, ODPM, Zone 2/E6, Ashdown House, 123 Victoria Street, London, SW1E 6DE, (tel: 020 7944 6016),

Electronic responses can be sent to [nicola.rochester@odpm.gsi.gov.uk](mailto:nicola.rochester@odpm.gsi.gov.uk)

A summary of responses to this consultation will be published within 3 months of the close of consultation at [www.xoq83.dial.pipex.com](http://www.xoq83.dial.pipex.com)

This consultation follows the Government code of practice on consultations, which is attached at Annex D.

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data in accordance with the DPA and in the majority of circumstances; this will mean that your personal data will not be disclosed to third parties.

Yours sincerely,

**T B J Crossley**

**OFFICE OF THE DEPUTY PRIME MINISTER**

**Local Government Pension Scheme**

**The Minister for Local Government (Phil Woolas):** My Statement to the House on 13 July made it clear that, taking account of costed assessments of the effect on the Local Government Pension Scheme (the LGPS) of reinstating the rule of 85 with effect from 1 April 2005, the Deputy Prime Minister would come forward with new regulations in the autumn to address the consequences for the Scheme in time for the provisions to be in place from April 2006.

Careful consideration has been given to the representations and specialist actuarial advice received from interested parties involved with the Scheme, and to the helpful discussions involving the key stakeholders within the framework of the LGPS Tripartite Committee. The estimates provided by LGPS administering authorities of the anticipated cost pressures arising from the decision to reinstate the rule of 85 in the Scheme with effect from 1 April 2005, have also been taken into account. Draft amending regulations will shortly be circulated for consultation to all LGPS interests in England and Wales and will be laid before Parliament in the New Year once they are finalised.

The combined scope of the consultation package and the subsequent regulations will secure the on-going solvency of the Scheme without any additional calls on central or local government budgets. This meets the Government's intention to secure the continued affordability and long term viability of the Scheme, and its acceptability to taxpayers.

Amending regulations, on which the necessary statutory consultation begins shortly, will directly contribute towards mitigating and managing the costs pressures arising from the decision to reinstate the rule of 85 in respect of pension liabilities accruing on the Scheme for the period 1 April 2005 until 30 September 2006. Other amendments, based on the responses received from a previous consultation exercise carried out over the summer, will further extend the existing flexibilities in the LGPS linked to the new tax regime for occupational pension Schemes already established by the Finance Act 2004.

Further Scheme amendments are also necessary to implement the terms of the European Employment Directive 2000/78/EC which establishes a general framework for equal treatment in employment and occupation. To give effect to the Directive and compliance with the timetable for associated Government legislation on age discrimination and employment law being introduced by DTI, the effective date for the removal of the rule of 85 from the LGPS will be 1 October 2006. Subject to the outcome of the proposed consultation exercise, it will be necessary to put in place appropriate safeguards, which can be objectively justified, for those LGPS members closest to retirement to take effect from the same date. The statutory consultation will provide a framework for discussion between the local authority employers and the trades unions in particular about the precise terms of these safeguards, and to explore how these may be associated both with the current proposed Scheme changes, and others which may be developed in the wider discussion about the future of the Scheme.

Balancing the scope of such safeguards with the opportunity to develop the longer term reform of an equality proofed Scheme will form an integral part of the discussions and negotiations which the Tripartite Committee stakeholders have already agreed to undertake over the next six months. These will involve local authority employers, trades unions and other Scheme interests in a programme of discussion and analysis to modernise and reform the Scheme. These discussions will take account of wider pension policy developments, to ensure the LGPS can meet the challenges of a changing and flexible workforce, in and around local government, and deal effectively with the high incidence of part-time employees many of whom are female on lower incomes.

It is intended to consult widely on a policy discussion paper, about the proposed way forward for the LGPS in the Summer of 2006 for analysis and comment. This will allow a subsequent statutory consultation to begin later in the autumn of 2006, leading to new Scheme provisions for April 2007 with the ultimate objective of having a new-look LGPS in place for April 2008.

The continued affordability and viability of the Scheme, as well as its acceptability to taxpayers, remains a central theme of the Government's intentions for the LGPS. So too is our commitment towards ensuring the Scheme offers an equality proofed pension framework for all its increasingly diverse and part-time workforce. Delivering an effective and affordable balance between the cost of its provision to employers and tax payers on the one hand, and fairness to Scheme members on the other, remains a priority, within the overall resource framework of local government and of other employers within the Scheme. A flexible and attractive pension scheme for local government and employers associated with it is now required.

This Statement is in effect, the beginning of a series of detailed consultations with all LGPS interests about the future of the Scheme. Initially, the affordability of the existing LGPS must be established but, in doing that, it is essential to begin to move forward and begin to discuss and analyse the possible form and content of a new-look LGPS for 2008. All LGPS interests are committed to that intent and objective.

**Part II: Cost of Liabilities: An explanation**

1. Scheme members may currently take 3 times the amount of their final pension, as a tax-free lump sum, when they retire.
2. The current 3 times final pension permitted in the LGPS equates to roughly 15% of the capital value, using the HM Revenue and Customs stipulated conversion factor of multiplying annual pension by 20.
3. From 6 April 2006, Scheme members will be able to increase this amount up to a maximum of 25% of the capital value of their pension fund.
4. Any amount taken above the current three times limit would be paid for by the Scheme member commuting part of their final pension, e.g. swapping pension for tax-free cash at a commutation rate of 12:1. This means for every £1 of pension the Scheme members foregoes, they will receive £12 of tax-free cash.
5. Only any amount taken above the current three times limit would be commuted.
6. Any attached spouse's pension would be unaffected.
7. The following illustrative examples may help:
  1. Under the current rules Scheme member A is set to receive £4,000 pension per annum, with £12,000 lump sum. From 6 April if they chose to take the maximum 25% available they would receive £3,300 pension per annum, with £20,400 lump sum.
  2. Under the current rules Scheme member B is set to receive £10,000 pension per annum, with £30,000 lump sum. From 6 April if they chose to take the maximum 25% available they would receive £8,500 pension per annum, with £48,000 lump sum.
  3. Under the current rules Scheme member C is set to receive £30,000 pension per annum, with £90,000 lump sum. From 6 April if they chose to take the maximum 25% available they would receive £25,000 pension per annum, with £150,000 lump sum.

**Part IV: The 85 year rule**

The normal retirement age for Scheme members is 65.

The 85 year rule currently allows Scheme members, from aged 60, to voluntarily retire on an unreduced pension where the sum of their age plus service equals 85 years. Scheme members satisfying the rule between age 50 to 60 may also retire with no actuarial reduction to pension, but they need their employers' consent.

The following example may be useful in demonstrating the age-discriminatory aspects of the rule: Two Scheme members are in comparable situations but for their age; one is aged 61 and the other is aged 63; they both have 22 years service and wish to retire; the 63 year old would receive a full pension, as they satisfy the 85 year rule ( $63 + 22 = 85$ ), whereas the 61 year old would suffer an actuarial reduction to their pension ( $61 + 22 = 83$ ), as they do not satisfy the rule. The reason for the different pension entitlement is on the basis of age; therefore the rule is age discriminatory.

Retention of the rule for all Scheme members cannot be justified on the grounds that it rewards long service. For example, a scheme member aged 58 with 27 years' service satisfies the 85 year rule ( $58 + 27 = 85$ ) and therefore can retire, with their employer's consent, on a full pension. However, a scheme member aged 51 with 33 years' service would not ( $51 + 33 = 84$ ).

Under terms of reference agreed at the LGPS Tripartite Committee, the actuarial firm Hymans Robertson completed a demographic report on the LGPS in England and Wales. This showed that the 85 year rule not only discriminates against age, but it also discriminates against women, as their length of service is likely to be less than men's (because, for a number of well-known reasons, women may start work for their employer later, have career breaks, or as a result of other factors), and they are, therefore, less likely to be in a position to qualify for the 85 year rule.

**The consultation criteria**

The Government has adopted a code of practice on consultations. The criteria below apply to all UK national public consultations on the basis of a document in electronic or printed form. They will often be relevant to other sorts of consultation.

Though they have no legal force, and cannot prevail over statutory or other mandatory external requirements (e.g. under European Community Law), they should otherwise generally be regarded as binding on UK departments and their agencies, unless Ministers conclude that exceptional circumstances require a departure.

- 1. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.**
- 2. Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.**
- 3. Ensure that your consultation is clear, concise and widely accessible.**
- 4. Give feedback regarding the responses received and how the consultation process influenced the policy.**
- 5. Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.**
- 6. Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.**

The full consultation code may be viewed at  
[www.cabinet-office.gov.uk/regulation/Consultation/Introduction.htm](http://www.cabinet-office.gov.uk/regulation/Consultation/Introduction.htm)

Are you satisfied that this consultation has followed these criteria? If not, or you have any other observations about ways of improving the consultation process please contact

Adam Bond, ODPM Consultation Co-ordinator, Room 2.19, 26 Whitehall, London, SW1A 2WH;  
or by e-mail to:  
[adam.bond@odpm.gsi.gov.uk](mailto:adam.bond@odpm.gsi.gov.uk)

**Addressed to:**

The Chief Executive of:

County Councils (England)  
District Councils (England)  
Metropolitan Borough Councils (England)  
Unitary Councils (England)  
County and County Borough Councils in Wales  
London Borough Councils  
South Yorkshire Pension Authority  
Tameside Metropolitan Borough Council  
Wirral Metropolitan Borough Council  
Bradford Metropolitan City Council  
South Tyneside Metropolitan Borough Council  
Wolverhampton Metropolitan Borough Council  
London Pension Fund Authority  
Environment Agency.

Town Clerk, City of London Corporation  
Clerk, South Yorkshire PTA  
Clerk, West Midlands PTA

Fire and Rescue Authorities in England and Wales  
(LGA)  
Police Authorities in England and Wales  
Employers' Organisation  
SOLACE  
CIPFA  
ALAMA  
UCEA  
Police Authorities  
Actuaries  
Society of County Treasurers  
Treasurers  
Society of Welsh Treasurers  
Officers  
Society of Metropolitan Treasurers  
National Probation Service for England and Wales

Local Government Association

LGPC  
SOCPO

ALACE

New Towns Pension Fund  
Audit Commission  
Fire and Rescue Authorities  
Association of Consulting

Association of District

Society of Chief Personnel

Society of London Treasurers

Trades Union Congress  
UNISON  
TGWU  
GMB  
UCATT  
NAEAC  
NAPO  
AMICUS

Other Government Departments

GAD

DoE (NI)

SPPA



**OFFICE OF THE DEPUTY PRIME MINISTER**

**PARTIAL REGULATORY IMPACT ASSESSMENT  
(RIA)**

**LOCAL GOVERNMENT PENSION SCHEME  
(AMENDMENT) (NO.3) REGULATIONS 2005**

**Local Government and Firefighters' Pensions Schemes Division  
ODPM  
December 2005**

# PARTIAL REGULATORY IMPACT ASSESSMENT (RIA)

## Title of Proposal

1. To consider measures for ensuring the ongoing solvency of the Local Government Pension Scheme (LGPS) following the revocation of the Local Government Pension Scheme (Amendment) (No.2) Regulations 2004 and the reinstatement of the 85 year rule in the LGPS.

## Purpose and Intended Effect of Measure

### Objective

2. Following the revocation of the Local Government Pension Scheme (Amendment) (No.2) Regulations 2004 the Deputy Prime Minister (DPM) invited representatives of the local government employers' and trades unions, in July 2005, to develop realistic and costed measures by the autumn, to fully meet the identified costs arising from the decision to revoke. The purpose of this Regulatory Impact Assessment is to consider the options for meeting the cost pressures.

### Background

3. The Local Government Pension Scheme (Amendment) (No.2) Regulations were introduced in December 2004 and came into effect on 1 April 2005. They made two changes to the Scheme. The first ensured that the earliest age at which a pension could be paid, other than on grounds of ill-health, was increased from 50-55. The second phased out from the Scheme the rights of eligible members, who joined the Scheme before age 35-40, to receive an unreduced pension if they choose to retire before age 65. The LGPS already has a normal retirement age of 65. Transitional protection applied to Scheme members who were already 50 by 31 March 2005, and also to those who would reach their 60<sup>th</sup> birthday by 31 March 2013, with at least 25 years membership.

4. The Secretary of State, by means of the Local Government Pension Scheme Regulations 1997, requires local authority pension funds to carry out actuarial valuations every three years. The Amendment No.2 Regulations 2004 were introduced to ensure the Scheme complied with the Government's policy for a normal retirement age of 65 in public sector schemes and to positively influence the outcomes for employers of the expected increases in their contributions to arise from the 2004 valuation.

5. However, following the laying of the Amendment No.2 Regulations in December 2004, significant concerns were expressed by Members of Parliament, trades unions and scheme members. The DPM issued a statement on 18 March 2005 that he was minded to revoke the Local Government Pension Scheme (Amendment) (No.2) Regulations 2004, subject to statutory consultation, and with retrospective effect to 1 April 2005. The statement also announced that the DPM was establishing a Tripartite Committee, with key stakeholders, to consider what measures should be put in place to ensure the Scheme's affordability and sustainability for the longer term

6. Statutory consultation began on 1 April on draft proposed amending regulations which would have the effect of revoking the Amendment No.2 Regulations 2004, which themselves came into force that day. It was made clear, as part of the consultation material, that no new

money from government or local authorities would be made available and that any savings foregone if revocation occurred would need to be found by other means.

7. The consultation closed on 31 May and the responses received were then considered. On 13 July a statement was made to the Houses of Parliament that the Amendment No.2 Regulations 2004 would be revoked with retrospective effect to 1 April. The Local Government Pension Scheme (Amendment) Regulations 2005 to achieve revocation were laid the same day and came into effect on 3 August 2005.

8. To fulfil his commitment that the costs of revocation would not fall on the taxpayer, representatives of the local government employers and trades unions were invited to develop realistic and costed measures by the autumn, to fully meet the identified costs arising from the decision to revoke. The framework provided by the LGPS Tripartite Committee would ensure effective and co-ordinated progress of the development of the Scheme.

9. To assist in that process and as a measure to ensure the continued stability of the Scheme, an amendment was also made by the Local Government Pension Scheme (Amendment) Regulations 2005 to provide each LGPS administering authority with the vires to request an interim valuation of their pension fund, as at 31 March 2005, so as to properly identify cost pressures resulting from the revocation.

10. Local Authorities are required, by the Local Government Pension Scheme Regulations 1997, to publish and maintain a Funding Strategy Statement. In light of the decision to reinstate the 85 year rule in the Scheme. Appropriate changes could be made to the pension funds' deficit recovery periods which could subsequently be taken into account by actuaries in the relevant actuarial cycle.

#### Meeting costs and the 85 year rule

11. The 85 year rule is a special provision within the LGPS which allows Scheme members to retire on a full pension, before the normal scheme retirement age of 65. Scheme members, aged 60 or over, can choose to retire on an unreduced pension where their age plus years of service equals 85 years. Scheme members aged 50 to 60, who also satisfy the rule, can retire with their employers consent.

12. The Council Directive 2000/78/EC establishes a general framework for equal treatment in employment and occupation. To comply with the Directive, the Department of Trade and Industry consulted on draft Employment Equality (Age) Regulations 2006. The consultation finished on 17 October and the regulations will come into force from 1 October 2006.

13. The Government has concluded that under this legislation the 85 year rule would be considered age discriminatory and therefore must be removed from the Scheme no later than 1 October 2006. This is because the 85 year rule takes the sum of the member's age and pensionable service to determine eligibility to pension benefit. If a member does not have sufficient age and pensionable service, they are not eligible for the benefit.

14. The following example may help: The members must be in comparable situations but for their age; one is 61 and the other 63; they both have 22 years service and wish to retire; the 63 year old would have no actuarial reduction in their pension as they satisfied the 85 year rule, whereas the 61 year old would have an actuarial reduction. The reason for the different pension entitlement is on the basis of age; therefore the rule is age discriminatory.

15. It may be possible to objectively justify the retention of the rule for Scheme members who are close to retirement, as it would not be easily possible for them to make alternative arrangements so close to their retirement.

16. Confirmation that the 85 year rule must be removed from the Scheme, by no later than 1 October 2006 will assist the Stakeholders in determining what the cost pressures are arising from the revocation, and how they should be met.

#### Transitional Protections

17. Consideration will need to be given to the cost of providing transitional protections for existing Scheme members close to retirement.

18. Transitional protections were originally provided in the Amendment No.2 Regulations 2004, for all Scheme members who would be aged 60, with 25 years service by 31 March 2013.

19. Had these protections not been provided then there would have been an additional saving of just over 0.5% of pensionable payroll, or £125 million, per year, for the 8 years - 2005 to 2013.<sup>1[1]</sup>

20. So long as the cost of any transitional protections are no more expensive than those under the Amendment No2 Regulations 2004, then there should be no additional cost needing to be taken into account

#### Rationale for government intervention

21. The Secretary of State is responsible for the policy development and overall regulatory stewardship of the Scheme in England and Wales and, using the powers under the Superannuation Act 1972, sets the statutory framework within secondary legislation for the management, investment and administration of the Scheme.

22. It is generally understood, it being the Government's stated policy since July 2003 in respect of the LGPS, that one of the reasons the Scheme was initially amended on 1 April 2005 (by the LGPS (Amendment) (No.2) Regulations 2004) was to assist in reducing employers' cost pressures and to mitigate the anticipated rate of employers' contribution increases as a result of the 2004 valuations. At that time, the "savings" were estimated between £200-400 million per annum.

23. Following an updated assessment of the LGPS 2004 valuation reports the Government Actuary's Department (GAD) concluded that the costs across all LGPS employers was about £400 million in 2005/06. For local authorities, i.e. those employers with precepting/revenue raising powers, a broad estimate suggests that their costs for 2005/06 fall in the range of £300-350 million.

24. Revocation of the Amendment No.2 Regulations 2004 means that the cost pressures the changes were intended to relieve remain to be faced. For there to be no additional costs from the revocation falling on government, local authorities or taxpayers, the government must introduce further regulations dealing with these cost pressures to ensure the ongoing solvency of the Scheme and to provide certainty for local authorities' finances generally.

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<sup>1[1]</sup> This is based on an estimated pensionable payroll figure of £25 billion for 2004/05, which was based on pay trends for the previous 3 years.

25. Ministers are committed to providing stable and attractive benefits to current and future Scheme members. It is imperative, therefore, for the Scheme's affordability and sustainability that the effects of revocation are managed prudently, and so help to ensure its ongoing solvency.

26. Representatives of the local authority employers and trades unions were invited to come forward with proposals to fully meet the cost pressures arising from the decision to revoke, to allow all parties to give further consideration to the issues facing the LGPS.

27. However, it was made clear that if the employers and the unions were unable to agree a fully costed proposal for the way forward, then a decision would still be required on what amendments were necessary to ensure the Scheme's viability and effect on taxpayers.

## **Consultation**

### Within government

28. Government Actuary's Department  
Scottish Public Pensions Agency  
HM Treasury

### Public consultation

29. Local Government Association (LGA)  
Employers' Organisation and through it other Scheme employers  
Local Authorities in England and Wales  
Association of Consulting Actuaries (ACA)  
UNISON  
GMB  
Amicus  
Transport and General Workers Union (TGWU)  
Union of Construction, Allied Trades and Technicians (UCATT)  
National Association of Probation Officers (NAPO)  
Community and Youth Workers Union (CYWU)

## **Information to assist in the development of proposals**

30. There were four discrete, but linked events, programmed to assist in meeting the objective of providing properly costed proposals:
- a) LGPS funds to provide funding updates by 30 September 2005;
  - b) data gathering exercise organised by the Employers' Organisation to consider the relationship between the retirement age of members in the Scheme and satisfying the rule of 85
  - c) commissioning by ODPM of an actuarial longevity study of the LGPS in England and Wales; and

- d) administering authorities agreeing to provide copies of the 2004 valuation reports to trades unions and their actuarial advisor.

### **Powers to allow an interim actuarial valuation of funds**

31. The issues surrounding the estimates of the cost of revocation are complex and depend upon a range of assumptions being applied to cover a wide variety of individual Scheme member's circumstances, including their retirement decisions, socio-economic factors, and even their health.

32. The interim actuarial valuation of funds in England and Wales identified the one year cost of revoking the 85 year rule as £435 million for 2005/06.

33. After making an allowance for the possible beneficial effect of late retirees, the Government Actuary's Department (GAD) and the actuaries advising the LGA and its constituent employers, suggested a reasonable range for the likely total cost of revocation would be between 80-90% of the total £435 million cost. In monetary terms this is around £340-390 million<sup>2[2]</sup>, of which £280-315 is estimated to relate only to local authorities in the Scheme in England and Wales.

34. If the 85 year rule is not removed until 1 October 2006, then the cost of revocation, for the 18 month period 1 April 2005 to 1 October 2006, based on the same assumptions as above, is in the range of £520-590 million.

35. A further option is if the 85 year rule is removed for new members from April 2006 and for existing Scheme members as at 31 March 2006, from 1 October 2006. Advice from GAD is that this would reduce liabilities in 2006/07 by £5-10 million. However, savings would be very dependent on turnover and the number/profile of new joiners.

36. The trades unions believe the total Scheme cost of revocation, for local authorities, falls between £225-275 million.

37. In light of the government's commitment that the cost of revocation should not fall on central government or the council tax payer, and that regulations to meet the cost pressures would be forthcoming, many local authorities decided not to commission a revised rates and adjustments certificate at this time, and to maintain their existing levels of employer contribution rates.

### **Data gathering exercise organised by the Employers' Organisation (EO)**

38. The EO gathered information from local authorities on:

a) the average age of retirement of all LGPS pensioners broken down by employer type and gender (male/female)

b) the average retirement age of all LGPS pensioners retiring in the year to 31<sup>st</sup> March 2005 broken down by employer type and gender (male/female)

c) the average pension for all LGPS pensioners broken down by employer type, by gender

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<sup>2[2]</sup> This is based on an estimated pensionable payroll figure of £25 billion for 2004/05, which was based on pay trends for the previous 3 years.

(male/female), and by type of pension

d) the average pension, and the average service and average pay on which the pensions were calculated, for all pensioners retiring in the year to 31<sup>st</sup> March 2005 broken down by employer type, by gender (male/female), and by type of pension.

39. Detailed scheme data was passed from the EO to the unions on 23 September. An updated version was then sent on 29 September.

40. It was not possible for data to be gathered on the amount of time employees worked past their Earliest Retirement Age<sup>3[3]</sup> as this date was not calculated and stored by the computer programme software used.

### **Commissioning of the demographic study of the LGPS in England and Wales**

41. The actuarial firm Hymans Robertson LLP was commissioned to produce an actuarial longevity study of the LGPS in England and Wales. Their report, *Local Government Pension Scheme in England and Wales: Review of Demographic Patterns*, September 2005, was based on terms of reference and key questions agreed between ODPM, the Employers' Organisation and the trades unions at the second Tripartite Committee on 30 June 2005.

42. The principal purpose of the report was to provide all the Tripartite Committee Stakeholders with statistical information on the demographics of the scheme membership. This covered three broad areas:

- a) the profile of employee members and pensions in payment,
- b) the retirement behaviour of employees, and
- c) the mortality experience of pensions in payment.

43. In summary the main findings of the report were as follows:

- ◆ That the membership of the LGPS had changed significantly both since the Scheme was originally implemented in 1922, and when the existing benefit structure was introduced in the early 1970's. This had become particularly apparent since all part-timers were allowed to join in 1993.
- ◆ 72% of the current employee membership is female, with 57% of female workers working part-time. Almost half the employee members work part-time.
- ◆ 75% of pensions in payment are less than £5,000 a year. Women tend to be in receipt of lower pensions than men, primarily due to shorter service and lower pay.
- ◆ For members retiring in the LGPS between 2001 and 2004, almost 90% of men and two-thirds of women would have been able to retire on an unreduced pension at age 60, under the 85 year rule - their Earliest Retirement Age (ERA).
- ◆ Women's ERAs are generally later than men's, due to their joining later than average.

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<sup>3[3]</sup> Earliest Retirement Age (ERA) - This is the earliest age at which an employee can retire based on their 85 year rule entitlement. For example, a Scheme member has worked in local government and contributed to the LGPS for 22 years by their 63<sup>rd</sup> birthday has an ERA of the date of their 63<sup>rd</sup> birthday, rather than the normal retirement age for the LGPS which is 65.

- ◆ Around 15% of all retirements are Scheme members who have worked past their ERA. These are known as 'late' retirements. Of these late retirements, men are more likely to continue in employment beyond their ERA than women. The average period of working late was around three years for both men and women.
- ◆ Individuals with larger pensions tend to retire sooner than those with smaller pensions, often on redundancy grounds or in the interests of efficiency.
- ◆ Life expectancy at birth is increasing, but is not directly relevant in the context of pension scheme funding, where the expectation of life from retirement age is most important.
- ◆ Statistics confirmed that the UK population generally, and the LGPS population specifically, are showing reductions in mortality rates, implying material increases in the average period that pensions are in payment, compared to when the scheme rules were devised..
- ◆ For men retiring at 65, based simply on population mortality, the average period that a pension is expected to be in payment has risen from 12.2 years to 16.0 years since the early 1970's, an increase of some 31%. For women, the rise is from 16.1 years to 19.0 years, a rise of some 18%.
- ◆ Pensioners who retire from the LGPS in normal health would be expected, on average, to live around 2 to 4 years longer than pensioners in the population as a whole.

44. In conclusion Hymans summarised that there appeared to be a strong case for the benefit structure evolving, just as the population that it is designed to cater for is evolving. Increased longevity and a substantially increasing pensioner population (compared to working population) means retaining older workers in employment would become increasingly important.

45. Hymans report also provided further justification for the removal of the 85 year rule on discrimination grounds, as it showed that the rule is indirectly discriminatory towards women. This is because although they make up the majority of the workforce, on average, they have less service in local government than men, as a result of joining later in life, and therefore are less likely to be in a position to benefit from the rule.

### **Administering authorities provide copies of 2004 actuarial valuation reports**

46. A first batch of these reports was passed to the trades unions, by the EO, in July 2005. A further batch, making a complete set, was handed over by the EO in September for analysis.

47. In addition to this the trades unions requested information direct from Local Authorities under the Freedom of Information Act 2000.

### **Options**

48. Three options have been identified:

- A) Do nothing
- B) Increase tax-free lump sum
- C) Increase employee contributions



### ***Option A - Do nothing***

49. It was made clear, as part of the consultation material on regulations to revoke the Amendment No.2 Regulations 2004, that any savings foregone through revocation would need to be found by other means. No new money from government or local authorities would be made available.

50. As the Amendment Regulations 2005 allowed for the taking place of interim valuations, it could be the case that the revised certificate will show that due to investments performing better than expected, the suspected cost of revocation has been mitigated.

51. However, relying on the increased performance of investments would not be prudent, as investments can go down as well as up and any improvements in investments could easily be offset by a reduction in bond yields, or vice versa.

52. Furthermore, the Government made a clear commitment to Parliament that further regulations will be introduced to ensure the cost pressures arising from the revocation are met. Relying on increased performance of investments would not ensure the costs have been met in the long term, and therefore would not meet the Government's commitment to Parliament.

### ***Option B - Increase tax-free lump sum***

53. Scheme members currently receive 3 times the amount of their final pension as a tax-free lump sum when they retire.

54. From 6 April 2006, HM Revenue and Customs (HMRC) tax simplification will permit Scheme members to take up to 25% of the capital value of the pension as a tax-free lump sum, when they retire.<sup>4[4]</sup>

55. Where Scheme members chose to take more, any increase, above the three times amount currently provided for, would be paid for by the Scheme member commuting part of their final pension, e.g. swapping pension for tax-free cash at a commutation rate of 12:1. This means for every £1 of pension foregone they would receive £12 tax-free cash.

56. This could be popular with members and at the same time reduce employers' liabilities. The attached spouse's pension would be unaffected as only part of the member's pension would be surrendered.

### ***Option C - Increase employee contributions***

57. Scheme members, post 1998, currently pay a 6% contribution towards their pension fund. A small number of manual workers who were members of the Scheme prior to 1988 pay 5%.

58. One option for meeting the cost pressures arising from the Scheme is to increase all Scheme member contributions by 1%.

59. This could have a knock-on effect of increased pay demands from local government workers, possibly discourage Scheme membership take-up (particularly the part-time) and possibly lead to existing members opting out.

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<sup>4[4]</sup> The current 3 times final pension permitted in the LGPS equates to roughly 15% of the capital value, using the HMRC stipulated conversion factor of multiplying annual pension by 20.

## Alternative options considered

### ***Binding pay deals***

60. This would prevent high pay increases which place pressure on the pension fund. A variation of this would be the option to control or reduce the amount of pay which is pensionable. Pay rises could also be negotiated separately from pensionable pay rises, so that, for example, pensionable pay might rise each year by 1% less than actual pay.

61. The impact of introducing binding pay restraints, or a variation thereof, would depend on when this was introduced and for how long. It is almost inevitable that there would be catch-up in the future and so any saving would be unlikely to be realised in the long term, although future catch-up could not be backdated.

62. This option was rejected as the potential long term benefits could not be guaranteed.

### ***Move to Career Average Re-valued Earnings (CARE) Scheme***

63. A CARE scheme could help control future cost volatility and can be designed to deliver broadly the same expected employer cost as a final salary scheme, but with a lower member contribution rate. The saving arises from the difference in the expected rate or revaluation of each year's benefits. This could be more attractive than final salary designs to those with modest pay growth expectations.

64. One possible variation on this option is that CARE could be offered as the *default* options for certain groups of staff e.g. part-timers or those whose earnings were below a certain level. All members could be allowed to opt into the other design (i.e. from CARE to final salary and vice versa) at the start of their career and possibly at points in the future (for subsequent benefit accrual).

65. A CARE scheme would reduce the risk of future cost volatility due to pay settlements and is potentially cheaper to administer in the long term. It could provide better pension for low paid/part-time workers and more accurately reflect the needs of the local government workforce (as identified in the *Review of Demographic Patterns* report, by Hymans Robertson). It is not known what accrual and revaluation rates would be acceptable to trades unions. It could also exacerbate work place tensions as it would require a cultural shift from the perceived "gold standard" of the final salary pension Scheme.

66. This option was rejected as it would require a major change to the Scheme which would not be possible by the autumn. It is likely to be considered further in discussions on the long term reform of the Scheme.

### ***Change to ill-health/early retirement packages***

67. Current practice permits local authorities to enhance a Scheme member's pension, up to a maximum 40 years, where they retire early or under ill-health grounds. Savings could be achieved by amending the amount local authorities can enhance by, or criteria by which they set their standard. This could result in better pension provision for those permanently retired on ill-health grounds

68. For ill-health retirements, a two tier system could be introduced for Scheme members who are able to work again but not necessarily in their previous local government post. This

could reduce instances of Scheme members retiring on ill-health grounds and then returning to work in another area (not local government) whilst still receiving a full occupational pension from local government. It would also reduce the long term liabilities facing the Scheme by reducing the number of fully enhanced ill-health/early retirement cases.

69. This option was rejected as it would require a major change to the Scheme which would not be possible by the autumn. It is likely to be considered further in discussions on the long term reform of the Scheme.

### ***Incentives to remain in employment***

70. The later members delay their retirement beyond the earliest age from which they can take their benefits unreduced (and as of right), the greater the cost saving to the Scheme. Care would be needed in designing the benefits being offered to members to delay their retirement, so they do not fall under the preservation requirements or fall foul of age discrimination.

71. The wider picture also needs to be taken into account. Encouraging scheme members to remain in employment will become increasingly important as the ratio of working age population to pensioner population decreases in the coming years (as identified in the *Review of Demographic Patterns* report, by Hymans Robertson).

72. This option was rejected as it would require a major change to the Scheme which would not be possible by the autumn. It is likely to be considered further in discussions on the long term reform of the Scheme.

## **Costs and Benefits**

### Sectors and groups affected

73. There are currently 1.5 million active Scheme members who could be affected by any amendments to the LGPS benefit structure.

### *Race equality assessment*

74. There are no race equality issues concerning our proposals

### *Health impact assessment*

75. The Normal Retirement Age for the LGPS is 65. However, the 85 year rule enables Scheme members satisfying the rule to retire on an unreduced pension from age 60, or from age 50 with employer's consent. The trades unions and some actuaries have expressed concern that there may be more instances of ill-health retirement if the 85 year rule is removed from the Scheme and local employees have to work longer. No evidence has been supplied, at this stage, to support this opinion. If the 85 year rule is removed from the Scheme any increase in ill-health retirements will become apparent at the tri-annual actuarial valuations of the funds.

76. It is intended that flexible retirement provisions, as introduced by Finance Act 2004, which will be permissible from 6 April 2006 may mitigate this risk. Flexible retirement, will allow Scheme members to continue working at reduced hours/grade, and accruing pension benefit whilst starting to draw part of their pension. This will remove the current cliff edge where a Scheme member retires from work overnight.

## *Rural considerations*

77. In their report, *Review of Demographic Patterns* (as referred to in paragraphs 41 to 45), Hymans Robertson looked at longevity figures in the LGPS and analysed the mortality experience for their England and Wales LGPS client funds over the three years from 2001-2004. A subset of the pensioner data they considered, for officers retiring other than through ill-health, related to regional variation.

78. The results of this analysis showed that the North-South<sup>5[5]</sup> gap in mortality figures was slightly less pronounced than Urban-Rural<sup>6[6]</sup> differences. The gap between London and the rest of the South was the most significant. Overall these figures showed that those in Rural areas were living, on average, 1.5 years longer than those in Urban areas. This means that increased longevity will have a greater impact on cost pressures facing the LGPS Rural funds than it will for Urban funds.

## Breakdown of costs and benefits

79. For all stakeholders it was imperative there was an evidential base for the costs and benefits of the proposals. Various initiatives to determine the evidential base were undertaken by the stakeholders (as referred to in paragraphs 30 to 47). The following costings have been agreed by GAD.

### ***Option A - Do nothing***

#### Economic

80. **Benefits** - None

81. **Costs** - As referred to in paragraphs 33 and 34 the one year cost (2005/06) of reinstating the rule of 85 is in the range of £340-390 million. The 18 month cost (1 April 2005 to 1 October 2006) is in the range of 520-590 million. In the longer term the retention of such a rule would cost the scheme some 2% -2.5% of pay per year.

#### Environmental

82. There are no environmental benefits or costs to this proposal.

#### Social

83. **Benefits** - The trades unions and many Scheme members may welcome maintaining the status quo and not making changes to the Scheme for current members.

84. **Costs** - Not taking any action to mitigate the current cost pressures facing the Scheme is likely to be criticised by local authorities and taxpayers generally. Furthermore, not taking the cost pressures facing the Scheme into account now could jeopardise the long term future of the Scheme. The Government has a statutory obligation to ensure the Scheme's affordability, viability and acceptability, and to have regard to issues of fairness in the balance between taxpayers and members benefits.

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<sup>5[5]</sup> Broadly speaking anything south of the M4 was considered south, with anything above being considered north. South excluded London, which was considered separately.

<sup>6[6]</sup> County Councils were labelled "rural" and Metropolitan Funds were labelled "Urban"

## **Option B - Increase tax-free lump sum**

### Economic

85. **Benefits** - Certain assumptions have to be made in relation to this proposal. For example take-up rate and commutation rate all have to be assumed by the actuaries, when establishing whether this would be a cost or a benefit to the Scheme. GAD have advised that based on a 50% take up rate<sup>7[7]</sup> and a commutation rate of 12:1<sup>8[8]</sup> a saving to the Scheme of around 0.3% of payroll, or £75 million, could be assumed.<sup>9[9]</sup>

86. **Costs** - Potential loss of revenue for the exchequer as the lump sum is tax-free. Increasing the amount of lump-sum taken, above the 3 times pension automatically provided, also reduces the overall pension in payment liability to tax. It may also mean that some scheme members, who take an increased lump sum, would find they are now entitled to pension credit, due to the reduction in overall pension.

### Environmental Benefits/Costs

87. There are no environmental benefits or costs to this proposal.

### Social

88. **Benefits** - Allow scheme members more access to ready cash which is likely to be welcomed by the Scheme member.

89. **Costs** - As scheme members would have to commute any amount above the current 3/80ths permitted, if they wished to draw more of their pension as tax-free lump sum, then Scheme members will need to obtain professional advice on the best course of action for them, based on their own personal circumstances, before reaching a decision.

## **Option C - Increase employee contributions**

### Economic

90. **Benefits** - A 1% increase in employee contributions over the two years 2006/07 and 2007/08 might provide an extra £250 million per year.<sup>10[10]</sup> If the cost pressures arising from the reinstatement of the 85 year rule are spread in line with the current recovery periods as set out in LGPS Funding Strategy Statements then this would cover the cost for 2005/06.<sup>11[11]</sup>

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<sup>7[7]</sup> Take up rate - GAD have assumed that 50% of Scheme members will take an increased lump sum up to a maximum 25% and 50% of Scheme members will take only the 3 times final pension salary.

<sup>8[8]</sup> 12:1 Commutation rate means for every £1 of pension foregone the Scheme member will receive £12 of tax-free lump sum.

<sup>9[9]</sup> This is based on an estimated pensionable payroll figure of £25 billion for 2004/05, which was based on pay trends for the previous 3 years. The 0.3% saving relates to new entrants' future service.

<sup>10[10]</sup> This is based on an estimated pensionable payroll figure of £25 billion for 2004/05, which was based on pay trends for the previous 3 years.

<sup>11[11]</sup> In the knowledge that the average spread period for managing deficits is some 20 years, this means that £35 million per year has to be managed by each fund, which is equivalent to 0.1% of

91. **Costs** - An increase in the employee contribution rate could call for increased pay demands, which could ultimately mean the cost pressures falling on local authority employers. Furthermore the increase in the contribution rate only recoups the cost if the 85 year rule is removed from April 2006. It would not cover the extra cost incurred between April and October 2006, if the rule is not removed until 1 October 2006.

#### Environmental

92. There are no environmental benefits or costs to this proposal

#### Social Benefits

93. **Benefits** - None

94. **Costs** - The increase may be seen as poorly targeted as it would affect all Scheme members, not just those entitled to retire under the 85 year rule. Therefore some Scheme members would be paying for a benefit that they would not be able to receive. The increase could also result in a lower take-up of the Scheme at a time when measures to increase member take-up are being considered.

#### **Small Firms' Impact Test (SFIT)**

95. As the proposals relate to and affect only the public sector, there is no need to consult business because there can be no impact.

#### **Competition Assessment**

96. This is not required for these proposals.

#### **Enforcement, Sanctions and Monitoring**

##### Enforcement

97. This is not required for these proposals.

##### Sanctions

98. This is not required for these proposals.

##### Monitoring and review

99. All LGPS funds undergo an actuarial valuation every three years. The last valuation took place in March 2004 and therefore the next will take place in March 2007. LGPS administering authorities' pension funds and their actuarial context are both separately monitored regularly by investment consultants and actuaries. In addition, Funding Strategy Statements are required to be regularly reviews and to provide a statutory framework for the relevant actuarial valuation exercise.

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payroll. This is based on an estimated pensionable payroll figure of £25 billion for 2004/05, which was based on pay trends for the previous 3 years.

## **RESPONSE TO THE LOCAL GOVERNMENT PENSION SCHEME (AMENDMENT) (NO 3) REGULATIONS 2005**

The Authority strongly supports the comments made by the Minister for Local Government (Phil Woolas) to Parliament on 2 December (Annex A), in particular the commitment made in the last but one paragraph.

In recognising this overarching objective of providing a flexible and attractive pension scheme, the authority accepts that changes have to be made to the scheme to maintain its overall principles.

In light of other statements that have been made recently in relation to pensions, it is considered that members of the LGPS should not be offered a less generous set of arrangements than those already announced for other public sector workers.

### **Specific Comments**

#### **Part II: Cost of Liabilities**

The argument that the proposals have no impact on the taxpayer is not fully understood. It is accepted that the delay in the implementation of the removal of the 85 Year Rule will have a significant financial impact. On the basis of the guidance, it is also accepted that changes to the Lump Sum arrangements will have a positive financial impact. However if this was not used to offset the negative impact of the delay of the removal of the 85 Year Rule, it would be used to reduce the overall deficits of the pension funds and potentially benefiting tax payers.

Additional financial costs are also identified in paragraph 86 of the Partial Regulatory Impact Assessment (RIA).

Notwithstanding these comments, the proposal of how to offset the cost of delayed implementation of the 85 Year Rule by changing the Lump Sum rules is accepted.

Further analysis of why employers and union's valuations differ so much would be helpful to assess the true position.

#### **Part III: The Tax Regime**

No comments

#### **Part IV: The 85 Year Rule**

It is accepted that the 85 Year Rule must be removed. It is therefore suggested that this takes place as quickly as possible.

#### **Other comments**

1. Paragraph 44 and 76 of the RIA made reference to retaining older workers in employment and the introduction of flexible retirement provisions respectively.

The Authority therefore suggests that considerable attention is paid in future discussions to developing such proposals, including availability of flexible retirement options from the new minimum retirement age 55 (for example, the ability to retire at any point age from 55, subject to a suitable downwards or upwards adjustment to the pension to reflect whether the pension was paid earlier or later than normal).

2. It is agreed that transitional arrangements need to be put in place for the withdrawal of the 85 Year Rule. The proposals outlined in paragraphs 15 and 18 (Scheme members aged 60 and with 25 years service by 31 March 2013) appear reasonable.

There will be others with significant service who feel that they are not treated fairly, but a line has to be drawn somewhere and is a reflection of improving lifestyles.

There are no comments on the Addendum that was issued 10 December 2005.

**Alan Evans**  
**Corporate Director Resources and Deputy Chief Executive**



**REPORT TO CABINET**

**CABINET MEMBER:** Councillor P A Dobb - Cabinet Lead Member for Health and Wellbeing

**DATE:** 24 January 2006

**SUBJECT:** Housing Revenue Account Budget 2005/06

**1 DECISION SOUGHT**

To note the latest financial forecast position (revenue and capital) of the Housing Revenue Account (H.R.A.) for the current financial year.

**2 REASON FOR SEEKING DECISION**

The need to deliver the Council's agreed budget strategies for the current financial year.

**3 POWER TO MAKE THE DECISION**

Housing Act 1985, Part II.

**4 COST IMPLICATIONS**

The projections undertaken at the end of January 2006 show a potential net under-spend at year end of £233k (Appendix 1) against the revised budget. This is a reduction of £38k in the projected under spend to that reported at the end of December. The main reasons for the change are increased staffing costs (£20k) and one-off redundancy costs (£12k).

Vacancy savings within the Rents are partially offset by additional agency staff costs and the other additional costs reported above within Supervision and Management [General].

Expenditure on Repairs and Maintenance is forecast to be £63k lower than revised estimate. This is due to a general reduction in repairs reporting, reduced work on void properties and minor impact from the major capital works being undertaken this year (£173k), offset by an additional £110k forecast to be spent on central heating systems that have failed gas servicing inspections.

The increase in HRA Subsidy payment to WAG (£10k) is due to higher dwelling numbers (as a result of lower RTB sales). Most components of subsidy are calculated on a 'per dwelling' basis.

The budgeted contribution (£50k) towards the Provision for Bad Debts will not be required this year as rent arrears have continued to fall.

Rental income is forecast to be £161k (1.9%) higher than revised estimate. This is due to reduced voids and higher dwelling numbers (RTB sales lower than forecast).

Progress on HRA capital schemes is included as Appendix 2. Work is ongoing on all schemes and expenditure to date is £5.146m. The £600k slippage on major improvements is due to the work starting a few weeks later than originally scheduled – this slippage, however, will be spent within a few weeks in the next financial year. Some final account payments (on works pre 2005/06) are higher than originally estimated and the forecast is £278k higher than revised estimate. The central heating contract is, however, £160k lower than budgeted. A review of the forecasts reported in Appendix 2 is underway currently and will be completed in time to report to Cabinet in March. It is likely that there will be a higher than forecast under spend which will be carried forward to 2006/07. The carry-forward is wholly contained within the HRA and does not impact on the council's Capital Plan, nor will it adversely impact upon the Housing Business Plan.

## **5 FINANCIAL CONTROLLER STATEMENT**

The improvement in the overall budgetary position is welcomed, but it will be necessary to remain vigilant in the management of budgets to ensure that the anticipated surplus is delivered at the end of the financial year.

## **6 CONSULTATION CARRIED OUT**

Lead Cabinet members will be required to consult with Heads of Service to monitor the H.R.A. in 2005/06.

## **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 ACTION PLAN**

The Head of Housing Services and Senior Management Accountant should monitor the Housing Revenue Account on a monthly basis and report to Cabinet to ensure compliance with statutory requirements and budget.

## **9 RECOMMENDATION**

To note the latest financial forecast position (revenue and capital) of the Housing Revenue Account (H.R.A.) for the current financial year.

**Housing Revenue Account ~ 2005/06**

<u>2004/05</u>		<u>Revised</u>	<u>2005/06</u>	
Actual		Budget	Forecast	Variance
£		£	Out-turn	to
			£	Budget
				£
	<b><u>EXPENDITURE</u></b>			
1,091,038	Supervision & Management - General	1,142,595	1,219,735	77,140
205,743	Supervision & Management - Special	213,009	215,970	2,961
131,906	Welfare Services	127,445	127,676	231
0	Homelessness	0	0	0
384,881	Rents	437,328	374,945	-62,383
<u>2,174,227</u>	Repairs and Maintenance	<u>2,662,610</u>	<u>2,600,000</u>	<u>-62,610</u>
3,987,795	Total - Management and Maintenance	4,582,987	4,538,326	-44,661
57,489	Rent Rebates	28,745	28,745	0
1,071,190	Debt Charges	902,596	922,300	19,704
0	C.E.R.A.	326,216	326,216	0
2,544,045	Subsidy	2,681,622	2,691,933	10,311
<u>-177,422</u>	Provision for Bad Debts	<u>50,000</u>	<u>0</u>	<u>-50,000</u>
<b><u>7,483,097</u></b>	<b>Total Expenditure</b>	<b><u>8,572,166</u></b>	<b><u>8,507,520</u></b>	<b><u>-64,646</u></b>
	<b><u>INCOME</u></b>			
8,319,302	Rents (net of voids)	8,378,032	8,539,619	161,587
88,733	Garages	91,088	93,680	2,592
<u>136,807</u>	Interest	<u>141,547</u>	<u>145,408</u>	<u>3,861</u>
<b><u>8,544,843</u></b>	<b>Total Income</b>	<b><u>8,610,667</u></b>	<b><u>8,778,707</u></b>	<b><u>168,040</u></b>
	<b>Surplus / Deficit (-) for the Year:</b>			
<b>735,530</b>	<b>General Balances</b>	<b>364,717</b>	<b>597,404</b>	<b>232,687</b>
<b>326,216</b>	<b>Earmarked Balances</b>	<b>-326,216</b>	<b>-326,216</b>	<b>0</b>
662,070	Balance as at start of year ~ General	1,327,434	1,397,600	70,166
0	Balance as at start of year ~ Earmarked	326,216	326,216	0
1,397,600	Balance as at end of year ~ General	1,692,151	1,995,003	302,852
326,216	Balance as at end of year ~ Earmarked	0	0	0

## Appendix 2

### Housing Revenue Account Capital ~ 2005/06 Month 10

<b>Project Description</b>	<b>Revised Estimate</b> £	<b>Actual and Committed</b> £	<b>Latest Forecast</b> £	<b>Variance to Estimate</b> £
Housing Repair Work (Pre 2005/06 works)	522,000	751,529	800,000	278,000
Environmental Improvements	347,000	169,980	400,000	53,000
Major Improvements ~ All groups	3,600,000	1,861,929	3,000,000	-600,000
DFG ~ Council Properties	100,000	197,677	100,000	0
Window Replacements	2,976,000	1,533,163	2,976,000	0
Central Heating Contract	980,000	631,863	820,000	-160,000
<b>Total</b>	<b><u>8,525,000</u></b>	<b><u>5,146,142</u></b>	<b><u>8,096,000</u></b>	<b><u>-429,000</u></b>
<b>Funding:</b>				
Major Repairs Allowance	2,400,000	2,400,000	2,400,000	0
Usable Capital Receipts	2,431,000		2,476,000	45,000
Prudential Borrowing	3,368,000		2,894,000	-474,000
Financed from Revenue (CERA)	326,000	326,000	326,000	0
<b>Total</b>	<b><u>8,525,000</u></b>	<b><u>2,726,000</u></b>	<b><u>8,096,000</u></b>	<b><u>-429,000</u></b>

REPORT TO CABINET

CABINET MEMBER: Councillor P J Marfleet Lead  
for Finance & Human Resources

DATE: 21 February 2006

SUBJECT: Revenue Budget 2005 / 2006

**1. DECISION SOUGHT**

- 1.1 Members note the budget performance figures for the current financial year as detailed in the attached appendices.
- 1.2 Members agree to earmark £30k to fund a Council presence at the Urdd Eisteddfod in 2006/07.

**2. REASON FOR SEEKING DECISION**

- 2.1 The need to deliver the Council's agreed budget strategy for the current financial year and avoid reducing already inadequate reserves.

**3. POWER TO MAKE THE DECISION**

- 3.1 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**

- 4.1 This report details the latest projections of Service budget year end positions as reported by Directorates, together with information on pressures and savings within the corporate budgets. The service pressure projections are as at the end of January 2006. Corporate details are as at early February.

The appendix details a potential underspend totalling £416k (£320k underspend last report). This excludes the **schools' delegated budgets** which are now reporting a pressure of £306k, an increase of £40k on last month. The main areas of change from the last report are:

- i) **ICT** is forecasting a £50k underspend.
- ii) The forecast for the **Capital Financing Charges** has improved showing £50k further underspend. The 2006/07 budget assumed that efficiency savings of £240k per year could be achieved through restructuring the Council's debt portfolio. In January interest rates for long term borrowing temporarily dipped to 3.7%. By acting quickly, the Council was able to refinance £32m worth of debt and secure £230k per year savings. This also generated savings in the current year.

Other reported pressure areas remain at a similar level to the last report.

Other potential but thus far unquantifiable pressures are the impact of the Single Status Pay Review and the appeals against the recent Council Tax revaluations, both of which may exceed the assumptions within the budget.

- 4.4 The overall financial position has improved since last month with directorates continuing to put significant effort into identifying savings where possible.
- 4.5 These underlying issues mean that caution is still required in all budget areas. The current underspend is partly due to increased income from investments because of slippage on the capital programme. Once this slippage is caught up, that additional income will no longer be there for future years.
- 4.6 Members should also remember that it was agreed at the last Cabinet to earmark £25k of the underspend to match fund a WLGA grant of £25k for the **Visioning** marketing requirement. It is recommended that a further £30k is earmarked for a Council presence at the **Urdd Eisteddfod**. Both of these projects will take place in 2006/07.

## **5. FINANCIAL CONTROLLER STATEMENT**

- 5.1 Work needs to continue to take place to review service budgets and identify savings that will enable total Directorate spending to be contained within budget. Without the savings on capital financing costs, the Council would be £315k overspent.

## **6. CONSULTATION CARRIED OUT**

- 6.1 Lead Cabinet Members need to continue to consult with Heads of Service to agree necessary remedial action to prevent overspends in 2005/06

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

- 7.1 Proper management of the Council's revenue budget underpins activity in all of the Council's policy areas.

## **8. ACTION PLAN**

- 8.1 All departments undertake regular budget monitoring and will continue to identify and take advantage of savings and efficiencies.

## **9. RECOMMENDATION**

- 9.1 That Members note the budget performance figures for the current financial year as detailed in the attached appendices and
- 9.2 Members agree to earmark £30k to fund a Council presence at the Urdd Eisteddfod in 2006/07.

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2005/06  
POSITION AS AT END JAN 2006**

Directorate	Budget			Projected Outturn			Variance			Variance Previous report £000s
	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	
Lifelong Learning (excluding schools delegated)	28,973	-10,691	18,282	29,363	-10,793	18,570	390	-102	288	276
Environment	31,645	-11,261	20,384	31,694	-11,385	20,309	49	-124	-75	-75
Personal Services	47,678	-16,039	31,639	49,132	-17,696	31,436	1,454	-1,657	-203	-195
County Clerk	1,969	-543	1,426	2,110	-694	1,416	141	-151	-10	-10
Resources	8,167	-2,500	5,667	8,232	-2,663	5,569	65	-163	-98	-48
Corporate, Miscellaneous & Benefits	25,767	-21,952	3,815	25,983	-21,955	4,028	216	-3	213	213
Clawback of Revenue Support Grant				200	0	200	200	0	200	200
<b>Total All Services</b>	<b>144,199</b>	<b>-62,986</b>	<b>81,213</b>	<b>146,714</b>	<b>-65,186</b>	<b>81,528</b>	<b>2,515</b>	<b>-2,200</b>	<b>315</b>	<b>361</b>
Capital Financing Charges/Investment Income			10,891			10,160			-731	-681
Precepts & Levies			3,975			3,975			0	0
			<b>96,079</b>			<b>95,663</b>			<b>-416</b>	<b>-320</b>

**Note:**

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

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2005/06**  
**LIFELONG LEARNING**  
**POSITION AS AT END JAN 2006**

	Budget			Projected Outturn			Variance			Variance
	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Previous report £000s
Individual School Budgets	50,792	-4,596	46,196	52,217	-5,503	46,714	1,425	-907	518	478
School Funds Held Centrally	15,432	-4,810	10,622	15,726	-4,955	10,771	294	-145	149	171
Non school Funding	1,947	-906	1,041	1,958	-884	1,074	11	22	33	33
Corporate Services	445	-5	440	485	-28	457	40	-23	17	16
Leisure Services	7,102	-4,038	3,064	7,153	-4,022	3,131	51	16	67	52
Culture	3,005	-351	2,654	2,999	-333	2,666	-6	18	12	-6
Countryside	1,042	-581	461	1,042	-571	471	0	10	10	10
	<b>28,973</b>	<b>-10,691</b>	<b>18,282</b>	<b>29,363</b>	<b>-10,793</b>	<b>18,570</b>	<b>390</b>	<b>-102</b>	<b>288</b>	<b>276</b>
<b>Total Lifelong Learning</b>	<b>79,765</b>	<b>-15,287</b>	<b>64,478</b>	<b>81,580</b>	<b>-16,296</b>	<b>65,284</b>	<b>1,815</b>	<b>-1,009</b>	<b>806</b>	<b>754</b>



**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2005/06**  
**LIFELONG LEARNING**  
**POSITION AS AT END JAN 2006**

Note:  
Youth Service included in Non-school funding  
from 01/11/05

<u>Comments</u>	<u>Current Month</u>	<u>Previous Month</u>
	<u>£000s</u>	<u>£000s</u>
<b>EDUCATION</b>		
<b>Individual School Budgets:</b>		
The latest projection on schools' delegated budgets would indicate that schools' balances of £1,559k as at 31/03/05 will reduce to £1,041k during 2005/06. This reduction includes planned expenditure of £212k and pressures of £306k. The school pressures include SEN £62k, Premises £55k, Supplies £22k and the remainder on staffing issues mainly workload /PPA.	518	478
<b>School Funds Held Centrally:</b>		
<b>School Transport</b>		
There is no change to the projected outturn for this month. Pressure of £50k have been met within year from internal savings.	262	262
<b>SEN</b>		
The delegation of SEN Pupil Support Workers in the Primary sector was finalised in September based on actual cost. The completion of the delegation process has identified a shortfall of £630k (£629k 2004/5) which will be partially offset by increased income from out County placements £395k leaving a net shortfall of £235k.	235	235
Speech & Language Therapy - increased demand on service	52	52
<b>Other</b>		
Management actions, vacancy savings and reduced free school meals	-207	-185
Increased income generation	-99	-99
ABA Behaviour Support	-28	-28
Pension contributions	-30	-30
Other schools funds held centrally	-36	-36
Service delivery will continue to be reviewed during the remainder of the year with a view to reducing expenditure and maximising grant income in order to dampen down existing pressures		
<b>Non School Funding</b>		
<b>Student awards</b>		
Savings on administration/software licences	-13	-13
<b>College Transport</b>		
Reduction in pressure from that reported last month due to changes in contract prices from start of academic year.	53	53
Non School funding additional identified in year savings	-7	-7
<b>Corporate Services</b>		
A number of corporate service budgets and related service expenditure have recently been transferred to the Directorate (Equalities, Access, Translation, Press & PR, County Voice).		
The net saving on Press, PR and County Voice has been reduced from the figure reported last month pending payment of an invoice for County Voice relating to the 2004/05 financial year. This invoice was reflected in the underspend on County Voice in 04/05 which at the time formed part of the Chief Executive's	-8	-9
There is a projected overspend on the Translation Service budget of £25k due to the demand on the service, and the need to use external provision. A pressure on this service was identified prior to the transfer to Lifelong Learning.	25	25
<b>TOTAL EDUCATION</b>	<b>717</b>	<b>698</b>

<b>CULTURE &amp; LEISURE</b>			
<b>Leisure</b>			
Vandalism / other premises costs to maintain Frith Beach		40	40
Energy Costs increase		29	29
Loss of swimming revenue at Rhyl LC due to temporary closure		29	14
Delayed appointment of Assistant Director		-6	-6
Reduction of Winter Events programme		-5	-5
Possible increase in income from review of fees & charges		-3	-3
Debt recovery		-10	-10
Gas & Electric rebate at Scala Cinema		-7	-7
<b>Culture</b>			
Increase in Libraries' NNDR		23	23
Delayed appointments		-15	-15
Reduction in opening hours of Gruelling Experience at Ruthin Gaol		-2	-2
Photocopier rebate		-12	-12
Rhyl Museum Feasibility Study - failed grant bid		18	
<b>Countryside</b>			
Reduced CCW grant - net		12	12
Additional project management fees secured		-2	-2
<b>TOTAL CULTURE &amp; LEISURE</b>		<b>89</b>	<b>56</b>
<b>TOTAL LIFELONG LEARNING</b>			
	Total	<b>806</b>	<b>754</b>

**CULTURE & LEISURE EFFICIENCY SAVINGS PROGRESS REPORT**

<b>Proposed Efficiency Saving</b>	<b>Target</b>	<b>Progress</b>
Reduce funding to grant aided bodies	26,873	Achieved
Reduction of Library Service & Records M:	8,928	Achievable
Cut Pavilion Theatre Secretary post by 50%	9,534	Achieved
Reduction of furniture/equipment purchase	6,800	Achievable
Increase fees & charges	37,865	Achievable
<b>Total</b>	<b>90,000</b>	
<b>Education Efficiency savings</b>	<b>£</b>	
SCHOOLS DELEGATED BUDGET	353,000	Achieved
FREE SCHOOL MEALS REDUCTION	50,000	Achieved
REDUCED MEALS SUBSIDY	38,500	Achieved
SCHOOLS INSURANCE EXCESS	31,500	On target to be achieved
MANAGEMENT & SECRETARIAT	5,120	Achieved
CLIENT SERVICES	7,000	Achieved
ADVISORY	11,700	Achieved
PRIM. ED. - NON DELEGATED	28,780	Achieved
SECONDARY - NON DELEGATED	28,240	Achieved
SPECIAL SCHOOLS - NON DELEG.	9,040	Achieved
STATEMENTING	7,500	Achieved
EDUCATION MISCELLANEOUS	22,620	60% Achieved; 40% On target to be achieved
	593,000	

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2005/06**  
**ENVIRONMENT DIRECTORATE**  
**POSITION AS AT END JAN 2006**

	Budget			Projected Outturn			Variance			Variance Previous report £000s
	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	
Development Services (Notes 1 to 3)	8,567	-5,019	3,548	8,615	-5,107	3,508	48	-88	-40	-40
Transport & Infrastructure (Note 2)	8,799	-3,725	5,074	8,781	-3,727	5,054	-18	-2	-20	0
Planning & Public Protection	4,122	-1,850	2,272	4,137	-1,865	2,272	15	-15	0	0
Director & Support (Note 4)	1,170	-103	1,067	1,148	-117	1,031	-22	-14	-36	-35
Environmental Services	8,987	-564	8,423	9,013	-569	8,444	26	-5	21	0
<b>Total Environment</b>	<b>31,645</b>	<b>-11,261</b>	<b>20,384</b>	<b>31,694</b>	<b>-11,385</b>	<b>20,309</b>	<b>49</b>	<b>-124</b>	<b>-75</b>	<b>-75</b>

**Notes:**

1. Additional income generated by the County Building Group due to the capitalised maintenance budget projected to be spent in full. This is offset by the extra costs detailed in 3

2. Savings arising from delays in filling vacant posts

3. Projected additional costs arising from Health and Safety issues (see cabinet report 21/6/05

	Total req'd	Likely spend 2005/6
(a) Legionellosis control	£235k	£200k
Fire Risk Assessments & Roof Void Compartmentalisation	100k	£50k
	<b>£335k</b>	<b>£250k</b>

We are in the process of committing and viring revenue and capital resources as agreed.  
There will be an ongoing revenue pressure in future years in respect of the items listed above.

(b) No extra budget has been provided to fund the additional revenue pressure of £80k in respect of extra administrative Health & Safety processes.  
It is anticipated that these costs will be absorbed in the Directorate's overall revenue budget.

4. Non-recurring savings from the implementation of the Joint Emergency Planning Unit

5. Progress with Efficiency Savings put forward as part of the Budget Setting exercise

Details	£'000s	Progress
(i) Projected Directorate Underspend 2004/05	100	Achieved
(ii) Income generation - Decriminalisation	50	On target
(iii) Income generation - Car Parking	100	On target
(iv) Development/Building Control - smarter working	30	On target
(v) Savings from Recruitment/Agency Process	30	On target
(vi) Income generation target - Other Fees & Charges	20	On target
(vii) Trading Activity Surplus	50	On target
<b>TOTAL</b>	<b>380</b>	

**6. Trading Services**

There are likely to be deficits on the Refuse Collection and Street Cleansing trading accounts due to significantly increased transport costs. These deficits can be contained within the overall trading account as surpluses exceeding this are expected on the other trading services.

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2005/06**  
**SOCIAL SERVICES AND HOUSING**  
**POSITION AS AT END JAN 2006**

	Budget			Projected Outturn			Variance			Variance
	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Previous report £000s
Children Services	8,680	-1,540	7,140	9,247	-1,780	7,467	567	-240	327	340
Adult Services	31,793	-9,258	22,535	32,915	-9,928	22,987	1,122	-670	452	450
Business Support & Development	1,732	0	1,732	2,150	-26	2,124	418	-26	392	389
Supporting People Grant	4,115	-4,129	-14	3,363	-4,140	-777	-752	-11	-763	-760
Underspend Brought Forward 2004/5	0	0	0	0	-540	-540	0	-540	-540	-540
	<b>46,320</b>	<b>-14,927</b>	<b>31,393</b>	<b>47,675</b>	<b>-16,414</b>	<b>31,261</b>	<b>1,355</b>	<b>-1,487</b>	<b>-132</b>	<b>-121</b>
Non HRA Housing	1,358	-1,112	246	1,457	-1,244	213	99	-132	-33	-36
Underspend Brought Forward 2004/5	0	0	0	0	-38	-38	0	-38	-38	-38
<b>Total Personal Services</b>	<b>47,678</b>	<b>-16,039</b>	<b>31,639</b>	<b>49,132</b>	<b>-17,696</b>	<b>31,436</b>	<b>1,454</b>	<b>-1,657</b>	<b>-203</b>	<b>-195</b>

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2005/06**  
**SOCIAL SERVICES AND HOUSING**  
**POSITION AS AT END JAN 2006**

<b>Comments</b>	<b>Current Month</b>	<b>Previous report</b>
	<b>£000s</b>	<b>£000s</b>
<b>PERSONAL SOCIAL SERVICES</b>		
<b>CHILDREN'S SERVICES</b>		
Specialist Placement commitments remain the major pressure area with a predicted overspend of £1,103k. This is offset by underspends within in house fostering services of £505k and a slippage within staffing	327	340
	<b>327</b>	<b>340</b>
<b>ADULT SERVICES</b>		
<b>Learning Disabilities</b>		
An overall decrease in expenditure of £9k compared to the last report. Community Living and Family Support remain the main areas of concern. The Bryn Y Neuadd grant for 2005/06 is unlikely to be fully utilised. Approximately £104k is unlikely to be spent due to delays in clients being resettled within the	344	353
<b>Mental Illness</b>		
The overspend projection of £164k is mainly attributable to Residential / Nursing placements. Consultants have been reviewing care packages aiming to reduce the cost to the council.	164	169
<b>Older People</b>		
The overspend on Community Care Older People budgets has increased slightly in the last month. The projection has been based on an average of fluctuating expenditure patterns and client numbers. A further pressure area is still Provider Unit Elderly Residential Homes. Long term strategies involving extra care housing are in place though this will not affect outturn in the short / medium term	182	156
<b>PDSI</b>		
The main overspend continues to be in Community Care. Occupational Therapy overspend on minor adaptations and equipment remains at £41k The forecast outturn on Drugs and Alcohol budget has reduced by £6k.	227	237
<b>Performance Management &amp; Commissioning</b>		
This underspend is due to staff vacancies within the administration budgets.	-112	-92
<b>Joint Working and Older People Strategy</b>		
Reduced printing costs and one-off income received of £10k will result in an underspend this year	-10	0
<b>Other Adult Services</b>		
The majority of the underspend reported is budget that is as yet unallocated. This will be reallocated within the service to meet pressures during the course of the year.	-307	-325
<b>Cefndy Enterprises</b>		
The variation is due to an increased sales forecast for the year.	-36	-48
<b>TOTAL ADULT SERVICES</b>	<b>452</b>	<b>450</b>
<b>Business Support &amp; Development</b>		
Centralising stationery expenditure and the increasing costs of telephone recharges account for the overspend in BSD. The increased overspend on last month is mainly due to an increased revenue contribution towards the capital cost of the PARIS project. Although expenditure on stationery has now been controlled, photocopier leases still cause an overspend. Work is ongoing to reduce telephone costs.	392	389
	<b>392</b>	<b>389</b>
<b>Supporting People</b>		
£256k of the underspend reported is earmarked for potential clawback. This is reported as part of the directorate position, but should not be used to fund overspends within the directorate. This leaves £507k underspend to be utilised by Social Services. In-year SPG savings are due to the remodelling of projects and new projects which will not begin until 2006.	-763	-760
	<b>-763</b>	<b>-760</b>
2004/05 Underspend brought forward	<b>-540</b>	<b>-540</b>
<b>Non-HRA Housing</b>		
The homelessness budget (the major part of the budget) is volatile but currently projecting an underspend.	-33	-36
2004/05 underspend brought forward	-38	-38
	<b>-71</b>	<b>-74</b>

<b>Total Social Services and Housing</b>	<b>Total</b>	<b>-203</b>	<b>-195</b>
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## Social Services and Housing Efficiency Savings 2005/06 - Progress Report

Children Services	Target	Details	Status	Comments
Transport	£15,000	Delegation of transport budgets to Team Managers with strict ceiling on spend.	Achievable	Scheme of delegation of budgets to Team Managers has been introduced including restricted budget for Transport
Staff	£15,000	Slippage and savings on posts	Achievable	
Contract savings	£8,000	Work on reducing costs of external placements	Progressing	There is more hope that this saving will be realised as a new North Wales contract is in operation
<b>Adult Services</b>				
Charging Policy	£100,000	Primarily full year impact of charging policy to People with Learning Disabilities	Achievable	Target will be achieved by year-end.
Contract Reviews - invest to save	£30,000	Impact of Care Brokers, Contracts Officers reducing high costs of some placements	Achievable	Care Brokers now in post proving a much more efficient way of identifying care providers. In October a fixed rate for Dom Care was introduced.
Fee increases reduced by .5%	£80,000	Not increasing fees by 1% over inflation. Likely to cause problems in an unstable market.	Achieved	Budgets have been cut. All neighbouring authorities now pay rates higher than Denbighshire.
Work Opps Income	£10,000	Promoting businesses/dividing Llewelyn Room at Henllan	Unlikely to be achieved	Increased income is unlikely by dividing the Llewellyn Rm at Henllan, promotion of Work Opps not generating enough extra income
Cancer Recharge	£5,000	Contribution from neighbouring Authorities	Achieved	LHB re free nursing care admin. £5k received
Staff	£39,000	Reduction in posts	Achieved	Straight budget cut.
<b>Business Support &amp; Development</b>				
House Keeping	£10,000	Working with Procurement to improve efficiencies of purchases and reduce waste.	Uncertain	This is very hard to prove. Previously the stationery budgets were within operational budgets but with many miscodings. By now having identified budgets wthin BSD for core stationery purchases, this is much improved. Work is underway to identify telephone costs.
Staff	£5,000		Achievable	Slippage on appointments to posts/staff not at top of scale.
<b>Housing</b>				
Piper Lifeline charges	£10,000	Increase in charges	Achieved	Increases applied to 2005/06 charges
Accommodation Support Officer	£75,000	Savings generated by Support Officer in temporary costs of homelessness.	Achievable	If demand on accommodation remains as at present
<b>Totals</b>	<b>£402,000</b>			

The £18k savings not achieved above will hopefully be achieved by increased transport savings in Childrens' Services, further contract savings in Adult Services and additional slippage on administration posts.



**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2005/06  
RESOURCES, COUNTY CLERK, CORPORATE & MISCELLANEOUS  
POSITION AS AT END JAN 2006**

	Budget			Projected Outturn			Variance			Variance
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Previous report
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
County Clerks	1,969	-543	1,426	2,110	-694	1,416	141	-151	-10	-10
<b>Resources Directorate</b>										
Finance	4,089	-1,840	2,249	4,062	-1,840	2,222	-27	0	-27	-27
Policy Unit	339	0	339	339	0	339	0	0	0	0
Audit	415	-60	355	412	-62	350	-3	-2	-5	-5
I.T	2,236	-431	1,805	2,180	-431	1,749	-56	0	-56	-6
Personnel	1,088	-169	919	1,078	-169	909	-10	0	-10	-10
Project Management	0	0	0	161	-161	0	161	-161	0	0
<b>Total</b>	<b>8,167</b>	<b>-2,500</b>	<b>5,667</b>	<b>8,232</b>	<b>-2,663</b>	<b>5,569</b>	<b>65</b>	<b>-163</b>	<b>-98</b>	<b>-48</b>
<b>Corporate and Miscellaneous</b>	4,477	-682	3,795	4,691	-683	4,008	214	-1	213	213
<b>Benefits</b>	21,290	-21,270	20	21,292	-21,272	20	2	-2	0	0
<b>Capital Fin Charges/Investment Income</b>	10,891	0	10,891	10,891	-731	10,160	0	-731	-731	-681
<b>Revenue Support Grant</b>	0	-90,790	(90,790)	0	-90,590	(90,590)	0	200	200	200

**CABINET  
FORWARD WORK PROGRAMME**

<b>REPORT TITLE</b>	<b>REPORT LEAD MEMBER / AUTHOR</b>
<b>MARCH 2006</b>	
Revenue Budget Monitoring Report 2005-2006 [including Procurement] <i>Provides an update of the Revenue Budget position for 2005-2006</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2005-2006</i>	Councillor P J Marfleet R Parry
Beyond Area Partnerships <i>Consider proposals for the way forward beyond Area Partnerships</i>	Councillor E C Edwards A Evans
Update on Corporate Improvement Assessment	Councillor P J Marfleet A Evans
Royal International Pavilion Phase I <i>Way forward following feasibility study</i>	Councillor S Roberts T Hughes
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
Llangollen Design Guide SPG	Councillor E W Williams M Pender
Denbigh Hospital Update	Councillor E W Williams M Dakayne
<b>APRIL 2006</b>	
Revenue Budget Monitoring Report 2005-2006 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2005-2006</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
Modernising Education Update	Councillor D Owens H W Griffiths
Schools Admissions Policy	Councillor D Owens H W Griffiths
Delegations to Officers	I K Hearle
Approval of Wind Farm Draft SPG	Councillor E W Williams M Pender
<b>MAY 2006</b>	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
Revised Homelessness Strategy & Appointment of Homelessness Champion – Deadlines for June	Councillor P A Dobb / P Quirk
Corporate Quarterly Performance Report	Councillor P J Marfleet J Williams
Approval of LDP Preferred Strategy and Strategic Options	Councillor E W Williams M Pender

<b>REPORT TITLE</b>	<b>REPORT LEAD MEMBER / AUTHOR</b>
<b>JUNE 2006</b>	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Final Revenue Accounts 2005-2006	Councillor P J Marfleet R Parry
Amendments to Travelling and Subsistence	Councillor P J Marfleet A Evans
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
Single Education Plan – to be adopted by Council July 2006	Councillor D Owens H Griffiths
<b>JULY 2006</b>	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
<b>AUGUST 2006 ~ NO MEETINGS</b>	
<b>SEPTEMBER 2006 ~ 1<sup>ST</sup> MEETING</b>	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
Modernising Education Update	Councillor D Owens H W Griffiths
<b>SEPTEMBER 2006 ~ 2<sup>ND</sup> MEETING</b>	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2005-2006</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Annual Treasury Report	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
<b>OCTOBER 2006</b>	
Revenue Budget Monitoring Report 2006-2007 [including Procurement]	Councillor P J Marfleet R Parry

<b>REPORT TITLE</b>	<b>REPORT LEAD MEMBER / AUTHOR</b>
<i>Provides an update of the Revenue Budget position for 2006-2007</i>	
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Review of Capital Prioritisation	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
<b>NOVEMBER 2006</b>	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
<b>DECEMBER 2006</b>	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
<b>JANUARY 2007</b>	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
<b>FEBRUARY 2007</b>	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
<b>MARCH 2007</b>	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry

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