

CABINET

Minutes of the Cabinet meeting held at 10.00 a.m. on Tuesday 23 June 2009 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; 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 M LI Davies, G C Evans, R L Feeley and D I Smith.

ALSO PRESENT

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

APOLOGIES

Councillor P J Marfleet, Lead Member for Modernisation and Improvement and the Corporate Director: Environment.

Councillor E W Williams Chaired the meeting.

1 URGENT MATTERS

There were no urgent items.

Councillor M M Jones informed colleagues of the successes achieved by pupils from Denbighshire at the recent Urdd National Eisteddfod and also the success by 2 primary schools in the schools' quiz. She thanked all competitors for taking part.

2 MINUTES OF THE CABINET MEETING 26.05.2009

The Minutes of the Cabinet meeting held on 26 May 2009 were submitted.

Item 4 Monitoring Performance Against Directorate Business Plans: Quarter 4 2008-2009: Councillor P A Dobb referred to the PARIS system and said that although the work was being progressed, there had been mixed reviews on the package itself. Councillor Dobb also queried whether Councillor I Gunning, Police Authority Member had been asked to investigate the data provided by the North Wales Police. The

Corporate Director: Social Services and Housing said work was in hand regarding the information required but the Police had not as yet completed their work.

Councillor S Frobisher asked for an update on Hyfrydle. It was agreed the Corporate Director: Environment, as leader of the project group, be asked to circulate all Cabinet Members with the latest information on the work being carried out and any decisions being made. Councillor H H Evans said it was important that Council made a decision on the future use of Hyfrydle in the near future.

Item 7 Routine Reporting on Personnel: Councillor R W Hughes said the CET input into the report would be included in the report to the next Cabinet meeting. Councillor Hughes confirmed, following Councillor S Frobisher's request, that work was being progressed on the number of target days lost being the same for every Directorate. The Corporate Director: Resources confirmed that a paper on sickness / absence was being presented to CET on Monday 29 June 2009.

RESOLVED that, subject to the above, the Minutes of the meeting held on 26 May 2009 be approved as a correct record and signed by the Leader.

3 CORPORATE COMMUNICATIONS STRATEGY

Councillor H H Evans presented the report for Members to approve the Corporate Communication Strategy and Action Plan. He reminded Members that in the past, some shortfalls in the Authority's performance had been down to communication and this had been highlighted in the Corporate Governance and Estyn reports. However, the newly revised Strategy and Action Plan would address many of these issues and he was pleased to inform Members that the Statement of Intent was included at many levels within the Strategy. Those responsible for the Strategy were listed on page 9. This would allow the Strategy to develop into a more co-ordinated approach at all levels.

Councillor Evans listed the Press Digest for example, where Elected Members are informed of what is happening in various areas so that they are aware of what the press may be looking into in detail. Monthly media briefings were being held and this involved a question and answer session before committee reports were produced. He was also holding regular meetings with MPs and AMs.

The Corporate Communications Manager detailed the Internal Communication activities i.e. electronic briefings from Leader and Corporate Executive Team, introduction of video blogs, annual staff surveys. The External Communication activities were listed, such as the production of an annual Guide to Services, possible use of plasma screens in reception areas, media training for Cabinet Members and Heads of Service and these should provide much in the way of improved communication across the whole Authority.

Councillor P A Dobb said much emphasis appeared to be put on the web and she reminded colleagues that not all residents had access to or could use computers – some preferred their information in the form of printed matter. She referred to the recent Local Service Board Conference and said a number of attendees had said there

was a lack of face to face communication in some instances. Councillor Dobb was pleased to see an audit would be carried out and also wanted to see more engagement with the public and a co-ordinated approach in the way information is given to Town and Community Councils.

Councillor R W Hughes congratulated the Corporate Communications Manager and Leader on the introduction of the press digest and on a good, clear action plan. Regarding officer / Member communication, it was important to ensure that Members communicated accurately with officers and that Councillors be reminded that they did not need to copy in all Councillors in their correspondence. She supported the suggestion of having media training for officers and Members. Councillor D A J Thomas fully endorsed Councillor Hughes' comments and said that one negative comment in the press was so demoralizing for staff. Councillor S Frobisher referred to the recent National Food Safety Week and the enthusiasm generated by our staff and the excellent work they carried out. Councillor E W Williams suggested that the Standards Committee should consider communication between Members and officers and suggested that the Communications Strategy Group include one Elected Member from Scrutiny Committee.

The Corporate Director: Social Services and Housing said the Communications Team had looked at good practice across England and Wales and had included some of those practices in the Strategy. She supported a revised A-Z Guide to Services and agreed with Councillor Dobb that a range of communication was required. She said Members should be positive and media aware.

Councillor D I Smith referred to the Action Plan and suggested the 'on going' for many of the activities should be replaced with end dates.

Councillor H H Evans said he wanted the Strategy to develop internal confidence. He agreed with Councillor Smith's comments but said some actions were ongoing and would be regularly monitored. He congratulated the Corporate Communications Manager on the report.

RESOLVED that Cabinet approves the Corporate Communication Strategy and Action Plan as detailed in appendix 1 to the report.

4 CORPORATE EXECUTIVE TEAM – PERFORMANCE REPORT

The Chief Executive presented the report for Members to consider progress against the Corporate Executive Team's (CET) key actions as provided at Appendix I and agree further actions as appropriate. Members were also asked to agree to the proposal to incorporate the actions within this report into the monthly monitoring of the Corporate Governance Action Plan by the Focused Agenda Board (FAB) and the Corporate Governance Committee.

The bi-monthly report was in response to the recent Corporate Governance report and summarized the CET activities as a team and individually. He had discussed the

activities with the Wales Audit Office Relationship Manager who had agreed now was an appropriate time to incorporate the information into the monthly monitoring of the Action Plan.

Councillor P A Dobb drew Members' attention to Demographic Change and said the Children and Disabilities and Adults with Learning Disabilities now had 5 workstreams.

Councillor S Frobisher referred to the Community Forums which had been held and said more members of the public were now attending the Forums. She asked that the Improvement Agreement be well publicised as the Minister for Social Justice and Local Government had said it was one of the best in Wales.

Responding to Councillor R W Hughes' request for feedback from consultation meetings, the Chief Executive said feedback was being fed into the Corporate Plan by the Strategic Policy Unit. He said it was essential to ensure the correct resources were in place.

RESOLVED that Cabinet notes the progress against the Corporate Executive Team's key actions as provided at Appendix 1 and agree the proposal to incorporate the actions within the report into the monthly monitoring of the Corporate Governance Action Plan.

5 CORPORATE PARENTING STRATEGY

Councillor M M Jones presented the report seeking Cabinet approval of the new Denbighshire County Council Corporate Parenting Strategy and the inclusion of the strategy in the Council's policy framework. This was a far reaching Strategy the Council was being asked to adopt which would improve the quality of life for children. The Strategy was in four sections – promoting education and work opportunities; encouraging social activities for health and wellbeing benefits; providing safe and secure homes to enable independent living and promoting life together to improve the quality of life for young people.

Training for Members would be available and Scrutiny Committees had considered the issues and had made suggestions for training opportunities. Councillor D A J Thomas said he had attended a training event which he found to be exhilarating, informative and very worthwhile and said the lack of attendance by Members should be addressed. Councillor P A Dobb said being involved with children was enlightening and said Member involvement should be encouraged. It was important to improve the life of children and she suggested it should be an impact on the Council's Corporate Priorities.

RESOLVED that Cabinet approves the Corporate Parenting Strategy and its inclusion in the Council's policy framework.

6 SAFEGUARDING AND PROTECTING VULNERABLE CHILDREN: CORPORATE ACCOUNTABILITY FRAMEWORK

Councillor M M Jones presented the report seeking Cabinet approval of the Corporate Accountability Framework attached at Appendix 1 to the report. This report and also the Corporate Safeguarding Action Plan had resulted from the death of Baby P in 2008 with the Welsh Assembly Government asking all Local Authorities in Wales to reflect and review local processes and procedures to ensure they were sufficiently robust and to assess the position of safeguarding children and young people in Wales.

Councillor H H Evans referring to the Elected Members' responsibilities detailed in paragraphs 2.9 and 2.10 of the report, stressed the need for everyone to have a clear understanding of their responsibilities. The Corporate Director: Social Services and Housing said clear and detailed Corporate Child Protection Training was available to all staff and Elected Members. Councillor E W Williams referred to Members having to attend mandatory training on Planning before they were able to vote on the decisions and suggested some similar mandatory training should be implemented for all Members for Safeguarding and Protecting Vulnerable Children. Councillor R W Hughes said the Personnel Members' Group would consider all Members having to attend training by April 2010.

RESOLVED that Cabinet adopts the Corporate Accountability Framework attached to the report at Appendix 1. It was further agreed that consideration be given by the Lead Member for Personnel and the Personnel Task Group to all Members attending training on the Safeguarding and Protecting Vulnerable Children by April 2010.

7 CORPORATE SAFEGUARDING ACTION PLAN

Councillor M M Jones presented the report seeking Cabinet approval to the Corporate Safeguarding Action Plan attached at Appendix 1 to the report. The minute for item 6 Safeguarding and Protecting Vulnerable Children: Corporate Accountability Framework also applied to this item.

RESOLVED that Cabinet approves the Corporate Safeguarding Action Plan attached to the report at Appendix 1. It was further agreed that consideration be given by the Lead Member for Personnel and the Personnel Task Group to all Members attending training on the Corporate Safeguarding Action Plan by April 2010.

8 CRITERIA FOR SUPPORTING COMMUNITY CAPITAL PROJECTS IN 2009-2010

Councillor D A J Thomas presented the report seeking Cabinet approval to the amended criteria for supporting Community Capital Projects.

Councillor P A Dobb, referring to Recommendation 10a, asked why a percentage maximum or percentage figure had not been set per project, rather than saying some exceptional cases could qualify for a higher grant. The Principal Regeneration Manager said the reason for no figure being set for some exceptional cases was that in the past, some Members had clubbed their funding together for a project. The funding was for community led schemes. Councillor E W Williams said Scrutiny Committee had suggested putting a £25k maximum on projects as the proportion of the cost to be met

from the community capital grant was set at 70%. Councillor R W Hughes suggested the proportion of the cost to be met from the community capital grant should be set at 50%. However, Councillor H H Evans suggested that as a further £150k had been added to the grant funding, the proportion of the cost to be met from the community capital grant should be set at 50% with the maximum grant available per project set at no more than £20k.

It was agreed Recommendation (a) and (c) be amended as follows:

RESOLVED that Cabinet agree, subject to sufficient funding being available, to support Community Capital Projects in 2009-2010 provided that:

- a. the maximum grant available per project should not exceed £20,000,
- b. projects contribute towards the delivery of the outcomes for the corporate priorities,
- c. the proportion of the cost to be met from the community capital grant should be no more than 50%,
- d. Planning permissions and leases should already be in place and applicants should not be holding unduly large amounts of cash in reserve in relation to the size of the project, and
- e. there should be a two stage application process with local Members consulted for their views after an initial assessment of eligibility.

9 FUTURE JOBS FUND

Councillor D A J Thomas presented the report seeking Cabinet approval to the Council's participation in a partnership bidding to secure resources from the Future Jobs Fund to provide jobs for young people and others who face significant disadvantages in the labour market, to support a partnership covering the whole of Denbighshire and Conwy and to be led by the Rhyl City Strategy.

RESOLVED that Cabinet approve the Council's participation in a partnership bidding to secure resources from the Future Jobs Fund to cover the whole of Denbighshire and Conwy, to be led by the Rhyl City Strategy.

10 REGIONAL TELECARE PROJECT

Councillor P A Dobb presented the report seeking Cabinet support to develop a North Wales Telecare Service and for officers to work with the project to collate information and develop proposals for delivery of Telecare services on a regional basis. She said other North Wales Authorities had been developing a Telecare Service, a service which would enable people to live independently in their own homes or enhancing their present living arrangements or help them in recovery after a fall or spell in hospital.

Over the years Telecare has advanced and offers a larger range of equipment. The Health Service is also beginning to provide monitoring equipment via Telehealth. An integral part of the Telecare Service is the monitoring centre which receives alerts. There are 3 centres across Wales, which means the amount of employees monitoring the phones and other associated costs is tripled. Two years ago it was decided to commission a feasibility study to consider the possibility of a joint approach to the service. The single recommendation was to move to a single regional service. Following this the second phase has begun to align our practice in creating Telecare packages and preventative services, to establish the costs of delivery and quantify the service and financial benefits of the improvement. From this information proposals can be developed for delivery of services. It is proposed the monitoring centre would continue to provide an out of hours service for Housing Services on a Service Level Agreement basis.

Once the information is collated it will be possible to consider the cost implications associated with a regional project. However, as Telecare is a chargeable service it is expected that costs can then be passed to users.

It is anticipated the service will be taken forward by a lead Authority although an external partner may be approached if this was found to be a more viable alternative.

Scrutiny Committee support the Vision to develop a Regional Telecare Service.

Councillor R W Hughes said she supported the development of a regional service but asked that staff ensure everything be in place for the supporting networks. Councillor Dobb said there would be reablement support for those coming out of hospital. The Corporate Director: Social Services and Housing said the response service would need to be local.

RESOLVED that Cabinet supports the Vision to develop a Regional Telecare service in North Wales as set out in Appendix 2 to the report, and lends its support to the principle of officers working with the Regional Project Team to develop and cost regional services for delivery to local people.

11 HOUSING REVENUE ACCOUNT BUDGET & CAPITAL PLAN UPDATE 2009-2010

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 2009-2010. The initial forecast showed that an in-year revenue surplus of £205k should be generated by the end of the financial year, which was £88k less than forecast in the original budget set in February 2009. The main changes since the budget have been as a result of interest rates used to calculate capital financing costs being slightly higher than the original forecast.

The Housing Business Plan was still viable and a full review would be carried out in a few months as the 5 year progress report to the Wales Audit Office was due soon.

1,132 houses have been refurbished and the next phase is currently out to tender.

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

12 VALUE ADDED TAX REFUND

Councillor D A J Thomas presented the report seeking Cabinet approval to the allocation of a refund of Value Added Tax. Cabinet had previously agreed on 16.12.2008 that the sum be earmarked for delivering outcomes in connection with the Corporate Priority for Regenerating our Communities. The Regeneration Board had earlier supported the proposals listed at paragraph 4.1.

Councillor Thomas said an Action Plan for the North Wales Coast Strategic Regeneration Area was due imminently from the Deputy Minister. Work on the Strategic Regeneration Area was urgent and significant work was needed on consultation before the projects commenced. The Deputy Minister wanted robust consultation processes to be in place.

Councillor J Thompson Hill welcomed the proposals in the report. The Director of Resources confirmed that it was possible to allocate £150k from this source to capital to support community projects. This was a one-off refund and would not be available in future years. It was important to ensure that expectations were not raised. Councillor Thompson Hill referred to the 2 new posts required and suggested that, if possible, staff from elsewhere in the Authority be reassigned to these posts. He asked whether the balance was right between (d) and (e) and suggested this should be less towards additional staffing.

Concern was expressed by Councillor P A Dobb regarding the possible high number of projects and the report did not state whether the officer involved had the capacity to deal with project administration workload. She also queried the need for 6 Area Members' Groups and thought that the Groups already had administration support. She suggested that the extra money should be spent on repairs to the County's roads.

Councillor R W Hughes and Councillor H H Evans asked whether the work for the Area Members' Groups should be based with the Strategic Policy Unit as it encompassed all services. Councillor Evans queried the amount of capital would be generated for the Authority by the Strategic Regeneration Area. The Head of Development Services informed Members that the Area members' Groups work had been moved to the Regeneration Service as they had experience and understanding of running local groups and various issues. However, if Members felt the work should be carried out by the Strategic Policy unit he had no objections.

The Principal Regeneration Manager said the 2 posts to support the work of the 6 Area Members' Groups would be advertised internally first. Referring to Councillor Dobb's query regarding the possible high number of projects, he reminded Members that the

projects would have to be completed over an 18 month period. The officer administering the scheme would also administer the Rural Key Fund.

The Chief Executive reminded Members that they had agreed the refund should be allocated to the Corporate Priority on Regenerating our Communities. He said it was important to ensure there was a tight relationship between these and the Corporate Plan which would deliver the Corporate Priorities. Departments were expected and encouraged to work corporately. Referring to the Area Members' Groups the Chief Executive said it was important the Groups were resourced properly and internal advertisements would be placed for the 2 posts.

Councillor D I Smith encouraged Members to agreed the £150k extra funding for the community capital projects.

RESOLVED that Cabinet approve the proposed allocation of the refund of Value Added Tax earmarked for Regeneration projects (Councillor P A Dobb voted against the item).

At this juncture (11.25 a.m.) the meeting adjourned for 10 minutes to allow Members to participate in refreshments.

13 FINAL REVENUE ACCOUNTS 2008-2009

Councillor J Thompson Hill presented the report seeking consideration of the final revenue outturn position for 2008-2009 for recommendation to Full Council. Cabinet was also asked to recommend to Council the treatment of reserves as detailed in the report.

The final position on service and corporate budgets, after allowing for proposals for contributions to and from reserves and provisions, was an underspend of £61k, this was net of a spend above budget of £550k on Schools Delegated funds. The overspend position on the non delegated Education budget was mainly as a result of increased costs on the schools' meals service together with the deficit in operation and closure of the Hyfrydle facility at Ysgol Plas Brondyffryn. The Environment Directorate had faced a number of pressures and reduced income levels resulting from the impact of the recession. However, the impacts had been more than offset by the savings from the vacancy control process and the delayed start to the joint waste disposal project. Social Services and Housing Children and Adult Services had both had a brought forward balance, which together with in year operating savings, had led to an underspend on the year.

Detailed net service underspends of £527k were recommended for carrying forward and shown at paragraph 4.10 of the report. The £550k overspend on SEN would be recovered from the Schools Delegated budgets.

Unearmarked balances at £6.1m were broadly in line with the levels advised by the Wales Audit Office.

Responding to Councillor R W Hughes' query on Blessed Edward Jones High School, the Corporate Director: Lifelong Learning said work was continuing on the recovery plan for the school and also on ensuring a balanced budget would be delivered for Rhyl High School.

Councillor Evans said good financial foundations were in place in the Authority as a whole and that there was good management of finance in the Directorates. However, he was concerned as the headcount appeared to continue to rise.

RESOLVED that Cabinet recommend the final revenue outturn position for 2008-2009 for the year ended 31.03.2009 to Full Council. Cabinet also recommend the movements in reserves and the carrying forward of earmarked balances as detailed in paragraphs 4.10 and 4.13 of the report and its Appendix 2 to Full Council.

14 REVENUE BUDGET AND SUMMARY CAPITAL PLAN 2009-2010

Councillor J Thompson Hill presented the report for Members to note the likely outturn figures as detailed in Appendix 1 attached to the report and the summary capital plan performance for 2009-2010 as detailed in Appendices 2 and 3. Members were asked to consider the recommended allocation of £780k of the £880k contingency budget as detailed in paragraph 4.2 and Appendix 4 and the reallocation of excess inflation funding to the provision to fund the impact of Single Status, as detailed in paragraph 4.3 and Appendices 5A and 5B.

An overall underspend of £453k was forecast, excluding the schools' delegated budgets although in Lifelong Learning the school meals provision and Hyfrydle facility would continue to be a pressure. Social Services and Housing were forecasting an underspend of £586k, most of which resulted from underspends carried forward from 2008/9.

Some likely budget issues had been identified earlier in the year but because of their very nature it had not been possible to quantify these, therefore a contingency of £880k had been built into the budget. Appendix 4 to the report detailed the proposed allocation of £780 of the funding, with the remaining £100k being left in the budget for possible use by homelessness and childrens' services referrals later in the year. The final agreed level of the pay awards for non teaching staff is likely to lead to an excess allocation of £1.2m which could be used to dampen the future impact of the Single Status grading review. Appendix 5a detailed the last reported position, a pressure of £1.5m by 2010/11, Appendix 5b detailed the potential funding position if the excess pay award provision was reallocated, meaning that the position would not move into potential deficit until 2011/12.

Members discussed various issues to which all or part of the £1.2m could be put, including the possibility of reallocating it to services. Councillor R W Hughes asked whether it would be possible to recoup any costs with regard to a planning application for example and also asked whether some issues should be considered politically as there were many issues being driven by the Assembly to which funding was not available. The Corporate Director: Lifelong Learning said both ADEW and the WLGA had been

successful on the foundation phase but some initiatives had a cost greater than the additional funding provided by WAG.

Councillor Thompson Hill said if something was not agreed, services would be in shortfall and further cuts would have to be made. Councillor H H Evans suggested some of the windfall money could be kept in the budget and allocated at a later date.

The Financial Controller, responding to Councillor E W Williams' comment on allocating the £1.2m to Single Status when that had already been budgeted for, said the costs of some staff moving from spot grades to increments would be high in the future and the resources would need to be provided in the future. Councillor Hughes again suggested allocating say £0.5m into services, however, the Corporate Director: Resources said Members should not allocate £0.5m without due consideration at an appropriate time.

The Chief Executive reminded Members that any decision deferred on Single Status was a false decision and Single Status had to be funded properly. He said the pressures during the year had been discussed previously and an opportunity to challenge had been given at that time. He agreed it was important to be sure that those items listed were pressures, asked Members to agree the current proposals and for Members and officers to rethink the process should a windfall situation arise at some point in the future. Councillor H H Evans supported the need to keep Single Status on track otherwise it would cause more problems in the future.

Members also discussed the Authority's headcount and the estimated staff turnover. The Corporate Director: Social Services and Housing said no assumptions on headcount had been made and staffing costs were not exact.

RESOLVED that Members note the initial projected outturn figures for 2009-2010 as detailed in Appendix 1 to the report and note the summary capital plan performance figures for the 2009-2010 financial year as detailed in Appendices 2 and 3 to the report. Cabinet agree the recommended allocation of £780k of the £880k contingency budget as detailed in paragraph 4.2 and Appendix 4 to the report.

The identified excess inflation funding be removed from service budgets with the use of this sum to be subject to further consideration.

15 ROUTINE REPORTING ON PERSONNEL

Councillor R W Hughes presented the report for Members to note the statistics on Personnel. She suggested that the table on page 1 of the report be replaced with figures in the next report which Members would find more useful. She was pleased to report that sickness absence was now at its lowest level since levels started to increase in September 2008. Sickness absence in the Environment Directorate would be scrutinised next, followed by Social Services and Housing.

Councillor H H Evans said it would be interesting to see a comparative figure for 12 months earlier, to see if any trends were emerging. It would also be interesting to see future expectations if possible and the targets for the different Directorates.

The Senior Personnel Officer said having externally funded and agency posts made accurate provision of figures difficult but this was being worked on. Councillor H H Evans asked that further information be provided on what happens to staff when the grant funding for posts comes to an end. Councillor P A Dobb asked that information be included on the number of apprenticeship and trainee posts within the County in future reports. The Senior Personnel Officer said this information was supplied on a 6 monthly basis to Scrutiny Committee and could also be included in a Cabinet report.

Following concerns raised by Councillor G C Evans regarding the Trent system, Councillor Hughes said if any Members had concerns a demonstration of the system could be arranged and the Trent system was now being presented again to staff, to ensure its full use.

RESOLVED that Members note the information in the report.

16 CABINET FORWARD WORK PROGRAMME

Councillor R W Hughes presented the Cabinet Forward Work Programme. The programme was amended as follows:

July 2009 – Medium Term Financial Planning and Efficiency Strategy would become one report

September 2009 – Member Development moved to September 2009

July 2009 – Tourism Strategy for North Wales – likely to be moved to September 2009

October 2009 – presentation of Area Profiles (previously Town Strategies)

RESOLVED that Cabinet note the Cabinet Forward Work Programme.

17 ISSUES REFERRED TO CABINET BY THE SCRUTINY COMMITTEES

There were no issues referred.

18 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.

19 APPROVAL OF CONTRACT AWARD – ELECTRONIC DOCUMENT AND RECORDS MANAGEMENT SYSTEM

Councillor J Thompson Hill presented the report seeking approval of the award of the contract to the preferred supplier for the Electronic Document and Record Management System (EDRMS). EDRMS will become part of the budget process.

The Head of ICT informed Councillor P A Dobb that it would be possible for Conwy County Borough Council to use the system in future should they wish to do so and that upgrades would be provided for the system during the life of the contract. EDRMS would also allow additional savings from remote working and reductions in staffing numbers. He confirmed this was linked to WorkSMART which would be rolled out across the Authority.

***RESOLVED** that Cabinet approve the award of contract for the procurement and implementation of an Electronic Document and Records Management System to the selected supplier, CIVICA. Cabinet also agree the indicative 6 year programme to implement the system across the Authority and the funding implications.*

20 PROCUREMENT OF SERVICES TO CARRY OUT DESIGN AND PROJECT MANAGEMENT FOR DENBIGH AND CORWEN FLOOD RISK MANAGEMENT SCHEMES

Councillor E W Williams presented the report seeking Cabinet approval for the award of a contract for consultants to carry out design, project management and site supervision for Denbigh and Corwen Flood Risk Management Schemes.

Councillor H H Evans asked whether these services would fit into the County's priority for Flood Management?

***RESOLVED** that Cabinet approves the award of a contract for consultants to carry out design, project management and site supervision for Denbigh and Corwen Flood Risk Management Schemes.*

21 PROCUREMENT OF SERVICES TO CARRY OUT DESIGN AND PROJECT MANAGEMENT FOR THE RHYL COASTAL DEFENCE SCHEME

Councillor E W Williams presented the report seeking Cabinet approval for the award of a contract for consultants to carry out design, project management and site supervision for the Rhyl Coastal Defence Scheme.

***RESOLVED** that Cabinet approves the award of a contract for consultants to carry out design, project management and site supervision for the Rhyl Coastal Defence Scheme.*

22 CAPITAL PLAN 2008-2009 – 2011-2012

Councillor J Thompson Hill presented the report for Members to note the latest position on the 2009/10 element of the Capital Plan. He detailed the current position regarding the major projects, which were progressing well.

Councillor P A Dobb asked that the shade sail for the infant yard be provided as part of the current schedule of works.

Councillor M M Jones asked for information on whether the Ruthin flood works had now been completed.

RESOLVED that Members note the latest position on the 2009/10 element of the Capital Plan.

The meeting concluded at 1.20 p.m.

REPORT TO: CABINET

REPORT BY: DR M MEHMET, CHIEF EXECUTIVE

DATE: 14 JULY 2009

SUBJECT: A HIGH PERFORMING COUNCIL, CLOSE TO ITS COMMUNITY

1 PURPOSE OF REPORT

1.1 This report sets out the Chief Executive's vision and priorities for the next few years and presents proposals for change and improvement, including a new senior management structure.

2 REASON FOR SEEKING DECISION

2.1 The Chief Executive has an ambitious vision for the council: to be amongst the top performing local authorities in Wales by 2012. This is an achievable ambition, but it will be challenging. The council, along with all other councils, is facing the most difficult economic environment in its history. Denbighshire has not yet fully addressed a highly critical Corporate Governance Inspection Report and, in addition, there is increasing public expectation for better, more responsive, council services. This is particularly important during a recession when local people expect the council to provide leadership and support.

2.2 The next few years require the council to improve performance at all levels, establish good governance arrangements, effective and efficient use of resources, pursue radical strategic collaboration options and improve its engagement with residents and local communities. The challenge for the council is to strive to achieve these with reducing resources.

2.3 It is essential that the council's senior management structure reflects these challenges and is capable of providing the leadership and drive that will be necessary. The senior management structure must also be cost effective, lean and clearly accountable. It is vitally important that the council thoroughly examines all its services and be prepared to accept different ways of providing them where alternative approaches deliver savings and enable the council to protect its priorities.

This report seeks Cabinet's agreement for a new senior management team structure and approval for the proposed Change Programme.

2.4 Overall, the proposals in this report do not immediately impact on staff below the current Monthly Management Conference level although clearly managers are able to consider their structure in the light of changing circumstances. Any further changes to the structure will be subject to further consultation with staff, in accordance with the council's policies and procedures.

3 INTRODUCTION

- 3.1** On 17 March 2009 the council unanimously agreed a Statement of Intent setting out members' aspirations for improving services and bringing the council closer to residents and the local community. This strategic aim can be captured by:

'A high performing council, closer to its community'

This paper develops that statement by describing the Chief Executive's vision and his proposals for change and improvement.

- 3.2** The Statement of Intent listed a number of important challenges which the council will address in order to demonstrate its commitment to its strategic aim:

- ✓ Providing a high quality customer response through the medium of Welsh, English or both languages.
- ✓ A high performing culture focused on outcomes which make a positive impact on people's lives;
- ✓ Understanding the current and future needs of local communities, recognising their diversity;
- ✓ Engaging with and listening to communities and citizens and providing feedback;
- ✓ Effective leadership and governance and a reputation for excellence even when choices are difficult;
- ✓ Providing value for money in everything we do;
- ✓ Being an outward looking Council, proactively seeking collaboration and working in partnership with others;
- ✓ Building internal capacity, developing the confidence of managers and staff to manage change and meet future challenges;
- ✓ Support the community leadership and representational role of elected Members;

- 3.3** The Corporate Plan and the Medium Term Financial Plan set out the council's corporate and directorate priorities for 2009-2012, the activities it will undertake to achieve them and how success will be measured and monitored. Both the Corporate Plan and the Medium Term Financial Plan will be reviewed annually. These draft plans are on the Cabinet's agenda for consideration. The final Corporate Plan will be presented to the council meeting on 28 July. When agreed by members, these plans will become the council's main plans for taking the Authority forward.

- 3.4** The Chief Executive is keen to develop the council's internal capacity to manage change. This will be addressed by a greater focus on organisational and workforce development, including encouraging members and managers to take ownership of the proposals in this paper and involve staff in responding to the council's strategic challenges. It is the Chief Executive's intention that corporate directors, heads of service and other staff take responsibility for leadership of the council and reduce reliance on external support. This will strengthen the already effective working relationships between members and officers.

3.5 The contents of this paper are as follows:

Section 4	Vision
Section 5	Improvement themes
Section 6	Strategic challenges
Section 7	Priorities for the next 6 months – 3 years
Section 8	A proposed new Senior Leadership Team
Section 9	The Change Programme
Section 10	Bringing the council closer to the community
Section 11	Risk Assessment
Section 12	Financial Controller's statement
Section 13	Consultation and process for implementing the new SLT
Section 14	Recommendations

4 VISION

4.1 By 2012 Denbighshire County Council will be an excellent authority, providing high quality and efficient services to all its citizens and communities and effective leadership to the Local Strategic Board and the wider community. The council will be respected and have earned a reputation for being one of the top performing authorities in Wales.

4.2 Realising this vision for the council will position it to lead the wider community towards achieving the Denbighshire vision for 2025:

“Denbighshire in 2025 will be the ideal place to live, work, visit,
conduct business and pursue a wider range of activities”

4.3 In 2012 the Council should be as follows:

- A model authority for how members and officers work together to improve outcomes for residents;
- Effective, tried and tested, arrangements in place for achieving economy, effectiveness and efficiency;
- A reputation for excellence reflected in regulatory reports and self-assessment of all key services and corporate management;
- Playing an effective leadership role in improving outcomes for residents in the region and nationally;
- Delivering the ‘One Wales’ commitment to bilingual Wales.

5 IMPROVEMENT THEMES

- 5.1 Community and people focused** – the council must be committed to the One Wales aspiration that every citizen should be able to use either English or Welsh as they go about their daily life, including their business with the council. Bilingualism is everyone’s business and this will continue to be reflected in every job description and in the way the council continues to undertake its responsibilities for the Welsh Language Scheme.

Denbighshire should strive for the highest standards of Customer Services ensuring that area profiles provide accurate and useful information at local level so that the council is better able to understand and meet needs in different parts of the county. Comments and complaints from residents should be acknowledged and responded to within the council’s guidelines for Customer Care.

- 5.2 High performance** – achieving economy, effectiveness and efficiency are moral imperatives. Members must be confident that services are doing the right things and that they are doing things right. When they don’t they fail our residents and elected members. Achieving high performance in a difficult economic context is even more important.

Denbighshire should be one of the best performing councils in Wales; consistently providing high quality, efficient and responsive services to its residents. Many of the council’s services already do this, but the council’s ambitions should be for all services to be consistently high performing. Members and residents expect this of the council. A high performing council is well placed and credible to assume a wider community leadership role and also much better able to explore effective collaborations with others.

Being a high performing council does not mean doing everything. It means being clear about priorities and aligning resources to maximise the impact on outcomes for residents.

- 5.3 Outward looking** – the council should be outward looking, working collaboratively with WAG, other local authorities and strategic partners and focussing on outcomes for residents. The council should be more involved in shaping regional and national agendas and receptive to external challenge. The council should be focused on what is best for the residents of Denbighshire even if this implies radical changes to the way services are provided.

The council has a good track record on collaboration, including Licensing and Transport and Infrastructure services with Conwy, the joint-contract involving Denbighshire, Flintshire and Wrexham on managing temporary agency staff requirements and the recent developments for establishing Telecare services, involving four authorities across the region. There are many other areas of the council’s activities where collaboration with others is already effective. These include Community Safety, Safeguarding Children, school admissions and transport, waste management, adoption services and many others.

The council now needs to build on this track record and develop 'hard collaborations' involving the integration of services and not only with other local authorities. Where there is a good business case, the council should be enthusiastic and proactive about developing jointly provided services with public, private and third sector organisations.

- 5.4 Strong governance and leadership** –Members and staff of the Council have a responsibility to demonstrate leadership and, through their personal behaviour, a commitment to the council's values: unity, pride, respect and integrity.

6 STRATEGIC CHALLENGES

There are a number of very important strategic challenges that are facing the council over the next few years.

6.1 A tight economic environment plus a need to improve services

This is perhaps the biggest challenge facing local authorities. The recession is having an impact on local businesses and jobs and creating pressure on the council's services and resources. The financial settlement from WAG is likely to be very tight indeed and that will present the council with serious challenges and dilemmas about how to spend taxpayers' money – thus the moral imperative to secure economy, effectiveness and efficiency. The forecasts for the next few years are very challenging for local authorities.

Furthermore, it is clear that moving the council up another level will require further investment in targeted service areas and pressures. However, it is equally clear that the council will not have additional resources to simply increase funding. The council will need to be much more proactive about collaborating with others in order to jointly deliver services it currently delivers on its own.

The council will need to look for efficiencies in the way it uses its assets and buildings and redirect resources from lower level priorities in order to increase resources for top priorities. This should include looking at sharing assets with others, for example the NHS.

6.2 Corporate Governance and Leadership

Effectively addressing the critical Corporate Governance Inspection Report is still a major challenge for the council. An enormous amount has been done since the publication of the report last November, but more is needed. This is crucial in improving the image of the authority and beginning to establish Denbighshire as a well run council that is close to its residents and recognised as such by its peers, local communities and WAG.

6.3 Variable service quality and customer care

There are areas of good and excellent services in the council. Many of the council's services are already amongst the best performing in Wales, but there are also services that are inconsistent and sometimes poor. The council must ensure

that all the services that it either has to or chooses to provide are of consistently good quality. In the context of the economic environment, this may only be secured if members choose to do fewer things, but do those things better.

Denbighshire cannot afford any more 'Estyns' or 'Hyfrydles'. As the Wales Audit Office said 'Denbighshire County Council must be much better at seeing things coming'. This means the Corporate Executive Team and Heads of Services cannot take their eye off the core business of the council. They must ensure there are performance management processes in place to identify problems and, where appropriate, intervene to make improvements. This is a corporate management issue and the Chief Executive and corporate directors must challenge and hold each other to account.

The council is making good progress with improving its customer care and information management systems. For example, the customer Care Strategy and the introduction of the Electronic Document and Records Management System and PARIS systems will improve the efficiency of council services and the council must ensure that these new systems generate administrative savings. The council now needs to take a more strategic approach to Customer Services by integrating information technology, information management, customer care, communications and marketing.

6.4 Engagement with residents and communities

Members have been very clear that 'Bringing the council closer to the community' is central to their political agenda. The responsibility of officers is to make this happen and in a way that improves service delivery and customer care. The current organisation, planning systems and culture may need to change in order to respond effectively.

6.5 Corporate priorities, including the LDP

There is still a need to clarify the expected outcomes from the corporate priorities in a way that is understood by residents and partners. Given the economic environment the council's ability to deliver the targets in its LDP will need clarifying too.

7 PRIORITIES FOR THE NEXT 6 MONTHS – 3 YEARS

7.1 The council's aspiration now is to strive for excellence. This means aiming to be amongst the top performing authorities in Wales by 2012. Some of the council's services are already performing at this level and for them the challenge will be to do even better. Directorate business plans and the Corporate Plan will need to reflect this. Quarterly performance reporting will need to be reviewed in order to ensure that the performance indicators used are clearly measuring the council's progress towards this aspiration.

7.2 A top priority for the first few months is to effectively address the Corporate Inspection Report's findings and the Wales Audit Office's letter.

The council has done an enormous amount of work to address the Inspection Report's findings including a comprehensive Action Plan which is being implemented. However, what has been done does not go far enough.

- 7.3** There is a need to strengthen the Corporate Executive Team (CET) and Heads of Service group so that the senior team is organised around the strategic challenges and priorities and is stronger in driving a common agenda for change and improvement. There is also an expectation that the council's senior management costs are reduced. This will mean changes to the Corporate Executive Team and Heads of Service structure and these are presented in Section 8 of this report.
- 7.4** The key issue to address in the Wales Audit Office letter is the council's arrangements for securing economy, efficiency and effectiveness. The areas to improve are:
- A clear strategic planning framework, including a good Corporate Plan and a Medium Term Financial Plan;
 - A common, consistently applied Performance Management Framework across the council and, where appropriate, partnerships.
 - Transparent public reporting of performance and effective communications with residents, staff and partners.

The leadership of these areas is crucial and needs to be stronger. The lead should be at CET level and this is reflected in the proposed new structure for CET and Heads of Service.

- 7.5** A new senior team structure will provide the framework for reviews of the council's corporate and support services and its planning and performance functions. These reviews will be known as the council's Change Programme and include all the council's support services. However, the programme is not exclusive to support services. Directorates will be expected to apply the methodology of the Change Programme to their services. The expected outcomes of the Change Programme will be increased collaboration, efficiency including reduced costs and more effective services. To encourage collaboration, the council will introduce a 'Collaborate to Invest' scheme. The Change Programme is summarised in Section 9 and the Business Case is included as Appendix 1.
- 7.6** The Change Programme builds on the work that has already been done to improve performance management (Recommendation 5, Corporate Governance Inspection Report) and provides a comprehensive and structured response to all the recommendations of the Corporate Governance Inspection Report, and in particular to Recommendation 3 and Recommendation 5.
- 7.7** The Chief Executive has taken personal responsibility for driving the Corporate Inspection Action Plan. This is a vital element of the council's improvement strategy and will require robust monitoring and, where appropriate, intervention by corporate directors, Focused Agenda Board and the Corporate Governance

Committee. Proposals for improving the strategic management of the Action Plan have been endorsed by the Focused Agenda Board.

- 7.8** Bringing the council closer to the community will be led by a corporate director on behalf of CET. The proposed leadership of this is set out in Section 10.
- 7.9** The emphasis in all of the above is building internal capacity and confidence and strengthening working relationships between officers and members.

8 A PROPOSED NEW SENIOR LEADERSHIP TEAM

8.1 The context described above requires strong leadership and a clearer alignment of priorities and challenges and the Corporate Executive Team/Heads of Service responsibilities. This leads to a review of the council's top management structure, where the main drivers are the following:

8.1.1 A strong CET, providing effective leadership, and enjoying the respect of members and staff; focused on driving service improvement, good governance, efficiency, modern customer services, effective communication and marketing, improved planning and performance and bringing the council closer to the community.

8.1.2 A smaller but more powerful and accountable Heads of Service group, clearly focused on corporate and service priorities and joined-up working.

8.1.3 The proposals in this paper concentrate on corporate directors and Heads of Service, although in some cases they impact on managers who are not currently head of service. Any proposals for further changes will be subject to separate consultation, in accordance with council policy.

8.1.4 Proposals for the structure of the new Planning and Performance Service and the new Business Support Teams will be available in the autumn of this year. These will clarify whether and how staff working in these areas might be affected. Clearly any further changes to established posts will be subject to the council's policies for consultation.

8.1.5 The new CET structure needs to retain three service directorates: Environment, Social Services and Housing and Lifelong Learning. This is partly because recent improvements in Education need to be given more time to embed and there is still the need to improve further. A major reorganisation of services, at this stage, would be disruptive and would distract the council from the improvement agenda. Instead the focus of these three services will be to strive to be amongst the top performing councils in the country.

8.1.6 The new structure will need to adapt to changing circumstances. For example, over the next few months and years the NHS will be implementing a massive change programme, which will impact upon local authorities. It is vitally important that senior managers in Social Services and Housing continue to position the council to make the most of collaboration opportunities.

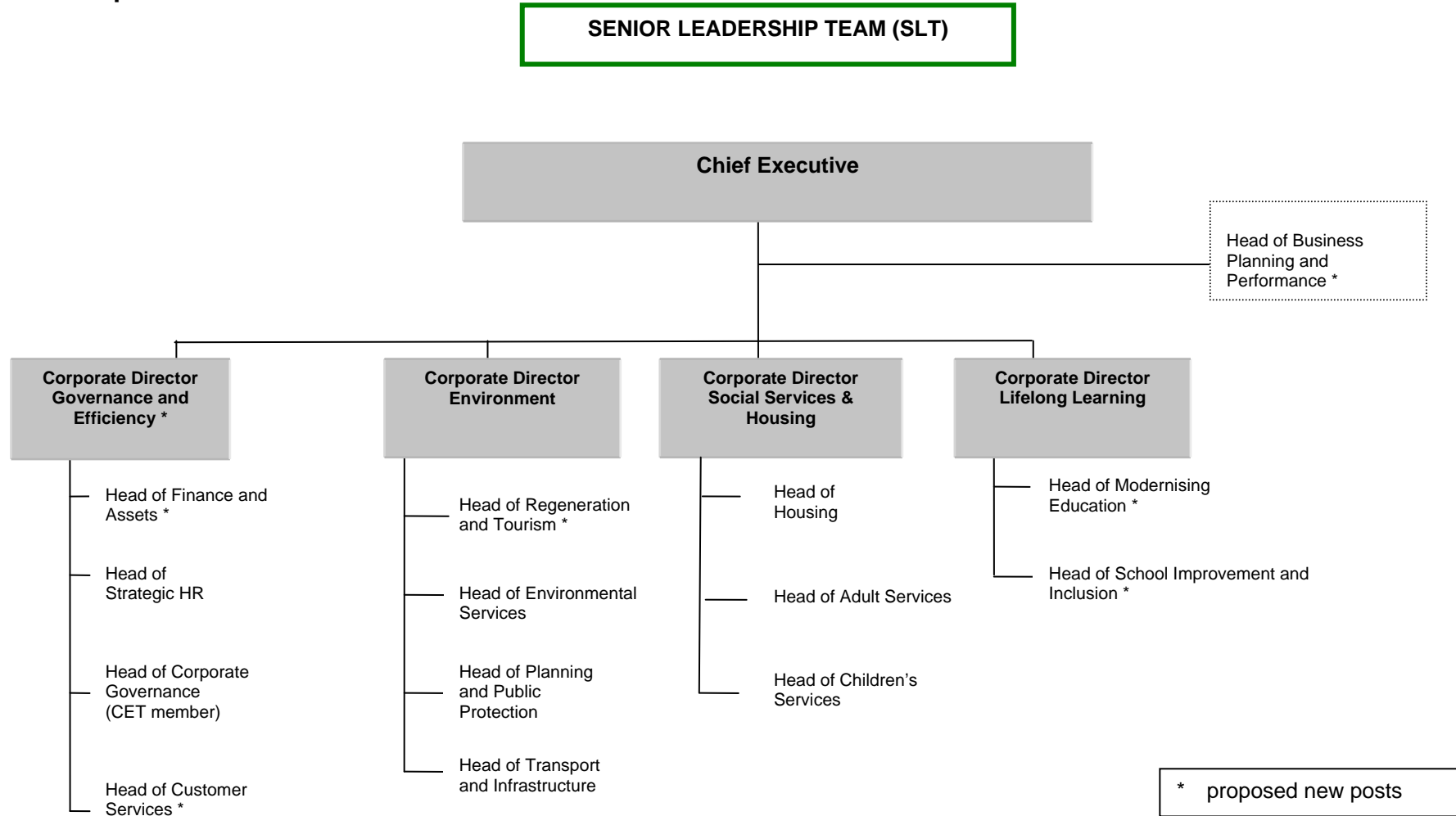
- 8.1.7** As changes to the NHS and other services are implemented and the full impact of the economic recession on local authorities becomes clearer, the structure may have to change further and while it is hoped that this does not happen in the short-term, it cannot be ruled out. The proposed structure has been developed with this background in mind.
- 8.1.8** The proposed senior management structure could trigger further, smaller scale, structural changes. For example, the establishment of the Head of Regeneration and Tourism post will provide directors with the opportunity to consider the future organization of Arts, Culture and Countryside services. Similarly, the establishment of the Head of School Improvement and Inclusion will encourage a discussion about the future location of the Youth Service. The Chief Executive and corporate directors are currently considering these possibilities and will take decisions once the top structure has been agreed.
- 8.1.9** The new structure does not have a deputy or an assistant Chief Executive. Each corporate director will be expected to cover for the Chief Executive in his absence. This will encourage corporate working and provide development opportunities for corporate directors.
- 8.1.10** The statutory Section 151 role will be undertaken either by the Corporate Director, Governance and Efficiency or the Head of Finance and Assets. The most appropriate position will be determined by the skills and qualifications of the two officers. The current County Clerk will be known as the Head of Corporate Governance and retain the Monitoring Officer role. The post holder will continue to be a CET member. The Head of Audit will report to the Corporate Director, Governance and Efficiency.
- 8.1.11** The new Corporate Executive Team and Heads of Service structure will be known as the Senior Leadership Team and together have the responsibility for leading the council's change and improvement programme. There will be a new relationship between CET and Heads of Service and this will be developed at SLT discussions. Together, CET and Heads of Service will take collective and individual responsibility for the effective management of the council. Heads of Service will be encouraged to lead on corporate and cross-directorate change initiatives. This will build organisational capacity and also develop talent and help to retain high calibre officers.
- 8.1.12** The proposed structure is expected to deliver financial savings in the region of £200k from 2010/11. Savings are not expected in 2009/10 because of probable redundancy costs. These costs should be covered by savings from the restructuring process, the contingency that has been created for this purpose and, if necessary, the council's general balances. Clearly, these costs will be for one-off payments.
- 8.1.13** The apparent inequality of pay for senior staff is already a contentious issue and the implementation of a new structure, with new posts, could introduce further anomalies and inequalities. There will, therefore, be a need to consider the salary structure of the senior leadership team. However, given the council's drive for high performance, this is an opportunity to consider introducing performance related

pay for corporate directors and heads of service. This could eventually be developed for all managers.

The Chief Executive is proposing to review this in the autumn, to coincide with the evaluation of the new senior posts. The principles of the review will be: equity, cost and securing high performance. Equity does not mean staff at the same level of the organisation should be paid the same. Rather it means ensuring appropriate pay for the job they are doing.

Any additional costs will be factored in and covered by management reorganisation. The savings from the new structure will be in the region identified in 8.1.12 and built into the council's Medium Term Financial Plan.

8.2 Proposed CET and HoS Structure



Notes:

- The proposed CET/HoS structure replaces the current CET/HoS/MMC structure. New 'MMC' to be called Senior Leadership Team (SLT)
- 7 new posts, 13 deleted posts.
- Three Service Directorates to have a small Business Support Team working within corporate frameworks established in Governance and Efficiency and Business Planning and Performance

8.3 Proposed New Posts

When the new structure is agreed, the Chief Executive and corporate directors will produce job descriptions and person specifications for the new posts. However, a brief description of each new post is provided in this section.

Corporate Director : Governance and Efficiency

- To provide corporate leadership and management of the democratic infrastructure; ensure effective systems for good governance, efficiency across all council services, modern customer services, effective internal and external communications and marketing of Denbighshire
- To be directly responsible for managing the council's support services, including legal and democratic services, finance, assets and ICT, customer care and strategic HR services, including developing modern organisational and workforce development strategies.

Head of Business Planning and Performance

- To provide corporate leadership on strategic planning and performance management across all council services
- To establish a corporate framework, including expected standards and guidance on corporate, business and service planning and ensuring consistent and effective performance management throughout the organisation
- To be directly responsible for the council's project management and partnership support teams and ensure a co-ordinated approach to delivering major projects and supporting strategic partnerships
- To establish corporate standards, expectations and support mechanisms for Business Support Teams in the directorates, building on local best practice and differentiating between corporate and operational functions

Head of Finance and Assets

- To manage and control the corporate financial functions of the council
- To be (or to deputies for) the Statutory Section 151 Officer responsible for ensuring that council operates within the legal and statutory framework
- To manage the council's assets and property to meet the needs of the authority and in a way that maximises its value
- To establish corporate standards, expectations and support mechanisms for Business Support Teams within the directorates

Head of Customer Services

- To provide leadership of the council's strategy and operational management of Information Technology, Information Management, Communications and Customer Care
- To develop a marketing strategy and ensure that the council's communications and customer care services are modern and at the cutting edge of developments

Head of Regeneration and Tourism

- To develop an integrated strategy for the whole of the county and drive the implementation of major regeneration initiatives
- To raise the profile of this corporate priority, co-ordinate the council's services and work effectively with external partners to optimise the benefits of regeneration and tourism in Denbighshire

Head of Modernising Education

- To provide leadership and management of the council's modernising education programme
- To be directly responsible for the development of schools' planning, admissions and transport policies and for ensuring effective service level agreements between schools and the Authority's support services

Head of School Improvement and Inclusion

- To lead the establishment of an integrated school improvement and inclusion service
- To be directly responsible for the council's services for school improvement and pupil support

8.4 Posts to be deleted from the current CET/HoS structure (from the SLT)

Post	Directorate
Corporate Director : Resources	Resources
Assistant Director, Financial Controller	Resources
Head of ICT	Resources
Head of Development Services	Environment
Head of Finance and Performance	Environment
Head of Tourism, Countryside and Culture	Environment
Head of Business Support	Social Services and Housing
Head of Planning and Performance	Lifelong Learning
Head of School Improvement	Lifelong Learning
Head of Partnership and Inclusion	Lifelong Learning

8.5 Other senior posts deleted from the current structure

Post	Directorate
Head of Customer Care	Resources
Head of Strategic Policy Unit	Resources
Principal Regeneration Manager	Environment

9 THE CHANGE PROGRAMME

- 9.1** The new senior structure provides the framework for carrying out a major review of the council's support and corporate services in order to ensure they are fit for purpose and provided in the most cost efficient manner.
- 9.2** The expected outcomes of the review will be:
- an effective support service model for the council, based on the new Senior Leadership Team structure
 - an effective corporate system for planning and performance management consistently applied across all services
 - increased collaboration, which over a three year period will deliver further restructuring of appropriate services across local authority/public/private sector boundaries
 - an improved workforce appropriately deployed to deliver key priorities
 - support the council's aspiration for bringing the Council closer to the community
- 9.3** The Change Programme will review the council's support services over an eighteen month period and apply a robust methodology to each service, testing it for efficiency and effectiveness and examining its potential to be delivered either in collaboration with other providers or, where appropriate, by other providers. The Programme will be overseen by a Change Programme Board, chaired by the Corporate Director of Lifelong Learning and including Cabinet members and staff across the Council. This Board will report to the Corporate Executive Team.
- 9.4** Service directorates will be encouraged to take the same approach to reviewing services and a "Collaborate to Invest" scheme will be introduced to provide an incentive to explore collaboration in all areas of the council's services. The details of the scheme are being developed but it will be based on the council's 'Invest to Save' scheme. Where proposals for collaboration lead to efficiency savings, a large percentage of the savings would be returned to the service for further investment.
- 9.5** The Change Programme will include a review of the council's planning and performance management functions. This will lead to the establishment of a strong Strategic Planning and Performance Management team, led by a new Head of Service who will be a Corporate Executive Team member, reporting directly to the Chief Executive. The review will also propose an appropriate Business Support Team for the Environment, Social Services and Housing and Lifelong Learning directorates. These teams will work to a consistent framework established by the relevant corporate service.
- 9.6** The primary purpose of the Change Programme is to improve the effectiveness and efficiency of council services and at the same time respond to the difficult economic environment for local authorities. There is, therefore, an expectation that the Change Programme will deliver significant financial savings.

9.7 The timescale for implementation of the Change Programme is set out in the detailed Business Case attached as Appendix 1.

10 BRINGING THE COUNCIL CLOSER TO THE COMMUNITY

This is members' top strategic objective and the council has decided to deliver it through area profiles and member forums. It is important that a corporate director takes on the responsibility for ensuring this is delivered. In particular, there is the need to resource and manage the profiles and the forums and also to integrate them within our service and financial planning process.

Project Sponsor: Corporate Director: Environment

Expected outcomes:

- Area Profiles clearly linked into service and financial planning
- well planned meetings of community forums and effective follow up by services

Timescales:

- proposals to CET by September 2009
- implementation of any changes by January 2010

11 RISK ASSESSMENT

11.1 Risks associated with not agreeing the recommendation

The senior management team of the council will not have the capacity to drive the change and improvement agenda of members.

11.2 Risks associated with agreeing the recommendation

While change presents opportunities for some, it can also demoralise colleagues whose posts could be redundant. It is important to ensure that staff are properly consulted and supported and that change happens as quickly as possible to prevent unnecessary uncertainty.

12 FINANCIAL CONTROLLER'S STATEMENT

The proposed new management structure reduces the number of senior posts in the structure. This will deliver a significant saving in future years, the level of which will depend on a number of factors, which will be clarified in due course although the figures quoted in paragraph 8.1.12 appear achievable.

The deletion of 13 existing posts will lead to some one off redundancy costs. It is not possible to be certain of the exact level of these costs as it will depend on which individuals leave the council and their years of service. It is likely however that the costs would be largely contained within the savings that would occur from this exercise in this financial year (at least 3 months assuming end December effective date) together with the £350k balance on the Reserve set up at the end of 2007/8 for costs relating to this sort of exercise. Any shortfall would need to be funded from the council's general balances.

Funding the costs in the current financial year would mean that the savings delivered from the restructure would form part of the savings proposals for 2010/11.

13 CONSULTATION AND PROCESS FOR IMPLEMENTING THE NEW STRUCTURE

Process for implementing the new structure

Milestones:

Discuss proposals with Leader and Cabinet	26 May 2009
Discuss proposals with CET	27 May 2009
Discuss proposals with Group Leaders	3 June 2009
Discuss proposals with DMTs	By 12 June 2009
Informal Consultation stage (including with TUs)	12 – 30 June 2009
Cabinet	14 July 2009
Formal Consultation Stage including job descriptions, person specifications and issue of redundancy notices	15 July – 30 August 2009
Recruitment Process	7 September – 21 December 2009
Implementation	From January 2010

- 14 Redundancy notices for Corporate Director/Head of Service posts (table in 8.4) will be issued at the end of the formal consultation period. However, posts below Head of Service level (table in 8.5) will not receive redundancy notices until the new structure is established.

15 RECOMMENDATION

Cabinet is asked to agree the Chief Executive's proposals for establishing a new Senior Leadership Team and note the reviews of the council's corporate and support services and planning and performance functions.

FOR OFFICE USE ONLY

Date received:		Reference:	
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PROJECT BUSINESS CASE



Project/Activity Name:	Corporate Change Programme		
Corporate Director:	Hywyn Williams	Directorate:	All
Form completed by:	Paul McGrady	Service Area:	All
Financial Verification by: (Directorate Accountant)		Date of Proposal:	05/06/09

IMPORTANT – READ THIS BEFORE COMPLETING THE FORM

The Business Case provides justification for undertaking a project/activity, in terms of evaluating the benefit, cost and risk of alternative options and rationale for the preferred solution. Its purpose is to obtain management commitment and approval for investment in the project/activity. Assessment is based on the information provided in this form. DO NOT assume that the assessors will have any background knowledge of the activity or project. If the relevant information and evidence is not provided - a low score will be awarded.

If you require assistance completing this form please contact the Corporate Project Management Team at projects@denbighshire.gov.uk or on extension 6076.

BACKGROUND INFORMATION

This section should provide a brief description of the project/activity you propose to undertake and the reason it is required. You should assume that the reader has no background knowledge.

1. Context

Public expenditure growth is decreasing rapidly and may well cease by 2011. This is already becoming a reality for services. There has to be a need to recalibrate our approach to service delivery and, where it happens, to commissioning services. Culturally, this will prove very difficult for managers as many have experienced growth during their tenure of office.

Traditional managerial activities of salami-slicing, holding vacancies, delaying expenditure will be insufficient to meet the challenge. Creative solutions will be necessary across the Council and across partner agencies to achieve solutions that will improve quality and meet challenging financial constraints. Local strategic partnerships will need to accelerate their response to what has been a somewhat lethargic process to date.

The Council will need to consider stop providing some services and fundamentally change delivery models for statutory and other essential services. Decommissioning and changing delivery models will need to be service, service-user and financially lead. Priorities will require clear, unambiguous definitions and outcome measures that are in line with 'Bringing the Community Closer to the Council'. Engaging with partners will be crucial so that any changes to services made by the Council does not create a problem for other agencies. Locality wide approaches will need to be secured to avoid this effect.

Collaboration and shared services will be crucial in order to mitigate some of the impact of decommissioning and changing service delivery.

The starting point for the project has to be the aspirations and needs of service users, citizens, staff and communities. This requires informed and objective dialogue with stakeholders.

There are aspects of services that may be changed more rapidly than others especially if some service areas are already contracted to the private or third sector. The Council needs to be clear from the outset about possible compensation costs for early termination of contracts or possible redundancy issues. There will also be a need to seriously evaluate future contracting arrangements in order to avoid the above scenario with new or revised arrangements. In future, all contracts and SLAs should include a shared approach to down-sizing without unduly creating a detrimental effect to provider commercial interests.

2. Improvement Themes

There are four broad principles and values that will underpin the project. These are as follows:

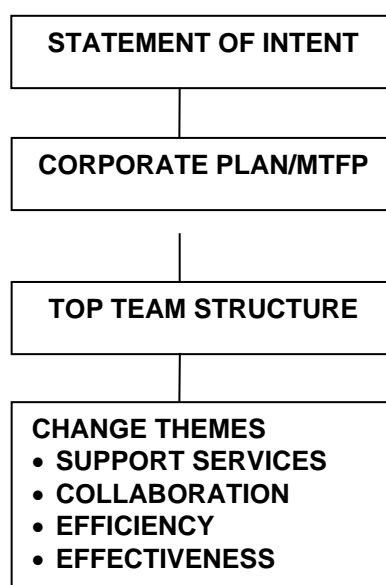
Outward looking – this is about working closely with strategic partners, focusing on outcomes for our residents and providing clear leadership in shaping the regional and national agendas.

High performance culture – this is about doing the right things in the right way and by so doing, securing good and excellent performance against set objectives.

Commitment to a bilingual county and country – this is about our commitment to the ‘One Wales’ aspiration and the need for services to reflect the ability of our citizens to go about their lives using either English or Welsh, including their business with the Council and partners.

Strong governance and leadership – this is about developing high levels of accountability and leadership at all levels within the organisation; living the values of unity, pride, respect and integrity.

The Improvement Themes of the project will permeate the organisational structures and processes as outlined below:



3. Strategic challenges

The challenges faced by the Council are to deliver uniformly high quality services within a climate of reducing resources by delivering on the aspirations and needs of citizens.

4. Defining the project

The project requires a 'brand' in order for all stakeholders to be able to relate to the present challenge and contribute proactively and in a supportive way to the task in hand. This could be as follows:



In more detail, this means:

MAKING it happen

- Clear strategy
- Clear analysis
- Change team established
- Member/Partner engagement
- Community consultation
- Agree pace/timeline
- Identify opportunities

CHANGE what?

- Resource allocation and deployment
- Working practices
- Focus on key activities and be prepared to say 'No'
- Structures
- Culture
- Perception of DCC

DELIVER improvements

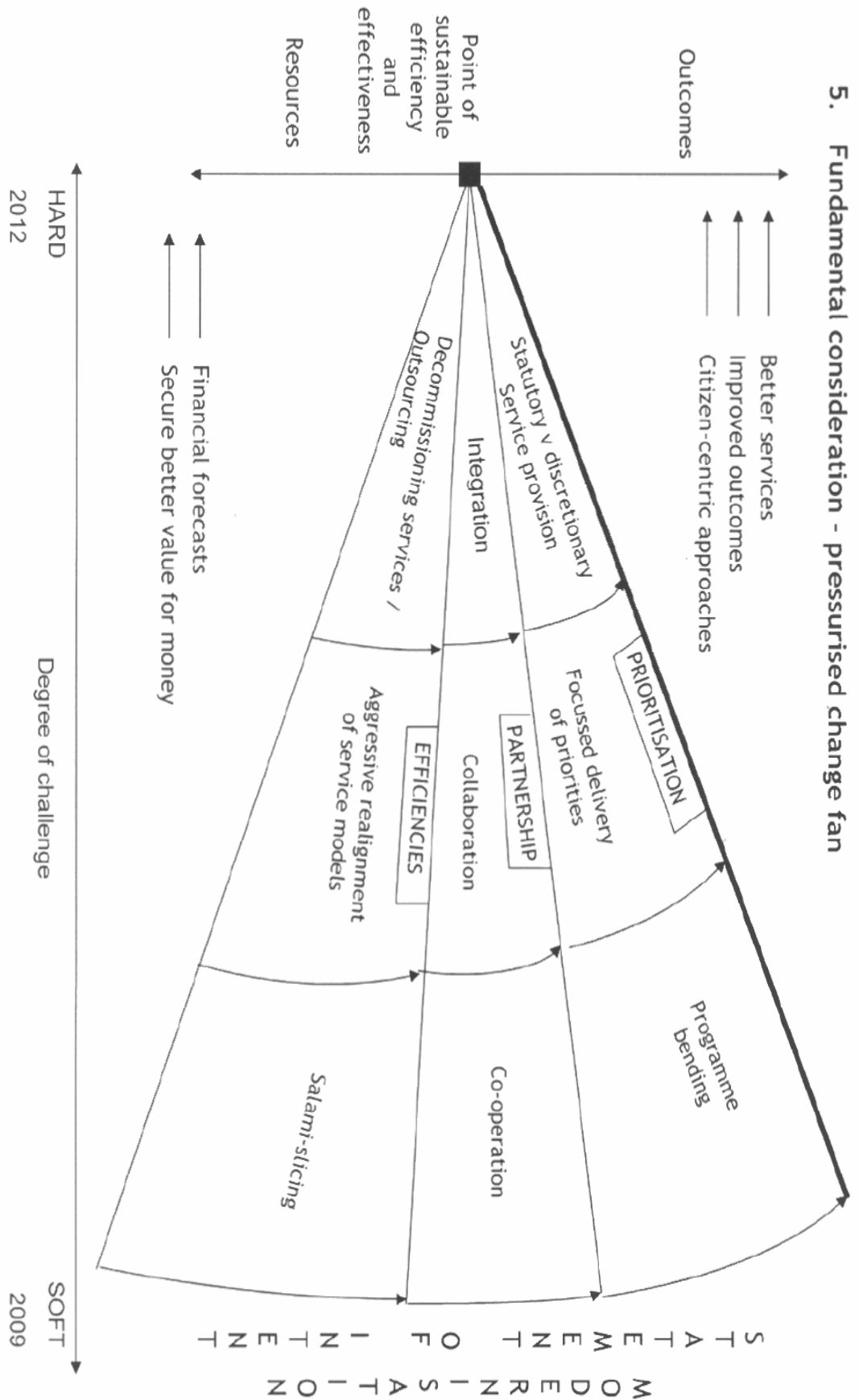
- Improved outcomes (top 10/7)
- Citizen centric services
- Reduce costs
- Perceptions of citizens
- Regulator evaluations

The change project can be considered as operating on four levels:

- a) An internal DCC exercise.
- b) DCC operating in a partial collaborative with other councils/partners.
- c) DCC operating in a full collaborative with other councils/partners.
- d) Service(s) that become externalized/outsourced to a third party.

The project will also develop a consistent model of review and evaluation that will be used to challenge both support services and frontline services to ensure they are subject to challenge against efficiency, effectiveness and collaboration themes.

A diagrammatic representation of the reasons for embarking on this project is included below:



COSTS

This section should provide details for the revenue impact of the project/activity and provide an indication of how any increased revenue requirements will be met.

Please provide details of the revenue implications of this project/activity, including any potential revenue savings that may be generated:

Revenue

The project will be overseen by a programme board of members and officers. It will have access to external expert support that will be able to advise on best practice, carry out research, and advise on developments in other parts of the public / private sector. It will also require additional project management capacity.

This is likely to be a complex project that will span several financial years. At this stage it is anticipated that at least 3 members of staff will be required to manage and co-ordinate the different elements of the review. It is anticipated that the WLGA would fund the external support leaving the Council to fund the project management costs.

This is likely to be £100k per year for the two years of the review period. Internal costs can be met from the Spend to Save funding in 2009/10.

The project will be phased so that as some services are being reviewed, others are already implementing changes. This means there may be additional costs relating to redundancy, training and support. At present it is not possible to quantify these as they will depend on the outcome of each review. There may also be capacity issues that will need to be reviewed.

The review programme will be split into 3 phases each lasting approximately 6 months. Implementation for each is shown as lasting for 12 months. Some projects may be quicker and some will take longer depending on the scale of the proposed changes.

Month 0 - 6:	Review 1			
Month 7 -12:	Review 2	Implement 1		
Month 13 – 18:	Review 3	Implement 1	Implement 2	
Month 19 – 24			Implement 2	Implement 3
Month 24 – 30				Implement 3

Capital

At this stage it is assumed there is no requirement for capital investment. Again, each review may recommend investment or one-off costs to aid service improvement.

OUTPUT/PRODUCT

Please provide details of the end product of the project/activity – i.e. what the investment will actually buy. For example:

- *Project implementation should result in a clear output like a new or refurbished building – please provide details of the building in terms of use, size, etc.*
- *Programme funding should detail the proposed programme of works and outline how works will be prioritised.*
- *The item(s) business improvement investment will buy – a new IT system, record storage facilities, etc*

PRIORITY 1

This priority is divided into two elements:

- 1a) Project initiation and scoping within DCC
- 1b) Share the outline developed within (1a) with Members, staff and partner organisations.

PRIORITY 2 – Support Service Review

The first change priority, in line with the Corporate Governance Action Plan, will be to review the way DCC organizes the Support Services. These services are Legal Services, HR, Service Administration, Planning & Performance Management, Partnership Support, ICT, Customer Care / Contact, Communications & Marketing, Procurement, Transactional Services, Accountancy, Health & Safety.

PRIORITY 3 – Service/Cross-Directorates' Review

Individual 'Directors' will be required to review delivery options for their functions and develop business cases for change in accordance with the key elements of the 'pressurised change fan'. These reviews will be supported by the assignment of three Business Improvement Team members either partially or full to this work.

In each case, the review will provide:

A costed analysis of current provision of each service reviewed;

Options and recommendations for alternative service provision.

BENEFITS

The benefits are the quantifiable and measurable improvement resulting from completion of the project/activity outputs detailed above. All projects/activity should deliver some benefits, and consideration should be given to economic, environmental, social and business benefits.

This review will enable the Council to make strategic changes in order to deliver improvements in terms of resource allocation and deployment, working practices, prioritisation of services/themes, structures, cultures and the perception of the Council as a fit for purpose organisation, fit for the future. It will also respond to the strategic challenge of securing improved quality of services within a reduced budgetary climate. The project will also secure structures are such that it will deliver improved outcomes (top 10/7 performance), citizen centric services, improved perception surveys, and improved regulator evaluations.

The project will deliver substantial savings over a 3 year period and consideration will be given to creating a 'Collaboration to Save' fund for further service improvements.

PERFORMANCE INDICATORS

Performance Indicators are measures of success which can be used to assess whether the benefits (NOT the output/product) detailed above have been delivered. Where appropriate, these indicators should relate to those detailed in the relevant Directorate and/or Service Business Plan.

Performance Measure/Indicator	Target 2009/10	Target 2010/11	Target 2011/12	Target 2012/13
Recommendations acted upon				

OVERARCHING AIMS / CORPORATE PRIORITIES

This section should identify how the activity supports Denbighshire's overarching aims:

- *Modernisation*
- *Sustainability*

And/or corporate priorities:

- *Modernising Education*
- *Responding to Demographic Change*
- *Regeneration*
- *Roads and Flood Defences*

Key Strategic Document

Corporate Governance Action Plan and the overall Modernisation agenda.

Overarching Aims/Corporate Priorities

The review will support the modernisation of the Council services by allowing it to demonstrate how it has properly considered how it carries out some of its key corporate functions, and, significantly so, how it intends to capitalise fully on the strategic challenge inherent in the collaboration agenda.

The methodology to be used will involve the Best Value 5C model namely:

- Compare** - this would entail a cost and quality comparison with the best performing Council wherever they exist. In Wales, we would also need to scrutinise how we can achieve top 10/7 performance and how much work we need to do to narrow the gap.
- Challenge** - this would be about asking why we provide the service; why we provide it in the way we do, and is there a better way of doing things?
- Consult** - this is about consulting with staff, stakeholders and other external partners about the service. This can link to the work with the forums, work at ward level, etc.
- Compete** - this is about testing the external market, or testing how collaboration could make services fitter and increase sustainability.
- Continuous Improvement** - this is about becoming a high performing council across all significant services within the climate of reduced resources through focussed improvement planning and review and evaluation procedures.

Statutory Requirements/H&S

The review will contribute to the CGAP requirements and will assist in securing better services in the future against the backdrop of significant budgetary challenges.

Partnership Working

Other Councils and partners will be contacted as part of this review.

STATUTORY REQUIREMENTS / HEALTH & SAFETY

This section should identify how the activity will help Denbighshire meet any of its statutory requirements. Please include any Health & Safety issues that the activity will address in this section. Please leave blank if not applicable.

This review will contribute to responding to the Corporate Governance audit and improved compliance with requirements to produce planning and performance management documents.

PARTNERSHIP WORKING

Please provide details of any consideration you have made for working in partnership (with other local authority or public sector organisation, voluntary or private sector organisation) to deliver this activity:

Other Councils will be contacted as part of the review. Best practice and new ways of working will be studied and where appropriate others may be asked to contribute to the reviews. It is expected

that the use of joint working and increased collaboration will be central to a number of the recommendations.

TIMESCALES

This section should outline the desired timescales for the activity. It should include key milestones including when the project/activity is proposed to commence and when the project/activity will be complete (and the output detailed earlier achieved).

Date	Milestone
12 June 09	Agree Programme Board Team and Programme Brief
19 June 09	Agree Terms of Reference of Programme Board and appointment of Project Management Team
26 June 09	Begin review of Legal Services, HR, Service Administration, Planning & Performance Management, Partnership Support
Dec 09	Draft reports
Jan 10	Final reports
Jan 10	Begin implementation of recommendations
Jan 10	Begin review of ICT, Customer Care / Contact, Communications & Marketing, Procurement
Jan 10	Begin review of Lifelong Learning, Environment and Social Services & Housing Directorates
May 10	Draft reports
June 10	Final reports
June 10	Begin Implementation of recommendations
June 10	Begin review of Transactional Services (Creditors, Payroll, Cashiers, Debtors), Accountancy, Health & Safety
Dec 10	Draft reports
Jan 11	Final reports
Jan 11	Begin implementation of recommendations

RISK ASSESSMENT

Assuming that the activity detailed in this Business Case is approved, please assess the level of risk associated with delivering the project in the key areas detailed below by ticking the appropriate box.

FURTHER INFORMATION MAY BE REQUESTED TO SUPPORT YOUR ASSESSMENT OF RISK

Risk description	Low	Med	High
Risk that costs will escalate and the project/activity will not be delivered within the funding detailed within this Business Case	X		
Risk that the project/activity will not be completed within the timescales detailed in this Business Case		X	
Risk that the project/activity will not deliver the same output/product specification detailed in this Business Case	X		
Risk that the benefits detailed in this Business Case will not be realised on completion of the project/activity		X	

OPTIONS APPRAISAL

This is a high level analysis of two possible alternatives that have been considered. The first option is to “do nothing” – i.e. what would be the consequence of not carrying out the activity? In the second option consideration should be given to an alternative way of delivering the previously detailed project/activity benefits.

Option title:	
Please provide brief details:	

The review will consider options for service delivery.					
Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:					
Costs	Costs more		Time	Takes longer to deliver	
	Costs the same			Takes the same to deliver	
	Costs less			Is quicker to deliver	
Quality	Improves the quality		Benefits	Improves benefits	
	Is the same quality			No impact on benefits	
	Is a lower quality			Worsens benefits	
What is the main reason this option has not been selected?					

SUPPORTING INFORMATION

Please list any supporting documents that accompany this Business Case

1. Project Board – as at present

Management of the Project will follow the Council's Project Management Methodology. A programme board will be established as follows:

Hywyn Williams	–	Sponsor
Paul McGrady	–	Finance specialist/Deputy Project Sponsor
Paul Marfleet	–	Lead Member for Modernisation
Julian Thompson-Hill	–	Lead Member for Finance
Rhiannon Wyn Hughes	–	Lead Member for Personnel
External Challenge role	–	External Appointment by WLGA
Joanne Moore	–	HR specialist
	-	Performance specialist
Steve Parker	-	Environment Directorate (link to two corporate priorities)
Jackie Walley	-	LLL Directorate (link to corporate priority)
Neil Ayling	-	SS&H Directorate (link to corporate priority)
Tom Booty	-	Corporate Project Management

The board will be supported by a programme manager and two / three project officers.

2. Workstream development

Workstream plans will be developed as per attachment (Appendix 1) – draft document for HR review. The responsibility for workstream development will be assigned as follows and communicated to the teams:

- ⇒ Policy/Performance and Planning (not statutory Planning) – PMG
- ⇒ Administrative service - PMG
- ⇒ Human Resources - HW (see example)
- ⇒ Legal Services - HW

3. Process structure

The process will be monitored and supported by the Project Board and regular reports will be submitted to CET and FAB initially. Where decisions regarding any future changes to structure or provision are deemed necessary, Cabinet will receive such reports and the changes will always be subject to Scrutiny by the relevant Scrutiny Committee.

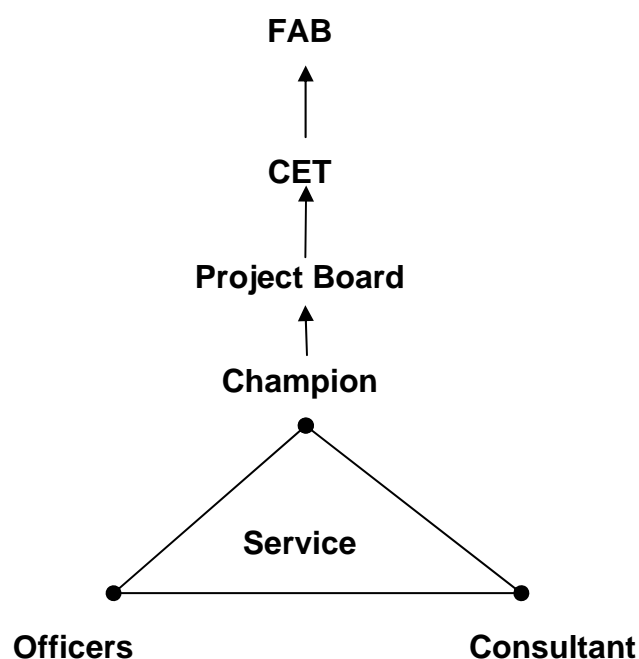
Operationally, the work will be supported by internal officers as outlined below with the

engagement of an external consultant to offer the necessary external challenge and good practice input from other Councils or other public service areas

Service	Internal Support	Champion	External Consultant / Challenge
HR	Hawys Lebbon	Cllr Rhiannon Hughes	Jane Saunders (Orion)
Legal	Hawys Lebbon	Cllr Paul Marfleet	Jane Saunders (Orion)
Policy, Performance & Planning	Nina Ruddle	Cllr J Thompson-Hill	TBC
Admin	Nina Ruddle	Cllr J Thompson-Hill	TBC

(PMG to decide on appropriate method for financial support)

4. Process model



5. Resources to support Project

The resources for managing and delivering this project will be allocated from WLGA funding, previously utilised to support the development of the Corporate Governance Action Plan and from the Council's Spend to Save Fund, the latter totalling 200k over 3 years to be repaid from efficiencies created by the project outcomes.

REPORT TO CABINET

CABINET MEMBER: Councillor H H Evans, Leader and Lead Member for Education

DATE: 14 JULY 2009

SUBJECT: DENBIGHSHIRE COUNTY COUNCIL'S DRAFT CORPORATE PLAN 2009 – 2012 AND DRAFT MEDIUM TERM FINANCIAL PLAN

1 DECISION SOUGHT

- 1.1 That Members recommend Denbighshire County Council's draft Corporate Plan 2009 – 2012 for adoption by full Council on the 28 July 2009, subject to any amendments agreed by Cabinet (Annex I refers).
- 1.2 That Members note the likely financial position of the Council as detailed in the draft Medium Term Financial Plan 2009-2012 and comment as appropriate to full Council on the 28 July 2009.

2 REASON FOR SEEKING DECISION

In summary, the draft Corporate Plan sets the strategic direction for the Authority. The Plan details what the Council is trying to achieve over the medium term, how this contributes to wider agendas such as Denbighshire's Community Strategy, the rationale behind Members' choice of priorities and how resources will be aligned so that priority outcomes and targets can be achieved.

Denbighshire County Council's draft Corporate Plan is the result of a process by which Members and senior management analysed the Council's environment, priorities, objectives and strategies in light of its Statement of Intent and overall strategic planning framework. The Corporate Plan looks at the present as well as the longer term and aims to guide Members, senior management and staff in a cohesive effort to carry out the Council's overall Vision. It informs everyone involved (including the public and stakeholders) about the Council's priorities and objectives and how they will be resourced. The Council will use a basket of qualitative and quantitative measures to assess how well it is achieving objectives in its Corporate Plan.

The Council also has a statutory obligation to produce an annual Improvement Plan¹ in two stages. The information all improvement plans must contain and the outcomes of the two stages are the subject of forty-eight pages of Assembly Guidance. As there are many similarities between the role of the Corporate Plan and the Improvement Plan and the processes and information required for both it was agreed that the Corporate Plan and

¹ Welsh Assembly Guidance for Local Authorities Circular 28/2005 – Wales Programme for Improvement

Improvement Plan would be included in one document “Denbighshire County Council’s Corporate Plan 2009 – 2012”, which would be reviewed and revised annually.

The Corporate Plan Summary, which will target members of the public, will be published in the Autumn following the release of all Wales performance data against which we can compare the Authority’s performance.

3 POWER TO MAKE THE DECISION

The Corporate Plan 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:

Appendix 4.1 of the draft Corporate Plan details the financial scenario for the next 3 years based on the assumptions explained in Section 6 below.

4.2 Staffing / Accommodation Implications:

The programmes and projects required to achieve the outcomes set out in the Corporate Plan will have staffing/accommodation implications, some of which will be significant. These will be identified in individual project business cases and plans as required by the Council’s corporate project management methodology.

4.3 IT Implications:

These will also be identified in individual project business cases and plans.

5 RISK ASSESSMENT

5.1 Risks associated with not agreeing the recommendation/s

Assembly Guidance requires the Council’s Plan to be published in quarter one of each financial year so that it can provide the strategic direction and lead activities in the current year and set the scene for financial and business planning in subsequent years. Publication of the Plan has already been delayed until quarter two to allow time for the new Chief Executive to effectively lead the process. A further delay would increase the risk of the Wales Audit Office giving the Corporate Plan a qualified opinion which would raise questions about the Authority’s corporate governance and could have a detrimental impact upon its reputation.

5.2 Risks associated with agreeing the recommendation/s

There is a risk that the Plan commits the Authority to measures and targets which are not achievable.

6 FINANCIAL CONTROLLER STATEMENT

The draft Medium Term Financial Plan provides Members with the likely financial context for the next 3 years. The Plan will remain draft until certain key elements are clarified. These include the level of Assembly funding for Revenue & Capital purposes. Central Government recently announced that the Comprehensive Spending Review that was due to be carried out this summer will be delayed until after the next General Election. The result of this decision is that WAG will not be able to produce a meaningful budget beyond the next financial year.

WLGA and Councils currently only have the indicative budget details for 2010/11 that were supplied 2 years ago. The WLGA together with the Institute of Fiscal Studies have produced settlement assumptions for 2010/11 to 2012/13 for local government as a whole in Wales, based on this indicative data together with the detail behind the Chancellor's Budget statement in May. The Assembly budget for 2010/11 will not be available until the Autumn.

A prudent approach has been taken to the draft assumptions built into the MTFP namely:

- a **0%** increase in WAG Revenue Support for each of the 3 years,
- a **10% reduction** in Capital funding from WAG for each year,
- an assumption that inflation will be in line with HM Treasury forecasts.

Appendix 4 to the Plan exemplifies the position for each of the 3 years covered by the plan with a further assumption that £1m is invested in the Council's agreed priority areas per annum.

This scenario produces a required increase in Council Tax of 9.59%, (well in excess the Minister's capping powers i.e. 5%). The lower left hand box in page 1 of the appendix demonstrates the level of savings needed to be delivered to reduce this increase to more reasonable levels. The lower right hand box details the sort of savings that are potentially deliverable that officers are currently seeking to achieve. It is currently felt that about £2.5m of savings could be delivered from the areas detailed. This would produce a Council Tax increase of 2.5% which is in line with the guaranteed minimum increase in Old Age Pension promised by the Chancellor in his Budget speech.

Members are requested to consider this position together with the current assumption of £1m to deliver improved outcomes for the Priority areas.

7 CONSULTATION CARRIED OUT

The Plan has been developed through regular sessions with the Corporate Executive Team, Cabinet and CET awaydays and two full day sessions with senior management and policy and performance leads.

Progress against the project which is sponsored by the Chief Executive and managed by the Head of Strategic Policy, has been regularly reported to the Focused Agenda Board and Corporate Business Planning Group with Directorate Heads of Policy and Performance being asked to confirm that information relating to their Directorate is accurate. The information in the Plan relating to Corporate Priorities has been the subject of discussion and agreement by the Improvement Boards - Demographic Change, Regeneration and Modernising Education.

The draft Plan was presented to:-

- Informal Cabinet for comments on the 23 June
- the Corporate Governance Committee on the 30 June
- Denbighshire's Local Service Board (LSB) on the 1 July
- Resources Scrutiny on the 2 July where all Members were invited for the Agenda Item on the draft Corporate and Medium Term Financial Plan
- Monthly Management Conference on the 2 July

The draft Plan was sent to the Wales Audit Office for initial comments on the 7 July.

Annex 2 provides a table of all the comments which were made and highlights those requiring a decision by Cabinet Members.

8 IMPLICATIONS

8.1 Assessment of Impact on Corporate Priorities:

The draft Corporate Plan sets out Corporate Priority outcomes, measures and targets and explains how achievement of the targets will be resourced.

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

The Corporate Plan contributes to the four high level outcomes which have been agreed by the LSB for Denbighshire's Community Strategy 2010. A Healthy County (Demographic Change priority), A County of Opportunity (Modernising Education priority), A Prosperous and Sustainable County (Regeneration priority) and A Safe County (Roads and Floods priority). The Corporate Plan is supported by Directorate and operational plans and all the Council's plans take into account equal opportunities and sustainability.

9 ACTION PLAN

ACTION	RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED	ACTION TO BE REVIEWED & MONITORED BY / DATE TO BE MONITORED
Draft Corporate Plan sent for translation – further amendments tracked	Head of Strategic Policy Project Manager 8 July 2009	Project Manager 15 July 2009 29 July 2009
The draft Corporate Plan presented to full Council for adoption subject to any further amendments	Chief Executive Project Sponsor Head of Strategic Policy Project Manager 28 July 2009	Project Sponsor 29 July 2009
Stage 1 Corporate Plan published on Denbighshire's internet	Head of Strategic Policy 31 July 2009	Project Sponsor 30 July 2009
Hard copies of the Corporate Plan produced and distributed to Members, senior managers, town and community councils and key partners	Head of Strategic Policy 27 August 2009 at the latest	Project Sponsor 24 August 2009
Stage 2 Corporate Plan agreed by Cabinet for recommendation to full Council. Analysis of comparative data following publication of all Wales figures in August	Head of Strategic Policy Cabinet 29 September 09	Project Sponsor 10 September 09
Stage 2 Corporate Plan agreed by full Council and published on Denbighshire's internet with Corporate Plan Summary	Head of Strategic Policy Council – date tbc Publication 30 October 09	Project Sponsor 20 October 09

10 RECOMMENDATION

- 10.1 That Members recommend Denbighshire County Council's draft Corporate Plan 2009 – 2012 for adoption by full Council on the 28 July 2009, subject to any amendments agreed by Cabinet (Annex I refers).
- 10.2 That Members note the likely financial position of the Council as detailed in the draft Medium Term Financial Plan 2009-2012 and comment as appropriate to full Council on the 28 July 2009.



CYNGOR
Sir Ddinbych
Denbighshire
COUNTY COUNCIL

Corporate Plan 2009-2012

*A High Performing Council
Closer to the Community*



Contents

Section	Page
I. Foreword (Leader)	3
II. Introduction (Chief Executive)	4
III. Statement of Intent	6
IV. Our Self Assessment	8
V. Our Improvement Themes	13
VI. How We Plan Our Work	18
VII. Corporate Priorities Demographic Change Regeneration Modernising Education Roads & Flood Defences	22
VIII. Directorate Priorities	40
IX. Resourcing the Plan	48
X. Appendix 1 Monitoring the Corporate Plan	51
XI. Appendix 2 Improvement Agreements Summary	57
XII. Appendix 3 Response to Review of Corporate Governance	59
XIII. Appendix 4 Medium Term Financial Plan	61

Section I: Foreword by the Leader

When I became Leader in November 2007 it soon became clear to me that Denbighshire's elected Members were not content for the Council to carry on as it always had done. We had a Council with 18 new Members which was keen to address the issues and concerns of our residents and politically we had an appetite to drive through change.

Members were raising the same points with me time and time again. They said we had excellent staff but residents sometimes felt we did not provide as good a service as we could do and we were slow to respond when they complained. These were not just the perceptions of Members as I was provided with both examples of where we had served the people of Denbighshire well and where we had failed to provide them with the service they have a right to expect.

Communication with our residents, Town and Community Councils, partners and others was not as effective as it should be and staff said that communication within the organisation also needed to improve. With ever decreasing resources Members also felt strongly there were areas where we could be more efficient without cutting services to the public. It was said managers should take a firmer line with staff who had high levels of absenteeism and also that the Council should take more advantage of collaborative opportunities.

At the end of 2008 many of the issues previously raised by Members were brought to the forefront by a critical external inspection report. The report highlighted weaknesses in the Council's corporate

governance arrangements and urgent steps were taken by Members and senior management to address the areas of concern.

Members were keen to set out their political goals and aspirations for the Council in a single document which would guide the organisation and give managers and staff a clear direction and guiding principles to work to. In consultation with Members I produced the Council's Statement of Intent which makes clear the areas which we as Members want to work with officers and staff to improve. You will see that our overall intention is to be a "High Performing Council, Closer to the Community". In order to progress the Statement of Intent we have identified four key improvement themes:-

- ✓ Community & People Focused
- ✓ High Performance Culture - Delivering Value for Money
- ✓ Outward looking
- ✓ Strong Governance and Leadership for Improvement

The work we will be carrying out to support these themes is set out for you in Section V of this Plan.

As Chair of the Denbighshire Local Service Board, and a Member of the North Wales Regional Partnership Board, I am also committed to ensuring real improved outcomes for the people of Denbighshire through partnership working and collaboration.

Cllr Hugh Evans

Leader

Section II: Introduction by the Chief Executive

I am very pleased to be introducing my first Corporate Plan as Denbighshire County Council's new Chief Executive. The Corporate Plan sets out the Council's key priorities for 2009 - 2012, the activities it will undertake to achieve them and how success will be measured and monitored.

2009 will be a momentous year as the Council begins its journey to become one of the top ten performing authorities in Wales. Both the Leader and I are determined that Denbighshire will become a high performing Council and I am confident that I have a strong senior management team and excellent staff behind us.

The next few years will be challenging and the Corporate Plan includes a number of very demanding targets. Like all organisations, we are affected by what is happening nationally and globally and we are far from immune from the impact of the current economic climate. The Welsh Assembly Government has set a challenging agenda. We will continue to contribute to the One Wales Agenda through our Improvement Agreements and are already preparing for new Community Strategy and Wales Programme for Improvement guidance which is being revised in response to the newly passed Local Government (Wales) Measure. I strongly believe that if we are prepared to embrace change and work together, we can achieve whatever goals we set ourselves.

The priorities and targets in this plan have been set with our anticipated finances in mind as set out in our supporting Medium Term Financial Plan. We will continue to carefully manage our finances so that we can keep an amount aside for emergencies while investing in our priorities when required and keeping Council Tax increases to a minimum.

In addition to our priorities of Demographic Change, Regeneration, Modernising

Education and Roads and Flood Defences the Plan also explains how we will get closer to Denbighshire's communities and put people at the heart of everything we do. We have already developed Area Profiles so that we have good, relevant information about our local areas and we have met with almost two hundred and fifty residents over the last year in our new Community Forum meetings. In addition to this, we will be sending out our first ever Annual Residents' Survey later this year to find out what residents really think about the Council and the services it provides. Our new Complaints Policy is already starting to make a difference.

We have also been putting in place systems and processes to improve our corporate governance and to make sure we have the leadership in place to take the Council forward and ensure we are providing value for money. One of my first priorities as Chief Executive, is to implement a Change Programme and I have already identified a new structure for the senior management team which will be implemented by January 2010.

One of my other aims is to make the Council more outward looking. The Council needs to be more involved in shaping regional and national agendas and in providing strong community leadership through the Local Service Board and other strategic partnerships. I am keen that we should pursue collaborative opportunities with other public sector agencies but also the private sector and voluntary/community groups.

The Corporate Plan is supported by Directorate and operational plans and all our plans make sure that equal opportunities and sustainability (giving everyone, now and in the future, a better quality of life) are at the heart of our services. We will use various methods to measure how well our services are performing and we will report our

performance in an honest and balanced way.

I am looking forward to starting on our improvement journey together and I am confident that we can and will make a

difference to the quality of people's lives in Denbighshire.

Mohamed Mehmet
Chief Executive

DRAFT

Section III:

STATEMENT OF INTENT

Context

The Statement of Intent lays out a clear direction for the Council and guides everything we do.

It sets out how we will become 'a High Performing Council – Closer to the Community' and the values of the organisation. It is expected that all Members and staff will take account of these values in the way they behave.

The Council's Medium Term Vision

Denbighshire County Council in 2012 will be an excellent authority, providing high quality and efficient services to all its citizens and communities and effective leadership to the Local Service Board and other partners in the County.

The Council will be respected and have earned a reputation for being one of the top performing authorities in Wales.

Strategic Aim

**'A High Performing Council
Closer to the Community'.**

as demonstrated by:

- ✓ Providing a high quality customer response through the medium of Welsh, English or both languages
- ✓ A high performance culture focused on outcomes which make a positive impact on people's lives
- ✓ Understanding the current and future needs of local communities, recognising their diversity
- ✓ Engaging with and listening to communities and citizens, and providing feedback
- ✓ Effective leadership and governance and a reputation for excellence even when choices are difficult.
- ✓ Providing Value for Money (economy, efficiency and effectiveness) in everything we do
- ✓ Becoming an outward looking Council, proactively seeking collaboration and working in partnership with other public sector agencies, the private sector and voluntary / community groups to deliver for the county and the Council
- ✓ Building internal capacity, developing the confidence of managers and staff to manage change and meet future challenges
- ✓ Supporting the community leadership and representational role of Elected Members

Values

The values of the Council are:

Pride: We aim to create a sense of pride in working for our organisation. We should take pride in the work we do and what we achieve as an organisation.

Unity: We all work for the same organisation. We as Councillors and staff should aim to reflect this in the way we behave and serve our communities. As our motto says “Unwn i wneud da” (We unite to do good) we work closely, co-operate willingly and support colleagues from across the organisation, regardless of the directorate, service or team in which they work. Our customers and communities expect the organisation to act as a single body making no distinction between directorates or services.

Respect: We aim to treat all people equally and with fairness, understanding that there are views and beliefs that differ from our own. We aim to involve and listen to our communities, showing consideration to their views and responding appropriately.

Integrity: As Councillors and staff we aim to manage ourselves to maximise performance, act with a high standard of conduct and present a positive image of Denbighshire. We aim to be realistic with our colleagues and citizens about our achievements and the challenges we face and to be open and honest in the information we provide.

We will endeavour to behave in this way at all times.

How Will We Know if We Have Been Successful?

The Council will have a high performance culture and provide excellent services and this will be reflected in public opinion. The Council will be valued and respected.

The Corporate Plan and supporting Medium Term Financial Plan will set out how the Statement of Intent will be achieved and how it will be measured.

Section IV: Our Self Assessment

The challenges facing all councils are significant and can only be met by radical changes to the way we work and the services we deliver. This Section summarises the Authority's self assessment process and conclusions which formed the basis for decision making in relation to priority and objective setting. The following sections of the Plan outline how the Council will achieve its priorities and its Statement of Intent. Our Self Assessment considered:

- ✓ The External Environment, particularly the Economic and Financial Climate
- ✓ Our Risk Assessment
- ✓ The Outcomes of Recent Regulatory Work
- ✓ Recent Performance Against National Indicators
- ✓ Feedback from Denbighshire's residents and stakeholders

Economic and Financial Climate for Councils

After a period of relatively positive settlements, local authorities in Wales received below inflation increases in settlements for 2009/10 (the average being 2.9%). This level of funding did not match the level of inflation, or take into account a number of significant pressures such as the increasing number of older people and the increase in Landfill Tax. It also failed to keep pace with increasing pay costs.

There are indications that Assembly revenue support will not increase in 2010/11 and 2011/12 over the current year level. This will produce a very tight Budget position as several areas of pressures are expected to be encountered.

The position on capital resources will be even tighter with WAG funding projected to fall by 10%. This reduction may not apply to European funding, which will be dependent upon schemes meeting relevant criteria, but

such schemes sometimes need match funding, which will prove difficult to find from a reducing level of funds within the Council's control.

Joint Risk Assessment

Our risk assessment was produced jointly with the Wales Audit Office at the end of 2008 and has been continually updated as 2009 has unfolded.

The risk assessment highlighted areas where the Council needed to act. The Council will tackle these risks through its Improvement Themes, Corporate Priorities, Medium Term Financial Plan and Directorate Priority programmes.

The risk assessment included risk to the reputation of the Council and the risk of failure to meet political and community expectations. The [Community and Citizen focused](#) Improvement Theme has been developed to address this issue.

The [Strong Governance and Leadership for Improvement](#), Improvement Theme has been developed to address risks associated with organisational change in the Council, the recruitment and retention of experienced and skilled staff and Members, management and staff performance.

The [Outward-looking](#) Improvement Theme has been developed to tackle risks associated with collaboration, partnership working and the Council's external relationships such as those with partners, public services, businesses, external regulators, Welsh Assembly Government and AMs and MPs.

The [High Performing and Value for Money](#) Improvement Theme has been developed to tackle risks associated with quality of service, the Council's property portfolio, mobile technology and home working.

Our [Corporate Priorities](#) were informed by a 'Fact File' which was produced in 2008 and identified risks associated with flooding and the condition of highways, attainment and achievement in schools, the changing demographic profile of the County and the quality and affordability of housing.

The [Medium-Term Financial Plan](#) tackles risks associated with levels of funding and resources, increasing costs for energy and utilities and the efficient and effective use of resources. (Appendix 5 refers)

Other risks are discussed in Directorate Business Plans and Service Plans.

Recent Regulatory Work

During the last 12 months the Council has undergone a number of significant pieces of regulatory work. The conclusions from these have also informed the development of Corporate Priorities, Improvement Themes and Directorate and Service Business Plans.

The [Corporate Governance Inspection](#) revealed the need for a review of the operation of the Corporate Executive Team to ensure an effective strategic, corporate and cross-cutting focus. This was undertaken immediately and has been strengthened by the appointment of a new Chief Executive and Corporate Director for Lifelong Learning.

It also demonstrated the need for clear and defined outcomes for corporate priorities and the development of performance management systems to support the delivery of the priorities. This is being addressed through the development of the Corporate Plan.

We have also agreed a new Risk Management Strategy and are developing governance and scrutiny functions as part of the Strong Governance and Leadership for Improvement Theme.

We have decided to widen the scope of the review of Support Services, suggested in the Corporate Governance action plan, to be part of the overall Change Programme. A summary of monitoring arrangements and links to further information on the Governance Action Plan can be found at Appendix 3.

[Hyfrydle Children's Home](#)

The Joint Estyn/CSSIW inspection found that development of Hyfrydle Children's Home was poorly managed and made a number of recommendations which were taken up through the Hyfrydle Action Plan. The recommendations relating to project planning have been developed through the roll out of Denbighshire County Council's Project Management Methodology to all Directorates and will be further developed through the '[High Performing Value for Money](#)' Improvement Theme.

A full [Estyn](#) inspection of Education and a partial re-inspection of Youth Support Services took place in March 2009. They reported that the progress and pace of education service improvement have been good and that there is now a strong platform to secure further improvements.

Through the Modernising Education priority we will be working to address the recommendations of the report including meeting the need for significant further improvement in some areas. These include attainment at Key stage 4, enhanced joint working, medium and long term planning, resource allocation and business planning, area reviews, and clarifying and developing the role of schools as effective purchasers of support services. The Children and Young Peoples Partnership will be developing accountability and business planning systems to allow all partners to work towards clear objectives and will further develop the strategic use of data in matching service provision with service user needs.

The report has highlighted effective senior political and officer leadership and examples of very good leadership of service teams. We have welcomed these findings and reaffirmed our commitment to continue focusing on the Modernising Education priority.

The review of **Regeneration** reported that the Council is well placed to deliver regeneration, but needs to continue developing its approach in terms of planning and project development to take full advantage of the current round of funding programmes. We are in the process of moving from strategic preparation to implementation stages of work and have been developing a more integrated approach with greater communication between different services within the Council. Regenerating Our Communities has been chosen as a Corporate Priority and the Regeneration Improvement Board will oversee planning and project development particularly in relation to the Coastal Strategic Regeneration Area. The Priority also responds to the review of housing services and will co-ordinate strategic goals for public and private sector housing provision.

Social Services

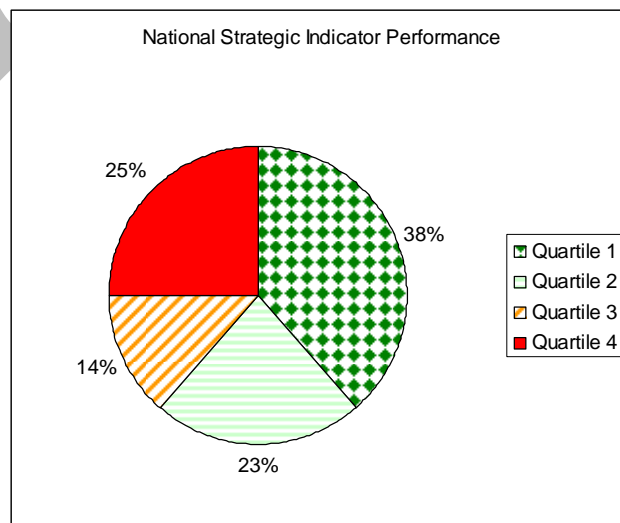
The Annual review painted an encouraging picture of improvement in Social Services. Overall, the authority has continued to develop, particularly when measured against a number of performance indicators representing an encouraging platform upon which further progress can be achieved. Priorities for improvement relate to: referrals from partner agencies, improved outcomes from partnership arrangements, maintaining the quality of services within the context of increasing demand and challenging resource provision, evidencing improvements for looked after children and care leavers, minimising school changes for looked after children and Performance appraisal levels.

The Corporate Priority Demographic Change's immediate priority outcomes include a focus on care for older people and those with learning disabilities and will contribute to continuous improvement in this area.

Our response to other regulatory work is to be found in the action plan for each review and in Directorate and Service Business Plans. Further information on the Leisure Services Review, Information Security Review and Fleet Management Review can be found in the Leisure Services Business Plan, Resources Directorate Plan and Fleet Management and Vehicle Maintenance Operational Plan.

Performance Against National Indicators

In 2007-08 the Council performed well across a range of National Strategic Indicators compared to other authorities within Wales.¹ For 38% of these indicators Denbighshire's performance fell within the top quartile and 61% within the top 2 quartiles in Wales.



We aim to be in the top two quartiles in Wales for all National Strategic Indicators. Indicators where we perform in the fourth

¹ Includes all National Strategic Indicators and comparable parts of indicators where indicators are made up of a number of elements. In 2007-08 there were 44 of these, the full list can be obtained from the policyunit@denbighshire.gov.uk

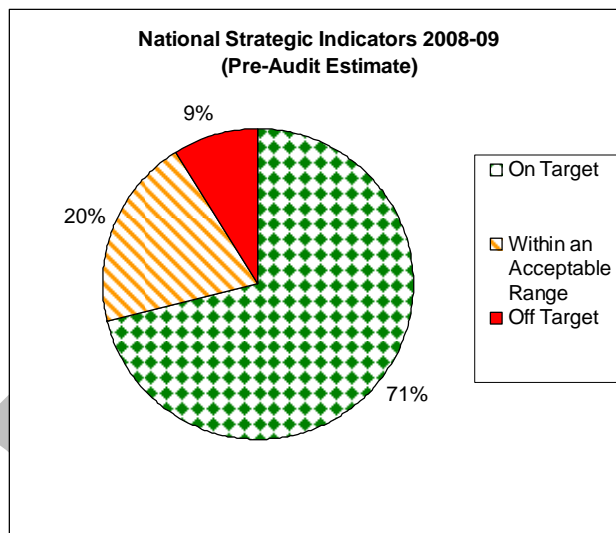
quartile in Wales are of greatest concern. These include indicators relating to:

- Numbers of Older People in Care Homes
- Educational attainment by age 16 and secondary school attendance.
- Road Conditions
- Childcare placement and Looked after Children moving schools
- Bio-degradable municipal waste sent to landfill
- Carbon Emissions
- Business Inspections

We have developed our Corporate Priorities to tackle the first three areas of concern. Demographic Change, including a focus on enabling older people to live independently in their own home, Modernising Education to raise attainment in Denbighshire's Schools and Roads and Flood Defences (see Section VII). We have held a performance clinic to investigate Children's Services' performance against national indicators; are rolling out our recycling scheme across the County and developing a joint planning and public protection service with Conwy. We have also developed an Improvement Agreement with the Welsh Assembly Government on reducing carbon emissions. (see Appendix 3)

In 2008-2009 our pre-audit estimates suggest that we have surpassed our targets in 71% of the National Strategic Indicators, with 20% falling within an acceptable range and 9% failing to reach target. We will be

able to compare 2008-09 performance with other authorities in Wales when results are available. This year comparative figures will be discussed in the Council's Stage 2 Improvement Plan which will be published separately in Autumn 2009.



Future Performance

The performance of the Council in fulfilling the objectives set out in this document will be measured using a balanced set of indicators including National Strategic Indicators, to measure our performance compared to others, Corporate Priority Outcomes Measures, where we measure improvement and success against our local targets, and citizen satisfaction measures, where the public say how well they think we are doing and what impact our work is having. The full basket of indicators is in Appendix 1. We have summarised our targets in the table below.

Future Performance Summary Table

Measures	Targets		
	2009-10	2010-11	2011-12
National Strategic Indicators where Denbighshire is within the top 2 quartiles in Wales			
i) Number			
ii) Percentage			100%
% of Priority Outcome Measures on target.	100%	100%	100%
Percentage of all national and local indicators			
i) On Target	80%	90%	100%
ii) Showing Improvement	100%	100%	100%
Percentage responding positively to the following questions in the Denbighshire Annual Satisfaction Survey			
My Council is making the local area a better place to live	Baseline		
My Council understands and responds to local needs	Baseline		
My Council acts on the concerns of local residents	Baseline		
Taking everything into account, how satisfied or dissatisfied are you with the way the Authority runs things?	Baseline		

Section V: Our Improvement Themes

The Council's Statement of Intent, lets people know what we intend to do to achieve our aim of 'A High Performing Council - Closer to the Community'. To take this work forward in the next three years we have developed four improvement themes. These improvement themes will make sure all the Council's services and departments have the tools necessary to fulfil the Statement of Intent and respond to risks faced by the organisation during this period of change. The Improvement Themes develop the systems and processes of the

Council, the way it deals with people and other organisations and the skills and knowledge of staff and Elected Members. The themes are:

- ✓ Community & People Focused.
- ✓ High Performance Culture Delivering Value for Money
- ✓ Outward looking
- ✓ Strong Governance & Leadership for Improvement

DRAFT

Community & People Focused

What will be achieved?

The Council is carrying out research to provide Members and officers with information at a more local level so that we can better understand current and future local needs in different parts of the County. Recognising the many different communities within the County and developing plans that support them will be a big step towards bringing the Council Closer to the Community.

We are committed to a bilingual country and county and are working to make sure that everyone is able to use either Welsh or English as they go about their daily life, including their business with the Council.

Whenever contact the Council or use our services, they become customers. We will be putting people at the heart of what we do through our new Customer Care Strategy (available on our website). We will achieve the highest standards of customer service ensuring that comments and complaints are acknowledged and responded to.

The Community & People Focused Theme is based on providing equal opportunities for all. Getting to know the community and unlocking the creativity of everyone regardless of age, race, gender, disability, sexual orientation, religion, caring responsibility or social economic background, will drive the Council forward. We will be engaging with and listening to communities and people, and providing feedback through a re-launched Citizens' Panel, local Community Forum events and improvements to our accessible and interactive website. These will be run alongside specific engagement activities with particular groups including homeless people, people with disabilities and others.

This will be co-ordinated via our Community Engagement Strategy and Equalities Plan.

What tools are being developed to achieve this?

- ✓ Annual Opinion Survey and Regular Citizens' Panel Surveys
- ✓ Ceri's Family
- ✓ Area Profile: Booklet and Website
- ✓ Ffynnon
- ✓ Community Forums
- ✓ Youth Den
- ✓ Participatory Budgeting
- ✓ Community Engagement Strategy
- ✓ Customer Care Strategy
- ✓ Customer Care Standards Monitoring Group
- ✓ Complaints Policy
- ✓ Communication Strategy
- ✓ Revised Equalities Plan
- ✓ Revised Welsh Language Policy

Who will use the tools?

Each of the tools developed as part of this Improvement theme is aimed at informing, responding to and engaging with members of the public, customers, Council staff and Elected Members. That is why information gathered through area profiles, community forums, Ceri's Family and surveys will be made available to each of these groups to support transparent and inclusive decision making.

The Customer Care Strategy and Complaints Policy will make sure there are real meaningful discussions between service users and service providers aimed at service improvement. Our Communication Strategy will bring forward a range of ways to keep elected Members, the public and staff informed while also offering them an opportunity to express their own views.

Strong Governance & Leadership for Improvement

What will be achieved?

Members and staff of the Council have a responsibility to demonstrate leadership and, through their personal behaviour, a commitment to the Council's values: unity, pride, respect and integrity.

We will achieve effective representation for our communities by improving support to Councillors and improving the democratic processes. In order to translate this into quality service delivery we will be developing the confidence of managers and staff to manage change and meet the needs of the future.

To bring our Council Motto *Unwn I Wneud Da* (We unite to do good) into practice our clear process of prioritisation and our Change Programme will ensure that we are working as a single, integrated organisation.

What tools are being developed to achieve this?

- ✓ Change Programme including review of Support Services
- ✓ Leadership Programme
- ✓ Review of Business and Financial Planning
- ✓ Medium-Term Financial Plan
- ✓ Risk Management Strategy
- ✓ Policy Making Review
- ✓ Corporate, Directorate and Service Self Assessment
- ✓ Project Management Methodology
- ✓ Collaborative Member Development Programme
- ✓ North Wales Scrutiny Champions Network
- ✓ Review of Council Constitution

Who will use the tools?

The tools developed for this Improvement Theme are aimed at improving the quality of the Council's 'Leadership Team'. Elected Members and staff will benefit from training and development opportunities and clear planning and budgetary systems, bringing benefits of better service planning and delivery to citizens.

Outward-Looking

What will be achieved?

Denbighshire's Vision sets out long-term aims for the County as a whole which the Council could not possibly deliver alone. We will build on our proven track record of successful partnership work but extend its scope and ambition. To fulfil the Vision we will become an outward looking Council, seeking collaboration and working in partnership with other public sector agencies, the private sector and voluntary / community groups. Together we will deliver for the County.

The Council will be more involved in shaping regional and national agendas and receptive to external challenge. The Council will focus on what's best for the residents of Denbighshire even if this implies radical changes to the way services are provided.

We will further develop our leadership role in the Local Service Board, Healthy Denbighshire, Denbighshire Children and Young Peoples' Partnership and Denbighshire Community Safety Partnership. The Council's Corporate Priorities and Directorate Priorities have been developed in harmony with the objectives of these partnerships. Service planning is focused on delivery of both Council priorities and partnership objectives. Beyond these County-wide partnerships we will be responding to the 'One Wales' agenda driven by the Welsh Assembly and taking opportunities to collaborate with neighbouring Councils and other organisations, wherever this will achieve benefits for the communities and residents of Denbighshire.

What tools are being developed to achieve this?

- ✓ Partnership Procedure Rules
- ✓ Partnership Register
- ✓ Partnership Governance Framework
- ✓ North Wales Procurement Agency
- ✓ Coordinated approach to Agency Staff
- ✓ Local Service Board
- ✓ Local Delivery Agreements
- ✓ Improvement Agreements
- ✓ Voluntary and Community Sector Compact
- ✓ Voluntary Sector Liaison Group
- ✓ Community Strategy
- ✓ Regular meetings with Assembly Members and Members of Parliament.
- ✓ Healthy Denbighshire Strategy
- ✓ Children and Young People's Single Plan
- ✓ Community Safety Strategy
- ✓ Leisure Strategy

Who will use the tools?

The tools developed for this Improvement Theme are aimed at integrating Council activity with wider partnership goals and objectives on a local and a national level and at providing more efficient and effective services through collaboration and joint planning. Council staff and Elected Members will use these tools to enhance service planning and people will be presented with further engagement opportunities to influence policies of public agencies beyond the Council such as the NHS, Police and Fire Service. The Voluntary and Community Sector will continue to play a key role in the Local Service Board and thematic partnerships and will have a direct input into the Council through the Voluntary Sector Liaison Committee.

High Performance Culture Delivering Value for Money

What will be achieved?

Achieving economy, effectiveness and efficiency are moral imperatives. Members must be confident that services are doing the right things and that they are doing things right. When they don't they fail our residents and Elected Members. Achieving high performance in a difficult economic context is even more important.

We will achieve Value for Money (economy, efficiency and effectiveness) in everything we do, to bring maximum benefits to the whole community.

We will be continuing to drive service improvements and ensure statutory requirements are met even when choices are difficult.

What tools are being developed to achieve this?

- ✓ Corporate Efficiency Strategy
- ✓ Change Programme
- ✓ Review of Business and Financial Planning
- ✓ Corporate Plan Balanced Basket of Performance Indicators
- ✓ Service Reviews
- ✓ Medium-Term Financial Plan including Efficiency Strategy
- ✓ North Wales Procurement Agency
- ✓ Coordinated approach to Agency Staff
- ✓ Worksmart and Office Accommodation Review

Who will use the tools?

The tools developed for this Improvement theme are aimed at assisting Elected Members and staff in planning services to give high performance and maximum value for money. They will enable the Council to deliver appropriate levels of service to a high standard while living within its means in the current difficult economic climate.

Section VI: How we Plan Our Work:

The Council takes its community leadership role very seriously and in 2005 worked with partners to produce a long term twenty year Vision for the County:-

“Denbighshire in 2025 will be the ideal place to live, work, visit, conduct business and pursue a wide range of activities”.

Denbighshire Local Service Board

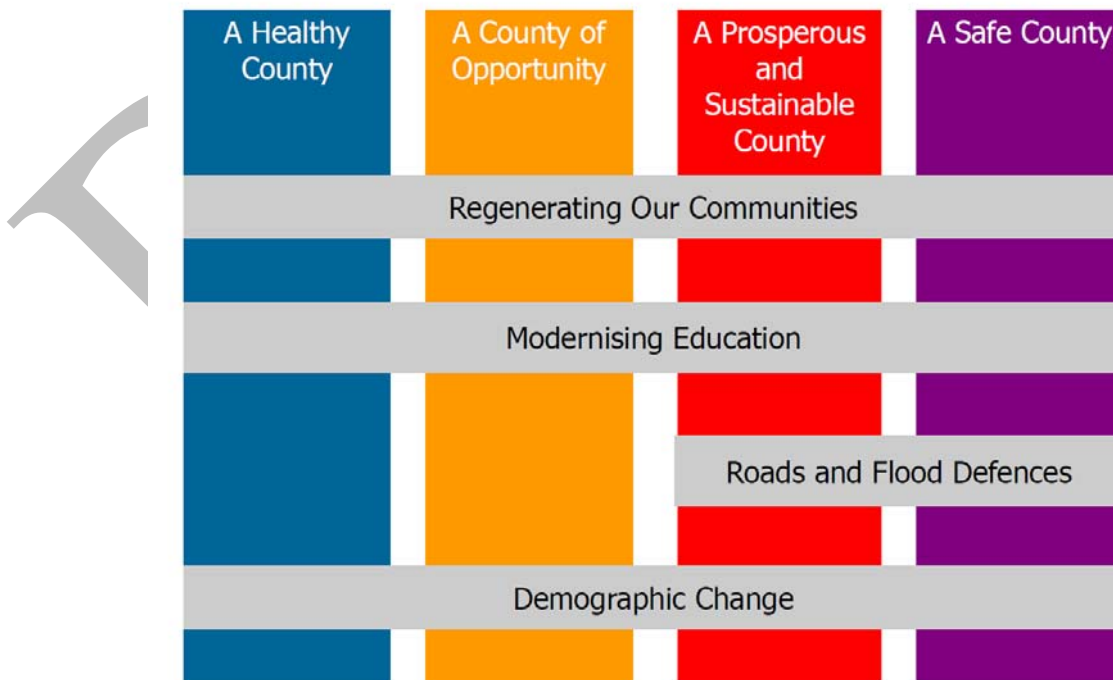
The Leader, Cllr Hugh Evans, is Chair of Denbighshire’s Local Service Board (LSB). The LSB is an Executive Board with members from North Wales Police, the Local Health Board, Llandrillo College, North Wales Fire Service and Denbighshire Voluntary Services Council. It is responsible for developing Denbighshire’s Community Strategy and agreeing County wide priorities which partners can work together to address and which are contained within a Local Delivery Agreement.

Community Strategy 2010

Denbighshire developed its last Community Strategy in 2005. Following the publication of revised Assembly Guidance and the new ‘duty to co-operate’ a new Community Strategy is being developed with partners and key stakeholders and will be published in April 2010. The Community Strategy will be built around four high level outcomes:-

- A Healthy County – Health Social Care and Well Being Partnership
- A Safe County – Community Safety Partnership
- A Prosperous and Sustainable County – Sustainability and Regeneration Partnership (being formed)
- A County of Opportunity – Children and Young People’s Partnership

These shared outcomes are supported by the Council’s own corporate priorities.



Each of the Community Strategy's high level outcomes is supported by a lead Strategic Partnership which has identified priorities and programmes of work to underpin it.

Local Delivery Agreement

The LSB is responsible for achieving its Local Delivery Agreement which has five key programmes:-

- ✓ Reducing Deprivation in West and South West Rhyl
- ✓ Integrating Health and Social Care
- ✓ Making Better Use of Denbighshire's Assets
- ✓ Engaging with Denbighshire's Communities
- ✓ Providing the Right Skills for Denbighshire's Existing and Future Workforce.

The Council's Medium Term Vision

The Council's own vision is for the medium – term and compliments the long-term County Vision.

'Denbighshire County Council in 2012 will be an excellent authority, providing high quality and efficient services to all its citizens and communities, and effective leadership to the Local Service Board and other partners in the County.'

In order to deliver this vision, the Council needs a clear strategic direction. Over recent months the Council has been working to achieve this clear direction and this has been achieved by:

- ✓ Agreeing Corporate Priorities which are based on robust self assessment and focus on the key issues for the Council.

- ✓ Adopted a Statement of Intent entitled "High Performing Council Closer to the Community" which recognises the need to improve the way the Council engages and communicates with people and communities.
- ✓ Agreeing a response to the Corporate Governance inspection improving how we work.
- ✓ The agreement of a Local Delivery Agreement of shared priorities with other public sector bodies.

In brief, the Council will be working on the delivery of a group of Council priorities to ensure that key needs in the community are met. It will be guided by Improvement Themes ensuring that we are working more effectively as an organisation and seeking to improve our reputation. In order to achieve this, our Medium Term Financial Plan will make sure that financial resources are directed to priority areas.

CORPORATE PRIORITIES

DEMOGRAPHIC CHANGE

This priority focuses on the change that is expected in the population in coming years. It is recognised that the population within Denbighshire is ageing. There is a need both to ensure that older people can keep healthy and independent as long as possible and to ensure that the needs of vulnerable older people and adults (such as adults with learning disabilities) are addressed. The growing population of disabled children also needs planning for.

Demographic change will impact on other groups within the population, like young people, and work will start on looking at these implications in the near future.

The initial three priority outcomes for Demographic Change are:

- ✓ Independence and Choice for Older People
- ✓ Community Wellbeing

- ✓ Independent Lives for People with Learning Disabilities

MODERNISING EDUCATION

The Estyn inspection of Denbighshire County Council in March 2009, noted that the progress and pace of improvement in education has been good. However, the Council recognises that there is still more to do to ensure children and young people have the best education and youth support opportunities available to them. This priority will look at three programmes of work: improving standards and promoting inclusion; modernising schools and delivery support services for schools. The priority outcome for Modernising Education is:

- ✓ Improving Attainment

REGENERATING OUR COMMUNITIES

This area of work has identified three priority outcomes:

- ✓ Reduction in Deprivation
- ✓ Growing Denbighshire's Economy Sustainably
- ✓ Strategic targeting

The development of work has been made more complex by the changes in the last 12 months in the economic climate and the way the recession has impacted on the County.

The Demographic Change, Regenerating Our Communities and Modernising Education Priorities are directed by their own Improvement Boards made up of Elected Members and key officers. This work is overseen and co-ordinated by the Focused Agenda Board.

ROADS AND FLOOD DEFENCES

It is recognised that significant investment is required in both areas. This project is therefore primarily around securing additional funding through borrowing to cover the funding shortfall.

The Roads and Flood Defences Priority does not have its own Improvement Board but is directed through the Highways and Infrastructure Service on the Environment Directorate. Nevertheless its work is overseen and co-ordinated by the Focused Agenda Board.

The priority outcome for this priority is:

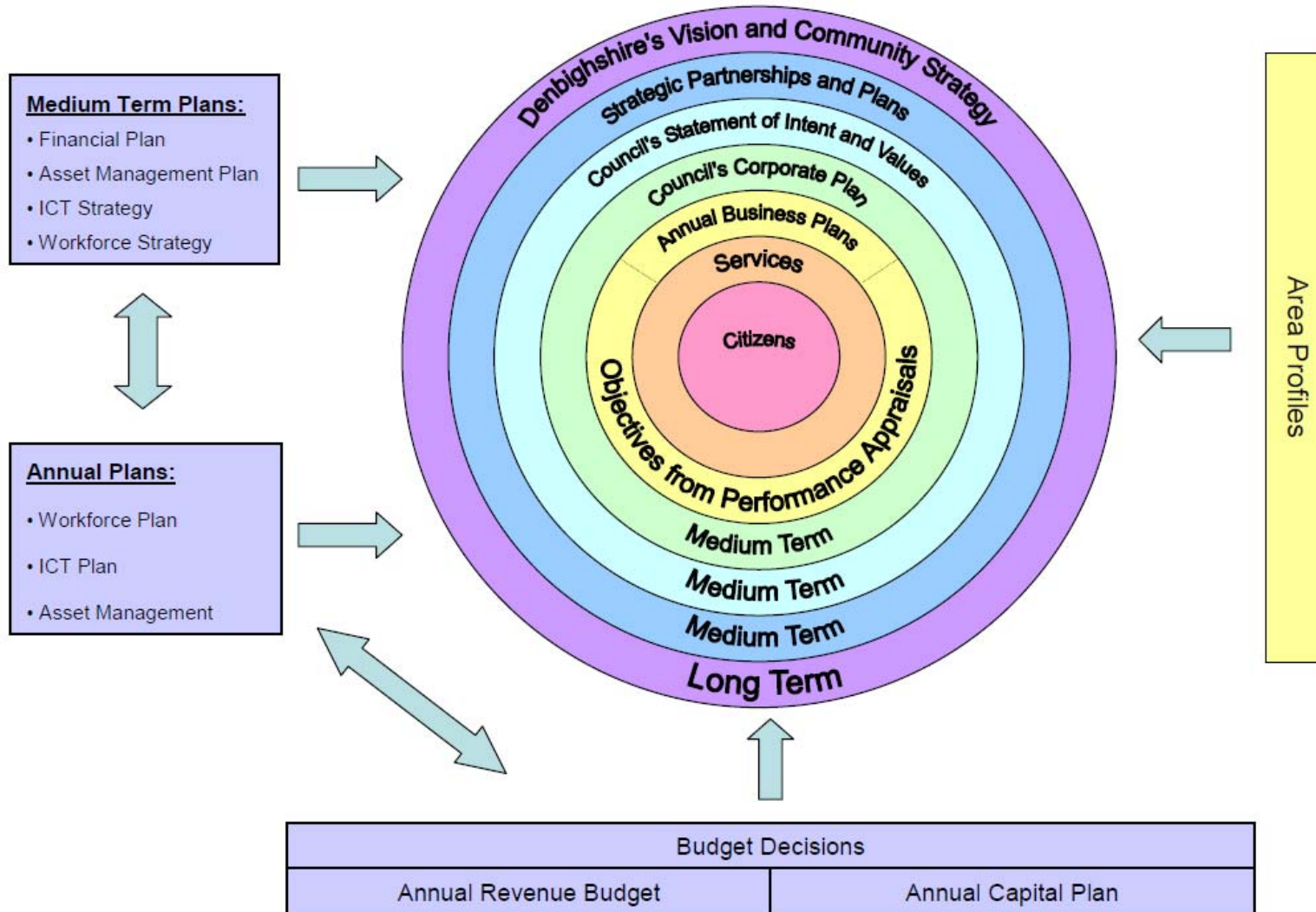
- ✓ Improvement in the Road Network and better flood defences.

All these priorities are further expanded in Section VI below.

Improvement Themes

Our improvement themes (detailed above) provide tools for service planners to enable them to achieve the high standards set out in the Statement of intent.

Denbighshire County Council's Strategic Planning Framework



Demographic Change

Priority Outcomes

Independence and Choice for Older People
Community Wellbeing
Independent Lives for People with Learning
Disabilities

Demographic Change

Denbighshire faces many challenges resulting from changes to its population. Overall, the population is growing at about 1000 people per year, meaning more need for homes, jobs and community facilities. Young people, particularly between the ages of 18 - 35, leave the County, for example for employment and Higher Education. At the same time the population is ageing fast and we have more people with disabilities. We need to attract able young people, and encourage Denbighshire's young people to make a future here. Over time, we could then achieve a more balanced population

Achieving this means high quality schools, training opportunities, jobs and housing- and our targets for Modernising Education and Regeneration will play a major part in delivering these. We are also considering how Denbighshire could "sell" itself better as a place for young people and young families to thrive. It also means having the right housing provision, facilities and business and employment opportunities. A key tool for achieving this is the Council's Local Development Plan which outlines the future plans for developing infrastructure, residential, business and service areas throughout the County.

Being able to shape our community to meet the needs of older and disabled people is an urgent issue though. The proportion of older people in Denbighshire is increasing fast and we have one of the highest proportions of older people in Wales. The number of people aged over 65 is set to grow by a fifth by 2015. By then over 90s will have increased by 40%! We are finding that about 60 extra older people need care services from the Council every year. People with learning disabilities are also living much longer than was the case even 25 years ago - the Council is seeing approximately 5% increase in numbers needing services each year. In

addition, more children born with complex disabilities live to become adults.

We need to do two things as the result of this. Firstly we need to provide opportunities to enable older people and those with learning disabilities to carry on leading healthy active lives including offering high quality leisure facilities. Many people in their 70s, 80s and 90s live independent lives contributing to their communities- and we know that the onset of poor health, including dementia, can be delayed by people maintaining paid or unpaid work and living a healthy lifestyle.

Secondly, we need to plan for the needs of those who become frail and dependent and need care.

The impact of the growing numbers of people needing care will fall mainly on social services and the type of services will have to change to meet modern approaches to care, to enable more people to stay living in their own homes and to meet the rising expectations of the population. Working closely with carers and families, and with our partners in the NHS, will be key. Quality of homecare and in residential homes will be evaluated through annual reviews based on the service users own experience. However, all Council services can play a role in promoting active lifestyles and ensuring that older people, and adults and children with disabilities are able to shape and use the services available to the public generally.

The Focused Agenda structure with its Demographic Change Board will provide leadership and direction on this priority ensuring service reform meets our changing needs and that our Business Planning processes reflect our chosen priorities.

Priority Outcome

Independence and Choice for Older People

What will success look like?

Older people will be encouraged and enabled to live independently for longer and care packages will be developed to suit needs and encourage active and healthy lifestyles.

What risks will this address?

Risk that the Council would be unaware and unprepared for an increasing population of older people and any budget pressure associated with this.

What projects will contribute to this outcome?

- ✓ Detailed modelling and implementation of a 3-5 year costed Business Plan for care services for older people
- ✓ Further development and delivery of Extra Care Housing
- ✓ Development and implementation of a Reablement approach to care planning
- ✓ Review and development of services provided for older people in Sheltered Housing
- ✓ Extending the use of Telecare for older people

How we know we have achieved this?

Outturns and Targets

2009-10

2010-11

Outcome Measures

Increase numbers and rate of older people helped to live at home (excluding professional support)

1810 people

1890 people

87 (per 1000 people aged over 65)

89 (per 1000 people aged over 65)

Reduce rate of older people placed in care homes

562 rate of 27(per 1000 people aged over 65)

552 rate of 26(per 1000 people aged over 65)

Satisfaction Measures

To be developed during 2009-10

Priority Outcome

Community Wellbeing

What will success look like?

Council departments, and local communities, to redesign activities to take account of the needs of an increasing population of older and disabled people. Targeted activities will nurture a passion for life regardless of age or disability and foster mutually beneficial community involvement.

What risks will this address?

Council activities fail to promote active lifestyles and positive attitudes to aging and disability.

What projects will contribute to this outcome?

- ✓ Deliver a locality model of co-located Health & Social Care team for Prestatyn
- ✓ Extension of coverage of Passion 4 Life cafes
- ✓ Establishment of "Pub is the Hub" initiatives
- ✓ Participatory Budget, inter-generational and arts based initiatives

How we know we have achieved this?

		Targets	
		2009-10	2010-11
Outcome Measures	Communities engaged in developing sustainable support networks for older people, e.g. Passion 4 Life, Pub is the Hub.	6	8
Satisfaction Measures	To be developed during 2009-10		

Priority Outcome

Independent Lives for People with Learning Disabilities

What will success look like?

Council activities will contribute to containing costs through supporting some of its most vulnerable citizens.

What risks will this address?

- That no alternative to high cost out of county placement be found, presenting a budget pressure for the Authority.
- That clients become detached from their communities.

What projects will contribute to this outcome?

- ✓ Strategic objective: to track implementation of current 'transformation' plan to deliver a model of intensively supported independent living (ISIL) for learning disabled people
- ✓ Commence ISIL build
- ✓ Facilitate employment and work experience opportunities through effective partnerships
- ✓ Regional collaboration with other Councils and the NHS
- ✓ Development of individual budgets and the potential of Self Directed Support.

How we know we have achieved this?

Outcome Measures	Targets	
	2009-10	2010-11
Numbers and rate of adults aged 18 – 64 with a learning disability who are supported in a care home reduced	36 people and a rate of 0.63	34 people and a rate of 0.59
Numbers and rate of adults with learning disabilities helped to live at home increased	222 people and a rate of 3.9	227 people and a rate of 3.9
Satisfaction Measures	To be developed during 2009-10	



Regenerating Our Communities

Priority Outcomes

Reducing Deprivation
Growing Denbighshire's Economy Sustainably
Strategic Targeting



Regenerating Our Communities

Much of the County is relatively prosperous in Welsh terms but there are pockets of deprivation within Denbighshire. This has been recognised nationally with the development of the Coastal Strategic Regeneration Area bringing significant funding to regenerate the north of the County. We will also be co-ordinating the Rural Development Plan to diversify rural economies, raise skill levels, support rural communities, safeguard the rural environment and meet the needs of target groups such as older people.

Driving down unemployment and economic inactivity are key aspects of this priority and will feature in both the coastal developments and across rural Denbighshire by, for example, providing grants for businesses and building new business premises, supporting the growth of existing businesses and the establishment of new businesses thereby creating new jobs.

A further aspect of our priority is tackling the quality of residential accommodation, particularly in the private rented sector. We will seek to improve living conditions and reduce the number of Houses in Multiple Occupation, which will have a direct beneficial impact on people's health and levels of deprivation. The Council also has a role as a landlord. It has decided to retain its own stock of 3,500 dwellings, and is implementing a capital programme to bring them all up to Welsh Housing Quality Standard by 2012. However the single largest housing problem is affordability. Through the Local Development Plan we will tackle this by facilitating the provision of affordable housing and bringing forward employment sites, roads and flood defences which will support the creation of higher skilled and better paid jobs.

The instability in the wider economy and housing market arising from the "credit

crunch", slowing economic growth and increasing energy costs will provide a difficult back drop over the next period. This has provided an additional challenge to the retail sector in the county's towns which is already facing new forms of competition from out of town retail parks and the internet and we will be piloting a retail/town centre support project and looking for opportunities to roll this out further. With "peak oil" (the maximum level of oil production) expected in the next 10 years or so, the need for the Council to make itself less dependent on fossil fuels is apparent.

Our new Focused Agenda structure with its Regeneration Improvement Board will provide leadership and direction on this priority ensuring service reform meets our changing needs and that our Business Planning processes reflect our chosen priorities.

Three outcomes for this priority have been identified and they are:

- Reduction of deprivation
- Growing Denbighshire's Economy Sustainably
- Strategic Targeting

Seven work streams will contribute to these outcomes and they are:

- ✓ Strategic Regeneration Area
- ✓ Rural Development Plan
- ✓ Economic Regeneration
- ✓ Housing
- ✓ Anti-Poverty
- ✓ PRIDE
- ✓ Skills

Each of these workstreams will develop and focus on priority areas of work, such as reducing the number of houses in multiple occupation, reducing numbers of people below the poverty line, improving employment and business opportunities to

increase wealth and skill levels within the area, involving the community to improve their local areas to encourage local residents to take pride in where they live.

In order to carry out this work we will of course be working with the Area Members Groups and in partnership with organisations such as the Welsh Assembly Government,

Rhyl City Strategy, Community Safety Partnership, National Public Health Board, Mersey Dee Alliance, Further Education colleges, as well as the private and voluntary sectors, as we do not expect to be able to influence and improve on the identified issues alone.

Priority Outcome			
		Reduction in Deprivation	
What will success look like?			
		We will reduce deprivation by tackling problem areas such as Houses of Multiple Occupation, improving quality of employment and reducing the number of people living on benefits..	
What risks will this address?			
		Lack of regeneration strategies to support the area plan. Sustained support for local businesses. Improving housing conditions.	
What projects will contribute to this outcome?			
		<ul style="list-style-type: none"> ✓ Strategic Regeneration Area ✓ Rural Development Plan, ✓ Economic Regeneration ✓ Housing, ✓ Anti Poverty ✓ Skills ✓ PRIDE 	
How we know we have achieved this?		Targets	
		2008-09 Baseline	2009-10
			2010-11
Outcome Measures	Relative reduction in economic inactivity	(Oct 07-Sep 08) Denbighshire 24.9% Wales 24.2%	To have matched the Wales level before 2012
	Relative reduction in Job Seekers Allowance claimants in Denbighshire	(May 2009) Denbighshire 4.2% Wales 4.4%	To have widened the gap between the Denbighshire and Wales level before 2012
	Additional number of Houses in Multiple Occupation (HMO's) taken through the licensing scheme:	50 per annum by 2011/12	
	Reduce the number of people below the 60% poverty line	Take 500 people above the 60% poverty line by March 2012	

	Number of social enterprises assisted	18 by March 2012
	Number of village facilities improved	12 by February 2011
Input Measures	Additional housing enforcement officers	2 new officers to work in Housing Regeneration and Renewals and 1 enforcement officer moved from Planning to Housing Enforcement by June 2010
Satisfaction Measures	Question from the annual resident's survey	Under development

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Priority Outcome			
Growing Denbighshire's Economy Sustainably			
What will success look like?			
We will increase the number and quality of job opportunities, improving opportunities for business growth and start-ups, improving local environments and ensuring housing is of the quality and quantity required within Denbighshire to support sustainable economic growth.			
What risks will this address?			
Lack of regeneration strategies to support the area plan. Sustained support for local businesses. Reducing town centre decline.			
What projects will contribute to this outcome?			
<ul style="list-style-type: none"> ✓ Strategic Regeneration Area ✓ Rural Development Plan, ✓ Economic Regeneration 			
How we know we have achieved this?		Outturns and Targets	
		2008-09 Baseline	2009-10
			2010-11
Outcome Measures	Relative reduction in Job Seekers Allowance claimants in Denbighshire	(May 2009) Denbighshire 4.2% Wales 4.4%	To have widened the gap between the Denbighshire and Wales level before 2012
	Ratio of average house prices to average earnings	6	To have reduced the ratio before 2012
	Number of new and existing micro rural enterprises (<10 employees) financially assisted	55 by February 2011	
	Gross number of jobs created in rural micro businesses	50 by February 2011	
	Support local retail sector/town centres	Undertake a pilot project to support local businesses in Denbigh and Prestatyn during 2009/10	
Satisfaction Measures	Question from the annual resident's survey	Under development	

Priority Outcome			
	Strategic Targeting		
What will success look like?			
	Pockets of high socio-economic deprivation in the Northern Coastal strip, particularly those in Rhyl, will be tackled allowing them to catch up with other parts of Wales. The rate of decline in the rural economy will be reduced		
What risks will this address?			
	Lack of regeneration strategies to support the area plan. Sustained support for local businesses. Reducing town centre decline.		
What projects will contribute to this outcome?			
	<ul style="list-style-type: none"> ✓ Strategic Regeneration Area ✓ Rural Development Plan ✓ Housing ✓ Anti Poverty ✓ Pride 		
How we know we have achieved this?		Outturns and Targets	
		2008-09 Baseline	2009-10
			2010-11
Outcome Measures	Relative reduction in Job Seekers Allowance claimants in each LSOA area in Rhyl	(May 2009) Rhyl 7.8% Denbighshire 4.2%	To have narrowed the gap between the levels for Rhyl and Denbighshire by 0.5% before 2012
	Incidence of criminal damage in Rhyl.	(2007/08) TBA	To have reduced the number of incidents by 15% by March 2011
	Reduce decline in rural businesses and tourism sectors	N/A	To have advised or assisted 90 new or existing micro enterprises (<10 employees) by March 2011
		(2007) 4,672,000 visitors	Increase gross number of additional visitors by 3,000 by February 2011
Input Measure	Produce town/area plans	6 by December 2010	
Satisfaction Measures	Question from the annual resident's survey	Under development	



Modernising Education

Priority Outcome

Improving Attainment



Modernising Education

The Modernising Education programme encompasses three streams of work: improving standards in schools and promoting inclusion, modernising schools and delivering support services to schools. These three areas of work contribute to the Council's target of ensuring that Denbighshire's performance will be within the top 10 in Wales for key stage attainment. They also help contribute to the delivery of the Children and Young People's Plan.

The Estyn Inspection of Denbighshire County Council published in September 2007 commented on the quality of education services within the County. In response to this report the Council determined that Modernising Education would be a corporate priority. The Council was re-inspected by Estyn in March 2009. This inspection showed that the progress of and pace of improvement in education has been good. However, the Council recognises that there are still significant challenges, in particular raising standards in schools and in modernising school buildings so it is still important for Modernising Education to remain as a corporate priority.

In Denbighshire, there are 53 primary schools, eight secondary schools, two special schools and special units in five primary schools. Together, these schools serve a population of just under 16,000 pupils. Standards have improved over the last three years, particularly in primary schools where the percentage of pupils achieving the core subject indicator by the end of primary school is above the average for Wales. However at key stage 3 (end of Year 9) the performance of secondary schools is below the average for Wales and at key stage 4 (end of Year 11) Denbighshire remains one of the lowest performing authorities in Wales. A pupil's attainment in school will affect that individual's life chances as well as having an

overall impact on the prosperity and wellbeing of an area.

Modernising Education has strategic links with our Demographic Change and Regenerating Our Communities Priorities. Improving our education offer is key to retaining young people in the County and attracting more young families. Improved attainment will enable us to meet future workforce needs and foster individual enterprise.

As part of this commitment to raising attainment of pupils it is important that school buildings, learning environments and resources meet the needs of 21st Century Wales. The Council has a responsibility to ensure that our schools are sustainable and fit for purpose. In January 2009 the Council adopted the Modernising Education policy framework. This framework provides the basis for the Council to strategically plan school provision. A key element of the policy framework is the review process to determine options for school provision within an area.

The third element of the Modernising Education priority is a programme of work around support services for schools. The Council must ensure that schools receive the best value support services to meet their needs and it is necessary for schools, service providers and the Council to work together to design service level agreements and to monitor and evaluate the effectiveness of these agreements and the quality of the services provided.

All three of these work streams are designed to contribute either directly or indirectly to improving attainment of children and young people within Denbighshire.

The Focused Agenda structure with its Modernising Education Board will provide leadership and direction on this priority

ensuring the programmes of work are progressed and the outcome of improving

attainment is achieved.

Priority Outcome				
	Improved Attainment of Pupils			
What will success look like?				
	Denbighshire will be within the top 10 performing authorities in Wales for key stage performance			
What risks will this address?				
	That failure to support pupils to reach their full potential in attainment at each key stage will affect their future life chances.			
What projects will contribute to this outcome?				
	<ul style="list-style-type: none"> ✓ Support for school improvement ✓ Support for improving school attendance ✓ School reorganisation and modernisation ✓ Monitoring and evaluating support services to schools 			
How we know we have achieved this?			Targets	
			2009-10 (Financial Year)	2010-11 (Financial Year)
Outcome Measures	Raise the percentage of pupils achieving the Core Subject Indicator at key stage 1:		82.7%	81.5%
	Raise the percentage of pupils achieving the Core Subject Indicator at key stage 2		75.2%	77.5%
	Raise the percentage of pupils achieving the Core Subject Indicator at key stage 3		59.4%	61.5%
	Raise the percentage of pupils achieving 5 A* to C		51%	57%
	Raise the percentage of pupils achieving the Core Subject Indicator at key stage 4		39.0%	45%
Satisfaction Measures	To be developed during 2009-10			



Roads & Flood Defence

Priority Outcomes

Improvement in the Road Network and better flood defences



Roads and Flood Defence

The road network in Denbighshire, including the infrastructure supporting the network, is one of the County's major assets. It has developed into a complex and evolving asset that underpins almost all activity happening in the area. Until recent years a consistent lack of investment meant that the overall condition of the network deteriorated, creating a significant backlog of maintenance. As of the end of 2007/08, this backlog was identified by independent road condition consultants as approximately £15.4m.

Unlike other assets, we have no choice about the location and need for our highways infrastructure and we have a statutory obligation to maintain and manage this constantly deteriorating asset. The challenge is to provide adequate resources to ensure that the network is maintained in the safest condition possible.

The condition of the road network is also one that is highly visible to the public. The level of complaint about the backlog of maintenance has been significant, and elected Members receive considerable feedback about the issue. As a result, over the past few financial years additional resource has been made available through the use of prudential borrowing which has delivered considerable capital funding to tackle planned maintenance work. In 2006/07, the backlog was identified as £15.3m and, despite spending £1.8m, this increased to £15.4m in 2007/08 demonstrating the inherent deterioration of the asset. In 2007/08 we spent £2.4m plus £600k of Assembly Grant funding that was required to be spent on A and B roads only. In 2008/09, the level of spend was £2.2m plus the Assembly Grant.

Recent performance indicators show that only 73% of our A roads and 52.4% of our B and C roads are classified as being in a generally good condition. This is an improvement but is not sustainable without

further funding to hold back the approximate deterioration rate of 8% per year.

Our priority over the next three years will be to improve the standards of our road network and its supporting infrastructure, to reduce the overall level of outstanding maintenance, and to deliver the requirements of the emerging Highways Asset Management Plan. The purpose of the Highway Asset Management Plan is to highlight strengths and weaknesses in current highway management and identify areas where improvements should be targeted. It will also illustrate a programme of actions, supported by whole-life costing, that will enable the County to meet both its immediate and long term aims and commitments in the most cost effective way.

Denbighshire has suffered from a number of major flooding incidents over the past few years, most notably in November 2000, but some flooding has occurred in the County in nearly every year since. Although the Environment Agency has the overall responsibility for flood defence, the Council has a key role to play in defending our communities. Particular areas of concern include the number of non main rivers that are prone to flooding, problems caused by surface water run-off, and problems with highway drainage. In addition, there is likely to be significant impact from climate change. This will cause problems for our coastal communities as well as the need to invest in enhanced drainage schemes. A programme of schemes, determined following risk assessments, has been developed over recent years. Some major projects have been undertaken or are proposed in Gwyddelwern, Llangollen, West Rhyl (proposed coastal scheme), Denbigh, and Corwen. Welsh Assembly Government grant funding plays a huge part in this type of work with the potential for a grant rate of

up to 85% being achievable i.e. £150k of funding could result in a £1m investment.

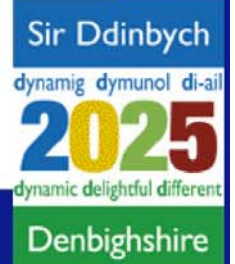
We also intend to develop plans in response to the Pitt report, which make numerous recommendations following the nation-wide 2007 flooding incidents. It is also planned to review the Council's gully emptying policy and equipment during the 2008/10 financial year and new gully emptiers are already on order to assist with this improvement.

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Priority Outcome					
	Improvement in the road network and better flood defences				
What will success look like?					
	An overall improvement in the condition of our infrastructure, reduced maintenance backlogs, fewer complaints				
What risks will this address?					
	Highway safety, casualty reduction, failure of key infrastructure, property at risk of flooding, public liability				
What projects will contribute to this outcome?					
	Although some projects will be major, most of the work involves a large number of smaller projects across the whole of the county which will be determined on a risk assessed basis.				
How we know we have achieved this?			Outturns and Targets		
			2008-09	2009-10	2010-11
Outcome Measures	Percentage of roads that are in 'Generally Good Condition'				
	(a) Principal (A) Roads		73%	76%	80%
	(b) Non-principal/classified roads		52.4%	53%	58%
	Percentage of total highways function cost (revenue & capital) spent directly on highways repairs			84%	86%
	Percentage of the network resurfaced			4%	4%
	Percentage of the network to receive proprietary treatment (i.e. surface dressing)			3%	2%
	Reduction in the percentage of a) Principal (A) roads; that are in overall poor condition		5%	5%	4.5%
	Reduction in the percentage of b) Non-principal/classified roads; that are in overall poor condition		10.1%	9.8%	9.5%
Satisfaction Measures	Number of flood relief schemes started on site				
	Denbigh (Feb 2010 – Mar 2011)				3
	Corwen (Feb 2010 – Mar 2011)				
	West Rhyl (Jan 2010 – Jun 2012)				
	Number of flood relief schemes completed			2	1
Questions from the Annual Survey		TBA	TBA	TBA	

Directorate Priorities

*Environment Directorate
Directorate of Lifelong Learning
Resources and County Clerks Directorate
Directorate of Social Services and Housing*



Environment

The Environment Directorate is very diverse and has responsibilities for service delivery in vastly different areas. Some of our service delivery is very hands-on and public facing, like our planning and building control functions, school meals, waste management and school transport. We also have a strong regulatory and enforcement role to regulate businesses and developments. Other areas are more involved with providing services to other Directorates, such as Design Services, Valuation and Estates, and European and External Funding with responsibility for the successful application and drawn down of funding for projects throughout the County.

Other services are based entirely on meeting our statutory obligations, such as the maintenance of the highways and ensuring the safety of the community.

Still others are based on ensuring that Denbighshire provides a diverse cultural experience to both residents and tourists through a variety of means, such as the countryside, museums, and tourism marketing.

Priority Programmes

The Directorate has developed the following priority programmes to bring about improvement in the Authority and help us deliver our Corporate Priorities and meet our statutory obligations.

Regeneration

Outcome: What will success look like?

- ✓ We will reduce levels of deprivation and unemployment, relative to the Welsh average.
- ✓ We will increase levels of economic activity by working with partners to increase employment and to deal with the challenges of the current recession.

- ✓ We will work with WAG to deliver the North Wales Coast Strategic Regeneration Area projects and the Rural Development Plan.
- ✓ We will review and develop our approach to the management of our heritage and culture assets, to maximise benefit and effective management.

Waste management

Outcome: What will success look like?

- ✓ We will continue to improve waste collection systems in order to meet the challenging recycling and composting WAG targets.
- ✓ We will continue to lead on the provision of long term waste treatment facilities with partners across Wales.
- ✓ We will ensure that the Council remains within landfill allowance targets and meet all statutory obligations.

Tougher on Enforcement

Outcome: What will success look like?

- ✓ We will work closely with our partners, especially the Police and neighbouring authorities, and target high impact enforcement areas.
- ✓ We will increase the number of prosecution cases taken.
- ✓ We will increase the number of fixed penalty notices issued for environmental crime, such as for dog fouling, graffiti and litter.

Sustainability

Outcome: What will success look like?

- ✓ We will deliver a number of key strategies that underpin our approach to sustainability, including Project Gaia, and meeting our carbon reduction targets.
- ✓ We will deliver the draft deposit local development plan including progressing the public consultation in order to meet the challenging time scale set by WAG
- ✓ We will deliver our strategies to support bio-diversity and our role in managing our environment.

Roads and Flood Defences

Outcome: What will success look like?

- ✓ We will improve the condition of the road and footpath network, and reduce the maintenance backlog that exists as resources permit.
- ✓ We will progress key flood defence schemes in Rhyl, Denbigh and Corwen.
- ✓ We will work with Conwy County Borough Council to develop the collaborative project for Highways and Infrastructure, to improve the efficiency of our delivery.

Modernisation and Efficiency

Outcome: What will success look like?

- ✓ We will manage resources effectively, to maximise value for money by reducing sickness absence among staff, improving the efficient use of council vehicles

through our Fleet Tracking System and through collaborating with Conwy through our joint Highway Asset Management Strategy.

- ✓ We will deliver the WorkSMART project, aimed at improving work force flexibility and reducing the need for office accommodation, and intra county travel.
- ✓ We will progress collaboration projects with other Local Authorities, including Joint Highways and Infrastructure, Joint Planning and Public Protection Service, the Wales Penalty Processing Partnership and Denbighshire and Conwy Community Safety Partnership.
- ✓ We will review key service areas, to consider effectiveness and value for money, and seek alternatives to current delivery mechanisms.

Further Information:

The Directorate Business Plan Summary can be found online at: www.denbighshire.gov.uk

The Directorate Can be contacted by Post at:

Denbighshire County Council

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LL15 1YN

*You can call the Team on: Cymraeg 01824 706100
English 01824 706101*

Lifelong Learning

The Lifelong Learning Directorate consists of five services. These are:

- School Improvement
- Partnership and Inclusion
- Leisure services
- Library service
- Planning and Performance

The Directorate is a key contributor to the strategic partnership plans of Children and Young People and Health, Social Care and Wellbeing through the work of all of its services. The Directorate has responsibility for education, for leisure, youth services and also for library services in the County and is therefore integral to delivering on the Council priority of Modernising Education.

The Lifelong Learning Directorate has two long term goals: to improve attainment and achievement and to improve health, well-being and quality of life.

Priority Programmes

The Directorate has developed the following priority programmes to bring about improvement in the Authority and help us deliver our Corporate Priorities and meet our statutory obligations.

Attainment: All Pupils

Outcome: What will success look like?

- ✓ We will improve attainment of pupils at all key stages so that Denbighshire Schools are in the top 10 in Wales for key stage attainment.

Attainment and achievement of pupils with additional learning needs

Outcome: What will success look like?

- ✓ Schools and teachers will be adequately resourced and trained to meet the needs of pupils with additional learning needs. We will ensure that all pupils with

additional learning needs gain a recognised external qualification when they leave statutory education.

Attainment and achievement of looked after children

Outcome: What will success look like?

- ✓ Every looked after child will have a Personal Education Plan in place within 20 school days of entering school or joining a new school, will leave statutory education with a recognised qualification and will be encouraged to achieve after leaving statutory education via a post 16 plan.

Continuing in education, employment or training

Outcome: What will success look like?

- ✓ We will increase the numbers of young people continuing in education, whether that be at school, college or on training schemes.

School attendance

Outcome: What will success look like?

- ✓ We will improve attendance in the County's Primary and Secondary Schools which will impact positively on pupil attainment.

Improve leadership in education at all levels in schools and the authority

Outcome: What will success look like?

- ✓ Leadership in education at all levels will have been improved with leadership programmes in place for Head Teachers Senior and Middle Managers within schools.

Implement the Modernising Education policies so schools

provide the best possible learning experience for pupils

Outcome: What will success look like?

- ✓ We will have reduced the number of schools with either surplus places or too few places and will reduce the number of mobile class rooms in use.

Safeguarding Vulnerable People

Outcome: What will success look like?

- ✓ The welfare of children and vulnerable adults is promoted and safeguarded
- ✓ Agencies work together to safeguard children and vulnerable adults
- ✓ There are effective processes and procedures to ensure good practice in protection and safeguarding

Improve participation, social engagement and personal achievement through leisure opportunities

Outcome: What will success look like?

- ✓ We will find out what people need from our leisure services and will develop and implement a leisure strategy to help our service meet these needs.
- ✓ There will be an increased number of sport and leisure activities available for children, young people and adults which

will result in greater participation in physical activity.

- ✓ All secondary schools will be participating in the 5x60 programme by 2011 and every school dragon sports club will be given additional equipment.
- ✓ We will work in partnership with the National Health Service to increase the number of people taking part in the exercise referral scheme and will offer more opportunities for people to get involved in low intensity exercise.

Increased participation in Library Services

Outcome: what will success look like?

- ✓ We will deliver a programme of activities, events and promotions for children and young people (such as the Summer Reading Challenge, Children's Book Week, Bookstart sessions, and Writing Squads) to stimulate learning, literacy and reading for pleasure, and will review our services to looked after children to ensure they are not disadvantaged by any current policies and procedures.
- ✓ During the year we will also undertake a review of both the Library Service and the joint authority Schools Library Service, and will extend our Book Prescription Scheme to children and families in partnership with the NHS Trust.

Further Information:

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Resources & County Clerks

The Resources and County Clerk's Directorate contains most of the corporate functions of the organisation and therefore plays a vital role in ensuring that the organisation is fit for purpose. Many of the services provided by the Directorate are internally focussed with the aim of supporting the organisation to improve the way in which services are planned and delivered to the public. However, Benefits & Revenues and Customer Care provide services to, and deal directly with, the public.

Priority Programmes

The Directorate has developed the following priority programmes to bring about improvement in the Authority and help us deliver our Corporate Priorities and meet our statutory obligations.

Customer Care

Outcome: What will success look like?

- ✓ We will respond to enquiries and deliver services within timescales specified in the Customer Service Standards.

Information Management

Outcome: What will success look like?

- ✓ Council services will have access to robust and relevant information that is secure against misuse

Financial and Business Planning

Outcome: What will success look like?

- ✓ Services will be planned, and resources will be allocated, to support the Council's strategic and priority outcomes

Project Management

Outcome: What will success look like?

- ✓ The Council will consistently use the corporate methodology for the delivery of all its medium and large projects, and all projects will deliver meaningful and measurable benefits for Denbighshire residents, businesses or visitors.

Risk Management & Assurance

Outcome: What will success look like?

- ✓ Risk management will be embedded in the Council and will be fully integrated with business and financial planning. The Council will identify all areas of assurance and have a robust process for obtaining those assurances.

Human Resources Management

Outcome: What will success look like?

- ✓ The Council will have a workforce with the skills and capacity to deliver its strategic and priority outcomes.
- ✓ We will reduce the number of days lost due to sickness absence.

Further Information:

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Social Services and Housing

The Directorate has 3 main service areas:

- a) Social Services
- b) Housing Services
- c) Partnership Strategies

Social Services

The Social Services Department consists of trained specialist teams. Some Teams work with a particular group of people, for example people with learning disabilities. Others focus on particular needs such as sight or hearing problems and others on particular situations, for example when children are in need of protection. The Department provides services to people of all ages:

Housing Services

The Housing Services Department deals with Housing Strategy and the Allocation, Estate Management and Maintenance of the Council's Housing Stock, and collection of Housing Rents and Arrears Recovery. Homelessness, housing advice and some private sector issues are dealt with in the service.

Partnership Strategies

The Directorate has a strategic lead in developing, and co-ordinating, the delivery of key partnership strategies: Healthy Denbighshire Strategy and Children and Young People's Single Plan.

Priority Programmes

The Directorate has developed the following priority programmes to bring about improvement in the Authority and help us deliver our Corporate Priorities and meet our statutory obligations.

Independence and Choice for Older People

Outcome: What will success look like?

- ✓ The maximum number of older people possible are able to remain independent, supported or cared for within available resources.
- ✓ The Council will have rational scenarios against which it can monitor the development of activity and costs of care for older people.
- ✓ The Council will have developed and implemented services that people feel make a positive difference to their lives.

Community Wellbeing

Outcome: What will success look like?

- ✓ The Council and communities are involved in responding to the needs of an ageing population.
- ✓ Activities are redesigned to take account of the needs of an increasing population of older and disabled people.
- ✓ People feel that services and activities make a positive difference to their lives
- ✓ Services for homeless, and potentially homeless people, reduce the trauma of homelessness.

Independent Lives for people with Learning Disabilities

Outcome: What will success look like?

- ✓ Service patterns for adults with learning disabilities promote inclusion and manage extreme cost pressures.
- ✓ The Council will have developed and implemented services that people feel make a positive difference to their lives.

Modernising Education

Outcome: What will success look like?

- ✓ Every looked after child will have a Personal Education Plan in place within 20 school days of entering school or joining a new school, will leave statutory education with a recognised qualification and will be encouraged to achieve after

leaving statutory education via a post 16 plan.

Regeneration

Outcome: What will success look like?

- ✓ More Safe Sustainable and Affordable Homes.

Safeguarding Vulnerable People

Outcome: What will success look like?

- ✓ The welfare of children and vulnerable adults is promoted and safeguarded
- ✓ Agencies work together to safeguard children and vulnerable adults
- ✓ There are effective processes and procedures to ensure good practice in protection and safeguarding.

Community Engagement

Outcome: What will success look like?

- ✓ More opportunities for children and young people to have their say
- ✓ Citizens are at the heart of what we do
- ✓ A high quality customer response is provided

Workforce Development

Outcome: What will success look like?

- ✓ A good quality social care workforce in Denbighshire with sufficient numbers and with appropriate qualifications, training, experience and skills

Further Information:

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Resourcing the Plan

Denbighshire's Tools for Financial Management

In order to deliver on its priorities and meet its obligations Denbighshire County Council is developing:

- ✓ Medium Term Financial Plan
- ✓ A New System to Distribute Resources Between Directorates
- ✓ Costed Improvement Board Proposals
- ✓ Efficiency Strategy
- ✓ Capital Strategy
- ✓ New Financial and Business Planning Process

Medium Term Financial Plan

The main aims of the MTFP are to set out clearly the Council's vision and service priorities that will lead the future budget setting process. It will outline the Council's budget position and financial context for 2009/10 to 2012/13 and set out future levels of Government funding and the likely impact on Council Tax.

Potential Savings Targets

The projected revenue financial position is shown in appendix 1 to the MTFP exemplifying the way forward recommended by the Corporate Executive Team. It is likely that a savings target of £2.5m in 2010/11, to deliver £1m of investment in Priorities at a Council Tax increase of 2.5%, is potentially deliverable. The position for 2011/12 & 2012/13 at a similar 2.5% increase in Council Tax levels would be savings targets above £3m but with some potential areas already identified for review.

Delivering savings.

Officers will need to make an early start on identifying with Lead Cabinet Members and Scrutiny Committees the opportunities for delivering savings within services. Appendix 1 of the MTFP details 5 areas where work is

currently underway to deliver significant savings for 2010/11 as follows:

- ✓ The Voluntary Redundancy exercise,
- ✓ Loan refinancing,
- ✓ Improved procurement through the North Wales Procurement Agency,
- ✓ Further staffing reviews and
- ✓ Phasing out over 3 years of the Contingency provision and the contribution to reserves.

Directorate Budgets

During the course of early summer Denbighshire's Corporate Executive Team will be agreeing the way forward to assist the allocation of resources from 2011/12 to each of the Council's four directorates based on the Council's Corporate Priorities and statutory obligations. This could include the use of weightings devised from whether services deliver priority and mandatory outcomes or are discretionary.

Improvement Board Proposals

The Council's Priorities (with the exception of Roads and Flood Defences) are each co-ordinated and driven forward by a cross-directorate Improvement Board. For 2009-10 funding for priorities will be contained within the additional resources made available to services in the Budget.

Details of how the development of priorities will be funded for 2010-11 and subsequent years are included in the MTFP on page 11.

Demographic Change

The Demographic Change Board has identified a likely requirement of £1m and £1.7m. Funding sources have been identified for most of this proposed spending leaving a requirement of approximately £275k of additional resources.

Regeneration

The Regeneration Improvement Board has identified a likely requirement of £48.81 million. External and Denbighshire County Council funding has been secured for £33.9 million leaving £14.91 million of additional resources required, for which funding applications have been submitted.

Modernising Education.

The bids totalling £250k from the Modernising Education Board are all to assist the improving of attainment of pupils and improving the monitoring, evaluation and planning of services.

Roads & Flood Defences.

The bids in connection with this priority are intended to provide Capital resources through Prudential Borrowing for over £2m of Highways works and match funding for urgent Flood Prevention works totalling £7.345m in 2010/11.

Efficiency Strategy

Efficiency is one of the elements of the National Assembly's 'Making the Connections' initiative – the vision for improving public services in Wales. Under the efficiency agenda, WAG reduces the Council's annual settlement by at least 1% per annum for the 5 year period commencing in 2005/06. The position beyond the current financial year is unclear as WAG have not decided what shape and what level of target gains will feature in any process brought in from 2010/11. WLGA are pressing for clarity on this issue.

A number of specific reviews are also under way currently:

1. Accommodation Review

On 15th July 2008 Cabinet approved a strategy for rationalising the core office accommodation by consolidating offices in buildings which offer the best value, producing office accommodation that is fit for purpose in a rapidly changing

environment. Factors taken into account include the size of maintenance backlogs and running costs at each site, in addition to potential development values.

A decision has been made on future use of two sites that will be vacated, it is likely a further recommendation will follow, to dispose of these sites for development in order to provide capital receipts for investment in the Council's priority areas.

The worsening WAG funding levels for both Capital & Revenue will inevitably mean that a critical review of the Council's stock of assets will need to take place to down size the number of properties the Council runs and maintains.

2. Support Services Review

A review of support services within the Council is currently being developed to ensure that support functions are both focussed on the needs of front line services and operated in the most cost effective manner.

3. ICT Developments

The ICT service underpins much of what is done by the Council. To enable the organisation to change, appropriate investment in ICT is required. Current investments are in a new Electronic Document Records Management System project being developed and linked to the Office Accommodation review, together with the electronic procurement and payment system that will lead to process savings.

Capital Strategy

The Capital Strategy informs the programme of capital investment. With resources becoming increasingly insufficient to meet even the most important demands for funding, the programme is prioritised based upon criteria that take into account the Councils' priorities, statutory requirements and cost effectiveness. Each year one main bidding round is held that allows departments to put forward business case proposals for future projects. Funding is

then allocated dependant on the relative scores, quality of the project proposals and relevance to priorities and statutory obligations. The need to identify additional capital resources has never been greater than currently. While prices for land sold for development will remain depressed for a while due to the current recession in the construction industry, opportunities will still be sought and taken to maximise the Council's capital resources available.

New Financial and Business Planning Process

The Council's new Financial and Business Planning Process builds on the same principles as the Capital Strategy but focuses on revenue funding. Investments and savings in services, within directorates, are based on the Council's Priorities and statutory obligations. Support and challenge to this process will come from elected members, the Corporate Executive Team and the Council's Finance staff.

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Appendix 1: Monitoring the Corporate Plan

Reference	Indicator	Target 2008-09	Estimate 2008-09	Wales Median 2007- 08	Target 2009- 10	Target 2010-11
National Strategic Indicators						
SCA/001 NS1	The rate of delayed transfers of care for social care reasons per 1,000 population aged 75 or over	<1.5	0.51	3.88	<1.5	<1.5
SCA/002 NS2	The rate of older people (aged 65 or over):					
	a) Supported in the community per 1,000 population aged 65 or over at 31 March	85	89.13	82.64	87	89
	b) Whom the authority supports in care homes per 1,000 population aged 65 or over at 31 March	<30	26.01	24.98	27	26
SCC/001 NS3	a) The percentage of first placements of looked after children during the year that began with a care plan in place	95	91.04	97.8	95	97
	b) For those children looked after whose second review (due at 4 months) was due in the year, the percentage with a plan for permanence at the due date	100	100	94.5	100	100
SCC/002 NS4	The percentage of children looked after at 31 March who have experienced one or more changes of school, during a period or periods of being looked after, which were not due to transitional arrangements, in the 12 months to 31 March	<15%	18.68	14.4	<15%	<12%
HHA/014 NS5	a) The number of homeless families with children who have used Bed and Breakfast accommodation during the year, except in emergencies	0	0.00	New	0	0
	b) The average number of days all homeless families with children spent in Bed and Breakfast accommodation	5	0.00		4	3
HHA/002 NS6	The average number of working days between homeless presentation and discharge of duty for households found to be statutorily homeless	150	164	96	200	200
SPP/001 NS7	The average number of units of housing related support, per 1,000 head of population, for each of the following types of housing related					

Reference	Indicator	Target 2008-09	Estimate 2008-09	Wales Median 2007- 08	Target 2009- 10	Target 2010-11
	support service: i) Floating support ii) Direct access iii) Temporary accommodation iv) Permanent accommodation v) Sheltered accommodation for older people vi) Community alarm services	591 17 98 84 1328 1488	6.04 0.18 1.01 0.85 13.59 15.34	2.8 0.2 0.4 0.9 7.8 9.8	591 17 98 84 1328 1488	591 17 98 84 1328 1488
EDU/016 NS8	Percentage of pupil attendance in: a) primary schools; and b) secondary schools	93.6% 91.0%	94.11% 91.16%	New 90.73	93.5% 91.5%	94.9% 92.0%
EDU/002 NS9	The percentage of: i) All pupils (including those in local authority care), in any local authority maintained school, aged 15 as at the preceding 31 August and leave compulsory education, training or work based learning without an approved external qualification ii) Pupils in local authority care, in any local authority maintained school, aged 15 as at the preceding 31 August and leave compulsory education, training or work based learning without an approved external qualification	1.6%	1.8% 0.00	1.49 11.81	2.0% 2	1.0% 2
EDU/003 NS10	The percentage of pupils assessed at the end of Key Stage 2, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	74.2%	76.52%	73.52%	75.2%	76.2%
EDU/004 NS11	The percentage of pupils assessed at the end of Key Stage 3, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	58.4%	59.42%	57.48%	59.4%	60.4%
EDU/011 NS12	The average point score for pupils aged 15 at the preceding 31 August, in schools maintained by the local authority	332	326.39	343	340	340

Reference	Indicator	Target 2008-09	Estimate 2008-09	Wales Median 2007-08	Target 2009-10	Target 2010-11
EDU/006 NS13	The percentage of pupils assessed, in schools maintained by the local authority, receiving a Teacher Assessment in Welsh (first language): i) At the end of Key Stage 2 ii) At the end of Key Stage 3		21.83% 17.80%	11.14% 9.52%	18.9% 16.9%	21.5% 18.0%
WMT/001 NS14	The percentage of municipal waste: i) Reused and/or recycled; and ii) Composted or treated biologically in another way	20% 15%	16.93% 16.73%	20.54% 10.31%	25% 15%	27% 18%
WMT/002 NS15	The percentage of bio-degradable municipal waste sent to landfill	67.5%		63.05%	57.5%	52.5%
THS/010 NS16	Percentage of a) Principal (A) roads; and b) Non-principal/classified roads; that are in overall poor condition	5% 12%	5.00% 10.09%	3.6% 7.4%	5% 11%	5% 10%
PPN/001 NS17	The percentage of high risk businesses that were liable to a programmed inspection that were inspected, for: I. Trading Standards II. Food Hygiene III. Animal Health IV. Health and Safety	100% 90% 70% 70%	100% 97.28% 90% 71%	100% 100% 100% 100%	100% 100% 100% 100%	100% 100% 100% 100%
EEF/002 NS18	a) Percentage reduction in carbon dioxide emissions in the non domestic public building stock bi) Percentage reduction in energy use in the housing stock bii) Percentage reduction in carbon dioxide emissions in the housing stock	2% 2% 2%	-9.18% 1.46 1.03	4.85 9.87 8.02	2% 2% 2%	2% 2% 2%
BNF/004 NS19	Time taken to process Housing Benefit (HB) and Council Tax Benefit (CTB) new claims and change events.	15 days	9.12 days	New	15 days	15 days
BNF/005 NS20	The number of changes of circumstances which affect customers' entitlement to Housing Benefit (HB) or Council Tax Benefit (CTB) within the year.	845 per 1000 caseload	814.33 per 1000	New	845 per 1000 caseload	845 per 1000 caseload

Reference	Indicator	Target 2008-09	Estimate 2008-09	Wales Median 2007- 08	Target 2009- 10	Target 2010-11
			caseload			
Other Priority Outcome Indicators						
L/DMCH001	Communities engaged in developing sustainable support networks for older people	N/A	N/A	N/A	6	8
L/DMCH003	Numbers of adults aged 18 – 64 with a learning disability who are supported in a care home reduced				36 people a rate of 0.63	34 people a rate of 0.59
L/DMCH004	Numbers and rate of adults with learning disabilities helped to live at home increased				222 people and a rate of 3.9	227 people and a rate of 3.9
L/REG001	Relative reduction in economic inactivity				To have matched the Wales level before 2012	
L/REG002	Relative reduction in Job Seekers Allowance claimants in Denbighshire				To have widened the gap between the Denbighshire and Wales level before 2012	
L/REG003	Additional number of Houses in Multiple Occupation (HMO's) taken through the licensing scheme:				50 per annum by 2011/12	
L/REG004	Reduce the number of people below the 60% poverty line.				Take 500 people above the 60% poverty line by March 2012	
L/REG005	Number of social enterprises assisted				18 by March 2012	
L/REG006	Number of village facilities improved				12 by February 2011	
L/REG007	Additional Housing Enforcement Officers				2 new officers in Housing Regeneration and Renewals and 1 enforcement officer moved from Planning to Housing Enforcement by June 2010	
L/REG006	Ratio of average house prices to average earnings				To have reduced the ratio	

Reference	Indicator	Target 2008-09	Estimate 2008-09	Wales Median 2007- 08	Target 2009- 10	Target 2010-11
					before 2012	
L/REG008	Number of new and existing micro rural enterprises (<10 employees) financially assisted				50 by February 2011	
L/REG009	Gross number of jobs created in rural micro businesses				50 by February 2011	
L/REG010	Support local retail sector/town centres				Undertake a pilot project to support local businesses in Denbigh and Prestatyn during 2009/10	
L/REG011	Relative reduction in Job Seekers Allowance claimants in each LSOA area in Rhyl				To have narrowed the gap between the levels for Rhyl and Denbighshire by 0.5% before 2012	
L/REG012	Incidence of criminal damage in Rhyl.				To have reduced the number of incidents by 15% by March 2011	
L/REG013	Reduce decline in: a)Rural businesses b)Tourism sectors				To have advised or assisted 90 new or existing micro enterprises (<10 employees) by March 2011 Increase gross number of additional visitors by 3,000 By March 2011	
L/REG014	Produce Town/ area plans				6 by December 2010	
	Raise the percentage of pupils achieving the Core Subject Indicator at key stage 1:	82.7%			83.7%	
	Raise the percentage of pupils achieving the Core Subject Indicator at key stage 2	75.2%			76.2%	
	Raise the percentage of pupils achieving the Core Subject Indicator at key stage 3	59.4%			60.4%	

Reference	Indicator	Target 2008-09	Estimate 2008-09	Wales Median 2007- 08	Target 2009- 10	Target 2010-11
	Raise the percentage of pupils achieving 5 A* to C	51%			54.1%	
	Raise the percentage of pupils achieving the Core Subject Indicator at key stage 4	39.0%			41.3%	
L/RF001	Percentage of Roads that are in 'Generally Good Condition' A) Principal (A) Roads B) Non-principal/classified roads		73% 52.4%		76% 53%	80% 58%
L/RF002	Percentage of total highways function cost (revenue & capital) spent directly on highways repairs				84%	86%
L/RF003	Percentage of the network resurfaced				4%	4%
L/RF004	Percentage of the network to receive proprietary treatment (i.e. surface dressing)				3%	2%
L/RF005	Number of flood relief schemes started on site Denbigh (Feb2010 – March 2011) Corwen (Feb 2010 – March 2011) West Rhyl (Jan 2010 – Jun 2012)					3
L/RF006	Number of flooding schemes completed				2	1
Local	% of eligible staff who have had a performance appraisal				100%	100%
CHR/002	The number of working days/shifts per full time equivalent (FTE) local authority employee lost due to sickness absence				11 days	10.5 days

Appendix 2

Summary of Improvement Agreements 2008-10

The Authority finalised its Improvement Agreements with the Welsh Assembly Government for the two-year period covering 2008-10 in January 2009. The agreements cover eight broad outcomes, two from each of four strategic themes linked to the One Wales agenda. A summary of the outcomes from the agreements can be found below.

Supporting Local Businesses

Assembly Government Theme:

A Prosperous, Cultural and Diverse Society

Citizen-centred outcome:

More local people will be able to access a more varied retail offer. In areas of deprivation, such as Prestatyn North ward and Denbigh Upper, the most vulnerable members of society will be assisted to access shops and services.

The lack of a sense of community within town centres is directly related to perception of safety, as well as actual decreased crime and disorder. Residents who are engaged in keeping their town centres vibrant and alive will also help to take care of those assets.

Learning Pathways – widening opportunities and increasing the participation of 14-19 year olds in education and training

Assembly Government Theme:

A Prosperous, Cultural and Diverse Society

Citizen-centred outcome:

Young people engaged in learning because of the provision of a more relevant curriculum. Improved retention rates in

education and training which will have social and economic benefit to the whole community.

Improving Educational Attainment

Assembly Government Theme:

A Healthy, Fair and Just Society – Children

Citizen-centred outcome:

Raising attendance in schools is directly linked to improved levels of attainment and achievement by children and young people. Children and young people who miss school frequently are at risk of not achieving their potential, and research suggests that children who do not attend school regularly are at a higher risk of getting involved in antisocial behaviour or crime. Good school attendance greatly increases the working and career prospects of an individual and therefore impacts positively on the local economy and wellbeing of individuals within an area.

Provision of Care: Services to Children

Assembly Government Theme:

A Healthy, Fair and Just Society – Children

Citizen-centred outcome:

Children and families will have access to services based on assessment of their needs which will enhance safeguarding of vulnerable children.

Reducing our Carbon Footprint

Assembly Government Theme:

Sustainable Communities

Citizen-centred outcome:

Securing our ability as a council to provide services to the community. The leadership role and efficient operation of the Council for the community it serves. It is taking local action on a global issue and enabling a learning process to develop. This will benefit the community as the Council will be in a position to future proof its operation against rising energy prices to relieve the influence of pressure on future council tax rises.

Housing Matters

Assembly Government Theme:
Sustainable Communities

Citizen-centred outcome:

Better services for homeless and potentially homeless people reducing the trauma of homelessness and increasing access to a range of housing options.

Helped to Live in the Community

Assembly Government Theme:

A Healthy, Fair and Just Society - Adults

Citizen-centred outcome:

Improve the health and wellbeing of people who live in the community as well as promoting their independence.

Provision of Facilities at Home

Assembly Government Theme:

A Healthy, Fair and Just Society - Adults

Citizen-centred outcome:

Improve the health and wellbeing of people who live in the community as well as promoting their independence.

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Appendix 3

Corporate Governance

Following the Corporate Governance Inspection, in autumn 2008, the Council implemented an action plan to respond to the Wales Audit Office recommendations. This action plan is a new and innovative approach to some of the key internal processes and functions of the Council.

The original recommendations of the Wales Audit Office Report were:

Recommendation 1:

CORPORATE EXECUTIVE TEAM

Review the operation of the Corporate Executive Team to ensure an effective strategic, corporate and cross-cutting focus.

Recommendation 2:

CORPORATE PRIORITIES

To develop clear and defined outcomes for corporate priorities.

Recommendation 3:

SUPPORT SERVICES

Deliver the review of Support Services.

Recommendation 4:

SYSTEMS AND PROCESSES

Further develop systems and processes to improve the governance framework and oversight

Recommendation 5

PERFORMANCE MANAGEMENT

Develop an approach that supports the delivery of the priorities

Recommendation 6

RISK MANAGEMENT

Revise and reintroduce the risk management strategy and policy

Progress against the Corporate Governance Action Plan has been monitored through the

Council's Focused Agenda Board and Corporate Governance Committee. The minutes of the Corporate Governance Committee meetings, including the Corporate Governance Action Plan and progress reports, can be found on the Council's website.

The Council's response to the inspection report is further developed in the Corporate Plan for 2009-12 through the Improvement Theme entitled 'Strong Governance & Leadership for Improvement'.

From Autumn 2009, the remaining actions from the Corporate Governance Action Plan will be incorporated into the financial and business planning process and included in Service and Directorate Business Plans.

We have placed a lot of effort into improving our understanding of governance, by ensuring our arrangements are robust and meet good practice in accordance with the CIPFA/SOLACE revised framework 2007. We have also taken into account the Welsh Assembly Government's 'citizen-centred governance principles for Wales.'

A good governance framework is fundamental to the effective delivery of the Council's services and our corporate priorities. We will not just demonstrate compliance with the framework, we will also review the effectiveness of our own governance arrangements by reference to best practice and self assessment. As part of this process the following arrangements will be undertaken:

- ✓ We will review existing governance arrangements against the framework.
- ✓ We will update our Local Code of Governance, to serve as a management tool for reviewing and monitoring, including

arrangements for ensuring its ongoing application and effectiveness.

- ✓ We will prepare and publish an Annual Governance Statement (AGS) to report publicly on the extent to which we comply with the principles, signed by the Leader and the Chief Executive of the Council.

The Welsh Assembly are encouraging authorities to adopt the Annual Governance Statement voluntarily. It is anticipated that the first AGS will cover the financial year 2009/10 and will accompany the annual published accounts.

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Corporate Plan and Medium Term Financial Plan Consultation Feedback

Meeting	Comments/ Matters Arising	Actions/ Decisions Sought	Complete/Requiring Decision
The draft Plan was presented to Informal Cabinet for comments on the 23 June	1. Somewhere in the introduction the document needs to refer to the national policy context and its relevance to our plan.	A new version of the introduction has been produced in the draft for Cabinet	Complete
	2. There is now a good understanding of the Demographic Change priority and what we are going to do, but we need to say more about the aspects of the agenda that we are still developing, e.g., young people. There needs to be cross-reference to other corporate priorities and major developments, like the LDP.	A New paragraph on younger people and a reworking of the introductory prose for the Demographic Change priority has been introduced in the draft for Cabinet	Complete
	3. The Regeneration priority still needs a lot of work. There needs to be a stronger link to the LDP and also on urban issues. There were also questions about how much impact the council will have on the targets. This should be explained in the text. There needs to be cross-reference to other corporate priorities.	A reworking of the introductory prose for the Regenerating Our Communities priority has been introduced in the	Complete

		draft for Cabinet	
	4. The Modernising Education priority needs more work. The wider context for this priority does not come across in the text e.g., young people, links with the other priorities.	A new version of the Modernising Education Priority section has been produced in the draft for Cabinet.	Complete
	5. The Roads and Flood Defences priority still doesn't have targets.	Targets have been added in the Draft for Cabinet	Complete
The draft Plan was presented to the Corporate Governance Committee on the 30 June.	1. In relation to Demographic Change, Members queried whether there should be additional measures relating to the quality of homecare and the quality of life of those older people encouraged to live in their own homes.	A New paragraph on younger people and a reworking of the introductory prose for the Demographic Change priority has been introduced in the draft for Cabinet	Complete
	2. It was felt that there could be risks for older people associated with targets relating to independent living.	A New paragraph on younger people and a reworking of the introductory prose for the Demographic Change priority has	Complete

		been introduced in the draft for Cabinet	
	3. With regard to the Regeneration Priority, Members at both meetings were concerned that the outcome measures focused mainly on the deprivation domains of employment and housing but there were no measures for other deprivation domains such as income, health, education, skills and training or geographical access.	A reworking of the introductory prose for the Regenerating Our Communities priority has been introduced in the draft for Cabinet	Complete
	4. Members also felt that the measures were too focused on urban residential areas and that there should be measures relating to town centre regeneration.	A reworking of the introductory prose for the Regenerating Our Communities priority has been introduced in the draft for Cabinet	Complete
	5. Questions were also posed as to why criminal damage was chosen as an outcome measure.	A reworking of the introductory prose for the Regenerating Our Communities priority has been introduced in the draft for Cabinet	Complete

	6. Members were particularly concerned that the Council's activities would not be able to sufficiently influence issues such as Job Seekers Allowance rates, economic inactivity, criminal damage and the housing/income ratio.	A reworking of the introductory prose for the Regenerating Our Communities priority has been introduced in the draft for Cabinet	Complete
	7. Members suggested that Council outcome measures and targets should focus on areas in which the Authority has a greater role to play, has more control and has the potential to make a significant contribution to their achievement.	Additional council output measures have been included in the draft for Cabinet	Complete
	8. Members of the Corporate Governance Committee recommended that in light of the comments made, the Regeneration Board should review regeneration outcome measures and targets at its next meeting on the 15 July.	The new version of Regenerating Our Communities priority section of the Corporate Plan, as per the draft for Cabinet will be discussed at the Regeneration Board.	MH
The draft Plan was a Resources	Members' Comments were as follows:	Timescales will be improved next year	Complete

<p>Scrutiny Committee Agenda Item on the 2 July and members from other scrutiny committees were invited for this item.</p>	<p>About the Process</p> <ul style="list-style-type: none"> • Scrutiny members were concerned at the timescale for producing the Corporate Plan and MTFP. • Scrutiny requested earlier inclusion in the Scrutiny Forward Work Plan • Concern over cost associated with promoting the draft Statement of Intent only for it to be subsequently amended • Concern over colour printing of documents and cost involved. • Better communication between Improvement Boards is needed in the future. • A further meeting of scrutiny before the document goes to Council was suggested • A plain language review of the document was needed • Charts in the draft Plan should be 'hatched' so that they can be seen better in black and white and photocopied versions 	<p>due to the new Financial and Business Planning timetable.</p> <p>The Focused Agenda Board will discuss the way forward in facilitating communication between Improvement Boards.</p> <p>The Strategic Policy Unit will conduct a plain language review of the final version of the document prior to submission to Council.</p> <p>Other issues should be noted.</p>	<p>To be agreed</p> <p>To be agreed</p>
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	<p>Medium Term Financial Plan</p> <ul style="list-style-type: none"> A broader range of Council Tax options and their associated scenarios was requested. 	<p>Financial Controller has provide these for the draft presented to Cabinet</p>	<p>Complete</p>
	<p>Vision</p> <ul style="list-style-type: none"> Greater clarity needed on the difference between the County Vision and the Council Vision 	<p>The 'How We Plan Our Work' section has been amended in the draft for Cabinet.</p>	<p>Complete</p>
	<p>Improvement Themes</p> <ul style="list-style-type: none"> Consideration should be made as to whether support for the Welsh language and culture should be an improvement theme in its own right. Community & Citizen Focused Improvement Theme should include more on Youth Community & Citizen Focused Improvement Theme should include more on Participatory Budgeting. Video conferencing should be added as a tool The Plan should refer to 'People' rather than 'Citizens'. In the Outward Looking Improvement Theme more was needed on how influencing regional and national agendas would be achieved. 	<p>Members will need to make decision on whether there should be a (5th) Welsh Language and Culture Theme and whether the plan should refer to people rather than citizens.</p> <p>The Improvement Themes section has been amended in the draft for Cabinet to reflect the other issues.</p>	<p>To be agreed</p> <p>Complete</p>

	<p>Corporate Priorities</p> <ul style="list-style-type: none"> • More of the projected changing demographic profile could be included in the demographic change section with more key statistics/projections reported. • More attention to the need to attract and retain younger people is needed in the section on the demographic change priority • Regenerating Our Communities priority needs to include more on town centre development and tourism development. • More discussion of climate change should be included in the roads and floods priority. • Modernising Education priority needed expanding and should be more explicit about the latest ESTYN inspection and resulting actions. 	<p>A New paragraph on younger people and a reworking of the introductory prose for the Demographic Change priority has been introduced in the draft for Cabinet</p> <p>A reworking of the introductory prose for the Regenerating Our Communities priority has been introduced in the draft for Cabinet</p> <p>Roads and Floods section has been amended in the draft for Cabinet to include climate change information.</p>	<p>Complete</p> <p>Complete</p> <p>Complete</p>
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		A new version of the Modernising Education Priority section has been produced in the draft for Cabinet.	Complete
	<p>Directorate Priorities</p> <ul style="list-style-type: none"> • Discussion of Leisure, Libraries and Youth facilities, in the Lifelong Learning Directorate priorities, should be split and contain more information on each one. • The Sustainability section, of the environment directorate priorities, should be expanded. 	<p>Amendments have been made to the Lifelong Learning Directorate Priorities section in the draft for Cabinet.</p> <p>Amendments have been made to the Environment Directorate Priorities section in the draft for Cabinet.</p>	<p>Complete</p> <p>Complete</p>

<p>A draft of the Plan was presented to Denbighshire's Local Service Board (LSB) by the Chief Executive on the 1 July.</p> <p>Partners' initial comments were that they found the Plan easy to follow and well structured. The LSB has been given a deadline of the 10 July to</p>	They would like to see more in the Plan about the role of the voluntary sector	The Strategic Policy Unit has amended the draft for Cabinet to reflect this	Complete
	More information in the Leader's Foreword and the Outward Looking theme, about the LSB	The Strategic Policy Unit has amended the draft for Cabinet to reflect this	Complete
	One partner requested more information about the condition of school buildings in the Modernising Education priority and Lifelong Learning Directorate section	A new version of the Modernising Education Priority section has been produced in the draft for Cabinet.	Complete

provide further comments.	It was suggested that a local indicator should be added which gives a percentage of the roads which are in good overall condition.	Roads and Floods section has been amended in the draft for Cabinet.	Complete
MMC 2 July	Demographic change improved link between active lifestyles and leisure facilities	Amendment to Demographic Change priority section	Complete
	Leadership Programme added as a tool to strong governance and leadership for improvement theme	The Strategic Policy Unit has amended the draft for Cabinet to reflect this	Complete
	Leisure Strategy to be added as a tool to the 'Outward Looking' Improvement Theme	The Strategic Policy Unit has amended the draft for Cabinet to reflect this	Complete
	Corporate Plan basket of indicators to be added as a tool to the 'High Performance Culture Delivering Value for Money'	The Strategic Policy Unit has amended the draft for Cabinet to reflect this	Complete

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APPENDIX 4

DENBIGHSHIRE COUNTY COUNCIL

CORPORATE MEDIUM TERM FINANCIAL PLAN 2009 – 2013

SECTION	CONTENTS
1.0	EXECUTIVE SUMMARY
1.1	Introduction
1.2	Statement of principles
2.0	CURRENT ISSUES
2.1	Welsh Assembly Government settlement
2.2	Other Assembly Issues
3.0	LOCAL ISSUES
3.1	Denbighshire County Council priorities
3.2	Other initiatives and strategies
4.0	CAPITAL PLAN
4.1	Introduction
4.2	Allocation of Resources
5.0	REVENUE PLAN
5.1	General
5.2	Financial Projections
5.3	Future WAG settlements
5.4	Service Pressures
5.5	Investment in Priorities
5.6	Efficiency gains and savings proposals

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1.0 EXECUTIVE SUMMARY

1.1 Introduction

Council agrees the level of budget for directorates annually based upon bids for additional resources to fund pressures, the impact of inflation and the need to make savings to reduce operating costs in the light of the level of Assembly financial support and the Members preferred level of increase in Council Tax. Services are expected to operate within the overall cash limited budget for the directorate and have the ability to vire resources into areas of pressure as they occur within the financial year. Regular monthly reports are made to Cabinet to enable Members to monitor the performance and this effectively produces a system whereby the budget for services is subject to constant review and revision within the overall directorate cash limited total.

As part of the budget setting process, indicative figures are produced that indicate the likely level of funding needed for future years, indicative figures for WAG support where known and the potential impact on future levels of Council Tax. This invariably produces a need to set target cost reductions. It is this process for later years including proposals on how to identify and deliver cost reductions through improved cost effectiveness that the Council now needs to improve. A robust medium term financial planning process needs to be developed.

The following Medium Term Financial Plan (MTFP) covers the period 2009/10 to 2012/13 and forms part of the Council's planning process. The purpose of the MTFP is to provide a review of the Council's overall financial position for 2009/10, a projected position for 2010/11 and an overview of the prospects for 2011/12 and 2012/13.

The Council approved its revenue and capital budgets for 2009/10 on 10 February 2009. The plan is based on projections of inflation, service pressures, savings and income generation, levels of Government support together with the implications for the level of Council Tax.

The main aims of the MTFP are:

- Set out clearly the Council's vision and service priorities that will lead the future budget setting process
- Outline the Council's budget position and financial context for 2009/10 to 2012/13
- Set out future levels of Government funding and the likely impact on Council Tax

Although there is uncertainty about many of the factors that influence the financial projections, the analysis is sufficiently robust to provide a view on the broad shape of the Council's medium term financial position.

1.2 Statement of Principles

The following underlying principles are integral to the plan:

- All spending plans will be subjected to continuous review to ensure that they are aligned with identified needs and to promote Best Value and service improvements;

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- Existing resources will be realigned within and between Departments in order that they can best be directed to meet the Council's priorities and support changes in service delivery;
- To ensure greater consistency in the budget process all submissions for increased expenditure are fully challenged, evidenced and aligned with the Council's priorities;
- Chief Officers will be responsible for submission of their Departmental Service Plans which will incorporate any financial issues to inform the Financial Plan;
- The Medium Term Financial Plan will cover all services including both revenue and capital expenditure to provide a framework for the Annual Budget;
- The Plan will be reviewed and updated on an annual basis.

2.0 CURRENT ISSUES

There are a number of events that will influence the financial environment in which the Council operates. Key events include:

- The UK Government's Spending Reviews 2009 (currently being reviewed by WAG to enable a Wales Budget Review to be produced in the Summer. The WAG Comprehensive Spending Review will not now take place until summer 2010).
- The annual Budget announced by the Chancellor on 22 APRIL 2009
- The strategies and policies of the Welsh Assembly Government (work underway following the above)
- The financial settlement figures to be announced by the Welsh Assembly Government in the Autumn.

The Government's financial planning for the past decade has been underpinned by steady economic growth, healthy public finances and no major economic shocks. The last 12 months have seen the exact opposite.

2.1 WAG Financial Settlements

After a period of relatively positive settlements, local authorities in Wales received below inflation increases in settlements for 2009/10 (the average being 2.9%). This level of funding did not match the level of inflation (the RPI for November 2008 was 5%) nor did it take into account a number of significant pressures such as the increasing number of older people and the increase in Landfill Tax and failed to keep pace with increasing pay costs. The Assembly did not update the previously released projected settlement figures for 2010/11.

WLGA state that the publication of the Assembly Government Budget and the 2.9% increase for local government again shows that key public services continue to fall off the radar of devolved government in Wales. Further, local government's increase is by no means comparable with the Welsh NHS which for the second year will receive an increase of 5.3%, in addition to the millions of pounds worth of deficits that have been written off. This is a far cry from what some of the most pressurised local government services will receive, such as social services, housing and schools.

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The Assembly CSR 2009 has been delayed until 2010. The WAG Budget Review is likely to demonstrate a no increase position for Revenue funding for local authorities in the 3 years 2010/11 to 2012/13, with a -10% per annum position for capital resources both hypothecated and unhypothecated supported borrowing.

This impact upon capital resources will be more significant than the impact on revenue funding. It will become increasingly difficult to maintain the Council's current stock of assets and a major review would seem inevitable.

Denbighshire therefore needs to begin planning its 2010/11 Revenue Budget and later years indicative position assuming a 0% increase in support from the Welsh Assembly.

REVENUE	2009/10	2010/11	2011/11	2012/13
Denbighshire	3.6%	Est. 0%	Est. 0%	Est. 0%
Wales	2.9%	Est. 0%	Est. 0%	Est. 0%

(This section will be completed once there is more clarity over WAG intentions as a result of the lack of a UK Treasury Spending Review.)

Other Welsh Assembly Issues

The Wales Programme for Improvement (WPI) guidance was revised in 2005 and introduced more flexibility into the process of reviewing functions and services. Further it simplified the process for improvement planning, delivery and reporting – better aligning the WPI process with local authorities' corporate planning.

However, should the Proposed Local Government (Wales) Measure gain Royal Assent later in the year, WPI Guidance will be revised to meet the requirements of Part 1 - Local Government Improvement. This Measure of the National Assembly for Wales is to make provision about arrangements by local authorities and other authorities in Wales to secure continuous improvement in the exercise of their functions; to make provision for community strategies; and for connected purposes.

Making the Connections

The Welsh Assembly conducted a review of public service efficiency. It was headed by Sir Jeremy Beecham and concluded that there were savings to be made within Welsh Local Government. In response to this the Assembly cut 1% from local government Revenue funding, per year for 5 years, starting in 2005/06. For Denbighshire this has meant a reduction of around £1.5m each year.

This 5 year period for identifying and reporting efficiency gains comes to an end on 31 March 2010. It is not clear what reporting mechanism will replace the present system. WLGA are pressing for a more simplified approach that recognises the tighter funding regime that will be in place from 2010/11.

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3.0 LOCAL ISSUES

3.1 Denbighshire County Council priorities

The priorities for Denbighshire are derived from the overarching aim of 'Modernisation and Sustainability'. Namely, modernising education, responding to demographic change, regeneration and roads and flood defences.

Response to Priorities

It is necessary to identify clear focussed outcomes to be delivered in the short and medium term in connection with these priority areas to ensure the necessary investment, and resulting disinvestment in other areas, can be achieved. Work has been taking place through the Improvement Boards to clarify the recommended way forward and these matters are discussed in the following paragraphs.

Modernising Education

The Estyn Inspection of Denbighshire County Council published in September 2007 commented on the quality of education services within the County. Estyn highlighted significant shortcomings in three main areas:

- Poor performance of schools
- Leadership and management of education
- Use of resources

These weaknesses were confirmed in the 'Modernising Education' report by Cambridge education and further issues were identified by the Estyn inspection of the Young People's Partnership.

The Modernising Education programme encompasses three streams of work; the response to the two Estyn inspections focussing on raising pupil attainment and improving youth support services and the programme to take forward the recommendations from the Cambridge Education report so that the County's schools meet the needs of the 21st Century Wales.

Specifically, policies drafted include models for primary and secondary school organisation, infant and junior amalgamation, mobile accommodation and community use of schools. Consultation is currently underway with head teachers.

Responding to demographic change

Demography is how our population is characterised in relation to gender, age, income etc. Demographic changes have been identified as a significant challenge both nationally and locally, mainly due to people's life expectancy projected to increase significantly over the next twenty years.

The Council recognises that it needs to carefully consider the population needs of Denbighshire when it is planning the type and delivery of future services and has identified 'Responding to Demographic Change' as one of its key priorities. Work on this priority will be the responsibility of the Demographic Change Programme Board.

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Regeneration

Regeneration and renewal involves developing or redeveloping every aspect of Denbighshire's environment, from housing and transport networks, to businesses and jobs, as well as shopping and entertainment facilities.

The Council's aim is to ensure that it understands the issues facing Denbighshire's local communities and is equipped with the information to effectively respond. The Council will be developing Area Profiles which paint a picture of the quality of life and service provision in a local area. Area Profiles will help the Council identify where improvement is most needed locally and will support the regeneration of the County which will be the responsibility of the Regeneration Programme Board.

Roads and Flood Defences

Unlike all other assets, we have no choice about the location and need for these assets which play an essential part in the movement of people and goods around Denbighshire and protect houses and businesses from flooding. The challenge is simply to provide resources to ensure that they are properly maintained and reviewed over time. These assets are the responsibility of a single department and therefore there is no need for this priority to be supported by a Corporate Improvement Board.

3.2 Other Initiatives

Accommodation Review

On 15th July 2008 Cabinet approved a strategy for rationalising the core office accommodation by consolidating offices in buildings which offer the best value, producing office accommodation that is fit for purpose in a rapidly changing environment. Factors taken into account include the size of maintenance backlogs and running costs at each site, in addition to potential development values. A decision has been made on future use of two sites that will be vacated, it is likely a further recommendation will follow, to dispose of these sites for development in order to provide capital receipts for capital investment in the Council's priority areas.

The worsening WAG funding levels for both Capital and Revenue will inevitably mean that a critical review of the Council's stock of assets will need to take place to down size the number of properties the Council runs and maintains.

Support Services Review

A review of support services within the Council is currently being developed to ensure that support functions are both focussed on the needs of front line services and operated in the most cost effective manner.

ICT Developments

The ICT service underpins much of what is done by the Council. To enable the organisation to change, appropriate investment in ICT is required. Current investments are in a new Electronic Document Records Management System project being developed and linked to the Office Accommodation review, together with the electronic procurement and payment system that will lead to process savings.

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Council Tax Strategy

Historically, Denbighshire County Council has had a high Council Tax and has successfully made efforts to reduce this relative to other Councils. The Council will continue to pursue a strategy of reducing its comparative level of the tax while lobbying the Welsh Assembly to review elements of the Standard Spending Assessment that disadvantage the Council (such as the transient population). The Council will continue to strive to reduce its relative level of Council Tax.

Balances and Reserves Strategy

On Local Government Reorganisation, Denbighshire inherited a position that meant for many years it had negative balances. It put in place a financial recovery plan that gradually rebuilt these balances so that they are close to the level recommended by the Wales Audit Office. The Council will continue to invest in balances to ensure it is in a robust financial position. In addition to General Balances the Council keeps a number of reserves and provisions for known or anticipated liabilities. These are kept under constant review and any additions are approved by members.

Budget Strategy

The Council operates a system of cash limited budgeting. This involves a process of continual review of the current years' allocations, with allowance made the following year for service pressure, new services and inflation. It also then requires services to identify savings and efficiencies that can offset pressures and allow a balanced budget to be set. The budget is regularly monitored throughout the year with virements used to ensure that departmental budgets remain robust and deliverable.

4.0 CAPITAL PLAN

4.1 Introduction

The Local Government Act 2003 and the Prudential Code for Capital Finance for Local Authorities means that since April 2004 authorities can spend on capital investment as long as the spending plans are affordable, prudent and sustainable. This is measured by the use of a series of pre-set prudential indicators that are integral to the Treasury Management policy that covers these areas, of which the key is the revenue cost to the authority.

The Capital Strategy informs the programme of investment. With insufficient resources to meet all of the demands, the programme is prioritised based upon criteria that take into account the Council's priorities. Each year one main bidding round is held that allows departments to put forward business case proposals for future projects. Funding is then allocated dependant on the relative scores and quality of the project proposals.

Details of capital expenditure by Council priority are shown below. Council elections in May 2008 meant that 19 new Councillors were elected. Council have now determined a new set of priorities as shown above. In anticipation of this, no new long term funds were committed to projects in 07/08. All block allocations and new project proposals were reviewed in November 2008 and investments were made in line with the Council's new priorities. The proposals were agreed by Council in February. Block allocations were made for a three year programme.

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	2008/09	2009/10	2010/11	2011/12
	Outturn position	Estimated programme	Estimated programme	Estimated Programme
	£000	£000	£000	£000
Modernising Education		4,270	1,000	1,000
Roads and Flood Defence		6,306	800	800
Regeneration		1,827	165	165
Demographic Change		0	0	0

The Modernising Education Programme is out to consultation and there is likely to be a significant impact on the Capital Plan. The programme is likely to require capital investment in addition to the existing substantial backlog of maintenance works.

4.2 Allocation of Resources

Resource	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000
Supported Capital / General Grant	7,733	10,997	7,000	7,000
Government Grants	23,563	7,332	2,838	2,400
Revenue/ other contributions	4,584	991	0	0
Prudential Borrowing	8,800	11,011	3,948	4,584
Capital Receipts	1,631	1,420	2,000	2,000
Total Resources	48,811	31,751	15,786	15,984

Note: This includes the HRA and estimated borrowing and receipts that have not yet been agreed or allocated to projects in the capital plan

Supported Capital Expenditure / General Grant

The Assembly includes within its settlement to the Council an element to reflect the cost of borrowing. Over the past 4 years, the level of supported capital expenditure has risen by an average of 1% per year. With building inflation running in excess of 5% per year, the value of this support has dropped by 20% in this time. The increase from 08/09 to 09/10 is zero. The plan will need to reflect the recently clarified WLGA assumption that WAG capital support will reduce by at least 10% per annum.

External Grants

These are Grants from WAG and other bodies that are specific to schemes and are therefore allocated in accordance with the terms of the grant approval. These are primarily within the areas of regeneration and renewal, school building improvements and transport and highways. The Council relies on these to fund almost half of its capital programme. The main problem with these grants is that they address other organisations' priorities, can be time consuming to bid for, monitor and claim, often require match funding, are often for single year only (so prevent proper project planning) and can come with onerous conditions.

The Local Government Settlement for 2009/10 showed the overall levels of grant available for local government dropping by 3% compared with 2008/09. The plan assumes a number of grants will continue in future years at their current levels (in addition to any current grants that are due to finish over the next two years)

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Capital Receipts

The Capital Plan is increasingly dependent for part of its funding on capital receipts generated by the sale of Council assets. It can be difficult to plan using capital receipts as their value can fluctuate depending on market conditions, they may be subject to delays in process and have specific legal conditions attached to them. The Council is actively disposing of surplus sites as the opportunity arises, but cannot accurately forecast the timing or amount of the receipt. The plan assumes that a minimum of £500k will be realised each year through capital receipts and that certain disposals currently under consideration will materialise over the next two years.

Revenue/ Other Contributions

Some projects are funded using contributions from reserves or outside bodies. These tend to be relatively small amounts.

Prudential Borrowing

Based upon the indicators under the Prudential Code the Council can invest as long as it can meet the costs of this borrowing from its own revenues. As part of the 2009/10 revenue budget, the Council agreed to fund the borrowing costs of additional Prudential Borrowing of £4m to be spent on Highways. Councils are increasingly relying on this form of funding to supplement the ongoing chronically low capital settlements. It also reduces the reliance on grants. Denbighshire has invested significant amounts in schemes using prudential borrowing and this is likely to continue in some form. The plan assumes that the transport fleet will continue to be funded by prudential borrowing (instead of leasing) at £1m per year and that the Council will have to consider further general prudential borrowing each year at a level to be determined.

Each year the Council sets Prudential Indicators that determine prudent limits on its borrowing. The Council's outstanding debt of £128m is within the Operational Boundary and Authorised Limit for 2008/09 and is less than the forecast Capital Financing Requirement. This means that the Council is adhering to the Prudential Code of Capital Finance. Forecast levels of borrowing are:

	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m
Capital Financing Requirement	146	156	156	158	158
Borrowing	128	139	145	153	158
Authorised Limit	155	165	165	170	170

The Council's current investment strategy means that it is actively looking for opportunities to use cash reserves to repay debt. This is in response to current market conditions and will continue for the foreseeable future. It means that the Council will have less cash in its investment portfolio, but will keep its borrowing requirements to a minimum.

5.0 REVENUE PLAN

5.1 General

There will always be insufficient resources to meet all of the Council's service delivery ambitions. Significant efficiency savings and cost reductions/cuts in future financial years will inevitably be required, in light of the poor settlements expected from the Welsh Assembly Government. Throughout the year monthly updates are provided to Members on

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the latest projected revenue outturn figures for the current financial year together with progress on the delivery of agreed efficiency improvements.

5.2 Financial Projections

The plan is built on a number of assumptions as detailed in Appendix 4.1:

Assumption	2009/10	2010/11	2011/12	2012/13
Council Tax Increase	2.95%	To be agreed but strategy assumes an increase in line with the likely increase in pensions, i.e.2.5%	To be agreed but strategy assumes an increase in line with the likely increase in pensions, i.e.2.5%.	To be agreed but strategy assumes an increase in line with the likely increase in pensions, i.e.2.5%.
WAG Funding Increase	3.6%	0%	0%	0%
Inflation	3%	1.6%	2%	2%
Savings required		Dependent upon the Council Tax strategy of the Council.	Dependent upon the Council Tax strategy of the Council.	Dependent upon the Council Tax strategy of the Council.

The 2009/10 Council Tax level was agreed in February. Appendix 4.1 shows the potential position for 2010/11 to 2012/13 based on the latest estimated position with regard to the likely WAG settlement, an assumed investment of £250k per annum in each of the Council's Priority areas, an assumed increase in inflation (based on the latest H M Treasury forecasts) and savings targets for different levels of increase in Council Tax together with areas of savings potentially deliverable.

5.3 Likely WAG Revenue Settlement

Awaits clarification of Assembly Budget Review 2009.

Assumptions are currently: Revenue support 0% and Capital funding -10% p.a. from 2010/11.

5.4 Identified Service Pressures

Services are working to firm up likely pressure areas in both the current year and 2010/11.

The broad level of potential pressures in 2009/10, 2010/11 and later that have been discussed to date are as follows;

1. Areas such as reduced levels of fees and charges resulting from the recession, costs in connection with N Wales Hospital, the school meals service losses, the impact on Children's services of increased referrals and potential intervention measures at the 2 Rhyl High Schools, together with the potential increase in the level of homelessness and residual costs of the Hyfrydle facility, have been recognised previously and a contingency budget of £880k is available to at least part fund these issues.

2. Uncertainty over continuing specific grant levels from 2010/11 is a further concern

3. Demographic pressures resulting from the increase in the number of Older People and adults with Learning Disability could reach £1m per annum in the future. Some funding will

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be available in 2010/11 from the Supporting People grant but this is unlikely to be available for later years.

The number of child care orders also could potentially rise. An exercise is currently underway with Grant Thornton to clarify the likely position going forward.

4. The various reviews of the Council's Heritage and Culture portfolio will produce options to improve the service and reduce operating costs to a more affordable level. In the meantime the recession is having a negative impact on the attractions and it is felt that costs may rise in the short term prior to solutions being put in place.

5. There is concern that the previous level of Prudential Borrowing undertaken to top up the Council's Capital resources will not be sustainable in 2010/11 and beyond, leading to concerns about improving the condition of roads and buildings in the County.

6. The position regarding the funding levels needed to deliver Waste and Recycling targets is currently being reviewed.

7. The delivery of the Modernising Education agenda will need to be costed. There is a capital plan provision of £500k for feasibility type costs in the current financial year to start the process. The need for change management expertise to aid the process is likely to lead to a bid for funding from the Spend to Save budget.

8. The report on the recent Estyn reinspection may result in spending pressures particularly around KS4, 'latecomers' bilingual provision and school support. It is anticipated that a planned service redesign exercise will generate some capacity to contain these additional costs. The Council also set up a Reserve of £250k specifically to deliver Modernising Education at the end of 2007/8.

9. The down sizing of the workforce resulting from the Voluntary Redundancy exercise for non teaching staff together with other staffing reviews will lead to a pressure in the current year but should provide a significant saving going forward. The Council set up a specific Reserve of £350k to assist the Modernising of the Council's Structures and service provision at the end of 2007/8 an a further £600k provision to fund the cost of the Voluntary Redundancy programme.

5.5 Investment in Priorities

Directorates have been working on the improved service delivery that would be achieved from investing an additional £250k in each of the 4 priority areas in 2010/11. The detail is included in the following tables.

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Directorate of Lifelong Learning
Modernising Education

Cost pressures

Service	Directorate Priority	Area of proposed investment	2010/11	2011/12	Expected Outcomes
Planning & Performance	Improving attainment of pupils and improved monitoring, evaluation & planning of services	To create an additional post within the planning & performance team in order to increase the level of data and information support that can be provided to schools and the authority. Current initiatives that have been introduced as a mechanism for increasing attainment of pupils has increased demand on services provided by Tim Data. These initiatives include the introduction of CATS testing, increased use of SIMS and PULSE, provision of data for SSMG, MEB and scrutiny	£27k	£27k	Team will have additional capacity to provide timely and accurate data that will provide a platform for reviewing activity within schools. Data will provide a trigger for enhancing the capability of the authority to recognise areas where attainment can be
Partnership & Inclusion	Improving attainment of pupils and improved monitoring, evaluation & planning of services	To provide transitional funding to support the smooth implementation of the Inclusion process in particular the banding formula for SEN provision. The historic deficit on schools against SEN is causing a barrier against the effective transition onto the new formula and is preventing schools and the LEA from progressing with the review. The funding will help alleviate the impact of the banding allocations during the review period.	£150k	£150k	The SEN review will be successfully completed with a clear strategy in place that will support the future of SEN provision in schools. The funding will reduce the financial impact on schools and allow them to focus on the objective of the what the review
School Improvement	Improving attainment of pupils and improved monitoring, evaluation & planning of services	To fund the Leadership Development Programme for Curriculum, middle and senior leaders within schools. Costs to cover the venue, presenters / tutors and publication costs of each of the programmes.	£75k	£75k	The programmes will result in improved leadership at all levels and will ensure leadership succession for headteachers, senior and middle leaders. The programmes should result in an increase in the number and quality of applicants for headteacher position

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ENVIRONMENT					
Regenerating our Communities					
	2010/11		2011/12		
	Cost	Suggested allocation	Cost	Suggested allocation	Business case
<u>Workstream 1</u> North Wales coast regeneration Area	£920k*	£80k* Prudential borrowing	£920k*	£80k*	Funding issues exist in a number of areas that are key to progressing regeneration, and as a result a prudential borrowing allocation would be useful in driving projects forward.
<u>Workstream 2</u> Rural development plan	£920k*	£80k* Prudential borrowing	£920k	£80k*	Funding issues exist in a number of areas that are key to progressing regeneration, and as a result a prudential borrowing allocation would be useful in driving projects forward.
<u>Workstream 3</u> Economic regeneration Extension of retail/town centre pilot supported previously through Improvement Agreement	£40k	£40k	£40k	£40k	The instability in the wider economy and housing market arising from the “credit crunch”, slowing economic growth and increasing energy costs will provide a difficult back drop over the next period. This has provided an additional challenge to the retail sector in the county’s towns which is already facing new forms of competition from out of town retail parks and the internet and we will be piloting a retail/town centre support project and looking for opportunities to roll this out further.

DRAFT

<p>Workstream 4 Housing</p> <p>2 new officers to work in Housing Regeneration/Renewals</p> <p>Transfer of Planning Enforcement Officer to Housing Enforcement</p>	£155k	£110k	£155k	£110k	<p>Areas of deprivation and poverty across Denbighshire, are materially impacted due to the poor condition of the private stock, in particular the private rented sector, and the huge block of HMO's in Rhyl. These are a significant factor in the levels of extreme poverty impacting on West Rhyl. There is an emerging joint approach between the Council and WAG, that will see a master plan for the area developed, however in order for this to be implemented effectively; additional enforcement resource will be needed. The following additional funds are sought.</p>
Housing regeneration/ Warm Wales	£920k*	£80K* Prudential borrowing	£920k*	£80k*	Funding issues exist in a number of areas that are key to progressing regeneration, and as a result a prudential borrowing allocation would be useful in driving projects forward.
<p>Workstream 5 PRIDE</p>	£920k*	£80k* Prudential borrowing	£920k*	£80k*	Funding issues exist in a number of areas that are key to progressing regeneration, and as a result a prudential borrowing allocation would be useful in driving projects forward.
<p>Workstream 6 Anti-poverty</p> <p>Additional officer in the Welfare Rights Unit</p>	£20k	£20k	£20k	£20k	The Council has a well defined anti poverty strategy that has recently been reviewed. The role of the unit, is crucial in being able to work along side community groups and individuals to help them access support and to resolve the inequalities they face. The scope to provide support and additional income is a factor that lies at the heart of the income measures of the WIMD
Total	£1.115m	£250k	£1.115m	£250k	

*To be allocated to relevant workstreams

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ENVIRONMENT					
Roads and Flood Defence					
	2010/11		2011/12		
	Cost	Suggested allocation	Cost	Suggested allocation	Business case
<u>Workstream 1</u> <u>Highways Maintenance</u> <u>Capital Investment</u>		Prudential borrowing		Prudential borrowing	The highway network is one of the County's major assets that underpin almost all activity that happens in the area. Until recently a lack of investment in this asset has meant the overall condition has deteriorated until the maintenance backlog now stands at £15m. There is a statutory obligation to maintain the highway and a pressure to ensure safety standards are maintained.
Surface dressing	£395k	£35k	£400k	£35k	
Resurfacing	£1,200k	£105k	£2,000k	£175k	
Micro asphalt	£450k	£40k	£500k	£44k	
<u>Workstream 2</u> <u>Flood Defences</u>		Prudential borrowing (Capital Exp)		Prudential borrowing (Capital Exp)	The identified schemes will be 85% grant funded and will alleviate flooding to two of Denbighshire's main towns. The Authority, as Coast Protection Authority, has obligations under the Coast Protection Act 1949. The proposed works will protect existing communities and businesses and promote inward investment.
Denbigh Flood Risk Management Scheme	£1,300k	£17k (£200k)	£1,700k	£22k (£250k)	
Corwen Flood Risk Management Scheme	£1,200k	£16k (£180k)	£1,300k	£17k (£200k)	
West Rhyl Coastal Protection Project	£1,800k	£24k (£275k)	£4,300k	£57k (£650k)	
East Promenade, Rhyl Slab Replacement	£1,000k	£13k (£150k)	Nil	Nil	
Total	£7.345m	£250k	£10.2m	£350k	

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SOCIAL SERVICES & HOUSING Demographic Change Estimated costs 2010/11 and 2011/12	2010/11				2011/12			
1. Priority Area	2 Gross Cost of Work stream	3 Additional Funds in place	4. Bid for further Funds.	5 Business case	6 Gross Cost of Work stream	7 Additional funds in place	8 Bid for further Funds.	7 Business case
<u>Workstream 1</u> Older People who Need Care Estimated costs 60 additional people needing care x unit cost of approx £6.6k per year in 2010/11 plus an additional 53 people in 2011/12.	£400k	£300k	£100k Reablement Telecare IS fees	Pilot work nationally and locally has shown that reablement and telecare services can reduce dependency and call on services. Staffing and equipment resources are needed to enable wider roll out to meet targets set The fee levels we pay to IS care providers are now amongst the lowest in Wales creating a risk of business/care supply failure. We need to maintain good quality IS care homes and domiciliary care providers as essential resources to meet demographic pressures	£704k		£100k Ruthin ECH running costs IS fees	Ruthin ECH due to come on stream 2012 As Column 4
<u>Workstream 2</u> Wellbeing and communities Estimated costs Wellbeing initiatives in 6 communities	£20k	0	£20k Seedcorn budget	Formal social care resources reach approximately 10% - 15% of the 65+ population. This seed corn budget will pump-prime community based networks in 6 communities/year	£20k		£20k Seedcorn budget	Formal social care resources reach approximately 10% - 15% of the 65+ population. This seed corn budget will pump-prime community based networks in 6 communities/year

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<p>Workstream 3 Adults with Learning Disabilities who Need Care and support Complex care packages for people with LD etc- Community Living Services- supported living, work opportunities, carer support</p>	£350k plus Convergence bid for employment/work opportunities developments	£270k	80k Care package costs	The service is accurately identifying, year on year, the numbers of adults with learning disabilities who need care and support. The cost of supporting individuals varies greatly and can be up to £3k per week. A moderate annual care package costs £30k per year, but costs can be up to 3 £150k per year. 5 – 10 additional individuals are expected each year		£660k		£80k Contribution to revenue costs of ISIL	As Column 4
<p>DCIB Phase 2 Workstream 4 Integrating Services for Disabled Children</p>	£50k	0	£50k	Services are under increasing pressure as more children require services due to increasing survival rates- particularly of children with complex disabilities. Budget pressures in 08/09 related particularly to increased Direct Payments, unacceptable OT waiting lists, equipment costs. Additional need for respite care and placements are also daily pressures		£50k		£50k	As Column 4

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Workstream 5 Denbighshire's "offer" for young people and young families	£25k	0	£25k	Demographic change is not just an issue associated with an ageing population. Denbighshire also has a "hole" in its population of 18 – 35 year olds and needs to consider appropriate actions to create a more balanced population. An annual budget, modest initially, would enable some pilot schemes to be undertaken following analysis of key issues. These would need to link appropriately with action under "Regeneration" and "Modernising Education" priorities, as there are clear links	-		£25k	As Column 4
Total	£845k	570k	£275k		£1,434k		£275k	

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5.6 EFFICIENCIES AND SAVINGS PROPOSALS

Efficiency is one of the elements of the National Assembly's 'Making the Connections' initiative – the vision for improving public services in Wales. Under the efficiency agenda, WAG reduces the Council's annual settlement by at least 1% per annum for the 5 year period commencing in 2005/06.

In addition to the efficiency savings enforced, the forward projections of settlements from WAG are for a 0% increase from 2010/11. Appendix 1 details the likely levels of savings that the Council will need to achieve in future years at various levels of Council Tax increase.

Officers will make an early start on identifying with Lead Cabinet Members and Scrutiny Committees the opportunities for delivering savings within services. Appendix 1 details a number of areas where work is currently underway to deliver significant savings for 2010/11 as follows:

1. The Voluntary Redundancy exercise, assumes £1m saving,
2. Loan rescheduling, £250k saved in 2010/11,
3. Improved procurement through the N Wales Procurement Collaborative project, assumes savings of £250k,
4. Various further staffing reviews are currently under way, £500k saving assumed,
5. and a review of the ongoing need for the Contingency budget for one off and recession related issues in 2009/10 suggests that the £880k together with the £570k annual contribution to reserves, should be run down over a period of about 3 years.

The above proposals total about £2.5m and much of this sum should fit the Assembly's definition of improving efficiency and therefore count towards any revised target set by WAG.

									5%	1,645								
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REPORT TO CABINET

CABINET MEMBER: Councillor H H Evans, Leader and Lead Member for Lifelong Learning

DATE: 14rd JULY 2009

SUBJECT: MODERNISING EDUCATION – DEE VALLEY EAST

1 DECISION SOUGHT

To approve the commencement of formal consultation regarding the potential closure of Ysgol Llantysilio for September 2010.

2 REASON FOR SEEKING DECISION

2.1 The authority has recently commenced area reviews to review primary provision in Prestatyn and the Dee Valley East. The initial review process will investigate and research potential options for all schools within the area, concluding in clear recommendations for future provision. Within the initial review process for the Dee Valley East area it has been suggested that the current situation regarding Ysgol Llantysilio needs to be progressed as a separate work stream.

Background

2.2 Ysgol Llantysilio is a Primary School which services the community of Llantysilio and neighbouring villages. The school is a voluntary controlled school under the auspices of the Church in Wales. In terms of linguistic provision the school is classified by the Welsh Assembly Government criteria as a predominantly English medium school which provides full time education for pupils between the ages of 4 to 11. The school as at November 2008 had an overall capacity of 40 full time pupils with 13 pupils on roll as at January 2009.

2.3 The authority has held discussions with the Headteacher and Governing Body of Ysgol Llantysilio with a view to developing a managed closure of the school for September 2010. The school at present has 13 full time pupils. However for September 2009 there will be no pupils within Key Stage 1 of the school and by September 2010 there is forecast to be only four full time pupils within the school.

Pupil Numbers – Previous three years

2.4 The number of pupils attending Ysgol Llantysilio has reduced over the last three years as illustrated below:-

	2006/07	2007/08	2008/09
Full Time	30	22	13
Capacity	41	41	40
Surplus / (Deficit)	11	19	27
Surplus / (Deficit) as a percentage	26.8%	46.3%	67.5%

Pupil Projections – Next Five Years

- 2.5 The methodology employed by the local authority for projected future pupil numbers suggests the following scenario for the next five years:-

	2009/10	2010/11	2011/12	2012/13	2013/14
Full Time	11	4	3	2	0
Capacity	40	40	40	40	40
Surplus / (Deficit)	29	36	37	38	40
Surplus / (Deficit) as a percentage	73%	90%	93%	95%	100%

- 2.6 The Governing Body has come to the view that the school is no longer viable and that they should seek to work with the local authority to enable closure to occur. The Headteacher has consulted informally with parents of pupils within the school to inform them of the position regarding the future of the school.
- 2.7 The first stage of the process would be to formally consult on any proposals. It is suggested that this consultation should commence on the 7th September 2009 and last for a period of one month. This date is suggested to avoid consultation during the school holiday period. The authority would then be required to consider the responses received from the consultation period and to consider whether to proceed with a proposal to discontinue the school leading to the publication of formal statutory notices. Following the publication of the statutory notices there is an objections period of 2 months in which any person may send in written objections.
- 2.8 The authority will then be required within one month of the close of the objection – consultation period to submit the details of any objections received, together with the response of the authority, to the Welsh Assembly Government. In instances where objections are received the Assembly will either; approve, approve with modifications or reject the proposals. In instances where no objections are received the authority will make the decision.

3 POWER TO MAKE THE DECISION

s29 School Standard and Framework Act 1998.

4 RESOURCE IMPLICATIONS

4.1 Cost Implications:

All costs will be contained within the existing Lifelong Learning budget.

4.2 Staffing / Accommodation Implications:

Ysgol Llantysilio is a Church in Wales school and the site will return to the diocesan authority.

Potential staffing implications include redundancy and redeployment of current school staff.

4.3 IT Implications: N/A

5 RISK ASSESSMENT

5.1 Risks associated with not agreeing the recommendation/s

The risk associated with not agreeing the recommendation is that the school will only have 4 pupils on roll in September 2010. This would not be the best educational experience for the pupils or the most efficient use of resources for the authority.

5.2 Risks associated with agreeing the recommendation/s

There is potential for negative publicity from closing the school, this is however mitigated by the fact that the school approached the Council to support them in a managed closure.

6 FINANCIAL CONTROLLER STATEMENT

The opportunity needs to be taken to consult on closure of the school and prevent unnecessary ongoing costs being incurred. Any one-off costs of consultation and closure need to be contained within existing budgets.

7 CONSULTATION CARRIED OUT

7.1 The Head of Planning and Performance and the School Improvement Officer have attended meetings of the Governing Body to discuss the options for the future of the school. The situation regarding Ysgol Llantysilio has been discussed with other Headteachers within the Dee Valley East area.

7.2 Discussions have been held with the Director of Lifelong Learning for the St Asaph Diocese of the Church in Wales.

7.3 Discussions have also been held with local elected members for the wards of Llangollen and Corwen together with the Chairs of Governors and Head teachers for the four primary schools within the Dee Valley East area. The meeting considered the future of Ysgol Llantysilio and accepted the position regarding the proposals for the potential closure of the school.

8 IMPLICATIONS

8.1 Assessment of Impact on Corporate Priorities:

Modernising Education is a corporate priority.

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

The proposal will ensure equality of provision in the area for those pupils from September 2010.

9 ACTION PLAN

ACTION	RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED	ACTION TO BE REVIEWED & MONITORED BY / DATE TO BE MONITORED
Commence formal consultation	Programme Manager, 7 th September 2009	Head of Planning and Performance 8 th September
Collate responses to formal consultation	Programme Manager, 12 th October 2009	Head of Planning and Performance

10 RECOMMENDATIONS

To approve the commencement of formal consultation regarding the potential closure of Ysgol Llantysilio for September 2010 from the 7th September to the 7th October 2009.

REPORT TO CABINET

CABINET MEMBER: Councillor E W Williams, Lead Member for Environment: Sustainable Development

DATE: 14 July 2009

SUBJECT: Approval of Outline Business Case for the North East Wales Food Treatment Project

1. Decision sought

To approve the Outline Business Case (Executive Summary) for the procurement of Food Waste treatment capacity in North East Wales, and to authorise moving into the next stage of the procurement process.

2. Reason for seeking decision

- 2.1 In 2007, the Welsh Assembly government announced new targets in relation to the collection and recycling of food waste, and on 30 March 2009 Denbighshire County Council started its food waste collection service. As an interim measure the food waste is being treated at an existing facility in England.
- 2.2 In February 2008 Cabinet gave its approval for DCC to enter into a formal partnership with other north Wales councils (subsequently referred to as the 'hub'), to jointly procure waste treatment and/or waste disposal facilities.
- 2.3 Three councils from within this hub (Conwy Denbighshire and Flintshire) have subsequently entered into a preliminary partnership, with the intension of procuring sufficient 'food waste treatment capacity' to serve all three authorities. Denbighshire is acting as the lead authority on this initiative, and has submitted an OBC for he project to WAG (on 26 June 2009), with assistance from technical and financial advisors.
- 2.4 The OBC demonstrated that the proposed procurement will provide a cheaper solution than continuing to landfill the food waste, or than continuing with the interim treatment arrangements.
- 2.5 This report incorporates the executive summary from the Outline Business Case (OBC) as Appendix One, and seeks Cabinet approval to progress the procurement through to the Final Business Case stage. The OBC could be amended if any comments received from WAG (over the next month or so) are felt to be valid. However, the basic principles set out in the OBC, including risk allocation etc., will not be varied.

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

Cost Implications

- a) In order to satisfy EU Directives, the Welsh Assembly Government (WAG) has established statutory landfill diversion targets, together with a mechanism for levying fines (on councils) if the targets are not met, i.e. via Reg.13 of the Landfill Allowances Scheme (Wales) Regulations 2004. WAG gave clear guidance to councils that (in their view) the only feasible way of avoiding Landfill Diversion fines would be to separately collect and recycle food waste.
- b) An investment of several millions of pounds in capital cost is considered to be beyond the resources of the partnering council(s), so the chosen mechanism of procuring the necessary treatment will be via 'gate fees'. The fees will be charged (per tonne of food waste treated) 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 around fifteen years.
- c) WAG have promised levels of financial support that amount to around 25% of the likely costs of providing the necessary services. However, this support is conditional upon Anaerobic Digestion (AD) being the chosen method of recycling. WAG's financial incentive (in favour of AD) will be taken into account when the evaluation of the tenders takes place.
- d) The likely gate fees (identified within the OBC) are commercially sensitive, and the council's existing landfill must also remain confidential (under the terms of the Contract). Nevertheless, it is clear that the gate fees are likely to be significantly lower than the landfill charges, even after all travel costs and other ancillary costs have been taken into account.

Staffing / Accommodation Implications:

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

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 choice of technologies available will depend upon what the marketplace can provide, and price will clearly be a major factor in deciding which option is chosen.
- 5.3 Other key elements will include; environmental footprint / sustainability issues, and the track record of the successful contractor.
- 5.4 The Risk Allocation matrices from the OBC are included as Appendix Three.
- 5.5 The risks associated with not agreeing to the recommendations are;
 - a) That the other two councils will not be prepared to wait for Denbighshire to change its mind, and that Denbighshire will therefore face extra costs developing its own solution
 - b) That any such solution would be 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.

5.6 The way that project risks are to be managed is explained in the OBC. Financial control over the project will be managed on a daily basis by the appointed 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 Manager roles is likely to be full time. The governance arrangements are set out in Appendix Two (extracted from the OBC).

5.7 Denbighshire CC Finance officers will be involved in the development of the project

5.8 This type of approach fits in with the Council's agreed collaborative working strategy.

6. **Financial Controller statement** .

The proposal is for a partnership arrangement with a private sector partner that will provide the capital investment needed and include this element of costs within their charging regime.

The Business Case demonstrates that this is potentially the most cost effective solution and supports the 3 authorities joint bid for Assembly funding.

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 In March 2008 cabinet approved the purchase of the former abattoir site at Rhualt, as a potential location for an AD facility. Local town and Community Councils have been consulted about the possible use of the site for food waste treatment. However, it is important to note that the chosen solution may not be sited at Rhualt.

7.3 The concepts involved were explained at member development day was organised by Environmental Services on 29 April 2007, and again on 31 October 2008.

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".
- "we will respect and maintain our natural environment".

9. Action plan

	Action	Responsibility	By when
1	Submission of OBC to WAG (achieved)	Project Board	06 / 2009
2	WAG approval of OBC	WAG	08 / 2009
3	Invitation to Tender	WAG on behalf of the hub	11 / 2009
4	Submission of Final Business Case (FBC)	Contractors	06 / 2010
5	WAG approval of FBC	WAG	07 / 2010
6	Submit planning application (if required)	Council (possible option only)	06 / 2010
7	Determination of planning application	Council (depends on location)	10 / 2010
8	Contract Award	All 3 councils	10 / 2010
9	Construction Commencement	Contractor	01 / 2011
10	Operational commencement	Contractor	06 / 2012

10. Recommendations

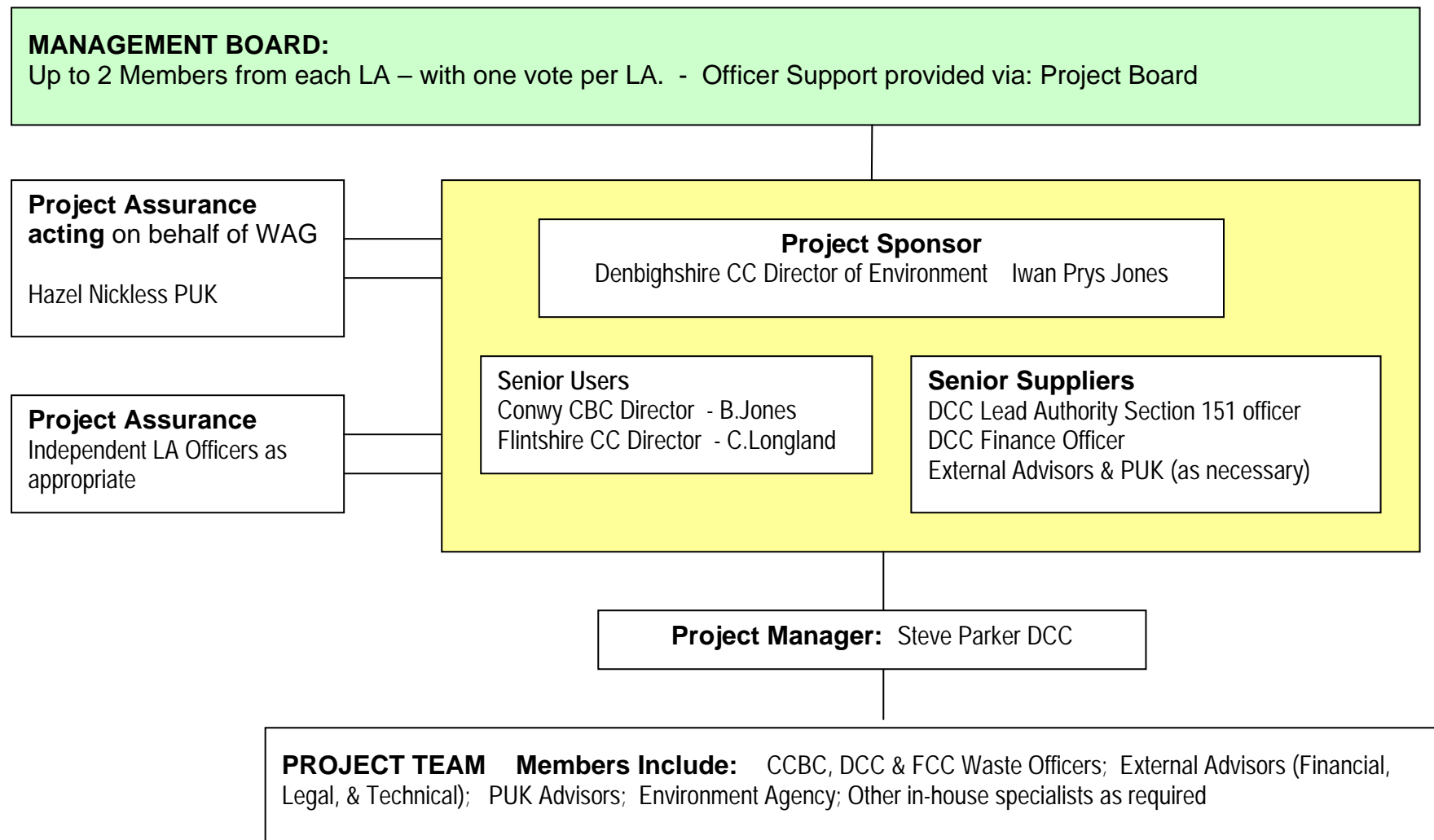
- 11.1 Cabinet approves the Outline Business Case for the procurement of food waste treatment capacity in North East Wales.
- 11.2 Cabinet gives authority to the Environment Director to continue with the procurement process, through to the Final Business Case.
- 11.3 In accordance with Section 25 of the council's Contract Procedure Rules; a further report will be presented to Cabinet prior to the final contract award.

Contact Officers: Steve Parker – Head of Environmental Services 01824 712123
Alan Roberts – Senior Waste Manager (Strategy) 01824 712108

APPENDIX TWO : Project Governance arrangements

(extracted from OBC – retaining OBC numbering system)

7.5.6.2 The Project Team Structure



Within the governance structure developed for the delivery of a treatment plant, there is a there is a wealth of experience and skills between the personnel, in addition the team is fully supported by qualified external advisors.

Table 7.5.6.3: Project Management Structure and roles

Title	Project Role
Project Sponsor	Ultimately responsible for the project completion, is accountable for securing spending authority and resources for the project. The project sponsor is the key decision-maker within the project, acts as a vocal and visible champion legitimizing the goals and objectives of the project. The project sponsor signs off on major deliverables and signs off on approvals to proceed to each succeeding project phase; provides support for project manager and assists with major issues/problems.
Project Manager	Responsible for the co-ordination of the project through to completion. The Project Manager ensures that the project is delivered on time, to budget and to the required quality standard (within agreed specifications). The key responsibilities aside from the management of the Project Officers and wider Project Team include, project and stage plans, preparation of contractual documents, risk management log, negotiations and evaluations throughout the procurement.
Lead Officers	Each authority will have their own Lead Officer who will represent their authority on the project board and will be responsible for their decisions on behalf of their authority's progress and actions.
Project Officers	The project officer will act on behalf of their authority on the project team. They will collaborate with other personnel to ensure that information is collated correctly and that progress and actions required by the project manager, is completed at whatever level of effort or participation has been defined for them.

7.6 Procurement Risk Management

7.6.1 Advisers

A competitive tender process was carried out to find the best quality advisors with the best value for money. All named companies on the OJEU list were invited to tender. After scrutinising previous experiences of the specialists gaining relevant references, evaluating relevant aspects of the tenders and offering the bidders a chance to present to a selection of the project team, the HUB jointly procured and appointed external advisors for specialist technical advice to complete the Outline Business Case. April 29th the chosen advisors were informed of the outcome of the tender process. Details of the team can be found in Table 7.6.1.

All expertise and experience will be retained by the HUB throughout the duration of the tasks allocated to them, throughout the project within their areas of expertise. All costs and devotion to each task (in terms of duration) have been provisionally identified and agreed, as to the amount of technical support required to the HUB.

Table 7.6.1 Details of Technical Advisors

Technical Advice	Financial Advice	Legal Advice
<p>Hyder Consulting lead advisors:</p> <p>Brian Mayne – Project Director and Procurement Advisor Ian Poyser – Procurement Advisor, Project Manager and Main Contact David Brooks – Lead OBC and Procurement Advisor Eddie Fothergill – Lead AD Technical Advisor</p>	<p>Hyder have partnered with James Cowper:</p> <p>Paddy Thompson – Lead Financial Advisor</p>	<p>Pinsent Masons:</p> <p>Patrick Twist – Partner</p> <p>Didar Dhillon – Senior Associate (Lead on procurement of project)</p> <p>Gemma Glasspole – Solicitor</p> <p>Gregory Jones - Solicitor</p>
<p><u>HyderSupport team:</u></p> <p>Simon Ford – Principal Technical Advisor David Lerpiniere – Principal Procurement Advisor Georgina Taubman – Consultant Joe Kingston – Consultant Lyndsey Stewart – Consultant</p>	<p><u>Supported by:</u></p> <p>Patrick Pierrepont – Associate Director: Waste Dr David Elphick – Principal Technical Advisor</p>	

APPENDIX THREE: Risk management *(extracted from OBC – retaining OBC numbering system)*

5.5 Risk Transfer

5.5.1 Introduction

The project risk register outlined reflects the standard SoPC4 and WAG positions. Although the project has a degree of uncertainty at the outset regarding the nature of the technology proposed, the pre-qualifying process and the use of the competitive dialogue procedure means that the project incurs no unusual risk allocation issues compared with any other comparable waste management procurement project. The table below in 5.5.2 sets out the overarching risks associated with the NE Wales Procurement Hub food treatment contract and identifies who is likely to be best positioned to manage these risks.

5.5.2 Risk Allocation Matrix

The Hub has identified and considered the risks associated with the Waste Procurement Project and has established a risk register which identifies the foreseeable key risks associated with the project. Risks have been considered in relation to their timing, probability of occurrence and potential impact.

The risk matrix is divided into the following categories and the identified risks grouped accordingly:-

Planning risk	Residual value risk	Regulatory & Political Risk
Design risk	Financial risk	Taxation Risk
Construction risk	Performance risk	Insurance Risk
Contractual risk	Demand risk	Technology/ Obsolescence risk
	Operational risk	

This project risk matrix identifies the key project risks and how they will be allocated between the parties to the contract (Hub, Contractor or shared) at the outset of procurement. The contract terms and risk allocation will be in line with HM Treasury's Standardisation of PFI Contracts Version 4 (SoPC4 – March 2007). As such, the proposed allocation of risk will be set out in the draft project agreement and other contractual documents to be developed for the Invitation to Participate in Dialogue and explored with bidders as part of the Competitive Dialogue procedure. New risks may emerge depending on a bidder's proposed solution and allocations may change.

It is an accepted principle of PFI/Public Private Partnerships projects that Value for Money will be maximised when risk is transferred to the party best able to manage it. Our approach in relation to the risk allocation between the procurement hub and the contractor is set out in Table 5.5.3, the procurement risk matrix.

The WPP0 is preparing standard contract terms for food waste treatment contracts based on the following risk overarching allocation in table 5.5.3

Table 5.5.3 : WPPO overarching Risk Allocation

Risk	LA	Contractor	Shared	Mitigation
Food Waste Collection	X			The Councils are responsible for waste collection and will arrange their collections having regard to the AD Service
Waste Composition		X		The Contractor will bear risks of waste composition subject to constraints on the Councils' ability to change collection arrangements
Demand / Volume			X	The Hub will set a cap and collar to throughput and Contractor will take the risk within that range
Design		X		The Councils will set out their requirements clearly and the Contractor will design to these.
Construction (Cost and Time)		X		Time estimates will need to be realistic and achievable. The Councils will have contingency plans in place to deal with delay
Planning			X	Given the time constraints, the Hub should give due consideration to and take advice on planning issues including carrying out preparatory work and/or early application for planning consent.
Permitting		X		
Site selection and acquisition	X			Where the site(s) is provided by the procurement Hubs. Risk lies with the Hub. The Rhualt site will be available.
Site selection and acquisition		X		Where the site(s) is provided by the bidder, risk lies with the bidder. The Hub will assess deliverability of the bidder's chosen site
				<i>Procurement hubs must refer to the Planning Healthcheck Framework for guidance on sites and planning.</i>
Operation and Maintenance		X		The Hub will undertake rigorous due diligence on the robustness of the bidder's proposals for operation and maintenance
Market for Outputs			X	Bidders to guarantee minimum revenue streams but bid back risk allocation for unforeseen variations.
Residual Value	X			Handback conditions will be specified
Funding		X		Any public sector capital contribution will only be made when the facility is fully operational. (Assuming that a new facility is being procured as opposed to tonnage capacity at an existing merchant facility). The Hub will satisfy itself as to the ability of the Contractor to fund the Project
Plant availability		X		Technical due diligence will verify the robustness of the bidder's solution
Performance		X		Technical due diligence will verify the robustness of the bidder's solution
Technology and obsolescence risk		X		The Hub will be procuring a service from project commencement. The Hub will only be able to change through an authority change
Regulator / Change in Law			X	This will follow the standard waste sector approach to allocation of change in law risk
Tax and VAT		X		
Insurance		X		The Contractor will take insurance risks subject to standard sharing arrangements in relation to premium and uninsurability

The contractual model proposed for procuring the food treatment facility is a 15 year (of operation) gate-fee based service contract, under which a Local Authority will only pay to the

extent that its food waste is duly processed through the plant. The risk of delay or default therefore sits with the contractor.

WAG has proposed to reduce the gate fee payable through local authorities making a capital contribution of approximately 20% of the facility's capital costs, using the SCIF allocation. However this payment would only be made when construction has been completed and the relevant facility has passed suitable tests and has been certified by an independent engineer as being capable of performing in accordance with the public sector requirements.

WAG wants to encourage the co-treatment of commercial and industrial waste with municipal waste. The standard contract will seek to ensure that local authorities gain a share the profits that may be generated by the plant that sells such spare capacity.

5.5.4 Procurement Risk Evaluation

The Hub along with its external Technical and Legal advisors have undertaken a comprehensive risk evaluation to determine risks faced during the procurement process and assign them as either Council, Contractor or Shared risks. At this stage the percent of shared risk as not been identified. This will be agreed during dialogue. The results of this evaluation process are detailed the procurement risk matrix in section 5.5.4.

5.5.4 Procurement Risk Matrix

Risk	Description	Council Risk	Contractor Risk	Shared Risk
PLANNING RISKS				
1.1 Site Acquisition	Hubs inability to obtain site (Rhuallt reference site obtained)	N/A	N/A	N/A
1.1.1.	Contractors inability to obtain site		X	
1.2 Planning submission	Where the Hub proposes the site. Cost and submission of planning application up to initial determination by Planning Authority. The Council to use all reasonable endeavours to obtain all relevant and necessary planning permissions required for project solution		X	
1.2.1	Where the Contractor proposes the site. Cost and submission of planning application up to initial determination by Planning Authority. The Contractor to use all reasonable endeavours to obtain all relevant and necessary planning permissions required for project solution	X		
1.3 Delay in planning permission and statutory approvals	i.) Delay in issuing planning consent ii.) Land ownership and access agreements (for non-Authority owned sites) iii.) Protestor Action		X X	X
1. 4 Pre-planning work	The undertaking of pre-planning consultation and the development of an ES scoping report and production of basing data for the Councils' Premises to meet the needs of the Contractor's proposal		X	
1. 5 Rejection of planning application	Rejection of planning application will have a knock on effect resulting in possible delays, cost impacts and possible termination of contract specification deliveries			X
1. 7 Appeal	Cost of appeal or other proceedings (above defined cap).			X
1. 8 Planning conditions (i)	Cost of compliance with reasonable planning conditions.		X	
1. 9 Planning conditions (ii)	Cost of compliance with onerous planning conditions and knock on effect – delays, cost impact, and possible termination of contract specification deliverables			X
1. 10 Planning Conditions	Cost of compliance meet required standards of conditions for noise, odour, or architectural standards		X	
1.11 Planning determination	Cost and timing of planning determination.		X	
1.12 Judicial Review	Cost and timing of judicial review.			X
1.13 Cost estimates for obtaining planning approvals	(a) Estimated cost of receiving detailed planning permission is incorrect; (b) Higher cost in satisfying unforeseen planning requirements		X	
1.14 Planning permission conditions	Planning conditions which are not onerous or should have been anticipated		X	

Risk	Description	Council Risk	Contractor Risk	Shared Risk
1.15 Onerous Planning permission conditions	Planning permission is granted with onerous conditions attached, which will have a knock on effect - delays, cost impact	x		
1.16 Legal Agreements with the Council	Examples: Community Infrastructure Levy Agreements can delay the issue of planning consent Land Access/Ownership Agreements delayed	x		
Risk	Description	Council Risk	Contractor Risk	Shared Risk
DESIGN RISKS				
2.1 Failure to design to brief	Failure to translate the needs of the Councils into the design		x	
2.2 Continuing development of design	The detail of the design should be developed within an agreed framework and timetable. A failure to do so may lead to additional design and construction costs.		x	
2.3 Change in project content by the Councils	The Councils may require changes to the overall service specification - additional design and construction costs may be incurred.	x		
2.4 Change in design required by operator	This is the risk that the operator will require changes to the design, leading to additional design costs.		x	
2.5 Change in design required due to external influences	There is a risk that the designs will need to change due to legislative or regulatory changes. Planning issues and constraints may also lead to design changes.			x
2.6 Failure to design to planning requirements	Design not complying with planning requirements including but not limited to any noise, odour or architectural standards.		x	
2.7 Failure to build to design	Misinterpretation of design or failure to build to agreed specification during construction may lead to additional design, construction or operational costs.		x	
Risk	Description	Council Risk	Contractor Risk	Shared Risk
CONSTRUCTION RISK				
Unforeseen ground structure/environmental contamination on new sites	Ground structure problems or environmental contamination problems arise which affect building structure or programmed works may lead to variations in the estimated costs.		x	
Unforeseen ground structure/environmental contamination existing sites provided by Councils	Leading to additional costs where the Councils have provided warranted surveys.		x	

Risk	Description	Council Risk	Contractor Risk	Shared Risk
Incorrect time estimate	The time taken to complete the construction phase may be different from the estimated time.		x	
Delay in gaining access to sites already in one of the Councils' ownership or offered up by the Council	A delay in gaining access to the sites may put back the entire Project.	x		
Delay in gaining access to sites not in Authority ownership	A delay in gaining access to the sites may put back the entire Project.		x	
Availability of services/ Infrastructure etc to provide Service	The unavailability of sites and utilities.		x	
Theft of/damage to equipment/materials	Theft and/or damage to equipment and materials may lead to unforeseen costs in terms of replacing damaged items, and delay.		x	
Responsibility for maintaining site safety	The Construction, Design and Management ("CDM") Regulations must be complied with.		x	
Third party claims	The risk refers to the costs associated with third party claims due to loss of amenity and ground subsidence on adjacent properties.		x	
Risk	Description	Council Risk	Contractor Risk	Shared Risk
CONTRACTUAL RISKS				
Compensation Events	An event of this kind may delay or impede the performance of the Project Agreement and cause additional expense.	x		
Relief Events	An event of this kind may delay or impede the performance of the Project Agreement and cause additional expense and lead to time extension.			x
Force Majeure Event	In the event of Force Majeure Event additional costs will be incurred. Facilities may also be unavailable.			x
Termination due to Force Majeure Event	There is a risk that an event of Force Majeure Event will mean that the Contractor is no longer able to perform the Project Agreement.			x

Risk	Description	Council Risk	Contractor Risk	Shared Risk
Main contractor and sub-contractor cost over runs	In the case of main contractor default, additional costs may be incurred in appointing a replacement, and may cause a delay.		x	
Poor project management	There is a risk that poor project management will lead to additional costs. For example, if sub-contractors are not well co-ordinated, one sub-contractor could be delayed because the work of another is incomplete.		x	
Contractor/sub-contractor industrial action	Industrial action may cause the construction to be delayed, as well as incurring additional management costs.		x	
Protester action	Protester action against the development may incur additional costs, such as security costs and cause delay.		x	
Incorrect time and cost estimates for commissioning new plant.	(i) The estimated cost of commissioning new plant may be incorrect, there may also be delays leading to further costs including interest rates:		x	
	(ii) Delays caused by the Councils (excluding planning).	x		
Archaeological, ground and ecological issues	The construction/development could be delayed by archaeological/antiquities issues/ contaminated land, ecological issues and drainage.		x	
Availability and standard of sub-contractors	Sub-contracted out work may be delayed due to unavailability of sub-contractors' resources or if below the required quality where undertaken by sub-standard contractors.		x	
Sub-standard materials	The materials used in the construction may not be of sufficient/adequate quality.		x	
Land acquisition cost risk for sites already in Authority ownership	The risk that land costs for facilities are higher or lower than forecast.(Reference site already acquired)	N/A	N/A	N/A
Land acquisition cost risk for sites not in Authority ownership	The risk that land costs for facilities are higher or lower than forecast		x	
Risk	Description	Council Risk	Contractor Risk	Shared Risk
OPERATIONAL RISKS				
Disposal of surplus operational plant and equipment at the start of Project Agreement where service is performed at Contractor's site	Surplus operational plant and equipment may be expensive to de-commission and dispose of.		x	
Latent defects in new build	Latent defects appear in the structure of the new build asset(s), which require repair.		x	

Risk	Description	Council Risk	Contractor Risk	Shared Risk
Change in specification imposed by the Councils	There is a risk that, during the operating phase of the project, the Councils will require changes to the specification (excludes Regulatory/Political Risks such as change in law).	x		
Change in collections operations and delivery of materials	Quality and composition of waste delivered by the Councils is not within the range of quality agreed	x		
Performance of sub-contractors	Poor management of sub-contractors can lead to poor co-ordination and under-performance by the Contractor. This may create additional costs in the provision of Services.		x	
Default by Contractor or sub-contractor	In the case of default by a contractor or sub-contractor, there may be a need to make emergency provision. There may also be additional costs involved in finding a replacement.		x	
Obtaining and maintaining licences and consents, including those issued by the Environment Agency	There may be failure to obtain, maintain and comply with licences and consents, many of which will require renewal on an annual basis.		x	
Sub standard plant operation	The assets may not operate as intended due to: <ul style="list-style-type: none"> • Sub standard operation • Sub standard maintenance • Sub standard materials • Sub standard quality of construction. 		x	
Responsibility for maintaining health and safety, quality and environmental standards	Cost of compliance with relevant health and safety, quality and environmental standards may be more than envisaged.		x	
Increase/ gain of composting, digestate and recycled and/or energy income	Recycling/energy income may be greater than expected due to (i) the total tonnage of waste presented for recycling being greater than projected (ii) market price for Products being above that projected (all sites).			x
Reduction in third party waste	Operational costs increases due to a reduction in third party waste increases		x	
Reduction/loss of Product income	Product income may be less than budget due to (i) The total tonnage of Kitchen Waste presented for treatment being less than that projected.			x
	(ii) Market price for Products being below that projected.			x
	(iii) No markets secured for Products.		x	
	(iv) No markets available and waste are disposed.		x	
	(v) Lower market price due to quality of Product.		x	
	(vi) The total tonnage of HH waste capable of producing energy is less than projected.			

Risk	Description	Council Risk	Contractor Risk	Shared Risk
Reduction or loss of energy income	No market available for energy produced			X
	Lower market price for energy than anticipated			X
Incorrect estimated cost of providing specific services under the Project Agreement at point of market testing	The cost of providing these services may be different to those expected, because of unexpected changes in the cost of equipment, labour, utilities, and other supplies.		X	
	The cost of building and engineering maintenance may be different to the expected costs.		X	
	Cost of third party claim for death, injury or other loss. (Third party liability.)		X	
	The risk that the Councils defaults leading to contract termination and compensation for the Contractor. (Termination due to default by the Councils.)	X		
Default by the Contractor leading to financier step-in	The risk that the Contractor or individual service providers default and financier's step-in leading to higher costs than agreed in the Project Agreement.		X	
	The risk that the Contractor defaults leading to contract termination.	X		
Industrial Action	Plant or material unavailable due to industrial action		X	
Staffing difficulties in operating plants	Lack of qualified/skilled staff and sufficient number of staff		X	
Third party waste, if required	Third party waste is required for technical and financial reasons which may not be available or acceptable to the Councils.		X	
Landfill	Insufficient landfill capacity to dispose of final residues	X		
Energy usage	Inaccurate estimated costs of energy usage by facility. Failure to meet energy efficiency targets		X	
Interface with existing contracts	Impact of new contract on existing contracts e.g. landfill minimum tonnage, collection operations, and compatible opening hours.	X		
Renewable obligation certificates	Changes in the basis of renewable energy certificates.			X
Failure to operate to National Standards	Failure to meet current minimum standards for noise and odour		X	
Waste composition change reducing throughput or performance of facility(s)	May impede ability of contractor to deliver contractual waste diversion/ recycling requirements.			X

Risk	Description	Council Risk	Contractor Risk	Shared Risk
Waste collection performance	Waste recycling targets, in particular, depend on the separate collection and delivery of source-segregated materials	x		
RESIDUAL VALUE RISKS				
The Councils no longer require sites at end of Project Agreement	The risk that the Councils will not require the asset at the end of the Contract Period, and that the Contractor may be faced with decommissioning costs.		x	
Decontamination of sites which are transferred at the end of the Project Agreement to either the Councils or another incoming contractor	Decontamination costs could be significant. Allowance would be made for any known contamination at the start of the Project Agreement where sites had been transferred from the Councils to the incoming contractor.		x	
Disposal of surplus operational plant and equipment at the end of Project Agreement if not required by the Councils	Surplus operational plant and equipment may be expensive to de-commission and dispose of.			x
Risk	Description	Council Risk	Contractor Risk	Shared Risk
FINANCIAL RISKS				
Lifecycle replacement	Plant and equipment replacement.		x	
Inflation	Inflation above RPIX.		x	
Interest rates	Interest rate movements prior to financial close.		x	
Funder interest margin and interest rates	The risk that finance cannot be secured on the terms used to price the Project Agreement and/or that interest rates move following financial close.		x	
Foreign exchange risk	The risk that costs change due to movements in foreign exchange rates.		x	
Landfill allowances	Fines for failure to achieve targets			x
Councils' Funding	Adequacy of Councils' funding	x		
Operational plant issues affecting increase in Landfill Tax contributions	Impact of plant operational issues on landfill tax contributions affecting future affordability		x	

Risk	Description	Council Risk	Contractor Risk	Shared Risk
Markets for Products	Availability of markets for Products affecting future affordability			x
Not establishing full project cost	Not clearly defining responsibility for all project impacts e.g. contamination		x	
Ability to perform – operational difficulties	Costs of handling waste streams elsewhere or incurring penalties		x	
Ability to perform – financial difficulties	3 rd party financial impacts on the Contractor preventing performance or recourse		x	
Risk	Description	Council Risk	Contractor Risk	Shared Risk
PERFORMANCE RISKS				
Failure to meet performance standards	There is a risk that operational and maintenance services will not provide the required quality of services. This may be costly to correct.		x	
Availability of Facilities	There is a risk that some or all of the Facilities will not be available for the use to which they are intended. There may be costs involved in making the facility available.		x	
Contract Targets	Contract Targets set by the Councils may not be met due to:		x	
	(i) Failure to deliver according to delivery regime		x	
	(ii) Failure of technology		x	
	(iii) Inadequate management		x	
Contingency arrangements	Failure to provide alternative facilities		x	
Failure of technology to comply with Laws	Failure to meet all laws including but not limited to ABPRs		x	
Unavailability of Facilities	Failure of plant leading to unplanned shut down/damage and non-availability		x	
Risk	Description	Council Risk	Contractor Risk	Shared Risk
DEMAND RISKS				
Assumptions on data prove to be incorrect	Unforeseen growth or reduction in waste arisings			x
Changes in the volume of demand for services at the facility	There is a risk that the volume of demand for waste services will change.		x	

Risk	Description	Council Risk	Contractor Risk	Shared Risk
Changes in general waste composition	There is a risk that the composition of waste inputs will change.		x	
Risk	Description	Council Risk	Contractor Risk	Shared Risk
Technology and Obsolescence Risks				
Unexpected changes in technology	Unexpected changes in technology may lead to a need to re-scale or re-configure the provision of services.		x	
Asset obsolescence	Buildings, plant and equipment may become obsolete during the Project Agreement.		x	
Acceptable/unacceptable technologies	Changing attitudes in public, political and commercial perceptions		x	
Regulatory/political Risks				
Legislative / regulatory change: waste industry specific	A change in waste industry specific legislation, leading to a change in the requirements and variations in costs.	x		
Legislative/regulatory change: foreseeable and waste industry specific	Foreseeable change in waste industry specific legislation which can be priced which leads to a change in the requirements and variations in costs.			x
Legislative / regulatory change: general	A general change in law taking effect during the construction phase, leading to a change in the requirements and variation in costs.		x	
Compliance with existing environmental legislation and regulations	The facilities may fail to meet existing environmental regulations/legislation due to: <ul style="list-style-type: none"> • Inadequate plant design • Inadequate maintenance • Use of sub-standard materials. 		x	
Legislative / regulatory change: general operating costs	A general change in law leading to higher maintenance equipment or labour costs during the operating period.		x	
Legislative / regulatory change: general, capital cost	A general change in law leading to increased capital expenditure during the operating period			x
Political change at WAG or Council level	Change of political direction leading to changes in preferred waste management options and third party waste			x
Reorganisation of local authorities	Change of boundaries causing increase or decrease waste flows			x

Risk	Description	Council Risk	Contractor Risk	Shared Risk
Environment Agency Interpretation	Changes in the Environment Agency's interpretation of current legislation			x
TAXATION RISKS				
Changes in taxation	The scope and level of corporate taxation will affect the cost of providing services.		x	
Changes in the rate of VAT	Changes in the rate of VAT may increase the costs of the project.	x		
Other changes in VAT	Changes in VAT legislation other than changes in the rate of VAT payable.		x	
Landfill tax	Changes in the rate of landfill tax (subject to Contractor complying with Contract Targets and assisting Councils to meet or exceed Welsh Assembly Government Targets).	x		
Changes in VAT status	Changes in the VAT status due to a third party handling the waste/controlling assets rather than the Councils.		x	
Change in the basis of ROCs	The project may accrue more or less revenue as a result of a change in the basis of the ROCs regime.	TBC	TBC	TBC
Risk	Description	Council Risk	Contractor Risk	Shared Risk
INSURANCE RISKS				
Uninsurability	There is a risk that some risks usually covered by insurance become uninsurable.			x
Premiums	There is a risk that insurance premiums increase (post financial close) as a result of general market conditions.			x

5.5.5 Risk Allocation

As mentioned in section 5.6 the WPPO is preparing standard contract terms for food waste treatment contracts based on the overarching risk allocation matrix in table 5.5.3. The Hub has cross referenced the procurement risk evaluation exercise detailed in the risk matrix in table 5.5.4 with the overarching WPPO risk allocation to ensure there is no deviation. The Hub can confirm that there is no deviation and it does not intend deviate from this risk allocation during procurement and therefore is not required to undertake a Value for Money Exercise in addition to the Affordability Analysis.

5.6 Project Agreement

The Hub will benefit from the work undertaken by WPPO and WIDP to develop waste specific terms for long term service contracts. WIDP issued, on June 10, a draft residual waste treatment contract based on general PUK guidance contained in SoPC4. The Hub anticipated that WPPO will develop this to produce a template AD service contract for the AD procurements across Wales. The Hub will develop its own contract from the WPPO template in light of the Hub's particular requirement.

Any changes to underlying principles proposed by the bidder will be carefully negotiated and will need to be justified before final business case approval.

The Hub will adopt employment and pensions drafting which are the current Office of Government and Commerce (OGC) and 4ps model form clauses. The project shall therefore adopt the most current prevailing model form clauses at the time of releasing contract documentation to the bidding market.

The draft contract will also incorporate lessons accumulated from other waste management schemes and drafting to address the project specific requirements. The Authorities will only seek project specific derogations from standard approaches to the extent they are justifiable on project specific grounds.

It is anticipated that bidders will finance the project from their own resources and will not utilise project finance. If project finance were used there is likely to be a separate contract – the senior lender's direct agreement – between Denbighshire County Council, as the lead authority, and any external debt funder providing for the funder's step in rights in the event of default of the contractor.

The contract will be certified for the purposes of the Local Government (Contracts) Act 1997. Any senior lender's direct agreement shall also be certified.

A copy of the Draft project agreement can be found in Appendix B

5.6.1 Schedules to the Project Agreement

WIDP has issued together with the standard form waste Project Agreement, template schedules for that Project Agreement. The Hub will utilise those templates to develop the Schedules for the Project Agreement.

5.6.2 Output Specification

The successful bidder will receive and treat all segregated food waste delivered by the Hub. This will comprise food waste from household kerbside collections.

In accordance with DEFRA's Criterion No 12, the contractor will be encouraged to receive third party waste to utilise the spare capacity of the facility (provided the Contract Waste is given priority). It is envisaged that this would be the case particularly in the early years of the contract where the facility may be operating under-capacity as the facility would have been designed with enough capacity to allow for waste growth over the life of the contract.

The key performance standards in the draft output specification will be to achieve landfill diversion targets and ensure that each of the Authorities maintain their diversion from landfill and [exceed] their LAS targets – minimising all inputs to landfill.

There will be aspects of the output specification that require close consultation in relation to collection. These will relate to:

- turnaround times for collection vehicles
- minimum number of collection vehicles that can access the facility in any one hour during a working day
- opening hours of the facility to receive contract waste

A copy of the draft output specification for the project is provided in Appendix C.

5.6.3 Payment Mechanism and Performance Framework

The payment mechanism is both a method for payment and a method of providing an incentive to high performance. As such, the payment mechanism will be linked to the service outputs defined in the output specification and deductions are applied when output specification standards are not achieved. In addition a robust performance monitoring system will be in place to ensure performance is up to standard.

The payment mechanism will be based on the principles and core areas of the guidance issued by DEFRA (July 2008) and any subsequent modifications. Built into the guidance are a number of core principles which should apply to the payment mechanism and which the Hub will adopt, as follows:

- the Hub will pay only once a certificate of availability confirming that all tests on completion have been passed indicating that the facility is capable of operating in accordance with required standards (subject to commissioning payments);
- the Hub will make payments to the contractor proportional to the level of service being provided;
- deductions will reflect the severity of failure;
- where the contractor incurs additional cost as a consequence of the contractor's failure to meet the performance standards as set out in the output specification giving rise to the need to provide an alternative service, the payment mechanism will not allow the contractor to pass these costs on to the Hub;
- where the Hub incurs additional costs as a consequence of the contractor's failure to meet the performance standards as set out in the output specification, the contractor will compensate the Hub for those additional costs through deductions under the Payment Mechanism;
- there will be an incentive for the contractor to exceed the performance standards if this leads to cost savings, revenue generation or other desirable outcomes for the Hub;
- performance standards will be objective, transparent and easy to measure; and
- The deduction per period will increase over time for prolonged and/or persistent failure to meet a performance standard.

The focus will be on the overall landfill diversion, although availability is important to the Hub (in that it is paying for the facility) and therefore the Hub will seek to ensure that the payment mechanism does not double count penalties. The contractor's prime aim is to achieve diversion, and the payment/deduction regime will reflect this.

The contractor will be responsible for submitting monthly performance reports (electronically) which will detail both over and under performance. There will also be performance deductions for failure to report accurately. The performance system will also be linked to termination processes.

APPENDIX ONE: Food Waste Treatment Project - OBC (Executive Summary)

Foreword

To manage our community's food waste effectively and cost efficiently, we need to procure food waste treatment services, rather than simply sending this potential resource to landfill. The authorities (Conwy County Borough Council, Denbighshire County Council and Flintshire County Council) that form the 'Hub', wish to procure food waste treatment services for the NE Wales region.

The strong commitment of the authorities participating in the Hub adds to the likelihood of successfully procuring a food waste treatment facility and by taking advantage of the experiences and expertise amongst the personnel, working in the strong internal and external team put together by the authorities, we anticipate the best possible outcome.

New infrastructure to handle the food waste process is vital for the project's success. However, in order to procure such infrastructure, if the project is to be affordable, funding from the Welsh Assembly Government (WAG) is required. This document presents our Outline Business Case, setting out the strategic, economic, financial, commercial and management case for the procurement of food waste treatment services and outlining the business case for support from WAG. This Outline Business Case has been agreed and approved by all three authorities and members involved.

The Hub feels, with support from WAG, it can secure a food waste treatment service thereby diverting food waste out of the waste sent to landfill, which will assist the authorities to achieve their respective LAS targets.

Contents

Glossary

1 Executive Summary

- 1.1 Introduction
- 1.2 Background
- 1.3 Strategic Case
- 1.4 Economic Case
- 1.5 Commercial Case
- 1.6 Financial Case
- 1.7 Management Case
- 1.8 Recommendations

2 Project Background

3 The Strategic Case

4 The Economic Case

5 The Commercial Case

6 The Financial Case

7 The Management Case

- Appendix A: WRATE Reports
- Appendix B: Project Agreement
- Appendix C: Draft Output Specification
- Appendix D: WAG financial Support
- Appendix E: Balance Sheet Implications Letter
- Appendix F: Member and Officer Approval
- Appendix G: Contract Procurement Rules
- Appendix H: Joint Working Agreement
- Appendix I: Procurement Costs
- Appendix J: Planning Health Framework

1 Executive Summary

1.1. Introduction

Conwy County Borough Council, Denbighshire County Council and Flintshire County Council have established a collaborative procurement hub to jointly secure source segregated food waste treatment facilities to process food waste produced by householders across the three counties.

This document presents our Outline Business Case, outlining the case for procuring the food waste treatment services and also the need for support from WAG to assist in financing the services. This Business Case has been agreed / approved by all three authorities.

The aim of this Outline Business Case (OBC) is to support the three counties in their application for financial support from the Welsh Assembly Government (WAG) to develop a food waste treatment facility. The OBC will also help to support the successful development, planning, procurement, implementation and ongoing operation of the proposed waste facility.

1.2. Background

The Welsh Assembly Government has made commitments in the "One Wales Delivery Plan" to:

- Sustainable development;
- Tackle climate change; and
- Achieve sustainable energy production and consumption.

Local authorities also have a statutory duty to reduce the amount of biodegradable municipal waste being sent to landfill.

It is forecast that Wales needs access to an additional 185,000 tonnes a year of food waste treatment facilities by April 2012. In response to this, WAG has created a capital and revenue financial support package for local authorities who wish to adopt AD technology.

WAG considers that AD technology can help positively address climate change by reducing greenhouse gas emissions and generating renewable energy. It has a greater potential to have a positive impact on climate change than that of other food waste treatment technologies.

To manage their municipal food waste in a sustainable and cost efficient manner, the Hub considers that the procurement of a food waste treatment plant would be a clear step towards meeting the waste recycling targets of 70% by 2025 proposed by WAG in their consultation paper for a new waste strategy for Wales 'Towards Zero Waste – One Wales: One Planet'.

The strong commitment of the individual authorities within the Hub adds to the likelihood of successfully procuring food waste treatment and by taking advantage of the experiences and expertise amongst the personnel concerned in the wider team put together by the participating authorities, we are confident that we will achieve the best possible outcome.

The Hub feels, with support, it can successfully procure a facility which will be a significant factor in diverting biodegradable waste currently sent to landfill in north-east Wales.

1.3. Strategic Case

This Outline Business Case has been developed with the aims of the Environment Minister's Future Directions papers firmly in mind. The WAG targets included below are those published in the final draft of this Future Directions paper (FD3a), dated 17th April 2009.

APPENDIX ONE: Food Waste Treatment Project - OBC (Executive Summary)

TARGET	YEAR				
	2009/10	2012/13	2015/16	2019/20	2024/25
Levels of recycling / composting (or AD)	40%	52%	58%	64%	70%
Levels of composting (or AD) of source segregated food waste (included in the above)	-	12% (statutory)	14% (indicative)	16% (indicative)	16% (indicative)
Maximum level of energy from waste	-	-	42%	36%	30%
Maximum level of landfill	-	-	-	10%	5%
Maximum level of residual household waste per head per annum	-	295kg	258kg	210kg	150kg

“Towards Zero Waste”, WAG’s consultation paper for a new waste strategy for Wales was published on 29th April 2009 and this document has also been used in the preparation of this OBC.

These strategy documents, and others, published by WAG set out challenging targets for Local Authorities to collect as much food waste as possible. The Hub Authorities are committed to diverting food waste from landfill and to exploit its potential as a resource but see the greatest environmental benefit coming through the elimination of unnecessary food waste.

The table below sets out each authority’s municipal waste targets in relation to the recycling of municipal solid waste.

Conwy	Denbighshire	Flintshire
2012/13 Landfill Allowance Scheme		
Allowance = 21,105 tonnes 2008/09 performance = 24,475 tonnes Need to find 3,370 tonnes Conwy forecasts collecting 6,158 tonnes of food waste in 2012/13 thereby diverting sufficient additional biodegradable waste.	Allowance = 13,370 tonnes 2008/09 performance = 19,034 tonnes Need to find 5,664 tonnes Denbighshire forecasts collecting 4,728 tonnes of food waste, 974 tonnes of additional green waste, plus more wood, paper, cardboard and textiles in 2012/13 thereby diverting sufficient additional biodegradable waste.	Allowance = 24,851 tonnes 2008/09 performance = 31,332 tonnes Need to find 6,481 tonnes Flintshire forecasts collecting 7,138 tonnes of food waste in 2012/13 thereby diverting sufficient additional biodegradable waste.
2012/13 WAG 52% re-use/recycling/composting target		
2008/09 = 42.90% 29,940 tonnes vs. MSW 69,794 tonnes Forecast MSW Arising 2012/13 = 75,847 tonnes Planned “new” recycling: - Food = 6,158 tonnes Rubble = 5,455 tonnes = 41,553 tonnes recycling 55.0%	2008/09 = 31.72% 14,685 tonnes vs. MSW 46,295 tonnes Forecast MSW Arising 2012/13 = 47,891 tonnes Planned “new” recycling: - Food = 4,728 tonnes Green = 974 tonnes Paper & Card = 2083 tonnes Plastics & cans = 1008 tonnes WEEE = 490 tonnes Rubble = 1734 tonnes = 25,702 tonnes recycling 53.7%	2008/09 = 37.92% 30,522 tonnes vs. MSW 80,481 tonnes Forecast MSW Arising 2012/13 = 92,262 tonnes Planned “new” recycling: - Food = 7,210 tonnes Rubble = 6,813 tonnes Green = 519 tonnes Paper & Card = 288 tonnes = 45,352 tonnes recycling 49.2% <u>Any actual shortfall to be made up through recycling output from residual waste delivered to merchant treatment facility.</u>

APPENDIX ONE: Food Waste Treatment Project - OBC (Executive Summary)

Higher food waste treatment levels over time		
<p>All the Hub authorities initially propose to extend food waste collection services to the vast majority of households (i.e. <90% across the Hub). The Hub Authorities will continue to adopt best practice for their food waste collections in order to maximise both participation and capture rates.</p> <p>Collections will be rolled out to waste producers other than households over time. This will include schools and the commercial waste customer base. In collecting food waste on a commercial basis particular attention must be paid to the vehicles and containers used as the high density and fluid nature of the expected material presents distinct problems in handling.</p>		
<p>In 2008/09 Conwy collected 7,027 tonnes of commercial waste. If assumed that 23.2% (AEA 2003 WCA) trade waste was kitchen waste this would indicate a further 1,630 tonnes may have been available within the existing MSW stream.</p>	<p>In 2008/09 Denbighshire collected 1,315 tonnes of commercial waste. This would indicate a further 305 tonnes may have been available within the existing MSW stream.</p>	<p>In 2008/09 Flintshire collected 2,622 tonnes of commercial waste. This would indicate a further 608 tonnes may have been available within the existing MSW stream.</p>
2015/16 WAG 58% re-use/recycling/composting target and 2019/20 WAG 64% re-use/recycling/composting target		
<p>Local Authorities in Wales were recently required to submit forecasts of their Landfill Allowance Scheme compliance over the period up to and including 2024/25 to the Ministerial Programme Board (MPB) for waste. The recycling rates shown below are those taken from the MPB forecasts but with the addition of rubble.</p> <p>THE FUTURE DIRECTIONS PAPER FD3a MAKES CLEAR THAT SEVERAL "SUPPORTING MEASURES" ARE REQUIRED FROM WAG TO FACILITATE THE ACHIEVEMENT OF HIGHER RECYCLING TARGETS. THE HUB CONSIDERS THAT THE FOLLOWING MEASURES IDENTIFIED BY WAG ARE CRITICAL TO INCREASING RECYCLING RATES BUT WERE NOT CONSIDERED WHEN REPORTING TO THE MPB OR WHEN FORECASTING THE RECYCLING RATES SHOWN BELOW: -</p> <ul style="list-style-type: none"> • Direct & variable charging for municipal waste • Obligations on householders to recycle • Enhanced producer responsibility powers • Enhanced efforts to reduce quantities of municipal waste • Review the definitions of waste with respect to meeting EU requirements 		
2015/16 WAG 58% re-use/recycling/composting target		
45.9%	57.8%	54.9%
2019/20 WAG 64% re-use/recycling/composting target		
44.0%	57.0%	57.5%
2019/20 Landfill Allowance Scheme		
<p>Allowance = 14,819 tonnes By 2019/20 it is expected that the residual waste treatment facility (ies) currently in procurement will be available to Hub members in order to achieve landfill diversion targets.</p>	<p>Allowance = 9,387 tonnes By 2019/20 it is expected that the residual waste treatment facility(ies) currently in procurement will be available to Hub members in order to achieve landfill diversion targets.</p>	<p>Allowance = 17,448 tonnes By 2019/20 it is expected that the residual waste treatment facility(ies) currently in procurement will be available to Hub members in order to achieve landfill diversion targets.</p>

The Hub Local Authorities consider the statutory and indicative targets for food waste recycling to be extremely challenging. Using evidence such as the 2003 waste composition data and the Hub's experience of collecting household food waste to date, the Hub is forecasting a food waste recycling rate of 8.4% by 2024/25 derived from household collections only.

All three Hub Authorities are committed to extending household food waste collections to the vast majority of households (>95%) in order to maximise recovery of household food. In addition, the Hubs will seek to recover food waste from other sources such as schools and their existing commercial waste customers. The Hub Authorities do not propose to enter into the local commercial waste market to "buy in" additional material purely in order to meet waste targets.

APPENDIX ONE: Food Waste Treatment Project - OBC (Executive Summary)

However, in the evaluation of tenders, bidders that demonstrate that they will offer merchant food waste treatment facilities for the local commercial waste sector will earn additional marks.

Therefore, whilst the Hub forecasts reaching a recycling rate of 8.4%, the Local Authorities do not see this as a ceiling for food waste recycling. Each of the Authorities will be seeking to maximise recovery of food waste from all the various streams and will endeavour to meet specific food waste collection targets set by WAG.

1.4. Economic Case

1.4.1 The Options

The Hub Authorities have agreed that for the purpose of the OBC that it should consider modelling the cost and performance of the following 'Mandatory' options as indicated in the WAG OBC guidance document.

Option 1 – Do Nothing - existing collection arrangements with residual waste (and hence food waste) consigned to landfill;

Option 2 – Source Segregated food waste collection for treatment by a food waste treatment technology, with residual waste to landfill.

Both options have been scored in accordance with the National Evaluation Framework as set out in the WAG OBC guidance document. This has involved the development of weighted criteria for Technical, Environmental, Deliverability and Socio-economic criteria used to score each option at an Options Appraisal workshop.

1.4.2 The Technology

Within the past decade and due in part to the implementation of statutory requirements such as those contained within the Landfill Directive regarding the pre-treatment of waste prior to landfill disposal, AD has been adopted as a preferred option for the treatment of food waste in Wales.

This decision has been made in order to:

- ✓ Ensure that Wales as a whole meets its pro-rata contribution to the UK's landfill diversion target for 2013;
- ✓ To make a positive contribution to the CO₂ reduction targets set out in the One Wales Delivery Plan, and
- ✓ Contribute to the objectives of sustainable development (SD) and reducing the impact of waste on climate change and on the ecological footprint for Wales.

This is not to say that this technology will be the final solution selected. The dialogue procurement process will allow the competitive tender of various food waste treatment processes.

1.4.3 The Reference Case

The South Shropshire Biogen Greenfinch Defra new technology demonstration AD facility was selected as the reference case for the OBC as this plant has a reasonable amount of publically available data, including a WRATE data profile and is a proven commercially viable process. This facility utilises a conventional AD system, throughput per annum and operational scale have been scaled up by a factor of four to the envisaged 20,000 tonnes/yr throughput for the AD plant at the identified site in Denbighshire, North Wales.

APPENDIX ONE: Food Waste Treatment Project - OBC (Executive Summary)

Biogen (UK) Ltd builds, funds and operates integrated AD plants which recycle and utilise food waste as a feedstock and in some cases agricultural waste, to produce a valuable biofertiliser and gases that can be burnt in gas engines to produce renewable electricity. Greenfinch as a process engineering company has over 30 years experience in the industry providing anaerobic digestion technology.

1.4.4 The Reference Site

The Hub authorities have considered several sites that meet some or all of the above issues favourably. This includes the Greenfield site in Flintshire and the Rhualt site in Denbighshire. These two sites were put forward to WAG for RCAF funding for the delivery of waste infrastructure. The Greenfield site was proposed as a location for a new IVC facility adjacent to an existing HWRC and open windrow operations. A site at Rhualt was also proposed for the location of a food waste treatment facility. WAG opted in favour of purchasing the site at Rhualt based on its proximity to the Hubs population, with the furthest point being approximately 27 miles. At the time of purchase the site was also identified in the Regional Waste Plan and Local Waste Plan for the provision of waste management.

The reference site is located in Denbighshire at Waen Gate, approximately midway between St Asaph and Rhualt at NGR SJ 056 750. The site address is The Former Abattoir, Holywell Road, Waen, St Asaph, Denbighshire, LL17 0DS.

This is not to say that this site will be the final location of the food waste treatment solution. Other publicly owned sites will be made available and bidders can offer alternative sites during the procurement process.

1.4.5 The Cost of the Options

The Cost of each option is broken down in the following table to determine the significant cost elements that make up the overall NPV. This data has derived from the Affordability Analysis model based on WAG Assumptions. A technical model has been developed to model the gate fee for the reference case.

	Option 1*	Option 2*
	£m	£m
Collection Costs	17.2	31.6
Land Acquisition	0	0
Capital Costs	0	5.5
Life Cycle Costs	0	1.2
Operating Costs	0	3.5
Revenue	0	(15.4)
Landfill Costs	16.3	9.2
Landfill Tax	27.4	14.9
Total	60.9	50.5

*Notes

All costs shown above are at net present cost calculated using a discount rate of 6.09% as per the WAG OBC template document over the 15 year contract period. Option 1 is the "no change" scenario with no food waste collection or processing and Option 2 is the project scenario following WAG parameters but with capture rates limited to 8.4%.

APPENDIX ONE: Food Waste Treatment Project - OBC (Executive Summary)

1.4.6 Reference Case and Gate Fee

The overall calculated costs show that the capital cost of the plant is £6,210,321 as outlined in the table below with a gross undiscounted life cycle cost of £12,615,233. This data has been used as an input into the detailed financial modelling undertaken by James Cowper to arrive at the gate fee used in the cost modelling for the source segregated collection system.

The analysis conducted by them shows that there is calculated gate fee of **** per tonne using the data for ROCs, LECs and REGOs suggested in the WAG OBC guidance document. Sensitivity analysis using higher anticipated revenues from 2 ROCs (per MWh) and the use of a Special Purpose Vehicle (SPV) with 25% equity and 75% debt shows that this figure rises to **** per tonne which Hyder believe is a more realistic approach and the most likely scenario.

**** commercially sensitive information (deleted)

Reference Case Cost

Proposed Facility (Location, Technology, Authorities it serves)	Nominal Capital Cost	Capacity of Facility
Reference Site at Rhuallt, Anaerobic Digestion to be used by Conwy, Denbighshire and Flintshire.	£6,210,321	20K tpa

1.4.7 Options Appraisal Workshop

An evaluation workshop was used to score each of the options against an agreed set of weighted criteria. The Options Appraisal workshop was held on the 18th June 2009 and was attended by Hub Project officers and their appointed technical consultants, Hyder, to form the evaluation panel.

WAG has requested that financial costs are not scored as part of this exercise so the performance and cost of options can be easily identified. Technical evaluation and overall evaluation including financials were ranked separately. In both cases, Option 2 is ranked as number 1.

1.5. Commercial Case

1.5.1 Introduction

In order for Wales to meet the EU landfill diversion targets in 2012/13, WAG and Local Government has identified that for the majority of Local Authorities the collection and treatment of food waste is an absolute necessity. In "Towards Zero Waste", the Welsh Assembly Government is minded to propose statutory targets for food waste treatment at around 12% of MSW by 2012/13. However, as well as collecting the food waste WAG recognises that currently Wales has a large deficit in the capacity available to treat this waste and this needs to be addressed as a matter of urgency.

1.5.2 The Procurement Strategy

The Hub's procurement strategy is consistent with the programme developed by the Waste Procurement Programme Office (WPPO).

The Welsh Assembly Government has identified a need to accelerate the delivery of municipal food waste treatment capacity to ensure that:

- Local Authorities achieve the 2012/13 food waste treatment target;
- Local Authorities have access to sufficient capacity to treat the increasing amounts of source separated food waste that is being collected in the run up to 2012/13;
- to ensure that Wales as a whole meets its pro-rata contribution to the UK's landfill diversion target for 2013; and

APPENDIX ONE: Food Waste Treatment Project - OBC (Executive Summary)

- to make a positive contribution to the CO₂ reduction targets set out in the One Wales Delivery Plan.

To achieve this accelerated investment in capacity in a manner consistent with the waste policy as set out in the Future Directions for Municipal Waste Management in Wales (October 2007), the Waste Procurement Programme (WPP) is implementing the following measures:

- a) manage the food waste treatment element of WPP as an accelerated sub-programme by the Waste Procurement Programme Office (WPPO); and
- b) the WPPO provides proactive central co-ordination and support to Local Authorities as required to achieve a timely and successful outcome,
- c) including:
 - i. undertaking those enabling steps which can be most efficiently undertaken once centrally on behalf of all participating Local Authorities to save both cost and time, and to promote value for money by exercise of the public sector's bulk purchasing power, such as:
 - ii. developing and delivering a single co-ordinated market engagement strategy for all Local Authorities requiring investment in food treatment capacity within this time-frame;
 - iii. running a central pre-qualification exercise to establish a single short-list of advisers (most likely from those firms available through OGC's Catalyst Framework) which individual Local Authorities may need to appoint;
 - iv. running a central pre-qualification exercise to establish short-lists of suppliers and related services, which individual Local Authorities would use as the basis for their tenders;
 - v. drafting a model form contract(s) for the supply of plant/services and consulting with Local Authorities and the market in the development of the same;
 - vi. drafting all template procurement documents (i.e. information memorandum, specifications, invitations to submit outline solutions, invitation to submit detailed solutions) for use by all Local Authorities within the sub-programme;
 - vii. working closely with DE&T to prepare a data base of sites that would be suitable for food waste treatment technology and running a central pre-qualification exercise for ground investigation contractors and environmental consultants to prepare all the necessary geotechnical data and background environmental information for viable sites; and
 - viii. Support for Local Authorities in their securing planning permission for facilities.

In cognisance of the WPPO strategy the Hub will tender long term contract to the private sector for the provision of food waste management service. It is anticipated that the contract will be for fifteen years. However, the length of the proposed contract will be reviewed in the light of engagement with potential bidders.

In accordance with the Public Contracts Regulations 2006, the Hub Authorities have considered whether the open or restricted procedure (the "**Procedures**") would be suitable and have concluded that the Procedures are not suitable, as the Hub Authorities are unable to objectively define the technical specification for the Project Agreement. Under the Procedures, the Hub would be required to prepare the technical specification with sufficient precision to enable tenders to be prepared that are capable of acceptance. The Procedures prohibit the Hub from entering into any dialogue or 'post tender' negotiations with bidders. The Hub and the preferred/successful bidder would be limited to clarifying or confirming requirements and the contents of the tender.

Therefore, on the basis that the Hub cannot prepare the specification with sufficient precision or objectively define their technical requirements, the Procedures are not suitable the Project will be

APPENDIX ONE: Food Waste Treatment Project - OBC (Executive Summary)

procured using the Competitive Dialogue Procedure. This will enable the Hub to enter into dialogue with organisations to discuss, inter alia, the technical and other requirements for the Project.

The Hub therefore believes the Competitive Dialogue Procedure (“CDP”):

- will allow affordable solutions to be identified that meet the Authorities needs.
- will permit bidders to put forward various options through the dialogue process which the Authorities may not have considered.

1.5.3 The Process

Stage 1 – Project Preparation

The production of a Project Initiation Document (PID) for the procurement hub has been completed.

Stage 2 – Business Case Production

Since the approval of the PID by the WPPO the hub has prepared this Outline Business case. This OBC will be submitted to DESH for approval no later than Friday 26 June 2009.

Stage 3 – Procurement Activities

On approval of the OBC by the WPPO the Hub will be allocated financial support to assist the procurement activities. Procurement will be carried out in accordance with best practice and advice from the relevant PUK transactor. Procurements will be subject to independent “health checks” during the procurement period and prior to contract award each hub must submit a FBC to the WPPO for approval.

Stage 4 – Service Delivery

The timetable for the single prequalification exercise anticipates the issue of the OJEU notice in early August with prospective participants have 2 months in which to provide a response to the Pre-Qualification Questionnaire. The responses will be evaluated over the period of 1 month from receipt with suitably pre-qualified participants being identified at the end of that period in early November.

1.5.4 Dialogue Stage

The organisations preselected as part of the single pre-qualification exercise referred to above can be invited to participate in the dialogue stage. Contractors will identify at the PQQ stage what hubs they are interested in bidding for.

At this stage, the Hub and the participants may discuss all aspects of the Project Agreement. There will be no time limit on the duration of the dialogue stage and it will continue until the Hub are satisfied that solution(s) have been identified and that requirements have been defined to enable organisations successful at the dialogue stage to be invited to submit their Final Tenders.

1.5.5 Final Tender Stage

Once the Hub has identified their preferred solutions, shortlisted organisations will be invited to submit their Final Tenders. All tenders received must be based on the solutions discussed.

Following tender submission, the Hub may require bidders to fine tune clarify or specify tenders but not to the extent that this involves changes to the basic features of the tender or such variations are likely to distort competition or have a discriminatory effect on the procurement process.

APPENDIX ONE: Food Waste Treatment Project - OBC (Executive Summary)

1.5.6 Risk Transfer

The project risk register outlined reflects the standard SoPC4 and WAG positions. Although the project has a degree of uncertainty at the outset regarding the nature of the technology proposed, the pre-qualifying process and the use of the competitive dialogue procedure means that the project incurs no unusual risk allocation issues compared with any other comparable waste management procurement project. The table below in 5.5.2 sets out the overarching risks associated with the NE Wales Procurement Hub food treatment contract and identifies who is likely to be best positioned to manage these risks.

The Hub has identified and considered the risks associated with the Waste Procurement Project and has established a risk register which identifies the foreseeable key risks associated with the project. Risks have been considered in relation to their timing, probability of occurrence and potential impact. The Hub along with its external Technical and Legal advisors have undertaken a comprehensive risk evaluation to determine risks faced during the procurement process and assign them as either Council, Contractor or Shared risks. At this stage the percentage allocations of shared risks have not been identified. This will be agreed during dialogue

The WPPO is preparing standard contract terms for food waste treatment contracts based on an overarching allocation.

The Hub has cross referenced the procurement risk evaluation exercise detailed in the risk matrix against the overarching WPPO risk allocation to ensure there is no deviation. The Hub can confirm that there is no deviation and it does not intend deviate from this risk allocation during procurement and therefore is not required to undertake a Value for Money Exercise in addition to the Affordability Analysis.

1.5.7 Project Agreement

The Hub will benefit from the work undertaken by WPPO and WIDP to develop waste specific terms for long term service contracts. WIDP issued, on June 10, a draft residual waste treatment contract based on general PUK guidance contained in SoPC4. The Hub anticipated that WPPO will develop this to produce a template AD service contract for the food waste treatment procurements across Wales. The Hub will develop its own contract from the WPPO template in light of the Hub's particular requirement.

Any changes to underlying principles proposed by the bidder will be carefully negotiated and will need to be justified before final business case approval.

1.5.8 Schedules to the Project Agreement

WIDP has issued together with the standard form waste Project Agreement, template schedules for that Project Agreement. The Hub will utilise those templates to develop the Schedules for the Project Agreement.

1.5.9 Potential Markets for AD Outputs

There are three principal products (outputs) of anaerobic digestion:

- Biogas
- Digestate (solid and liquor)
- Wastewater

There may also be a small amount of other materials such as plastic, stones, glass and metals, which have not been adequately separated prior to the digestion process. This would be expected to be around 1% of input.

APPENDIX ONE: Food Waste Treatment Project - OBC (Executive Summary)

Below is a summary of the types of markets currently available for the outputs of the AD process.

Biogas

Biogas has a number of key uses and markets are readily available for this output of the AD Process, namely;

- Production of heat and electricity
- Vehicle fuel (biomethane)
- Injection directly into the mains gas supply

Biogas is comprised of methane, hydrogen and carbon monoxide and it can be combusted to produce both heat and electricity. This combustion process is normally undertaken with some sort of heat engine which uses pistons to convert pressure into a rotating motion, or, a gas turbine often in a CHP arrangement where the electricity and waste heat generated are used to warm the digesters or to heat buildings. Excess electricity can be sold to suppliers or put into the local grid.

Biogas does not contribute to increasing atmospheric carbon dioxide concentrations because the gas is not released directly into the atmosphere and the carbon dioxide comes from an organic source with a short carbon cycle. Therefore electricity produced by anaerobic digesters is considered to be renewable energy and may attract subsidies.

AD could produce 7.5 per cent of the UK's renewable power by 2020, according to figures from the Department for the Environment, Food and Rural Affairs (Defra).

Under the Renewable Obligations Certificates (ROCs¹) AD facilities are eligible for 2 ROCs per MWh of electricity generated (normally renewable energy sources are eligible for 1 ROC per MWh of electricity generated). This change is targeted at encouraging the uptake of AD technology and should make the economics of proposed facilities look considerably more favourable.

In addition to the generation of electricity and heat, the methane within biogas can be concentrated via a biogas upgrader to the same standards as fossil natural gas. When this happens it is called bio-methane. This bio-methane can be used as a vehicle fuel.

The biogas can also be inputted directly into the mains gas supply as a low cost fuel for heating purposes, however, the gas must be very clean to reach pipeline quality, and must be of the correct composition for the local distribution network to accept. Carbon Dioxide, water, hydrogen sulfide and particulates must be removed if present.

Digestate

The digestate could be used as a biofertiliser to recycle nutrients back onto the local land for food and energy crop production. The price of oil is increasing the cost of mineral fertiliser which could make this organic source of fertiliser much more attractive to local farmers.

Digestate is produced both by acidogenesis and methanogenesis and each has different characteristics.

Acidogenic digestate is a solid stable organic material comprised largely of lignin and cellulose, but also of a variety of mineral components in a matrix of dead bacterial cells; some plastic may be present. The material resembles domestic compost and can be used as compost or to make low grade building products such as fiberboard.

¹ <http://www.berr.gov.uk/energy/sources/renewables/policy/renewables-obligation/page15630.html>

APPENDIX ONE: Food Waste Treatment Project - OBC (Executive Summary)

Solid digestate is technically not compost (compost is produced by *aerobic* digestion) although it is similar to it in physical and chemical characteristics. The solid digestate is primarily used as a soil conditioner as it provides moisture retention and organic content for soils.

Methanogenic digestate is a sludge (sometimes called liquor) and it is rich in nutrients (nitrates and phosphates) and can be used as a fertiliser dependent on the quality of the material being digested. The sludge, or liquor, form of digestate provides nutrients for plant growth e.g. on a large agricultural scale or on a smaller scale as a liquid feed for public or private lawns. It can also be used to protect soils against erosion.

If digestate is used efficiently and replaces manufactured nitrogen fertiliser, it can have some effect on reducing greenhouse gas emissions associated with the production of manufactured fertiliser.

1.5.10 Quality Standard for digestate

Before it can be used commercially as a fertilizer, the digestate needs to comply with several industry standards, namely;

- PAS100
- PAS110
- FIAS (Fertiliser Industry Assurance Scheme)

In addition to the standards outlined above, compost or fertilisers that contain animal by products (e.g. meat food waste) will need to comply with the strict requirements of the Animal By-Products Regulations² (2005).

The Animal By-Products Regulations sets out the standards by which animal by-products, including domestic kitchen waste, may be recycled as a biofertiliser through the natural biological processes of aerobic composting and anaerobic digestion. The objective of these regulations is to protect animal and human health by preventing the spreading of pathogenic organisms such as salmonella and e.coli.

AD systems treating food waste must provide a sufficient processing temperature in order to comply with these regulations i.e.

- Maximum particle size 5cm, minimum temperature 57C, minimum time at that temperature 5 hours
- Maximum particle size 12cm, minimum temperature 70C, minimum time at that temperature 1 hour

1.6. Financial Case

The Hubs position regarding the current budgets for disposal of residual waste will not obligate the development of a food waste collection and processing, however it is expected to reduce the overall cost implications of such a service, but will continue to require additional support from WAG over and above the existing resources made available for waste management.

Other forms of residual waste treatment are being considered by the members of the Hub, however this does not form part of this OBC

Based on pre contractual available information the balance on risk on award would appear to lie with the operator, who should therefore account for the assets and liabilities of the client on their own balance sheet, the final position will require further review during the course and at the end of the procurement process.

² <http://www.opsi.gov.uk/si/si2005/20052347.htm>

APPENDIX ONE: Food Waste Treatment Project - OBC (Executive Summary)

Capital cost of providing Food waste collection vehicles and containers will be partly financed by WAG Capital Grant. The collection cost of food waste will be financed by the Hub Authorities. Collection costs are the most significant cost element, therefore ongoing additional support is required to make food waste collection and treatment financially viable.

1.7. Management Case

A well established project management team and a cohesive governance understanding has been put together to deliver the project in the timetable set out in this document. Within the timetable we have recognised the complexity of the service requirements, costs involved and various issues raised in the course of a typical waste treatment facility procurement. The project team consists of qualified personnel working jointly within the unified governance arrangements, with the support of highly qualified external advisors.

All three members of this procurement Hub are also partners in a regional procurement exercise for residual waste treatment. As well as Conwy, Denbighshire and Flintshire, Gwynedd Council and the Isle of Anglesey County Council have formed a Joint Working Agreement. The same legal and financial consultants appointed for the residual waste procurement have been engaged for the food waste treatment project.

The project management and project governance arrangements have been in place since the formal setting up of the Hub in December 2008. The cohesive working of the three Authorities has been identified as beneficial and essential to the project and its completion. The joint procurement of a single food waste treatment facility has been acknowledged early on in the project as being advantageous to the hub.

- Increasing the scale of the project attracts a strong market interest (important for achieving value for money).
- The economics for procuring a single shared unit are realised in terms of the procurement process, operational costs and capital. The shared solution exemplifies value for money for the three authorities.
- Sites suitable for waste treatment are limited across the three authorities and by procuring a joint site, the site development costs are reduced and reduces the timely process of acquiring new sites.
- The good transport infrastructure surrounding the reference site in Rhualt (being located just off the A55) encourages the co-operation between the authorities.

The Project Board will approve the following key delegated actions:

- Completion of Invitation to Submit Final Tenders
- Approval of preferred bidder
- Approval of Outline Business Case to WPPO
- Amendments to its structure

The partners in the Hub have agreed [at officer level] a Joint Working Agreement to regulate the arrangements between them up to the point at which approval of this Outline Business case is determined.

Following on from approval of the Outline Business Case the partners in the Hub will commence the procurement phase of the project. At this time the Hub will develop an Inter Authority Agreement which will take the project through to execution of the contract with the selected contractor and deal with the operational period of the contract.

Where possible fixed prices will be set if the scope of the work is well defined. Stages 1 + 2 of the OBC work follows a set pricing schedule. Stages 3 + 4 have been evaluated in some detail as to total costs (in days specified), in order to complete the OBC. The expenditure throughout the whole of the project will be monitored by the project manager and all influential costs will be agreed by the necessary members of the project team.

APPENDIX ONE: Food Waste Treatment Project - OBC (Executive Summary)

The most suitable location for a food waste treatment facility would be in or near Denbighshire, taking into consideration that Denbighshire is centrally located to both Conwy and Flintshire. Existing road links are also a consideration with a preference for the site to be located in close proximity to the A55 which would provide the most mutually convenient access for each of the three authorities.

In October 2007 the three Authorities, Conwy, Denbighshire and Flintshire jointly made an application to the Regional Capital Access Fund (RCAF) to procure food waste collection vehicles, food waste containers, biodegradable food waste sacks and most importantly a site which had been identified as having major potential for developing it as a food waste treatment plant. The site had previously been used as an Abattoir but had not been used for this purpose for several years. With a total area extending to approximately 8.5 acres, out buildings which could be utilised, office accommodation and being situated minutes from the A55 it was felt that the purchase of the site would provide a reference site for the Hub's Food Waste Treatment Project. In 2008 Denbighshire County Council's Property Services were instructed to acquire the freehold interest with vacant possession of the former Slaughter House in Rhualt for the site of a proposed AD plant to serve three Counties.

Design issues will be given the appropriate weighting during the procurement process. The weightings have been decided within dedicated workshops to ensure that the Hub has a coherent view. Where possible materials on site will be recycled or re-used ensuring a cost effective build, aiming for a minimum cost wherever practically possible. As a Hub we aim to re-use or recycle a minimum of 10% of the materials already present on site for the new build, which will set the standards for good practice within the area. This reduces waste sent to landfill, reduces carbon emissions and improves the environment.

Effective stakeholder engagement is critical in ensuring buy-in into the project and therefore in determining the success of it. The identification of stakeholders, communication with them explaining in a clear and transparent fashion where the project fits into the authorities' strategy and aims is therefore a critical exercise.

Using clear and plain English at all times, the objectives are to:

- Identify and engage the range of stakeholders through different communication channels
- Explain the Hub's aims and how this fits into the strategy
- Be transparent, clear and concise in all communications, promptly responding to any queries received, and backing up answers with evidence.

The proposed timetable for the procurement of food waste treatment facility has been identified as follows.

APPENDIX ONE: Food Waste Treatment Project - OBC (Executive Summary)

Project Timetable

Activity	Target Date
Outline Business Case Approved by Authorities	24 th June 2009
Submission of OBC to WAG	26 th June 2009
WAG Approval of OBC	31 st July 2009
Invitation to Submit Outline Solutions (ISOS) Issued	2 nd November 2009
ISOS Returned	2 nd December 2009
Invitation to Submit Detailed Solutions (ISDS) Issued	16 th December 2009
Call For Final Tenders	2 nd May 2010
Preferred Bidder Selected	15 th May 2010
Submission of FBC	30 th May 2010
WAG Approval of FBC	14 th June 2010
Planning Application Submitted	30 th May 2010
Planning Application Determined	30 th September 2010
Contract Awarded	31 st August 2010
Financial Close	30 th Sept 2010 (WAG target)
Construction Commencement	1 st November 2010
Operational Commencement	1 st April 2012 (WAG target)

1.8. Recommendations

At a meeting on Monday 22nd June, the Project Board gave its approval for the submission of this OBC to WPPPO under powers delegated by the Management Board.

REPORT TO CABINET

CABINET MEMBER: COUNCILLOR E W WILLIAMS, LEAD MEMBER ENVIRONMENT: SUSTAINABLE DEVELOPMENT AND COUNCILLOR S FROBISHER, LEAD MEMBER FOR COMMUNITIES

DATE: 14 JULY 2009

SUBJECT: LEGAL AGREEMENT – COLLABORATIVE WORKING – REGULATORY SERVICES (CCBC) AND PLANNING & PUBLIC PROTECTION SERVICES (DCC)

1 DECISION SOUGHT

- 1.1 The Cabinet of both Conwy (15 January 2009) and Denbighshire (16 December 2008) in consideration of a report to them on collaborative working gave authority to the Head of Regulatory Services, CCBC and the Head of Planning and Public Protection Services, DCC to commence a project on collaborative working, to produce a legal agreement that would form the basis for such collaboration and establish Membership of a Management Board.
- 1.2 This report provides an insight in relation to opportunities that have arisen to date as a consequence of the project. Having briefed the Management board, confirmation of previous decision of the Executive is now sought to allow the legal agreement to be duly endorsed so that further comprehensive collaborative working across the service areas can be developed and implemented.

2 REASON FOR SEEKING DECISION

- 2.1 For the purpose of information, please find attached the Project Initiation Document (Appendix 1), and the supporting Business Case (Appendix 2). These documents are based on the CCDC Project Management methodology, which is similar to DCC approach.

Since the project gained approval from the Executive of both Conwy and Denbighshire, work has been ongoing to identify where efficiency savings might be achieved, that bring benefit to each service area, do not detract on the standard of service provision in place, and do not place the services or for that matter the Council at risk.

In addition, as per the previous decision of Cabinet, a Legal Agreement (Appendix 3) has been drafted and agreed by the Legal Services of Conwy in consultation with their counterparts in Denbighshire. This Agreement is made pursuant to the powers contained in the Local Government Act 1972 Act and the Local Government Act 2000, and when endorsed will enable this project to commence on a formal basis.

It should be noted that collaboration has already been achieved between the Head of Regulatory Services (CCBC) and Head of Planning and Public Protection

(DCC) in relation to the Licensing Service and Community Safety Partnership, producing cashable and non cashable efficiency savings, with no detriment to the level or quality of service provided. The level of these savings/efficiency are yet to be full calculated and audited, but will be subject to a full report as soon as possible to the Joint Management Board.

2.5 As part of the agreement connected to the Community Safety Partnership, the post of joint Community Enforcement Coordinator was established. The duties and responsibilities for the post is evolving as the detail of further collaboration projects are agreed.

2.6 As the collaboration agenda moves forward, the next logical step is to consider those opportunities where joint working might be achieved elsewhere within the services. It has become apparent that the following areas provide an opportunity for this and will be duly considered, when the Legal Agreement has been endorsed.

2.7 Principal Food Safety Officer

A vacancy currently exists within the Conwy Food Safety Team, and discussions have been ongoing in relation to this. Agreement has been reached in principle whereby the Food and Health & Safety Manager (DCC) would provide day to day management of the food function in CCBC. This would realise some efficiency savings, it would enable a better provision of service that would not only maintain the high service standards currently in place in both authorities but would build more flexibility into the workforce that could be directed to undertake inspections associated with Key performance indicators, in order to further improve performance and image.

2.8 Local Land Charges

As the result of a EVR and retirements within the Denbighshire Local Land Charges Service the team over the last 12 months or so has reduced from 4 members of staff to one. There is the potential to develop a single CCBC & DCC Land Charges team, based on one site that could provide a more consistent level of service, achieve cashable savings, enable the development and implementation of an electronic database and service facility, thereby providing a much enhanced level of service in Conwy and Denbighshire.

2.9 Trading Standards

In Denbighshire three Trading Standard Officers have recently taken EVR, including the Team Leader resulting in the post being deleted from the structure. This provides an opportunity to consider the structure of both teams and establish a new management regime, moving toward a single Trading Standard Team.

2.10 CCTV

A bid has been submitted to the Welsh Assembly Government connected to the 'Invest to Save' scheme, by the Head of Regulatory Services, on behalf of the Chief Executive of Conwy, following agreement with the Chief Executives of North Wales, whereby a single control room for North Wales would be the subject of a feasibility study.

- 2.11 Establishing one control room may very well be a long term ambition, but in the short / medium term an alternative solution may very well be a joint facility between Conwy and Denbighshire. Given the lack of budget for refurbishment / upgrade and expansion of the service.
- 2.12 A joint control room would bring about a sustainable solution, whilst creating cashable savings that could reduce revenue budget, together with creating the potential of expanding the service, within the Community, not just in response to several requests for installation of CCTV, but primarily directed at reducing, preventing and detecting crime and disorder in identified areas, where there is no permanent solution at present.
- 2.13 In addition, benefits would also be realised in terms of procurement, maintenance and transmission costs.
- 2.14 Section 106 Officer
If possible available funds within both Regulatory Services (CCBC) and Planning and Public Protection (DCC) are 'pooled', there is sufficient to employ an officer to deal with Section 106 Planning Agreements. This would enhance the quality of service provided and bring about improved performance, particularly in relation to Major planning applications. The potential to realise significant infrastructure improvements and other "planning gain" issues will be greatly enhanced and would relieve certain workload and budget pressures from elsewhere.
- 2.15 Contaminated Land Officer
A similar situation to that of the Section 106 officer exists in this area of work. Denbighshire currently has a vacancy in this area which will not be filled until collaboration options have been fully considered/explored.
- 2.16 Anti-Social Behaviour
Regulatory Services (CCBC) have recently employed an Anti-Social Behaviour Coordinator, and there is potential to provide a joint service across the two authority areas, together with the Police and the officer engaged by Denbighshire County Council.
- 2.17 General
Members are requested to note that by way of informal agreement, certain vacancies on the establishment of both service areas have been held open, pending the endorsement of the Legal Agreement. Should this project not proceed, the vacancies need to be filled as soon as is practicable, to reduce the burden / demand being placed upon those service areas where a vacancy exists.
- 2.18 Without formal agreement, the opportunities created by the vacancies on the establishment would be lost and as a consequence the service areas would not achieve identified savings.

3 POWER TO MAKE THE DECISION

- 3.1 Local Government Acts 1972 and 2000.

4 RESOURCE IMPLICATIONS

Cost Implications:

- 4.1 There will be no cost implications as a result of this collaboration which will, in fact, generate significant cashable and non-cashable savings/efficiencies over a period of time, the value of which cannot be calculated at this time but will be open to scrutiny by both Councils.
- 4.2 The Joint Management Board will monitor progress and ensure that both Councils are kept up to date on progress regarding this project including the audited value of the efficiencies.

Staffing / Accommodation Implications:

- 4.3 There will be various implications for staff and accommodation over time and they will need to be scrutinized by the Joint Management Board and both Councils as appropriate.

IT Implications:

- 4.4 There will be various IT implications over time and they will need to be scrutinized by the Joint Management Board and both Councils as appropriate.

5 RISK ASSESSMENT

Risks associated with not agreeing the recommendation/s

- 5.1 A risk register will be established and kept under review as part of the project, and the Management Board will ensure that where appropriate, identified risks are managed, in order to ensure the success of this project in achieving its aims and objectives.
- 5.2 Any operational realignment required to realise savings/improvements will be referred to the Management Board for consideration, before formal approved is sought.
- 5.3 The joint working will deliver economies of scale that can deliver a range of substantial, long term efficiencies, including cashable and none cashable savings, improved service delivery, greater career development and opportunities.
- 5.4 If the recommendations are not agreed the above controlled benefits will not be delivered.

Risks associated with agreeing the recommendation/s

- 5.5 Without the appropriate management control mechanisms and member scrutiny the following represent potential risks by implementing this collaborative project:-
- Staff will need to be consulted to ensure their continued support.
 - Service delivery could be disrupted during times of change as a result of implementing the collaborative working.

- Efficiencies will need to be appropriately captured to assess the cashable and non-cashable savings in order to calculate the cost benefit analysis for the Councils.

6 FINANCIAL CONTROLLER STATEMENT

The proposed agreement represents Phase 1 of the collaborative arrangements with ultimate managerial responsibility remaining with each Council's Head of Service for the service provision for their own Council. Once the proposed operating arrangements have been in place for a reasonable period and officers have the opportunity to review the potential for savings from joint working, proposals to restructure the services will be brought before the Board and if agreed presented to each authority. A revised agreement embracing the new service delivery arrangements will then need to be agreed.

7 CONSULTATION CARRIED OUT

Consultation with staff has taken place in both Denbighshire and Conwy. A newsletter has been produced to further inform staff, members and senior management about the developments.

A second newsletter will be produced when the Legal Agreement has been confirmed.

Informal discussions have also taken place between the Head of Regulatory Services (CCBC) and Head of Planning And Public Protection (DCC) with Personnel Link Officers and relevant Financial Officers.

For the next stage if supported by Cabinet it is proposed that a full communication plan will be developed, in which all relevant consultees will be identified.

8 IMPLICATIONS

Assessment of Impact on Corporate Priorities:

- 8.1 A more efficient partnership approach to front line service delivery will have many benefits in terms of high level outcomes as determined by the corporate priorities.
- 8.2 By fostering collaboration between both authorities the project in itself will be delivering a corporate priority which seeks to promote collaborative working.

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

- 8.3 A more efficient partnership approach to front line service delivery is in accordance with the Council's key strategic documents.

9 ACTION PLAN

ACTION	RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED	ACTION TO BE REVIEWED & MONITORED BY / DATE TO BE MONITORED
Signing of the SLA	Joint Management Board	Corporate Director Environment
Implement collaboration across both services	Head of Service Regulatory Services (CCBC) and Planning & Public Protection (DCC)	Joint Management Board
Report on progress and efficiencies	Head of Service Regulatory Services (CCBC) and Planning & Public Protection (DCC)	Joint Management Board, appropriate Scrutiny Committees of both Councils and Cabinet of both Councils (as appropriate)

10 RECOMMENDATIONS

- 10.1 That the Legal Agreement to enter into Collaborative working be confirmed by Cabinet and that authority is given to the Management Board to endorse the document.
- 10.2 That the Cabinet Member for Corporate and Regulatory Services (CCBC) Cabinet Member for Corporate Modernisation (CCBC), the Corporate Director of Resources (CCBC), Lead Member for Communities (DCC), Lead Member for the Environment and Sustainable Development – (DCC) and Corporate Director of Environment (DCC), be confirmed as Members of the Management Board in accordance with the agreement.
- 10.3 That authority is given to the Head of Regulatory Services (CCBC) and the Head of Planning and Public Protection Services (DCC) to work towards gaining efficiencies/improvements from the collaboration agreement as they arise in accordance with the agreement.

REPORT TO:	Project Board and Service Modernisation Improvement Board
DATE:	
LEAD OFFICER:	Phil Rafferty, Head of Regulatory Services
CONTACT OFFICER:	Phil Rafferty, Head of Regulatory Services
SUBJECT:	Collaborative Working – Regulatory Service Conwy CCBC and Planning and Public Protection Services, Denbighshire CC

VERSION CONTROL

<i>Version</i>	<i>Date</i>	<i>Name</i>	<i>Service</i>	<i>Notes</i>
1	23/10/2008	Wyn Jones	Regulatory Services	

1 PURPOSE OF THE DOCUMENT

To define the project and form a basis for its management and the assessment of overall success.

Use to:

Ensure that the project has a sound basis before making any major commitment to proceed.

Act as a base document against which the Project Board, Improvement Board and Project Manager can assess progress, change management issues and ongoing viability issues.

Topic	See Page
Background	2
Project Definition	2
Project Organisation Structure	2
Communication Plan	2
Project Quality Plan	
Project Tolerances	
Project Controls	
Initial Business Case	
Initial Project Plan	
Initial Risk Log	

2	Background		
	<p>Recent discussions have taken place between Senior Management and members of CCBC and DCC regarding the potential of establishing a Service Level Agreement to enable collaborative working arrangements to be formally agreed between Regulatory Services, Conwy County Borough Council / Planning and Public Protection Services Denbighshire County Council.</p> <p>The existing arrangements in each authority are as follows: -</p> <p>Head of Regulatory Services in Conwy is responsible for the following service areas;</p> <ul style="list-style-type: none"> • Licensing • Registration (Births, Marriages and Deaths) • Development Control (Conservation, Town Heritage, Landscape) • Building Control • Trading Standards and Animal Welfare • Environmental Protection • Food Safety and Health and Safety at work • Local Land Charges • Homeless Options Support Team • Housing Enforcement • CCTV • Community Safety <p>Head of Planning and Public Protection in Denbighshire is responsible for the following areas;</p> <ul style="list-style-type: none"> • Licensing • Planning (Development Control, Forward Planning – LDP, Regional Waste Planning etc) • Building Control • Local Land Charges • Trading Standards • Animal Welfare • Environmental Protection • Food Safety and Health and Safety at work • Housing Enforcement • Community Safety • Housing and Area Renewals 		
3	Project Definition		
3.1	Project objectives		
	Objective	Description (in measurable terms)	Weighting %
	O1	To enter into a collaborative working service level agreement with Denbighshire CC on certain aspects of work in the Regulatory Services Department	100%
		Weighting total =	100

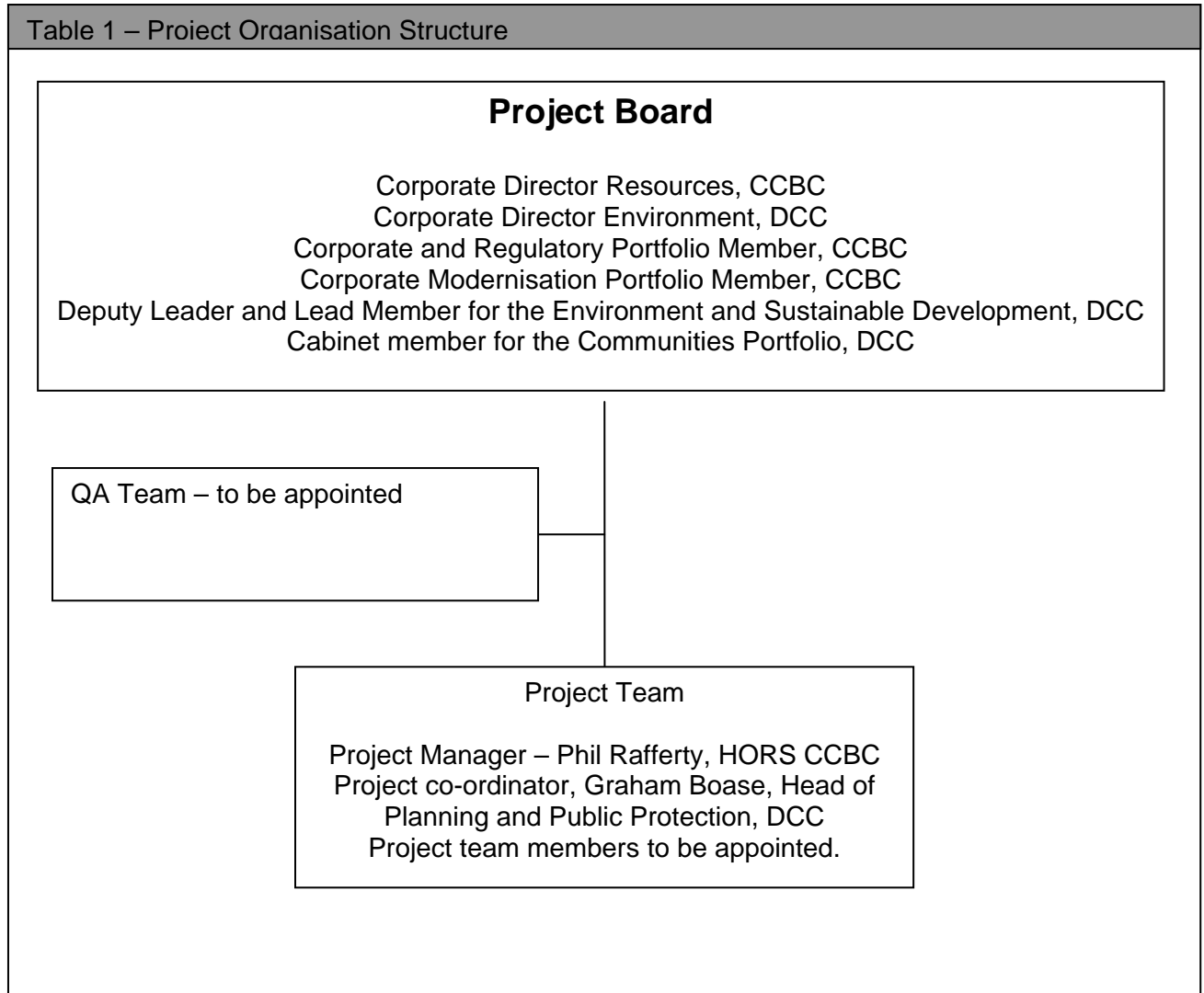
Date: 23/10/2008

3.2	Anticipated Benefits.
	The anticipated benefits of this project are not immediately measurable either in terms of service provision or costs, however, if the anticipated benefits are achieved, it is likely that costs will decrease and there will be the potential for enhancing services or reducing budgets in the medium term.
3.3	Defined Method of Approach
	The project will be undertaken in accordance with the principles of the Prince2 project management methodology
3.4	Project Scope
	The scope of the project covers the Regulatory Services Department of Conwy CBC and the Planning and Public Protection Services Department of Denbighshire CC.
3.5	Project Deliverables
	Management Reports: M1 – Business Case M2 – Project Initiation Document (PID) M3 – Project Plan M4 – Communication Plan M5 – Risk Log M6 – Highlight Reports M7 – Project Quality Plan M8 – Issue Log M9 – Lessons Learnt Log
3.6	Exclusions
	None
3.7	Constraints
	None
3.8	Interfaces
	Conwy County Borough Council and Denbighshire County Council.
3.9	Assumptions
	None
4	Project Organisation Structure
	See table 1.
5	Communication Plan
	See Appendix 1
6	Project Quality Plan
	See Appendix 2
7	Project Tolerances
	There are no cost implications in completion of the project as such, no tolerances need exits. The time limit for the completion introduction of the service level agreement is 01/04/2009. Should it appear that this time limit may be exceeded, the Project Manager shall provide an exception report to the project board with recommendations for corrective action or controlled curtailment.
8	Project Controls
	The Project Board shall review the project at regular intervals not less than two months apart. At the first meeting of the Project Board, a major review will take place to approve this PID. At each scheduled meeting, the Project Manager shall provide the Project Board with a highlight report showing progress and risks.

Date: 23/10/2008

	Responsibility for day to day control will lie with the project manager. Overall responsibility for the successful delivery of the project will lie with the executive members of the Project Board.
9	Attachments
9.1	Initial Business Case
9.2	Initial Project Plan
9.3	Initial Risk Log

Table 1 – Project Organisation Structure



APPENDIX 2

PART A - GENERIC BUSINESS CASE

TO BE COMPLETED AND SUBMITTED WITH EACH BUSINESS CASE

GENERIC BUSINESS CASE HEADER**PART A****2008 - 09****Project Title: Collaborative Working – Regulatory Services, Conwy County Borough Council / Planning and Public Protection Services Denbighshire County Council.****Lead Officer:** Phil Rafferty, Head of Regulatory Services**Date Prepared:** 22/10/2008**Is the proposal helping to achieve / manage:**

Conwy Key Strategic Deliverable

Revenue Cost associated with Capital Project

Risk

Efficiency Gains

Type of Business Case Proposal:

New Revenue Expenditure

Capital Project

Spend to Save

New Income Generation

Change Mgt

Grant Application

Is the proposal a result of:

Changes in Legislation

Local Policy Change

Volume Change

Core Service Delivery

WAG Policy/ Initiative

Demographic Change

Business Need:

Conwy, in common with other authorities throughout Wales has been set challenging efficiency targets by the Welsh Assembly Government. The effect of the efficiencies is that departmental budgets are reduced and as a consequence the service provided to the end user is reduced.

Experience gained from a collaboration agreement with Denbighshire in the field of licensing shows that substantial cost savings can be made very quickly without a reduction in service provision.

It is considered that entering into a further collaborative agreement with Denbighshire in other areas of Regulatory Services would reap similar benefits.

Strategic Context of the Proposal:

The Welsh Assembly Government's response to Sir Jeremy Beecham's Review of Local Service Delivery - Delivering Beyond Boundaries was published in November 2006. The response sets out an action plan for improving public service delivery in Wales.

The response states that

“...expectations for public services are both increasing and changing. At the same time people are expecting a broader, more diversified range of public services that can respond to individual and community needs. We need creative and dynamic partnerships across the public, voluntary and private sectors engaging with the public to create a dynamic momentum which can meet both the challenges of today and of the future.” also, it called for ...”public services to be much more ambitious and innovative, making a stepchange in how they engage with citizens, plan and deliver services, and work with each other to achieve better results.” and “Public service organisations will become more:

- responsive to citizens & communities;
- integrated in the way they deliver services to people;
- efficient in the way they are managed; and
- effective in leading and supporting the workforce through the challenges.”

It is within this strategic context that this proposal exists and from which it gains its credibility and momentum.

Objectives of the Proposal:

The single objective of the proposal is to produce a service level agreement between Conwy and Denbighshire for collaboration in further areas of the Regulatory Services remit. The service level agreement would be agreed at a high level and would have provision for the setting up of a Management Board to oversee the operation of the collaborative arrangements. It is intended that the service level agreement would be operational from 1st April, 2009.

As a result of the service level agreement, it is intended that the management of certain aspects of the services would be managed by Conwy CBC whilst other aspects would be managed by Denbighshire CBC.

In the medium to long term it is envisaged that closer co-operation and joint management arrangements would lead to reduced year on year costs.

As part of delivering this objective, all of the following would be considered: -

- The options for joint accountability arrangements
- The options for the sharing of resources
- The options for which functions from within the respective departments should be subject to joint working
- The options for operational management
- The appraisal of cost efficiencies
- The options for service enhancements

Current Position:

In Conwy, the services involved are within the Regulatory Services Department. The department covers the following service areas;

- Licensing
- Registration (Births, Marriages and Deaths)
- Development Control (Conservation, Town Heritage, Landscape)
- Building Control
- Trading Standards and Animal Welfare
- Environmental Protection
- Food Safety and Health and Safety at work
- Local Land Charges
- Homeless Options Support Team
- Housing Enforcement
- CCTV
- Community Safety

In Denbighshire the services are within the Planning and Public Protection Department. The department covers the following areas following areas;

- Licensing
- Planning (Development Control, Forward Planning – LDP, Regional Waste Planning etc)
- Building Control
- Local Land Charges
- Trading Standards
- Animal Welfare
- Environmental Protection
- Food Safety and Health and Safety at work
- Housing Enforcement
- Community Safety
- Housing and Area Renewals

Impact on Stakeholders

If efficiency savings are as anticipated, stakeholders would gain from either a reduction in service cost or an enhanced provision of service (or a combination of both).

There may be an impact upon staff in the medium term as duplication of effort is identified and where roles become redundant.

Elected members may perceive that there is a reduction in their role in respect of the services working in collaboration.

Partnerships

The proposal would result in a formally agreed partnership between Conwy CBC and Denbighshire CC by means of a binding service level agreement covering certain areas of the Regulatory Services Department in Conwy and the Planning and Public Protection Department in Denbighshire.

Timescales and Exit Strategy:

It is intended that the initial agreement would be for 5 years. It is intended that the agreement may be terminated on the 1st April in any year by either of the Authorities giving to the other at least one years' notice in writing.

Description of Alternatives Considered:

Option A – Do Nothing (base case) The current situation is as described above under the heading Current Position

Option B Enter into a Service Level Agreement with Denbighshire to share management responsibility for certain services provided in the Regulatory Services Department in Conwy and the Planning and Public Protection Department in Denbighshire

Option C

Anticipated Benefits of the Proposal:

Option A Maintaining the status quo would mean less of a change of culture for staff.

Option B The introduction of collaborative working would bring benefits in the following areas :-

- ✓ Cross pollination of ideas
- ✓ Cost savings
- ✓ More uniform service delivery and standards
- ✓ Uniform policies across boundaries
- ✓ Uniform working practices
- ✓ Joint IT systems
- ✓ Shared expertise

Option C

Anticipated Risks of the Proposals:

Option A There is a serious risk that as the demands of cost efficiencies increase (the Wales target is £600m per annum across the public sector), local government revenues will decrease to the extent that services will suffer as will the people who depend on those services.

Option B Risks exist with all change programmes. Many of these stem from the cultural changes that the workforce often regards as unwelcome, unnecessary or as threats. The failure of to deal appropriately with the changes required could lead to a drop in staff morale and a decrease in service standards.

There is a risk that accountability may be lost.

There is a risk that in the drafting of joint policies and procedures, the interests of either authority may be diluted.

Option C

Operational Implications:

Option A Operations would stay as now subject to financial constraints which could lead to a decrease in budgets, a decrease in staffing levels and a decrease in service delivery.

Option B Operations at ground level would remain substantially the same or may indeed be enhanced should efficiency gains be achieved from joint management responsibilities, joint policies and procedures, shared knowledge and expertise.

Option C

Cost Summary: (To be done on a whole life cost and not initial set up)

Option A Cost neutral

Option B Setting up the Service Level Agreement will be cost neutral. Longer term benefits in terms of efficiency savings should be seen. These are not quantifiable at this stage.

Option C

Sustainability / Long Term Viability:

Option A Given the pressure on budgets that will continue to be exerted by the Welsh Assembly Government, it is likely that sustaining the services provided at their current level will be impossible.

Option B Should the anticipated benefits occur, it is likely that services at the current level or at an enhanced level could be provided at least for the lifetime of the initial agreement (5 years). It is not possible to estimate service provision beyond this time.

Option C**Sensitivity Analysis:**

Any external factors such as central government expenditure decisions, interest rates, inflation etc are likely to have equal effect on both the status quo and the proposed change. Internally, the project could be affected by a change in strategic direction.

Option Appraisal Evaluation:

The options have been evaluated on the basis of:

- Political will
- Cost benefits
- Reduction in duplication
- Greater range of capabilities
- More capacity for emergency response

Preferred Option:

Option 2 – Enter into a service level agreement with Denbighshire for the provision of certain services within the Regulatory Services Department.

Supporting Information

The Making the Connections website of the Welsh Assembly Government at <http://new.wales.gov.uk/about/strategy/makingtheconnections/?lang=en>

Business Case Checklist

At this stage, there are no foreseen negative impacts on other services

Business Case Sign-Off

Author

Name:

Signature:

Date:

Line / Business Manager Approval *(where applicable)*

Name:

Signature:

Date:

Head of Service Approval

Comments:

Name:

Signature:

Date:

Accountant Sign off

Comments:

Name:

Signature:

Date:

DATED

2009

Conwy County Borough Council

AND

Denbighshire County Council

**AGREEMENT
FOR JOINT PROVISION OF SERVICES**

Collaborating, Connecting, Improving

THIS AGREEMENT is made the day of 2009

BETWEEN:

(1) Conwy County Borough Council (“Conwy”) and

(2) Denbighshire County Council (“Denbighshire”)

1. BACKGROUND

1.1 The Partners have agreed that they will work together in the terms of this Agreement to implement and deliver collaborative arrangements across a range of the Partners’ regulatory functions

1.2 These collaborative arrangements will bring benefits to both Conwy and Denbighshire by way of service improvements and financial savings

1.3 This Agreement is entered into in consideration of the obligations of the Partners to each other contained in this Agreement

2. Definitions and Interpretation

2.1 In this agreement unless the context otherwise requires:

- “Conwy’s Officer” Means Conwy’s Head of Regulatory Service
- “Denbighshire’s Officer” Means Denbighshire’s Head of Planning and Public Protection
- “Nominated Member” means the officer or representative nominated by each Partner to represent that Partner on the Management Board
- “Management Board” means the board of Nominated Members set up in accordance with Clause 6 of this Agreement to deliver the Project
- “the Officers” Means Conwy’s Officer and Denbighshire’s

	Officer
“the Partners”	Means Conwy and Denbighshire
“the Project”	Means the delivery and implementation of the joint working arrangements contained in this Agreement

2.2 Reference to any statutory provisions shall be construed as references to those provisions as respectively amended where applicable or re-enacted or as their application is modified by other provisions (whether before or after the making of this Agreement) from time to time and shall include any provisions of which they are re-enactments (whether with or without modifications)

2.3 References to “this Agreement” or to any other agreement or document referred to in this agreement mean this agreement or such other agreement or document as amended, varied, supplemented, modified or novated from time to time, and included as schedules and appendices to this agreement

2.4 Headings are inserted for convenience only and shall not affect the construction of this agreement

2.5 This Agreement is made pursuant to the powers contained in the Local Government Act 1972 Act and the Local Government Act 2000

3. Aims and Objectives of the Partners

3.1 The aim of the Partners is to deliver the Project efficiently effectively and consistently across the Partners’ areas of operation

3.2 Denbighshire’s Officer will be responsible for the day to day management of the functions set out in Part 1 of the Schedule to this Agreement in both Denbighshire and Conwy

3.3 Conwy’s Officer will be responsible for the day to day management of the functions set out in Part 2 of the Schedule to this Agreement in both Conwy and Denbighshire

3.4 Denbighshire’s Officer will report in full to Conwy’s Officer on all matters which relate to Conwy’s functions and vice versa

3.5 The Partners will seek to make efficiency savings through:-

- 3.6.1. joint procurement
- 3.6.2. the establishment of joint posts serving both Conwy and Denbighshire where appropriate
- 3.6.3. the managed merger of appropriate functions to create single teams managed by a single manager providing services to the Partners
- 3.6.4. more efficient use of resources
- 3.6.5. effective use of accommodation
- 3.6.6. joint policies and joint training
- 3.6.7. efficient use of IT

4. Accommodation

Each Partner shall ensure the adequacy of accommodation within their own area for delivery of the Project

5 Commencement and Term

This agreement shall commence on the [] and continue until [] or such longer term as is agreed by the Partners

6. Management Board

6.1 The Partners will establish a Management Board consisting of the persons listed in Schedule 2 to this Agreement to: -

- 6.1.1 Advise and direct the Officers on how to address operational issues
- 6.1.2 Set and regularly review targets and agreed aims and objectives of the Project
- 6.1.3 Monitor performance management information against the Project's targets, aims and objectives
- 6.1.4 Regularly evaluate the Project to promote increased collaborative working against all common areas of service delivery for which the Officers are responsible and in particular to evaluate potential efficiency savings
- 6.1.5 Receive regular reports on performance and finance;
- 6.1.6 Receive the annual budget for the Project from the Partners
- 6.1.7 Enable the Partners to raise any issues of common concern relating to the operation, financing and performance of the Project;

- 6.1.8 Work by consensus to achieve the Project through general support for the Project from other Departments within both Partners
- 6.1.9 Use its best endeavours to ensure that each Partner obtains tangible and demonstrable benefits from the Project
- 6.1.10 prepare and implement a suitable work programme for the Project
- 6.1.11 Evaluate and ensure efficient and comprehensive provision of services across both Authorities
- 6.1.12 Evaluate risk and establish and monitor a Risk Register
- 6.1.13 Ensure compliance with the provisions of this Agreement
- 6.2 The Management Board will elect one of its members to act as Chair of the Management Board and in his or her absence any other Nominated Member may chair the meeting with the consent of the other Nominated Member present at that meeting
- 6.3 The Nominated Members will each be responsible for: -
 - 6.3.1 Securing his/her own advice relating to the business before the Management Board including from officers of the Partners where relevant;
 - 6.3.2 Representing the relevant Partner on the Management Board
 - 6.3.3 Representing the Management Board within the relevant Partner
- 6.4 The Management Board will meet at least four times a year unless otherwise agreed unanimously by the members of the Management Board
- 6.5 Each Nominated Member shall have one vote on the Management Board and in the event of an equal number of votes being cast then the Chair shall have the casting vote
- 6.6 The quorum for Management Board meetings shall be three members
- 6.7 Any variation or expansion of the Project's services shall be recorded in writing.

7 The Officers' obligations

To be responsible for :-

- 7.1 the administrative arrangements of the Management Board including organising meetings and providing minutes of meetings

- 7.2 the recruitment employment and management of staff to deliver the Project in accordance with the staff structure agreed by the Management Board
- 7.3 the provision of management supervision, IT equipment, office equipment, telephony equipment and services, support services (including accountancy, HR advice and IT desktop support), payments and disbursements and all other services and equipment necessary to enable the Project staff to perform their duties
- 7.4 sub contracting any of the work required to achieve delivery of the Project subject to the approval of the Management Board
- 7.5 Keeping the Management Board informed of any complaints made in respect of the Project's services and implementing a complaints procedure
- 7.6 Preparing an annual budget for the approval of the Management Board
- 7.7 Producing an annual report for the Management Board every year within three months of the financial year end (1st July annually) to include the activities, achievements performance and accounts of the Project
- 7.8 Be responsible for producing a Business Plan for consideration by the Management Board
- 7.9 Ensuring that the Project's services are provided bilingually where required and in accordance with the Partners' Welsh Language Policy
- 7.10 Ensuring that recruitment and staff retention policies take into account the obligations to provide the service bilingually;
- 7.11 Ensuring that the Project is managed in conformity with all legislation relating to Health and Safety, Equal Opportunities, Data Protection, Freedom of Information and all other relevant legislation
- 7.12 Keeping proper and accurate records and documents during the lifetime of the Project and for as long after its termination as is required to comply with the relevant provisions of the Limitation Act 1980 governing those records

8. Obligations of the Partners

The Partners are responsible for: -

- 8.1 Making nominations to the Management Board

- 8.2 Ensuring attendance at meetings of the Management Board by their Nominated Member or if he or she is unable to attend then to arrange for a properly authorised deputy for the Nominated Officer to attend in his or her place
- 8.3 Providing such information and assistance as is necessary for the efficient implementation of the Project
- 8.4 Keeping records and documents relating to the delivery of the Project for the period referred to in Clause 7.12 and producing them if required

9 Liability

9.1 In the event of:

9.1.1 a successful claim being brought against either of the Partners arising in respect of negligence, nuisance, breach of statutory duty or any other tort or in respect of any other legal right or remedy, howsoever arising out of the delivery of the Project

9.1.2 a successful prosecution against either of the Partners or their employees in respect of any failure to comply with any legal requirement to be complied with during the course of the Project or

9.1.3 breaches of contract which are due to the actions of any Partner

then as between the Partners all liabilities, costs, claims, demands, expenses, fines and other penalties (including legal fees and expenses) arising therefrom or in any way relating thereto shall be borne by either Partner to the extent of its responsibility therefor determined in accordance with the provisions of this Agreement generally, and each of the Partners shall indemnify and keep indemnified and account to the other Partner accordingly

9.2 The provisions of this clause shall survive the termination of this Agreement

10. Customer Care

The Partners in delivering the Project will ensure that the delivery of services to its customers shall at all time be at an acceptable standard and each Partner hereby warrants to the other that it will comply with this obligation

11.. Managing Variations in Operating Costs

11.1 Any variation of operating costs must be agreed by all Partners through the Management Board.

11.2 The Partners may agree to provide any additional resources in accordance with their individual budgetary procedures

12.. Democratic Accountability

The Management Board will be democratically accountable through Management Board Members reporting on the progress of the Project and by presenting annual reports on the Project to their respective Cabinets

13.. Joint Committee

The Partners may form a Joint Committee under the provisions of the Local Government Act 1972 to take over the functions of the Management Board

14. Termination

14.1 The Management Board may agree at any time that this Agreement may be terminated

14.2 In the event of termination any costs of the Partners reasonably incurred jointly and severally as a direct result of the termination of the Contract (including consequential costs with regard to staffing changes) shall be borne equally by all the Partners

PROVIDED THAT in any event of termination of this Agreement for any reason :-

14.3 any rights or obligations to which any of the Partners may be entitled or be subject before such termination shall remain in full force and effect and

14.4 termination shall not affect or prejudice any right to damages or other remedy which any Partner may have which existed at or before the date of termination or which occurred as a result of any act or omission prior to termination

15 Dispute Resolution

15.1 The Partners agree to work together on a basis of cooperation and will discuss with each other as soon as any problems or disputes arise and will attempt to resolve differences at an early stage through negotiation in meetings of the Management Board

15.2 A dispute which cannot be resolved by Management Board will be referred to the respective Cabinet of each Partners

15.3 A dispute which cannot be resolved by the respective Cabinet of each Partner will be referred to arbitration in accordance with the provisions of the Arbitration Act 1996

16 Exclusion of Partnership of Agency

This Agreement shall not be deemed to create a partnership or agency under the Partnership Act 1890 but each Partner shall owe a duty of care and good faith to the other Partners in carrying out the obligations contained in this Agreement

17 Third Party Rights

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement

18 Governing Law

This Agreement shall be governed and construed in all respects in accordance with the laws of England and Wales

THE SCHEDULE

Part 1

Denbighshire Services

Development Control and Planning Compliance

Building Control

Local Land Charges

Planning Policy

Housing and Area Renewals

Part 2

Conwy Services

Licensing

Trading Standards

Environmental Protection
 Food safety and Health and Safety at Work
 Housing Enforcement
 Community Safety
 Homeless Options Support Team
 CCTC
 Registration (Births Marriages and Deaths)

Schedule 2

Members of the Management Board

Conwy's Representatives	Denbighshire's Representatives
Corporate Director (Resources)	Corporate Director Environment
Corporate Regulatory Portfolio Member	Lead Member Environmental and Sustainable Development
Corporate Modernisation Portfolio Member	Lead Member Communities

SIGNED on behalf of **CONWY COUNTY
BOROUGH COUNCIL**

.....

SIGNED on behalf of **DENBIGHSHIRE
COUNTY COUNCIL**

.....

REPORT TO CABINET

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

DATE: 14th July 2009

SUBJECT: Housing Revenue Account Budget & Capital Plan Update Report 2009 / 2010

1 DECISIONS SOUGHT

Members note the initial forecast outturn of the Housing Revenue Account (H.R.A.) and Housing Capital Plan for 2009/10.

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 Account Budget 2009/10

- The forecast for the HRA shows that an in-year revenue surplus of £191k should be generated by the end of the financial year, which is £102k less than forecast in the original budget set in February 2009. There has been minimal movement across the HRA since the last report.
- The main changes in expenditure from the original budget relate to capital financing charge and the amount of subsidy payable, as reported previously. However, it is likely now that the improvement programme expenditure will actually be lower than reported because the contract has been re-tendered and there will be some slippage this financial year that will be recovered next year.
- In relation to the housing subsidy, the UK Government announced on 1st July that the system is to be scrapped. The statement released quoted the Government's intention to "*dismantle the Housing Revenue Account Subsidy system and replace it with a devolved system of responsibility and funding*". Details have not yet been published but it is likely that local authorities will, in future, be able to finance their own housing business plans from their own rents, in exchange for a one-off redistribution of housing debt. Currently, Denbighshire is part of a redistribution system, where some authorities (including Denbighshire) pay a 'negative subsidy'

to a pool that is redistributed nationally across the UK, in part to needier authorities but mostly to the Treasury. Cabinet will be informed once the position in Wales and the impact for Denbighshire are clearer.

- Fewer properties are being used in the leasing scheme than was forecast in February resulting in variances arising on both the expenditure and income lines.
- The Housing Stock Business Plan for 2009/10 assumes there will be one sale under the Right to Buy scheme. The council's housing stock is currently 3,470 dwellings.

4.2 Cost Implications - Housing Stock Business Plan (HSBP)

- The 2009/10 Plan was approved by Cabinet in February and will be fully reviewed during 2009/10 as the 5-year milestone agreed with Wales Audit Office now approaches. Cabinet will be kept informed of progress.

4.3 Cost Implications Housing Capital Plan

- As previously reported, 1,132 properties have now been improved as part of the major improvement programme.
- The next phase of the major improvement contract is currently going through the tender process and updates will be presented as this develops. The total contract value will be approximately £10 million and is likely to be split into smaller geographic pockets. As reported in paragraph 4.1, there is likely to be some slippage on planned expenditure this financial year but this will be recovered next year and so the council remains 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

This HRA forecast outturn for 2009/10 ensures that balances remain in-line with Housing Stock Business Plan expectations. The five-year review of the

HSBP due in 2009/10 will provide an opportunity to reassess key planning assumptions and should confirm the long-term viability of the Plan, including the impact of the capital works completed to date and plan going forward. The position regarding the national housing subsidy system should be kept under close review and any potential financial implications assessed.

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

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

10 RECOMMENDATIONS

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

Appendix 1

<u>Housing Revenue Account ~ 2009/10 Budget</u>				
<u>2008/09</u>			<u>2009/10</u>	
Final		Original	Forecast	Variance
Outturn	<u>Period 3 - June 2009</u>	Budget	Out-turn	to
£		£	£	Budget
				£
<u>EXPENDITURE</u>				
1,773,347	Supervision & Management - General	1,771,215	1,778,309	-7,095
251,090	Supervision & Management - Special	278,325	278,325	0
144,789	Welfare Services	146,710	151,366	-4,655
377,064	Homelessness - Leased Properties	386,000	352,875	33,125
2,580,144	Repairs and Maintenance	2,696,000	2,697,461	-1,460
5,126,434	Total Housing Management	5,278,250	5,258,335	19,914
0	Rent Rebates	0	0	0
2,042,233	Item 8 Capital Charges	2,247,000	2,423,981	-176,981
3,000,000	CERA	0	0	0
0	Rent Rebate Subsidy Limitation	240,000	125,000	115,000
2,925,877	Subsidy	2,811,000	2,859,107	-48,107
17,190	Provision for Bad Debts	25,750	25,750	0
13,111,734	Total Expenditure	10,602,000	10,692,173	-90,174
<u>INCOME</u>				
9,955,062	Rents (net of voids)	10,435,000	10,461,051	26,051
231,038	Leased Rents	281,000	168,809	-112,191
138,416	Garages	151,065	132,317	-18,748
102,168	Interest on Balances & Other Income	28,000	121,430	93,430
10,426,684	Total Income	10,895,065	10,883,606	-11,459
Surplus / Deficit (-) for the Year				
314,950	General Balances	293,065	191,433	-101,632
-3,000,000	Earmarked Balances	0	0	0
3,706,736	Balance as at start of year ~ General	1,021,686	1,021,686	0
1,021,686	Balance as at end of year ~ General	1,314,752	1,213,119	-101,632

Appendix 2

HRA Capital Plan Update 2009/10				
<u>Month 3</u>				
Actual 2008/09 £	Description	Approved Schemes £	Actual at End June £	Forecast Outturn £
383,638	Environmental Improvements	400,000	38,780	460,000
7,985,011	Major Improvements	6,853,000	808,996	6,515,797
228,111	Windows Replacement	0	0	0
403,135	Central Heating Contract	0	1,879	17,203
522,826	Disabled Adaptations - Council Properties	400,000	62,445	400,000
0	HRA Capital Contingency	430,000	0	390,000
9,522,721	Total	8,083,000	912,100	7,783,000
2008/09 £	HRA Capital Plan Financed By:	Original £	Forecast £	
2,400,000	Major Repairs Allowance Grant	2,400,000	2,400,000	
73,636	Useable Capital Receipts	0	35,000	
4,049,085	Prudential Borrowing	5,683,000	5,348,000	
3,000,000	CERA	0	0	
9,522,721	Total	8,083,000	7,783,000	

REPORT TO CABINET

CABINET MEMBER: Councillor J Thompson Hill, Lead Member Finance

DATE: 14 July 2009

SUBJECT: Write Off Sundry Debtor Balance

1 DECISION SOUGHT

To write off a debt of £22,132.12 being the rental and service charges for a Children's Village retail unit.

2 REASON FOR SEEKING DECISION

2.1 The Financial Regulations of the Council state that the Write Off for amounts above £20,000 will be subject to Cabinet approval.

2.2 A balance of £22,132.12 is outstanding from Whirlwind Restaurants Ltd.

2.3 This Company entered in to Administration on 2 October 2006, with Liquidation being completed on 2nd October 2008 with no dividend payable to creditors.

2.4 There is no further enforcement action available to recover the debt.

3 POWER TO MAKE THE DECISION

Financial regulations 25.1

4 RESOURCE IMPLICATIONS

4.1 Cost Implications:

The loss to the Authority both in terms of loss of income and expenses (services) paid on behalf of the company.

4.2 Staffing / Accommodation Implications: None

4.3 IT Implications: None

5 RISK ASSESSMENT

5.1 Risks associated with not agreeing the recommendation/s

None - however the amount will remain shown within the balance sheet as a creditor if Write off is not approved.

5.2 Risks associated with agreeing the recommendation/s: None

6 FINANCIAL CONTROLLER STATEMENT

This account was identified for write off for the current year and was included within the 2009/10 budget for Bad Debt provision

7 CONSULTATION CARRIED OUT

None relevant

8 IMPLICATIONS

8.1 Assessment of Impact on Corporate Priorities:

No impact

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

No impact

9 ACTION PLAN

ACTION	RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED	ACTION TO BE REVIEWED & MONITORED BY / DATE TO BE MONITORED
Financial transaction to be completed to write off debt	Ken. A. Jones On Cabinet approval	

10 RECOMMENDATIONS

To write off a debt of £22,132.12 being the rental charges outstanding

REPORT TO CABINET

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

DATE: 14 July 2009

SUBJECT: Revenue Budget and Summary Capital Plan 2009/10

1. DECISION SOUGHT

- 1.1 To note the latest estimate of the likely outturn figures for the 2009/10 financial year as detailed in the attached Appendix 1.
- 1.2 To also note the summary capital plan performance for 2009/10 financial year as detailed in the attached Appendices 2 and 3.
- 1.3 To agree to the reallocation of excess pay award inflation.

2. REASON FOR SEEKING DECISION

- 2.1 To advise members of the latest indications of budget performance in light of the need to deliver the Council's agreed budget strategy for the 2009/10 financial year and avoid reducing already inadequate reserves and to note the latest update on the Council's Money Market dealings.

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. It is still early in the financial year for firm projections to be made but some pressures and savings are already evident.

Appendix 1 details a forecast overall underspend of £463k, excluding the schools' delegated budgets. This figure is made up of pressures within the Lifelong Learning directorate and savings in Social Services and Housing.

***j) Lifelong Learning** is forecasting an unchanged overspend position of £133k due to:*

a) the residual costs relating to the Hyfrydle facility on the Ysgol Plas Brondyffryn, £50k.

b) the potential pressure on the School Meals service is difficult to estimate at this stage but based on the last financial year could be in the region of £83k.

*ii) **Social Services & Housing** is forecasting an underspend of £596k mainly due to:*

a) the underspend carried forward from last financial year, assumed as part of the budget setting exercise,

b) Adult services are predicting a net underspend position of £305k. This is partly offset by pressure on the cost of implementing the PARIS software system.

4.2 Reallocation of Inflation Allowance

Members agreed at the last Cabinet meeting to withdraw the excess element of provision for the current year's non teaching pay award from Service inflation allocations. Members also wanted to debate the use of this sum. The recommended option in the last report was to add this sum to the contingency budget for the on going increased pay costs resulting from the Single status pay and grading review. The detailed figures for this option are included in the appendix to the Medium Term Financial Plan on the separate report on the agenda. A sum of about £120k over and above the sum necessary to bring the Single Status contingency up to £3m, is likely to be available for re-investment in the current financial year if members so desire.

Members are invited to debate the use of the clawed back sum and are recommended to earmark £1.127m to dampen the impact of Single Status in later years. This will assist the process of producing a potentially viable budget strategy for the next 3 years and 2010/11 in particular.

4.3 Appendix 2 shows a **Capital Plan summary** and Appendix 3 shows expenditure split by Directorate priority.

4.4 Capital expenditure at the end of June is **£3.2m, for a plan that totals £32.5m**. Full details of the Capital Plan are contained in a separate report in part two of the agenda.

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 any agreed underspends carried forward into the new 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 Hyfrydle facility means the Council's liabilities currently are restricted to the costs of mothballing the building. A review is currently being undertaken to identify a potential use for the building.
- 6.3 The Council is now working closely with both Rhyl High School and Blessed Edward Jones to improve their financial situation. There is still a significant amount of work to be done however positive steps have been taken at both schools. Members will be kept informed of progress.
- 6.4 The continuing loss making trading position of the school meals service above the agreed level of temporary additional subsidy, £150k, is the subject of a current review. Proposals to address this are included in the separate report on the agenda.
- 6.5 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 for the current year.

6.6 MONEY MARKET INVESTMENTS UPDATE

The Council is continuing to take steps to protect itself in the current economic situation:

- Further opportunities for debt repayment are being monitored closely and will be pursued when the conditions are favourable in order to reduce investment balances and exposure in the money markets.
- The Council is investing short term cash with the HM Treasury deposit account on a regular basis in order to ensure the security of its investment funds.

The Council still has one remaining investment of £1.5m with a foreign-owned bank, but as this matures in September 2009, it will be redirected into UK or HM Treasury investments. These actions will reduce the risk to the Council but cannot entirely remove them.

On 5 March, the Bank of England announced a 0.5% cut in base rates from 1.0% to 0.5%. Forecasts suggest rates will remain at this level throughout 09/10. This is having a significant impact on the investment return the Council is able to achieve on its remaining investments. A 1.0% reduction represents about a £400k loss of interest in a full year. This is on top of the move to less risky, lower interest investments that was already underway. However, the Council invested £7.5m for 1 year in November 2008 at an average rate of 4.0% with highly credit rated UK banks

in an attempt to fix a proportion of its investments at a higher rate during the dip in interest rates. As borrowing rates are currently at around 4% the decision has been made to borrow internally, i.e. run down cash levels. By doing this the Council saves the borrowing costs which currently are over 3% above investment rates.

7. CONSULTATION CARRIED OUT

- 7.1 Lead Cabinet members will consult with Heads of Service during the financial year to agree necessary remedial actions to accommodate pressures in year.

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.

10. RECOMMENDATION

- 10.1 To note the latest projected outturn figures for 2009/10 as detailed in the attached Appendix 1.
- 10.2 To also note the summary Capital Plan performance figures for 2009/10 financial year as detailed in the attached Appendices 2 and 3.
- 10.3 That members agree to use the £1.247m excess inflation allocation for non teaching staff pay awards for the current year as follows:
- a) £1,127k to be transferred to the contingency budget for the impact of the Single Status pay and grading review, and
 - b) £120k to be allocated in accordance with member's wishes.

APPENDIX 1MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10
SUMMARY POSITION AS AT END JUNE 2009

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)	20,992	-7,223	13,769	21,125	-7,223	13,902	133	0	133	133
Environment	53,559	-23,000	30,559	53,356	-22,797	30,559	-203	203	0	0
Social Services & Housing	57,411	-17,646	39,765	59,593	-20,424	39,169	2,182	-2,778	-596	-586
County Clerk	2,066	-412	1,654	2,066	-412	1,654	0	0	0	0
Resources	10,851	-3,276	7,575	10,851	-3,276	7,575	0	0	0	0
Corporate, Miscellaneous & Benefits	33,212	-26,475	6,737	33,212	-26,475	6,737	0	0	0	0
Total All Services	178,091	-78,032	100,059	180,203	-80,607	99,596	2,112	-2,575	-463	-453
Capital Financing Charges savings & additional Investment Income net of contributions to specific provisions			11,041			11,041			0	0
Precepts & Levies			4,503			4,503			0	0
Contribution to balances/reserves			570			570			0	0
			116,173			115,710			-463	-453

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 2009/10
LIFELONG LEARNING
SUMMARY POSITION AS AT END JUNE 2009

	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
Individual School Budgets	60,035	-5,647	54,388	60,672	-5,647	55,025	637	0	637	356
Partnership & Inclusion	5,939	-3,144	2,795	5,989	-3,144	2,845	50	0	50	50
Leisure	4,208	-2,505	1,703	4,208	-2,505	1,703	0	0	0	0
School Development	7,234	-1,354	5,880	7,234	-1,354	5,880	0	0	0	0
Planning & Performance	1,184	-59	1,125	1,267	-59	1,208	83	0	83	83
Libraries	2,427	-161	2,266	2,427	-161	2,266	0	0	0	0
Total excluding schools	20,992	-7,223	13,769	21,125	-7,223	13,902	133	0	133	133

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10
LIFELONG LEARNING DIRECTORATE**

	Current Month £000s	Previous Month £000s
<p><u>INDIVIDUAL SCHOOLS BUDGET</u></p> <p>School balances are currently projected at £861k which is based on the 08/09 brought forward balances less the forecast position on the 5 schools in deficit. Significant work is being undertaken with all schools to review their forecasted position with a view to significantly reducing expenditure levels for the year. A more robust and detailed projection will be available when remodelling of staffing levels will have taken place.</p>	637	356
<p><u>PARTNERSHIP & INCLUSION</u></p> <p>Estimated costs associated with the closure of Hyfrydle Children's Home. The estimated costs have been calculated based on the equivalent 08/09 running costs. Further work will be undertaken to clarify the future position of the site.</p>	50	50
<p><u>POLICY & PERFORMANCE</u></p> <p>School Meals Subsidy - Lifelong Learning are currently working with the School Meals service to review the baseline costs of the service and to identify potential developments within the service to reduce the current level of subsidy.</p>	83	83
TOTAL excluding schools	133	133

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10
ENVIRONMENT DIRECTORATE
SUMMARY POSITION AS AT END JUNE 2009**

	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	10,044	-5,791	4,253	10,044	-5,791	4,253	0	0	0	0
TRANSPORT & INFRASTRUCTURE (see note 1)	14,783	-5,232	9,551	14,773	-5,222	9,551	-10	10	0	0
PLANNING & PUBLIC PROTECTION (see notes 1 & 2)	4,782	-1,934	2,848	4,679	-1,831	2,848	-103	103	0	0
DIRECTOR & SUPPORT	1,229	-238	991	1,229	-238	991	0	0	0	0
ENVIRONMENTAL SERVICES	17,058	-7,133	9,925	17,058	-7,133	9,925	0	0	0	0
TOURISM, CULTURE & COUNTRYSIDE (see note 3)	5,663	-2,672	2,991	5,573	-2,582	2,991	-90	90	0	0
Total Environment	53,559	-23,000	30,559	53,356	-22,797	30,559	-203	203	0	0

Potential Pressures

As the downturn in the economic climate shows no immediate sign of recovery there is again likely to be major pressures on the large income budgets relating to Car Parking, Building Control, Development Control and Land Charges. The total of the income pressure on these services in 08/09 was £487k and based on current information will exceed £500k in 09/10. However there is a corporate contingency sum set aside as part of the 09/10 budget round to help with these types of pressures and presently it is proposed to set aside £395k of this contingency budget to help offset a large proportion of these income pressures. The remaining balance will need to be found from savings elsewhere in the Directorate's overall budget.

The Directorate could be faced with some significant costs relating to the North Wales Hospital Site in 09/10 but again it is proposed to use up to £100k of the Council's contingency budget to ease this I

There is likely to be considerable pressures on the Llangollen Pavilion budget in 09/10 but measures are being put in place to try and minimise these as much as possible.

The Directorate will again monitor closely all vacant staffing posts during 09/10. 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 detailed in 1 to 3 above plus any others that arise during the course of the year.

MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10
SOCIAL SERVICES AND HOUSING
SUMMARY POSITION AS AT END JUNE 2009

	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	8,745	-118	8,627	10,083	-1,488	8,595	1,338	-1,370	-32	-35
Adult Services	37,662	-9,182	28,480	38,516	-10,341	28,175	854	-1,159	-305	-291
<i>Underspend Brought Fwd</i>					-352	-352	0	-352	-352	-352
Business Support & Development	2,827	-538	2,289	3,138	-630	2,508	311	-92	219	218
<i>Underspend Brought Fwd</i>					-150	-150	0	-150	-150	-150
Cymorth Grant	1,746	-1,643	103	1,746	-1,643	103	0	0	0	0
Supporting People Grant	4,416	-4,402	14	4,460	-4,446	14	44	-44	0	0
Sub Total Social Services	55,396	-15,883	39,513	57,943	-19,050	38,893	2,547	-3,167	-620	-610
Non HRA Housing	2,015	-1,763	252	1,650	-1,374	276	-365	389	24	24
Directorate Total	57,411	-17,646	39,765	59,593	-20,424	39,169	2,182	-2,778	-596	-586

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10
SOCIAL SERVICES & HOUSING**

Comments	Current Month	Previous Month
	£000s	£000s
SOCIAL SERVICES		
CHILDREN'S SERVICES		
It is expected at this stage that Children's Services will achieve a slight underspend. However, this assumes that there will be no major increased costs from new placements - the number of referrals may well increase in response to recent high-profile cases and the general economic climate. The main pressure areas relate to out of county specialist placements and these are offset by under spending on in house fostering.	-32	-35
TOTAL CHILDREN'S SERVICES	-32	-35
ADULT SERVICES		
Learning Disabilities		
Reduction in overspend is mainly due to staff vacancies. The overspend assumes CHC disputes will be settled in the Council's favour, however if not this could increase the overspend by more than £200k. Residential placements continue to be the main pressure area due to the increasing number of people requiring high cost placements and others requiring additional support as they get older.	83	122
Mental Illness		
Expenditure on Residential, Nursing and Homecare continues to be the main budget pressure. It is predicted that the Mental Health Partnership expenditure will be on budget for 2009/10, rather than under spent as in 2008/09. Due to 'windfall' income Llys Marchan was under spent by £72k in 2008/09. This under spend is forecast to drop by £44k, (down to £28k) in 2009/10.	89	45
Older People		
The predicted spend on Community Care budgets has been based on spend in 08-9, plus the cost of the fee increase offered to providers. Costs have not been inflated to reflect the increase in the Older People population this year, partly to recognise the strategy around replacing residential care with more domiciliary packages and extra care.	188	187
Extra Care Housing Provision. The closure of Llys Nant Residential Home should provide savings in 09/10 because part of that budget will be unallocated until 2010/11, when the new Prestatyn extra-care facility opens. Any remaining budget will be used to support the revenue costs of the Ruthin scheme. The savings will be used to dampen pressures in the current and next financial year.	-366	-366
PDSI		
Community Care spend is still forecast to be the main budget pressure. The Drug & Alcohol outturn forecast assumes £35k funding from WAG is secured as in 2008/09 though the terms and conditions arrangements for bidding for such funding are not yet confirmed. It is expected that Occupational Therapy, CESI (Disability Stores) and equipment spend will all be on budget.	114	138
Performance Management & Commissioning		
This projected under spend is mainly savings in staffing costs which is due to the continuation of the vacancy scrutiny process at the fortnightly Adults Budget Review panel meetings.	-372	-371
Other Adult Services		
In 2008/09 income from Charging Policy and Fairer Charging Grant exceeded committed budget by £200k. Because the Grant income received is dependent on proving actual 'lost' income, and as the budgeted income figure and commitments have both increased, the forecast surplus for 2009/10 was shown as £150k last month. This has now improved by £6k because of the receipt of the final adjustment in respect of the 2008/09 Fairer Charging Grant.	-80	-79
Joint Working & Older People Strategy Grant		
This is grant income that will be fully committed, but it is hoped not to utilize the small base budget that exists to supplement these Grants.	-3	-3
Cefndy Healthcare		
Sales in 2009/10 are expected to exceed the £3m mark which, together with tighter controls on expenditure should improve this years position by around £122k from the 2008/09 over spend of £164k.	42	37
UNDER SPEND B/FWD 2008/09	-352	-352
TOTAL ADULT SERVICES	-657	-642
Business Support & Development		
Costs associated with the PARIS project remain the main pressure area (£96k over spend this year). Directorate costs are also expected to be over spent by £90k which is in line with the final 2008/09 position, though work will continue to reduce this pressure as the year progresses.	219	218
UNDER SPEND B/FWD 2008/09	-150	-150
	69	68
Cymorth Grant		
All expenditure relating to the Cymorth grant has to be spent in year.	0	0
	0	0
Supporting People		
There is approximately £640k of recurrent under spend and £160k of in year under spend within the grant, until the formula is revised and the grant is cut. The Planning Group agreed not to commit this money in order to dampen the impact of grant formula changes and/or a transfer to a regional body. Either proposal will disadvantage the council financially but the latter could have a significant impact (possibly the immediate removal of £1.2m). The SP funding strategy proposes that no further contributions are made to the reserve and that the in-year surpluses are used to dampen future pressures throughout the Directorate and to contribute to a proposed specialist placement reserve. The reserve will be used to contribute to new pressures from highly expensive care packages resulting from either new referrals or the loss of external contributions.	0	0
HOUSING		
The pressure on homeless budgets is currently only £15k though demand can be volatile. The economic	24	24
TOTAL HOUSING	24	24
TOTAL SOCIAL SERVICES & HOUSING	-596	-585

Capital Expenditure By Directorate

	2009/10 Spend to June	2009/10 Estimated programme	2010/11 Estimated programme	2011/12 Estimated programme
		£000	£000	£000
Environment	2,367	22,369	4,889	4,345
Lifelong Learning	801	6,736	1,480	1,480
Resources	58	1,203	269	269
Social Services and Housing	7	501	175	175
Total	3,233	30,809	6,813	6,269

Capital Expenditure by Council Priority

	2009/10 Spend to June	2009/10 Estimated programme	2010/11 Estimated programme	2011/12 Estimated programme
	£000	£000	£000	£000
Modernising Education	674	6,091	1,150	1,150
Roads and Flood Defence	1,052	8,726	800	800
Regeneration	185	1,990	165	165
Responding to Demographic Change				
Total	1,911	16,807	2,115	2,115

As part of the 09/10 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

	2009/10 Spend to June	2009/10 Estimated programme
	£000	£000
Highways	330	4,000
Total	330	4,000

Denbighshire County Council - Capital Plan 2008/09 - 20011/12
Position as at June 2009

APPENDIX 3

		2008/9	2009/10	2010/11	2011/12
		£000s	£000s	£000s	£000s
Capital Funding:					
1	General Funding:				
	Unhypotheated Supported Borrowing	4,514	10,349	5,884	5,884
	General Capital Grant	1,962	1,905	2,017	1,961
	General Capital Receipts		523		
	Earmarked Capital Receipts	1,518	1,049	0	0
		7,994	13,826	7,901	7,845
2	Prudential Borrowing	5,451	7,778	269	269
3	Reserves and Contributions	1,216	1,875	0	0
4	Specific Grants	22,652	9,014	488	0
	Total Finance	37,313	32,493	8,658	8,114
	Total Estimated Payments	-37,313	-30,809	-6,813	-6,269
	Contingency	0	-684	-1,000	-1,000
	Earmarked Contingency		-1,000		
	Unallocated Reserve	0	0	0	0
	Surplus/ -Insufficient Resources	0	0	845	845

REPORT TO CABINET

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

DATE: 14th July 2009

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. **Personnel Statistics** - In June 2009 the number of actual staff employed has increased to 4595 this equates to 3886 full time equivalents (FTE). In June there were 22 new starters to DCC, spread across all Directorates, 5 of which are new Modern Apprentices, mainly based within the Resources Directorate. There were 12 leavers again spread across all Directorates, 2 of which left for positions outside of DCC, with 4 declining to specify why they had left, 1 redundancy and 2 dismissals. Other reasons included ill health retirements and end of fixed term contracts.

	Headcount	FTE
June 2008	4476	3785
June 2009	4595	3886

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.

2.2 **Sickness Absence** – Graphs showing the corporate sickness absence position for June 2009 are contained within appendix a. There has been a small increase in sickness levels this month with levels slightly up on May 09. The average number of days lost per employee is 1.09 which remains slightly higher than for the same period last year and is well above the target of 0.92 days lost per employee. Chief Executives & CC and Resources being the only directorates recording lower levels of sickness than the required target for June 09.

Environment, Social Services & Housing, LLL, LLL (Schools only) and LLL (excl Schools) all recording higher levels than the required target, although Social Services & Housing recording significantly lower than for the same period last year.

Monthly (June 09)	Days Lost Per Employee	Target
DCC	1.09	0.92
CE	0.68	0.92
RES	0.66	0.92
ENV	1.14	0.92
SS	1.06	0.92
LLL	1.15	0.92
LLL excl schools	1.16	0.92
Schools Only	1.15	0.92

Cumulative (April 09 – June 09)	Days Lost Per Employee	Target
DCC	2.74	2.74
CE	2.46	2.74
RES	1.51	2.74
ENV	3.24	2.74
SS	3.12	2.74
LLL	2.59	2.74
LLL excl schools	2.91	2.74
Schools Only	2.52	2.74

2.2.1 Social Services Update on Sickness Absence for Cabinet

Social Services had an average of 16.6 days lost per person in 2008/09 which was lower than 2007/08. The highest reason for short term absence as recorded from April – December 2008 was Infections – including colds and flu. For long term absence the highest reason was stress/depression/anxiety and mental fatigue. This is partly explained by the nature of the social work and social care job and burn out is a genuine issue. A new training programme promoting a ‘healthy’ team which addresses causes of stress and managing pressure as a team is proving useful.

The strategy reported to Scrutiny Committee in March 2008 continues to be the basis of the work to reduce absence levels;

- i. Regular reporting on performance at every level of management meeting.
- ii. Identifying and focusing on the hot spots, examining in detail the causes of the absence.
- iii. Active promotion and implementation of the absence management framework including chasing up of records of sickness and return to work interviews and the use of health management panels to identify ways to improve performance.
- iv. Training, coaching and support to managers to conduct absence review meetings and cope with the challenges that staff may present with due regard to issues of disability or chronic conditions.

The work will continue on these actions supported by the work of the corporate personnel sickness officer but primarily requiring managers’ attention.

Adult Services who have traditionally had the highest levels of sickness absence in Social Services are driving forward the action through the Adults Services Management Team meetings and some difficult decisions have been followed through in terms of ending people's employment on the basis of their poor sickness records.

It has not always been easy to get regular information reports at a service and team level and we plan to improve that this year by the help of a part time Information officer to collate and analyse the detail to identify trends, hot spots and problems beginning to develop, so that action can be taken promptly. The Corporate Personnel Officer and Sickness Officer have now met with each Head of Service to discuss action on the highest 10% of absences.

So far in 2009/10 there appears to be a reduction in absence levels as compared with the same months in 2008/09.

2.3. Performance Appraisals

- 2.3.1 Appendix 1 identifies the number and percentage of appraisals carried out in the period April to end June 2009.
- 2.3.2 A Quality Assurance review has been undertaken for the period 1 January to 31 March 2009, a copy of the report is attached (Appendix 2)
- 2.3.3 This now completes the review of the overall performance appraisal methodology.

3 POWER TO MAKE THE DECISION

- 3.1. Section III of the Local Government Act 1972

4 RESOURCE IMPLICATIONS

- 4.1 **Cost Implications:** There are no significant cost implications associated with the preparation of this information.
- 4.2 **Staffing / Accommodation Implications:** There are no direct staffing implications however sickness levels do impact on the ability to provide services.
- 4.3 **IT Implications:** There are no IT implications associated with the preparation of this information.

5 RISK ASSESSMENT

- 5.1 **Risks associated with not agreeing the recommendation/s** N/A
- 5.2 **Risks associated with agreeing the recommendation/s** N/A

6 FINANCIAL CONTROLLER STATEMENT

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

7 CONSULTATION CARRIED OUT

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

8 IMPLICATIONS

8.1 Assessment of Impact on Corporate Priorities:

Attendance and performance of employees is fundamental to achieving our Corporate priorities.

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

Being able to deliver the vision depends on having the right number of employees in the right job with the right skills.

9 ACTION PLAN – Performance Appraisal Review

ACTION	RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED	ACTION TO BE REVIEWED & MONITORED BY / DATE TO BE MONITORED
Review of overall Performance Appraisal methodology	L Atkin	30.06.2009

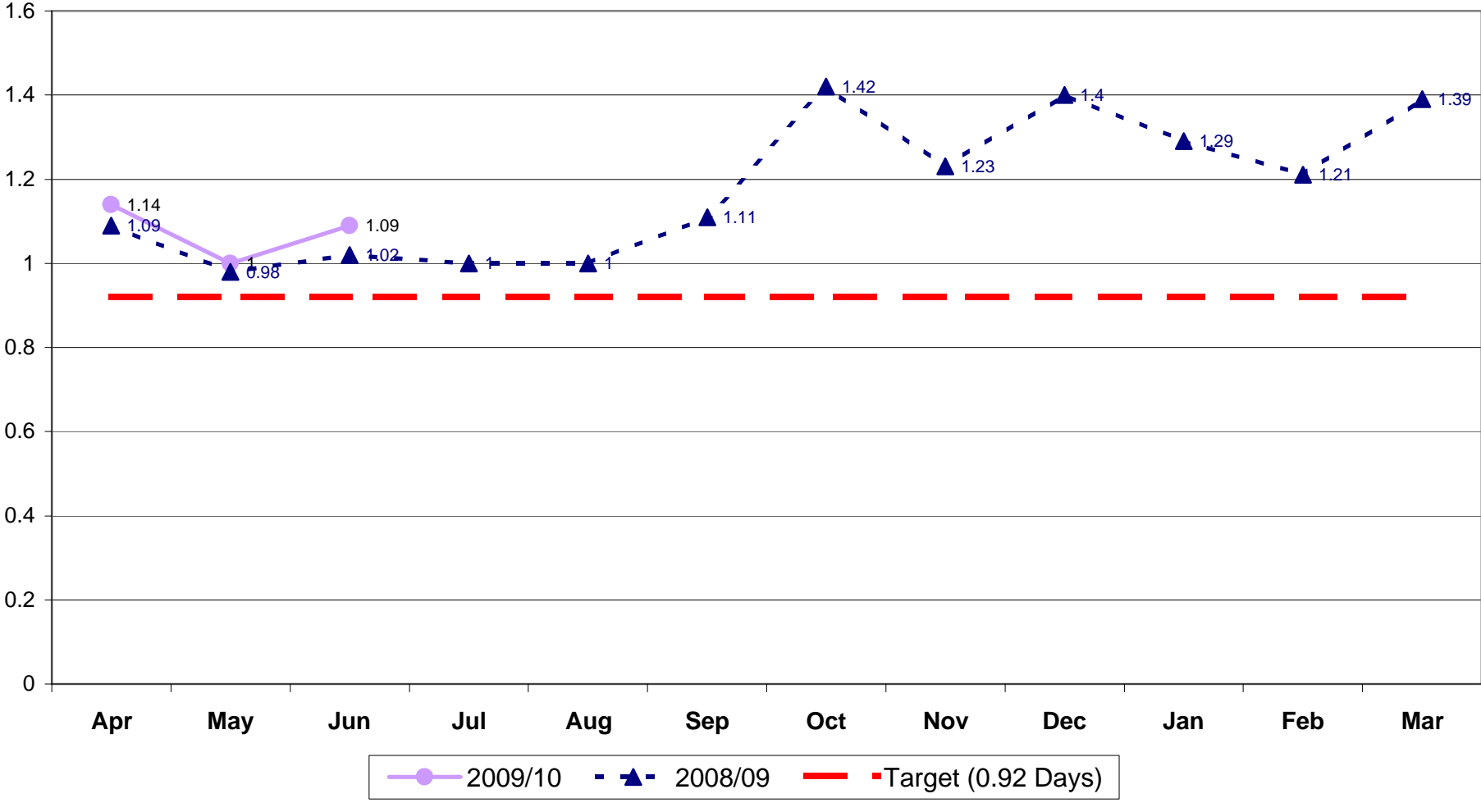
Update on the Action Plan

- Current process has been simplified
- MMC identified groups of staff where the current process for performance appraisal will not apply.
- Guidelines written
- New process ratified at MMC 7th May 09
- New Forms launched week commencing 18th May 09
- Report enclosed on the monitoring of Quality Assurance process and completion rates.

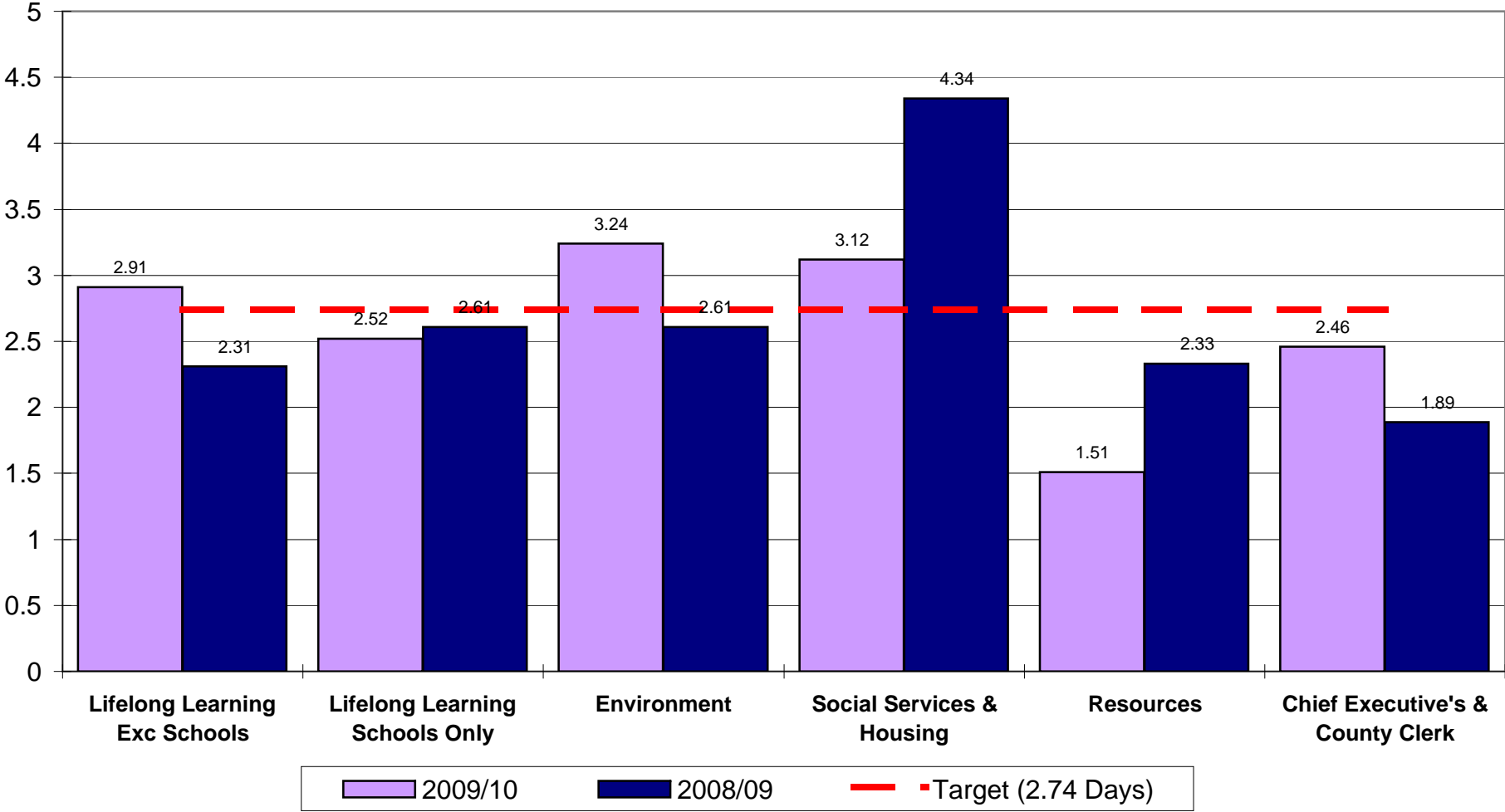
10 RECOMMENDATIONS

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

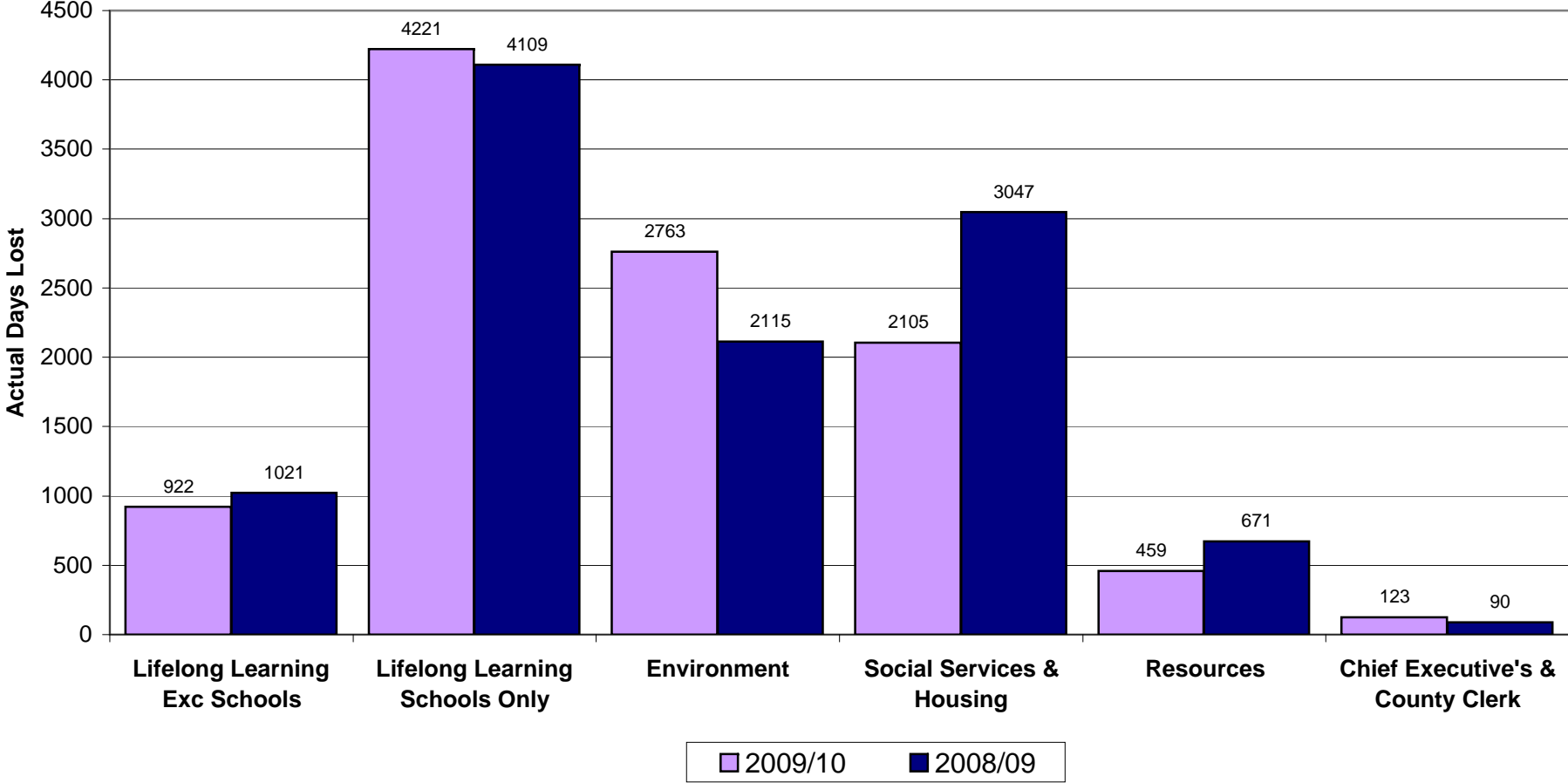
Denbighshire County Council Average Number of Days Lost per Employee June 2009



Denbighshire County Council Average Number of Days Lost per Directorate Cumulative April - June 2009



DenbighshireCounty Council Actual Number of Days Lost per Directorate April - June 2009



Percentage of Completed Performance Appraisals - Period 01/04/2009 - 30/06/2009

Chief Exc's & County Clerks

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Chief Exec's	2	2	0	0.00%	8.00%
County Clerk's Legal	24	22	4	18.18%	
County Clerk's Admin	28	26	0	0.00%	
Totals	54	50	4	8.00%	

Resources

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Central Personnel	38	31	0	0.00%	2.52%
Customer Care	33	27	0	0.00%	
Finance	174	157	5	3.18%	
ICT	51	40	0	0.00%	
Internal Audit	11	11	2	18.18%	
Strategic Policy Unit	13	12	0	0.00%	
Totals	320	278	7	2.52%	

Environment

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Development Services	89	69	6	8.70%	3.00%
Finance & Performance	135	117	0	0.00%	
Environmental Services	578	465	2	0.43%	
Planning & Public Protection	117	107	11	10.28%	
Transport & Infrastructure	71	64	8	12.50%	
Tourism, Culture & Countryside	98	78	0	0.00%	
Totals	1088	900	27	3.00%	

Social Services & Housing

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Adult Services	521	418	6	1.44%	1.11%
Children's Services	101	92	0	0.00%	
Children & YP Partnerships	7	4	0	0.00%	
Business Support	42	37	1	2.70%	
Housing Services	92	81	0	0.00%	
Totals	763	632	7	1.11%	

Lifelong Learning

Department	Number of Employees	Number of Employees Eligible	No. of Appraisals	% complete	Overall % for Directorate
Library & Information services	79	73	0	0.00%	2.34%
Partnership & Inclusion	214	192	4	2.08%	
Planning & Performance	22	20	4	20.00%	
School Improvement	75	57	0	0.00%	
Totals	390	342	8	2.34%	

Totals

Total Employees	Total No. of Appraisals	Overall % of Completed Appraisals
2202	53	2.41%

Report by : Head of Personnel

To: Cabinet

Date: 14 July 2009

Subject: Performance Appraisals- QA Report 01/01/09 – 31/03/09

Background

DCC has recently introduced a Quality Assurance Process for performance appraisals to ensure that the quality of appraisals improves, that the process is being used fairly and consistently across the organisation, and that evidence is being used appropriately to rate skills and behaviours. There is now a requirement for directorate personnel teams to review every performance appraisal form and to check 10% of them in depth.

Methodology

Personnel Managers across the authority were asked to skim check all appraisals forms received and to undertake a more indepth review of 10% received during the period 1 January 2009 to 31 March 2009. Reports were run from the HR system (Trent) to identify where appraisals had been undertaken during this period.

Environment

There were 396 appraisals recorded in the directorate between 1/1/09 and 31/3/09. All of these were reviewed by a member of the personnel team and 10% (40 forms) were selected at random and checked in more depth by the directorate personnel manager.

Resources/County Clerks

There were 85 appraisals undertaken, 46 of which were skim checked and 9 checked in more depth by the personnel officer.

Social Services and Housing

There were 158 appraisals undertaken, 109 of which were skim checked and 16 checked in more depth by the Personnel Manager

Lifelong Learning

There were 70 appraisals undertaken, a large proportion of these have been skim checked and 10 of which have had indepth check by the personnel officer.

Schools

It has previously been identified that appraisals are not taking place for support staff within schools and this has been added to the priorities for LLL.

Findings

- There is a wide variance in the standard of performance appraisals undertaken, and the evidence submitted does not always confirm the ratings allocated. Some forms indicate an in depth discussion has taken place between the individual and the line manager but others contain much less information which makes it difficult to judge whether the ratings have been given appropriately. 34 forms which had no evidence were all from one manager.
- Not all forms were completed fully, one directorate reported that only the front and back pages only had been submitted, making it difficult to judge whether the ratings allocated were supported by evidence, other areas of non compliance were lack of development plans and objectives for the coming year.
- Others had not been forwarded to the personnel department for inclusion on personnel files, but the relevant dates and scores had been recorded on spreadsheets and the personnel team had entered the details on Trent from this
- Very few forms indicated that a date for the next appraisal (or interim review) had been set, although the new forms will specify this
- Some appraisal forms did not demonstrate that objectives had been set in the previous year; some departments or sections were particularly poor at this.
- Target details for achieving objectives are not always set.
- Manager's Manager comments and signature is not always included. The timeliness of this part of the process raises concerns.
- There was confusion in Resources/County Clerks whilst Alan Evans was acting CEO as to who should sign off appraisals
- Some groups of employees had undergone team appraisals which had worked well in some areas.
- Not all objectives set were 'SMART'

Conclusions

During the period reviewed ie the last quarter of 2008/9 there was a great deal of emphasis placed on ensuring that performance appraisals had been undertaken, leading to a large number of appraisals being done at that time and a rush to complete them before the deadline. As a result some appraisals may have not have been as thorough as possible and there was concern that the process was seen as merely a paper exercise with limited value by some employees and line managers.

Around the same time as the QA process was approved the standard performance appraisal forms were revised and the new forms require some detail that was not previously required eg attendance management information and a firm date for a 6 month interim review. The forms reviewed in this period are a record of appraisals undertaken during the period before the introduction of the new process ie using the old forms.

Recommendations

- That the need for completed performance appraisal forms be submitted in their entirety to personnel sections to enable the QA process to be undertaken properly, be communicated again to managers.
- That Personnel Managers raise their concerns with Heads of Service where key areas of the appraisal have not been evidenced. I.e The setting and review of objectives, evidence of skills and behaviours and development planning.
- That refresher training for line managers and supervisors is provided to emphasise the importance of properly conducted performance appraisals and the need to align ratings with evidence.
- That training also emphasises setting 'SMART' objectives
- That the development and training needs identified are collated into a team/departmental/service training plan which is included in the service business plan.
- That interim reviews are properly scheduled to take place 6 months after the initial performance appraisal to ensure that employees are 'on track' to achieve objectives within the timescales set

CABINET: FORWARD WORK PROGRAMME

NO CABINET MEETINGS WILL BE HELD IN AUGUST 2009	
8 SEPTEMBER 2009	
Revenue Budget Monitoring Report 2009-2010	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
Member Development	Councillor R W Hughes K Methven
Housing Revenue Account Budget	Councillor P A Dobb P Quirk
Equality Plan 2009-2011	Councillor R W Hughes K Beattie
Additional HMO Licensing	Councillor D A J Thomas G Boase / Mannon Thomas
Pest Control Service for Schools	Councillor H H Evans and Councillor S Frobisher G Boase
Child Protection Family Support Project	Councillor M M Jones Gary Major
Vulnerable Families Generic Support Project	Councillor M M Jones Gary Major
Young People Generic Support Project	Councillor M M Jones Gary Major
New Work Connections European Convergence Bid	Councillor D A J Thomas Gwynfor Griffiths
Coastal Strategic Regeneration Area	Councillor D A J Thomas G Evans
Quarterly Performance Report	Councillor P J Marfleet T Ward
Scambusters	Councillor S Frobisher G Sumner
Illegal Money Lending Unit	Councillor S Frobisher G Sumner
Recommendations from Scrutiny Committees	Scrutiny Officers
29 SEPTEMBER 2009	
Revenue Budget Monitoring Report 2009-2010	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
Annual Treasury Management Report	Councillor J Thompson Hill R Parry
Routine Reporting on Personnel	Councillor R W Hughes L Atkin / G Humphreys
Human Resources: Business Partners	Councillor R W Hughes L Atkin
Housing Revenue Account Budget	Councillor P A Dobb P Quirk
Workforce Planning	Councillor P J Marfleet
Complaints Procedures for Highways	Councillor E W Williams

Safeguarding Children to Include Safeguarding Inspection and LSCB Update	Councillor M M Jones N Francis / Julie Moss
Review of Transport in Light of Corporate Manslaughter Regulations	Councillor E W Williams G Taylor / A Wright
Tourism Strategy for North Wales	Councillor D A J Thomas P Murphy / P Smith
Recommendations from Scrutiny Committees	Scrutiny Officers
20 OCTOBER 2009	
Revenue Budget Monitoring Report 2009-2010	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
Dee Valley East Education Review	Councillor H H Evans J Curran
Supporting People Operational Plan for 2010/11	Councillor P A Dobb Jenny Elliott
Young Carers	Councillor M M Jones L Leece
Recommendations from Scrutiny Committees – Uniform charging policy for public use of DCC meeting rooms	Scrutiny Officers – S Price and R A Jones / G Evans
Asset Management	Councillor P J Marfleet G Evans
Agricultural Estate	Councillor P J Marfleet G Evans
Regeneration and Tourism	Councillor D A J Thomas G Evans
Area Profiles	Councillor D A J Thomas G Evans
Dee Valley East Review	Councillor H H Evans J Curran
Denbighshire's Revised Welsh Language Scheme	Councillor H H Evans D W Davies
Review of Library Service	Councillor M M Jones M M Jones
24 NOVEMBER 2009	
Revenue Budget Monitoring Report 2009-2010	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 T Ward
Community Capital Projects	Councillor D A J Thomas M Dixon

Recommendations from Scrutiny Committees	Scrutiny Officers
15 DECEMBER 2009	
Revenue Budget Monitoring Report 2009-2010	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
Recommendations from Scrutiny Committees	Scrutiny Officers
12 JANUARY 2010	
Revenue Budget Monitoring Report 2009-2010	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
Routine Reporting on Personnel	Councillor R W Hughes L Atkin / G Humphreys
Recommendations from Scrutiny Committees	Scrutiny Officers
26 JANUARY 2010	
Quarterly Performance Report	Councillor P J Marfleet T Ward
Transforming Education	Councillor H H Evans J Gambles
16 FEBRUARY 2010	
Quarterly Performance Report	Councillor P J Marfleet T Ward