

**CABINET**

Minutes of the Cabinet meeting held at 10.00 a.m. on Tuesday 21 October 2008 in Conference Room 1, County Hall, Ruthin.

**PRESENT**

Councillors P A Dobb, Lead Member for Health, Social Care and Wellbeing; H H Evans, Leader and Lead Member for Education; S Frobisher, Lead Member for Communities; R W Hughes, Lead Member for Personnel and Business Management; M M Jones, Lead Member for Children's Services; P J Marfleet, Lead Member for Modernisation and Improvement; J Thompson Hill, Lead Member for Finance; D A J Thomas, Lead Member for Environment: Regeneration and E W Williams, Lead Member for Environment: Sustainable Development.

Observers: Councillors J R Bartley, W L Cowie, G C Evans, G M Kensler and D I Smith.

**ALSO PRESENT**

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

**APOLOGIES**

There were no apologies.

**1 URGENT MATTERS**

There were no urgent items.

**2 MINUTES OF THE CABINET MEETING 30.09.2008**

The Minutes of the Cabinet meeting held on 30 September 2008 were submitted.

Item 18 WAG Flexible Support for Business – Councillor D A J Thomas' name in the first line to be replaced with Councillor J Thompson Hill.

Item 12 Routine Reporting on Personnel – The Chief Executive said meetings had been held with 3 Heads of Service to date with one further meeting to be held. Services were moving forward, and one service would achieve 100% staff appraised by the end of the following month. The aim was to ensure 100% of eligible staff would be appraised by January 2009 in one department. He reminded colleagues that certain staff perhaps only worked a couple of hours a day and a simpler form of the appraisal would be provided for these staff by Christmas with the aim of 70% completion of the new appraisal for the staff in the third department by March 2009 and 90% completion by June 2009. Heads of Service from other departments which had low levels of

completion of appraisals would be invited to attend the Corporate Executive Team if the need arose. Councillor R W Hughes thanked the Chief Executive for taking the necessary follow-up action and said Members would take into account the fact that some staff were being appraised on over-complicated forms which were now being revised.

**RESOLVED** that, subject to the above, the Minutes of the meeting held on 30 September 2008 be approved as a correct record and signed by the Leader.

### **3 MODERNISING EDUCATION ACTION PLAN MONITORING**

Councillor H H Evans presented the report seeking Members' consideration of the work undertaken to progress the Modernising Education Agenda. The third monitoring visit had been undertaken by Estyn on 15/16.09.2008 and they had concluded that in summary, Denbighshire continued to make progress in some key areas. However, the present term was an important period when many new ways of working should start to embed and become more common practice. The Authority needed to focus on four challenges – 1: continuing to address the variable performance in pupil standards, attendance and behaviour with schools; 2: using the procedures within the Partnership Agreement consistently to guide work with schools in particular with schools causing concern; 3: establishing robust planning and performance management arrangements throughout the service to ensure better consistency in the quality of training etc; 4: to use resources where they were most needed and in inverse proportion to success.

The Interim Corporate Director: Lifelong Learning agreed that whilst Denbighshire had continued to make progress a great deal remained to be done. The service in both the Authority and schools was considerably better. It was important to focus now on the 4 challenges outlined in the Estyn letter. The School Improvement Service was focusing on the variable standards and the future would see a change in both practice and culture. He stressed the importance of the whole of the Authority supporting the Partnership Agreement and not just Education.

Councillor P J Marfleet referred to the cost implications and stressed it was important to deliver what was right for the service. He would discuss the IT delivery implications for Education with the ICT Department and would then meet with Education officers to ensure a way forward for delivering schools IT provision. The Interim Corporate Director: Lifelong Learning confirmed the action plan had been costed and funded and the increase of £750k for the current year had been used to fund key actions. There was nothing in the action plan which would raise significant issues. The Deputy Chief Executive / Corporate Director: Resources reminded Members the SEN budget was a pressure which would need further consideration.

**RESOLVED** that Members note the progress achieved to date by the Authority in relation to progressing the recommendations within the Action Plan.

#### **4 MODERNISING EDUCATION POLICY FRAMEWORK**

Councillor H H Evans presented the report seeking Cabinet authorisation to formal consultation to be undertaken on the Modernising Education Policy Framework. Modernising education was also being driven by the Welsh Assembly Government to ensure schools provided a good learning environment and could respond to the needs of the 21<sup>st</sup> C. From 2009-10 the Assembly have said target arrangements for school building improvements will apply. Informal consultation had taken place and comments from Headteachers included. Although the consultation timetable was tight, it was achievable. The Head of Planning and Performance Lifelong Learning (LL) said some workshops had been held and if Cabinet agreed, the policies would go out for formal consultation.

Councillor R W Hughes congratulated the Head of Planning and Performance LL and team for the presentation at the workshop the previous day and the quality of the Policy document which was clear and concise. She agreed the importance of consultation with stakeholders and said she was pleased the document contained a number of policies which had caused problems in the past e.g. admissions and transport, Headteacher vacancies and so on.

The importance of reaching out to governors was stressed by Councillor P A Dobb and she said training sessions were essential. There could be many changes for rural schools and it was important to ensure the governors were proactive. It was also important to ensure that Community Councillors were involved.

Councillor P J Marfleet agreed with the quality of the report. He said there would be many changes in the future to education provision in Denbighshire. A great deal of money was required for school buildings and whilst he did not want to pre-empt the report, he said it was important that the Property Management team and Education team discussed required works in detail to ensure that large amounts were not spent on schools where perhaps 2 years later, the school would be replaced. The Head of Planning and Performance LL agreed the importance of investing in the wisest way. Councillor E W Williams did not agree with Councillor Marfleet's sentiments as he felt these could be misunderstood and that not spending on a school could mean it would close at some point in the future. Many rural schools were increasing their pupil numbers and he urged colleagues to consider that some 4 year old children in rural areas would have to leave their homes at perhaps 7.30 a.m. to attend a school in town. Councillor Marfleet reminded colleagues that he had 3 rural schools in his Ward and he felt strongly about providing education in rural areas but Members had to provide a balance and had a duty of care to the whole Authority.

Councillor Evans said it was important that all Members were involved in the Modernising Education programme and the required policies. He said Group Leaders should be asked to ensure their members attend the workshops arranged. It was important also that AMs were briefed as modernising schools was a WAG requirement.

The Head of Planning and Performance LL agreed to provide Councillor Williams with information on the correlation between Key Stage II and III – was there anything which would show the difference between a larger school with a lower Key Stage II level and a smaller school with a higher Key Stage II level.

The Chief Executive thanked the team for their excellent, comprehensive report and said it was a good example of the talent working in the County – none of the team had previously worked in Education previously. He went on to support Councillor Marfleet's suggestion that if a school was being replaced by a new build it would be wrong to spend large sums of month on that school, a fact with which the Audit Office would agree.

**RESOLVED** that Cabinet agree for the policies to go out for formal consultation and to receive a report in December with results of consultation with a view to adopting the policies.

## 5 COMMUNITY LEARNING CENTRES

Councillor H H Evans presented the report to inform Cabinet of the progress made with the Learning Centres' management arrangements and ongoing revenue funding. He said the delivery plans had been submitted to the Assembly on 08.07.2008 and that some form of agreement was now required from them that the plans were acceptable. A Local Management Group was set up to determine local learning needs and evaluate performance. A Steering Group was also being set up to monitor the performance of the Centres and ensure compliance with the funding conditions.

Councillor E W Williams referred to the Supporting Young People Welsh Assembly Government grant and asked whether the Authority would be able to draw money for buildings. He asked whether staff could research the issue.

In response to Councillor J Thompson Hill's query as to whether funding after 2009-2010 was now included in existing budgets, the Interim Corporate Director: Lifelong Learning said he would ask the Senior School Improvement Officer for Secondary Education to check whether a formal letter had been received from the Assembly. All capital funding had been spent, the Centres were being used by the communities. The revenue funding was in the form of a grant for the first 2-3 years and would then be added to Revenue Support grant. A Project Manager had been co-opted onto the Board. Regarding the IT provision, costs had been reviewed and agreed with schools and the costs were cash limited.

Councillor P A Dobb asked for assurance that the Centres would be used for all those over 16, and not just the 16-19 year olds and if this was the case, she asked that officers contact the Older People's Strategy officer to ensure their involvement. She suggested that in the current economic climate, use could be made of the Centres for

re-training. It was also suggested by Councillor R W Hughes that the facilities which had video conferencing facilities could be used for workforce training.

The Interim Corporate Director: Lifelong Learning confirmed the Centres were for use by the wider community.

**RESOLVED** that Cabinet notes the performance of the Learning Centres is monitored by the Learning Centre Steering Group and by regular reports to Cabinet.

## 6 NORTH WALES PRISON

The Chief Executive presented the report for Members to agree a response to the Ministry of Justice's consultation document about potential sites for a new Welsh prison.

The consultation document had been issued in August 2008, with 4 sites across Wales being suggested for consideration. He stressed the need for a strong response to the consultation that a prison be located in North Wales.

It was not known what criteria had been set by the Ministry of Justice, neither was a scoring matrix available. The Chief Executive suggested that the response ask for transparency and for a scoring matrix to be made available. He said the Welsh Assembly Government be asked to make their response public, to ensure they were addressing the needs of the whole of Wales. It had been suggested by the Ministry of Justice that the costs of providing utilities for a prison on the Greengates site would be prohibitive.

Councillor P J Marfleet asked whether support from other agencies, for example the Health Service, could be included in any response. Siting a prison in North Wales would have an impact on these other services and their support could help make a good case which would benefit the whole of North Wales.

The Corporate Director: Environment supported the Chief Executive's comments and said the North Wales Strategic Directors for Economic Development supported the provision of a prison but the 2 sites identified might not meet some of the key criteria of the Ministry of Justice, leaving only South Wales sites for consideration. He wanted one viable option on one or more sites in Denbighshire to be considered, with the sites being no more than an hour or so from the Courts in North Wales.

It was suggested by Councillor H H Evans that the AMs be asked for their support for a prison to be sited in Denbighshire.

The Chief Executive asked Members for a steer as to whether one or two sites be put forward by Denbighshire. The Greengates site would probably be a better site than Denbigh in that it was closer to rail links and the A55 and at the same time being closer to one of the most deprived areas in Wales. However, it was also appreciated that

Denbigh Upper and Henllan was considered to be an area of high deprivation. He said he would also seek the views of the North Wales Criminal Justice Board.

Councillor Williams supported the inclusion of the two sites, particularly as transport from Rhyl to Denbigh was improving.

**RESOLVED** that Members agree the response in appendix 1 to the report and put forward the two sites for consideration, subject to any views from other agencies.

## **7 SUPPORTING PEOPLE OPERATIONAL PLAN**

Councillor P A Dobb presented the report seeking Members' agreement to the Supporting People Operational Plan (SPOP) for 2009/10. It was a Welsh Assembly Government requirement that the plan was reviewed annually. The plan was to help people live as independently as possible. She said a number of services had been changed in line with unmet needs and also efficiency measures. Stakeholders had been consulted and the Plan had been well scrutinized.

In response to a query from Councillor P J Marfleet on the degree of grant dependency with the Plan, the Corporate Director: Social Services said a prudent approach was being taken should the grant be reduced over time.

**RESOLVED** that Cabinet agrees the Supporting People Operational Plan (SPOP) for 2009/10 and supports the projects identified to proceed to meet the needs of vulnerable people.

## **8 MONITORING THE ACTIONS AGREED BY CABINET**

Councillor R W Hughes presented the report for Members to consider the progress the Authority was making against the actions which had been agreed by Cabinet since the 12 September 2006 as detailed in Appendix I to the report. The monitoring system was working in a positive way.

**RESOLVED** that Cabinet notes the progress the Authority is making against the actions which have been agreed by Cabinet since the 12 September 2006.

## **9 HOUSING REVENUE ACCOUNT BUDGET & CAPITAL PLAN UPDATE 2008-2009**

Councillor P A Dobb presented the report for Members to note the forecast outturn position of the Housing Revenue Account (HRA) and Housing Capital Plan for 2008-2009.

The latest forecast was showing an in-year revenue surplus of £389k by the end of the financial year, which was £46k less than forecast in the original budget set in February 2008. Both the replacement windows and heating capital contracts had now been completed. There was concern regarding the number of right to buy sales which had

been reduced to 4 for the year. Details of next year's subsidy settlement would be available in December. Councillor Dobb also reported that the refurbishment and environmental improvements were progressing well.

**RESOLVED** that Members note the latest financial forecast position of the Housing Revenue Account for the current financial year.

## 10 REVENUE BUDGET AND SUMMARY CAPITAL PLAN 2008-2009

Councillor J Thompson Hill presented the report for Members to note the estimate of the likely outturn figures for the current financial year as detailed in Appendix 1 attached to the report and the summary capital plan performance for 2008-2009 as detailed in Appendices 2 and 3 to the report. Members were also asked to note the current position on the vacancy control procedure and note the update information on the Council's position within the financial markets.

The projected overspend had reduced to a figure of £286k. Little had changed in the Lifelong Learning budget whilst Social Services and Housing was forecasting a reduced projected overspend of £41k. The capital expenditure at the end of September was on course. There was also little change to the vacancy control procedure.

Referring to Appendix 5, Councillor Thompson Hill confirmed that Denbighshire had no money in Icelandic Banks and were continuing to reduce exposure to the market risks, although the likely reduction of £250k on investment income would be a pressure on the budget for 2009/10. A paragraph would be included in future revenue reports on the financial markets, rather than a full appendix.

The Financial Controller reported that the Council had nearly £37m invested at the end of March 2008. The Council needed to retain sufficient cash to pay for all liabilities both current and future and so funding is received in advance.

The Chief Executive said the report demonstrated the Authority's strengths and that it was usual for Councils to have what appear to be large reserves of cash. He said Denbighshire was in a good position and although investing with the Government would mean smaller returns and would have an impact on the budget, the Authority's money was safe.

**RESOLVED** that Members note the projected outturn figures for 2008-2009 as detailed in Appendix 1 to the report and note the summary capital plan performance figures for the 2008-2009 financial year as detailed in Appendices 2 and 3 to the report including the current position on the vacancy control procedure. Members were asked to note the position of the Council's cash investments.

## 11 REVENUE BUDGET 2009-2010 UPDATE

Councillor J Thompson Hill presented the report to advise Members of the detail of the Welsh Assembly Government's provisional settlement for the next financial year together with the progress made to date on delivering the required level of cost savings.

The Assembly provisional settlement increase was 3.5% but had been calculated using out of date tax base data. When recalculated for the final settlement this would mean up to £500k less funding. The settlement was substantially less than needed to cover inflation and pressures. Taking into account the funding pressures listed would mean an increase in Council Tax of 9% which would be above the 5% capping limit set by the Assembly. Schools would also be expected to find efficiency savings. Significant cost savings and increased income from within service budgets would be required, with reductions / efficiencies of at least £2.15m required.

Although the revenue figure was slightly better than expected, the capital figure was dire with the Assembly having in effect frozen the budget at last year's level. In real terms this would almost equate to a cut of 10% because of inflation. However, prudential borrowing could be used to part fill the funding gap.

Members would be asked to make potentially unpalatable and unpopular decisions about delivering savings in service costs.

Councillor P J Marfleet referred to the Prime Minister's references to stimulating construction by spending on buildings, whilst in effect the Assembly Government had frozen the budget. He reminded colleagues that efficiencies were cumulative and would have to stop somewhere.

Following discussion on whether the North Wales Authorities would be asking for meetings with the Assembly in regard to the settlement, it was agreed the Leader be asked to discuss with his counterparts, in particular the capital settlement.

Although a huge investment in hospitals and schools was being made by the Government in England, this was not being done to the same extent in Wales. Denbighshire and other authorities would need to invest in schools because of the Assembly's modernising education agenda, whether it would be for new build or refurbishment.

**RESOLVED** that Members note the provisional level of Assembly revenue funding for the next financial year together with the impact upon the draft budget requirement and the progress to date regarding the delivery of cost savings/increased income for 2009/10.

At this juncture (11.35 a.m.) the meeting adjourned for 10 minutes to allow Members to participate in refreshments.



## 12 ROUTINE REPORTING ON PERSONNEL

Councillor R W Hughes presented the report for Members to note the statistics on Personnel. It should be noted that there were fluctuations in figures during the course of a year. She congratulated staff on their collaborative work on the joint agency project, which was leading to efficiencies.

Although the figure of 5.68 days lost was higher than the same time last year, Councillor Hughes said she was confident the figure would improve.

***RESOLVED** that Members note the information in the report.*

## 13 CABINET FORWARD WORK PROGRAMME

Councillor R W Hughes presented the Cabinet Forward Work Programme.

Members agreed with the Councillor Hughes's suggestion that the work programme needed to be focused on the work plans and that the matter should be discussed at a future meeting of the Cabinet meeting informally. All Cabinet Members were asked to bring objectives and include in the work programme, once the Boards were up and running.

Councillor P A Dobb requested the programme be amended by deferring the report on Revised Affordable Housing Policies to the 16.12.2008 meeting.

***RESOLVED** that subject to the above amendment, Cabinet note the Cabinet Forward Work Programme.*

## 14 URGENT ITEMS

There were no Urgent Items.

## PART II

### EXCLUSION OF PRESS AND PUBLIC

***RESOLVED** under Section 100A(4) of the Local Government Act 1972 the Press and Public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 14 of Part 4 of Schedule 12A of the Local Government Act 1972.*

## 15 LLYS NANT, VICTORIA ROAD, PRESTATYN

Councillor J Thompson Hill said Llys Nant was located on Marine Road, Prestatyn.

Councillor P J Marfleet presented the report seeking Members' approval to dispose and sell the Council's freehold interest with vacant possession in the land and buildings of the residential care home and day centre as shown edged black on the plan attached to the report to a named party to facilitate the construction of an extra care housing scheme to serve vulnerable adults in the north of the County. (The site is of approximately 0.454 ha (1.121 acres)).

Councillor Marfleet stressed the needs of meeting the social care needs of older people and said extra care housing was of benefit for people to stay in their own homes independently. All the residents from Llys Nant had been rehoused and the centre would close on 31.10.2008, and be moved to Nant Hall Road.

Councillor Dobb informed colleagues that the project to vacate the home had gone well for the residents, their families and the staff. She congratulated the staff for their empathy and sincere concern shown to residents and families. Councillor Dobb suggested that the capital receipt from the sale of Llys Nant could be earmarked for provision for extra care housing elsewhere in the County.

The Corporate Director: Social Services and Housing referred to the changing economic situation and said she would be discussing the Rhyl scheme with Pennaf, to see if there were any problems likely to arise with people finding it difficult to move at this time.

Councillor S Frobisher said she was delighted with the proposed project and that some Prestatyn residents were already asking when they could put their names down.

Councillor J Thompson Hill also supported the scheme, welcomed the development and agreed moving the residents had been handled sensitively. However, he reminded Councillor Dobb that it was not possible to ring fence the capital receipt. Any new scheme would have to be considered by the Capital Strategy Group.

***RESOLVED*** that Cabinet approve the disposal of the Council's freehold interest with vacant possession in the land and buildings of the residential care home and day centre as shown edged black on the plan attached to the report to a named party to facilitate the provision of an extra care housing scheme to serve vulnerable adults in the north of the County. (The site is of approximately 0.454 ha (1.121 acres)).

## **16 2 YEAR FRAMEWORK AGREEMENT FOR THE PURCHASE OF SUB-COMPACT RIDE IN AND COMPACT SWEEPERS**

Councillor E W Williams presented the report seeking Members' approval, in accordance with CPR 25 [d], the tender from the supplier named in the report, for the supply of multi purpose compact, sub-compact and ride in precinct sweepers.

The Chief Executive congratulated the Fleet Section on gaining praise from the Welsh Assembly Government on the health and safety kits in vehicles. He said the department was doing particularly good work.

**RESOLVED** that Cabinet approve the award of a 2 year framework contract for the supply of sub-compact, ride in and compact sweepers to the supplier named in the report.

## 17 REFUSE VEHICLE PROCUREMENT

Councillor E W Williams presented the report seeking Members' approval to authorise the purchase of 3 number 6x2 narrow chassis/body and 1 number 4x2 narrow chassis/body refuse vehicles with bin lifters.

**RESOLVED** that Members approve the purchase of 1 number 4x2 and 3 number 6x2 narrow chassis/body refuse vehicles from the supplier named in the report.

## 18 FORMER NORTH WALES HOSPITAL SITE, DENBIGH

Councillor D A J Thomas presented the report for Members to note formally the latest state of progress with the private sector-led development of the site, to consider steps that the Council could take to secure implementation of a suitable development and to endorse the strategy for dealing with the matter. Councillor Thomas apologised for the lateness of the report and thanked the Chief Executive for his work.

The Chief Executive detailed the current position. The current owners have moved forward with demolition works on the listed buildings which were the subject of the listed building consent. The County Clerk confirmed that the Authority had a statutory duty in respect of preserving listed buildings.

Members discussed the project in detail. They agreed it was important to ensure the Welsh Assembly Government were involved and should lead on its future as this was not just a local issue. Dialogue with the owner should continue.

**RESOLVED** that Cabinet notes the latest state of progress with the private sector-led development of the site; the steps that officers have taken to secure expert legal advice on the way forward and endorse the strategy for dealing with this matter as set out in paragraph 2.11 of the report and the likely expenditure.

## 19 CAPITAL PLAN 2008-2009

Councillor J Thompson Hill presented the report for Members to note the latest position on the 2008/09 element of the Capital Plan.

Councillor Thompson Hill detailed the latest position with the Scala Cinema and Arts Centre in that the building had been handed over at the end of September. The cinema would be fitted out by the end of October and the ticketing counter provided towards the end of October. An interim general manager had been appointed and was due to start. The lease conditions were being negotiated by the Board and the Council and would

come to Cabinet for consideration and agreement shortly. The Scala was now due to open in February 2009.

Ysgol Clawdd Offa had been completed and within budget. The Heather and Hillforts project was going from strength to strength and many key areas of work had already been completed.

Councillor P A Dobb asked whether it would be possible to condense some of the information on the current project in future reports. She also asked for clarification on the unidentified and remedial works which would now be required on the Ysgol Dinas Bran project. Councillor Thompson Hill confirmed that the two issues could not have been anticipated. The items would be paid from the contingency fund for the scheme.

Councillor P J Marfleet asked that consideration be given to moving away from gas or oil heating systems in any future developments or major refurbishments.

***RESOLVED*** that Members note the latest position on the 2008-2009 element of the Capital Plan.

The meeting concluded at 1.00 p.m.

**CABINET**

Minutes of the Cabinet meeting held at 9.00 a.m. on Monday 3 November 2008 in Conference Room 1, County Hall, Ruthin.

**PRESENT**

Councillors H H Evans, Leader and Lead Member for Education; S Frobisher, Lead Member for Communities; M M Jones, Lead Member for Children's Services; P J Marfleet, Lead Member for Modernisation and Improvement; J Thompson Hill, Lead Member for Finance; D A J Thomas, Lead Member for Environment: Regeneration and E W Williams, Lead Member for Environment: Sustainable Development.

Observers: Councillor G M Kensler.

**ALSO PRESENT**

Deputy Chief Executive/Corporate Director: Resources, County Clerk and Principal Solicitor (Alison Wright).

**APOLOGIES**

Councillors P A Dobb, Lead Member for Health, Social Care and Wellbeing and R W Hughes, Lead Member for Personnel and Business Management.

**1 URGENT MATTERS**

There were no urgent items.

**PART II**

**EXCLUSION OF PRESS AND PUBLIC**

***RESOLVED** under Section 100A(4) of the Local Government Act 1972 the Press and Public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 12, 14 and 15 of Part 4 of Schedule 12A of the Local Government Act 1972.*

**2 PERSONNEL MATTER**

The County Clerk spoke to his report (previously circulated) and appraised Members of the latest position which meant (among other things) that no Cabinet Member had an interest to declare. Members raised questions on the report which were responded to by the County Clerk.

**RESOLVED** that:

- 1 *the Cabinet agrees the entering into of a compromise agreement with the officer identified in the report*
- 2 *finalisation of the compromise agreement and all associated matters be delegated to the Chief Finance Officer and Monitoring Officer*
- 3 *the financial implications of the compromise agreement are noted.*

The meeting concluded at 10.10 a.m.

**REPORT TO CABINET**

**RESPONSIBLE OFFICER M MEHMET, INTERIM CORPORATE DIRECTOR: LIFELONG LEARNING**

**DATE 18 NOVEMBER 2008**

**SUBJECT HYFRYDLE ACTION PLAN**

**1 DECISION SOUGHT**

- 1.1 That Cabinet consider and agree the Hyfrydle Action Plan as attached at Appendix 1 subject to any amendments agreed by Lead Members at the meeting.
- 1.2 That Cabinet agree to monitor progress against the Hyfrydle Action Plan via quarterly reports from the Corporate Executive Team.

**2 REASON FOR SEEKING DECISION**

- 2.1 On the 15 July 2008 the Cabinet agreed to the closure of Hyfrydle Children's Home which was a 52 week provision for children and young people with autistic spectrum disorders. Following this decision, the Minister for Children, Education, Lifelong Learning and Skills raised questions about corporate decision-making within the Authority and requested the Care and Social Services Inspectorate Wales (CSSIW) and Estyn to work jointly on a review with the involvement of the Wales Audit Office (WAO). This would enable any issues arising, including any wider and systemic matters, to be fed into the WAO's scheduled review of the Council's corporate governance. The CSSIW-Estyn joint report on the review of the development and subsequent closure of the Hyfrydle Children's Home was published in September 2008.
- 2.2 At the same time Denbighshire County Council commissioned an independent investigation and report from Roger Rowett and Associates and the final report which included a number of recommendations was published on the 24 September 2008.
- 2.3 In response to the findings of both reports and the recommendations contained within the Roger Rowett and Associates report, the Corporate Executive Team directed the Head of Strategic Policy to set up a project team with the objective of producing a draft action plan. An initial draft was produced in consultation with the interim Corporate Director of Lifelong Learning and presented to the Corporate Executive Team.

When developing the draft action plan it was acknowledged that the majority of recommendations related to corporate governance issues such as project management, partnership working, accountability and leadership. Therefore it is likely that the draft Hyfrydle Action Plan which is the subject of this report, will form the basis of the action plan which will be required in response to Denbighshire County Council's Corporate Governance Inspection.

The draft Hyfrydle Action Plan will build on the good practice which currently exists in the areas outlined above and the plan has been cross referenced with the Council's Improvement Plan and the Estyn Action Plan to ensure consistency between actions and timescales.

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

3.1 Section 13 of the Local Government Act 2000.

### **4 RESOURCE IMPLICATIONS**

#### **4.1 Cost Implications**

There may be cost implications to the achievement of some of the Hyfrydle Action Plan's objectives

#### **4.2 Staffing / Accommodation Implications**

There may be staff implications to the achievement of some of the Hyfrydle Action Plan's objectives. No accommodation implications have been identified.

#### **4.3 I.T. Implications**

There are no I.T. implications identified.

### **5 RISK ASSESSMENT**

#### **5.1 Risks associated with NOT agreeing recommendation(s)**

Denbighshire County Council should respond to any weaknesses which have been identified by the reviews. The risk associated with not taking action to improve these areas is significant.

#### **5.2 Risks associated with agreeing recommendation(s)**

There is a risk that the Hyfrydle Action Plan is inadequate and does not effectively address the recommendations made in both reports. The risk is deemed to be low given the level of consultation which has taken place at senior management level. There are risks associated with failing to achieve the objectives contained within the Action Plan and the Action Plan will need to be carefully monitored.

### **6 FINANCIAL CONTROLLER STATEMENT**

6.1 The debate on the future of the Hyfrydle facility began when it became clear that the continued operation of the home was not financially viable and posed a significant threat to the directorate's financial position.

Processes clearly need to be in place to ensure all future projects viability can be clarified before approval to progress the schemes. Some improvements are clearly already in place, including the development of a corporate project management team and methodology, corporate procurement developments and business process analysis. The work of the Capital Strategy group on reviewing capital proposal business cases has been a major step forward.

### **7 CONSULTATION CARRIED OUT**

7.1 The draft Hyfrydle Action Plan has been produced by a small project team in consultation with the interim Corporate Director of Lifelong Learning. The draft Plan was discussed by the Corporate Executive Team on the 3rd and 10th November and amended accordingly. The draft report and action plan were distributed to the



appropriate Lead Members for comment before despatch to Cabinet.

## **8 IMPLICATIONS**

### **8.1 Assessment of Impact on Corporate Priorities**

Achievement of the Council's corporate priorities will depend upon improved leadership, accountability, project management and partnership working.

### **8.2 Assessment of impact on the Vision, Community Strategy, Equalities and Sustainability**

The Hyfrydle Action Plan will support the Authority's ability to achieve Denbighshire's Vision, the objectives within the Community Strategy and the equalities and sustainability targets within the Improvement Plan.

## **9 ACTION PLAN**

<b>ACTION</b>	<b>RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED</b>	<b>ACTION TO BE REVIEWED &amp; MONITORED BY / DATE TO BE MONITORED</b>
Quarterly progress reports are presented to CET against the Hyfrydle Action Plan	Head of Strategic Policy	February 2009 May 2009 September 2009
Quarterly progress reports signed off by CET are presented to Cabinet against the Hyfrydle Action Plan	Corporate Executive Team	17 February 2009 26 May 2009 September 2009
Hyfrydle Action Plan to be housed within Ffynnon (corporate performance management system) and reported via the system	Head of Strategic Policy	September 2009

## **10 RECOMMENDATIONS**

- 10.1 That Cabinet consider and agree the Hyfrydle Action Plan as attached at Appendix 1 subject to any amendments agreed by Lead Members at the meeting.
- 10.2 That Cabinet agree to monitor progress against the Hyfrydle Action Plan via quarterly reports from the Corporate Executive Team.

**RECOMMENDATION WORK PLAN: R1**

**Denbighshire County Council approves a corporate strategy and methodology for project management, together with an accompanying programme of implementation and training.**

**Lead Responsibility:**

Corporate Executive Team

**Success Criteria:**

- Programmes for delivering the training are in place.
- A Register of Corporate Projects in place to monitor continual performance.
- Monitoring of Projects at Corporate level.
- Communicate and promote approved methodology.

	<b>Objectives</b>	<b>Person Responsible</b>	<b>Time Scale</b>	<b>Progress Indicators</b>
1.1	Design a corporate project management methodology and gain corporate approval of this methodology	Tom Booty	Complete	<ul style="list-style-type: none"> <li>- Methodology written and available corporately.</li> <li>- Approved by CET</li> </ul>
1.2	Design and deliver a training programme for the corporate project management methodology	Tom Booty	Ongoing	<ul style="list-style-type: none"> <li>- Design training programme.</li> <li>- Training Dates Scheduled.</li> </ul>
1.3	All Project Sponsors to provide project assurance by understanding the complexity of the proposed project and that it is viable in terms of costs and benefits at the initiation.	Project Sponsor	Ongoing	<ul style="list-style-type: none"> <li>- Mandatory Project Management Training, unless Directors agree individual has sufficient project management skills</li> </ul>
1.4	To develop a Register of Corporate Projects to enable performance to be monitored via a report to CET	Tom Booty	November 2008 and ongoing	<ul style="list-style-type: none"> <li>- Corporate Project Register produced and housed within centralised system which would show link between projects and Directorate/Service objectives.</li> <li>- Report to CET</li> </ul>

				– CET follow up significant risks to projects
1.5	Project Managers to update Corporate Project Register	Project Manager	Ongoing	– Up to date Register
1.6	To develop a Communication Plan with the corporate communication team illustrating the key features that demonstrate good project management	Tom Booty	End of Nov 2008	– Approval of Communication Plan to deliver Corporate Project methodology by CET & Cabinet etc.
	<b>Cross reference and Links</b>	<ul style="list-style-type: none"> <li>• Roger Rowett and Associates' Management review of Hyfrydle, 9.1</li> <li>• CSSIW-Estyn Review, Hyfrydle Children's Home, Summary of Findings: 12B first bullet, 12C first bullet, No's: 18, 19 &amp; 20.</li> </ul>		

**RECOMMENDATION WORK PLAN: R2**

**All projects involving external partners are preceded by robust contractual agreements that identify mutual areas of responsibility and delivery.**

**Lead Responsibility:**

Corporate Executive Team

**Success Criteria:**

- Identify all projects involving external partners within the Corporate Project Register.
- All these projects to have either contractual agreements or comply with the DCC Partnership Procedure Rules to ensure standards of good governance are in place
- All Project Managers are able to use the template as part of routine project management with external partners

	<b>Objectives</b>	<b>Person Responsible</b>	<b>Time Scale</b>	<b>Progress Indicators</b>
2.1	Identify all Projects that require external partners to deliver.	Rees James	October 2008	– Corporate Project Register.
2.2	Identify how contractual/partnership agreements are to be drawn to achieve good standards	Janette Williams	Completed	– DCC Partnership Procedure Rules. – To form part of Corporate Project Methodology.
2.3	Project Sponsors to have clear understanding of Partnership agreements	CET	Ongoing	– Mandatory Project Management Training. – Regular Reviews throughout Project life cycle as set out in methodology.
	<b>Cross reference and Links</b>	<ul style="list-style-type: none"> <li>• <i>Roger Rowett and Associates' Management review of Hyfrydle, 9.2</i></li> <li>• <i>CSSIW-Estyn Review, Hyfrydle Children's Home, Summary of Findings: 12B bullet 6 &amp; 7.</i></li> </ul>		

<b>RECOMMENDATION WORK PLAN: R3</b>				
<b>A Gateway Review, or similar type of process, is built into all further major and medium projects within Denbighshire County Council.</b>				
<b>Lead Responsibility:</b> Corporate Executive Team		<b>Success Criteria:</b> - Gateway Reviews are part of project management methodology - Regular Project Status Reports		
	<b>Objectives</b>	<b>Person Responsible</b>	<b>Time Scale</b>	<b>Progress Indicators</b>
3.1	Gateway Reviews to apply to projects, major and medium (Construction and Business Development)	Project Sponsor	Completed	– 6 Gateway reviews within Corporate Project Methodology life cycle.
3.2	Project Status Reports to apply to major and medium projects to provide continuity and to identify/eliminate risk or failure of project.	Individual Project Manager	Ongoing	– Completion of milestone schedule, risk matrix and report to project sponsor.
3.3	Undertake review of all projects on Register to ensure compliance with corporate methodology going forward.	Project Sponsor	Ongoing	– Mandatory training for current Sponsors/Managers starting with 1. Major 2. Medium
3.4	Develop a peer review for selected major projects	Tom Booty		– Practitioners from outside project to examine and report on status.
	<b>Cross reference and Links</b>	<ul style="list-style-type: none"> <li>• <i>Roger Rowett and Associates' Management review of Hyfrydle, 9.3</i></li> <li>• <i>CSSIW-Estyn Review, Hyfrydle Children's Home, Summary of Findings: 12B bullets 1, 3, &amp; 5, No's 13, 14, &amp; 15</i></li> </ul>		

<b>RECOMMENDATION WORK PLAN: R4</b>				
<b>That the errors in judgment made by key people are reviewed.</b>				
<b>Lead Responsibility:</b> Corporate Executive Team		<b>Success Criteria:</b> - Review the errors of judgement identified in the 'Roger Rowett' Report - Appropriate action to be taken to prevent such errors of judgement happening again.		
	<b>Objectives</b>	<b>Person Responsible</b>	<b>Time Scale</b>	<b>Progress Indicators</b>
4.1	Ensure that DCC learns from the errors of judgment made in this project	CET	Nov 2008	<ul style="list-style-type: none"> <li>- Discussion at CET on lessons to be learnt.</li> <li>- Review of line management arrangements for all projects.</li> <li>- Appropriate support and supervision in place for Project Sponsors and Managers.</li> </ul>
4.2	Take appropriate action against staff implicated by the report who are still employed by DCC.	Chief Executive	Dec 2008	<ul style="list-style-type: none"> <li>- Identify cause of errors and judgment and take appropriate action, e.g.: Training, Support, Disciplinary</li> </ul>
4.3	Measures in place to prevent similar errors of judgment in future.	CET	Dec 2008	<ul style="list-style-type: none"> <li>- Robust implementation of recommendations in this Action Plan</li> </ul>
	<b>Cross reference and Links</b>	<ul style="list-style-type: none"> <li>• <i>Roger Rowett and Associates' Management review of Hyfrydle, 9.4</i></li> <li>• <i>CSSIW-Estyn Review, Hyfrydle Children's Home, Summary of Findings: 12B bullets 2, 3 &amp; 8, 12C bullet 1.</i></li> </ul>		

<b>RECOMMENDATION WORK PLAN: R5</b>				
<b>The Chief Executive, together with the Corporate Executive Team, review the reporting and management arrangements for all Corporate Directors, together with systems of backup and support.</b>				
<b>Lead Responsibility:</b> Corporate Executive Team/Cabinet		<b>Success Criteria:</b> - Effective corporate working of CET - Improved Regulatory Reports and Self Assessment of quality of corporate working		
	<b>Objectives</b>	<b>Person Responsible</b>	<b>Time Scale</b>	<b>Progress Indicators</b>
5.1	Establish performance management arrangements for reporting the collective effectiveness of CET as well as the effectiveness of individual Corporate Directors	Chief Executive	December 2008	<ul style="list-style-type: none"> <li>- CET to agree collective responsibility for delivery of a small number of corporate challenges.</li> <li>- CET to improve corporate working by learning from peers and/or other external support</li> <li>- Quarterly reporting of progress against collective challenges to Cabinet.</li> </ul>
5.2	Ensure that CET meetings are more effective	Chief Executive	Dec 2008 initially, plus ongoing six-monthly reviews	<ul style="list-style-type: none"> <li>- Stronger focus on strategy and agreed collective challenges</li> <li>- Involve Heads of Service and delegate appropriate responsibility</li> <li>- Effective decision making informed by adequate discussion and consideration of issues, including Partners from other agencies.</li> </ul>

5.3	Improved communication between CET and staff and CET and other stakeholders.	CET	Dec 2008 initially, plus ongoing six-monthly reviews	<ul style="list-style-type: none"> <li>- Chief Executive and Corporate Directors take personal responsibility for disseminating key messages from CET in a consistent manner.</li> <li>- Chief Executive and Corporate Directors to provide regular briefings on Vision and direction to all staff and partners.</li> </ul>
5.4	Improved accountability of CET members	CET	Dec 2008	<ul style="list-style-type: none"> <li>- Personal performance targets of CET members to be copied to all Cabinet Members for information.</li> <li>- Leader and external adviser to be involved in performance appraisal of the Chief Executive.</li> <li>- Up to two Lead Members to be involved in performance appraisals and monitoring of individual corporate directors.</li> <li>- Quarterly reports of directorates's performance to be presented to Cabinet.</li> </ul>
<b>Cross reference and Links</b>		<ul style="list-style-type: none"> <li>• <i>Roger Rowett and Associates' Management review of Hyfrydle, 9.5</i></li> <li>• <i>CSSIW-Estyn Review, Hyfrydle Children's Home, Summary of Findings: 12B bullets 1, 3, 4, &amp; 8.</i></li> </ul>		



<b>RECOMMENDATION WORK PLAN: R6 &amp; R7</b>				
<b>The Corporate Executive Team to support and enable effective partnership working to explore potential for further partnership/collaborative working with other neighbouring Local Authorities.</b>				
<b>Lead Responsibility:</b>  Corporate Executive Team		<b>Success Criteria:</b> – Delivery of effective Services in partnership with other Authorities or Agencies. – Joint training and development. – Consistent approach to self-evaluation.		
	<b>Objectives</b>	<b>Person Responsible</b>	<b>Time Scale</b>	<b>Progress Indicators</b>
6/7.1	CET to evaluate current and emerging partnerships/collaboration from Partnership Register to ensure they are appropriate and have the capacity they need to achieve and deliver corporate and partnership priorities.	Janette Williams	March 2009	– Review completed by CET. – Issues identified and addressed. – Partnerships achieve citizen centred outcomes. – Future collaborative opportunities identified.
6/7.2	Establish joint training agreements, Exchange Programmes, Mentoring and secondments across partners.	Janette Williams	June 2009	– Training Agreements
6/7.3	Develop partnership self evaluation model to ensure effective delivery of Outcomes.	Janette Williams	June 2009	– Partnership Self Evaluation Model produced and implemented.
	<b>Cross reference and Links</b>	<ul style="list-style-type: none"> <li>• <i>Roger Rowett and Associates' Management review of Hyfrydle, 9.6 &amp; 9.7</i></li> <li>• <i>CSSIW-Estyn Review, Hyfrydle Children's Home, Summary of Findings: 12B bullets 5 &amp; 6</i></li> </ul>		

**REPORT TO CABINET**

**CABINET MEMBER: COUNCILLOR E W WILLIAMS LEAD MEMBER FOR ENVIRONMENT: SUSTAINABLE DEVELOPMENT**

**DATE: 18 NOVEMBER 2008**

**SUBJECT: Planning Policy Priorities**

**1 DECISION SOUGHT**

- 1.1 That Members agree to the revised workload priorities for the Planning Policy Team (Planning and Public Protection Service) in order to progress the Local Development Plan (LDP) in accordance with the agreed Delivery Agreement.
- 1.2 The proposed arrangements are seen as temporary to allow the Team to focus on preparation of the LDP so that by late 2009 (i.e. in about a year's time) work can commence on other policy areas.

**2 REASON FOR SEEKING DECISION**

- 2.1 There is a need to prioritise and streamline the workload of the Planning Policy Team in order to enable progress on the LDP to proceed in line with the agreed Delivery Agreement.
- 2.2 The current adopted Unitary Development Plan (UDP) runs until 2011, after this date if we do not have an adopted LDP in place then we will be vulnerable to speculative development proposals that may not comply with UDP Policy designations. Our ability to influence and locally determine applications will be increasingly diminished as development will become a more appeal led process. In addition, in accordance with the Waste Framework Directive, Local Planning Authorities must have allocated sites for waste management in LDPs by 2010. Failure to do so could cause Wales to enter into infraction which may lead to substantial fines. The WAG has indicated that they will seek to pass fines onto local authorities who have not allocated waste management sites by this date.
- 2.3 The recent loss of the Policy Research and Information Manager (Jonathan Cawley) will also have an impact on the workload capacity of the Planning Policy Team until a full time replacement is appointed and has settled into the post which is likely to be Spring 2009. Currently the team comprises: 1 experienced Senior Officer working part time, 2 recently qualified planners and 1 officer working towards a planning qualification. We have also engaged a Consultant Planner for 2 days a week until the vacant Manager's post is filled. The Planning Policy Team is therefore a very small team.
- 2.4 In order to progress the LDP in line with the agreed Delivery Agreement that was approved at Full Council in September, it will be necessary for the Planning Policy

Team to significantly reduce the scope of work undertaken that is not directly related to the LDP preparation.

## **2.5 The key elements that would be affected by this prioritisation are:**

- Supplementary Planning Guidance Notes (new and revised) including:
  - AONB Design Guide
  - Education Contributions
  - Wind Farms Commuted Sums
  - Revised Open Space Commuted Sums
  - Prestatyn Design Guide
  
- Other Work Affected
  - Requests to attend Public Meetings
  - Management of Commuted Sums (Report to be presented to Resources Scrutiny in November regarding Management of Commuted Sums)

Two SPG/IPG are currently almost completed and it is intended to progress these, they are:-

Revised Affordable Housing SPG  
West Rhyl IPG

Draft documents for consultation in relation to these two important policy guidance notes should be ready early in the New Year.

- 2.6** This reduction in the scope of workload which is only a temporary arrangement, should enable the LDP to be progressed in line with the agreed Delivery Agreement. It is intended that work would restart on the SPG/IPG in late 2009/early 2010, at the latest.
- 2.7** Obviously if time permits, over the next 12 months, preparatory work on these policy guidance notes will commence earlier. Officers consider the priority should be to commence on work that will bring in additional commuted sums (e.g. education contributions and wind farm commuted sums).

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

- 3.1** Local Government Act 1972

## **4 RESOURCE IMPLICATIONS**

### **4.1 Cost Implications:**

Minimal savings may be made by not having to publish new and revised documents.

### **4.2 Staffing / Accommodation Implications:**

N/A

**4.3 IT Implications:**  
N/A

**5 RISK ASSESSMENT**

**5.1 Risks associated with not agreeing the recommendation/s**

The LDP is not progressed and adopted in line with the agreed Delivery Agreement leaving the Council exposed to development proposals (especially by appeal) by not having an adopted development plan in place. The authority may also be fined by the Welsh Assembly Government if waste sites are not identified in the LDP by 2010 and an infraction of the Waste Framework Directive arises.

**5.2 Risks associated with agreeing the recommendation/s**

Additional and revised supplementary planning guidance notes are not prepared until after 2009. Some may become outdated, this risk is minimal as the guidance notes carry less weight than the policies of an adopted development plan.

**6 FINANCIAL CONTROLLER STATEMENT**

**6.1** There are no obvious financial implications resulting from this matter.

**7 CONSULTATION CARRIED OUT**

**7.1** Consultation has taken place internally within Planning and Public Protection Services and the proposal has the support of the Head of Service. Issues have also been discussed with Corporate Director Environment and Lead Member Environment who also support the proposed approach.

**8 IMPLICATIONS**

**8.1 Assessment of Impact on Corporate Priorities:**

The LDP will have a direct role to play in achieving the priorities of Regeneration and Responding to Demographic change through the policies and proposals within it influencing developments on the ground.

**8.2 Assessment of impact on the Vision, Community Strategy, Equalities and Sustainability:**

The LDP when adopted will have a positive bearing on the above strategies; it is the spatial expression of the community strategy and one of the key mechanisms by which the County Vision can be realised. Sustainability is at the core of the LDP and it will seek to make housing, employment, recreation and services available and accessible to all of the County's residents.

## 9 ACTION PLAN

ACTION	RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED	ACTION TO BE REVIEWED & MONITORED BY / DATE TO BE MONITORED
LDP to be prepared for approval by Full Council	GHB	March 2009

## 10 RECOMMENDATIONS

- 10.1** That Members agree to the revised workload priorities for the Planning Policy Team in order to progress the Local Development Plan in accordance with the agreed Delivery Agreement.

**REPORT TO CABINET**

**CABINET MEMBER:** Councillor E W Williams Environment: Sustainable Development

**DATE:** 18 November 2008

**SUBJECT:** Approval of Project Initiation Document for the North Wales Waste Treatment Project

**1. Decision sought**

To approve the Project Initiation Document for the North Wales Waste Treatment Project.

**2. Reason for seeking decision**

2.1 In February 2008 Cabinet gave its approval for DCC to enter into a formal partnership under the auspices of the North Wales Waste Partnership, in order to jointly procure waste treatment and/or waste disposal facilities from 2010 onwards.

2.2 Cabinet also noted the mandatory legal requirements that have been placed upon the council in relation to the tonnages of waste that it could legally send to landfill, and recognised the need to address the financial consequences of the new legal requirements in forthcoming budget rounds.

2.3 Since then, the five councils involved (Flintshire, Denbighshire, Conwy, Gwynedd and Anglesey) have been working with WAG to establish suitable procurement and governance arrangements for project. These arrangements are described in the project initiation document (Appendix A).

2.4 It was agreed that all five councils would seek executive approval at this stage of the process, and that is the reason for this report.

**3. Power to Make the Decision**

Under Section 2 of the Local Government Act 2000, i.e. the promotion or improvement of the environment for the well-being of the area.

**4. Resource Implications**

**4.1 Cost Implications**

a) The February 2008 Cabinet report quantified the waste tonnages to be disposed of; the potential disposal costs, and the available budgets.

b) The report also pointed out that initiatives of this type can only realistically be financed if WAG continues to make special provision for increased expenditure that will result. However, WAG funding is only committed over the (relatively) short term, and this means that the council will be tied-into future expenditure for which the budgets are not yet in place. This situation is not unique to Denbighshire; it will be the same for virtually all councils in Wales.

- c) The investment of tens of millions of pounds in capital cost is considered to be beyond the resources of the partnering council(s), so the chosen mechanism of paying for the facility will be via 'gate fees'.
- d) The fees will be charged (per tonne of waste deposited) over the duration of the contract. A long contract period is therefore required in order for the capital investment to be recoverable at sensible gate prices. Guidance will be taken on the optimum period, but the duration is likely to be at least twenty years.
- e) At this stage, approval is not being sought to enter into the final (legally-binding) contract. Approval is being sought to enter the formal procurement process.
- f) The choice of technologies available will depend upon what the marketplace can provide, and price will clearly be the major factor in deciding which option is chosen.

#### 4.2 Staffing / Accommodation Implications:

None (the service is likely to be provided via external providers).

#### 4.3 I.T. Implications

None

### 5. **Risk Assessment**

- 5.1 Due to the punitive level of WAG fines for non-compliance; the 'do nothing option' is not really an option at all.
- 5.2 The risks associated with not agreeing to the recommendations are;
  - a) That the other four councils will not be prepared to wait for Denbighshire to change its mind, and that Denbighshire will therefore face huge costs developing its own solution
  - b) That any such solution would be hugely uneconomic due to the absence of any economies of scale
  - c) The potential loss of WAG funding, because WAG would look very unfavourably upon any councils opting out of their model of 'regional solutions'.
  - d) That Denbighshire would face huge fines for non-compliance with statutory duties under WAG's Landfill Allowances Scheme (Wales) Regulations 2004.
- 5.3 The way that project risks are to be managed is explained in the PID. Financial control over the project will be managed on a daily basis by the appointed Project Director and Project Manager who will report against budget to the Project Board. The Project Board in turn reports to the Joint Committee on all issues. The Project Director role and the Project Manager roles are both full time, and the job specifications for these posts are in the PID. They will be high level appointments, and the pay rates will reflect the calibre of the people that are required to do the job.
- 5.4 Denbighshire CC Finance and Project Management officers will be copied-in on the above reports, and would be able to raise concerns via the project risk register process if they felt this to be necessary. This type of approach fits in with the Council's agreed collaborative working strategy.

## 6. Financial Controller statement

The budget proposals for 2008/9 have allowed for the impact of this matter over the next 3 years by providing additional resources of £300k within the base budget for the service.

## 7. Consultation Carried Out

- 7.1 The draft municipal Waste Management Strategy was presented to Cabinet on 26 October 2004. The subsequent public consultation exercise finished on 30 April 2005, and the Strategy was formally adopted on 30 May 2005, via a Cabinet delegated decision.
- 7.2 The strategy has been referred back to Environmental Scrutiny several times since then, and there have been extensive consultations with Welsh Assembly Government Officers on the need for regional working in relation to the treatment of residual waste.
- 7.3 Welsh Assembly Government have established a formal advisory / control mechanism via a body called 'Partnerships UK' and the five North Wales Council have been working closely to this organisation.
- 7.4 The concepts involved were explained at the Member development day, organised by Environmental Services on 29 April 2007, and again on 31 October 2008.
- 7.5 A WAG funded Member training day (organised by the WLGA) was also held in Henllan on 19 October 2007.

## 8 Implications

### 8.1 Impact on Corporate Priorities

The effect of escalating waste costs, will have consequences for all departments of the council.

### 8.2 Impact on the vision, Community strategy, equalities and sustainability

The recommendation is consistent with the vision for Denbighshire 2025. In particular "Denbighshire will be an ideal place to live because" "we will recycle most of our waste and conserve energy" and "we will respect and maintain our natural environment".

## 9 Action plan

	Action	Responsibility	By when
1	All councils to approve the PID	Five North Wales Councils Executives	12 / 2008
2	Contribute to the development and preparation of the Contract documents	DCC waste team in consultation with DCC Legal dept.	9 / 2009
3	Approval to enter into contract	Chief Executive	3 / 2010
4	Start delivering waste to new facilit(ies)	DCC waste team	3 / 2011

## 10 Recommendations

- 10.1 That the North Wales Waste Partnership's Project initiation Document is approved



PROJECT DOCUMENTATION

**PROJECT INITIATION DOCUMENT (PID)**

**RESIDUAL WASTE TREATMENT**

*North Wales Waste Treatment Project*

Issue 1

Date: 1st October 2008

Project Methodology: **PRINCE 2**

Author: Nigel Trueman / Enid Roberts

**Document Location**

This document is only valid on the day it was printed. The source of this document will be found on the projects document filing structure

[www.e-box.net](http://www.e-box.net)

**Revision History**

Revision Date	Version	Summary of Changes	Distributed (Y/N)
16/06/08	V0.2	Additions following the NWWMOG 13/06/08 and PUK comments	Y
01/07/08	V0.3	alterations (2.10, 2.12, 2.25, 5.01, 5.09) and additions (2.08, 3.02, 3.03, 3.04, 3.06, 4.11, 4.14, 4.41, 8.01)	Y
22/07/08	V0.4	Alterations (2.02, 2.03, 2.05, 2.08, 2.10, 2.14, 2.24, 4.07, 4.11, 4.14, 5.01, 5.03, 5.04, 5.06,) Removed (2.16, Table 3)	Y
28/07/08	V1.0	No Alterations from Version V0.4 Up issued to reflect distribution to Reference Group	Y
01/08/08	V1.1	Alterations (1.01, 2.02, 2.04, 2.05, 2.08, 2.10, 2.12, 2.16, 2.17, 2.25, 2.27, 3.10, 3.11, 3.13, 4.01, 4.07, 4.13, 4.17, 4.18, 4.24, 4.37, 4.39, 4.40, 4.41, 4.43, 5.04) Added (4.06) Removed (2.23)	Y
28/08/08	V1.2	Document reconfigured. Alterations (2.15, 2.24, 2.25, 3.1, 3.13, 3.14, 3.17, 3.18, 4.1, 7.4, 7.6, 8.1, 8.2.2.1, 8.8, 9.4, 12.1, 12.2, 13.06, 13.08, 13.13, 13.14, 13.16, 13.18, 13.27)	Y
16/09/08	V2.0	Alterations (Page 5, 2.3, 2.14, Table 2, 2.20, 2.37, 3.3, 3.5, 3.6, 3.23, 4.2, 5.4, 13.16) Removed (references to sub-regional with exception, 2.26, 2.36) Additions (FOI statement page 5, 2.23, 3.6, 3.17, 3.18, 3.25, 3.34, 3.36, 3.37, 3.38, 3.39, 6.1, 6.2, 6.3, 6.4, 7.5, 7.7, 7.8, 7.9, 7.10, 7.11, 7.12, 8.1, 9.4, 10.16, 11.4, Annex 1)	Y
19/09/08	V3.0	Alterations (Title, 10.8, 2.20, 2.23, 3.5, 3.7, 3.8, 3.9, 3.10, 3.12, 3.14, 3.15, 3.19, 3.21, 3.29, 3.32, 4.1, 4.2, 5.5, 5.7.1, 5.7.2, 5.7.4, 5.11.1, 7.7, 7.8, 7.9, 7.10, 7.11, 7.12, 8.1.1, 8.1.2, 8.14.1, 8.15.1, 8.15.2, 9.1.1, 9.2, 9.2.3, 9.2.4, 11.2, 12.2, 13.02, 13.06, 13.08, 13.12, 13.31.) Additions (2.5, 2.24, 3.26, 3.37, 5.4, 7.4, 8.3, 8.5, 8.6, 8.10, 9.1.4, 9.2.3, 10.2, 12.3, 13.05) Deleted (2.17, 3.15, 3.38, 3.39, 3.40, 3.41, 7.12, 9.3, 10.10, 10.11, 10.12, 10.13, 10.14, 11.5)	Y

North Wales Waste Treatment Project  
CONFIDENTIAL

Project Initiation Document

13/11/2008

01/10/08	Issue 1	Alterations (2.8, 2.10, 3.4, 3.5, 3.26.1, 4.1, 7.1, 8.2.2, 9.4.2, 13.09 ) Additions (1.1, 1.2, 1.3, 9, Annex 1, 2, 3 & 4)	Y
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**Approvals** This document requires the following approvals.

Signed approval forms are filed in the Project Management Office (PMO)

Name	Signature	Title	Date of Issue	Version

**Distribution** This document has been distributed to:

Name	Title	Date of Issue	Version
Iwan Prys-Jones	Corporate Director Environment	03-10	Issue 1
Steve Parker	Head of Service	03-10	Issue 1
Alan Roberts	Senior Waste Officer	03-10	Issue 1
Martha Savage	Waste Technical Officer	03-10	Issue 1
Peter Evans	Policy & Performance Manager	03-10	Issue 1
Steffan Jones	Senior Waste Manager	03-10	Issue 1
Ian Forrester Mowatt	Senior Manager Procurement and Efficiency	03-10	Issue 1
Enid Roberts	Project Manager	03-10	Issue 1
Janet Jones	Solicitor	03-10	Issue 1
Andrew Wilkinson	Waste Manager	03-10	Issue 1
Merion Edwards	Chief Waste Management Officer	03-10	Issue 1
Martin Eaglestone	Planning	03-10	Issue 1
Colin Everett	Lead Chief Executive	03-10	Issue 1
Kerry Feather	Section 151 Officer	03-10	Issue 1
Barry Davies	Monitoring Officer	03-10	Issue 1
Neal Cockerton	Acting Director C&H	03-10	Issue 1
Andy Macbeth	Environmental Services Mgr	03-10	Issue 1
Gabrielle Yoxall	Waste & Recycling Officer	03-10	Issue 1
Gerald Moreton	Internal Audit	03-10	Issue 1
John Bradbury	Wrexham	03-10	Issue 1
Stephen Jones	WLGA Regional Co-ordinator	03-10	Issue 1
Steve Parkinson	Environment Agency	03-10	Issue 1
John Scrimgeour	Wales Audit Office	03-10	Issue 1
Alastair Young	Partnerships UK	03-10	Issue 1
Kathryn Beard	Senior Environment Manager	03-10	Issue 1
Colette Price	Environment Executive	03-10	Issue 1

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**Important Notice**

This document contains confidential information in relation to the level of affordability of Authorities to seek a residual waste treatment solution which may provide potential contractors to gain strategic advantage.

Requests under the provisions of the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 specifically referring to information relating to the Partnership received by any Partner will be copied to the Lead Authority. The Lead Authority will consult with the Partners and other affected parties on the request and advise the recipient authority of the outcome of that process so as to facilitate a response

Endorsement by the DESH Programme Office of the submitted PID will be a condition to approving the financial support available under the Regional Capital Access Fund for the development of an Outline Business Case.

The completed PID will be sent to:

Dawn Brace,  
Welsh Assembly Government  
Waste Policy and Local Environmental Quality,  
Department for Environment, Sustainability and Housing,  
1st Floor CP2,  
Cathays Park,  
Cardiff, CF10 3NQ

## 1. Executive Summary

- 1.1. This document sets out the position of the 5 Local Authorities in north Wales and identifies the potential opportunities of jointly procuring a sustainable and integrated waste management solution that would remove the potential risk of Authorities being exposed to Landfill Allowance Scheme infraction penalties from the point at which treatment facilities came 'on-stream' for a period of 25 years thereafter.
- 1.2. The document has been compiled by officers from all 5 Authorities in consultation with various external bodies including the Environment Agency, Wales Audit Office and Partnerships UK.
- 1.3. It should be noted that the content of this report is limited to exploring the benefits, resources (financial and officer) methodology and structures that are required in order to successfully deliver a residual waste treatment solution for the 5 Authorities in north Wales. The treatment of residual waste is seen as the final process in the diversion of waste from landfill and each Authority will continue to implement their own waste management strategies to reduce waste at source, re-use and capture recyclable materials as front end activities.

## 2. Project Objectives – Strategic Fit

- 2.1. Background
- 2.2. North Wales like much of the United Kingdom has historically relied very heavily on using landfill to dispose of residual municipal solid waste (MSW). The 5 Local Authorities (LA) collectively manages and disposes of approximately 311,000 tonnes of MSW per annum, within which 61% is classified as Biodegradable Municipal Waste (BMW).
- 2.3. Waste modelling exercises were carried out between LA officers and Fichtner Consulting which identified that it would be unlikely to meet the LAS targets (refer to Annex 2) through increased recycling and composting alone. On this evidence recognition that each LA would require some form of landfill diversion technology in the fullness of time was acknowledged. The feasibility of the 5 Authorities entering in to a joint procurement process to secure landfill diversion treatment technology commenced.
- 2.4. The Executives of the five participating authorities have agreed to formally institute the project with a view to undertaking a joint procurement to secure the treatment and final disposal of residual waste.
- 2.5. This PID relates to the procurement of residual waste treatment services for all 5 participating Authorities. A separate PID will be developed for the treatment of kitchen / food waste for Flintshire, Denbighshire and Conwy. This reflects the preference of both the 5 Authorities in North Wales and WAG to decouple the food waste project from the residual waste project.
- 2.6. Legislative Drivers

- 2.7. The Waste and Emissions Trading (WET) Act was introduced in 2003 which implemented Articles 5(1) and (2) of the EU Landfill Directive 1999/31/EC. The overall aim of the Directive is to reduce the amount of Biodegradable Municipal Waste (BMW) sent to landfill for disposal.
- 2.8. In order to encourage this legislation to be complied within Wales the WAG introduced the Landfill Allowance Scheme (LAS) Regulations (Wales) 2004. This document defines the amount of BMW permitted to be sent to landfill for each of the 22 Authorities and was calculated on the basis of the tonnage of MSW arising within each authority in 2001/02.

2.9. Table 1 - LAS Allowance by Authority

LAS Allowance	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Isle of Anglesey	19,563	17,267	16,105	13,370	12,079	10,911	10,458
Conwy	36,942	34,300	30,373	26,570	22,651	21,740	20,773
Denbighshire	21,884	19,400	18,056	15,059	13,536	12,321	11,773
Flintshire	40,367	36,473	33,851	28,226	25,380	23,094	22,068
Gwynedd	32,229	28,925	25,666	22,407	19,147	18,333	17,578

- 2.10. Under the LAS scheme Authorities are required to declare waste collection data to the Environment Agency using the national reporting regime WasteDataFlow (WDF). Authorities landfilling more BMW than the Landfill Allowance applicable for that year face an infraction fine of at least £200 per tonne, plus the landfill gate fee, landfill tax and other associated costs with the disposal e.g. transport.
- 2.11. Policy Drivers
- 2.12. In the WAG's National Strategy for Wales 'Wise About Waste' (2002) targets were set with the emphasis on the collection of Dry-Recyclate and Compostable materials along with measures to reduce waste before it arises (waste minimisation) together with the inclusion of Re-Use schemes.
- 2.13. At the present time the Wales Waste Strategy and the North Wales Regional Waste Plans are all under review and will be republished following consultation during 2008. The review will build upon the foundation blocks established in the 2002 Wales Waste Strategy which states:
- 'to make Wales a model for sustainable waste management by adopting and implementing a sustainable, integrated approach to waste management and regulation (including litter and fly-tipping) which minimises the production of waste and its impact on the environment, maximises the use of unavoidable waste as a resource and minimises where practicable, the use of energy from waste and landfill*
- 2.14. A consultation paper on waste entitled 'Future Directions for Municipal Waste Management in Wales' is currently being undertaken by Welsh Assembly

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Government, within which targets are set in relation to waste minimisation and landfill diversion.

2.15. The targets set out below are under review and cannot therefore be assumed to be final. The targets are taken from the peer review of the Eunomia Research & Consulting Report (Scoping New Municipal Waste Targets for Wales – September 2007). The report was commissioned by the Welsh Local Government Association (WLGA).

- ♻️ 2012/13 a minimum of 52% recycling of which 15% food
- ♻️ 2015/16 a minimum of 58% recycling of which 15% food
- ♻️ 2019/20 a minimum of 64% recycling of which 15% food
- ♻️ 2024/25 a minimum of 70% recycling of which 15% food
- ♻️ 2012/13 a maximum of 48% Energy from Waste (EfW)
- ♻️ 2015/16 a maximum of 42% Energy from Waste (EfW)
- ♻️ 2019/20 a maximum of 36% Energy from Waste (EfW)
- ♻️ 2024/25 a maximum of 30% Energy from Waste (EfW)
- ♻️ 2024/25 a maximum of 150kg per head of household waste

2.16. The consultation paper includes new targets for Authorities to meet:

- a) A target specific to the collection of food and kitchen waste (includes pet bedding) of 15%
- b) A maximum of 30% Energy from Waste (EfW) target has been added to mirror the 2024/25 recycling target of 70% (this is on the assumption that landfill will be eventually reduced to as close to zero as possible due to policy drivers and costs).
- c) A minimum efficiency target of between 60%-65% for EfW facilities (this effectively means they should be referred to as Combined Heat Power (CHP) facilities)
- d) A waste minimisation target of a maximum of 150kg per head of household waste by 2024/25.
- e) A potential ban on land-spreading non-source separated treated municipal waste from 1st April 2016.

2.17. The consultation process is due to complete in Autumn 2008, though regular feedback from all authorities will be on-going as points requiring further consideration are raised.

2.18. Project Objectives

2.19. The project seeks to secure a landfill diversion solution (facilities, services, infrastructure, transportation) for residual waste which ensures that the 5 Local Authorities within North Wales minimise the amount of BMW sent to landfill



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and by so doing meet or improve upon their performance against their LAS targets up to and beyond 2035 whilst also enabling the Authorities to comply with WAG National Assembly for Wales Performance Indicators (NAWPI) targets and the emerging 'Future Directions for Municipal Waste Management in Wales' strategy.

- 2.20. The NWWTP accounts for approximately 150,000 tonnes per annum of Residual Waste (residual black sack/residual wheel bin waste)
- 2.21. The regional procurement of waste treatment facilities accords with the Wales Waste Strategy and Waste Policy Unit that recognises that there are economies of scale in providing outlets that treat more than one LA's residual waste and that there can't be individual plants in all LA's in Wales.
- 2.22. The project objectives can be defined in simple terms as:
  - Based upon current modelling, ensure that each of the 5 LA's has access to sufficient residual waste treatment capacity as identified within the scope of the project from 1<sup>st</sup> April 2015.
  - Ensure that the treatment solution identified is affordable to each of the 5 LA's; and
  - Ensure that the treatment solution selected is at least in line with the targets set out in WAG's Future Directions Paper October 2007
- 2.23. The project objectives outlined above will be further developed as part of the OBC.
- 2.24. More detailed Outline and Final Business cases will be developed as outputs of the project.

### **3. Outline Project Description – Strategic Outline Case**

#### **3.1. Background Studies**

- 3.2. The text below summarises the background studies previously undertaken to help determine the scope, delivery strategy, indicative costs and initial thoughts on the delivery approach for the joint procurement.
- 3.3. In 2006 Flintshire County Council (FCC) appointed SLR Consultants to provide advice to inform the potential partners of the likely costs and opportunities that partnership working would present. SLR also conducted a Soft Market Test (SMT) in February 2007 with new technology providers to ascertain the possible gate fee based upon known tonnages and to discuss barriers of entry into the procurement process. A copy of this report is given in Annex 3
- 3.4. There were several barriers to entry of which two were specific to the planning process, namely, site ownership (land availability) and planning consent.
- 3.5. In July 2007 Fichtner Consulting Engineers Limited (Fichtner) were commissioned by the six combined authorities of north Wales to undertake an investigation into available options for waste treatment in the region, specifically assessing the requirement for biological, thermal or heat treatment of residual municipal solid waste. Fichtner's report indicated that some form of

waste treatment process would be required by 2013 in order to ensure that all of the procuring authorities met their BMW allowance for that and future years. The current project plan for the NWWTP demonstrates that treatment capacity may become available in 2015, leaving a shortfall of 2 years where LAS infraction fines are anticipated. More detailed waste modelling will be undertaken within the OBC and if necessary, opportunities to mitigate the risk of LAS infraction fines becoming payable will be explored e.g. explore the value of including an interim residual treatment waste solution. A copy of the Fichtner report is given in Annex 2.

3.6. In order to address the issue of landfill diversion through collaborative working the following 6 options were reviewed and impact assessed to provide a suitable methodology to determine the best way for the five Authorities to avoid LAS infraction penalties, meet NAWPI targets and ensure that the Authorities achieved best value.

3.7. Option 1 – Do nothing

<b>For</b>	<b>Against</b>
No change	Negative impact from landfill emissions on the sustainable environment continues or worsens
	LAS Infraction fines and possible share of EU infraction fines imposed will affect the delivery of other services
	Goes against moral and legislative climate
	Cost of landfill compromises the ability of the Authorities to deliver key services
	Landfill capacity eventually eroded and unavailable

3.8. Option 2 – Meet Targets through recycling alone

<b>For</b>	<b>Against</b>
No requirement to procure waste treatment infrastructure.	Little confidence that LAS Infraction fines wouldn't be incurred by 2012/13 and beyond
Meets WAG's aspirations of maximising resources	Increased capital & revenue costs associated with additional fleet
	High risk of failure to meet required NAWPI targets
	Heavy reliance on landfill leaves the Authority exposed to increases in landfill tax and associated infraction fines

3.9. Option 3 – Work as individual Authorities

<b>For</b>	<b>Against</b>
Easier governance structure required	Contract may be too small to attract bidders
Can specify exactly what is required for a particular area	Affordability of purchasing process
	Over provision of waste treatment facilities in north Wales.

	WAG financial support unavailable
	Limited availability of resources required to deliver a large number of projects

3.10. Option 4 – Sub-regional Procurements (e.g. Gwynedd & Isle of Anglesey; and Conwy, Denbighshire & Flintshire)

<b>For</b>	<b>Against</b>
Easier governance structure required compared to all 5 working together	Lack of Site availability in the north west of Wales
Historical partnerships already in place	Increased risk that procurement activities and service delivery will not be affordable to all.
WAG funding available	Cost of procurement is increased
Shared risks	Reduced scope for contingency plans
	Officer resources more limited
	Additional reporting to PUK and WAG
	RCAF transactor support funding may not be available to the sub-regional project

3.11. Option 5 – Work together with prescriptive specification

<b>For</b>	<b>Against</b>
Contributes to 'Making the connections' agenda	May not attract the best bidders and solutions
Shared purchasing costs	Difficult and expensive to specify solution
Shared risks	May miss out on an innovative bid
More attractive volume of waste in the contract	Difficulties of managing the partnership of 5 authorities
Potential to share sites suitable for waste treatment	
Potential for the sharing of LAS and NAWPI targets	

3.12. Option 6 – Work together with an open specification

<b>For</b>	<b>Against</b>
Contributes to 'Making the connections' agenda	Difficulties of managing the partnership of 5 authorities
Shared purchasing costs	High volume of options which the project team would need to assess
Shared risks	
More opportunities for innovative, flexible and 'best fit' solutions	
More attractive volume of waste in the contract	

Allows turnkey solutions to be considered	
Potential to share sites suitable for waste treatment	
Potential for the sharing of LAS and NAWPI targets	

- 3.13. Option 6 is the preferred option at this stage primarily due to the sharing of risks associated with securing suitable site(s), selection of appropriate technology and the economies of scale that can be obtained in larger consortia. This will be further developed in the OBC.
- 3.14. Option 6 was approved in principle by the respective Cabinets in March 2008. (Refer to Annex 4 for Minutes)
- 3.15. The Welsh Assembly Government's Department for the Economy & Transport (DE&T) has commissioned the Carbon Trust to assess future energy needs in the Bangor area. It is understood that DE&T intend commissioning studies into energy requirements in other development areas in north Wales. The results of those studies may also indicate opportunities for the development of local EfW/CHP facilities.
- 3.16. The North Wales Technical Officers group also gathers information with regard to the proposed regional procurement using information obtained from English authorities where the majority of waste treatment facilities have already been procured. This process helps to inform the methodology.
- 3.17. In addition to the above WRAP has recently issued a report on indicative gate fees for different types of waste treatment. This report was used to help form indicative cost.
- 3.18. Method of Approach
- 3.19. A team of Officers and Consultants, supported by PUK, the Environment Agency and the WLGA will work together to deliver the activities required to award the contract. This will include:
- a) Officers – multi-disciplinary and drawn from all 5 LA's
  - b) Consultants – to include Technical, Finance, Legal and Public Relations
  - c) Establishing project governance and groups
- 3.20. Producing the Outline Business Case (OBC)
- 3.21. The production of the OBC will be led by the Project Team with support from the appointed technical consultants working along side waste officers.
- 3.22. It is intended that the OBC will determine whether the reference project for residual waste treatment should be a single facility or multi-facility. The Business Case will use assessments provided by each LA officers and external advisors of the most probable scenario for waste arisings, recycling figures for each LA and the subsequent tonnage of residual waste to be treated, currently estimated at approximately 150,000 tonnes per annum.

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- 3.23. Due to the nature of the recycling targets the amount of residual waste to be treated should reduce throughout the life of the contract and therefore the contract will need to accommodate reductions in throughput.
- 3.24. The OBC will explore the issues associated with the provision of providing treatment capacity for Commercial & Industrial (C&I) waste, both at point of transfer and at treatment facilities. More specifically the OBC will investigate the possibility of offering a fixed price for commercial & industrial waste ('Commercial Disposal Price') in line with the requirement for municipal waste. State Aid rules will also need to be investigated within the OBC.
- 3.25. The reference project should ensure that a maximum of 30% of the waste arising from each LA is treated in 2024/25.
- 3.26. The OBC should take into account issues currently being clarified within WAG that impact on waste modelling and financial modelling. Specifically but not limited to:
- 3.26.1. The quantity of bottom ash which counts to recycling performance
- 3.26.2. The impact of any re-profiled LAS allowances
- 3.26.3. The level and type of financial support that may be made available from WAG to assist Authorities to commission waste treatment infrastructure.
- 3.27. On completion the OBC will be approved by All 5 LA's and the Joint Committee prior to being forwarded to WAG for approval.
- 3.28. Preparing Tender documents
- 3.29. The production of the tender documents will be led by the project team with support from the appointed legal, technical and financial consultants in co-operation with nominated officers within the 5 participating Authorities.
- 3.30. Method of Procurement
- 3.31. There were a number of procurement methodologies available to the North Wales Waste Treatment Project. The most appropriate method of procurement will be determined during the compilation of the Outline Business Case (OBC). The contract procedure regulations to be adhered to will be that of the Lead Authority.
- 3.32. Managing the Procurement
- 3.33. The central point of contact for bidders during the procurement process will be primarily undertaken by the Project Director, though this may be shared with the Project Manager.
- 3.34. Evaluation Methodology
- 3.35. The evaluation of alternative options for the reference solution for residual waste shall be undertaken in accordance with the guidance recently issued by WAG (National Evaluation Framework). This same guidance shall be used as the basis for the project Evaluation Methodology to assess bids submitted during the procurement process.

### 3.36. Scope

3.37. In summary, the scope of the residual waste treatment project is envisaged to include the provision of treatment capacity for:

- i. non-recycled Household and Civic Amenity waste
- ii. non-recycled Municipal Trade Waste
- iii. Commercial & Industrial waste (not excluded and not actively sought)
- iv. Other Council waste not included in municipal waste.

It is also expected to include:

- v. The Supply & Management of Transfer capacity/stations – (where necessary)
- vi. Bulk transportation of resource stream to treatment points
- vii. Find a sustainable market for the beneficial reuse for all contract waste received
- viii. Disposal of all by-products

The scope of the project will be further developed as part of the OBC.

## 4. Project Timetable

4.1. For full details please refer to the Project Plan (PMS)

Activity	Target Date
Reference Group Formed	June 2008
Joint Committee (JC) Nominees Received	July 2008
Project Initiation Document (PID) circulated to Authorities for Final Draft Alterations	22 <sup>nd</sup> September
MOU Transactor Support Approved	26 <sup>th</sup> September
PID Final Draft Alterations Received	29 <sup>th</sup> September
MOU Transactor Support Signed	30 <sup>th</sup> September
Draft PID issued to JC	3 <sup>rd</sup> October
PID Translated	17 <sup>th</sup> October
Executive Report Submitted - Flintshire	21 <sup>st</sup> October
PID Executive Approval - Flintshire	29 <sup>th</sup> October
Shadow JC Meeting Held	6 <sup>th</sup> November
PID Executive Approval - Conwy	13 <sup>th</sup> November
PID Executive Approval - Denbighshire	18 <sup>th</sup> November
PID Executive Approval – Isle of Anglesey	24 <sup>th</sup> November
PID Executive Approval - Gwynedd	25 <sup>th</sup> November
Commence Appointment of Specialist Consultants	October 2008
Commence Appointment of Project Team	October 2008
Approval of PID by DESH	December 2008
JC Meeting Held	December 2008
Appointment of Specialist Consultants	December 2008
Outline Business Case (OBC) Developed	March 2009
OBC Approved by Authorities	April 2009
Submission of OBC	April 2009
Approval of OBC by DESH	April 2009
Official Journal of the European Union (OJEU) Published	May/June 2009
Invitation to Submit Outline Solutions (ISOS) Issued	June 2009
Invitation to Submit Detailed Solutions (ISDS) Issued	September 2009
Invitation to Submit Refined Solutions (ISRS) Issued	March 2010
Invitation to Submit Final Tenders (ISFT)	April 2010
Preferred Bidder Selected (PB)	July 2010
Submission of Final Business Case (FBC) to DESH	September 2010
Approval of FBC by DESH	October 2010
Award Contract	October 2010
Intermediate Treatment on-stream (as applicable)	May 2012
Energy from Waste on-stream (as applicable)	October 2013/15

### 4.2. Tolerances

- a) Time – the outputs of the project should be delivered so that the participating authorities do not incur LAS infringement fines. This may necessitate the successful contractor having to offer short-term diversion capacity whilst the main facility(s) are being built / commissioned

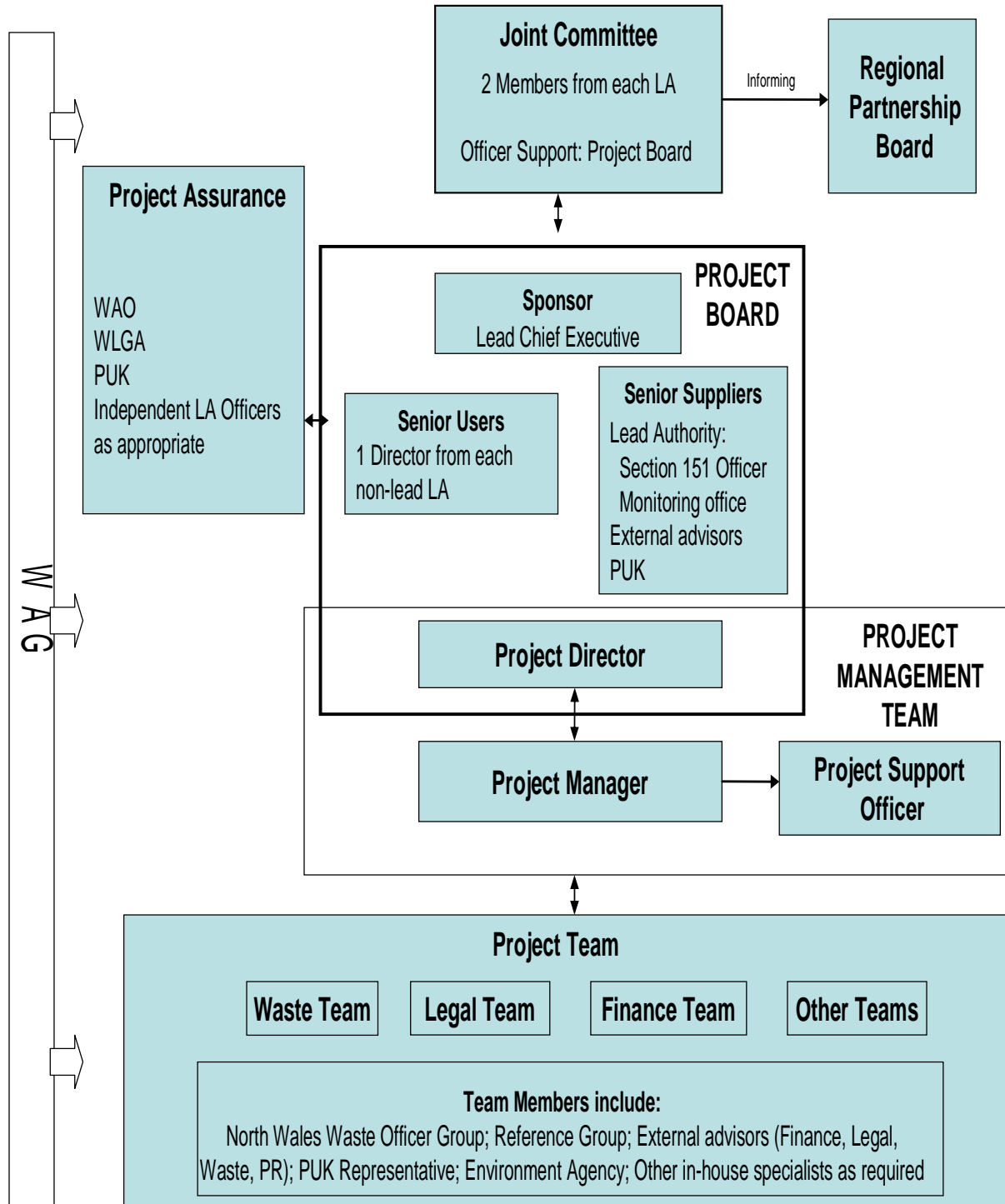
- b) Cost – the project should be completed within the procurement budget agreed with the participating authorities
- c) Quality – the outputs of the project should meet the scoped waste management requirement of the participating authorities throughout the agreed life of the contract

## **5. Project Governance Arrangements**

- 5.1. The North Wales Regional Partnership Board is a joint strategic body of the six north Wales authorities within the structure of the Welsh Local Government Association (WLGA). Its principal role is to promote collaboration across local government and the public services in the region to secure efficiencies. A key priority for the board is the waste strategy. The Board has formed the North Wales Waste Treatment Project (NWWTP) a consortium of all the authorities with the exception of Wrexham. The NWWTP's role is to procure the necessary works and services to divert Biodegradable Municipal Waste (i.e. waste which cannot be recycled) from landfill, thereby meeting landfill diversion targets and avoiding infraction penalties which would exert considerable financial liabilities on the authorities. The NWWTP will share the risks, liabilities and benefits of the procurement which will have a significant strategic value.
- 5.2. Flintshire was confirmed as the Lead Authority by all the participating authorities at the Regional Partnership Board meeting in January 2008. This role is recognised by the Welsh Assembly Government (WAG), the WLGA and other national partners including Partnership UK (PUK) See Section 5 for project fit.
- 5.3. The proposed Governance / Project structure is shown on the following page.



5.4. Governance / Project Structure



5.5. Roles & Responsibilities

5.6. Joint Committee

5.6.1. The Joint Committee will operate in accordance with the constitution / terms of reference approved by the participating Authorities. The Joint Committee will oversee the NWWTP and make formal decisions on behalf of the five constituent Authorities (working within its delegated Authority). The Joint Committee will provide Authorisation to the Project Board to proceed at the following key stages;

- Submission of PID to WAG Programme Office (PO)
- Submission of OBC to WAG PO
- Submission of OJEU Notice and Advert
- Completion of Invitation to Submit Final Tenders
- Completion of Preferred Bidder
- Submission of the Final Business Case to WAG PO
- Contract Award

5.6.2. The Joint Committee is comprised of two Members nominated by each of the participating Authorities.

5.6.3. The Joint Committee will meet at least three times a year and at key intervals according to the project timetable.

5.6.4. Matters reserved for each LA shall include;

- PID Approval
- OBC Approval
- OJEU Notice / Advert
- Appointment of Preferred Bidder
- FBC Approval
- Contract Award

5.7. Lead Authority

5.7.1. Flintshire was confirmed as the Lead Authority by the participating local authorities. This role is now recognised by the Welsh Assembly Government (WAG), the Welsh Local Government Association (WLGA) and other national partners including Partnerships UK (PUK). The Lead Authority role is defined as undertaking the following actions on behalf and in accordance with the directions of the partnership:-

- Project leadership, management and co-ordination;
- Hosting of project team;
- Liaison and communication with WAG; and
- Co-ordination of communication and public relations.

- Engagement, employment and payment of consultants to deliver services and products to the project
- Invoicing partners for the costs of the project and accounting to the partners for monies raised for the purposes of the project

5.8. Project Board

5.8.1. The Project Board is comprised of the Project Sponsor, Senior Users, Senior Suppliers and the Project Director.

5.8.2. The primary role of the Project Board is to support the project and provide information when called upon to the Joint Committee.

5.9. Project Sponsor

5.9.1. The Chief Executive of Flintshire County Council is acting as the lead Chief Executive and represents the Project Sponsor role within the Project Board.

5.10. Senior User Group

5.10.1. The Senior User group within the Project Board is comprised of a Senior Director from each of the non-lead Authorities.

5.11. Senior Suppliers

5.11.1. The Senior Supplier group is comprised of the Section 151 Officer, Monitoring Officer of the Lead Authority, PUK and when appointed the various consultants to support the project.

5.11 Decision Matrix

5.11.2. The following table identifies where key decisions are obtained.

<b>Subject</b>	<b>Project Director</b>	<b>Project Board</b>	<b>Joint Committee</b>	<b>Individual Councils</b>
PID Approval	√	√	√	√
OBC Approval (scope, affordability, risk allocation, etc)	√	√	√	√
OJEU Notice / Advert	√	√	√	√
Tender Documents	√	√	-	-
PQQ short-list	√	√	√	-
Bidder Short listing	√	√	√	-
Preferred Bidder Appointment	√	√	√	√
FBC Approval	√	√	√	√
Contract Award	√	√	√	√

## 6. Appointment of Advisors

- 6.1. The procurement of waste treatment facilities will require considerable external support from financial, legal and technical / waste management consultants. It is envisaged that a lead consultancy is identified through the OJEU process with the lead identifying suitable partners to deliver the project.
- 6.2. WAG has appointed Partnerships UK to assist LA's with the procurement of waste treatment infrastructure and their assistance is being realised when opportunities present themselves.
- 6.3. The project will seek to commission external advisors/consultants at the earliest opportunity once the PID has been approved by each of the participating Authorities.
- 6.4. The process of procuring external advisors / consultants shall commence prior to PID approval, though no formal appointments will be made until the PID is approved.
- 6.5. As a basic requirement the project will seek to recruit specialist advice in the following areas;
  - Technical/Waste
  - Finance
  - Legal
  - Public Relations
- 6.6. Once selected, the advisors will work alongside LA officers to provide a solid platform for personal development
- 6.7. The framework for payment will be based upon identified milestones and defined work packages to encourage the selected consultancies to meet the project timescales and to reduce the exposure to external costs.
- 6.8. Technical / Waste Management Consultants
  - 6.8.1. To develop a reference project designed to thoroughly test any assumptions applied in the OBC
  - 6.8.2. Waste flow modelling to include an assessment of exposure to infraction fines based upon achievable recycling targets and those currently under consultation in the Future Directions paper.
  - 6.8.3. Site Selection
  - 6.8.4. Planning Support
  - 6.8.5. Development of tender documentation including scoring matrices, deliverables and evaluation criteria.
  - 6.8.6. Developing the output specification, performance framework and other technical schedules of the Project Agreement
  - 6.8.7. Supporting the Project Team in discussions with bidders.

6.9. Financial Consultants

- 6.9.1. The production of robust financial models and affordability analysis within the OBC including any one off costs (including any underwriting of risk) and any provision of funding.
- 6.9.2. Development of tender document including deliverables and evaluation criteria.
- 6.9.3. Developing the payment mechanism and other financial schedules of the project Agreement.
- 6.9.4. Supporting the Project Team in discussions with bidders.

6.10. Legal Consultants

- 6.10.1. Advise on procurement law
- 6.10.2. Advise on contract structures and risk allocation
- 6.10.3. Drafting all contract documents
- 6.10.4. Advice in relation to the most appropriate client structure
- 6.10.5. Supporting the Project Team in discussions with bidders.

6.11. Public Relations Consultants

- 6.11.1. Supporting the Project Team implement a communications strategy in line with the guidance set out in the tool kit provided by Waste Awareness Wales (WAW)

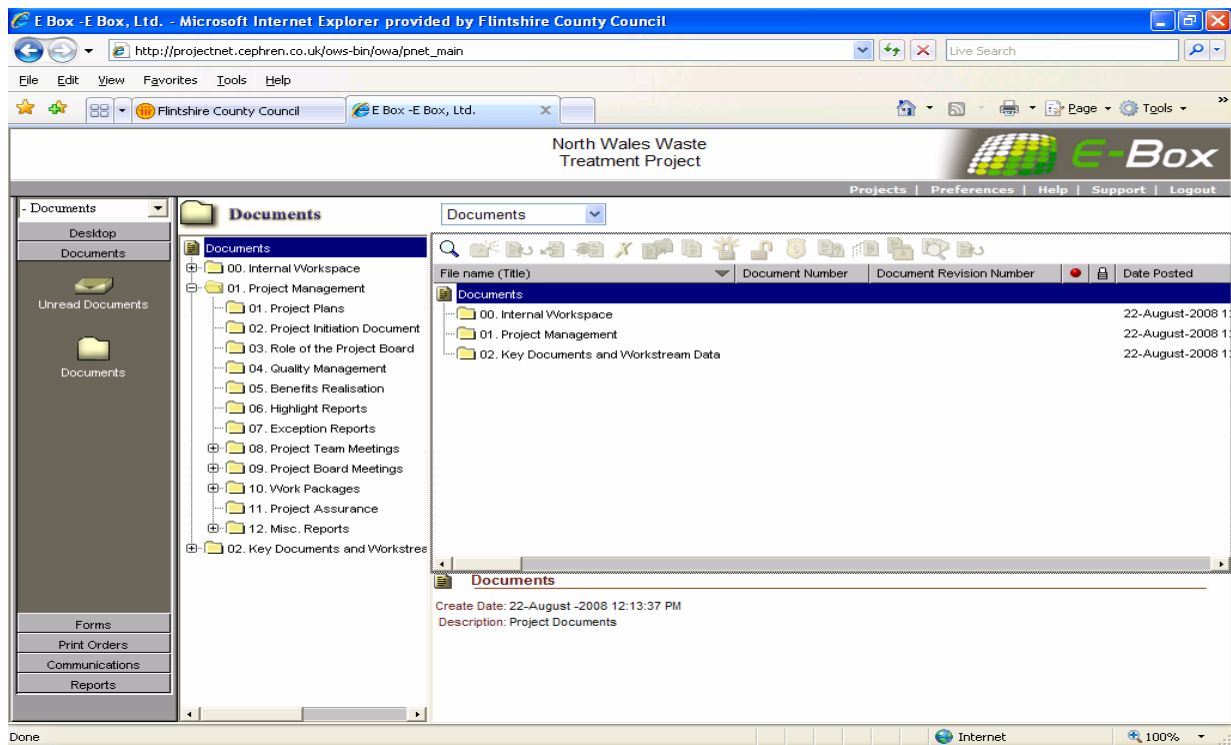
## **7. Project Management**

7.1. Project Management – Interim Arrangements

- 7.1.1. FCC appointed a Project Manager on an interim basis in June 2007 to develop the project and bring 'best-practice' to the procurement process. As the project has developed additional project management resource has been added to the project team.
- 7.1.2. The interim arrangements will remain in place until a permanent Project Director and Project Manager have been appointed.

7.2. Project Filing Structure

- 7.3. All project documentation will be held in a secure remote 'on-line' document management system hosted by E-Box as illustrated below.



#### 7.4. Project Management Procedures

- 7.4.1. The project management procedures to be adopted will be in-line with PRINCE 2 methodology. A summary of the key processes and exceptions are detailed below.

#### 7.5. Exception Process

- 7.5.1. The Project Manager will provide monthly reports to the Project Board (Joint Committee) via a Project Exception Report (PER) recommending corrective action.

#### 7.6. Project Reporting

- 7.6.1. The Project Manager will be responsible for providing monthly Progress Reports to both the Project Board and the WAG PO which will include progress against key milestones / deliverables together with an update on resource usage and availability.

#### 7.7. Risk & Contingency Plan

- 7.7.1. The Project Manager will provide monthly reports to the Project Board in respect to the status of Risks within the Risk & Issues Register (RIR)
- 7.7.2. Please refer to the Risk and Issues Register (RIR)

#### 7.8. Communications Plan

- 7.8.1. The Project Manager will be responsible for the production of a project communication plan in line with the WAW tool kit.

7.9. Project Director – full time fixed term appointment

**Name:** [yet to be appointed]

**Job Purpose**

1. To lead, manage and direct the procurement of a major new long-term integrated waste contract for North Wales (Conwy, Denbighshire, Flintshire, Gwynedd & Isle of Anglesey)
2. To lead, manage and direct an external specialist team of technical consultants and officers for the delivery of the new long-term waste contract.
3. To co-ordinate, facilitate and advise the North Wales Project Board and participating Local Authorities in order to secure any decisions necessary to expediently progress the project and to ensure on-going review of progress against objectives.

**Principle Accountabilities**

1. To keep abreast of new waste technologies and developments in the waste industry, including new legislation, strategies and awareness of other Local Authority procurement schemes considered to adopt best practice.
2. To provide update reports to the Project Board and Joint Committee and provide transparency in respect of risks and issues associated with the contract procurement to the approved timetable
3. Actively promote the partnership to ensure project interactions are fully co-ordinated and that the partnerships interests/risks are represented professionally.
4. Provide guidance for key strategic issues, ensure that the project benefits identified within the business case are fully realised.
5. Ensure effective and robust financial planning and budget management is in place to support the project, and that an output based performance and resource management culture exists within the team.
6. Ensure that the Project Manager and the team have the necessary skills to manage and deliver the project.
7. Formally manage the project's scope. Approving plans, schedules and budgets and ensuring the timely availability of resources.
8. Championing the project and the team, ensuring sustained buy-in and removing blockage to effective progress.
9. To carry out the duties of the post in accordance with the Administrating Authorities equality & diversity policy

10. To undertake such other duties of a similar level of responsibility as may be required
11. To carry out all duties and responsibilities with reasonable care, with due regard for the health and safety of yourself and other persons who may be affected by your acts or omissions and to co-operate fully with the Lead Authority in health and safety matters.

### **Qualifications / Knowledge / Experience**

1. Appropriate professional qualification and/or recognised management qualification together with a successful track record in a senior role.
2. Demonstrable track record of leading and delivering multi-million pound, high risk and complex projects to time, quality and cost constraints.
3. Strong political awareness and understanding of waste management issues and specifically those associated with waste treatment infrastructure
4. Experience of operating in a complex and well scrutinised environment and of working in partnership with a diverse range of external organisations (Welsh Assembly Government, Financial, Legal, Technical consultants, planners etc.)
5. The ability to communicate, influence and negotiate at all levels within the organisation and with various external consultants and bidders.

#### 7.10. Project Manager – Full time, fixed term appointment

**Name:** [yet to be appointed]

### **Job Purpose**

1. To project Co-ordinate the contract procurement of a major new long-term integrated waste treatment contract for North Wales (Conwy, Denbighshire, Flintshire, Gwynedd & Isle of Anglesey)
2. To liaise with and co-ordinate the work of internal specialist teams of officers for the delivery of the new long-term waste contract.
3. To assist the Project Director in delivering the procurement project to time, cost and quality constraints.

### **Principle Accountabilities**

1. To contribute towards the Waste Partnership and Joint Committee and to regularly inform them of progress of the contract procurement to the approved timetable



2. To keep abreast of new waste technologies and developments in the waste industry, including new legislation, strategies and awareness of other Local Authority procurement schemes.
3. Build and maintain effective working relationship with the Project Director
4. Ensure all internal and external dependencies are identified in the project plan and managed.
5. Manage and control changes to scope, requirements, personnel etc.
6. To report to the Project Director and present and prepare reports for the Joint Committee and other project sponsors on the progress of the project procurement to the approved timetable.
7. Analyse the project plan for timelines of activities, utilisation of resource and slippage against baselines and where appropriate create exception reports, recommending corrective action to the Project Board
8. Identify areas where risks or issues are apparent and raise these with the work stream leads for further discussion/escalation with the Project Director, ensuring that suitable mitigating actions are included or proposed.
9. To carry out the duties of the post in accordance with the Administrating Authorities equality & diversity policy
10. To undertake such other duties of a similar level of responsibility as may be required
11. To carry out all duties and responsibilities with reasonable, care, with due regard for the health and safety of yourself and other persons who may be affected by your acts or omissions and to co-operate fully with the Lead Authority in health and safety matters.

### **Qualifications/ Knowledge / Experience**

1. PRINCE 2 certified (Practitioner preferred) together with a recognised professional qualification.
2. Extensive Experience of project management within either waste management, contract management or a complex business environment.
3. Ability to work with other senior team managers, and lead in establishing status and reporting progress against key planned milestones / deliverables.
4. Good working knowledge of Microsoft Project, Excel, Word, communication skills. Ability to chase progress and escalate risks when appropriate.

5. Experience of working within a multiple stakeholder environment within the public sector.

7.11. Project Team

- 7.11.1. The project team is comprised of a number of different groups which will continue to develop and support the project throughout the project lifecycle. There are two primary groups, those being a Waste Officer group and a Reference group.

7.12. Waste Officer Team

- 7.12.1. The Waste Officer group is comprised of senior waste and policy managers from each of the participating Authorities. The group will contribute to and produce work identified by the Project Manager. The group (with support from advisors) will be actively involved in the following activities:

- Produce and periodically update the Project Initiation Document (PID);
- Produce and periodically update the Project Timetable;
- Produce and periodically update the Risk and Issues Register (RIR);
- Produce and periodically update the Communications Plan for the project;
- The development of the OBC
- The development of Contract and Tender documentation
- Score the bids in line with scoring criteria and procurement regulations
- ensure that all participating authorities receive regular reports to facilitate decision-making and to maintain confidence in the project; and
- Support the production of periodic project progress reports to other parties such as WAG.

- 7.12.2. It is proposed that the Waste Officer group should meet fortnightly during the initial phase of the project. It will also be required to undertake project work between meetings.

## **8. Budget and Financial Management**

8.1. Procurement Budget

- 8.1.1. The cost of the project procurement is provisionally estimated at £5M over 3 years. This is an estimate based on other similar waste treatment procurement projects. The procurement cost estimates have been profiled, and actual costs against this profile will be monitored and reported to the Project Board as the project progresses. The cost estimate includes for the procurement process and external advisors for financial, legal, technical and public relations consultancy.

8.1.2. The 5 participating Authorities have each agreed to provide £330K per year for 3 years. Some of these monies will need to be carried over into following financial years as the costs incurred will not be even throughout the period of the procurement. The costs will be shared evenly between the 5 Authorities as they constitute a significant avoidance of costs should all 5 Authorities purchase their own treatment facility.

8.1.3. In addition to the £330k per annum made available by each Authority an additional £670k is to be made available from WAG in 3 stage payments dictated by project progress.

8.1.4. The first call on the use of this additional funding from WAG will be the funding for the project management team

Stage	Amount £'000	Target Availability
Stage 1 – Project Preparation	£75	Sept 2008
Stage 2 – Business Case Development (PID)	£195	Oct 2008
Stage 3 – Procurement (OBC)	£400	May 2009

8.2. Indicative Project Costs

8.2.1. Indicative revenue costs (gate fees) have been taken from the following sources:

- o Fichtner Study – October 2007
- o WRAP Report
- o The National Affordability Study recently completed by WAG

8.2.2. The Fichtner report identified that the NWWTP could anticipate a gate fee (which would include haulage) of between £67.73 for EfW and £94.89 for combined MBT and EfW.

Method of Treatment	Capacity	Lower Range Municipal Disposal Price	Higher Range Municipal Disposal Price
EfW	150,000	£70.00/t	£150.00/t
MBT/EfW	150,000	£94.89/t	£180.00/t

8.2.3. As can be seen from the above table there is a wide range of possible municipal disposal prices. It is always difficult to prepare initial estimates of project costs against other projects as we are seldom comparing like with like.

8.2.4. A more detailed appraisal of the level of Affordability of the various treatment solutions will be undertaken during the compilation of the OBC. It should be noted that the level of affordability identified at OBC stage is also subject to inaccuracy and cannot be assumed to be final. However, at this stage it is suggested that a prudent forecast of possible Municipal Disposal Price is adopted.

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## 9. Project Assurance

- 9.1. Project Assurance is provided by a mixture of both internal and external officers, these include the WLGA, and PUK together with the internal Audit departments where required.
- 9.2. In accordance with the WAG QA regime, it is noted that the project will be subject to an independent 'Health Check' prior to inviting bidders to submit detailed solutions and prior to appointing a preferred bidder.
- 9.3. Individual Authorities
- 9.4. The following internal arrangements are in place to communicate and monitor progress, and to ensure that their own Business Case for participating in the Partnership remains sound.
- 9.4.1. **Conwy** – A Waste Management Programme Board has been established. It will co-ordinate the organisation, direction and implementation of a portfolio of projects and activities required to achieve the Waste Management related outcomes and policies set by the Council. Cabinet Members for Environment and Modernisation portfolios, a Strategic Director, Head of Service Environment, Waste Management Officer, the two NWWTP Reference Group members, Section 151 Officer and the Modernisation Improvement Board Programme Manager.
- 9.4.2. **Denbighshire** A Corporate Waste Management Group has been formed comprising: Leader of the Council, Chief Executive, Environment Director, Head of Environmental Services, Lead Member for Finance and Lead Member for the Environment. The groups first meeting took place on 2<sup>nd</sup> September, and future meetings will be held as/when required.
- 9.4.3. **Flintshire** - A Waste Management Officers group has been established in order to progress a range of identified projects delivering FCC's Municipal Waste Management Strategy and other initiatives necessary in continuing to deliver a well managed, efficient and effective service to residents. It is comprised of the Chief Executive, Section 151 Officer, Monitoring Officer, Acting Director responsible for Environmental Services, Minerals & Waste Planning Officer, Environmental Services Manager, Waste Strategy & Recycling Officer and Interim Project Manager. These meetings are held monthly. A cross-party Waste Management Project Board is being established
- 9.4.4. **Gwynedd** – A Regional Waste Scheme Project Board has been established. The Project Board acts as a means of disseminating information about the NWWTP, and enables and coordinates discussion and decision making on responses to documents, consultations and proposals in relation to the NWWTP. Membership currently consists of the Strategic Director for Environment, Head of Highways and Municipal Services, Senior Policy and Performance Officer, Senior Waste Officer, Legal Services Manager, Procurement Manager, representatives of the Head of Financial Services, and an Internal Audit officer. It is likely that the two councillors who will in due course represent Gwynedd on the NWWTP Joint Committee will also be invited to join the internal Project Board.

9.4.5. **Isle of Anglesey** – A Waste Treatment Project Board has recently been established to specifically manage the NWWTP. Members include the Managing Director, Corporate Director – Environment & Technical, Corporate Director – Finance, Head of Service – Environmental Services, Chief Waste Management Officer, Principal Planning Officer, and a Solicitor responsible for waste functions. The meetings are held monthly.

9.5. PUK

9.5.1. To assist the partnership to achieve the successful development and procurement of the Project in an efficient and timely manner and, thereafter, to remain available to provide on-going support through the implementation and operation phases the Project, if required.

9.6. The role of Internal Audit across all 5 authorities

9.7. Each Authority within the partnership will determine the role, if any, of Internal Audit. Where internal audit is utilised their role will be an advisory one to provide a perspective on the establishment of, and adherence to, sound dealings and financial controls within the scope of the individual Authority's Financial Regulations and Standing Orders.

9.8. The project is being managed using a PRINCE2 methodology which is a process based method for effective project management. (**PR**ojects **IN** **C**ontrolled **E**nvironments). PRINCE2 is a de facto standard used extensively by the UK Government and is widely recognised and used in the private sector, both in the UK and internationally. Internal Audit will review the methodology on an on-going basis.

## 10. **Communication Strategy & Stakeholder Engagement**

10.1. Communication Strategy

10.2. The Communications plan has been developed in accordance with the WAW tool kit.

## 11. **Sites & Planning**

11.1. Potential sites suitable for the treatment of residual waste will be identified by each of the participating Authorities during the compilation of the OBC and will be in accordance with the Planning Health Check Framework as issued by WAG.

11.2. It is the Intention that the project will either have ownership or else have an option to secure a site of suitable size prior to commencing procurement in order to ensure that the project attracts tenderers without land banks. However, bidders coming forward with alternative sites will be encouraged.

11.3. It is envisaged that the planning application and application for other relevant environmental permits will be made by the preferred bidder. However, to facilitate timely determination of the planning application the Project Team (with

support from advisors) will in parallel to the production of the OBC undertake the following activities:

- Identify sites suitable for the envisaged technology based on recognised best practice for site selection
- Ensure such sites fit with the UDP, the LDP and Regional Waste Plans
- Carry out initial preplanning consultation on the potential adoption of such sites for waste infrastructure
- Maintain regular dialogue with the relevant planning authorities
- Request a scoping opinion from the relevant planning authority
- Undertake appropriate background data surveys to support a future EIA and HIA
- Undertake appropriate geotechnical investigations to support future design work

## **12. Key Success Factors, Risks, Constraints and Inter-Dependencies**

### 13.01 Critical Success Criteria

13.02 Sustainability – the solution selected will strive to meet WAG’s aspirations and those of each Authorities social, economic and environmental aspirations. Also, the solution must be at least in line with NAWPI targets as specified in the Future Directions paper (October 2007), specifically in relation to the amount of waste sent to Energy from Waste (EfW) and the efficiency targets associated with energy recovery technology.

13.03 Time based – contract awarded according to Project Plan, currently October 2010, in order to deliver a solution in time to avoid LAS infraction fines

13.04 Deliverability – ensuring that the right solution is selected i.e. Technology capable of delivering the highest affordable diversion rates.

13.05 Planning – recognising that planning is very much on the critical path – undertaking all necessary work to ensure a planning application is determined in a timely manner

13.06 Affordability - Key to the delivery of the project is that the project is affordable for each of the participating authorities. Equity of future Municipal Disposal Price – recognising that all parties are bringing different things to the project that will provide benefit to the others.

### 13.07 Benefits expected

- a) Within the 2010/11 fiscal year award a contract that is considered capable of delivering a solution that is appropriate and timely for all 5 LAs.
- b) Shared purchasing costs, risks and liabilities
- c) Sound basis for future partnership working
- d) Avoidance of fines on availability of treatment capacity
- e) Meet WAG requirements and targets

- f) Opportunities for provision of sustainable treatment capacity of commercial and industrial waste generated in the region.

13.08 Main risks

- a) Partnership arrangements, including Governance
- b) Agreeing the scope of the specification e.g. Civic Amenity and C&I waste
- c) Interdependencies and interfaces with collection activities and other waste work being undertaken by individual authorities and lack of fit between separate initiatives.
- d) Meeting Planning and other regulatory requirements
- e) Affordability of the purchasing process/cost control
- f) Affordability of the preferred solution
- g) Successful contractor becomes insolvent
- h) Technology provided does not work
- i) Availability of suitably qualified officers
- j) Changing WAG policy/targets
- k) Availability of suitable Sites
- l) Protest and / or objections by third parties
- m) Lack of Bidder interest
- n) Timescales
- o) Inappropriate assessment criteria
- p) Lack of capacity to deal with industrial / commercial waste.

13.09 Unresolved Issues

- a) The Future Directions for Municipal Waste Management in Wales paper is currently in a consultation phase with LA's. The targets contained within the original document issued in October have been adjusted recently to take in to account observations from LA officers. In addition the targets have been set based upon various legislative powers being given to the Welsh Assembly and these have yet to be obtained.
- b) The targets contained within the paper are based per Authority. Waste modelling exercises based upon the most recent out-turn LAS performance shows an overall benefit if targets are shared or if trading were permitted
- c) Contract negotiation and regional pooling of targets may be simplified if legislative powers were available to form a Joint Waste Disposal Authority.

13.10 Constraints

- 13.11 The solution must at least be in line with NAWPI targets as specified in the Future Directions report October 2007, specifically in relation to the amount of

- 
- waste sent to Energy from Waste (EfW) and the efficiency targets associated with energy recovery technology.
- 13.12 Pricing of the disposal of municipal trade waste and of any commercial and industrial waste must be done so as to ensure compliance with State Aid regulations. This will be reviewed within the OBC
- 13.13 Exclusions
- 13.14 The procurement project does not include any activities associated with the treatment of source segregated food waste. A separate project team will be established to progress this element on behalf of Conwy, Denbighshire and Flintshire as this work stream can be delivered more quickly and provide diversion much earlier than if it remained within this project.
- 13.15 The project does not include any activities post contract award.
- 13.16 The procurement will not include any elements associated with the management of waste collection activities or associated contracts (collection)
- 13.17 The provision of enhanced waste minimisation / prevention activities is out of the scope of this project. Such activities will be undertaken by each of the 5 LA's on a stand alone basis (albeit sharing best practice and collaborating where appropriate).
- 13.18 Fundamental Principles
- 13.19 All Local Authorities will pay the same municipal disposal price (facility by facility) regardless of distance to point of treatment and will be based on tonnage processed for Authorities.
- 13.20 Where land is in the ownership of an Authority the Authority will provide the land asset as a concessionary operational ground lease in order to reduce the cost to the successful contractor.
- 13.21 Assumptions
- 13.22 The Contract will be performance based.
- 13.23 All Authorities will determine land and/or infrastructure in their ownership that can be utilised by the bidders and determine whether these assets can be adjusted to meet the needs of the bidder.
- 13.24 The NWWTP will carry out preparatory planning works (EIA's, HIA's Ground Condition Inspections etc) on behalf of the Preferred Bidder for land identified in the OBC as suitable for the location of waste treatment infrastructure (including transfer stations where required).
- 13.25 Procurement fees will be shared equally by all participating authorities
- 13.26 The successful tenderer will (from award of contract) be responsible for covering the costs of any LAS or infraction penalties imposed arising as a result of either late or non-availability of waste treatment infrastructure.
- 13.27 That the contract term would be not less than 25 years.
- 13.28 All 5 Authorities remain within the procurement process throughout the project



- 13.29 Each Authority will agree to identify and sign up to a minimum tonnage to be processed by the successful contractor during the compilation of the OBC.
- 13.30 Waste reception points will be placed where necessary in order to ensure there is no undue impact on operational costs or collection arrangements as a result of the project.
- 13.31 The final solution must readily fit with the operational requirements of each individual Authority
- 13.32 Other Reference Data
- a) Wise About Waste (2002)
  - b) Eunomia Report
  - c) Fichtner Report
  - d) Future Directions for Municipal Waste Management in Wales (2007)
  - e) SLR Soft Market Test
  - f) Screening and scoping study (EM1(13))– OVE-ARUP
- 13.33 Links to other projects / Inter-dependencies
- a) Kerbside collection services
  - b) Waste minimisation strategies
  - c) Recycling targets
  - d) Waste disposal contracts
  - e) Bulky waste Collection
  - f) Collection and Transportation
  - g) Waste Electrical & Electronic Equipment (WEEE)
  - h) Clinical Waste
  - i) Hazardous Waste
  - j) Trade Waste

**Project Approval**


**Sign Off**


## **ANNEX 1 - ABBREVIATIONS**

<b>B</b>	
BMW	Biodegradable Municipal Waste
<b>C</b>	
C&I	Commercial & Industrial
CHP	Combined Heat Power
<b>D</b>	
DE&T	Department for the Economy & Transport
DESH	Department for the Environment, Sustainability & Housing
<b>E</b>	
EfW	Energy from Waste
EIA	Environmental Impact Assessment
<b>F</b>	
FBC	Final Business Case
FCC	Flintshire County Council
<b>H</b>	
HIA	Health Impact Assessment
<b>J</b>	
JC	Joint Committee
<b>L</b>	
LA	Lead Authority
LA's	Local Authorities
LAS	Landfill Allowance Scheme
<b>M</b>	
MSW	Municipal Solid Waste
<b>N</b>	
NAWPI	National All Wales Performance Indicator
<b>O</b>	
OBC	Outline Business Case
OJEU	Official Journal of the European Union
<b>P</b>	
PB	Preferred Bidder
PID	Project Initiation Document
PO	Programme Office
PQQ	Pre-Qualifying Questionnaire
<b>R</b>	
RCAF	Regional Capital Access Fund
<b>S</b>	
SMT	Soft Market Test
<b>W</b>	
WAW	Waste Awareness Wales
WAG	Welsh Assembly Government
WDF	WasteDataFlow
WET	Waste & Emissions Trading
WLGA	Welsh Local Government Association
WRAP	Waste Resource Action Programme
WRATE	Waste & Resource Assessment Tool for the Environment

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## ANNEX 2 – FICHTNER REPORT

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**North Wales Waste Management Authorities**

**FICHTNER**

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**NORTH WALES WASTE MANAGEMENT  
AUTHORITIES  
FUTURE WASTE MANAGEMENT  
NORTH WALES - DESKTOP STUDY**

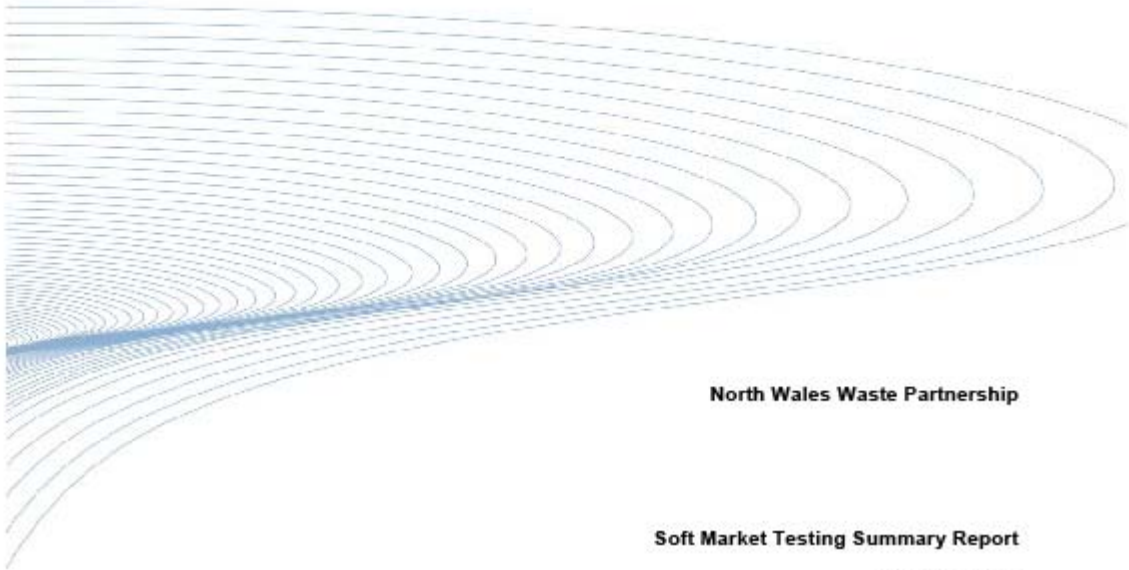
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12 October 2007

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DATE	03/10/07	08/07/07	12/07/07				
AUTHOR	DSA	DSA	DSA				
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Title Page

## ANNEX 3 – SOFT MARKET TEST (SMT)



**North Wales Waste Partnership**

**Soft Market Testing Summary Report**

**406.0745.00002**



**May 2007**



solutions for today's environment

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## ANNEX 4 – MINUTES OF EXECUTIVE

COUNCIL BOARD 11/03/08

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### COUNCIL BOARD 11/03/08

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**Present -** Councillor Richard Parry Hughes (Chairman)  
Councillors Dyfed Edwards, Trevor Edwards, Tomos Evans, Keith Greenly-Jones, Dafydd Iwan, Dai Rees Jones, J R Jones, Linda Wyn Jones, W Roy Owen, Emyr Pugh, Trevor Roberts, John Wyn Williams a R H Wyn Williams; Robert J Hughes (Chairman of the Children and Young People's Scrutiny Committee); R Glyn Evans (Vice-chairman of the Principal Scrutiny Committee)

**Also present -** Harry Thomas (Chief Executive), Dafydd Lewis (Strategic Director - Care), Dewi Rowlands (Strategic Director - Environment), Dafydd L. Edwards (Head of Finance), Dilys Phillips (Head of Administration and Public Protection), Arwel Ellis Jones (Senior Manager - Policy and Operational), Dewi Jones (Head of Schools), Sharon Warnes (Senior Manager Policy and Performance - Development), Ffrancon Williams (Head of Housing), Gareth Parri (Building Control Manager), Aled Davies (Head of Planning and Transportation), Peter Evans (Senior Manager Policy and Performance - Environment), Nia Haf Davies (Policy and Performance Manager - Planning), Gareth ap Rhun (Solicitor), Dafydd Gibbard (Corporate Property Manager), Glyn Hughes (Head of Children and Families), Aled Gibbard (Service Manager Childrens Services, Fostering, Adoption and Residential), Morwena Edwards (Head of Provider Services) and Eleri Parry (Senior Committee Officer).

**Apologies:** Councillor Peredur Jenkins

#### 1 URGENT ITEM

The item regarding the Isle of Anglesey School Meals Service had not been included on the agenda, however, the Chairman agreed for it to be included on the agenda under Section 100(4)(b), Local Government Act 1972 because a response was required by 31 March 2008, and there was no subsequent meeting of the Board until April.

#### 2 MINUTES

The Chairman signed the minutes of the meeting of the Council Board, held on 19 February 2008 as a true record.

#### 3 MATER STEMMING FROM SCRUTINY

##### 3.1 BULLYING AMONGST CHILDREN AND YOUNG PEOPLE IN GWYNEDD

The report of the Chairman of the Children and Young People's Scrutiny Committee was considered.

**RESOLVED** To support the action noted below with the intention that the Schools Service together with other Council services that deal with children and young people, carefully consider how they can be implemented;-

**CYNGOR SIR YNYS MÔN/ISLE OF ANGLESEY COUNTY COUNCIL  
MEMORANDWM MEWNOL/INTERNAL MEMORANDUM**

**ADRAN Y RHEOLWR GYFARWYDDWR  
MANAGING DIRECTOR'S DEPARTMENT**

<b>AT/ TO:</b>	<b>MANAGING DIRECTOR</b>	<b>ODDIWRTH/ FROM:</b>	<b>RHEOLWR GYFARWYDDWR MANAGING DIRECTOR</b>
<b>EICH CYF / YOUR REF:</b>		<b>EIN CYF/ OUR REF:</b>	<b>JG / BP</b>
<b>DYDDIEDIG/ DATED:</b>		<b>DYDDIEDIG/ DATED:</b>	<b>1 Ebrill / April, 2008</b>

**I SYLW / FOR THE ATTENTION OF :**  
**COPII / COPY TO: HEAD OF SERVICE (ENVIRONMENTAL SERVICES)**

I shall be glad if you would take the necessary action on the following extract from the minutes of the meeting of the Executive held on the 25th March, 2008:-

**17 NORTH WALES WASTE TREATMENT PROJECT (NOT CONFIDENTIAL)**

Reported by the Managing Director - That W.A.G at present was considering introducing statutory waste recycling / composting targets in Wales and increasing the level to 70% by 2024/5.

Although the increase in recycling and composting rates had risen significantly over the last five years, all local authorities were still faced with the challenge of finding an alternative to landfill disposal in future. Due to the significant capital costs of developing new waste treatment infrastructure it was clear that local authorities would have to consider working collaboratively with each other in the future to maximise efficiencies, reduce risks and find viable solutions.

It would be impractical and uneconomic for the Council to try and establish a complete waste treatment technology on its own, and therefore, for some months, discussions had been taking place between the local authorities in North Wales at Chief Executive, Director and Officer levels, to try and work collaboratively in order to develop a regional / sub-regional solution for waste treatment. This collaborative working has developed followed a proposal by Flintshire County Council to possibly develop a partnership waste treatment facility within the area. This new group of officers had been named the North Wales Waste Partnership (NWWP). The NWWP met on a regular basis to discuss waste treatment solutions but had no formal governance arrangements agreed as yet.

In a meeting held on 13th December, 2007, the North Wales Regional Partnership Board supported the principle of working in partnership on developing a collaborative approach to this project. It was also noted that it was intended to have a Memorandum of Understanding and specific training for the relevant individuals on any future procurement procedure for the new regional / sub-regional waste treatment solution.

The cost of procuring the new waste treatment facility or facilities was expected to be about £5m, and if this was shared by the five participating authorities over a three year period, the expenditure of each individual authority would be about £330k p.a. The £5m highlighted for procurement costs would be used for employing project managers and consultants to provide support on technical, legal and financial matters, etc.

Working collaboratively with other local authorities to develop a waste treatment solution had obvious advantages and disadvantages and these were listed at Paragraph 3.1 of the

**REPORT TO CABINET**

**CABINET MEMBER**                    **COUNCILLOR P J MARFLEET, LEAD MEMBER FOR  
MODERNISATION AND IMPROVEMENT**

**DATE**                                    **18 NOVEMBER 2008**

**SUBJECT**                                **MONITORING PERFORMANCE AGAINST THE  
AUTHORITY'S KEY PERFORMANCE INDICATORS:  
QUARTER 2 2008/09**

**1        DECISION SOUGHT**

- 1.1        That Cabinet consider performance against the Council's key performance indicators as detailed in the attached report of performance for the second quarter of 2008/09 (Appendix 1).
- 1.2        That Cabinet agree where action needs to be taken in response to current slippage against targets for 2008/09. Appendix 2 provides further detail in relation to those key indicators where performance is currently below target for 2008/09.
- 1.3        That Cabinet note that 2008/09 targets for some of the Social Services performance indicators have been amended since the first quarter report following an officer meeting on 15th October 2008. The amended targets have been underlined and highlighted in bold in Appendix 1.

**2        REASON FOR SEEKING DECISION**

- 2.1        Denbighshire County Council collects and reports against numerous data sets, some of which are more relevant to the work of the Authority than others. The Key Performance Indicators listed in Appendix 1 have been revised for 2008/09 to reflect the priorities and objectives of the new Council. They were selected following detailed discussions between Cabinet Members, the Strategic Policy Unit and senior officers within each Directorate. Of the 56 Key Performance Indicators that have been reported for Quarter 2 2008/09:
  - 46.4% (26) are on target with performance either improving or staying the same as last year.
  - 3.6% (2) are on target but performance is worse than last year.
  - 12.5% (7) are on target but it is not possible to compare performance with last year.
  - 14.3% (8) are not on target but with performance either improving or staying the same as last year.
  - 17.9% (10) are not on target and performance is worse than last year.
  - 5.4% (3) are not on target and it is not possible to compare performance with last year.

Overall:

- 62.5% (35) of Key Performance Indicators are currently on target.
- 37.5% (21) of Key Performance Indicators are currently below target.

Of the 21 Key Performance Indicators that are currently not on target:

- 52.4% (11) are more than 10% below the target.

**Appendix 2 provides further detail in relation to those Key Performance Indicators where performance is currently below target.**

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

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

### **4 RESOURCE IMPLICATIONS**

#### **4.1 Cost Implications**

There may be cost implications to the achievement of some performance indicator targets.

#### **4.2 Staffing / Accommodation Implications**

There are no staffing or accommodation implications.

#### **4.3 I.T. Implications**

There are no I.T. implications.

### **5 RISK ASSESSMENT**

#### **5.1 Risks associated with NOT agreeing recommendation(s)**

There is a risk of further slippage against the Authority's annual targets for 2008/09 if attention is not paid to those indicators that are not currently on target.

#### **5.2 Risks associated with agreeing recommendation(s)**

No risks associated with agreeing recommendation.

### **6 FINANCIAL CONTROLLER STATEMENT**

- 6.1 Performance management is a key element in ensuring quality services that are cost effective. There may be cost implications to slippage against key actions and timescales.

### **7 CONSULTATION CARRIED OUT**

- 7.1 Progress against performance indicators and key actions should be discussed at Departmental Management Team meetings and team meetings. Quarterly performance reports which include performance indicators are prepared by the Scrutiny Officers and distributed to the relevant Scrutiny Committees for review.



## **8 IMPLICATIONS**

### **8.1 Assessment of Impact on Corporate Priorities**

Performance management and progress against key performance indicators impact upon all policy areas, including corporate, and can provide information on the effectiveness of current policy. Improvement against these indicators will support the Authority's ability to progress its corporate priorities.

### **8.2 Assessment of impact on the Vision, Community Strategy, Equalities and Sustainability**















Performance against these indicators will support the Authority's ability to achieve Denbighshire's Vision, the objectives within the Community Strategy and the equalities and sustainability targets within the Improvement Plan.

## **9 ACTION PLAN**

<b>ACTION</b>	<b>RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED</b>	<b>ACTION TO BE REVIEWED &amp; MONITORED BY / DATE TO BE MONITORED</b>
To explore and address the reasons for below target performance in quarter 2 of 2008/09 at Departmental Team Meetings, Directorate Team meetings and CET	CET and Heads of Service	31 December 2008

## **10 RECOMMENDATIONS**



















- 10.1 That Cabinet consider the Quarterly Performance Report and identify any issues which require further discussion and/or remedial action. It is recommended that particular attention is paid to those indicators that are not currently on target.

Indicator Reference	Type of Indicator	Description	Lead Member	Welsh Average 07/08	2007/08 Annual Target	2007/08 Data	2008/09 Target	Qtr 1 data	Qtr 2 data	Performance	Improvement?	Comments
PERFORMANCE KEY: Symbol denotes progress against 2008/09 Targets		SLIPPAGE AGAINST THE TARGET AND PERFORMANCE IS MORE THAN 10% BELOW TARGET		IMPROVEMENT KEY: Symbol shows if performance has improved since Qtr 2 in 2007/08		PERFORMANCE IS WORSE THAN LAST YEAR				19.6%	21.4%	
		SLIPPAGE AGAINST THE TARGET BUT PERFORMANCE IS WITHIN 10% OF THE TARGET				PERFORMANCE IS SAME AS LAST YEAR				17.9%	14.3%	
		ON TARGET				PERFORMANCE HAS IMPROVED SINCE LAST YEAR				62.5%	46.4%	
NOTE: Where a figure has been entered in brackets this represents performance in that quarter in 2007/08												
<b>CHILDREN AND YOUNG PEOPLE</b>												
SCC/008	NATIONAL CORE INDICATOR	a) The percentage of initial assessments carried out within 7 working days;	Cllr M Jones	63.68%	85%	95.39%	<u>85%</u>	95.16% (93.58%)	87.83% (96.03%)			2008/09 target has been amended since quarter 1. Performance during quarter 2 is still 24% higher than the All Wales average for 2008/2009 (63.7%)
		b) The average time taken to complete initial assessments that took longer than 7 working days to complete	Cllr M Jones	20.01 days	<15	13.4	<10	21.67 (16.6)	17.8 (20.87)			Performance still compares favourably against the All Wales average in 2007/2008 (20.1 days). Performance is also positive compared the same quarter in 2007/2008.
SCC/011	NATIONAL CORE INDICATOR	% of initial assessments that took place during the year where there is evidence that: (a) The child has been seen by the Social Worker	Cllr M Jones	58.98%	75%	73.02%	<u>75%</u>	70.97%	65.31% (70.76%)			2008/09 target has been amended since quarter 1. Performance still compares favourably against the All Wales average in 2007/2008 (58.98%).
		% of initial assessments that took place during the year where there is evidence that: (b) The child has been seen alone by the Social Worker.	Cllr M Jones	21.34%	35%	42.26%	<u>45%</u>	37.10%	34.69% (31.77%)			2008/09 target has been amended since quarter 1. Performance still compares favourably against the All Wales average in 2007/2008 (21.34%). Performance is also positive compared the same quarter in 2007/2008.









Indicator Reference	Type of Indicator	Description	Lead Member	Welsh Average 07/08	2007/08 Annual Target	2007/08 Data	2008/09 Target	Qtr 1 data	Qtr 2 data	Performance	Improvement?	Comments
SCC/013	NATIONAL CORE INDICATOR	a) % of open cases of children with an allocated social worker where the child is receiving a service in each of the following groups; i) Children on the child protection register	Cllr M Jones	97.29%	100%	100%	100%	100% (100%)	100% (100%)	☺	➡	Excellent performance has been sustained
		ii) Children looked after	Cllr M Jones	88.79%	100%	100%	100%	100% (100%)	100% (100%)	☺	➡	Excellent performance has been sustained
		iii) Children in need	Cllr M Jones	67.87%	95%	98%	95%	98.29% (100%)	100% (99.28%)	☺	⬆	Performance for each quarter is captured on a prescribed census date. At year end the average performance of data captured on the census dates is used as the year end performance.
		b) % of open cases of children allocated to someone other than a social worker where the child is receiving a service in each of the following groups; i) Children on the child protection register	Cllr M Jones	1.72%	0%	0%	0%	0% (0%)	0% (0%)	☺	➡	Excellent performance has been sustained
		ii) Children looked after	Cllr M Jones	9.73%	0%	0%	0%	0% (0%)	0% (0%)	☺	➡	Excellent performance has been sustained
		iii) Children in need	Cllr M Jones	23.57%	0%	1.80%	5%	1.71% (0%)	0% (0.72%)	☺	⬆	Performance for each quarter is captured on a prescribed census date. At year end the average performance of data captured on the census dates is used as the year end performance.
SCC/014	NATIONAL CORE INDICATOR	% of initial child protection conferences due in the year which were held within 15 working days of the strategy discussion	Cllr M Jones	68.27%	85%	70%	85%	84.85%	80% (27.86%)	☹	⬆	Significant performance improvement has been achieved compared to 2007/2008. Performance is now 11.73% ahead of the All Wales average for 2007/2008.
SCC/025	NATIONAL CORE INDICATOR	% of statutory visits to looked after children due in the year that took place in accordance with regulations.	Cllr M Jones	74.26%	90%	54.91%	<u>85%</u>	64.53%	79.72%	☹	⬆	2008/09 target has been amended since quarter 1. Significant performance improvement has also been achieved for this indicator compared to 2007/2008. Performance is increased by 24.81% and now above the All Wales average for 2007/2008.

Indicator Reference	Type of Indicator	Description	Lead Member	Welsh Average 07/08	2007/08 Annual Target	2007/08 Data	2008/09 Target	Qtr 1 data	Qtr 2 data	Performance	Improvement?	Comments
<b>HEALTH, SOCIAL CARE AND WELL-BEING</b>												
SCA/001	NATIONAL STRATEGIC INDICATOR	The rate of delayed transfers of care for social care reasons per 1,000 population aged 75 or over.	Cllr P Dobb	7.01	<1.5	1.12	<1.5	0.31 (0)	0.41% (0.41%)	😊	➡	Excellent performance has been sustained
LPI 10	LOCAL INDICATOR	Rate of LD clients aged 18 to 64 supported in the community. <b>Excludes professional support</b>	Cllr P Dobb	local	3.32	3.76	3.76	3.50	3.50	😐	⬇	Performance for this indicator is cumulative. It is anticipated that the year end target will be met.
LPI 11	LOCAL INDICATOR	Rate of PDSI clients aged 18 to 64 supported in the community. <b>Excludes professional support</b>	Cllr P Dobb	local	8.66	10.24	<b>8.00</b>	6.67	7.89	😐	⬇	2008/09 target has been amended since quarter 1. Performance for this indicator is cumulative. It is anticipated that the year end target will be met.
LPI 12	LOCAL INDICATOR	Rate of MH clients aged 18 to 64 supported in the community. <b>Excludes professional support</b>	Cllr P Dobb	local	2.91	2.46	2.46	2.02	2.00	😞	⬇	Performance for this indicator is cumulative. It is anticipated that the year end target will be met.
SCA/005 b	NATIONAL CORE INDICATOR	The average number of working days between initial enquiry and completion of the care plan, excluding specialist assessments	Cllr P Dobb	30.93	23.00	25.24	25.00	15.1 (44.32)	22.85 (51.12)	😊	⬆	Significant improvement has been achieved and compares favourably with the All Wales performance in 2007/2008.
SCA/016b iii	NATIONAL CORE INDICATOR	Of the adult protection referrals completed during the year, the percentage where the risk has been removed or reduced	Cllr P Dobb	14.83%	not set	55.48%	56.00%	44.44% (47.06%)	77.92% (62.26%)	😊	⬆	The definition has been amended for 2008/2009 so this is not a direct comparison with 2007/2008 performance.
HHA/015b	NATIONAL CORE INDICATOR	Average number of days that all homeless households spent in other forms of temporary accommodation (not B&B)	Cllr P Dobb	NEW	NEW	New for 2008/2009	150	199	134	😊	NEW	Improved performance has been achieved in quarter 2
HLS/012ai	NATIONAL CORE INDICATOR	Rent arrears owed by current tenants in permanent accommodation as a percentage of the total rent collectable for the financial year	Cllr P Dobb	AMENDED INDICATOR	N/A	2.48%	2.25%	2.45% (2.77%)	2.24% (2.78%)	😊	⬆	Performance improvement has been sustained
HLS/014	NATIONAL CORE INDICATOR	The average number of calendar days taken to let permanent accommodation	Cllr P Dobb	NEW	NEW	62	55	54	61	😞	NEW	Performance is comparable with 2007/2008
HLA/010c	NATIONAL CORE INDICATOR	The average number of days taken to complete non-urgent repairs	Cllr P Dobb	AMENDED INDICATOR	N/A	29	30	28 days (35 days)	35 days (25.5 days)	😞	⬇	

Indicator Reference	Type of Indicator	Description	Lead Member	Welsh Average 07/08	2007/08 Annual Target	2007/08 Data	2008/09 Target	Qtr 1 data	Qtr 2 data	Performance	Improvement?	Comments
<b>LIFELONG LEARNING</b>												
LPI	LOCAL INDICATOR	The percentage of pupils eligible for assessment at the end of KS1, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	Cllr H Evans	n/a	NEW	80.70%	81.70%	80.40%		☹	↓	This figure is for the Academic Year 2007-08
EDU/003	NATIONAL STRATEGIC INDICATOR	The percentage of pupils eligible for assessment at the end of KS2, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	Cllr H Evans	74.27%	74%	73.20%	74.20%	76.50%		☺	↑	This figure is for the Academic Year 2007-08
EDU/004	NATIONAL STRATEGIC INDICATOR	The percentage of pupils eligible for assessment at the end of KS3, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	Cllr H Evans	56.84%	60%	57.40%	58.40%	59.40%		☺	↑	This figure is for the Academic Year 2007-08
LPI	LOCAL INDICATOR	The percentage of KS4 pupils achieving 5A* to C	Cllr H Evans	n/a	NEW	47.10%	49.00%	52.25%		☺	↑	This figure is provisional for the Academic Year 2007-08
EDU/001	NATIONAL STRATEGIC INDICATOR	The percentage of pupil attendance in secondary schools	Cllr H Evans	90.66%	91%	89.90%	91.00%	91.13%		☺	↑	This figure is provisional for the Academic Year 2007-08
EDU/007	NATIONAL CORE INDICATOR	The percentage of pupil attendance in primary schools	Cllr H Evans	93.1%	93.5%	93.6%	93.3%	94.10%		☺	↑	This figure is provisional for the Academic Year 2007-08
EDU/008a	NATIONAL CORE INDICATOR	The number of pupils permanently excluded during the academic year per 1,000 pupils from Primary Schools.	Cllr H Evans	0.00%	0%	0.14%	0.10%	0.00%		☺	↑	This figure is provisional for the Academic Year 2007-08
EDU/008b	NATIONAL CORE INDICATOR	The number of pupils permanently excluded during the academic year per 1,000 pupils from Secondary Schools.	Cllr H Evans	0.00%	1%	1.52%	1.00%	0.91%		☺	↑	This figure is provisional for the Academic Year 2007-08
LCL/001	NATIONAL CORE INDICATOR	The number of visits to public libraries per 1000 population	Cllr M Jones	5459	7150	8582	8120	3514		☹	↓	Reported at Q2 and Q4 based on a survey undertaken in September and March. The Q2 figure does not include mobile library visitors, which we will include in the Q4 report.

Indicator Reference	Type of Indicator	Description	Lead Member	Welsh Average 07/08	2007/08 Annual Target	2007/08 Data	2008/09 Target	Qtr 1 data	Qtr 2 data	Performance	Improvement?	Comments
LCS/002	NATIONAL CORE INDICATOR	The number of visits to local authority sport and leisure centres per 1,000 population	Cllr M Jones	7406	7467	8490	8500	2426	4878 (4682)			Number of overall visits slightly up on last year and within target range
<b>ENVIRONMENT AND COUNTRYSIDE</b>												
WMT/S/001b	NATIONAL STRATEGIC INDICATOR	i) The percentage of municipal waste reused and/or recycled	Cllr E Williams	20.64%	17.50%	18.21%	20%	16.1% (13.5%)	15.8% (12.9%)			Improved from Q2 last year
		ii) The percentage of municipal waste composted or treated biologically	Cllr E Williams	11.17%	12.50%	10.51%	15.0%	16.6% (12.50%)	16.9% (13.3%)			Improved from Q2 last year
WMT/C/007	NATIONAL CORE INDICATOR	% of municipal waste received at all household waste amenity sites that is reused, recycled or composted	Cllr E Williams	52.01%	50.50%	58.83%	54.4%	37.4% (34.10)	38.33% (34.6%)			Improved from Q2 last year
WMT/002b	NATIONAL STRATEGIC INDICATOR	The percentage of bio-degradable municipal waste sent to landfill	Cllr E Williams	62.23%	75.00%	70.10%	67.5%	59.4% (70.60%)	61% (68.8%)			Improved from Q2 last year
LPI	LOCAL INDICATOR	Residual waste – number of kg of waste collected per capita that is not recycled	Cllr E Williams	local	No target	244kg	222kg	237.3kg	230.5kg		NEW	new
LPI	LOCAL INDICATOR	Percentage of landfill allowance used (rolling year)	Cllr E Williams	local	90.00%	88.60%	96.0%	89.20%	89.10%		NEW	new
LPI	LOCAL INDICATOR	% of green heating oil in our corporate buildings	Cllr E Williams	local	25.00%	25 - 30%	30.0%	25 - 30%	25 - 30%			
LPI	LOCAL INDICATOR	Percentage of bio-fuel used by authority vehicles	Cllr E Williams	local	25.00%	25.00%	25.0%	25.0% (25%)	25.00%			no improvement, but wasn't targeting it for improvement
LPI	LOCAL INDICATOR	Percentage of stock condition surveys completed	Cllr P Dobb	local	100.00%	50.00%	95.0%	83.0% (35.0%)	90% (35.0%)			Improved from last year




Indicator Reference	Type of Indicator	Description	Lead Member	Welsh Average 07/08	2007/08 Annual Target	2007/08 Data	2008/09 Target	Qtr 1 data	Qtr 2 data	Performance	Improvement?	Comments
CMT/001	NATIONAL CORE INDICATOR	The percentage of total length of Rights of Way which are easy to use by members of the public.	Cllr D Thomas	50.88%	72.00%	61.73%	72.0%	58.0% (56.0%)				Survey is only undertaken twice a year, next one due in November. Measure is not considered statistically telling as it is only based on 5% survey of our network, but to be accurate it should be based on 13% survey because of the size of our network.
LPI	LOCAL INDICATOR	Visits to schools to educate the public about the Local Biodiversity Action Plan	Cllr D Thomas	local	NEW	NEW	5 schools	5 schools	5 Schools		NEW	new measure
STS/005b	NATIONAL CORE INDICATOR	Percentage of highway and relevant land inspected of a high or acceptable standard of cleanliness	Cllr E Williams	95.98%	93.00%	92.73%	93.0%	97.0% (93.0%)	90.0% (93.0%)			Performance gone down from last year
PSR/002	NATIONAL CORE INDICATOR	Average number of calendar days taken to deliver a Disabled Facilities Grant	Cllr P Dobb	453.33	400	352	350	331 days (481 days)	423 (401 days)			Performance gone down from last year
PSR/006	NATIONAL CORE INDICATOR	Average number of calendar days taken to deliver low cost adaptation works in private dwellings where the Disabled Facilities Grant process is not used	Cllr P Dobb	80.8	200	99	90	90 days (210 days)	72 (131 days)			Improved from last year
PPN/001 bii	NATIONAL STRATEGIC INDICATOR	% of high risk businesses that were inspected/subject to alternative enforcement activity, for Food Hygiene	Cllr S Frobisher	98.83%	85%	92%	90%	18% (11.23%)	30% (15.1%)			Almost double on last year at this time
PPN/004	NATIONAL CORE INDICATOR	Percentage of all eligible food businesses with a valid food hygiene award	Cllr S Frobisher	13.42%	25%	31%	30%	30% (36.71%)	40%		N/A	Figure for Q2 2007/08 not available
<b>ECONOMIC PROSPERITY</b>												
LPI	LOCAL INDICATOR	Number of businesses assisted in one year	Cllr D Thomas	Local	n/a	219	Increase on 219	27	54		N/A	Data was not collected quarterly in 2007/08. Q2 2008/09 figures are cumulative and are expected to increase substantially in Q3 and Q4.
LPI	LOCAL INDICATOR	Number of businesses that received a grant	Cllr D Thomas	Local	n/a	61	Min 157	14	23		N/A	Data was not collected quarterly in 2007/08. Q2 2008/09 figures are cumulative and are expected to increase substantially in Q3 and Q4.
LPI	LOCAL INDICATOR	Number of jobs created/supported through regeneration schemes	Cllr D Thomas	Local	n/a	1679.5	1947	1936	1981			Improved on last year. Based on grant programme of 2003 to present. This grant programme ends of Oct 2008, when a new one will begin. The figure will drop substantially in the 3rd quarter as a result.

Indicator Reference	Type of Indicator	Description	Lead Member	Welsh Average 07/08	2007/08 Annual Target	2007/08 Data	2008/09 Target	Qtr 1 data	Qtr 2 data	Performance	Improvement?	Comments
<b>A DYNAMIC COUNCIL</b>												
BNF/004	NATIONAL STRATEGIC INDICATOR	Time taken to process Housing Benefit (HB) and Council Tax Benefit (CTB) new claims and change events	Cllr J Thompson-Hill	New	New	New	15 days	9.49 days	8.97 days		NEW	
CFH/007	NATIONAL CORE INDICATOR	The percentage of council tax due for the financial year which was received by the authority	Cllr J Thompson-Hill	96.62%	97.5%	98.20%	97.5%	31.15% (31.7%)	57.5% (57.5%)			
CFH/008	NATIONAL CORE INDICATOR	The percentage of non-domestic rates due for the financial year which were received by the authority	Cllr J Thompson-Hill	97.92%	98%	98.60%	98%	34.27% (34.3%)	62.7% (64.7%)			
CHR/002	NATIONAL CORE INDICATOR	The number of working days/shifts per full time equivalent (FTE) local authority employee lost due to sickness absence (corporate).	Cllr R Hughes	11.7 days	9 days	11.56 days	11 days	Not available	5.68 days (4.84 days)			
LPI	LOCAL INDICATOR	% of eligible staff receiving an annual performance appraisal (Corporate)	Cllr R Hughes	n/a	100	49.24%	100%	31.47%	65.53%		N/A	The Q2 figure includes all appraisals completed during the 19-month period from 01/04/2007 - 31/10/2008. Please note that further information on performance appraisals is included in the "Routine Reporting on Personnel" paper to Cabinet.



**The table below shows how many of the 56 Key Performance Indicators are currently below target for 2008/09**

Is performance on target?

		On target 	Slippage against target but within 10% of target 	Performance is more than 10% below target 
Has performance improved?	Performance improved since last year ↑	19 Performance Indicators	2 Performance Indicators	5 Performance Indicators
	Performance same as last year →	7 Performance Indicators	1 Performance Indicators	0 Performance Indicators
	Performance worse than last year ↓	2 Performance Indicators	6 Performance Indicators	4 Performance Indicators
	No information on last year's performance	7 Performance Indicators	1 Performance Indicators	2 Performance Indicators

**Indicators which are more than 10% below target and performance is worse than last year**

Reference	Lead Member	Indicator
National Core Indicator SCC/011a	Cllr M Jones	The percentage of initial assessments that took place during the year where there is evidence that the child has been seen by the Social Worker
Local Indicator LPI 12	Cllr P Dobb	The rate of `MH clients aged 18 to 64 supported in the community (excludes professional support)
National Core Indicator HLA/010c	Cllr P Dobb	The average number of days taken to complete non-urgent repairs
National Core Indicator PSR/002	Cllr P Dobb	Average number of calendar days taken to deliver a Disabled Facilities Grant

**Indicators which are more than 10% below target but have shown improvement on the previous year**

Reference	Lead Member	Indicator
National Core Indicator SCC/008b	Cllr M Jones	The average time taken to complete initial assessments that took longer than 7 working days to complete
National Core Indicator SCC/011b	Cllr M Jones	The percentage of initial assessments that took place during the year where there is evidence that the child has been seen alone by the Social Worker
National Strategic Indicator WMT/S/001bi	Cllr E Williams	The percentage of municipal waste reused and/or recycled
National Core Indicator WMT/C/007	Cllr E Williams	The percentage of municipal waste received at all household waste amenity sites that is reused, recycled or composted
National Core Indicator CMT/001	Cllr D Thomas	The percentage of total length of Rights of Way which are easy to use by members of the public

**Indicators which are more than 10% below target and it is not possible to compare performance with last year**

Reference	Lead Member	Indicator
National Core Indicator HLS/014	Cllr P Dobb	The average number of calendar days taken to let permanent accommodation
Local Indicator	Cllr R Hughes	The percentage of eligible staff receiving an annual performance appraisal (Corporate)

**Indicators which are within 10% of target and performance is worse than last year**

Reference	Lead Member	Indicator
Local Indicator LPI 10	Cllr P Dobb	Rate of LD clients aged 18 to 64 supported in the community (excludes professional support)
Local Indicator LPI 11	Cllr P Dobb	Rate of PDSI clients aged 18 to 64 supported in the community (excludes professional support)
Local Indicator	Cllr H Evans	% of pupils eligible for assessment at the end of KS1, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment. <b>Note – Data refers to academic year 2007/08</b>
National Core Indicator LCL/001	Cllr M Jones	The number of visits to public libraries per 1000 population.
National Core Indicator STS/005b	Cllr E Williams	The percentage of highway and relevant land inspected of a high or acceptable standard of cleanliness
National Core Indicator CHR/002	Cllr R Hughes	The number of working days/shifts per full time equivalent (FTE) local authority employee lost due to sickness absence (corporate)

**Indicators which are within 10% of target and performance is the same or has improved since last year**

<b>Reference</b>	<b>Lead Member</b>	<b>Indicator</b>
National Core Indicator SCC/014	Cllr M Jones	The percentage of initial child protection conferences due in the year which were held within 15 working days of the strategy discussion
National Core Indicator SCC/025	Cllr M Jones	The percentage of statutory visits to looked after children due in the year that took place in accordance with regulations
Local Indicator	Cllr E Williams	The percentage of green heating oil in our corporate buildings

**Indicators which are within 10% of target and it is not possible to compare performance with last year**

<b>Reference</b>	<b>Lead Member</b>	<b>Indicator</b>
Local Indicator	Cllr E Williams	Residual waste: number of kg of waste collected per capita that is not recycled

**REPORT TO CABINET**

**CABINET MEMBER:** Councillor P A Dobb, Lead Member for Health, Social Care & Wellbeing

**DATE:** 18th November 2008

**SUBJECT:** Housing Revenue Account Budget & Capital Plan Update Report 2008 / 2009

**1 DECISION SOUGHT**

Members note the forecast outturn position of the Housing Revenue Account (H.R.A.) and Housing Capital Plan for 2008/09.

**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 RESOURCE IMPLICATIONS**

**4.1 Cost Implications - Housing Revenue Budget 2008/09**

- The latest forecast for the HRA shows that an in-year revenue surplus of £359k should be generated by the end of the financial year, which is £73k less than forecast in the original budget set in February 2008.
- There has been very little movement in revenue expenditure since the end of September (net reduction of only £7k over all services).
- The latest rent income forecast has been reduced by £7k from last month based actual rents received so far. The forecast income from HRA balances has been reduced by £27k to reflect lower interest rate projections. The forecast rate used has dropped by over 1% and could fall further if the interest the council can achieve on its investments reduces, which is possible in the current environment.
- Right to Buy sales have already been reduced to 6 for 2008/09. There has only been one completed sale so far but there are some in the system. The forecast has therefore been reduced to 4 for the year.

## **4.2 Cost Implications - Housing Stock Business Plan (HSBP)**

- The HSBP is kept under regular review and has recently been updated. The further revision to RTB sales has also been factored in. While the reduction in sales causes some concern in the long term it should be compensated by other areas of the Plan exceeding expectations. If for example the increases in management and maintenance allowances in the housing subsidy settlement are similar to previous years it would more than compensate for the fall in sales.
- Details of next year's subsidy settlement will be available in December and the Plan will be fully updated and presented to Cabinet in January.

## **4.3 Cost Implications Housing Capital Plan**

- As previously reported, the windows and heating contracts have both now completed. The major refurbishment contract is continuing with 624 properties completed (562 last month).
- The plan has been amended from the original budget forecast to account for contract stage payments and retention payments that have been made in 2008/09, rather than 2007-08.
- The council is still on target to achieve the Welsh Housing Quality Standard by 2012.

## **5 RISK ASSESSMENT**

### **5.1 Risks associated with not agreeing the recommendation**

There would be a reduction in financial control and ability to influence the current HRA budget and the longer term future of the Housing Stock Business Plan.

### **5.2 Risks associated with agreeing the recommendation**

No risk in agreeing the recommendation however there are risks involved with the delivery of the Housing Stock Business Plan (sales, capital costs, etc.) that must be continually reviewed.

## **6 FINANCIAL CONTROLLER STATEMENT**

The forecast HRA outturn for 2008/09 will ensure that balances are in-line with Housing Stock Business Plan expectations. The Housing Stock Business Plan should continue to be closely monitored and the possible long-term implications assessed. The implications of next year's subsidy settlement will have a significant impact on the long term viability of the Business Plan.

**7 CONSULTATION CARRIED OUT**

Cabinet agreed the HRA capital and revenue budget in February 2008.

**8 IMPLICATIONS – COUNCIL PRIORITIES & VISION**

The level of funding available to services together with budgetary performance impacts upon all services of the Council. The HSBP will help achieve the ideal living vision, through access to good quality, affordable housing, which is more energy efficient and designed to meet their needs.

**9 ACTION PLAN**

<b>Action</b>	<b>Responsibility</b>	<b>Date</b>
Ongoing monitoring of the HSBP.	Head of Housing Services & Senior Management Accountant.	Monthly updates to Cabinet.

**10 RECOMMENDATION**

Members note the latest financial forecast position of the Housing Revenue Account (H.R.A.) for the current financial year.

**Housing Revenue Account ~ 2008/09 Budget**

<b><u>2007/08</u></b> <b>Actual</b> <b>Outturn</b> £	<b><u>Period 7 - October 2008</u></b>	<b>Original</b> <b>Budget</b> £	<b><u>2008/9</u></b> <b>Forecast</b> <b>Out-turn</b> £	<b>Variance</b> <b>to Budget</b> £
<b><u>EXPENDITURE</u></b>				
1,609,150	Supervision & Management - General	1,563,283	1,636,297	-73,015
251,603	Supervision & Management - Special	268,573	261,228	7,345
145,498	Welfare Services	142,552	144,785	-2,233
306,194	Homelessness - Leased Properties	402,000	394,702	7,298
0	Rents	0	0	0
2,576,310	Repairs and Maintenance	2,640,199	2,644,064	-3,866
<b>4,888,755</b>	<b>Total Housing Management</b>	<b>5,016,607</b>	<b>5,081,077</b>	<b>-64,470</b>
0	Rent Rebates	0	0	0
1,448,188	Item 8 Capital Charges	1,881,000	1,983,430	-102,430
0	CERA	3,500,000	3,000,000	500,000
0	Rent Rebate Subsidy Limitation	140,000	125,000	15,000
2,826,904	Subsidy	2,413,000	2,894,299	-481,299
12,513	Provision for Bad Debts	25,000	25,000	0
<b>9,176,360</b>	<b>Total Expenditure</b>	<b>12,975,607</b>	<b>13,108,806</b>	<b>-133,199</b>
<b><u>INCOME</u></b>				
9,570,607	Rents (net of voids)	9,924,222	9,955,530	31,308
189,918	Leased Rents	236,808	250,863	14,055
143,453	Garages	150,952	139,799	-11,153
199,587	Interest on Balances & Other Income	95,000	121,430	26,430
<b>10,103,565</b>	<b>Total Income</b>	<b>10,406,982</b>	<b>10,467,621</b>	<b>60,639</b>
<b>Surplus / Deficit (-) for the Year</b>				
<b>927,205</b>	<b>General Balances</b>	<b>931,375</b>	<b>358,816</b>	<b>-572,559</b>
<b>0</b>	<b>Earmarked Balances</b>	<b>-3,500,000</b>	<b>-3,000,000</b>	<b>500,000</b>
2,779,531	Balance as at start of year ~ General	3,706,736	3,706,736	0
3,706,736	Balance as at end of year ~ General	1,138,111	1,065,552	-72,559

## Appendix 2

<b>HRA Capital Plan Update 2008/09</b>				
<b><u>Month 7</u></b>				
<b>Actual 2007/08 £</b>	<b>Description</b>	<b>Approved Schemes £</b>	<b>Actual at End Oct £</b>	<b>Forecast Outturn £</b>
363,377	Environmental Improvement Works	440,000	155,808	300,000
56,654	2005/06 Major Improvements – All Groups	0	52,050	100,000
5,660,688	2006/07 Major Improvements – All Groups	6,735,000	3,525,050	6,735,000
2,552,468	Windows Replacement	100,000	202,075	205,000
831,900	Central Heating Contract	100,000	376,781	422,000
550,040	DFG - Council Properties *	400,000	296,274	500,000
<b>10,015,127</b>	<b>Total</b>	<b>7,890,000</b>	<b>4,608,038</b>	<b>8,262,000</b>
<b>2007/08 £</b>	<b>HRA Capital Plan Financed By:</b>	<b>Original £</b>		<b>Forecast £</b>
2,400,000	Major Repairs Allowance Grant	2,400,000		2,400,000
483,000	Useable Capital Receipts	297,000		112,000
7,132,127	Prudential Borrowing	1,693,000		2,750,000
0	CERA	3,500,000		3,000,000
<b>10,015,127</b>	<b>Total</b>	<b>7,890,000</b>		<b>8,262,000</b>



**REPORT TO CABINET**

**REPORT BY:** Councillor J. Thompson-Hill, Lead Member for Finance

**DATE:** 18 November 2008

**SUBJECT:** Revenue Budget and Summary Capital Plan 2008/09

**1. DECISION SOUGHT**

- 1.1 To note the latest projected outturn figures for the current financial year as detailed in the attached Appendix 1.
- 1.2 To also note the summary capital plan performance for the 2008/09 financial year as detailed in the attached Appendices 2 and 3.
- 1.3 To note the current position on the vacancy control procedure.
- 1.4 To consider the recommendations of the Task & Finish group set up to review the potential for delivering savings within the Library service, Pavilions and Culture & Heritage facilities.

**2. REASON FOR SEEKING DECISION**

- 2.1 To advise Members of the latest estimated position on the budget performance for the year together with the recommendations from the LABGI Task & Finish group and an update of the Council's cash investments on the Money Market. In view of the very poor Assembly settlements that will be received over the next few financial years there is a pressing 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 Service's latest projections for the current financial year. The likely position on several pressure areas is becoming clearer. Appendix 1 details a forecast overall overspend of £376k, excluding the schools' delegated budgets. This figure is £40k more than the figure reported for last month and demonstrates a levelling of the pressures. The sum is made up of pressures within the Lifelong Learning directorate partly offset by savings in Environment and Corporate areas.

*i) Lifelong Learning is forecasting an over spend of £695k mainly due to:*

- a) the costs associated with the operation and closure of the Hyfrydle Children's Home on the Plas Brondyffryn school site are £374k,
- b) the assumed cost associated with the current interim management arrangements, including the interim director and chief officer and other additional costs, are £220k.
- c) the increasing losses incurred by the School Meals service above the £150k provided for within the budget could reach £101k, however further options for delivery are being considered and will be presented to members shortly. If accepted these should reduce the current overspend level in the future.
- d) the potential clawback of £120k of Big Lottery Fund Grants for the Mentro Allan project will be covered by underspends within the Leisure Service over the current and next financial years.

The financial position of the High School formerly in special measures will also require careful monitoring. The Council's rules on school's operating with negative balances on their delegated budget require the school to produce a recovery plan that shows the position improving over no more than 2 years. The school has submitted a plan and this is being reviewed before it can be accepted.

*ii) Social Services & Housing directorate is now forecasting a small underspend of £9k. This is an improvement of £50k on last month, mainly due to reductions in placements and improved income.*

*iii) Environment directorate is forecasting an underspend of £160k. This is a reduction of £90k from last month and is mainly due to;*

a) the income generated from the Car Parking, Building Control, Land Charges and Development Control functions continue to fall alarmingly. Based upon current year end projections the budget pressure is £238K on Development Control, £117K on Building Control, £52K on Car Parks and £45K on Land Charges.

4.2 It is likely that all services will experience cost pressures resulting from the recent increases in energy costs. Recent significant falls in the cost of crude oil are now reflected at the pumps. This should ease the pressure on school transport and highway maintenance contractors to a degree. Premises costs are expected to rise during the winter period as energy cost increases begin to impact.

4.3 Appendix 2 shows a **capital plan summary** and Appendix 3 shows capital expenditure split by Directorate priority.

4.4 Capital expenditure at the end of October is £16.5m against a plan of £36m.

4.5 Appendix 4 provides the current position on the vacancy control procedure introduced as part on the budget setting exercise for 2008/9.

## 4.6 LABGI TASK & FINISH GROUP

An amount of £100k was allocated for the cost of a review of the operation of the Library service, the Rhyl & Llangollen Pavilions and the other Culture & Heritage facilities. The review was to include identifying cost savings and Income generation opportunities to ensure the services meet their savings targets while seeking to safeguard the ongoing operation of the facilities. The funding is one off 'spend to save' funding for reviewing the operation of the above facilities.

The group recommendations on Library opening hours were agreed by Cabinet in July. £20k of the total sum had been used to delay these changes until July.

The group reviewed proposals from the Director of Environment over the remaining facilities involved.

1. Discussions have taken place with WAG, in relation to the projects which may be developed in Rhyl, including the Council owned assets, following the recent announcement of a Strategic Regeneration Area in the town. Work has recently commenced on drafting an outline brief aimed at appointing consultants to develop ideas floated as part of the recent feasibility study into a formal project. Final agreed proposals should lead to the submission of bids for substantial funding from external sources. It is estimated that Denbighshire's contribution towards the feasibility study, should be no greater than £25k. Further work is necessary to refine this figure, as the draft brief is progressed.

2. Discussions have taken place regarding a piece of consultancy, aimed at reviewing the management of a number of heritage assets owned by Denbighshire. It is estimated that a budget of around £25k should be provided to support this consultancy, with contributions being possible from Bodelwyddan Castle Trust and potentially the Arts Council. It is currently intended that the decisions required to underpin any new approach, should be taken before the end of the current financial year.

3. A complex series of discussions is taking place with a variety of groups in and around Llangollen over the management and marketing of some of the assets Denbighshire owns in Llangollen, for the benefit of the wider community. It is not clear at this early stage what level of work would be required to be funded in order to support this, however it is prudent to make some allowance within the funding for any future support that may emerge.

The group took the view that supporting high level reviews of this nature with the potential of leveraging in substantial external funding for the agreed solutions would be a good use of the remaining £80k funding and **therefore recommends to Cabinet that the £80k balance of LABGI resources be earmarked for the Council's contribution to the 3 studies detailed above. Resources Scrutiny Committee have reviewed this recommendation and resolved that Cabinet**

**be informed that the Resources Scrutiny Committee note the progress to date of the LABGI Task and Finish Group.**

## **5. RISK ASSESSMENT**

### **5.1 Risks associated with not agreeing the recommendations**

Risk of service overspends not being contained within the overall Council budget with the resulting reduction to Reserves & Balances and pressure continuing into future years.

### **5.2 Risks associated with agreeing the recommendations**

Potential for impact upon service levels and quality with possibility of negative impact upon the Council's public image.

## **6. FINANCIAL CONTROLLER STATEMENT**

6.1 Directorates need to exercise tight control over their revenue expenditure to ensure they are able to remain within their budgets. The first call on underspends brought forward from last financial year together with underspends in the current year, will of course be any pressures in the current year.

6.2 The closure of the residential unit Hyfrydle, on the Ysgol Plas Brondyffryn site will cap the Council's liabilities this year and in the future. Action is currently being considered to ensure the facilities are brought into alternate use in the medium term.

6.3 The school formally in special measures has produced a recovery plan agreed by the governors. The plan will need to demonstrate that the school can operate within the delegated budget over a maximum of the following 2 financial years. This plan is being reviewed currently but early indications suggest that further work is necessary to clearly demonstrate a viable position.

6.4 A continuing area for concern is the worsening financial position of the school meals service where the agreed level of temporary additional subsidy, £150k, will be inadequate in the current financial year. A proposal to address this should be presented to members shortly.

6.6 The grant clawback on the Mentro Allan project at £120k is planned to be covered from service savings over two years. Action will need to be agreed to ensure the impact can be contained within the Directorate overall budget.

6.7 Officers are involved in detailed negotiations with the Health Service to ensure that the Council receives a fair share of the additional W.A.G. Continuing Health Care funding.

## **6.8 MONEY MARKET INVESTMENTS UPDATE**

The turmoil on the international financial markets continues, although the problems are now spreading to the wider economy. In America the three biggest motor manufacturers – Ford, GM and Chrysler have requested government assistance; while closer to home David Macleans has gone into administration. National governments are also coming under increasing pressure. The International Monetary Fund has offered emergency loan facilities to Iceland, Ukraine, Hungary and Pakistan. It is likely that many countries will slip into significant recession over the coming months.

The Council has taken a number of steps to further protect itself:

- £4.4m of investments with foreign banks have matured and been redirected into UK banks.
- A £2.5m loan has been prematurely repaid to reduce the amount of cash available for investment
- Further opportunities for debt repayment are being reviewed
- £8.1m has now been invested in the HM Treasury deposit account

The Council still has investments with foreign-owned banks, but as these mature they are being redirected into UK or Treasury investments. These actions will reduce the risk to the Council but cannot entirely remove them.

On 6 November, the Bank of England announced a 1.5% cut in base rates. Forecasts suggest rates may drop by a further 1.5% during 09/10. This has had a significant impact on the investment return the Council will be able to achieve on its remaining investments. A 1.5% reduction represents about a £600k loss of interest in a full year. This is on top of the move to less risky, lower interest investments that was already underway. Realistically, the Council is facing a reduction in investment income of around £1m for 09/10. While officers will attempt to mitigate this, it is unlikely it can now be fully contained within existing budgets.

## **7. CONSULTATION CARRIED OUT**

- 7.1 Lead Cabinet members need to consult with Heads of Service during the financial year to agree necessary remedial actions to contain pressures as they occur.

## **8. IMPLICATIONS ON OTHER POLICY AREAS**

### **The Vision**

- 8.1 Proper management of the Council's revenue budget enables services to work towards delivering the Council's Vision.

### **Other Policy Areas Including Corporate**

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

## **9. ACTION PLAN**

- 9.1 All departments undertake regular budget monitoring to identify savings and efficiencies.
- 9.2 Officers within Lifelong Learning and Finance directorates are working to reduce the level of pressures and identify other offsetting savings to bring overall spend in line with the directorate budget.

## **10. RECOMMENDATION**

- 10.1 To note the projected outturn figures for 2008/09 as detailed in the attached Appendix 1.
- 10.2 To also note the summary capital plan performance figures for 2008/09 financial year as detailed in the attached Appendices 2 and 3.
- 10.3 That Members note the current position in connection with the vacancy control procedure.
- 10.4 That Members agree the recommendations of the LABGI Task & Finish group as detailed in 4.6.

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2008/09**  
**SUMMARY POSITION AS AT END October 2008**

Directorate	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
Lifelong Learning (excluding schools delegated)	20,004	-6,955	13,049	20,699	-6,955	13,744	695	0	695	695
Environment	51,507	-21,429	30,078	51,034	-21,116	29,918	-473	313	-160	-250
Social Services & Housing	55,961	-17,243	38,718	58,709	-20,000	38,709	2,748	-2,757	-9	41
County Clerk	1,975	-403	1,572	1,975	-403	1,572	0	0	0	0
Resources	10,641	-3,121	7,520	10,641	-3,121	7,520	0	0	0	0
Corporate, Miscellaneous & Benefits	29,517	-23,764	5,753	29,567	-23,764	5,803	50	0	50	50
<b>Total All Services</b>	<b>169,605</b>	<b>-72,915</b>	<b>96,690</b>	<b>172,625</b>	<b>-75,359</b>	<b>97,266</b>	<b>3,020</b>	<b>-2,444</b>	<b>576</b>	<b>536</b>
Capital Financing Charges savings & additional Investment Income net of contributions to specific provisions			10,673			10,473			-200	-200
Precepts & Levies			4,347			4,347			0	0
Contribution to balances/reserves			570			570			0	0
			<b>112,280</b>			<b>112,656</b>			<b>376</b>	<b>336</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 2008/09**  
**LIFELONG LEARNING**  
**SUMMARY POSITION AS AT END October 2008**

	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
<b>Individual School Budgets</b>	58,105	-5,443	52,662	62,025	-8,479	53,546	3,920	-3,036	884	560
<b>Partnership &amp; Inclusion</b>	9,511	-5,421	4,090	9,885	-5,421	4,464	374	0	374	374
<b>School Development</b>	6,610	-1,292	5,318	6,610	-1,292	5,318	0	0	0	0
<b>Policy &amp; Performance</b>	1,448	-85	1,363	1,769	-85	1,684	321	0	321	321
<b>Libraries</b>	2,435	-157	2,278	2,435	-157	2,278	0	0	0	0
<b>Total excluding schools</b>	<b>20,004</b>	<b>-6,955</b>	<b>13,049</b>	<b>20,699</b>	<b>-6,955</b>	<b>13,744</b>	<b>695</b>	<b>0</b>	<b>695</b>	<b>695</b>



**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2008/09  
LIFELONG LEARNING DIRECTORATE**

	<b>Current Month £000s</b>	<b>Previous Month £000s</b>
<b><u>INDIVIDUAL SCHOOLS BUDGET</u></b>		
Following updates during October, projections would indicate that school balances of £1,953k as at 31.03.08 will reduce to £1,069k during 2008/2009. This is an increase in expenditure of £324k since the last report in September. An SEN banding system is being introduced in 2009 for Schools to manage their own SEN budgets, and High Schools have agreed to manage the current balances of these accounts as part of this process. High School SEN balances are now therefore included in this report for the first time. Two Schools are the main causes of the remainder of the increase - Dinas Bran have increased expenditure by £64k due to increased staffing, leasing and Prudential Borrowing costs. Plas Brondyffryn have reduced their £180k surplus to a small estimated deficit of £20k. This was to maintain current costs & staffing levels for the remainder of the financial year.		
	<b>884</b>	<b>560</b>
<b><u>POLICY &amp; PERFORMANCE</u></b>		
Costs associated with the Interim Management arrangements	<b>220</b>	<b>220</b>
School Meals Subsidy	<b>101</b>	<b>101</b>
<b><u>PARTNERSHIPS &amp; INCLUSION</u></b>		
Cost associated with the closure of Hyfrydle Children's Home	<b>374</b>	<b>374</b>
<b>TOTAL excluding schools</b>	<b>695</b>	<b>695</b>

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2008/09  
LIFELONG LEARNING DIRECTORATE**

**Progress with delivery of savings assumptions built into 2008/9 Budget**

**1. Savings targets agreed, ( see report to Council 12 February for details)**

	<b>£000</b>
a) Efficiency savings	167
b) Other savings	79
c) Vacancy control	92 (see separate sheet for details of position to date)

**2. Progress with delivery of savings.**

**All savings are on target to be delivered apart from the following:**

<b>a) Efficiency savings.</b>	<b>£000</b>	<b>Alternative savings identified</b>
i) Freezing of Partnerships post (grant funded)	47	alternative core funding sought to be diverted to the grant
<b>b) Other savings</b>		
i) Vacancy Control	34	Yet to be identified

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2008/09**  
**ENVIRONMENT DIRECTORATE**  
**SUMMARY POSITION AS AT END October 2008**

	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
DEVELOPMENT SERVICES (see note 1)	9,009	-5,102	3,907	9,024	-5,055	3,969	15	47	62	45
TRANSPORT & INFRASTRUCTURE (see note 2)	13,850	-4,453	9,397	13,833	-4,413	9,420	-17	40	23	13
PLANNING & PUBLIC PROTECTION (see notes 2&3)	4,270	-1,865	2,405	4,225	-1,639	2,586	-45	226	181	115
DIRECTOR & SUPPORT (see note 4)	1,373	-237	1,136	1,172	-237	935	-201	0	-201	-177
ENVIRONMENTAL SERVICES (see note 5)	17,189	-7,279	9,910	16,966	-7,279	9,687	-223	0	-223	-250
TOURISM, CULTURE & COUNTRYSIDE (see note 6)	5,816	-2,493	3,323	5,814	-2,493	3,321	-2	0	-2	4
<b>Total Environment</b>	<b>51,507</b>	<b>-21,429</b>	<b>30,078</b>	<b>51,034</b>	<b>-21,116</b>	<b>29,918</b>	<b>-473</b>	<b>313</b>	<b>-160</b>	<b>-250</b>

**Potential Pressures**

Pressures on the Agricultural Estates, Building Services and Health and Safety budgets within the Building Group. In addition pressures on the Coastal Facilities income targets as there are vacant units at the Children's Village in Rhyl.

The income generated from the Car Parking, Building Control, Land Charges and Development Control functions continue to fall alarmingly. Based upon current year end projections the budget pressure is £238K on Development Control, £117K on Building Control, £52K on Car Parks and £45K on Land Charges.

The animal welfare case in Llandegla is estimated to create a £42K pressure on the Trading Standards budget in 08/09. The total cost of the case over 2 financial years is projected to cost circa £100K.

All savings on staffing from delays in filling vacant posts have been removed from services and accumulated in a central budget controlled by the Director. These savings will be required to offset pressures as they arise during the year.

An additional £300K budget in 08/09 was given to Environmental Services to finance DCC's share of the procurement costs of a residual waste disposal facility. Latest events indicate that the procurement process will slip and that only £73K will be spent in the current financial year. Clearly any underspend in 08/09 will need be utilised towards offsetting the significant income pressures as detailed in 2 above. The resultant additional waste procurement costs to be incurred in 09/10 will need to be funded from the Sustainable Waste Management Reserve and/or from any final 08/09 overall Directorate underspend carried forward.

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2008/09  
ENVIRONMENT - EFFICIENCY SAVINGS  
SUMMARY POSITION AS AT END October 2008**

**Progress with delivery of savings assumptions built into 2008/9 Budget**

**1. Savings targets agreed, ( see report to Council 12 February for details)**

	<b>£000</b>
a) Efficiency savings	359
b) Other savings	92
c) Vacancy control	178

**2. Progress with delivery of savings.**

**All savings are on target to be delivered apart from the following:**

**a) Efficiency savings.**

- i) Street Lighting - stop night time inspections (£7k). Subsequently agreed not desirable from H & S viewpoint. Will be replaced by other efficiencies within Street Lighting budget.
- ii) Rhyl Pavilion Theatre - reduced funding and changes in programming policy (£45k). The Theatre manager has achieved most of the required efficiency savings. Work is on-going to ensure that in 08/09 the balance will be found from alternative savings from within the overall theatre budget.

**b) Other savings**

- i) Public Conveniences - closure of old Golf Rd toilets (£5k) - unlikely to achieve this so replaced by an alternative saving within PC budget.
- ii) Reduced Beach Lifeguard service (£25k) - only partly achieved. Will need to be accommodated within existing budget.
- iii) Historic Houses of denbighshire £5k - will need to be replaced by an alternative saving.

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2008/09**  
**SOCIAL SERVICES AND HOUSING**  
**SUMMARY POSITION AS AT END October 2008**

	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
Children Services	9,061	-529	8,532	10,501	-1,877	8,624	1,440	-1,348	92	103
Underspend b/f					-150	-150	0	-150	-150	-150
Adult Services	36,506	-8,909	27,597	37,687	-9,614	28,073	1,181	-705	476	497
Underspend b/f					-615	-615	0	-615	-615	-615
Business Support & Development	2,773	-504	2,269	2,968	-587	2,381	195	-83	112	105
Cymorth Grant	1,673	-1,611	62	1,673	-1,611	62	0	0	0	0
Supporting People Grant	4,363	-4,350	13	4,363	-4,350	13	0	0	0	0
<b>Sub Total Social Services</b>	<b>54,376</b>	<b>-15,903</b>	<b>38,473</b>	<b>57,192</b>	<b>-18,804</b>	<b>38,388</b>	<b>2,816</b>	<b>-2,901</b>	<b>-85</b>	<b>-60</b>
Non HRA Housing	1,585	-1,340	245	1,517	-1,196	321	-68	144	76	101
Underspend Brought Forward	0	0	0	0	0	0	0	0	0	0
<b>Directorate Total</b>	<b>55,961</b>	<b>-17,243</b>	<b>38,718</b>	<b>58,709</b>	<b>-20,000</b>	<b>38,709</b>	<b>2,748</b>	<b>-2,757</b>	<b>-9</b>	<b>41</b>

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2008/09**  
**SOCIAL SERVICES & HOUSING**

<u>Comments</u>	<b>Current Month</b>	<b>Previous Month</b>
	<b>£000s</b>	<b>£000s</b>
<b><u>SOCIAL SERVICES</u></b>		
<b>CHILDREN'S SERVICES</b>		
The main pressure area is the specialist placement budget which is expected to over spend by £378k. The overspend on the specialist placement budget is partially offset by the in-house fostering service (under spend £216k).	92	103
<b>Under spend Brought Forward 2007/08</b>	-150	-150
<b>ADULT SERVICES</b>		
<b>Learning Disabilities</b>		
The growth in demand has increased faster than WAG projections in recent years. The main pressure area is residential placements (£271k). Work is continuing to ensure the maximisation of joint funding from the NHS. Reduction in outturn due to additional LHB income and reduction in Preserved Rights care packages.	385	422
<b>Mental Illness</b>		
The main budget pressures remain in Residential, Nursing and Home care. The outturn has increased by £38k here. However, this has been offset by an improvement in the projected outturn on Preserved Rights of £30k	251	243
<b>Older People</b>		
<b>Provider</b> - Residential Homes remain the main budget pressure although this is forecast to be only £32k overspent and could well improve further now that Llys ant has closed. <b>Purchasing</b> - The final position for the service is expected to be £136k under spent which equates to a reduction in the under spend of £15k from the previous month. The main factors are an increased spend on Carers Services for older people (£24k)	-299	-314
<b>PDSI</b>		
Community Care spend is the main budget pressure (£262k over), an increase of £18k. The £18k reduction on overall PDSI spend compared with last month is due to some Carers' Services spend being transferred to older people.	305	320
<b>Performance Management &amp; Commissioning</b>		
A combined under spend of £227k is predicted due to various factors, including additional receivership income circa £80k (this is the assumed minimum and could improve). The remainder is due to vacancy control on staffing budgets and additional grant income.	-227	-232
<b>Other Adult Services</b>		
It is assumed that the Fairer Charging Grant continues at the same level as 2007/08. However the remaining charging policy income is based on ability to pay and can be volatile. Therefore it is assume budgeted income will be met but not exceeded at this stage.	-48	-48
<b>Joint Working &amp; Older People Strategy</b>		
This consists solely of grant funding which is planned to be fully spent. The £2k under spend relates to the budget provision which will remain unspent.	-2	-2
<b>Cefndy Healthcare</b>		
Cefndy is under increasing pressure from raw material suppliers with the costs expected to equate to over 60% of sales for 2008/09, an increase of 3% from 07/08. However, the 08/09 outturn is expected to show an improvement of £100k on the final position in 07/08.	111	109
<b>Under spend Brought Forward 2007/08</b>	-615	-615
<b>TOTAL ADULT SERVICES</b>	-139	-117
<b>Business Support &amp; Development</b>		
Predicted over spend is mainly due to an increase in expected PARIS costs although this has in part been offset by a reduction on various supplies budgets throughout establishments and offices.	112	104
	<b>112</b>	<b>104</b>
<b>Cymorth Grant</b>		
All expenditure relating to the Cymorth grant has to be spent in year.	0	0
	<b>0</b>	<b>0</b>
<b>Supporting People</b>		
It is assumed that all the recurrent SP under spend will be taken to reserves. The balance of the reserve is currently £1.9m. The SP strategy is currently being revised as the latest proposals around the future of the grant are being considered. Still awaiting confirmation of 2008/09 grant amounts.	0	0
<b>HOUSING</b>		
The housing budget is estimated to be £76k overspent in 08/09. This is an improvement of £25k compared to last month. Additional funding has been secured in relation to the Housing Strategy service and a review of salary costs has highlighted further savings over all services. Despite the improvement, long term pressures remain within the Homelessness service, particularly in the current economic climate.	76	101
<b>TOTAL HOUSING</b>	<b>76</b>	<b>101</b>
<b>TOTAL SOCIAL SERVICES &amp; HOUSING</b>	<b>-9</b>	<b>41</b>

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2008/09  
SOCIAL SERVICES & HOUSING**

**Progress with delivery of savings assumptions built into 2008/9 Budget**

**1. Savings targets agreed, ( see report to Council 12 February for details)**

	<b>£000</b>
a) Efficiency savings	567
b) Other savings	108
c) Reduced travel costs	25
d) Vacancy control	125 (see separate sheet)

**2. Progress with delivery of savings.**

**All savings are on target to be delivered apart from the following:**

<b>a) Efficiency savings.</b>	<b>£000</b>	<b>Alternative savings identified</b>
i) Restructure of day care provision	37	Restructure of day care provision not achievable Alternative savings to be identified, work ongoing
ii) Telecare savings,	70	Telecare savings problematic in achieving £68k Will achieve £35k - £50k for the year Shortfall to be identified, work ongoing
iii) Reduction in costs of placements for children	78	Reduction in costs of placements for children not achievable Alternative savings to be found in reduction of agency staff Work ongoing

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2008/09**  
**RESOURCES, COUNTY CLERK, CORPORATE & MISCELLANEOUS**  
**SUMMARY POSITION AS AT END October 2008**

	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	
<b>County Clerks</b>	1,864	-403	1,461	1,814	-403	1,411	-50	0	-50	0	2
Translation	111	0	111	161	0	161	50	0	50	0	3
<b>Resources Directorate</b>											
Finance	5,187	-2,125	3,062	5,187	-2,125	3,062	0	0	0	0	
Policy Unit	391	0	391	391	0	391	0	0	0	0	
Audit	460	-103	357	460	-103	357	0	0	0	0	
I.T	2,304	-439	1,865	2,304	-439	1,865	0	0	0	0	
Personnel	1,470	-284	1,186	1,470	-284	1,186	0	0	0	0	
Project Management	26	0	26	26	0	26	0	0	0	0	
Customer Care	803	-170	633	803	-170	633	0	0	0	0	
						0	0	0	0	0	
<b>Total</b>	<b>10,641</b>	<b>-3,121</b>	<b>7,520</b>	<b>10,641</b>	<b>-3,121</b>	<b>7,520</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Corporate and Miscellaneous</b>	<b>6,923</b>	<b>-1,133</b>	<b>5,790</b>	<b>6,973</b>	<b>-1,133</b>	<b>5,840</b>	<b>50</b>	<b>0</b>	<b>50</b>	<b>50</b>	1
<b>Benefits</b>	<b>22,594</b>	<b>-22,631</b>	<b>-37</b>	<b>22,594</b>	<b>-22,631</b>	<b>-37</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total</b>	<b>42,133</b>	<b>-27,288</b>	<b>14,845</b>			<b>14,895</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>	
<b>Capital Fin Charges</b>	<b>10,673</b>		<b>10,673</b>	<b>10,473</b>	<b>0</b>	<b>10,473</b>	<b>-200</b>	<b>0</b>	<b>-200</b>	<b>-200</b>	
			<b>0</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Contribution to balances/reserves</b>	<b>570</b>		<b>570</b>	<b>570</b>		<b>570</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

1 Corporate Costs - Pension costs from LGR and later efficiency exercises running ahead of budget. +£50k

2 Planned savings in salary costs due to delays in staff recruitment & maternity leave cover

3 Underlying pressure - increased demand for this service



**RESOURCES DIRECTORATE, COUNTY CLERK & CORPORATE SAVINGS  
SUMMARY POSITION AS AT END October 2008**

**Progress with delivery of savings assumptions built into 2008/9 Budget**

**1. Savings targets agreed, ( see report to Council 12 February for details)**

**£000**

a) Efficiency savings	180
b) Other savings	34
c) Vacancy control	241

**2. Progress with delivery of savings.**

**All savings are on target to be delivered**

**Denbighshire County Council - Capital Plan 2008/09 - 20011/12**

**Position as at October**

**APPENDIX 2**

		2008/9	2009/10	2010/11	2011/12
		£000s	£000s	£000s	£000s
<b>Capital Funding:</b>					
<b>1</b>	<b>General Funding:</b>				
	Unhypothcated Supported Borrowing	8,957	5,918	5,896	5,896
	General Capital Grant	1,921	1,940	2,018	2,018
	General Capital Receipts	21			
	Earmarked Capital Receipts	1,855	0	0	0
		12,754	7,858	7,914	7,914
<b>2</b>	<b>Prudential Borrowing</b>	6,542	15	0	0
<b>3</b>	<b>Reserves and Contributions</b>	1,953	110	0	0
<b>4</b>	<b>Specific Grants</b>	15,777	1,490	488	0
	<b>Total Finance</b>	37,026	9,473	8,402	7,914
	<b>Total Estimated Payments</b>	-36,026	-2,480	-974	0
	<b>Contingency</b>	-1,000	-1,000	-1,000	-1,000
	<b>Unallocated Reserve</b>	0	-110	0	0
	<b>Surplus/ -Insufficient Resources</b>	0	5,883	6,428	6,914

## Capital Expenditure By Directorate

	2008/9	2008/9	2009/10	2010/11
	Spend to October	Estimated programme	Estimated programme	Estimated programme
	£000	£000	£000	£000
Environment	10,430	25,276	60	0
Lifelong Learning	5,368	8,946	1,552	180
Resources	310	1,056	0	0
Social Services and Housing	480	757	175	250
<b>Total</b>	<b>16,588</b>	<b>36,035</b>	<b>1,787</b>	<b>430</b>

## Capital Expenditure by Council Priority

	2008/9	2008/9	2009/10	2010/11
	Spend to October	Estimated programme	Estimated programme	Estimated programme
	£000	£000	£000	£000
School Improvement	4,847	7,833	1,372	0
Highways	2,226	7,152	0	0
Public Realm	1,377	2,710	60	0
<b>Total</b>	<b>8,450</b>	<b>17,695</b>	<b>1,432</b>	<b>0</b>

As part of the 08/09 revenue budget, the Council agreed to fund the borrowing costs of additional Prudential Borrowing. The table below shows how the funds were allocated and forecast expenditure

## Additional Prudential Borrowing

	2008/09	2008/09
	Spend to October	Estimated programme
	£000	£000
School Improvement		0
Highways	705	2,000
Health & Safety		0
<b>Total</b>	<b>705</b>	<b>2,000</b>

**UPDATE ON IMPACT OF VACANCY CONTROL****Appendix 4****Directorate      LIFELONG LEARNING (target saving 2008/9 £82k on going)**

	Detail of vacant posts	Post Frozen	Post temp frozen	Post to be filled	Potential savings 2008/9 In year £	On going £	Impact upon services
<b><u>Service</u></b>							
Policy & Performance	Admin post		1		28,000	28,000	Will be undertaking an Admin posts Review
Youth Service	Session Workers		2		30,000	30,000	No youth work in some areas of the County
<b>Total Lifelong Learning Directorate</b>					<b>58,000</b>	<b>58,000</b>	- service to be provided by vol sector.
<b>Balance to identify/contribution to 2009/10 target (School Development)</b>					<b>34,000</b>	<b>34,000</b>	Savings to be found from efficiencies within the service

**Directorate      RESOURCES (target saving 2008/9 £100k on going)**

	vacant posts	Frozen	temp frozen	be filled	In year £	On going £	
<b><u>Service</u></b>							
FINANCE	Revenues & Benefits	1	0	3	10,000	20,000	No major impact on service delivery.
PERSONNEL	Training post & admin	1	0.5	0	10,000	15,000	
POLICY UNIT	Policy Officers	1	0	2	10,000	30,000	2 posts filled through secondment
ICT	IT posts	1	5	1	90,000	35,000	Potential increased response times
<b>Total Resources Directorate</b>		<b><u>4</u></b>	<b><u>5.5</u></b>	<b><u>6</u></b>	<b><u>120,000</u></b>	<b><u>100,000</u></b>	
<b>Balance to identify/contribution to 2009/10 target</b>					<b>0</b>	<b><u>0</u></b>	

**SOCIAL SERVICES & HOUSING**

**(Target saving £125k on going)**

<u>Service</u>	Detail of vacant posts	Post Frozen	Post temp frozen	Post to be filled	Potential savings 2008/9		Impact upon services
					In year	On going	
<u>Adults</u>	QA Admin .25 hours	0.25			11,458		Less QA activity
	QA Officer .5	0.5			18,725		Less QA activity
	Blue badge assistant	0.5			9,670		
	Welfare Rights	1			30,000		monitoring impact
	Laundress Awelon - 18.5 hrs			0.5			
<u>Children BSD</u>	Care Assistant - Awelon - 19.5 hrs			0.5	10,379		Savings from frozen post Dec- March
	Recruitment officer		1		26,741		monitoring impact
	MIS Admin	1			8,848		monitoring impact
	Directorate admin	1			9,639		
<b>TOTAL</b>					<b>125,460</b>		
<b>Balance to identify/contribution to 2009/10 target</b>					<b>460</b>		

In future months there will be savings from the use of grant funding for posts within Business Support and Development MIS and Staff Development  
there may be savings from redundancies/redeployment in Adult Services

<u>Directorate</u>	<u>Environment</u>	Post Frozen	Post temp frozen	Post to be filled	Potential savings 2008/9		Impact upon services
<u>Service.....</u>	Detail of vacant posts				In year	On going	
<b>Development Services</b>	Asset Challenge Officer			X	4,254	4,254	
<b>Tourism, Heritage &amp; Culture</b>	Llangollen Pavillion CEO		X		30,000	0	
<b>Transport and Infrastructure</b>	Highways Development Control Manager	X			52,111	52,111	
	Senior Engineer (Contracts)	X			25,801	25,801	
	Technical Assistant - Streetworks			X			
	Engineer/Technician - Traffic & Transportation			X			
	Head of Service		X		0	10,000	

	Technician/Engineer		X	28,280	28,280	
<b>Planning And Public Protection Services</b>						
	Trainee Building Control Officer		X	8,000	8,000	Savings from mini restructure Savings utilised to support falling income levels
	Land Charges Admin Officer x 2		X	0	0	
	Mod App - Housing and Area Renewals		X	0	0	Post funded from capital budget Work not being done pending restructuring - may need to employ consultants in short term
	Contaminated Land Officer		X			Causing pressure on existing staff - workload increasing
	Licensing Administration Officer		X	18,912	18,912	
	Development Control & Planning Compliance Manager		X	18,685	18,685	Performance suffering due to vacancy - position on hold pending mini restructure
	Policy , Research & Information Manager		X	45,000	45,000	Risk of not achieving targets for LDP, staff workload not sustainable
	Pollution & Scientific Services Manager (EH)		X	25,000	15,000	Restructuring pending
	Food Safety		X	30,000	10,000	Restructuring pending
<b>Finance and Performance</b>						
	Admin Assistant - Passenger Transport		X	1,000	0	Covered part-time by agency, to be reviewed for peak period in Aug/Sep
	Support Services Officer		X	0	0	Currently covered by prt time support from other part of team
<b>Environmental Services</b>						
	Cemetery Admin Officer		X	13,000	13,000	More pressure on existing staff - which means that agency cover may be required during any periods of sickness or to cover for holidays.
	Grounds Maintenance Supervisor		X	7,496	7,496	No impact - same or better service will be achieved via better management.
	Highways Supervisor x 2		X	56,545	65,969	Same or better service should be obtained via better management and control.
				364,084	322,508	

NOTE :The Directorate strategy is aiming to roll all of 07/08 underspend, together with in year savings because of staff turnover, into a fund for future redundancy and pension backfunding costs. This will be balanced to ensure the target for 08/09 for budget and 'cash' savings are achieved.

REPORT TO CABINET

CABINET MEMBER: Councillor J. Thompson-Hill, Lead Member for Finance

DATE: 18 November 2008

SUBJECT: REVENUE BUDGET 2009/10 UPDATE

1 DECISION SOUGHT

To advise Members of the progress made to date on delivering the required level of budget savings and the review of potential service pressures next financial year, together with the latest indicative figures from the Assembly on the likely settlement for 2010/11.

2 REASON FOR SEEKING DECISION

2.1 Cabinet received a report last month on the Assembly's provisional revenue and capital settlement for next financial year. The report also detailed the draft assumptions that have so far been built into the provisional budget position for service pressures, service development and inflation.

2.2 The Assembly will announce the final settlement details for Councils in 2009/10 on 18 December. It is anticipated that these figures will show an increase of 3.1% in WAG support over the current year, including £153k of additional resources to fund changed school transport eligibility criteria. In summary the provisional figures lead to a need for the Council to identify budget savings/increased income opportunities to a total of £2.15m at least, with an assumed increase in Council Tax of 3%.

2.3 The draft budget position has for sometime assumed a minimum provision for funding pressures likely to be experienced by services next year, namely;

	£k
1. Final year of phased increase in the delegated secondary school budgets	290
2. Modernising Education costs (assumed funded from efficiency savings in school delegated budgets)	500
3. Landfill Tax increase	250
4. Impact of demographic pressures on Social Services	500
5. ITC developments to improve overall authority performance	200
6. Increased capacity of Legal services	50
7. Prudential Borrowing costs to fund £4m of capital spend on Highways and Flood Defence improvements	350

**( Items 1, 2, 4 & 7 all support the Council's agreed priorities)**

This level of proposed additional resources is less than the Council has made available in previous years and is a clear indication of the severe financial constraints resulting from poor WAG settlements.

- 2.5 Inflation assumptions built into the figures are based on similarly tight assumptions, namely 3% overall, and will require services to exercise great care with spending proposals to ensure pressures are minimised.
- 2.6 At a minimum level of £2.15m for savings this reduction is higher than the sort of level previously achieved by the Council. Officers have been reviewing the potential for delivering savings for some months and proposals are beginning to emerge from services. A series of meetings have taken place over the last few weeks to review these proposals with Lead Members, Directors and Heads of Service. Further work is required to refine these proposals. The initial meeting with the Schools Budget Forum is scheduled for 26 November. Scrutiny Committees are also beginning to request update reports on progress with budget setting. Members are reminded that with a savings target at this level, some of the proposals will be unpopular, but the Council must agree a robust and deliverable budget by the end of February each year.
- 2.7 The level of increase in Council Tax will be a major concern for Members especially as Denbighshire already levies the highest level of Council Tax of all the North Wales authorities despite receiving the second highest level of Assembly funding per head of population. The figures currently assume an increase of 3% for next year. This is below the current level of inflation and also below the likely level of increase in retirement pension. This assumption may have to rise if the target level of savings cannot be delivered. As mentioned previously the Assembly has reserve powers to cap any increase at 5%.
- 2.8 The position on the indicative settlement figures for 2010/11 is even tighter. The level of increase in WAG support for revenue purposes has been advised as 1.8% against an All Wales average of 2.2%. The Assembly have used different, updated data on population and pupil number estimates. These assumptions appear flawed and are being checked. The actual settlement next year will use actual data but will be impacted upon by a number of other factors making a reasonable assessment of the final position extremely difficult. The indicative increase of 1.8% has been assumed currently, together with £425k of funding moving into the settlement from specific grants. This produces a minimum target saving for 2010/11 of nearly £3.5m at an assumed Council Tax increase of 3%. This sort of level of savings requirement is likely to continue for several years.

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

Section 151 of the Local Government Act 1972  
Local Government Act 1992  
Part 1 of the Local Government Act 2003



## **4 RESOURCES IMPLICATIONS**

### **4.1 Cost Implications**

The update details of the budget requirement and the impact upon the level of Council Tax increase of various levels of savings targets are shown in appendix 1.

### **4.2 Staffing / Accommodation Implications**

Some of the finally agreed savings proposals are likely to have an impact upon staffing levels and the requirement for office accommodation.

### **4.3 IT Implications**

The need to implement some improvements to the ITC network and systems to deliver improved costs effectiveness is recognised within the proposals for additional resources for services.

## **5 RISK ASSESSMENT**

### **5.1 Risks Associated with not Agreeing the Recommendation/s**

The danger of not being able to agree a robust and deliverable budget for 2009/10 within the statutory timescale, i.e. end February 2009.

### **5.2 Risks Associated with Agreeing the Recommendation/s**

Requirement to review and reduce the operating costs of all services including priority and statutory areas.

## **6 FINACIAL CONTROLLER STATEMENT**

6.1 The budget setting process for 2009/10 is likely to be extremely difficult. It is unlikely that priority and statutory services can be exempted from a thorough review of cost effectiveness and the potential to make savings.

6.2 It is also clear that some savings will mean a reduction in the level or quality of service to the public.

6.3 The prospects for future years are estimated to be even tighter and work needs to continue on reviewing the cost effectiveness of all services and seeking cost reductions.

## **7 CONSULTATION CARRIED OUT**

Updates have been provided to MMC, CET and Cabinet on a regular basis. Now the provisional settlement has been released additional consultation and discussion will be taking place over the coming months.

## **8 IMPLICATIONS**

### **8.1 Assessment of Impact on Corporate Priorities:**

It is important that the budget that is prepared for 2009-2010 and following years ensures that financial resources are focused on the agreed Council Priorities.

The level of saving required is such that all areas of service will need to be reviewed to improve cost effectiveness.

### **8.2 Assessment of Impact on the Vision, Community Strategy, Equalities and Sustainability:**

Careful targeting of savings to non priority and non statutory services would appear inevitable, if priorities are to receive some measure of protection.

## **9 ACTION PLAN**

<b>ACTION</b>	<b>RESPONSIBLE OFFICER /DATE BY WHEN ACTION TO BE COMPLETED</b>	<b>ACTION TO BE REVIEWED AND MONITORED BY / DATE TO BE MONITORED</b>
Directorate meetings	October / November R Parry	Ongoing basis – A Evans
CET discussions	October / November A Evans & R Parry	Ongoing basis – A Evans
Cabinet / Scrutiny Committee meetings	November / December / January A Evans & R Parry	Ongoing basis – A Evans
Council meeting to agree final budget	February 2009	A Evans

## **10 RECOMMENDATION**

- 10.1 That Members note the progress to date regarding the delivery of cost savings/increased income for 2009/10 and the review of service pressures.
- 10.2 That Members note the indicative level of WAG settlement for 2010/11 with the resulting impact upon savings targets for future years.

DENBIGHSHIRE COUNTY COUNCIL				APPENDIX					
Budget 2009/10 to 2010/11				2009/10		2009/10		2009/10	
			-1-	-2-	-3-	-4-	-5-	-6-	
	Budget	Budget	Net	Inflation	Committed	Service	Projected	%	
	gross spend	income	Budget	3%	Changes	Pressure	Budget	Increase	
	2008/9	2008/9	2008/9	2009/10	2009/10	2009/10	2009/10		
	£k	£k	£k	£k	£k	£k	£k	£k	%
Lifelong Learning - Schools budgets	57,163	4,386	52,777	1,577		290 (1)	54,644	3.54	
- Schools budgets Performance grant	281	281	0				0		
- Other Education	18,587	4,373	14,214	434		653 (2&3)	15,301	7.65	
- Other Educ Performance grant	37	37	0				0		
- Libraries & Leisure	10,312	5,300	5,012	150	-20		5,142	2.60	
- Corporate services	319	49	270	12			282	4.28	
Environment	39,756	17,436	22,320	679	-98	250 (4)	23,151	3.72	
- Envir Performance grant	126	126	0				0		
- Culture, tourism & heritage	2,222	0	2,222	63			2,285	2.84	
Social Services & Housing	55,872	17,170	38,702	1,168		500 (5)	40,370	4.31	
- SS & H Performance grant	219	219	0				0		
Resources	10,135	3,022	7,113	197	-50	200 (6)	7,460	4.87	
- Resources Performance grant	82	82	0				0		
County Clerk	2,164	588	1,576	44		50 (7)	1,670	5.99	
	197,275	53,069	144,206	4,325	-168	1,943	150,306	4.23	
Corporate	4,549	640	3,909	96	-80		3,925	0.40	
- Corp Performance grant	0	313	-313		313		0		
Fire/Sea Fisheries levies	4,347	0	4,347	241	0		4,588	5.54	
Capital Finance/Interest received	12,236	1,500	10,736			350 (8)	11,086	3.26	
Contingency for Single Status *	1,573	0	1,573				1,573	0.00	
Contribution to Reserves	570	0	570		0		570	0.00	
Further Efficiency Savings *	0	0					0	0.00	
	220,550	55,522	165,028	4,662	65	2,293	172,048	4.25	
<b>2. Level of Funding</b>									
W A G funding			129,125	2,583		1,468	133,176	3.14	
Deprivation grant			169	0			169	0.00	
Use of reserves			50				50	0.00	
LABGI			248		-248		0	-100.00	
			129,592	2,583	-248	1,468	133,395		
Council Tax yield			35,436	2,079	313	825	38,653	9.08	
			165,028	4,662	65	2,293	172,048	4.25	
<b>* Note : to be apportioned over service budgets</b>			<b>ASSUMPTIONS/IMPACTS</b>						
			Increased Council Tax collection requirement						
			Revenue Support Grant						
			Business Rate						
			£k						
			1. Final year of phased increase for Secondary Schools						
			2. Impact of Cambridge review (inc Prud Borrowing)						
			3. Change in School Transport criteria (WAG) (WAG funded)						
			4. Landfill Tax increase						
			5. Demographic pressures						
			6. ITC services pressures (inc Prud Borrowing)						
			7. Increase Legal services capacity						
			8. Prudential Borrowing for Highways & Flood Defence.						
			Budget Increase						
			<b>SAVINGS TARGETS TO DELIVER LOWER COUNCIL TAX</b>						
			£k						
			2% Increase in C/Tax						
			2.5% increase						
			3% increase						
			3.5% increase						
			4% increase						
			4.5% increase						
			5% increase i.e. CAP						
			%						

	-1-	-2-	2010/11 -3-	-4-	-5-	-6-
	Projected Budget 2009/10 £k	Inflation 3% 2010/11 £k	Committed Changes 2010/11 £k	Service Pressure & Growth £k	Projected Budget 2010/11 £k	% Increase
Lifelong Learning - Schools budgets	54,644	1,639	384 (6)	0	56,668	3.70
- Other Education	15,301	459		500 (1)	16,261	6.27
- Culture & Leisure	5,142	154			5,297	3.00
- Corporate services	282	8			290	3.00
Environment	23,151	695		500 (2)	24,346	5.16
- Culture, tourism & heritage	2,285	69			2,354	3.00
Social Services & Housing	40,370	1,211	41 (6)	850 (3)	42,472	5.21
Resources	7,460	224			7,683	3.00
County Clerk	1,670	50		50 (4)	1,771	5.99
	150,306	4,509	425	1,900	157,141	4.55
Corporate	3,925	118			4,042	3.00
Fire/Sea Fisheries levies	4,588	184			4,771	4.00
Capital Finance/Interest received	11,086	0		350 (5)	11,436	3.16
Contingency for Single Status *	1,573	0	0		1,573	0.00
Contribution to Reserves	570	0			570	0.00
Further Efficiency Savings *	0		0		0	0.00
	172,048	4,809	425	2,250	179,533	4.35
<b>2. Level of Funding</b>						
W A G funding	133,176	2,445	425		136,046	2.16
Deprivation grant	169	0			169	0.00
Use of reserves	50				50	0.00
LABGI	0				0	0.00
	133,395	2,445	425	0	136,265	2.15
Council Tax yield	38,653	2,363	0	2,250	43,266	11.93
	172,048	4,808	425	2,250	179,533	4.35
<b>ASSUMPTIONS/IMPACTS</b>						
					11.93%	
					2.16%	
					2.16%	
					£k	
					500	
					250	
					250	
					350	
					500	
					50	
					350	
					425	
						Budget Increase
					£k	%
					3,840	2.15
					3,645	2.27
					3,450	2.38
					3,260	2.5
					3,060	2.62
					2,870	2.73
					2,680	2.85

REPORT TO CABINET

**CABINET MEMBER:** COUNCILLOR R W HUGHES, LEAD MEMBER FOR PERSONNEL AND BUSINESS MANAGEMENT

**DATE:** 18<sup>th</sup> November 2008

**SUBJECT:** ROUTINE REPORTING ON PERSONNEL

**1 DECISION SOUGHT**

For Members to note the enclosed report on Personnel Statistics.

**2 REASON FOR SEEKING DECISION**

2.1. In October 08 the number of actual staff employed has increased to 4610 this equates to 3916 full time equivalents (FTE) which is an increase from the previous month. In October there were 22 new starters to DCC, across all Directorates. There were 20 leavers spread across all Directorates bar Resources, 6 of which left for positions outside of DCC, with 4 declining to specify why they had left, other reasons included personal reasons, age retirement, end of fixed term contracts, redeployment, redundancy and one ill health termination/dismissal.

		<b>Number of staff</b>	<b>FTEs</b>
Jan	2008	4582	3793
Feb		4581	3790
Mar		4563	3777
April		4540	3769
May		4525	3769
June		4476	3786
July		4490	3806
August		4398	3730
September		4607	3907
October		4610	3916

*It should be noted that the number of staff and the number of starters and leavers will never correlate this is because starters and leavers equate to number of employments rather than actual people. It should also be noted that the data is only accurate on the day the report is run as new data is added to the system on a daily basis.*

2.3 We are now in a position to run absence reports, however, they are taking 2hours plus per report as apposed to the normal 5 minutes per report Midland are aware and are creating a "patch" to rectify the issue which should be available in the next few weeks.

Graphs showing the corporate sickness absence position since April 2007 will be available on the 18<sup>th</sup> November however a breakdown of the current absence position is detailed below: There has been an increase in sickness levels this month, with the average number of days lost per employee up by 0.5 on the target figure, at 1.42 this is also an increase from last month where levels were at 1.11 days lost per employee. Sickness levels overall remain consistently higher than last year. This month all Directorates bar County Clerks & Chief Executives and Teachers only recorded higher levels of sickness than the required target, with Social Services and LLL excl Teachers significantly higher.

We have now recruited a Personnel Officer responsible for sickness absence who will start on 1<sup>st</sup> December 08.

<b>Monthly (October 08)</b>	<b>Days Lost Per Employee</b>	<b>Target</b>
<b>DCC</b>	<b>1.42</b>	<b>0.92</b>
CE	0.30	0.92
RES	1.11	0.92
ENV	1.40	0.92
SS	1.81	0.92
LLL	1.36	0.92
LLL excl Teachers	1.79	0.92
Teachers Only	0.85	0.92

<b>Cumulative (April - Oct 08)</b>	<b>Days Lost Per Employee</b>	<b>Target</b>
<b>DCC</b>	<b>6.76</b>	<b>6.44</b>
CE	3.13	6.44
RES	5.64	6.44
ENV	7.19	6.44
SS	9.97	6.44
LLL	5.80	6.44
LLL excl Teachers	7.07	6.44
Teachers Only	4.29	6.44

2.4 Performance Appraisal completion rates are included for the period 01/04/07 to 31/10/08 (appendix a). Completion rates are now up to 65% compared to 58% at the end of August.

As a result of the Chief executive's meetings with the 4 heads of service regarding their poor return on performance appraisal completion rates I can confirm the following new deadlines:

Tourism, Culture & Countyside Partnership & Inclusion	90% of eligible staff by end January 09
Environmental Services	100% of eligible staff by end January 09
School Improvement	70% of eligible staff by end March 09 and 90% of eligible staff by June 09
	100% of eligible staff by end November 08

**Update on action plan:** A QA process has been written and discussed with Personnel Managers, concern was raised over the extra work that would be involved in undertaking this exercise by Directorates. The QA process will commence in January 09.

All appraisal's will be skim checked for any obvious rating errors and to check all area's are covered. 10% of appraisal's from each department will them be dip sampled and a more in depth analysis undertaken for quality and Trent checked data control. Area's covered by the QA process will include:

- Dates of Appraisals & Reviews
- Previous objectives
- Evidence
- Ratings
- Development plans
- Objectives for the coming year
- Attendance Management
- Signatures & timescales
- Recording & Retention

A review of the current Performance Appraisal form is underway with the new forms being consulted initially through the Personnel Policy Feedback & Idea's Group and key personnel in Environment who have particular issues with the current form. Wider consultation with MMC & trade unions will take place in the next few weeks.

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

- 3.1. Section III of the Local Government Act 1972

### **4 COST IMPLICATIONS**

- 4.1. There are no significant cost implications associated with the preparation of this information.
- 4.2. Additional costs are involved in the implementation of the payroll system and also in developing the interface between the time recording system and the HR system.

### **5 FINANCIAL CONTROLLER STATEMENT**

- 5.1 Payroll costs are one of the largest costs faced by the Council and therefore any further actions to monitor and control expenditure are beneficial.

## **6 CONSULTATION CARRIED OUT**

- 6.1. The headcount information has been prepared by the Central Personnel team directly from the HR system.

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

- 7.1. No direct implication on any corporate policy.  
7.2 The Vision – being able to deliver the Vision depends on having the right number of staff in the right jobs.

## **8 ACTION PLAN**

<b>ACTION</b>	<b>BY WHOM</b>	<b>BY WHEN</b>
Introduction of quality assurance programme	G Humphreys	30.09.2008
First report	G Humphreys	31.10.2008
Review of current Performance Appraisal form to identify possible simpler approach	G Humphreys	30.09.2008
Review of overall Performance Appraisal methodology	L Atkin	31.03.2009

## **9 RECOMMENDATIONS**

- 9.1. Members note the information considered in this report and identify issues which future reports should focus upon.



## Percentage of Completed Performance Appraisals - Period 01/04/2007 - 31/10/2008

### Chief Exec's & County Clerks

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Chief Exec's	4	4	4	100.00%	100.00%
County Clerk's Legal	22	21	21	100.00%	
County Clerk's Admin	31	28	28	100.00%	
Totals	57	53	53	100.00%	

### Resources

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Directorate	2	2	2	100.00%	88.07%
Central Personnel	37	29	29	100.00%	
Customer Care	31	27	26	96.30%	
Finance	177	162	129	79.63%	
ICT	46	46	46	100.00%	
Internal Audit	11	11	10	90.91%	
Strategic Policy Unit	12	10	9	90.00%	
Totals	314	285	251	88.07%	

### Environment

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Directorate	2	2	2	100.00%	58.08%
Development Services	75	68	68	100.00%	
Environmental Services	568	466	214	45.92%	
Finance & Performance	121	110	74	67.27%	
Planning & Public Protection	110	94	78	82.98%	
Tourism, Culture & Countryside	89	63	32	50.79%	
Transport & Infrastructure	67	63	35	55.56%	
Totals	1032	866	503	58.08%	

### Social Services & Housing

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Adults	557	490	315	64.29%	69.89%
Children's Services	107	92	81	88.04%	
Children & YP Partnerships	7	4	1	25.00%	
Business Support	46	38	35	92.11%	
Housing	95	88	65	73.86%	
Directorate	2	2	2	100.00%	
Totals	814	714	499	69.89%	

### Life Long Learning

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Records Management	4	4	3	75.00%	51.30%
Archives	3	3	2	66.67%	
Heritage	2	2	0	0.00%	
Library & Information services	78	69	64	92.75%	
Partnership & Inclusion	237	176	62	35.23%	
Policy & Performance	24	20	17	85.00%	
School Improvement	78	69	29	42.03%	
Directorate	2	2	0	0.00%	
Totals	428	345	177	51.30%	

### Totals

Total Employees	Total No. of Appraisals	Overall % of Completed Appraisals
2263	1483	65.53%

Directorate
Central Personnel
Customer Care
Finance
ICT
Internal Audit
Strategic Policy Unit

	2	2
6	37	31
9	31	22
15	177	162
1	46	45
	11	11
1	12	11

Chief Exec's
County Clerk's Legal
County Clerk's Admin

1  
2

## Percentage of Completed Performance Appraisals - Period 01/04/2008 - 31/10/2008

### Chief Exec's & County Clerks

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Chief Exec's	4	4	4	100.00%	57.14%
County Clerk's Legal	22	19	12	63.16%	
County Clerk's Admin	28	26	12	46.15%	
Totals	54	49	28	57.14%	

### Resources

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Central Personnel	37	30	5	16.67%	46.72%
Customer Care	31	21	1	4.76%	
Finance	177	160	95	59.38%	
ICT	46	41	19	46.34%	
Internal Audit	11	10	0	0.00%	
Strategic Policy Unit	12	10	8	80.00%	
Directorate	2	2	2	100.00%	
Totals	316	274	130	47.45%	

### Environment

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Directorate	2	2	2	100.00%	28.59%
Development Services	75	66	35	53.03%	
Environmental Services	572	459	125	27.23%	
Finance & Performance	120	109	8	7.34%	
Planning & Public Protection	110	90	32	35.56%	
Tourism, Culture & Countryside	89	63	27	42.86%	
Transport & Infrastructure	66	61	14	22.95%	
Totals	1034	850	243	28.59%	

### Social Services & Housing

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Adults	557	452	112	24.78%	32.23%
Children's Services	107	87	68	78.16%	
Children & YP Partnerships	7	3	0	0.00%	
Business Support	46	37	23	62.16%	
Housing	95	83	10	12.05%	
Directorate	2	2	1	50.00%	
Totals	814	664	214	32.23%	

### Life Long Learning

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Records Management	4	4	1	25.00%	35.07%
Archives	3	3	0	0.00%	
Heritage	2	2	0	0.00%	
Library & Information services	78	69	45	65.22%	
Partnership & Inclusion	237	176	41	23.30%	
Policy & Performance	24	20	14	70.00%	
School Improvement	78	69	20	28.99%	
Directorate	2	2	0	0.00%	
Totals	428	345	121	35.07%	

### Totals

Total Employees	Total No. of Appraisals	Overall % of Completed Appraisals
1393	507	36.40%

<b>Department</b>	<b>Number of Employees</b>	<b>Not Eligible</b>	<b>Total that are Eligible</b>
Chief Exec's	4	0	4
County Clerk's Legal	22	3	19
County Clerk's Admin	28	2	26
Totals	54	5	49

<b>Resources</b>			
<b>Department</b>	<b>Number of Employees</b>	<b>Not Eligible</b>	<b>Total that are Eligible</b>
Central Personnel	37	7	30
Customer Care	31	10	21
Finance	177	17	160
ICT	46	5	41
Internal Audit	11	1	10
Strategic Policy Unit	12	1	11
Totals	314	41	273

**AGENDA ITEM NO: 11**

**CABINET: FORWARD WORK PROGRAMME**

<b>16 DECEMBER 2008</b>	
Revenue Budget Monitoring Report 2008-2009	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
2009-2010 Budget Update	Councillor J Thompson Hill R Parry
Report on Issues Discussed at Focused Agenda Board	Councillor H H Evans Chief Executive
Corporate Executive Team Quarterly Performance Report	Councillor P J Marfleet J Williams
Routine Reporting on Personnel	Councillor R W Hughes L Atkin / G Humphreys
Housing Revenue Account Budget	Councillor P A Dobb P Quirk
Affordable Housing	Councillor P A Dobb P Quirk
Modernising Education Action Plan Monitoring	Councillor H H Evans J Curran
Modernising Education Policy Framework – Consultation Results	Councillor H H Evans M Mehmet – J Walley
DCC / CCBC Planning & Public Protection Collaboration - principle paper allowing progress	Councillor E W Williams G H Boase
Biodiversity Duty	Councillor D A J Thomas Huw Rees
Award of contract for the Management of Denbighshire's Recycling Parks (April 2009 onwards)	Councillor E W Williams S Parker
Application for Grant of a Lease for the Scala	Councillor P J Marfleet D Mathews / Catrin Jones / Alan Jones
<b>13 JANUARY 2009</b>	
Revenue Budget Monitoring Report 2008-2009	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
2009-2010 Budget Update	Councillor J Thompson Hill R Parry
Routine Reporting on Personnel	Councillor R W Hughes L Atkin / G Humphreys
Housing Revenue Account Budget	Councillor P A Dobb P Quirk
<b>27 JANUARY 2009</b>	
Revenue Budget Monitoring Report 2008-2009	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
2009-2010 Budget Update	Councillor J Thompson Hill R Parry
Routine Reporting on Personnel	Councillor R W Hughes L Atkin / G Humphreys
Housing Revenue Account Budget	Councillor P A Dobb

	P Quirk
Charging for Post 16 School Transport	Councillor E W Williams H Griffin
Additional HMO Licensing	Councillor E W Williams Manon Thomas
<b>17 FEBRUARY 2009</b>	
Revenue Budget Monitoring Report 2008-2009	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
2009-2010 Budget Update	Councillor J Thompson Hill R Parry
Routine Reporting on Personnel	Councillor R W Hughes L Atkin / G Humphreys
Housing Revenue Account Budget	Councillor P A Dobb P Quirk
Modernising Education Action Plan Monitoring	Councillor H H Evans J Curran
Quarterly Performance Report	Councillor P J Marfleet J Williams
DCC / CCCB Planning & P P Collaboration Detailed Agreement	Councillor E W Williams G H Boase
<b>24 MARCH 2009</b>	
Revenue Budget Monitoring Report 2008-2009	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
Routine Reporting on Personnel	Councillor R W Hughes L Atkin / G Humphreys
Housing Revenue Account Budget	Councillor P A Dobb P Quirk
<b>28 APRIL 2009</b>	
Revenue Budget Monitoring Report 2008-2009	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
Routine Reporting on Personnel	Councillor R W Hughes L Atkin / G Humphreys
Housing Revenue Account Budget	Councillor P A Dobb P Quirk
Joint Denbighshire and Conwy Safeguarding Children Board (SCB) – Annual Update	Councillor M M Jones N Ayling
<b>26 MAY 2009</b>	
Revenue Budget Monitoring Report 2008-2009	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
Routine Reporting on Personnel	Councillor R W Hughes L Atkin / G Humphreys
Housing Revenue Account Budget	Councillor P A Dobb P Quirk

Quarterly Performance Report	Councillor P J Marfleet J Williams

**CABINET: DELEGATED DECISIONS**

<b>OCTOBER 2008</b>	
Award for a contract for an LD Community Living Contract in North Denbighshire	Councillor P A Dobb Alison Heaton
Request for an exemption from the Councils Standing Orders in respect of Highway Inventory Collection	Councillor E W Williams B Cook
Smoking Policy for Foster Carers	Councillor M M Jones David Hynes
<b>NOVEMBER 2008</b>	
Corporate Procurement Strategy Approval	Councillor J Thompson Hill A Staples
Authorisation of Sundry Debtor Write Offs	Councillor J Thompson Hill K Jones
Authorisation of National Non Domestic Rates Write Offs	Councillor J Thompson Hill K Jones
<b>DECEMBER 2008</b>	
Special Guardianship	Councillor M M Jones David Hynes
Procurement of Vehicle Trackers	Councillor E W Williams Brian Evans / Graham Taylor
<b>JANUARY 2009</b>	
<b>FEBRUARY 2009</b>	
<b>MARCH 2009</b>	
Approval of the social care workforce development bid to the Welsh Assembly.	Councillor P A Dobb R Hayes
<b>APRIL 2009</b>	