

**CABINET**

Minutes of the Cabinet meeting held at 10.00 a.m. on Tuesday 26 January 2010 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; R W Hughes, Lead Member for Personnel and Business Management; P J Marfleet, Lead Member for Modernisation and Improvement; D A J Thomas, Lead Member for Environment: Regeneration, J Thompson Hill, Lead Member for Finance and E W Williams, Lead Member for Environment: Sustainable Development.

Observers: Councillors J R Bartley; W L Cowie; M LI Davies; G C Evans, I A Gunning; E R Jones; H LI Jones; G M Kensler, D Owens and D I Smith.

**ALSO PRESENT**

Chief Executive; Corporate Director: Environment; Corporate Director: Lifelong Learning; Corporate Director: Social Services and Housing, Corporate Director: Governance and Efficiency; Head of Corporate Governance, Head of Business Planning and Performance and the Chief Financial Officer.

**APOLOGIES**

Councillors S Frobisher, Lead Member for Communities and M M Jones, Lead Member for Children's Services.

**1 URGENT MATTERS**

There were no urgent items.

**2 MINUTES OF THE CABINET MEETING 24.11.2009**

The Minutes of the Cabinet meeting held on 15 December 2009 were submitted.

Item 3 Collaboration Statement from North Wales Authorities: Councillor E W Williams informed Members the statement had been signed.

**RESOLVED** that, subject to the above, the Minutes of the meeting held on 15 December 2009 be approved as a correct record and signed by the Leader.

**3 HOUSING REVENUE ACCOUNT BUDGET & CAPITAL PLAN UPDATE 2009-2010**

Councillor P A Dobb presented the report for Members to note the forecast outturn of the Housing Revenue Account (H.R.A.) and Housing Capital Plan for 2009/10. The forecast for the HRA showed that an in-year revenue surplus of £247k should be

generated by the end of the financial year, which was £46k less than forecast in the original budget set in February 2009 and a slight change from the previous month due mainly to a reduction in capital charges.

The housing stock remained at 3,469. The refurbishment programme was continuing well with the contractors on the capital programme, Bramhalls. Seven tenders were opened the previous week for the next phase and were now being analysed.

**RESOLVED** that Members note the forecast outturn of the Housing Revenue Account (H.R.A.) for the current financial year.

#### **4 REVENUE BUDGET AND SUMMARY CAPITAL PLAN 2009-2010**

Councillor J Thompson Hill presented the report for Members to note the latest estimate of the likely outturn figures for the 2009/10 financial year as detailed in Appendix 1 attached to the report and the summary capital plan performance for 2009/10 as detailed in Appendices 2 and 3 attached to the report. Members were also asked to agree the final allocation of additional resources for services impacted upon by the recession and other pressures.

An overall underspend of £313k, excluding schools delegated budgets, was forecast and this was mainly due to an underspend of £602k in Social Services and Housing due to a net improvement of £299k of Continuing Healthcare funding from the NHS and it was possible the position could improve further before the end of the year as it was likely that financial support would be forthcoming from the NHS as a result of the Royal Alexandra Hospital ward closures.

The Environment Directorate were also forecasting an underspend of £129k mainly due to successful vacancy control procedures. However, in all likelihood there would be significant costs following the long period of winter maintenance required, falling revenues from school meals due to school closures and estimated earnings from car parking charges down £143k. The Corporate budget included the additional level of trading loss of the School Meals Service above the £150k agreed level of subsidy and this was currently £85k. Councillor Thompson Hill referred to Appendix 4 which outlined the recommended allocation of the remaining £200k of the £880k contingency budget .

Councillor E W Williams congratulated and thanked staff for their hard work during the bad weather and said he was sure the public were also aware of the works carried out. An overview of how the different departments had worked together would be carried out and discussed by Environment Scrutiny. The Corporate Director: Environment referred to the winter maintenance budget and said it was likely the winter maintenance reserve would need to be utilised. If further extreme weather continues it was likely all the reserve would be exhausted. There would also be significant costs from sweeping, gully emptying and pothole filling and patching. Approximately £250k had been spent on salt, £260k on overtime and labour costs, £240k on agricultural contractors and extra lorry hire. Only about 20% of this was rechargeable to the Welsh Assembly Government for the costs for the trunk road network. The Authority was over its core

budget by about £100k and there were still 10 weeks of possible winter conditions left to deal with.

Thanks to staff who worked throughout the bad weather were proposed by Councillor R W Hughes and she asked Directors to pass on the Cabinet's congratulations and thanks for their hard work. The Corporate Director: Environment, responding to Councillor Hughes' query, said he would provide Members with information on the current situation regarding the North Wales Hospital.

The Corporate Director: Lifelong Learning briefly informed Members that teachers, assistants and other staff were paid when schools were closed as was the case for corporate staff. The only gain from a school closure was in the school transport budget.

Councillor P A Dobb referred to the good works carried out recently on road maintenance, however, there were some complaints about the state of the pavements which were overshadowing this. She asked whether discussions on this could be held with either Town Councils or local businesses. Councillor H H Evans agreed and suggested comments could be provided to the WLGA on the implications on the economy following the lengthy bad weather. Councillor E W Williams agreed the sentiments but said in reality, residents expected the County Council to grit pavements. He suggested the public be informed at the start of winter what Local Authorities were statutorily obliged to provide. He also suggested that Wales should have its own central sources of salt for emergency use rather than having to participate in a 'drip feed' situation with the whole of England as well. Members supported the review of the process to be carried out by Environment Scrutiny.

The Head of Housing Services, replying to a query from Councillor P J Marfleet, said the service had expected increased pressures on its Homelessness Service due to the recession but to date this had not happened as the number of repossessions had not increased dramatically. However, if the recovery situation carried on it could mean some lenders could force more people to sell their homes.

Staff were also congratulated by Councillor W L Cowie for their hard work during the bad weather and he suggested an article could be included in County Voice on responsibilities for and liabilities of clearing pavements. Councillor Cowie, referring to car park income, suggested consideration be given to Town Councils taking on individual car parks. Councillor H H Evans said he would be meeting all Town and Community Councils during the year and would include this in the discussion. However, Councillor E W Williams said car park income had been used for many years as a means of not raising the level of Council Tax.

Councillor Thompson Hill clarified for Councillor M LI Davies the building control fees and the planning fees in the contingency budget and said fewer applications had been received owing to the recession and it was anticipated the services would not reach their income targets.

The Corporate Director: Lifelong Learning confirmed that pupils could attend 190 statutory days school plus 7 days for training but any days lost because of closure for bad weather were treated as lost days.

**RESOLVED** that Members note both the latest projected outturn figures for 2009/10 as detailed in Appendix 1 attached to the report and the summary Capital Plan performance figures for the 2009/10 financial year as detailed in Appendices 2 and 3 attached to the report. Members agree the allocation of the £200k balance of the contingency budget as detailed in Appendix 4 to the report.

## **5 REVENUE BUDGET PROPOSALS 2010-2011**

Councillor J Thompson Hill presented the report seeking Members' support of the budget proposals for 2010-2011 as shown in the appendices attached to the report, (which incorporated the views of Scrutiny Committee Members together with the views expressed by those Members that attended the two Budget Seminar sessions), and recommend accordingly to full Council.

Members were asked to recommend the resulting 2.49% increase in the level of Council Tax for 2010-2011 to full Council.

Members were asked to note the need for significant further efficiency savings and cost reductions in future financial years, as a result of the likely poor settlements from the Welsh Assembly Government, together with significant service pressures.

Inflationary impacts in 2010-2011 had been assumed at the relatively low level of £2.56m. Savings proposals of £2.2m were detailed in Appendix 2 and had been achieved by voluntary redundancy, improved procurement, debt rescheduling and reducing contributions to reserves and had been designed to have a minimum impact upon frontline services. Proposed funding to the Education service was at the level of the element of Standard Spending Assessment relating to the service. It had previously been agreed the need to increase funding for the service by £1.2m but this was on a one-off basis. The contingency budget for the increasing costs of the Single Status Pay Agreement would be inadequate in future years and the provision of a further £500k would push back to 2012-2013 the point at which that contingency would become insufficient.

£1m was available as a one-off sum, assuming a Council Tax increase of 2.49%, to fund pressures in Priority areas and cover service pressures and assist in delivery of future savings and were detailed in Appendix 3 to the report. The suggested 2.49% was slightly below other North Wales Authorities but Denbighshire was still levying the highest Council Tax in the region.

The unhypothecated support for capital schemes was a small reduction over the current year but total capital resources available in Wales had been reduced by 10% overall.

The prospect for future years was likely to be difficult for public sector funding and meaningful Medium Term Financial Planning would be crucial and there would be a minimum savings target of £4m for Revenue budgets for 2011-2012 and a 17% annual reduction in overall Capital support reaching a cumulative total of -50% by 2013-2014.

Councillor E W Williams said he was cynical over a figure of 2.49% for the Council Tax increase and suggested this should be 2.50%.

At the last meeting Councillor D A J Thomas had raised concerns regarding the level of Council Tax and again asked whether the Authority was setting it at the correct level, bearing in mind the £4m reduction required the following year. The Convergence Programme was just starting and it would need considerable match funding. He supported the 2.50% suggested by Councillor E W Williams but would like to have seen figures for pressures with Council Tax set at 2%, 2.5%, 3% etc as had been previously supplied. It was not possible to predict what the Assembly would provide in the way of a settlement because of the elections due in 2011-2012 and Councillor Thomas suggested the Authority should err on the side of caution.

Councillor Thompson Hill said the level of increase was to have been 2.5% but amendments to the tax base had lowered it to 2.49%. Corporate Governance Committee and Resources Scrutiny had given their support to the allocation of the £1.2m additional funding for Education and further £1m WAG settlement as detailed in Appendix 3 to the report. He agreed that settlements in future years were likely to be lower but reminded colleagues that having a higher Council Tax increase meant pressure was not being put on the Authority's officers to meet targets and it was unfair on Council Tax payers to have high increases in a recession.

Councillor H H Evans thanked Councillor Thompson Hill and the Finance team for their hard work. Money had been made available for Priorities and he said it was difficult to have Medium Term Financial Planning when the Assembly only provided 1 year settlement figures. It was important to both improve and maintain services and the budget would provide a foundation for future years. He agreed with both Councillors Thomas and Thompson Hill that Capital funding in future years would be horrendous.

It was agreed to amend the Council Tax increase to 2.50% and recommend to Council.

***RESOLVED*** that Members agree the budget proposals for 2010/11 and recommend accordingly to full Council and recommend the resulting 2.50% increase in Council Tax for 2010-2011. Members also note the need for significant further efficiency savings and cost reductions / cuts in future financial years, in the light of the poor settlement from the Welsh Assembly Government.

## **6 CABINET FORWARD WORK PROGRAMME**

Councillor R W Hughes presented the Cabinet Forward Work Programme. She reminded colleagues that this would be discussed in detail at the forthcoming Awayday.

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

## **7 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.

## **8 LEARNING DISABILITY – COMMUNITY LIVING SCHEMES**

Councillor P A Dobb presented the report seeking Cabinet approval to extend the 27 Learning Disability Community Living Schemes in Denbighshire to 31.10.2010 as required by the Council's Financial Guidelines (Contract Procedure Rules).

The extensions were being requested in order to review the contractual arrangements with all community living providers and agree a reasonable fee structure within the financial constraints being faced over the next few years. Consultation had been carried out with providers and they were generally accepting to a review and were aware that a way forward could include an open book accounting as part of the process. A joint working group had been established to get the process underway.

Councillor Dobb informed Members that the ILA was independent living benefit available to eligible persons meeting the criteria. There was different funding available for differing sets of circumstances. The Corporate Director: Social Services and Housing, responding to Councillor E W Williams' query, said funding for the 'No' columns in the table was funded from the Social Services Community Care funding and agreed to include a separate column in future reports detailing this funding.

**RESOLVED** that Cabinet award contracts to the current providers for the provision of support to 27 Learning Disability Community Living Schemes in Denbighshire, whose contracts have expired, to 31.10.2010 (which would mean the contracts being extended by differing periods to allow time to continue the review of the tendering procedure).

## **9 CAPITAL PLAN 2009-2010 TO 2012-2013**

Councillor J Thompson Hill presented the report for Members to note the latest position on the 2009/10 element of the Capital Plan. Members were also asked to note the approval of the use of £246k by the Corporate Executive Team (CET) under delegated powers for Phase 5 of the X2 Recycling and Refuse Collection Service and to approve

the use of £485k by CET under delegated powers for Rhyl Bus Station Phase 2 – Extension to Morley Road.

Councillor Thompson Hill informed Members that the Certificate of Practical Completion was being issued for Ysgol Dinas Bran works by the contractor on 20.01.2010 and it was expected that external works would be completed during the half term holiday in February. However, final figures on the project cost overspend had not yet been agreed. The external works which were part of the refurbishment works at the Royal International Pavilion, Llangollen were being re-programmed as a result of the bad weather and were being closely monitored to ensure the grant funding was being spent in the current financial year. The phase 2 works at Rhyl Bus Station were 100% funded by the Welsh Assembly Government (WAG).

Referring to the way projects were reported upon in the report, Councillor R W Hughes suggested the format should be standardised so that information on each project was up to date and included information on potential problems which could arise. Both Councillors P A Dobb and H H Evans agreed. Councillor J Thompson Hill agreed to provide information in a more standardised way in future reports.

Referring to the improvements at Rhyl Bus Station, Councillor M LI Davies asked for clarification on whether part of the road would be subject to closure so that people walked in a traffic free zone and also queried whether the Strategic Regeneration Area (SRA) included Cefn Meiriadog. The Corporate Director: Environment agreed to outline in more detail the improvements at the Bus Station and the SRA for Councillor Davies.

Councillor H LI Jones queried whether allocations from the previous term of Council in the Members' Priority Fund would be spent. Councillor Thompson Hill said it should be spent by the end of the financial year and any funding not used would be subject to further discussion.

***RESOLVED*** that Members note the latest position on the 2009/10 element of the Capital Plan. Members also note the approval of £246k by the Corporate Executive Team (CET) under delegated powers for Phase 5 of the X2 Recycling and Refuse Collection Service and note the approval of £485k by CET under delegated powers for Rhyl Bus Station Phase 2 – Extension to Morley Road.

## **10 CAPITAL BIDS 2010-2011**

Councillor J Thompson Hill presented the report for Members to recommend to Full Council the projects detailed in Appendix 2 to the report be included in the 2010-2011 Capital Plan.

Funding of £13.2m was available for 2010-2011 of which £7m had already been allocated, leaving a balance of £6.3m. Of this, £4.4m had been directed at the flooding priority and highways. The Capital Strategy Group recommended a split of the £4.4m to be determined by the Corporate Director using prioritisation. The Group had also recommended that the first call on any capital receipts generated by asset disposals

should be allocated to the Health and Safety works listed in the report. However, money from capital receipts could not be allocated until the receipts had been received.

The Capital Strategy Group recommended a grant submission to Cymal be made for the refurbishment works at Rhyl Library and that a submission to WAG be made for the Salix Energy Efficient Scheme. Councillor Thompson Hill said funding for WorkSMART and the Cae Ddol Lake Restoration, Ruthin projects would be through prudential borrowing following the submission of a business case to the Chief Financial Officer to ensure the affordability of the schemes. It was hoped that the business case for the Cae Ddol scheme would be financially supported by Ruthin Town Council.

Councillor Thompson Hill suggested that a further recommendation be added that "Cabinet recommend the first £0.5m call on any receipts generated by asset disposals be allocated to Health and Safety Works, with the precise allocation being determined by the Head of Finance and Assets as outlined in paragraph 2.15 of the report."

Councillor E W Williams expressed grave concern that the Community Block Allocations had not been included in the bids and said he was disappointed that this would result in communities being disappointed and they would be unable to provide match funding for schemes. He asked for Members support in addressing this. If included in the report to Full Council, he said he would accept Council's decision on the matter. Councillor Thompson Hill responded that only bids submitted could be assessed. Councillor R W Hughes suggested that the bids for the Community Block Allocations should be separate to this fund in the future. Members discussed the allocation of the funding and the bids received which had been scored according to the methodology.

Responding to a query from Councillor G C Evans, Councillor Thompson Hill said it would not have been possible to have a joint project on the Foryd Bridge, Rhyl scheme and a report on the scheme would be discussed by Scrutiny Committee.

Councillor P J Marfleet said it was difficult to allocate capital funding and that community bids would not have scored highly. However, if Members felt strongly on the matter he suggested that an amount be set aside for the Community Block Allocations if and when capital receipts were received. Both Councillors E W Williams and R W Hughes said the matter needed to be resolved as soon as possible. Councillor D A J Thomas reminded colleagues that previous allocations had been underspent and one of the Council's aims was to get closer to the communities. He suggested that a review of the current projects be carried out in 6 months. The Chief Executive said the Authority should not have 2 separate processes for funding applications and officers would be asked to ensure the Community Block Allocations were included in future years.

Members discussed the need to have information in place before Full Council on 23.02.2010 to ensure a safety net for future years. Councillor H H Evans noted Members' concerns and said the issue would be discussed at Full Council.



**RESOLVED** that:

- 1 *Cabinet recommend to Full Council for approval the projects listed in Appendix 2 to the report be included in the 2010-2011 Capital Plan.*
- 2 *Cabinet recommend the first £0.5m call on any receipts generated by asset disposals be allocated to Health and Safety Works, with the precise allocation being determined by the Head of Finance and Assets as outlined in paragraph 2.15 of the report.*
- 3 *Cabinet recommend that a bid for the Community Block Allocation be included in the report to Council on 23.02.2010.*

At this junction (12:00 noon) the meeting adjourned for 10 minutes to allow Members to participate in refreshments.

**11 DENBIGH: STATION YARD – REQUEST BY CATHCO PROPERTY GROUP LIMITED TO USE STATUTORY POWERS TO FACILITATE SITE ASSEMBLY**

Councillor D A J Thomas presented the report seeking Cabinet approval to the in principle passing of a resolution by the Council that it was prepared to use Compulsory Purchase procedures for the acquisition of the freehold interest with vacant possession of the land coloured blue on the plan attached to the report at Appendix 1, forming part of the proposed Denbigh Retail Park. He informed Members that an in principle decision only was required at this time and should the need arise, a report would be brought to Cabinet for a formal decision.

**RESOLVED** that *Cabinet approves the in principle passing of a resolution by the Council that it is prepared to use Compulsory Purchase procedures for the acquisition of the freehold interest with vacant possession of the land coloured blue on the plan attached to the report at Appendix 1, forming part of the proposed Denbigh Retail Park subject to an indemnity agreement being concluded with the developer.*

**12 RECOMMENDATIONS FROM RESOURCES SCRUTINY COMMITTEE: REVIEW OF CABINET DECISIONS RELATING TO THE COUNCIL'S AGRICULTURAL ESTATE**

Councillor H H Evans asked Councillor G C Evans to present the report and focus on the findings of Resources Scrutiny and their recommendations.

Councillor G C Evans presented the report asking Cabinet to reconsider some of its decisions taken on 15.12.2009 in respect of the Council's Agricultural Estate, based on the conclusions the Resources Scrutiny Committee's review of those decisions. He thanked the Scrutiny Officer for her hard work. Consultation with local Members on matters of concern in their own Wards needed to be improved across the Authority, not only in relation to asset disposal and the development of a consultation protocol should assist the process in future. Councillor Evans suggested that certain elements of procedures needed to be put in place which would help with communication, consultation and co-operation.

The findings of the call-in were welcomed by Councillor P J Marfleet. He said the consultation process could be very difficult as some farms in the Authority were located in more than one Ward. He suggested the Member consultation on asset reports be listed.

Members discussed various tenancy options relating to Maes y Groes Farm, Henllan and Pen y Maes, Denbigh and agreed with Councillor Evans' suggestion that this should form part of the Agricultural Estate Review. Councillor E W Williams said it was important the Authority made effective decisions and the whole issue needed to be addressed. He was saddened to hear that some Members of Resources Scrutiny Committee had found fault with officers and he suggested they be reprimanded by their political groups. Councillor Marfleet agreed with colleagues and said the review would not realistically be completed before May 2010 but some of the health and safety works were urgent. It had been agreed in a previous term of the Council that 33% of any agricultural sales receipts would be used by the agricultural estate. However, this would come to an end in 2011. He said Maes y Groes or Pen y Maes needed to be sold because of pressures.

Councillor P A Dobb supported a review but at the same time said a commitment had been made to fund health and safety works and the Resources Scrutiny Committee had agreed one farm should be sold. Councillor H H Evans suggested both farms be kept at present but following discussion with the tenant, there should be an option to dispose of one of the properties. The Chief Executive said it was necessary for the Authority to sell one or other of the farms, whilst ensuring the tenant's needs had been considered. Members were being asked to agree to the sale in principle, with the receipt being reinvested, and for officers to have effective discussions with the tenants.

Members agreed to the revised Recommendation at 12.1 in the report, and to add "in the event of the tenant not relocating, the option to sell reverts to the other property".

Members agreed to revise the Recommendation put forward by Resources Scrutiny at 12.2 to read "Cabinet believe that the sale of Bryn Gwyn Farm is essential if the Council is to meet the investment required to achieve health and safety requirements. However, Cabinet will agree to delay the implementation of the decision to dispose of Bryn Gwyn Farm until the conclusion of the Agricultural Estate Review Group's work and this will only be reconsidered if the review demonstrates that the sale of Bryn Gwyn Farm is not necessary to meet Denbighshire's aspirations for its agricultural estate and the Authority's capital investment required in Health and Safety."

Members agreed Recommendation 12.3 of the report, following discussion on the Nitrate Vulnerable Zones.

Members agreed Recommendation 12.4 of the report.

Discussion of the review of the Agricultural Estate followed and Members felt this should include the number of farms, length of tenancy awarded, are tenants able to make a reasonable living from the business for example. Councillor P J Marfleet said he had

started to put together some thoughts and questions for the review and he agreed to circulate these to colleagues.

Members agreed Recommendation 12.5i as long as the consultees were given general information only and did not sit on the Agricultural Estates Review Group.

Regarding Recommendation 12.5ii it was felt there was no need to have a representative each from Lifelong Learning and Social Services and Housing Scrutiny Committees. They felt that 3 representatives from Resources, 3 representatives from Environment Scrutiny Committees and 4 Cabinet representatives was sufficient.. However, they felt the Chair of Planning Committee could be asked to nominate 1 Member to the Group.

Members agreed Recommendation 12.5iii.

**RESOLVED** that Cabinet, as requested by Resources Scrutiny Committee, reviewed its decisions taken on 15.12.2009 and agree:

- 1 *to proceed to offer the current tenant of Maes y Groes Farm, Henllan a new tenancy at Pen y Maes Farm Denbigh and then proceed to dispose of either Maes y Groes Farm, or Pen y Maes Farm if the first tenant does not move, to realise capital, one-third of which will be available to invest in the urgent capital maintenance work which requires to be carried out on the Agricultural Estate.*
- 2 *Cabinet believe that the sale of Bryn Gwyn Farm is essential if the Council is to meet the investment required to achieve health and safety requirements. However, Cabinet will agree to delay the implementation of the decision to dispose of Bryn Gwyn Farm until the conclusion of the Agricultural Estate Review Group's work and this will only be reconsidered if the review demonstrates that the sale of Bryn Gwyn Farm is not necessary to meet Denbighshire's aspirations for its agricultural estate and the Authority's capital investment required in Health and Safety*
- 3 *that it supports its decision, that as part of its review of assets that the Council will review the current tenancy agreements on a number of farms to consider whether new longer tenancies should be entered into once the current tenancies come to an end and give consideration to Nitrate Vulnerable Zones with a view to mitigating the capital costs of the work*
- 4 *that it supports its decision to agree the amendments to the Agricultural Policy as shown in paragraph 2.5.5 of the report to Cabinet on 15 December 2009*
- 5 *that it supports its decision to carry out a full review of the existing Agricultural Estate Strategy and Policy, and that it further recommends:*
  - (i) *that the Young Farmers' Clubs movement, Llysfasi, Llandrillo and Deeside further education colleges be included on the Agricultural Estate Review Group's list of consultees and be given general information only and were not members of the Agricultural Estates Review Group*

- (ii) that in addition to the 3 representatives each from the Resources and the Environment & Regeneration Scrutiny Committees and 4 representatives from Cabinet, one representative, nominated by the Chair of Planning Committee, be appointed to serve on the Agricultural Estate Review Group*
- (iii) that the results of the Agricultural Estate Review Group's review along with any recommendations it makes be presented to the Resources Scrutiny Committee ahead of their submission to Cabinet.*

The meeting concluded at 1.10 p.m.

**REPORT TO CABINET**

**CABINET MEMBER:** COUNCILLOR E W WILLIAMS, Lead Member for Education

**DATE:** 16<sup>th</sup> February 2010

**SUBJECT:** MODERNISING EDUCATION – CLOSURE OF YSGOL LLANTYSILIO

**1 DECISION SOUGHT**

To consider whether to implement the proposal to close Ysgol Llantysilio as of 31<sup>st</sup> August 2010.

To consider whether to delegate future decisions in instances of no objections being received to school organisation proposals to the Chief Executive.

**2 REASON FOR SEEKING DECISION**

2.1 The Cabinet agreed in October 2009 to proceed to the publication of statutory notices for the closure of Ysgol Llantysilio as of 31<sup>st</sup> August 2010 following initial public consultation. The statutory notices which were duly published provided an objection period of two months. The objection period closed on 12<sup>th</sup> January 2010. No objections were received. As a consequence of there being no objections, the proposal does not require the approval of the Welsh Ministers but falls to the Council to make the decision.

Future Decision Making

2.2 Whilst the issue to be considered by Cabinet in respect of Ysgol Llantysilio refers to the closure of the school, it is anticipated that as the Council's Modernising Education Programme progresses there will be a need for the Council's Executive to consider additional proposals to changes in school organisation as well as those relating to school closures.

2.3 Other areas which in the future would be subject to the publication of statutory notices include an extension to the capacity of a school if the increase is in excess of 25%, proposals to open a school, proposals to amend the linguistic definition of a school and changes to the age range of a school.

2.3 There is presently a general delegation for all lead members to "in cases not delegated to officers under paragraph 3.18 see below, to determine whether to publish any statutory notices (other than in respect of closure of schools) and to take action on advertised proposals in the light of any representations received."

2.4 In all cases following the publication of the required statutory notices, should objections be received during the two month consultation period the final

decision whether to proceed with the notice will fall to the Welsh Ministers. However in instances where no objections are received it is suggested that consideration should be given to the amendment of the current delegation scheme of the Council to allow the Chief Executive to determine whether to implement the notice, in accordance with the intention of the Authority as published in the notice. In such instances full consultation will have previously been undertaken at both the stage where the Council proceeds to formal consultation and following the publication of the statutory notices. In addition the Council will be required to provide evidence of the regard given to the responses from the formal consultation stage to the Welsh Assembly following the publication of the statutory notice.

- 2.5 Therefore it is suggested that a specific additional power be granted to the Chief Executive (new wording in bold) within paragraph 3.18 “Subject to such determination being in accordance with an approved plan or policy, to determine whether to publish any statutory notices (other than in respect of closure of schools) and to take action on advertised proposals in the light of any representations received **and also to determine the Authority’s decision in respect of school organisational proposals and school closure proposals in respect of which either there have been no objections or any objections received have been resolved.**”

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

S29 School Standard and Framework Act 1998.  
Denbighshire County Council Constitution – Part 2 Article 15 – 15.4b

### **4 RESOURCE IMPLICATIONS**

#### **4.1 Cost Implications:**

Ysgol Llantysilio - All costs associated with the closure of Ysgol Llantysilio will be contained within the existing Lifelong Learning budget.

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

Ysgol Llantysilio is a Church in Wales school and the authority is working with the diocesan authority regarding the future use of the school.

Potential staffing implications include redundancy and redeployment of current school staff. The authority has met with current school staff to outline the support that would be provided should the school close.

#### **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 in respect of Ysgol Llantysilio is that it will only have 3 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. The risk associated with not

agreeing the new delegation is that the implementation of the Council's intentions would be delayed.

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

In respect of the school closure 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. There is no risk in respect of the new delegation.

## **6 CHIEF FINANCIAL OFFICER STATEMENT**

- 6.1 The closure proposal is in line with the previous resolution of Cabinet. Any resulting financial implications are to be contained within the service budget.

## **7 CONSULTATION CARRIED OUT**

- 7.1 Paragraph 2.1 of the report details the consultation that has taken place to date with regard to the proposals to close Ysgol Llantysilio. Full consultation took place prior to the decisions of the Cabinet to approve commencing formal consultation (Cabinet report July 2009) and to publish the required statutory notices (Cabinet report October 2009). A copy of the statutory notice was placed at schools named within the notice, at various community notice boards within the area and published in the Denbighshire Free Press. A copy of the notice was also circulated to all identified parties including parents and staff at the School, local Councillors, Headteachers, Chairs of local Governing Bodies, MP's and AM's.

## **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.

### **8.3 Assessment of Impact on Climate Change - Mitigation and Adaptation:**

The proposal via the reduction in the number of assets used by Lifelong Learning should assist the authority to meet its targets for climate change and carbon reduction. The proposals will create additional journeys for the remaining pupils and consideration will be required to utilize existing transport routes where appropriate.

## 9 ACTION PLAN

ACTION	RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED	ACTION TO BE REVIEWED & MONITORED BY / DATE TO BE MONITORED
Submit notice of the Council's determination of the notice to the Welsh Assembly Government	Programme Manager, 11 <sup>th</sup> March 2010	Head of Modernising Education, 12 <sup>th</sup> March 2010
Amend Denbighshire Constitution to reflect delegation to Chief Executive to take action	County Clerk, 30 <sup>th</sup> March 2010	Chief Executive, April 2010

## 10 RECOMMENDATIONS

- 10.1 That Cabinet resolves to implement the proposal to close Ysgol Llantysilio on 31<sup>st</sup> August 2010.
- 10.2 That Cabinet resolves to amend Part 9 of the Constitution – Delegations to grant a power to the Chief Executive to include in paragraph 3.18 “and also to determine the Authority’s decision in respect of school organisational proposals and school closure proposals in respect of which either there have been no objections or any objections received have been resolved”.



**REPORT TO  
CABINET**

**CABINET MEMBER      COUNCILLOR H H EVANS, LEADER**

**DATE                              16 FEBRUARY 2010**

**SUBJECT                              MONITORING PERFORMANCE AGAINST THE AUTHORITY'S  
CORPORATE PLAN: QUARTER 3 2009/10**

**1      DECISION SOUGHT**

- 1.1 That Cabinet consider performance against the Corporate Plan 2009-2012 as detailed in the attached report of performance for the third quarter of 2009/10 (Appendix I).
- 1.2 That Cabinet agree where action needs to be taken in response to current slippage against targets for 2009/10. Appendix II provides an exceptions report: i.e. those Programmes, Projects, Actions and Performance Indicators where performance is currently below target.

**2      REASON FOR SEEKING DECISION**

2.1 The Corporate Plan 2009-2012 contains a basket of Performance Indicators, Programmes, Projects and Actions by which it was agreed that progress was to be monitored by Cabinet via quarterly performance reports. Some Performance Indicators, Programmes, Projects and Actions will only be reported on an annual basis and will therefore be included in the Quarter 4 report for 2009/10. Table 1 below specifies the number of Performance Indicators, Programmes, Projects, and Actions reported at Quarter 3.

	<b>Performance Indicators</b>	<b>Programmes</b>	<b>Projects</b>	<b>Actions</b>	<b>Total</b>
Reported quarterly at Q3	31	15	18	13	77

2.2 Of the 77 items that have reported for Quarter 3 2009/10:

- 72.7% (56) currently have a Green RAG status;
- 22.1% (17) currently have an Amber RAG status;
- 3.9% (3) currently have and Red RAG status;
- 1 action has no RAG status as it has been placed on hold until the outcome of the Change Programme is known.

Table 2 (below) provides a more detailed breakdown of Programmes, Projects, Actions




and Performance Indicators by RAG status.

	Green	Amber	Red
Programmes	9	6	0
Projects	15	3	0
Actions	12	0	0
Performance Indicators	20	8	3

2.3 Of the 31 Corporate Plan Performance Indicators that have been reported for Quarter 3 2009/10:

- 64.5% (20) are currently on or above target (i.e. Green);
- 25.8% (8) are currently below target but within 10% of the target (i.e. Amber); and
- 9.7% (3) are more than 10% below the target (i.e. Red).

Table 3 on (below) provides a more detailed breakdown of the Corporate Plan Performance Indicators by RAG status and by performance trend.

	Green	Amber	Red
Performance is improving 	13 Performance indicators	3 Performance indicators	1 Performance indicator
Performance is static 	5 Performance indicators		
Performance is worsening 	2 Performance indicators	5 Performance indicators	2 Performance indicators

The definitions of Red, Amber, Green used in this report are as follows:

	GREEN	AMBER	RED
Performance Indicators	On or above target	Within 10% of target	More than 10% below target
Programmes and Projects (Delivery Confidence Assessment)	Successful delivery of the project to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage threaten delivery significantly	Successful delivery appears feasible but significant issues already exist requiring management attention	Successful delivery of the project appears to be unachievable
Actions	No concern – on track and in control	Minor concern – not on track but in control	Major concern – not on track and not in control

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

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

### **4 RESOURCE IMPLICATIONS**

#### **4.1 Cost Implications**

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

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

There are no staffing or accommodation implications.

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

There are no I.T. implications.

### **5 RISK ASSESSMENT**

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

There is a risk of further slippage against the Authority's targets for 2009/10 if attention is not paid to those indicators that are not currently on target.

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

No risks associated with agreeing recommendation.

## 6 FINANCIAL CONTROLLER STATEMENT

- 6.1 Performance management is a key element in ensuring quality services that are cost effective. There may be cost implications to slippage against key actions and timescales. Any additional costs need to be contained within existing budgets.

## 7 CONSULTATION CARRIED OUT

- 7.1 Progress against agreed targets within the Corporate Plan 2009-2012 should be discussed at Departmental Management Team meetings and team meetings. Quarterly performance reports, which include performance indicators, are prepared by the Scrutiny Officers and distributed to the relevant Scrutiny Committees for review.

## 8 IMPLICATIONS

### 8.1 Assessment of Impact on Corporate Priorities

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

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

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

### 8.3 Assessment of Impact on Climate Change - Mitigation and Adaptation:

The impact on climate change of work associated with delivering the Corporate Plan should be considered by individual services and Project/Programmes Boards as appropriate. The implementation of the Ffynnon performance management software will ultimately reduce the reliance on paper performance reports, as Members and Officers will be able to access web-based reports. This has the potential to reduce the Council's carbon dioxide emissions.

## 9 ACTION PLAN

ACTION	RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED	ACTION TO BE REVIEWED & MONITORED BY / DATE TO BE MONITORED
That the Focussed Agenda Board considers the Quarter 3 Performance Report and identifies any performance issues for further challenge	Head of Strategic Policy	15 March 2010

To explore and address the reasons for below target performance in quarter 3 of 2009/10 at Departmental Team Meetings, Directorate Team meetings and CET	CET and Heads of Service	31 March 2010
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**10 RECOMMENDATIONS**

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

APPENDIX I: QUARTER 3 PERFORMANCE REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
<b>CORPORATE PRIORITIES</b>							
<b>Demographic Change Performance Indicators</b>							
Number of older people aged 65+ who are supported in a care home reduced	Cllr P Dobb	Amber	↓	587	562	Demographic Change Board	The number and rate of older people supported in quarter 3 has reduced from quarter 2. There are some specific challenges for performance which are adversely impacting on performance. Specifically we are required to count people who are self funding (i.e. who have over £22k in capital) but have their capital tied up in their property as being supported for this PI. In these instances the local authority places a charge on the property and assists with Care Home fees until the person's property it is sold. We are establishing the impact of the current housing market on the number and length of time we are now assisting self funders. There could be as many as 50 cases falling into this category.
SCA002b - The rate of older people (aged 65 or over) whom the authority supports in care homes per 1000 population aged 65 or over at 31 March	Cllr P Dobb	Amber	↑	28.85	27	Cabinet/CET	
Number of older people aged 65+ who are helped to live at home increased	Cllr P Dobb	Green	↑	1897	1810	Demographic Change Board	Current performance is on track to take us from the 3 <sup>rd</sup> to the 2 <sup>nd</sup> quartile (based on 08/09 data).
SCA002a - The rate of older people (aged 65 or over) supported in the community per 1000 population aged 65 or over at 31 March	Cllr P Dobb	Green	↑	93.22	87	Cabinet/CET	
Number of adults aged 18-64 with a learning disability who are supported in a care home reduced	Cllr P Dobb	Green	↔	34	36	Demographic Change Board	We are on track to meet our target
Rate of adults aged 18 - 64 with a learning disability who are supported in a care home reduced	Cllr P Dobb	Green	↔	0.60	0.63	Demographic Change Board	
Numbers of adults with learning disabilities helped to live at home increased	Cllr P Dobb	Amber	↓	217	222	Demographic Change Board	We are on track to meet our target
Rate of adults with learning disabilities helped to live at home increased	Cllr P Dobb	Amber	↓	3.8	3.5	Demographic Change Board	

APPENDIX I: QUARTER 3 PERFORMANCE REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
<b>Demographic Change Programmes</b>							
Telecare in Denbighshire	Cllr P Dobb	Green	↑	N/A	N/A	Demographic Change Board	Service is operational and we are on track to meet our improvement agreement target (300 new people). The recording of services has been challenging as well as financial resourcing. Agreement has been reached for transfer of responsibilities from Housing to SSD.
<b>Demographic Change Projects</b>							
Intensively Supported Independent Living	Cllr P Dobb	Amber	↔	N/A	N/A	Demographic Change Board	Difficulties progressing the project in partnership with health SS director fully aware of situation. This has put the programme behind schedule.
Co-located Health and Social Care team Prestatyn	Cllr P Dobb	Green	↑	N/A	N/A	Demographic Change Board	the co-located service in Prestatyn is scheduled to go live on the 8th February 2010
Implement and embed the Council's Reablement Approach to Care Planning across services for older people.	Cllr P Dobb	Green	↑	N/A	N/A	Demographic Change Board	Project started 18 <sup>th</sup> January 2010. Delayed by 1 week due to bad weather. Project being brought in incrementally. Initially for new clients in the Denbigh and St. Asaph areas for the first 3 months.
Extra Care Housing (Develop Extra Care Housing Projects in Prestatyn)	Cllr P Dobb	Green	↑	N/A	N/A	Demographic Change Board	Project plan broadly to timescales. Successful Launch Event at Scala Nov 09. Projected Scheme opening Nov 2010
Extra Care Housing (Develop Extra Care Housing Projects in Rhyl)	Cllr P Dobb	Green	↑	N/A	N/A	Demographic Change Board	Scheme fully occupied August 2009. Official launch by Rhodri Morgan July 09. Independent Evaluation report Nov 09.
Extra Care Housing (Develop Extra Care Housing Projects in Ruthin)	Cllr P Dobb	Green	↑	N/A	N/A	Demographic Change Board	Long term lease of land issue needs to be agreed. External Solicitors appointed and looking to complete Late January 10
<b>Demographic Change Actions</b>							
Develop individual budgets and self directed support for Learning Disabilities Clients	Cllr P Dobb	Green	↑	N/A	N/A	Demographic Change Board	Citizen Directed Support is still progressing within the Learning Disabilities Team. 7 Service users and their families have shown an interest in the pilot with 3 service users and their families attending a regular weekly support planning session. Session plans have not made it to the January panel however we are still on track for Feb. The steering group are continuing to meet on a monthly basis and the coordinator (AT) is continuing to attend the Wales forums for national updates.

APPENDIX I: QUARTER 3 PERFORMANCE REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
Establish Pub is the Hub initiatives	Cllr P Dobb	Green	↑	N/A	N/A	Demographic Change Board	One pub is the hub initiative is well advanced and work is being undertaken with the Eagles Hotel in Corwen.
Extend coverage of passion for life cafes	Cllr P Dobb	Green	↑	N/A	N/A	Demographic Change Board	The Passion 4 Life Cafes have been extended to Corwen with a new cafe established. The first pilot cafe is reaching the end of its formal sessions with 2 of the participants being identified to take over the facilitation role once the staff members withdraw
Facilitate employment and work experience opportunities for Learning Disabilities Clients through effective partnerships	Cllr P Dobb	Green	↔	N/A	N/A	Demographic Change Board	All actions are on target with some early achievements.
Produce a 3-5 year costed Business Plan for Care Services	Cllr P Dobb	Green	↑	N/A	N/A	Demographic Change Board	Draft model produced and is now being refined and tested with 2009/10 actual data. Time has been allocated in February and March to try to ensure the model is robust and reliable by the end of March. If successful, the model will be rolled-out to other services.
Regional collaboration with other Councils and NHS to support Learning Disabilities Clients	Cllr P Dobb	Green	↑	N/A	N/A	Demographic Change Board	The collaborative is well under way agreeing processes required for implementation of open book accounting system for LD residential care Placements which will be implemented in April 2010.between April10- June10 all existing care providers will be invited to submit costings for the entire existing care package to the procurement unit. The overall project members including both health and social care Partners are currently working together to develop a shared commissioning strategy for LD Services
Review of Services Provided to Older People in Sheltered Housing	Cllr P Dobb	Green	↑	N/A	N/A	Demographic Change Board	Draft strategy produced as target. Currently continuing with consultation within Directorate and with tenants.



APPENDIX I: QUARTER 3 PERFORMANCE REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
<b>Modernising Education Performance Indicators</b>							
EDU003 – The % of pupils eligible for assessment at the end of Key Stage 2, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	Cllr E Williams	Green	↑	76.81	75.2	Cabinet/CET	Denbighshire is 12th in Wales for this indicator
EDU004 – The % of pupils eligible for assessment at the end of Key Stage 3, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	Cllr E Williams	Green	↑	59.78	59.4	Cabinet/CET	Denbighshire is 14 <sup>th</sup> in Wales for this indicator
Raise the percentage of pupils achieving 5 A* to C	Cllr E Williams	Green	↑	55.9	51%	Modernising Education Board	Performance is 4.9% over the target and is an increase of 5% from the previous year
Raise the percentage of pupils achieving the Core Subject Indicator at key stage 1:	Cllr E Williams	Green	↑	83.2	82.70%	Modernising Education Board	Denbighshire is 6th in Wales for this indicator
Raise the percentage of pupils achieving the Core Subject Indicator at key stage 4:	Cllr E Williams	Green	↑	46.1	39%	Modernising Education Board	Performance is 7.1% above the target and an improvement of 5.8% on the previous year.
<b>Modernising Education Programmes</b>							
Monitoring and Evaluating Support Services to Schools	Cllr E Williams	Amber	↓	N/A	N/A	Modernising Education Board	No complaint escalations regarding support services have been received this quarter. There are still some issues to resolve with building services and these are currently being worked on.
School Reorganisation and Modernisation	Cllr E Williams / Cllr H Evans	Amber	↔	N/A	N/A	Modernising Education Board	Dee Valley East Primary Area Review Ysgol Llantysilio – No statutory objections within the 2 month timescales were received following the publication of the notice to close the school. The authority will now proceed to confirm its intention to close the school as of August.

APPENDIX I: QUARTER 3 PERFORMANCE REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
							<p>Ysgol Bryn Collen / Gwernant – Bids have been submitted for capital funding for the remodelling of the existing site following the recommendations of the area review. The Cabinet and Council will consider the bid during February.</p> <p>Prestatyn Area Review: Discussions have taken place with head teachers, governors, elected members and officers to identify options which should be considered further. One of the options includes extending Ysgol y Llys and amalgamating Bodnant Infant and Bodnant Juniors. Feasibility works will be progressed on these options and full consultation will take place with all parties before any decisions are made regarding these options.</p> <p>Rhyl High School New Build Prior to Christmas expressions of interest were received from a number of consultants bidding for the contract for the feasibility works for the Rhyl High School New Build project. A shortlist has been prepared and the selected consultants will be issued with an invitation to tender at the end of January. Discussions are also taking place between the Directorate and the Diocesan Authorities to develop the future vision for faith based education within Denbighshire.</p>
Support for Improving School Attendance	Cllr E Williams	Amber	↔	N/A	N/A	Modernising Education Board	<p>Official figures for primary attendance in 2008/09 show Denbighshire to be the 2nd best authority in Wales.</p> <p>The current running total for secondary attendance is 90.91%, performance in November and December was higher than in the same period last year, but lower in September and October.</p>
Support for School Improvement	Cllr E Williams	Green	↔	N/A	N/A	Modernising Education Board	<p>All major actions are on track. Schools have submitted the target setting sheets and targets are currently being collated. The Estyn progress visit has been completed and we are waiting for official feedback.</p>

APPENDIX I: QUARTER 3 PERFORMANCE REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
<b>Regeneration Programmes</b>							
To create a sustainable housing market in West Rhyl where the requirement for ongoing public investment in the private housing stock and general physical environment is significantly reduced and the area become one of housing choice rather than need <i>(action still to be ratified by the Regeneration Improvement Board)</i>	Cllr D Thomas	Green	↔	N/A	N/A	Regeneration Board	Key objectives and priorities for housings contribution to the Councils Regeneration Priority agreed at Regeneration Improvement Board. Proposals for additional staff revenue funding via Council's budget process supported in principle. PID prepared for submission to WAG SRA funding for specific Capital project work, including some staff revenue support. Some £3.5m spent via WAG SRA on property acquisition in West Rhyl. West Rhyl Masterplan proposals to be presented to Regeneration Improvement Board prior to reporting to Cabinet in order to go out to public consultation. Additional HMO Licensing in Rhyl to be rolled out.
PRIDE workstream being developed to include a pilot project to encourage community involvement in caring for neighbourhoods	Cllr D Thomas	Amber	↔	N/A	N/A	Regeneration Board	Further work to be explored with Community Safety Partnership
Implementing Council projects funded through the Rural Development Plan to invest in micro-business and community assets, support high growth business sectors, and provide a long distance footpath in the west of the county; developing a business plan of projects to be supported through the RDP from 2011 to 2014	Cllr D Thomas	Green	↔	N/A	N/A	Regeneration Board	EOI's received and evaluated for Business Plan 2. Detailed EOI's due 4th Feb.
Achieving Economic Regeneration through EU INTERREG projects to support social entrepreneurship and re-brand Rhyl, developing area plans and supporting town centre businesses in Denbigh and Prestatyn through the improvement agreement	Cllr D Thomas	Green	↔	N/A	N/A	Regeneration Board	3 Interreg projects being delivered - CANTATA II, BRAND and WINSENT.

APPENDIX I: QUARTER 3 PERFORMANCE REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
Reduction in poverty through the delivery of additional welfare rights services	Cllr D Thomas / Cllr P Dobb	Green	↔	N/A	N/A	Regeneration Board	£25k granted by Development Services, via the Regeneration Improvement Board, to Welfare Rights Unit for an additional officer
Raising skill levels in the current and future working age population	Cllr D Thomas	Amber	↔	N/A	N/A	Regeneration Board	New Skills representative on Regeneration Improvement Board. Skills workstream and targets will now be developed.
Agreeing the Action Plan with the Welsh Assembly Government for the North Wales Coast Strategic Regeneration Area	Cllr D Thomas	Green	↔	N/A	N/A	Regeneration Board	Action Plan agreed Nov 09. Several projects being delivered within SRA area.
<b>Roads and Flood Defences Programmes</b>							
Highways Asset Management: Implementation of Symology as a complete Highway asset Management Software package.	Cllr S Forbisher	Green	↔	N/A	N/A	Environment Scrutiny	Pilot has been completed and was successful. Ironed out technical problems. Report being prepared on how to go forward and will include project plans and implementation plans.
<b>Roads and Flood Defences Projects</b>							
Corwen Flood Scheme	Cllr S Forbisher	Green	↔	N/A	N/A	Environment Scrutiny	Scheme has no set date to start as yet.
Denbigh Flood Scheme	Cllr S Forbisher	Green	↔	N/A	N/A	Environment Scrutiny	The scheme is planned to commence on site and is on track to do so.
West Rhyl Flood Scheme	Cllr S Forbisher	Green	↔	N/A	N/A	Environment Scrutiny	The scheme is planned to commence on site November 2010 and is on track to do so.
Review Council's Gully Emptying Policy and Equipment	Cllr S Forbisher	Amber	↔	N/A	N/A	Environment Scrutiny	New equipment has been installed end of November (2 new gully emptiers) but arrived at the same time as the bad weather. Working on clearing backlog and developing a policy based on risk areas at same time as reducing backlog. On budget for procurement of equipment. Amber status relates only to being a bit behind on development of new policy.

APPENDIX I: QUARTER 3 PERFORMANCE REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
<b>IMPROVEMENT THEMES</b>							
<b>High Performance Culture- Delivering Value for Money Performance Indicators</b>							
CHR002 - The number of working days/shifts per full time equivalent (FTE) local authority employee lost due to sickness absence	Cllr P Marfleet	Red	↓	3.44	2.75	Cabinet / Resources Scrutiny	Sickness absence in Qtr 3 in 2008/09 has increased significantly from Qtr 2; however the actual days lost has decreased by over 1,000 actual days year on year comparing it to the same quarter in 2007/08. Compared to last year, the actual days lost are significantly lower for each Qtr this year, demonstrating positive progress.
% of eligible staff who have had a performance appraisal	Cllr P Marfleet	Red	↓	22.08	45	Cabinet / Resources Scrutiny	Heads of Service have been given up to date reports from Trent (w/c 4th January 2010) outlining which employees within their service haven't received an appraisal. Heads of Service have been asked to ensure that all appraisals are completed (where applicable) and entered into Trent by the end of Qtr 4.
<b>High Performance Culture- Delivering Value for Money Programmes</b>							
Project Gaia: DCC's Corporate Carbon Management Strategy (3% annual reduction in carbon dioxide emissions from DCC assets, fleet vehicles, business waste and staff business travel)	Cllr P Marfleet	Green	↔	N/A	N/A	CET	Asset/Fleet/Business Travel/Waste- RAG N/A- Programmes not yet started Assets- starting April 2010 Fleet/Business Travel- awaiting outcomes from Grey Fleet Service Review (due March 2010) to inform programme actions Behaviour Work Stream- RAG GREEN Cllr training on climate change & carbon reduction conducted New staff receive training on Project Gaia & carbon reduction via corporate induction Staff group 'the green team' set up to conduct localised carbon reduction initiatives
Change Programme (Service Review Programme)	Cllr P Marfleet / Cllr H Evans	Amber	↔	N/A	N/A	Change Programme Board	Programme Framework complete and being updated when necessary. Legal service review and Procurement project scope has been agreed by Board 9.12.09. Property review progressing. ICT/Customer Service review scope to be developed. HR consultants report complete for HR review, report being validated and progressed to business case.

APPENDIX I: QUARTER 3 PERFORMANCE REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
<b>High Performance Culture- Delivering Value for Money Projects</b>							
Implementation of the Ffynnon performance management system for Corporate and Service Business Plans.	Cllr H Evans	Green	↔	N/A	N/A	Cabinet	Project progressing to agreed Project Plan. Ffynnon used to generate Corporate QPR for Cabinet. Frameworks to be created to monitor Service Business Plans.
WorkSMART	Cllr H Evans	Green	↔	N/A	N/A	Cabinet	The pilot project concluded the reviews and shuffle of Highways & Infrastructure, releasing enough space to accommodate the Regeneration teams from Trem Clwyd by March. Review is underway with Finance to determine the success of the project. Proposals are underway for the joining of the project with the roll out of EDRMS. New Sponsor Alan Smith, Head of Business Planning & Performance from 1 Feb 2010.
<b>High Performance Culture- Delivering Value for Money Actions</b>							
Agree Medium Term Financial Plan	Cllr J Thompson-Hill	Green	↔	N/A	N/A	Council	Draft MTFP approved at Council in July 2009. Due to be complete by Feb 2010.
<b>Community and People Focused Projects</b>							
Develop Area Profiles and Statistics Website Resource for the Council and Local Service Board Partners.	Cllr H Evans	Green	↔	N/A	N/A	Cabinet	InfobaseSirDdinbych bilingual website is now completed and available for use. Specific reports and further development of the data in the site will be managed via the Community Planning Action Plan.
Community Strategy	Cllr R Hughes	Green	↔	N/A	N/A	LSB	An initial draft has been developed and will be redrafted and submitted to the LSB and then formal 12 week consultation by the end of February 2010.
Producing the new Equalities Plan	Cllr P Marfleet	Green	↔	N/A	N/A	Corporate Equalities Group	The Corporate Equalities Plan was formally adopted by Full Council on 1 Dec 2009
Producing the new Welsh Language Scheme	Cllr M Jones	Green	↔	N/A	N/A	Members Bilingual Forum	The Council's Welsh Language Scheme was formally adopted by Full Council on 1 Dec 2009

APPENDIX I: QUARTER 3 PERFORMANCE REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
Producing a Community Engagement Strategy	Cllr R Hughes	Amber	↔	N/A	N/A	Corporate Governance Strategic Communication Group	Work commitments with the Community Strategy and LSB prevent further work being done on the Engagement strategy until April 2010. Work has begun with other public and voluntary organisations to improve the coordination of consultation and engagement activity. A joint consultation calendar will be developed from March 2010.
<b>Community and People Focused Actions</b>							
Deliver Annual Opinion Survey	Cllr R Hughes	Green	↔	N/A	N/A	CET	The Survey has now been completed and the initial results have been returned and distributed to performance Officers. The official analysis and report is expected to be complete by the end of Feb
Deliver participatory budgeting	Cllr R Hughes	Green	↔	N/A	N/A	Leader	Three PB projects were completed during 2009. No further requests to run a project have been submitted. £10k was set aside for projects in 2009-10, £6k has been utilised. The remaining £4k is unlikely to be utilised before 31st March 2010. Llangollen Town Council have already expressed an interest in delivering another PB project in 2010 and have enquired about a possible Council contribution.
Deliver regular surveys via Citizens' Panel	Cllr R Hughes	Green	↔	N/A	N/A	Corporate Governance Strategic Communication Group	Currently in the process of producing a newsletter to send to members of the Citizens' Panel which will also advertise the Community Forum Events. A survey will be sent out at a later date with questions obtained from other LSB partner organisations.
<b>Outward Looking Projects</b>							
Improvement Agreements	Cllr H Evans	Green	↔	N/A	N/A	Cabinet	Year 2 progress to date reported to CET in November 2009. No significant issues in terms of Year 2 performance.
<b>Outward Looking Actions</b>							
Develop Partnership Governance framework	Cllr H Evans	-	-	N/A	N/A	LSB/Council	On hold until the outcome of the change programme is known.

APPENDIX I: QUARTER 3 PERFORMANCE REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
<b>Strong Governance and Leadership for Improvement Actions</b>							
Review of Policy Making	Cllr H Evans	Green	↑	N/A	N/A	CET	FAB agreed that Heads of Service are to review all their policies etc to establish the continuing relevance of each policy. The Head of Corporate Governance will then prepare a report and present to Corporate Governance Committee on the 31st March 2010 who now hold the oversight function.
<b>NATIONAL STRATEGIC INDICATORS</b>							
BNF/004 - Time taken to process Housing Benefit and Council Tax Benefit new claims and change events	Cllr J Thompson	Green	↑	6.79	15	Cabinet/CET	Our current target is 15 days, this is an excellent result
BNF/005 - The number of changes of circumstances which affect customers entitlement to Housing Benefit or Council Tax Benefit within the year	Cllr J Thompson	Green	↔	-	845 (per year)	Cabinet/CET	We have to depend on the DWP for these figures, our data is forwarded to them monthly and the results are shown on their website, this hasn't been updated since September; we were informed that each local authority would be sent their results at the end of December, still haven't received them. However, at the end of September we had already identified more changes than our target.
HHA002 - The average number of working days between homeless presentation and discharge of duty for households found to be statutorily homeless	Cllr D Thomas	Green	↑	129.81	200	Cabinet/CET	Strenuous efforts have been made with tenancy sustainment to prepare households to move on as soon as possible
HHA014a - The number of homeless families with children who have used Bed and Breakfast accommodation during the year, except in emergencies	Cllr D Thomas	Green	↔	0	0	Cabinet/CET	Continuing to manage not to place families with children in B & B accommodation
HHA014b - The average number of days all homeless families with children spent in Bed and Breakfast accommodation	Cllr D Thomas	Green	↔	0	4	Cabinet/CET	Continuing to manage not to place families with children in B & B accommodation



**APPENDIX I: QUARTER 3 PERFORMANCE REPORT**

<b>Item Name</b>	<b>Lead Member</b>	<b>RAG</b>	<b>Trend</b>	<b>Q3 Outturn</b>	<b>Target</b>	<b>Monitored By</b>	<b>Comment</b>
PPN001i – The percentage of high risk businesses that were liable to a programmed inspection that were inspected for Trading Standards	Cllr S Frobisher	Green	↑	71.00	57.00	Cabinet/ CET	By the end of the third quarter 8 trading standards inspections were due to be carried out to premises (57%) and 10 were actually carried out (71%). A work programme of inspections has been put in place to ensure all premises are inspected by the end of the year
PPN001ii – The percentage of high risk businesses that were liable to a programmed inspection that were inspected for Food Hygiene	Cllr S Frobisher	Amber	↑	60.00	66.00	Cabinet/ CET	By the end of the third quarter 276 hygiene inspections were due to be carried out to food premises (66%) and 248 were actually carried out (60%) which means that 28 inspections will be rolled over into the final quarter. A work programme of inspections has been put in place to ensure all premises are inspected by the end of the year
PPN001iii – The percentage of high risk businesses that were liable to a programmed inspection that were inspected for Animal Health	Cllr S Frobisher	Amber	↑	75.00	77.00	Cabinet/ CET	By the end of the third quarter 40 animal health inspections were due to be carried out to farms (77%) and 39 inspections were actually carried out (75%) which means that 1 inspection will be rolled over into the fourth quarter. A work programme of inspections has been put in place to ensure all premises are inspected by the end of the year
PPN001iv – The percentage of high risk businesses that were liable to a programmed inspection that were inspected for Health & Safety	Cllr S Frobisher	Red	↑	72.00	87.00	Cabinet/ CET	By the end of the third quarter 82 health and safety inspections were due to be carried out to businesses (87%) and 68 inspections were actually carried out (72%) which means that 14 inspections will be rolled over into the fourth quarter. A work programme of inspections has been put in place to ensure all premises are inspected by the end of the year
SCA001 - The rate of delayed transfers of care for social care reasons per 1000 population aged 75 or over	Cllr P Dobb	Green	↓	0.91	1.5	Cabinet/CET	Performance in the top quartile has been sustained
SCA002a - The rate of older people (aged 65 or over) supported in the community per 1000 population aged 65 or over at 31 March	Cllr P Dobb	Green	↑	93.22	87	Cabinet/CET	Current performance is on track to take us from the 3 <sup>rd</sup> to the 2 <sup>nd</sup> quartile (based on 08/09 data).

APPENDIX I: QUARTER 3 PERFORMANCE REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
SCA002b - The rate of older people (aged 65 or over) whom the authority supports in care homes per 1000 population aged 65 or over at 31 March	Cllr P Dobb	Amber	↓	28.85	27	Cabinet/CET	The number and rate of older people supported in q3 has reduced from q 2. There are some specific challenges for performance which are adversely impacting on performance. Specifically we are required to count people who are self funding (i.e. who have over £22k in capital) but have their capital tied up in their property as being supported for this PI. In these instances the local authority places a charge on the property and assists with Care Home fees until the person's property is sold. We are establishing the impact of the current housing market on the number and length of time we are now assisting self funders. There could be as many as 50 cases falling into this category.
SCC001a - The percentage of first placements of looked after children during the year that began with a care plan in place	Cllr M Jones	Green	↑	100	95	Cabinet/CET	A Performance Action Group have undertaken a review of performance and implemented actions to ensure that all activity is captured.
SCC001b - 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	Cllr M Jones	Amber	↓	96.67	100	Cabinet/CET	There has been 1 case where the performance indicator has not been met this year.
SCC002 – The % 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	Cllr M Jones	Green	↓	5.62	15	Cabinet/CET	Excellent performance for this indicator has been sustained.
WMT001i - The % of municipal waste reused and/or recycled	Cllr S Frobisher	Green	↑	34.32	25	Cabinet/CET	Not all data received
WMT001ii - The % of municipal waste composted or treated biologically in another way	Cllr S Frobisher	Amber	↓	14.71	15	Cabinet/CET	Not all data received

APPENDIX I: QUARTER 3 PERFORMANCE REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
WMT002 - The % of bio-degradable municipal waste sent to landfill	Cllr S Frobisher	Green	↑	46.30	57.5	Cabinet/CET	Not all data received
EDU003 – The % of pupils eligible for assessment at the end of Key Stage 2, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	Cllr E Williams	Green	↑	76.81	75.2	Cabinet/CET	Denbighshire is 12th in Wales for this indicator
EDU004 – The % of pupils eligible for assessment at the end of Key Stage 3, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	Cllr E Williams	Green	↑	59.78	59.4	Cabinet/CET	Denbighshire is 14 <sup>th</sup> in Wales for this indicator

APPENDIX II: QUARTER 3 EXCEPTIONS REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
<b>CORPORATE PRIORITIES</b>							
<b>Demographic Change Performance Indicators</b>							
Number of older people aged 65+ who are supported in a care home reduced	Cllr P Dobb	Amber	↓	587	562	Demographic Change Board	The number and rate of older people supported in quarter 3 has reduced from quarter 2. There are some specific challenges for performance which are adversely impacting on performance. Specifically we are required to count people who are self funding (i.e. who have over £22k in capital) but have their capital tied up in their property as being supported for this PI. In these instances the local authority places a charge on the property and assists with Care Home fees until the person's property it is sold. We are establishing the impact of the current housing market on the number and length of time we are now assisting self funders. There could be as many as 50 cases falling into this category.
SCA002b - The rate of older people (aged 65 or over) whom the authority supports in care homes per 1000 population aged 65 or over at 31 March	Cllr P Dobb	Amber	↑	28.85	27	Cabinet/CET	
Numbers of adults with learning disabilities helped to live at home increased	Cllr P Dobb	Amber	↓	217	222	Demographic Change Board	We are on track to meet our target
Rate of adults with learning disabilities helped to live at home increased	Cllr P Dobb	Amber	↓	3.8	3.5	Demographic Change Board	
<b>Demographic Change Projects</b>							
Intensively Supported Independent Living	Cllr P Dobb	Amber	↔	N/A	N/A	Demographic Change Board	Difficulties progressing the project in partnership with health SS director fully aware of situation. This has put the programme behind schedule.
<b>Modernising Education Programmes</b>							
Monitoring and Evaluating Support Services to Schools	Cllr E Williams	Amber	↓	N/A	N/A	Modernising Education Board	No complaint escalations regarding support services have been received this quarter. There are still some issues to resolve with building services and these are currently being worked on.

APPENDIX II: QUARTER 3 EXCEPTIONS REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
School Reorganisation and Modernisation	Cllr E Williams / Cllr H Evans	Amber	↔	N/A	N/A	Modernising Education Board	<p>Dee Valley East Primary Area Review Ysgol Llantysilio – No statutory objections within the 2 month timescales were received following the publication of the notice to close the school. The authority will now proceed to confirm its intention to close the school as of August.</p> <p>Ysgol Bryn Collen / Gwernant – Bids have been submitted for capital funding for the remodelling of the existing site following the recommendations of the area review. The Cabinet and Council will consider the bid during February.</p> <p>Prestatyn Area Review: Discussions have taken place with head teachers, governors, elected members and officers to identify options which should be considered further. One of the options includes extending Ysgol y Llys and amalgamating Bodnant Infant and Bodnant Juniors. Feasibility works will be progressed on these options and full consultation will take place with all parties before any decisions are made regarding these options.</p> <p>Rhyl High School New Build Prior to Christmas expressions of interest were received from a number of consultants bidding for the contract for the feasibility works for the Rhyl High School New Build project. A shortlist has been prepared and the selected consultants will be issued with an invitation to tender at the end of January. Discussions are also taking place between the Directorate and the Diocesan Authorities to develop the future vision for faith based education within Denbighshire.</p>
Support for Improving School Attendance	Cllr E Williams	Amber	↔	N/A	N/A	Modernising Education Board	<p>Official figures for primary attendance in 2008/09 show Denbighshire to be the 2nd best authority in Wales.</p> <p>The current running total for secondary attendance is 90.91%, performance in November and December was higher than in the same period last year, but lower in September and October.</p>

APPENDIX II: QUARTER 3 EXCEPTIONS REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
<b>Regeneration Programmes</b>							
PRIDE workstream being developed to include a pilot project to encourage community involvement in caring for neighbourhoods	Cllr D Thomas	Amber	↔	N/A	N/A	Regeneration Board	Further work to be explored with Community Safety Partnership
Raising skill levels in the current and future working age population	Cllr D Thomas	Amber	↔	N/A	N/A	Regeneration Board	New Skills representative on Regeneration Improvement Board. Skills workstream and targets will now be developed.
<b>Roads and Flood Defences Projects</b>							
Review Council's Gully Emptying Policy and Equipment	Cllr S Frobisher	Amber	↔	N/A	N/A	Environment Scrutiny	New equipment has been installed end of November (2 new gully emptiers) but arrived at the same time as the bad weather. Working on clearing backlog and developing a policy based on risk areas at same time as reducing backlog. On budget for procurement of equipment. Amber status relates only to being a bit behind on development of new policy.
<b>IMPROVEMENT THEMES</b>							
<b>High Performance Culture- Delivering Value for Money Performance Indicators</b>							
CHR002 - The number of working days/shifts per full time equivalent (FTE) local authority employee lost due to sickness absence	Cllr P Marfleet	Red	↓	3.44	2.75	Cabinet / Resources Scrutiny	Sickness absence in Qtr 3 in 2008/09 has increased significantly from Qtr 2; however the actual days lost has decreased by over 1,000 actual days year on year comparing it to the same quarter in 2007/08. Compared to last year, the actual days lost are significantly lower for each Qtr this year, demonstrating positive progress.
% of eligible staff who have had a performance appraisal	Cllr P Marfleet	Red	↓	22.08	45	Cabinet / Resources Scrutiny	Heads of Service have been given up to date reports from Trent (w/c 4th January 2010) outlining which employees within their service haven't received an appraisal. Heads of Service have been asked to ensure that all appraisals are completed (where applicable) and entered into Trent by the end of Qtr 4.

APPENDIX II: QUARTER 3 EXCEPTIONS REPORT

Item Name	Lead Member	RAG	Trend	Q3 Outturn	Target	Monitored By	Comment
<b>High Performance Culture- Delivering Value for Money Programmes</b>							
Change Programme (Service Review Programme)	Cllr P Marfleet / Cllr H Evans	Amber	↔	N/A	N/A	Change Programme Board	Programme Framework complete and being updated when necessary. Legal service review and Procurement project scope has been agreed by Board 9.12.09. Property review progressing. ICT/Customer Service review scope to be developed. HR consultants report complete for HR review, report being validated and progressed to business case.
<b>Community and People Focused Projects</b>							
Producing a Community Engagement Strategy	Cllr R Hughes	Amber	↔	N/A	N/A	Corporate Governance Strategic Communication Group	Work commitments with the Community Strategy and LSB prevent further work being done on the Engagement strategy until April 2010. Work has begun with other public and voluntary organisations to improve the coordination of consultation and engagement activity. A joint consultation calendar will be developed from March 2010.
<b>NATIONAL STRATEGIC INDICATORS</b>							
PPN001ii – The percentage of high risk businesses that were liable to a programmed inspection that were inspected for Food Hygiene	Cllr S Frobisher	Amber	↑	60.00	66.00	Cabinet/ CET	By the end of the third quarter 276 hygiene inspections were due to be carried out to food premises (66%) and 248 were actually carried out (60%) which means that 28 inspections will be rolled over into the final quarter. A work programme of inspections has been put in place to ensure all premises are inspected by the end of the year
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APPENDIX II: QUARTER 3 EXCEPTIONS REPORT

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SCA002b - The rate of older people (aged 65 or over) whom the authority supports in care homes per 1000 population aged 65 or over at 31 March	Cllr P Dobb	Amber	↓	28.85	27	Cabinet/CET	The number and rate of older people supported in q3 has reduced from q 2. There are some specific challenges for performance which are adversely impacting on performance. Specifically we are required to count people who are self funding (i.e. who have over £22k in capital) but have their capital tied up in their property as being supported for this PI. In these instances the local authority places a charge on the property and assists with Care Home fees until the person's property is sold. We are establishing the impact of the current housing market on the number and length of time we are now assisting self funders. There could be as many as 50 cases falling into this category.
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WMT001ii - The % of municipal waste composted or treated biologically in another way	Cllr S Frobisher	Amber	↓	14.71	15	Cabinet/CET	Not all data received



**REPORT TO CABINET**

**CABINET MEMBER:** Councillor D A J Thomas, Lead Member for Regeneration & Tourism

**DATE:** 16th February 2010

**SUBJECT:** Housing Revenue Account Budget & Capital Plan Update Report 2009 / 2010

**1 DECISION SOUGHT**

Note the 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 £238k should be generated by the end of the financial year, which is £55k less than forecast in the original budget set in February 2009. The forecast surplus has reduced by £9k from the position reported last month.
- There have been some minor changes in most expenditure categories but the most significant changes are that the forecast amount repayable as Rent Rebate Subsidy Limitation has reduced by £50k, based on a reassessment following the transfer of leased properties from the housing revenue account and the interest payable on balances has been reduced by £48k to reflect current interest rate forecasts.
- The council's housing stock remains at 3,469 following a sale in November but no further sales are expected this financial year. Part of the receipt from the sale will be used to fund capital expenditure.

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

- The 2009/10 Plan was approved by Cabinet in February and the five-year review agreed with Wales Audit Office is underway. A due diligence review was also commissioned as part of the process and confirms that the Plan remains viable. A further review assessing the financial viability of the Plan and the implications of stock retention compared to transfer had to be submitted to WAG in December as a new condition of receiving the Major Repairs Allowance funding (£2.4m per year) and has been accepted, subject to final confirmation from WAG that the Plan remains financially viable.

## **4.3 Cost Implications Housing Capital Plan (Improvement Programme)**

- As previously reported, 1,132 properties have been improved as part of the major improvement programme so far and the windows and heating contracts have also been successfully completed. The expenditure shown against the window and heating contracts relates to contractual retention payments. The first phase of works (Lot 1) on the new improvement contract is underway and improvements to the Maes Emlyn complex in Rhyl are complete with high levels of tenant satisfaction reported. Work at Meredith Crescent is around 40% completed and the next site (Aled Avenue, Rhyl) should begin in the next few weeks – tenant consultation is underway.
- The new improvement contract is expected to deliver between 150-200 completions by the end of the financial year. The next phases of the programme will see a contract for 219 properties in the north of the county (Lot 2) hopefully being awarded in February and a further contract for 199 properties (Lot 3) are currently being prepared for tender by the end of February.
- The capital plan has been adjusted to reflect planned activity this year and therefore shows a reduced expenditure forecast of £3.9m (previously £7.8m). The reduced expenditure this year benefits the business plan financially. This obviously delays improvements for some tenants but the slippage will be recovered during 2010/11 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 HRA Budget 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 CHIEF FINANCIAL OFFICER STATEMENT**

The improved revenue position this year is noted and will benefit the housing Stock Business Plan. The five-year review of the HSBP, including the due diligence review have provided an opportunity to reassess key planning assumptions and confirmed the long-term viability of the Plan.

## **7 CONSULTATION CARRIED OUT**

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

## **8 IMPLICATIONS**

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

Improving the housing stock will contribute to the council's regeneration priority. Maintenance, improvement and adaptation of properties will assist independent living for elderly tenants – particularly those in sheltered accommodation.

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

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.

### **8.3 Assessment of Impact on Climate Change - Mitigation and Adaptation**

The improvement works will assist in reducing carbon emissions by installing more efficient windows, heating systems and loft insulation.

## **9 ACTION PLAN**

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

## **10 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> Final Outturn	<u>Period 10 January 2010</u>	Original Budget	<u>2009/10</u> Forecast Out-turn	Variance to Budget	<u>2009/10</u> Previous Report Dec £
£	<u>EXPENDITURE</u>	£	£	£	£
1,773,347	Supervision & Management - General	1,771,215	1,854,185	-82,971	1,850,887
251,090	Supervision & Management - Special	278,325	278,920	-595	277,325
144,789	Welfare Services	146,710	150,499	-3,789	150,499
377,064	Homelessness - Leased Properties	386,000	0	386,000	0
2,580,144	Repairs and Maintenance	2,696,000	2,706,974	-10,974	2,700,829
<b>5,126,434</b>	<b>Total Housing Management</b>	<b>5,278,250</b>	<b>4,990,578</b>	<b>287,671</b>	<b>4,979,540</b>
2,042,233	Item 8 Capital Charges	2,247,000	2,267,112	-20,112	2,267,035
3,000,000	CERA	0	0	0	0
0	Rent Rebate Subsidy Limitation	240,000	75,000	165,000	125,000
2,925,877	Subsidy	2,811,000	3,043,695	-232,695	3,043,695
17,190	Provision for Bad Debts	25,750	25,750	0	25,750
<b>13,111,734</b>	<b>Total Expenditure</b>	<b>10,602,000</b>	<b>10,402,135</b>	<b>199,864</b>	<b>10,441,020</b>
<b><u>INCOME</u></b>					
9,955,062	Rents (net of voids)	10,435,000	10,468,566	33,566	10,468,566
231,038	Leased Rents	281,000	0	-281,000	0
138,416	Garages	151,065	138,639	-12,426	138,104
102,168	Interest on Balances & Other Income	28,000	33,326	5,326	81,680
<b>10,426,684</b>	<b>Total Income</b>	<b>10,895,065</b>	<b>10,640,531</b>	<b>-254,534</b>	<b>10,688,350</b>
<b>Surplus / Deficit (-) for the Year</b>					
<b>314,950</b>	<b>General Balances</b>	<b>293,065</b>	<b>238,395</b>	<b style="color: red;">-54,670</b>	<b>247,330</b>
<b style="color: red;">-3,000,000</b>	<b>Earmarked Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3,706,736	Balance as at start of year ~ General	1,021,686	1,021,686	0	1,021,686
1,021,686	Balance as at end of year ~ General	1,314,752	1,260,082	-54,670	1,269,016

Appendix 2

<b>HRA Capital Plan Update 2009/10</b>				
<b><u>Month 10</u></b>				
<b>Actual 2008/09</b>	<b>Description</b>	<b>Approved Schemes</b>	<b>Actual at End Jan</b>	<b>Forecast Outturn</b>
<b>£</b>		<b>£</b>	<b>£</b>	<b>£</b>
383,638	Environmental Improvement Works	400,000	273,854	440,000
7,985,011	Major Improvements	6,853,000	2,246,535	2,879,711
228,111	Windows Replacement	0	119,044	119,044
403,135	Central Heating Contract	0	11,460	17,203
522,826	Disabled Adaptations (Council Houses)	400,000	303,233	400,000
0	HRA Capital Contingency	430,000	0	42,840
<b>9,522,721</b>	<b>Total</b>	<b>8,083,000</b>	<b>2,954,126</b>	<b>3,898,798</b>
<b>2008/09</b>	<b>HRA Capital Plan Financed By:</b>	<b>Original</b>		<b>Forecast</b>
<b>£</b>		<b>£</b>		<b>£</b>
2,400,000	Major Repairs Allowance Grant	2,400,000		2,400,000
73,636	Useable Capital Receipts	0		18,000
4,049,085	Prudential Borrowing	5,683,000		1,480,798
3,000,000	CERA	0		0
<b>9,522,721</b>	<b>Total</b>	<b>8,083,000</b>		<b>3,898,798</b>

REPORT TO CABINET

**CABINET MEMBER:** Councillor D A J Thomas, Lead Member for Regeneration & Tourism

**DATE:** 16<sup>th</sup> February 2010

**SUBJECT:** Housing Revenue Account  
Revenue Budgets and Capital Budgets 2010-11

**1 DECISION SOUGHT**

- 1.1 That the Housing Revenue Account Budget [Appendix 1] and Capital Programme [Appendix 3] for 2010/11 be adopted.
- 1.2 That rents for Council dwellings be increased in accordance with the Rent Setting Policy in Sections 2.2.7 and 2.2.8 (average 2.1%) from Monday 5th April 2010.
- 1.3 That rents for Council garages be increased by £0.20 to £5.50 (3.8%) per week with effect from Monday 5th April 2010.
- 1.4 That heating charges be increased by 10% in accordance with section 2.6.3 with effect from Monday 5th April 2010.

**2 REASON FOR SEEKING DECISION**

- 2.1.1 Statutory requirement to set budgets and rent levels before the start of the new financial year.
- 2.1.2 The budget for 2010/11 must be set to conform with the Housing Stock Business Plan (HSBP) established when the Council decided to retain its housing stock and fund improvements to reach WHQS by 2012 and maintain it until 2035.

**2.2 Housing Revenue Account (HRA)**

- 2.2.1 The latest forecast outturn for 2009/10 is detailed in Appendix 1, in line with the monthly monitoring report. Balances, at year end, are forecast to be £1,260,081.
- 2.2.2 The proposed budget for 2010/11 is also detailed in Appendix 1. The budget has been calculated on the following bases:
  - General Inflation will be 1.6%;
  - Pay award at 0.5% and salary increments (where due) have been included;
  - Management expenditure in line with the HSBP assumptions;
  - 1 Right To Buy (RTB) Sale in 2009/10 and in 2010/11 and subsequent years;
  - HRA Subsidy Determinations;

- Repairs and Maintenance in line with HSBP assumptions. It will not be necessary to reduce repairs expenditure by £100,000 for 2010/11 as previously required in the HSBP, see 2.3.4 below. This will be reviewed from 2011/12 onwards.
  - Average actual rent increases of 2.1 %.
- 2.2.3 Final HRA Subsidy Determinations were received in February 2010. The Determination effectively decides the amount of the negative subsidy paid to WAG and on to the Treasury each year. There is a national review of the HRAS under way but there is no immediate prospect of significant change to the Subsidy system.
- 2.2.4 It is for councils to determine their own rent setting policies for the actual rents charged to tenants but they must take account of Guideline Rents set by WAG as part of the Subsidy calculation, and of Benchmark Rents which are set by WAG to influence housing association rent levels.
- 2.2.5 Guideline Rents from WAG have been based in past years on inflation plus 1% with the policy intention of convergence between Council rents and Housing Association rents (Benchmark Rents). Inflation at the relevant date in September 2009 was actually negative but WAG have proposed an increase of 2.1% in Guideline Rents and the same for Benchmark Rents – the policy of convergence is said to be temporarily suspended. This does allow for a higher increase of 3.8% in the Management and Maintenance Allowance and WAG have given general guidance that the total amount of HRA Subsidy to be paid should be maintained at or about its current level which is better than previous versions where amounts increased substantially.
- Management and Maintenance allowances have increased to £2,083 per dwelling (an increase of 3.8% over 2009/10);
  - Guideline Rent increased to £59.06 per dwelling per week (2.1%);
  - Benchmark Rents increased to £65.52 (2.1%).
- 2.2.6 It is estimated that the HRA Subsidy payment to Welsh Assembly Government (WAG), for 2009/10 will total £3,043,695.
- 2.2.7 It is proposed to increase actual rents by 2% for almost all tenants. Since 2006, Denbighshire's actual rents have been higher than Guideline Rents in order to provide some additional capital to fund the backlog of works. This level of rise will maintain the current position where rents are about 95p per week above Guideline. It is not considered to be reasonable to seek rises above this level taking account of current financial circumstances and inflation levels for tenants.
- 2.2.8 Some 65% of all tenants are in receipt of Housing Benefit and will therefore receive support towards the increase.
- 2.2.9 Because the proposed rent levels are higher than Guideline Rents, the Council may be required to pay up to £91,000 in Rent Rebate Subsidy Limitation (RRSL) to the Department of Works and Pensions (DWP).
- 2.2.10 There are still 70 tenants paying below average rent at February 2009 because of historical anomalies which are being caught up over a period of years. They will

therefore need a rent increase above 2% to move closer to Target Rent. The Target Rent is the amount that most tenants pay as actual rent. However, these 70 tenants would have faced excessive rises to reach target rent in a single year. Their rents should be limited to a Maximum Increase in cash terms in any one year. Only 13 properties will remain below Target Rent for 2010/11 because 57 will reach the new target this year.

2.2.11 No tenant will pay more than Target Rent. All new tenants will pay Target Rents.

	<b>Notional Rent</b>	<b>Target Rent</b>	<b>Maximum Increase</b>
Bed-sit	£49.81	£50.75	£5.00
1 Bedroom	£52.42	£53.40	£5.00
2 Bedrooms	£56.69	£57.73	£5.00
3 Bedrooms	£65.36	£66.61	£6.00
4 Bedrooms	£71.89	£73.24	£6.00
<b>Weighted Average</b>	<b>£59.06</b>	<b>£60.01</b>	

2.2.12 **All tenants currently at target will pay an increase of 2%. The 70 tenants currently below target will pay a higher increase towards reaching target but subject to a maximum cash amount.**

### 2.3 Housing Stock Business Plan (HSBP)

- 2.3.1 As part of the budget process it is necessary to monitor the Housing Stock Business Plan. A formal review of the HSBP was undertaken in late 2009 with a Due Diligence assessment by external consultants. The overall judgement is that the Housing Stock Business Plan remains viable. The only realistic alternative would be Stock Transfer and this should not be pursued at the moment given the uncertainty over the future of the HRA Subsidy system. It is clear that Transfer could eventually provide additional finance which might allow more scope for new development to meet housing need although it is not required to deal with the issues of the current stock. However the HRA Subsidy review might provide similar advantages. It is also unlikely that enough support could be realised to carry through the difficult transfer process including a ballot of tenants.
- 2.3.2 The review and due diligence assessment thus appear to show that the HSBP remains viable and a revised Plan has been submitted to WAG which is now effectively a bid for the Major Repairs Allowance (MRA) for 2010/11. WAG has now confirmed a potential allocation for MRA grant of £2.4m for 2010/11, subject to the outcome of the formal MRA application.
- 2.3.3 The latest Plan remains close to previous versions but does have some changes which are generally beneficial. It takes into account the latest WAG Guidelines and the HRA Subsidy Determinations, together with allowances for revenue and capital expenditure which are based on best current estimates – except that capital contract costs have not been reduced to reflect improved tenders received in order to provide some contingency funding. Basically the Plan follows the WAG Guidelines in assuming inflation of 2% per annum from 2011/12 and rents rising by 1% above inflation whilst Management and Maintenance Allowances rise by



2% above inflation (made possible by falling capital debt eligible for HRA Subsidy and WAG assumptions that Subsidy levels will be broadly maintained). Capital funding is from the MRA, a small amount from Capital Receipts and the remainder from Prudential Borrowing.

- 2.3.4 There is no current requirement to find additional revenue savings. The requirement for HRA Subsidy eligible borrowing has been put back again (will now not be required until 2016/17). The HSBP did require a reduction of £100K in the Housing Repairs revenue budget in each year from 05/06 to 09/10 but this was not necessary in 2009/10 nor will it be required for 2010/11. Right to Buy sales are much slower than expected and are now included at only one per year.
- 2.3.5 Appendix 2 details the figures for 2009/10 to 2014/15 of the HSBP based on current information. The budget for 2010/11 has been set in conjunction with the Business Plan. Rent increases of 5.3% per annum were previously expected each year until 2016 when rents converged with Benchmark Rents. In line with the recommendation for this year these rises have now been reduced to 2% per annum for 2010/11 and 3% per annum thereafter - and convergence is no longer expected within the Plan period. The proposed budget shows an expected outturn for 2010/11 in line with the Plan. The Plan must ensure that HRA balances do not go into deficit throughout the lifetime of the Plan.
- 2.3.6 Appendix 3 contains the draft Capital Programme for 2009/10 and for 2010/11 which continues the priorities for full improvement for older properties. There has been slippage on the 2009/10 programme due to re-tendering and the two years will now be rolled together. The new programme appears affordable in line with the HSBP, allowing for inflation and including a contingency sum which will be reviewed during the year. There will therefore be some transfers between the two years but the overall programme is still following the Plan.

## **2.4 Leasing**

- 2.4.1 Leasing Subsidy within the HRA was withdrawn by the Treasury and WAG from October 2009 and funding for temporary accommodation for homeless people is now accounted for in the Council Fund.

## **2.5 Garages**

- 2.5.1 Rents for garages increased significantly in 2007 and by 3% from £5.15 to £5.30 per week in 2009/10. A modest increase of 20p to £5.50 (3.8%) is proposed for 2010/11

## **2.6 Heating Charges**

- 2.6.1 Four estates have communal heating systems with central boilers without individual meters. All other tenants pay their own heating costs direct to the supplier. Charges at the four estates increased significantly in 2007 and again in 2008 and 2009 but have still not reflected the national increases.

2.6.2 Energy supplier costs fell during 2007 but increased significantly during 2008 and 2009. Estimated costs for 2009/10 are expected to be significantly above income for the financial year (depending on winter costs yet to come). A further rise, of 10% per week, is therefore proposed.

2.6.3 Proposed charges:

		<b>2009/10</b>	<b>2010/11</b>
Caradoc Road, Prestatyn	IBF	£5.50	£6.05
Llygadog, Corwen	IBF	£9.05	£9.95
	2BF	£9.90	£10.85
	Warden	£8.80	£9.65
Trem y Foel, Ruthin	1BF	£6.70	£7.35
	2BF	£7.95	£8.70
	Warden	£9.40	£10.30
Cysgodfa, Denbigh	1BF	£7.10	£7.80
	2BF	£8.45	£9.25

## **2.7 Supporting People Charges**

Details of the new charges will be included in a separate report on Social Services Fees and Charges.

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

3.1 Housing Act 1985, Section 24.

## **4 RESOURCE IMPLICATIONS**

### **4.1 Cost Implications**

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

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

The budget report does not require any staffing or accommodation changes.

### **4.3 IT Implications**

None

## **5. RISK ASSESSMENT**

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

Failure to follow the Housing Stock Business Plan and to set budgets could lead to financial problems and potential intervention by WAG.

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

Increased rents and charges above inflation could lead to hardship for tenants but are unlikely to reduce demand for Council housing and services.

## 6. CHIEF FINANCIAL OFFICER STATEMENT

The recent update of the Housing Stock Business Plan and the external due diligence review demonstrate that the Plan remains financially viable (subject to the formal assessment by WAG). The latest assumptions built into the Plan have actually improved the overall financial position in the longer-term. The Plan should continue to be closely monitored to ensure that the implications of potential economic or legislative changes are assessed. The likely changes to the Subsidy system will be kept under review.

## 7. CONSULTATION CARRIED OUT

The Denbighshire Tenants' and Residents' Federation have been consulted on the capital and revenue proposals, particularly on the options for the capital programme. As in the past they have expressed concern at the level of rent increases but accepted the need to follow the Business Plan and supported the continuing capital programme. Social Services and Housing Scrutiny Committee on 4<sup>th</sup> February 2010 were consulted on the main proposals and supported the proposals.

## 8. IMPLICATIONS ON OTHER POLICY AREAS

### 8.1 Assessment of Impact on Corporate Priorities

The Housing Capital Programme will contribute to the Regeneration agenda.

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

Rent increases above inflation will impact on Anti-Poverty policies. The Capital Programme, especially environmental works, will contribute to Community Development. The improvement of housing stock to meet Welsh Housing Quality Standards is in line with the Council's Vision.

### 8.3 Assessment of Impact on Climate Change - Mitigation and Adaptation

The improvement works will assist in reducing carbon emissions by installing more efficient windows, heating systems and loft insulation.

## 9. ACTION PLAN

Action	Responsibility	Date
Implement increases in rents and charges	Head of Housing Services	5 <sup>th</sup> March 2010
Monitor progress against budget and HSBP	Head of Housing Services Senior Management Accountant	Monthly report to Cabinet

## **10. RECOMMENDATIONS**

- 10.1 That the Housing Revenue Account budget [Appendix 1] and Capital Programme [Appendix 3] for 2010/11 be adopted.
- 10.2 That rents for Council dwellings be increased in accordance with the Rent Setting Policy in Sections 2.2.7 and 2.2.8 (average 2.1%) from Monday 5<sup>th</sup> April 2010.
- 10.3 That rents for Council garages be increased by £0.20 to £5.50 (3.8%) per week with effect from Monday 5th April 2010.
- 10.4 That heating charges be increased by 10% in accordance with section 2.6.3 with effect from Monday 5th April 2010.

<b>Housing Revenue Account ~ 2010/11 Budget</b>				
<b><u>2008/09</u></b>		<b><u>2009/10</u></b>		<b><u>2010/11</u></b>
<b>Actual</b>		<b>Original</b>	<b>Forecast</b>	<b>Proposed</b>
<b>Outturn</b>		<b>Budget</b>	<b>Out-turn</b>	<b>Budget</b>
<b>£</b>		<b>£</b>	<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
1,773,347	Supervision & Management - General	1,771,215	1,854,185	1,799,554
251,090	Supervision & Management - Special	278,325	278,920	282,778
144,789	Welfare Services	146,710	150,499	149,058
377,064	Homelessness - Leased Properties	0	0	0
2,580,144	Repairs and Maintenance	2,696,000	2,706,974	2,739,136
<b>5,126,434</b>	<b>Total Housing Management</b>	<b>4,892,250</b>	<b>4,990,578</b>	<b>4,970,526</b>
2,042,233	Item 8 Capital Charges	2,247,000	2,267,112	2,452,038
3,000,000	C.E.R.A.	0	0	0
0	Rent Rebate Subsidy Limitation	240,000	75,000	91,000
2,925,877	Subsidy	2,811,000	3,043,695	2,986,027
17,190	Provision for Bad Debts	25,750	25,750	26,750
<b>13,111,734</b>	<b>Total Expenditure</b>	<b>10,216,000</b>	<b>10,402,135</b>	<b>10,526,341</b>
	<b><u>INCOME</u></b>			
9,955,062	Rents (net of voids)	10,435,000	10,468,566	10,644,755
231,038	Leased Rents	281,000	0	0
138,416	Garages	151,065	138,639	153,342
102,168	Interest on Balances & RTB			
	Mortgages	28,000	33,325	34,886
<b>10,426,684</b>	<b>Total Income</b>	<b>10,895,065</b>	<b>10,640,530</b>	<b>10,832,983</b>
	<b>Surplus / Deficit (-) for the Year</b>			
314,950	<b>General Balances</b>	<b>679,065</b>	<b>238,395</b>	<b>306,642</b>
-3,000,000	<b>CERA</b>	<b>0</b>	<b>0</b>	<b>0</b>
3,706,736	Balance as at start of year ~ General	1,021,686	1,021,686	1,260,081
1,021,686	Balance as at end of year ~ General	1,700,752	1,260,081	1,566,723

## Housing Stock Business Plan Extract

	2009.10	2010.11	2011.12	2012.13	2013.14	2014.15
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Capital Expenditure</b>						
Planned Improvements	3,899	8,041	4,719	4,836	4,955	5,077
Slippage (Previous Years)						
	<b>3,899</b>	<b>8,041</b>	<b>4,719</b>	<b>4,836</b>	<b>4,955</b>	<b>5,077</b>
<b>Capital Funding</b>						
Major Repairs Allowance (MRA)	2,400	2,400	2,400	2,400	2,400	2,400
MRA Carried/Brought Forward	0	0	0	0	0	0
Usable Capital Receipts	19	21	22	23	23	24
HRAS Eligible Borrowing	0	0	0	0	0	0
CERA	0	0	0	0	0	0
Prudential Borrowing	1,480	5,620	2,297	2,413	2,532	2,653
	<b>3,899</b>	<b>8,041</b>	<b>4,719</b>	<b>4,836</b>	<b>4,955</b>	<b>5,077</b>
<b>Revenue Expenditure</b>						
Management ~ General	1,854	1,800	1,845	1,891	1,938	1,986
Management ~ Special & Welfare	429	432	443	454	465	477
Repairs & Maintenance	2,707	2,739	2,807	2,877	2,948	3,021
HRA Subsidy Payment	3,044	2,986	3,030	3,071	3,111	3,147
Rent Rebates Limitation	75	91	94	97	100	104
CERA	0	0	0	0	0	0
Provision for Bad Debts	26	27	27	28	30	30
Leased Property	0	0	0	0	0	0
Capital Financing Costs	2,267	2,452	3,036	3,204	3,377	3,556
Revenue Savings required	0	0	0	0	0	0
	<b>10,402</b>	<b>10,526</b>	<b>11,281</b>	<b>11,621</b>	<b>11,968</b>	<b>12,321</b>
<b>Revenue Funding</b>						
Rental Income (53 weeks)	10,469	10,645	10,961	11,287	11,845	11,967
Interest on Balances	33	35	37	34	33	32
Leased Property Income	0	0	0	0	0	0
Other Income	138	153	157	161	165	169
	<b>10,640</b>	<b>10,833</b>	<b>11,155</b>	<b>11,481</b>	<b>12,043</b>	<b>12,168</b>
<b>Surplus / -Deficit For Year</b>	<b>238</b>	<b>307</b>	<b>-126</b>	<b>-140</b>	<b>75</b>	<b>-153</b>
Balance Brought Forward	1,022	1,260	1,566	1,440	1,300	1,375
<b>Balance Carried Forward</b>	<b>1,260</b>	<b>1,566</b>	<b>1,440</b>	<b>1,300</b>	<b>1,375</b>	<b>1,223</b>
Opening Stock	3,471	3,470	3,469	3,468	3,467	3,466
RTB Sales in Year	1	1	1	1	1	1
<b>Closing Stock</b>	<b>3,470</b>	<b>3,469</b>	<b>3,468</b>	<b>3,467</b>	<b>3,466</b>	<b>3,465</b>
<b>No. of Rent Weeks in Year</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>53</b>	<b>52</b>
<b>Average Weekly Rent</b>	<b>£58.73</b>	<b>£59.90</b>	<b>£61.70</b>	<b>£63.55</b>	<b>£65.45</b>	<b>£67.42</b>
<b>Notional Rent</b>	<b>£57.81</b>	<b>£59.06</b>	<b>£60.83</b>	<b>£62.66</b>	<b>£64.54</b>	<b>£66.47</b>
<b>DCC Benchmark Rent</b>	<b>£64.14</b>	<b>£65.52</b>	<b>£67.49</b>	<b>£69.51</b>	<b>£71.60</b>	<b>£73.74</b>
<b>Average - Benchmark</b>	<b>-£5.41</b>	<b>-£5.62</b>	<b>-£5.79</b>	<b>-£5.96</b>	<b>-£6.14</b>	<b>-£6.32</b>

## HRA Capital Programme

## 2009/10

<b>Expenditure</b>	<b>No.</b>	<b>Estimated Spend 2009/10 £K</b>	<b>Estimated Spend 2010/11 £K</b>
Previous Contracts carry over Contract 1		1,000	
Various Estates - see below Contract 2	291	1,600	400
Various Estates - see below Contract 2a	228	451	1,200
Reema Houses - see below Contract 3	23	0	600
Various Estates - see below Disabled Adaptations	210	0	1,837
80	440		
Environmental Improvements	32	400	
<b>Total</b>		<b>3,981</b>	<b>4,037</b>
<b>Funding</b>			
Major Repairs Allowance		2,400	
Useable Capital Receipts		28	
Prudential Borrowing		1,463	4,037
<b>Total</b>		<b>3,891</b>	<b>4,037</b>

## 2010/11

<b>Expenditure</b>	<b>No.</b>	<b>Estimated Spend 2009/10 £K</b>	<b>Estimated Spend 2010/11 £K</b>
Contract 4			
Various Estates – see below Contract 5	229		1,330
Various Estates – see below DSO Contract – see below	212		1,440
61			419
Disabled Adaptations	80		400
Environmental Improvements	30		415
<b>Total</b>			<b>4,004</b>
<b>Funding</b>			
Major Repairs Allowance			2,400
Useable Capital Receipts			21
Prudential Borrowing			1583
<b>Total</b>			<b>4,004</b>

**Contract 1**

Meredith Cres	1~4,6~8,10~15,17,20,22,24,28~33,36~41,43~49,51,53~57, 59~61,64,65,67~73,75~77,79.80,84,88,92,94,96,100,102	1957	66
Meredith Close	1~3	1958	3
Maes Emlyn	1~59	1974	59
Thornley Ave	33~47(odd),50,51,52,54,58~78(even)	1967	23
Vale Road	72~88(even),88A	1967	10
Victoria Road	22,24,26,28,30,32,34,36,40,42,44,46,48	1967	13
William St	2~30(even)	1967	15
Walford Ave	11~15,17~19,21,23~25,27,38,44,46,48,50,52,54	1967	20
Aled Ave	8,10,12,13,15,17,18,20,22,24,25,29,30,32,34,39,41, 47~55(odd),59	1967	23
Pen y Maes Ave	89,91,93,95,97,99	1969	6
Maes Arthur	2~22	1980	21
Maes Famau	1,2,3,6~16	1980	14
Maes Menlli	1,2,4~19	1980	18

**291****Contract 2**

South Ave	12,14,16,18,20,22,24,26	1961	8
Ffordd Ty Newydd	1,43,45,47,49,53,54,65,69	1961	9
Bro Berllan	1~6	1960	6
Clos y Berllan	43,44	1960	2
Cross St	6	1961	1
Dyffryn Teg	19,20,22~25,26	1961	7
Ceg y Ffordd	23,27	1965	2
Bryn Teg	1~16	1965	16
Caradoc Road	4~8,4A~8A,22~38,22A~38A,22B~38B	1969	33
St Andrew's Dr	2,4,6,8,10	1974	5
Victoria Ave	25,27,29,31,33,35	1977	6
Pen y Cae	1~10	1977	10
Llys Bodnant	1~12	1977	12
Llys Offa	1~6	1977	6
Ffordd Tan Rallt	5,7	1971	2
Bryn Llys	1~23(odd)	1971	12
Bryn Llys West	12~20(even)	1971	5
Ffordd Ty Newydd	30~46(even),52,68,72,74,76,78,84~108(even),114~120(even)	1978	32
Morfa View	9,10,14,17,21~23,27,28,30,31	1974	11
Maes y Graig	16~21	1970	6
Pendorlan CastleSt	1,5,6,7,8,9	1963	6
Tan yr Eglwys	11,13~17,19,22,24~41,45,47,49~51	1965	31

**228****Contract 2a**

Rhodfa Hendre	1,3,5	1971	3
Ffordd Ty Newydd	56~66(even),73~99(odd)	1973	20

**23****Contract 3**

Bro Havard	2,3,10,13,14,17,28,30~33,49~71(odd),75,77	1959	25
Heol Clwyd	1,3,5,8,9,14,15,16,20,28,30,36,38,42,44,46,48,50	1962	18
Heol Afon	5,7,10,14,18,24, 30~68(even)	1962	26
Llys y Felin	1~18	1963	18
Tair Felin	1~6	1963	6
Bryn Rhosyn	1~8,10,12,14,16	1964	12
Pen y Graig	21,25,27,29,31~35,38~43,45,49	1979	17
Cae Seren	1,2,4~9,11~14,19~26,28,29,30,32,37,39,	1979	35



	41,42,46~48,50,52,54,57		
Min y Coed	2~5,8,9,11,13~17,19,20,25~27	1977	17
Maes Hafod	1,2,5,7,9,10,14,15,16,18~21,26,28,29,32,34~36, 39,42,43,45,47,50~54,56~59,65,66	1982	36
			<b>210</b>
<b>Contract 4</b>			
War Memorial Ct	1~44	1986	44
Llys Morgan	1~24	1989	24
Weston Court	1~24	1980	24
Rhyl Coast Road	87,87a,89,89a,91,91a.93,93a	1990	8
Llys Brunswick	1~27	1991	27
Llys Pen y Cefndy	1~10	1992	10
Tywyn Isaf	1~22	1987	22
Tywyn Ganol	1~16	1993	16
Cwrt Dowell	1~12	1995	12
Ffordd Talargoch	63,67,69	1984	3
Gwyndy St	1~4,6~10	1983	9
Church St	10,11	1983	2
Llys y Felin	20~33	1975	14
Morfa View	5A,5B,5C,5D,34~43	1974	14
			<b>229</b>
<b>Contract 5</b>			
Cramer Court	1~25	1981	25
Maes Bryn Melyd	1~13,16~22	1982	20
Maes y Cwm	1~5,7~18	1982	17
Maes y Parc	1,2,4~17,19	1982	17
Maes Isaf	1,2,4~15,17~27,29	1984	26
Maes Gaer	1~14,16~19	1987	18
Maes Maenefa	1~11,13~23	1990	22
Pen y Maes Ave	85a,85b,85c,87a,87b,87c	1991	6
Thornley Ave	80,82	1991	2
Plas Cyril	1~10	1992	10
Victoria Road	114,116,118,122~144(even)	1985	15
Llys Glyn Aber	1~25	1985	25
Fforddlas	18~32(even),76	1985	9
			<b>212</b>
<b>Contract 6 DSO</b>			
Cysgodfa	1~37	1982	37
Ger y Ddol	1~24	1981	24
			<b>61</b>

REPORT TO CABINET

REPORT BY: Councillor J Thompson-Hill, Lead Member for Finance and Efficiency

DATE: 16th February 2010

SUBJECT: Revenue Budget and Summary Capital Plan 2009/10

**1. DECISIONS 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 the 2009/10 financial year as detailed in the attached Appendices 2 and 3.

**2. REASONS 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 2009/10 and avoid reducing already inadequate reserves and to keep members informed of 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 latest projections for the current financial year. Appendix 1 details an overall under spend of £446k, excluding the schools' delegated budgets. This figure is made up of pressures within the Lifelong Learning directorate and Corporate Budgets and savings in Social Services & Housing and Environment directorates.

*i) Lifelong Learning is forecasting an overspend position of £337k due to:*

*a) the residual costs relating to the Hyfrydle facility on the Ysgol Plas Brondyffryn, £85k.*

*b) the impact of early retirement and recovery costs of schools in financial difficulty, £272k*

**ii) Social Services & Housing** is forecasting an underspend of £699k mainly due to:

- a) pressures on Adult Services Community Care and the implementation costs of PARIS offset by underspends brought forward from last financial year and temporary savings resulting from the Extra Care Housing programme.
- b) The latest projections assume a net benefit of £97k from last month. Continuing Healthcare (CHC) funding from the NHS of £394k has been assumed. The CHC funding included represents the amounts agreed so far for which invoices have been raised – some of which have actually now been paid. There is still potential for more CHC funding to be agreed as challenging negotiations continue with the NHS, so the position may improve further before the end of the year. It is also likely that financial support will be forthcoming from the NHS as a result of the Royal Alexandra Hospital (RAH) ward closures to support the consequences of this on social care budgets. However, conditions around the application of both sources of funding have yet to be finalised. Both the CHC money and funding in respect of the RAH are nonrecurring at this stage.

Additional charging policy income of £50k has been included in the forecast this month and the funding of some disputed care packages has been settled in the council's favour.

**iii) Environment budgets** are now forecasting an under spend of £204k mainly due to continued successful vacancy control procedures. The main movements from last month are as follows:

- a) Car parking income continues to fall (the recent snow has adversely affected trade in January) but this pressure has been helped by the additional £70K contingency budget allocation approved by Cabinet in late January.
- b) An amount of £98k has been included as the Planning & Public Protection share of a recent court settlement.
- c) The under spend on the CCTV service has increased by £38k this month.
- d) It is assumed that the final winter maintenance overspend will be charged to the Winter Maintenance Reserve at year end. The Directorate will begin making an immediate impact on the current poor state of the county highway following the recent adverse weather by investing £100k of the overall Directorate underspend.

**iv) Corporate budgets** include the additional level of trading loss of the School Meals Service above the £150k agreed level of subsidy. This is currently estimated at £90k.

- 4.2 Appendix 2 shows a **Capital Plan summary** and Appendix 3 shows expenditure split by Directorate priority.
- 4.3 Capital expenditure at the end of January is **£20.9m**, for a plan that totals **£31.4m**. 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**

The potential impact upon service levels and quality with the possibility of a negative impact upon the Council's public image.

## **6. CHIEF FINANCIAL OFFICER 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 some work to be done however positive steps have been taken at both schools. Members of the Corporate Governance committee are kept informed of progress.
- 6.4 The continuing loss making trading position of the school meals service was the subject of a report to an earlier meeting. Members agreed a series of measures to help drive up take up of meals. The temporary subsidy of £150k has been converted into base budget provision while in the current year the service is expected to lose up to a further £90k.
- 6.5 Detailed negotiations with the NHS to ensure that the Council receives a fair share of the additional W.A.G. Continuing Health Care funding for the current year are still ongoing. It is disappointing that funding can only be agreed late in the financial year concerned with any resources for next year having to be the subject of a further round of negotiations. Indeed, the final accounting arrangements for this money have yet to be finalised. This sort of process does not help the directorate plan for additional levels of service. The surplus

this year will contribute to the directorate's medium term strategy in dealing with growing demand.

## **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.

Investments with foreign-owned banks matured some months ago and the proceeds have all been redirected into UK or HM Treasury investments.

Officers have met with the Council's Treasury advisers to evaluate the current market position and are reviewing the strategy going forward. In the meantime as borrowing rates are currently around 4%, the practice of borrowing internally remains in place, i.e. run down cash levels. By doing this the Council saves the borrowing costs which currently are about 3% above investment rates. This strategy has produced a significant saving in borrowing costs that should result in an underspend of up to £300k at year end. Each year the Council needs to review the level of provisions that need to be set aside for various issues, e.g. Bad Debts Provision and Voluntary Redundancy costs. A review is currently under way and it is likely that a similar level of provision, i.e. £300k, would need to be made if the Council is to prudently provide for these issues.

## **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**

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

Proper management of the Council's revenue budget underpins activity in all of the Council's priority areas.

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

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

### **8.3 Assessment of Impact on Climate Change - Mitigation and Adaptation:**

None directly

## **9. ACTION PLAN**

- 9.1 All departments undertake regular budget monitoring to identify savings and efficiencies.

## **10. RECOMMENDATIONS**

- 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.

**APPENDIX 1****MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10  
SUMMARY POSITION AS AT END JANUARY 2010**

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)	20,434	-5,933	14,501	20,771	-5,933	14,838	337	0	337	341
Environment	53,342	-21,952	31,390	52,822	-21,636	31,186	-520	316	-204	-129
Social Services & Housing	56,881	-17,486	39,395	60,459	-21,763	38,696	3,578	-4,277	-699	-602
County Clerk	2,141	-488	1,653	2,171	-488	1,683	30	0	30	-8
Resources	11,289	-3,819	7,470	11,289	-3,819	7,470	0	0	0	0
Corporate, Miscellaneous & Benefits	33,624	-26,457	7,167	33,714	-26,457	7,257	90	0	90	85
<b>Total All Services</b>	<b>177,711</b>	<b>-76,135</b>	<b>101,576</b>	<b>181,226</b>	<b>-80,096</b>	<b>101,130</b>	<b>3,515</b>	<b>-3,961</b>	<b>-446</b>	<b>-313</b>
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			0			0			0	0
			<b>117,120</b>			<b>116,674</b>			<b>-446</b>	<b>-313</b>

**Note:**

The Management Accounting rules of the Council require debtor account entries to be reversed in respect of amounts outstanding for more than 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 JANUARY 2010**

	Budget			Projected Outturn			Variance			Variance
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Previous report
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Individual School Budgets</b>	58,977	-5,538	53,439	59,682	-5,647	54,035	705	-109	596	596
<b>Partnership &amp; Inclusion</b>	4,403	-2,354	2,049	4,508	-2,354	2,154	105	0	105	50
<b>Leisure</b>	4,702	-2,312	2,390	4,662	-2,312	2,350	-40	0	-40	0
<b>School Development</b>	7,328	-1,073	6,255	7,600	-1,073	6,527	272	0	272	291
<b>Planning &amp; Performance</b>	1,601	-63	1,538	1,601	-63	1,538	0	0	0	0
<b>Libraries</b>	2,400	-131	2,269	2,400	-131	2,269	0	0	0	0
<b>Total excluding schools</b>	<b>20,434</b>	<b>-5,933</b>	<b>14,501</b>	<b>20,771</b>	<b>-5,933</b>	<b>14,838</b>	<b>337</b>	<b>0</b>	<b>337</b>	<b>341</b>



**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10**  
**LIFELONG LEARNING**

	<b>Current Month £000s</b>	<b>Previous Month £000s</b>
<b><u>INDIVIDUAL SCHOOLS BUDGET</u></b>		
School balances are currently projected at £902k which is based on the 08/09 brought forward balances of £1,498k less the forecast overspend of £596k across all schools. Significant work is being undertaken with schools in financial difficulty to review their forecasted position with a view to significantly reducing expenditure levels for the year. The total deficit across the schools in financial difficulty is £661k. Additional support is currently being provided to support these schools in developing robust financial recovery proposals.	596	596
<b><u>PARTNERSHIPS &amp; INCLUSION.</u></b>		
The main area of overspend is Education Social Workers. This overspend is partly offset by underspends in other areas. Recoupment is currently forecasting a £125k overspend, due to a reduction in DCELLS grant income and university costs for Care Leavers. The increase in recoupment fees is currently being challenged by Conwy CBC. The outturn assumes that this will be paid (£81k additional income). It is estimated that Hyfrydle costs will be £85k.	105	50
<b><u>LEISURE &amp; YOUTH SERVICES</u></b>		
Leisure & Youth Services are projecting an underspend of £40k, a reduction of £32k. This projection includes £35k for redundancy costs due to the Leisure Services restructure.	-40	0

**SCHOOL IMPROVEMENT.**

£250k of the overspend relates to Rhyl High Schools recovery costs and retirement costs. This budget includes £136k of unrealised efficiency savings which needs addressing before March 2010. Other areas causing concern are the schools non delegated budgets due to the significant increase in maternity costs. Work is currently ongoing to review these budget areas.

272

291

**MODERNISING EDUCATION**

This budget includes a brought forward balance of £66k from 2008/09, without this the service would be overspent. County Voice is projecting an overspend of £22k, due to the 2008/09 efficiency saving being overstated. The budget for ICT Technicians has also been transferred from School Improvement and this is projecting an overspend of £18k due to a reduction in the SLA income.

0

0

**LIBRARY SERVICES**

Libraries are now projecting a balanced budget. This is mainly due to a reduction in staffing costs for Rhyl Library and Archives.

0

0

**TOTAL excluding Schools.**

**337**

**341**

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10**  
**ENVIRONMENT DIRECTORATE**  
**SUMMARY POSITION AS AT END JANUARY 2010**

	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
HIGHWAYS & INFRASTRUCTURE	15,224	-5,435	9,789	15,014	-5,376	9,638	-210	59	-151	-225
PLANNING & PUBLIC PROTECTION	4,683	-1,551	3,132	4,504	-1,532	2,972	-179	19	-160	4
DIRECTOR & SUPPORT	945	-237	708	811	-237	574	-134	0	-134	-129
ENVIRONMENTAL SERVICES	16,814	-6,243	10,571	16,781	-6,243	10,538	-33	0	-33	-32
REGENERATION & TOURISM	8,340	-4,368	3,972	8,355	-4,226	4,129	15	142	157	144
PROPERTY SERVICES	7,336	-4,118	3,218	7,357	-4,022	3,335	21	96	117	109
<b>Total Environment</b>	<b>53,342</b>	<b>-21,952</b>	<b>31,390</b>	<b>52,822</b>	<b>-21,636</b>	<b>31,186</b>	<b>-520</b>	<b>316</b>	<b>-204</b>	<b>-129</b>

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10**  
**ENVIRONMENT DIRECTORATE**

Comments	Current Month	Previous Month
<b>HIGHWAYS &amp; INFRASTRUCTURE</b>		
<b>School and Public Transport</b> During 09/10 there are significant underspends on the School and Public Transport budgets as a result of effective new route planning and through the efficiencies being achieved via the introduction of e-auctions for more recent tenders. Also the recent school closures have contributed a further £70K savings to this particular budget. Additionally the Transport Section Manager is presently joint working with FCC, bringing some extra salary savings.	-370	-370
<b>Car Parking income</b> Car Parking income continues to be below budget as a result of the downturn in the economic climate. The pressure continues to increase and was also badly affected by the recent inclement weather. This month's figures have improved slightly as a result of Cabinet's decision to grant a further £70K from the corporate contingency budget to partially offset this pressure.	88	143
<b>Highways Maintenance</b> The recent severe weather conditions have placed a huge financial strain on the winter maintenance budget which is already overspent by £145K. This overspend will be charged to the Winter Maintenance Reserve. If the extreme weather conditions continue for much longer there is the danger that all the reserve will be exhausted and further funding will be needed. After the thaw there will also be significant cost in sweeping, gully emptying and repairing the large number of potholes, patching and resurfacing which will be required to be undertaken on the highways network. Some of the current overall Directorate underspend will be used to finance some of this work, although clearly the extent of the damage will not be containable within the current revenue highways maintenance budget which is already projected to overspend.	171	42
<b>Major Projects Group</b> Increased fee income largely due to additional work being undertaken for the North Wales Trunk Road Agency	-40	-40
<b>TOTAL HIGHWAYS &amp; INFRASTRUCTURE</b>	<b>-151</b>	<b>-225</b>
<b>PLANNING &amp; PUBLIC PROTECTION</b>		
<b>Building Control, Development Control and Land Charges</b> There has been major pressures on the large income budgets relating to Building Control, Development Control and Land Charges in 09/10. These pressures amount to £375K but have been offset by a contribution of £355K from the Council's contingency budget this year.	25	60
<b>Community Enforcement/CCTV</b> Staff savings as a result of collaborative working with CCBC in respect of Community Enforcement. Also there is projected to be a large underspend on the CCTV equipment budget in 09/10.	-76	-38
<b>Licensing</b> Additional licensing income received plus savings on salary costs as a result of the joint working with CCBC.	-51	-53
<b>Pollution Control</b> Savings on the contaminated land budget.	-13	-12
<b>Trading Standards</b> Included in the projections are legal and witness costs totalling £98K in relation to the Graig Park prosecution case. The Council was successful in winning the case and the judge ruled that those prosecuted must pay the Council's costs within 56 days of the verdict. This month's figures include the receipt of the £98K.	-20	72
<b>Professional Fees</b> The Department is projecting to underspend on its overall professional fees budget in 09/10.	-25	-25
<b>TOTAL PLANNING &amp; PUBLIC PROTECTION</b>	<b>-160</b>	<b>4</b>
<b>DIRECTOR &amp; SUPPORT</b> The Directorate continues to monitor closely all vacant staffing posts and all savings have been removed from services and accumulated in a central budget controlled by the Director. These savings will be used to offset any Directorate pressures in 09/10. Any remaining balance will be carried forward into 10/11 to help with next year's budget.	-134	-129
<b>TOTAL DIRECTOR &amp; SUPPORT</b>	<b>-134</b>	<b>-129</b>

<b>ENVIRONMENTAL SERVICES</b>		
<b>Public Realm</b>		
Pressures on the fleet and insurance budgets in 09/10.	28	21
<b>Refuse Collection &amp; Waste Disposal</b>		
Savings on the N Wales Residual Waste facility procurement budget as a result of the delays with the project.	-61	-53
<b>TOTAL ENVIRONMENTAL SERVICES</b>	<b>-33</b>	<b>-32</b>
<b>REGENERATION &amp; TOURISM</b>		
<b>Rhyl Pavilion Theatre</b>		
Current projections indicate that there is a £63K pressure on this budget largely as a result of major losses on the "Singing in the Rain" and "Never Forget" productions. The downturn in the economic downturn is also affecting the venue.	63	73
<b>Llangollen Royal International Pavilion</b>		
There is a pressure on this budget mainly caused by the closure of the site during the on-going renovation works at the venue.	53	53
<b>Heritage and Arts Service</b>		
Currently forecast to overspend on their budgets as a result of staffing and the loss of Arts in Health grant income	20	23
<b>Convergence/Regeneration</b>		
Underspends on the Regeneration, Industrial Units and Objective 1 budgets.	-17	-30
<b>Coastal Facilities</b>		
Pressures on the lettings budgets as well as overspends on facilities.	33	20
<b>Street Markets</b>		
Will not achieve its hire rental budget target.	5	5
<b>TOTAL REGENERATION &amp; TOURISM</b>	<b>157</b>	<b>144</b>
<b>PROPERTY SERVICES</b>		
<b>Agricultural Estates</b>		
Pressure on the rents and repairs budget of £51K partially offset by one-off sales and compensation.	21	21
<b>Valuation &amp; Estates</b>		
Additional agency costs partly offset by secondment savings.	32	32
<b>County Building Group</b>		
Reduced income from the Minor Works Section £42K and increased agency costs £22K.	64	56
<b>General</b>		
To date Property Services has contributed £122K (£110K to end of December) to the cashable salary savings budget as detailed in the Director & Support section above.		
<b>TOTAL PROPERTY SERVICES</b>	<b>117</b>	<b>109</b>
<b>TOTAL ENVIRONMENT DIRECTORATE</b>	<b>-204</b>	<b>-129</b>
<b>Corporate Item</b>		
<b>School Meals budget</b>		
There continues to be a significant pressure on the school meals budget in 09/10. The recent school closures due to the snow have added to the pressure. Latest forecasts indicate that the loss (over and above the £150K Council subsidy) will be £90K. Cabinet agreed at an earlier meeting to fund this pressure corporately in 09/10 and it will not therefore impact directly on the Environment Directorate's overall budget at this stage.	90	85

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10**  
**SOCIAL SERVICES AND HOUSING**  
**SUMMARY POSITION AS AT END JANUARY 2010**

	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's Services	8,681	-118	8,563	10,177	-1,615	8,562	1,496	-1,497	-1	-1
Adult Services	37,113	-8,872	28,241	38,818	-10,934	27,884	1,705	-2,062	-357	-264
<i>Underspend Brought Fwd</i>					-557	-557	0	-557	-557	-557
Business Support & Development	2,781	-538	2,243	3,203	-662	2,541	422	-124	298	297
<i>Underspend Brought Fwd</i>					-150	-150	0	-150	-150	-150
Cymorth Grant	1,741	-1,643	98	1,741	-1,643	98	0	0	0	0
Supporting People Grant	4,564	-4,552	12	4,564	-4,552	12	0	0	0	0
<b>Sub Total Social Services</b>	<b>54,880</b>	<b>-15,723</b>	<b>39,157</b>	<b>58,503</b>	<b>-20,113</b>	<b>38,390</b>	<b>3,623</b>	<b>-4,390</b>	<b>-767</b>	<b>-675</b>
Non HRA Housing	2,001	-1,763	238	1,956	-1,650	306	-45	113	68	73
<b>Directorate Total</b>	<b>56,881</b>	<b>-17,486</b>	<b>39,395</b>	<b>60,459</b>	<b>-21,763</b>	<b>38,696</b>	<b>3,578</b>	<b>-4,277</b>	<b>-699</b>	<b>-602</b>

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10**  
**SOCIAL SERVICES & HOUSING**

<u>Comments</u>	<b>Current Month</b>	<b>Previous Month</b>
	<b>£000s</b>	<b>£000s</b>
<b><u>SOCIAL SERVICES</u></b>		
<b>CHILDREN'S SERVICES</b>		
It is expected at this stage that Children's Services will achieve a balanced budget with any overspend being drawn down from the Specialist Placement reserve if needed at the year end. A bid of £38K against the Corporate pressures contingency was successful, There has also been a reduction in the costs of agency staff predicted, due to the inability to recruit. No CHC income has been assumed at this stage for Children's Services as negotiations are still ongoing. The outturn will improve further if CHC funding is secured.	-1	-1
<b>TOTAL CHILDREN'S SERVICES</b>	-1	-1
<b>ADULT SERVICES</b>		
<b>Learning Disabilities</b>		
The improved overall position this year is mainly due to both the securing of NHS funding for residential packages and £96k received in relation to CHC funding. Although all the CHC grant income has been included in the outturn clarification is still required in order to substantiate certain elements of expenditure to offset the grant claim. The continuing pressure around Residential placements accounts for an overspend of £46k which is due to the increasing number of people requiring high cost placements.	-48	-27
<b>Mental Illness</b>		
Expenditure on Residential, Nursing and Homecare continues to be the main budget pressure though the outturn has improved slightly.	75	79
<b>Older People</b>		
Predicted spend on Residential, Nursing & Domiciliary Care budgets has largely been based on 08-9 costs, plus the cost of the fee increase offered to providers. A review earlier in the year showed that demand for residential and nursing care had increased. Domiciliary Care in the North of the county has increased during this month, this can be unpredictable to forecast because of fluctuations in demand. Preserved Rights underspend has decreased, this has been investigated. The main reason for movement in the Older People Purchasing budget is £140K budget has been vired across to other services. £80k has been vired to other Adult Services and £60k to Older People Provider against the Extra Care Housing Project team.	284	174
<b>Extra Care Housing Provision.</b> 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.	-214	-214
<b>PDSI</b>		
Community Care spend is still the main budget pressure though the position has improved by £19k. Otherwise the main reason for the reduced overspend is that funding earmarked for a Telecare project will now roll into next year (delayed as confirmation of CHC was awaited) and disputed care packages being resolved in the council's favour.	39	107
<b>Performance Management &amp; Commissioning</b>		
This projected under spend is mainly savings in staffing costs which is due to the continuation of the vacancy control process.	-254	-265
<b>Other Adult Services</b>		
Charging policy income received so far is higher than the corresponding period last year and could mean income from charges exceeds original expectations. Income from charges can be volatile and difficult to predict so the situation is reviewed every month and the outturn improved when it is felt prudent to do so. Currently it is believed safe to assume that Charging Policy will exceed budget by £190k (an improvement of £50k on the last outturn). Otherwise the main reason for the increased under spend in this service is that budget has been vired from Older People Services (see note above)	-342	-221
<b>Joint Working &amp; Older People Strategy Grant</b>		
This grant is fully committed with a minor overspend forecast.	2	2

<b>Cefndy Healthcare</b>		
Sales in 2009/10 were expected to exceed £3m but due to recent performance this target may now prove difficult to achieve. Tighter controls on expenditure should improve this year's position by around £64k from 2008/09 (which was an over spend of £164k).	102	100
<b>UNDER SPEND B/FWD 2008/09</b>	<b>-557</b>	<b>-557</b>
<b>TOTAL ADULT SERVICES</b>	<b>-913</b>	<b>-822</b>
<b>Business Support &amp; Development</b>		
Costs associated with the PARIS project (£91k) and MIS budgets (£83k) are the main pressure. The bulk of the PARIS costs should be non-recurring. In addition Directorate support costs are expected to overspend by £90k with the main pressure being communication and other general infrastructure costs.	297	298
<b>UNDER SPEND B/FWD 2008/09</b>	<b>-150</b>	<b>-150</b>
	<b>147</b>	<b>148</b>
<b>Cymorth Grant</b>		
All expenditure relating to the Cymorth grant has to be spent in year.	0	0
	0	0
<b>Supporting People</b>		
There is approximately £639k of recurrent under spend and £198k 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, 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.	0	0
<b>HOUSING</b>		
The pressure on homeless budgets is currently £66k. Recent changes to the HRA leasing subsidy have had a negative impact on council funded housing services to the value of £64k. Other accommodation costs are currently lower than expected however demand can be volatile and it is likely that the economic climate will eventually have an impact.	68	73
<b>TOTAL HOUSING</b>	<b>68</b>	<b>73</b>
<b>TOTAL SOCIAL SERVICES &amp; HOUSING</b>	<b>-699</b>	<b>-602</b>



**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10  
RESOURCES, COUNTY CLERK, CORPORATE & MISCELLANEOUS  
SUMMARY POSITION AS AT END JANUARY 2010**

	Budget			Projected Outturn			Variance			Variance
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Previous report
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>County Clerks (See Note 1)</b>	<b>2,030</b>	<b>-488</b>	<b>1,542</b>	<b>1,980</b>	<b>-488</b>	<b>1,492</b>	<b>-50</b>	<b>0</b>	<b>-50</b>	<b>-78</b>
Translation (See Note 2)	111	0	111	191	0	191	80	0	80	70
<b>Resources Directorate</b>										
Finance	5,299	-2,339	2,960	5,299	-2,339	2,960	0	0	0	0
Policy Unit	394	0	394	394	0	394	0	0	0	0
Audit	448	-124	324	448	-124	324	0	0	0	0
I.T	2,528	-587	1,941	2,528	-587	1,941	0	0	0	0
Personnel	1,497	-359	1,138	1,497	-359	1,138	0	0	0	0
Project Management	322	-222	100	322	-222	100	0	0	0	0
Customer Care	801	-188	613	801	-188	613	0	0	0	0
						0	0	0	0	0
<b>Total</b>	<b>11,289</b>	<b>-3,819</b>	<b>7,470</b>	<b>11,289</b>	<b>-3,819</b>	<b>7,470</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Corporate and Miscellaneous</b>	<b>7,983</b>	<b>-816</b>	<b>7,167</b>	<b>8,073</b>	<b>-816</b>	<b>7,257</b>	<b>90</b>	<b>0</b>	<b>90</b>	<b>85</b>
<b>Benefits</b>	<b>25,641</b>	<b>-25,641</b>	<b>0</b>	<b>25,641</b>	<b>-25,641</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>47,054</b>	<b>-30,764</b>	<b>16,290</b>	<b>47,174</b>	<b>-30,764</b>	<b>16,410</b>	<b>120</b>	<b>0</b>	<b>120</b>	<b>77</b>

**Notes**

1. Planned saving in salary costs due to delayed recruitment to fund translation overspend, -£70k
2. Underlying pressure under review.

**Denbighshire County Council - Capital Plan 2009/10 - 2012/13**

**APPENDIX 1a**

**Position as at January 2010**

		2009/10	2010/11	2011/12 *	2012/13 *
		£000s	£000s	£000s	£000s
<b>Capital Funding:</b>					
<b>1</b>	<b>General Funding:</b>				
	Unhypothecated Supported Borrowing	8,744	7,469	5,894	5,894
	General Capital Grant	1,905	2,017	1,961	1,961
	General Capital Receipts	523	397		
	Earmarked Capital Receipts	901	148	0	0
		12,073	10,031	7,855	7,855
<b>2</b>	<b>Prudential Borrowing</b>	6,623	1,209	269	
<b>3</b>	<b>Reserves and Contributions</b>	1,368	618	0	0
<b>4</b>	<b>Specific Grants</b>	11,361	1,814	80	70
	<b>Total Finance</b>	31,425	13,672	8,204	7,925
	<b>Total Estimated Payments</b>	-31,425	-11,072	-6,359	0
	<b>Contingency</b>	0	-1,000	-1,000	-1,000
	<b>Earmarked Contingency</b>	0			
	<b>Unallocated Reserve</b>	0	0	0	0
	<b>Surplus/ -Insufficient Resources</b>	0	1,600	845	6,925

**Note**

\* The level of general Assembly funding for future years is unknown currently, but is likely to reduce significantly



## Capital Expenditure By Directorate

	2009/10	2009/10	2010/11	2011/12	2012/13
	Spend to	Estimated	Estimated	Estimated	Estimated
	January	programme	programme	programme	programme
		£000	£000	£000	£000
Environment	16,178	22,949	8,624	4,435	80
Lifelong Learning	4,347	6,883	2,004	1,480	0
Resources	286	1,203	269	269	0
Social Services and Housing	141	390	175	175	0
<b>Total</b>	<b>20,952</b>	<b>31,425</b>	<b>11,072</b>	<b>6,359</b>	<b>80</b>

## Capital Expenditure by Council Priority

	2009/10	2009/10	2010/11	2011/12	2012/13
	Spend to	Estimated	Estimated	Estimated	Estimated
	January	programme	programme	programme	programme
	£000	£000	£000	£000	£000
Modernising Education	4,049	6,238	1,674	1,150	0
Roads and Flood Defence	7,969	9,977	800	800	0
Regeneration	1,112	1,751	954	315	0
Responding to Demographic Change					
<b>Total</b>	<b>13,130</b>	<b>17,966</b>	<b>3,428</b>	<b>2,265</b>	<b>0</b>

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	2009/10
	Spend to	Estimated
	January	programme
	£000	£000
Highways	3,910	4,000
<b>Total</b>		<b>4,000</b>

REPORT TO CABINET

CABINET MEMBER: COUNCILLOR P J MARFLEET, LEAD MEMBER FOR MODERNISING THE COUNCIL

DATE: 16<sup>th</sup> February 2010

SUBJECT: ROUTINE REPORTING ON PERSONNEL

1 DECISION SOUGHT

For Members to note the enclosed report on the following:

1. Personnel Statistics,
2. Sickness Absence
3. Single Status
4. Voluntary Redundancies
5. HR Review
6. Senior Leadership Re-structuring
7. Modern Apprenticeships

2 REASON FOR SEEKING DECISION

2.1 **Personnel Statistics** – In December 2009, the number of actual staff employed (headcount) decreased slightly to 4540 compared to December 08 when headcount was 4564. The FTE figure however shows a slight increase at 3870 compared to 3860 in December 08, which indicates an increased use of part time hours.

Between October and December 2009 there were a total of 58 starters and 69 leavers, compared to 63 starters and 89 leavers for the same period in 2008. This shows a reduction in the numbers of employees starting work with the council but also a reduction in the number of leavers resulting in a reduction in staff turnover in 2009 compared to 2008.

2.2 **Sickness Absence** – Sickness absence for the period April - December 2009 is currently running under target for the authority as a whole, with an average of 8.25 days lost per employee. This is under the target of 8.28. Below are the figures broken down by directorate.

Directorate	Average Days Lost April to December 09	Over ☹ or Under ☺ the target of 8.28 days	Data for the same period last year for comparison - April to Dec 08
DCC	8.25	☺	9.14
Business, Planning & Performance	5.13	☺	N/A
Chief Executives & County Clerks	12.22	☹	5.14
Environment	9.56	☹	9.50

Governance & Efficiency	5.87	☺	7.27 (Resources)
Lifelong Learning	7.39	☺	8.08
Social Service & Housing	10.00	☹	12.83

It should be noted that due to the small FTE in the Chief Executives & County Clerks directorate, long term absence effects the overall figure more, whereas in larger directorates it is absorbed by the higher FTE figures. It should also be noted that due to the restructuring of directorates and transfer of services it is not possible to directly compare all 08/09 data with 09/10 data.

**Short v Long Term sickness Absence** - Short Term v Long Term sickness absence for the period April - December 2009 shows that long term absence is more prevalent throughout the authority than short term. Below are the figures broken down by directorate. The main causes of long term absence are stress/anxiety/depression, Surgery and Musculo Skeletal.

Directorate	Short Term Absence (average days lost per employee)	Long Term Absence (average days lost per employee)
DCC	3.68	4.77
Business, Planning & Performance	4.25	0.88
Chief Executives & County Clerks	3.90	8.32
Environment	3.40	6.15
Governance & Efficiency	3.78	2.12
Lifelong Learning	3.40	4.23
Social Service & Housing	4.56	5.64

**Social Services & Housing Sickness Absence Update** – detailed below are the current actions social services & housing are undertaking in a bid to reduce sickness absence levels – the first 5 bullet points have been achieved by the employment of a part time Information Management Officer who has dedicated time to focus on producing and collating this information:

- The production of detailed information down to service and / or team level to enable managers to determine any 'hotspots'
- Ensuring that absence review meetings are being held where an employee's BF points exceed 300
- Ensuring that managers refer to Occupational Health in accordance with required timescales where appropriate.
- All services now receive list of employee's exceeding 300 points at each services Strategic Management Team (SMT) meeting.
- Open ended absences are chased to ensure they are closed in a timely manner.

- Case conferences when, despite absence review meetings being held and action for improvements set, absence has not improved
- Monthly absence review meeting where any long terms absences (over 1 month) are looked at in conjunction with Occupational Health and appropriate actions taken
- Case conferences for those staff who are on long term absence where appropriate
- Referral to Health Management Panel for cessation of the right to self certify

### **Corporate Governance and Efficiency Sickness Absence Update**

- Managers are now responsible for entering absence directly on to the HR system
- Return to work interviews are consistently being undertaken
- Absence review meetings are being held when an employee exceed 300 Bradford points
- Monthly review meetings and case conferences are being undertaken when appropriate

2.3 **Single Status** – A successful “YES” vote was achieved on 1 July 2009 which means that the new terms & conditions and pay & grading structure have been accepted by employees and are effective from 1<sup>st</sup> April 2008.

All grading appeals except for 2 are now complete and adjustments to individuals pay commenced in November 09 beginning with the Reds.

The Payroll team has now completed the adjustments to the salaries of more than 45% of those employees who are red, with more adjustments to be made in February and March 2010. Although a complex process, the Payroll team are making good progress and it is also anticipated that the first adjustments to the salaries of the “increment” group will be made in March as well. It is expected that the remainder of this group together with “greens” will be completed by June 2010.

Employees who are deemed to be in red posts or part of the increment group, will receive a letter from the Payroll team when their pay has been adjusted. Where an amount is to be reclaimed the letter will detail the monthly amount to be deducted based on an 18 month period. Employees have the option to change the repayment period from 18 months to 12 or 24 months upon receipt of the letter.

Once the adjustments to the reds and the increment group have been completed, the next group to be addressed will be the greens.

2.4 **Voluntary Redundancy** – A total of 34 employees have either left or are in the process of leaving the council under the first round of voluntary redundancies. This will result in a savings of £622,000 next year. It is anticipated that this exercise will be repeated in April / May 10.

2.5 **HR Review** – The HR review has been used as the pilot for other support services reviews and was conducted by Orion Consultants and a project team

made up of HR professionals from across the Directorates, supported by the a programme manager from DCC.

It is proposed that the draft business case will be presented to the Change Board in February following which a full consultation exercise will begin with employees and managers. The proposed structure is centered around a Business Partner model which involves a 3 tier service delivery approach. For this model to be success it is essential that the right technology is in place to support the service in this case an “intranet” system. It is anticipated that up to 60% of HR queries could be answered in this way thus enabling efficiencies and freeing up staff to undertake a more strategic role in helping to drive the business performance and efficiency.

A final decision is anticipated in mid April at which point the project team and implementation plan will need to be developed.

**2.6 Senior Leadership Re-structuring** – The new Senior Leadership Team is now in place with the exception of the Head of Regeneration and Tourism who is still to be appointed.

The recruitment process was handled in house with external support for the assessment centres; this resulted in savings of over £100,000 on previous senior recruitment costs.

**2.8 Modern Apprenticeships** - Our Modern Apprenticeship scheme contributes to our long term problem of an ageing workforce. We have in 8 years managed to increase our under 25s from 1.2% of the workforce to 10.8% (421 under 25's). To date this scheme has been very successful for our apprentices as 54 of them have gained permanent positions with DCC.

In an attempt to offering young people an insight into what DCC have to offer, we run a very successful work experience programme, for students in schools/colleges/universities. We have placements in different departments in and around the county – last year we had a record breaking 105 students. This gives students a taste of the real ‘world of work’ and is very useful in making a difference to students’ decisions as to their future career path.

Denbighshire launched its Modern Apprenticeship scheme in 2001. Initially only a few departments were interested in taking part, this has now grown to 22 departments subscribing to the scheme.

There are three schemes running in Denbighshire.

- 1 Departments can advertise for a modern apprentice themselves and meet 100% of the costs. The apprentice remains with the department for the full duration of the two years or until they gain permanent employment in Denbighshire.
- 2 There are currently 3 apprentices in Environment on a 4 year craft apprenticeship. Plans are in place to bring in another cohort and increasing the numbers to 6.



- 3 Following a successful budget bid in 2002 the Corporate Scheme was launched which funds 50% of the costs of apprentices. This scheme rotates placements on a 6 monthly basis thus giving apprentices an opportunity of seeing how the working environment changes in different departments. This also gives the apprentice a much broader view of what the Council does as a whole, and also gives the added advantage of acquiring difference experiences, thus making them more employable. By training our apprentices and nurturing their skills/knowledge we are gaining valuable employees who could potentially be Denbighshire's future Managers.

Our Corporate rolling programme, which in the past has funded 10 apprentices per year (20 over the two year period), is in jeopardy. Due to the withdrawal of the Performance Incentive Grant (PIG) we are unable to replace any modern apprentices at the present time.

The issue of funding is a serious one. The current programme is now in jeopardy with the loss of the £47k PIG funding. In the recent budget round £15k was achieved for one year only. With the current budget of £38,890 this increases to £53,890. However, the funding required to continue to support the current 15 modern apprentices on the corporate programme amounts to £66,300 per annum, which mean that we will not be able to fund the usual level of intake into the programme in the next FY and by December 2010 will have used the budget allocated, leaving 10 of the current modern apprentices unfunded from the corporate budget.

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

- 3.1. Section III of the Local Government Act 1972

### **4 RESOURCE IMPLICATIONS**

- 4.1 **Cost Implications:** This report is for information only and any cost implications are detailed with in individual projects or initiatives.
- 4.2 **Staffing / Accommodation Implications:** There are no direct staffing implications as this report is for information only, any staffing implications will be identified in individual projects or initiatives. 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 as it is form information only and any IT implications will be identified in individual projects or initiatives.

### **5 RISK ASSESSMENT**

- 5.1 **Risks associated with not agreeing the recommendation/s** N/A for information only.
- 5.2 **Risks associated with agreeing the recommendation/s** N/A for information only.

## **6 CHIEF FINANCIAL OFFICER**

- 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 and absence 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. RECOMMENDATIONS**

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

**CABINET: FORWARD WORK PROGRAMME**

<b>30 MARCH 2010</b>	
Revenue Budget Monitoring Report 2009-2010	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
Housing Revenue Account Budget	Councillor D A J Thomas P Quirk
Future Direction of Cefndy Healthcare	Councillor P A Dobb Deborah Holmes Langstone
Welsh Medium Education Scheme - to consider the draft scheme and recommend to Council prior to public consultation - Denbighshire is required to produce a new 3 Year Welsh Education Scheme which sets out the vision for improving Welsh education provision and includes specific targets. Once drafted and agreed with the Welsh Language Board, there is a requirement for public consultation. The report will ask Cabinet to recommend to Council that the authority begin public consultation on the new scheme	Councillor E W Williams Hedd Vaughan Evans
Transforming Post 16 Education – final report from consultants and will look at options recommended by Denbighshire Learning Partnership, following discussion at County Council and Lifelong Learning Scrutiny Committee	Councillor E W Williams J Gambles / H Williams
Coastal Shoreline Management Plan – The Shoreline Management Plan is a policy document for coastal defence management, and its objective is to identify sustainable long-term management policies	Councillor S Frobisher David Hall
North East Wales Food Waste Treatment Project – approval of affordability envelope Part II	Councillor S Frobisher S Parker
Village Green Application, Ffordd Elan, Rhyl	Councillor P J Marfleet I K Hearle / Alan S Jones
Recommendations from Scrutiny Committees	Scrutiny Officers
<b>27 APRIL 2010</b>	
Revenue Budget Monitoring Report 2009-2010	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
Housing Revenue Account Budget	Councillor D A J Thomas P Quirk
Monitoring the Actions Agreed by Cabinet	Councillor H H Evans J Williams
Corporate Plan Stage I 2009-2012: Annual Review for recommendation to Council	Councillor H H Evans David Morgan
Rural Development Plan for Wales Business Plan 2	Councillor S Frobisher M Dixon
Local Development Plan – details conclusions on the consultation on the LDP prior to reporting to Full Council	Councillor S Frobisher G Boase
Young Carers' Strategy – to approve the strategy	Councillor M M Jones Vicky Allen / Emma Banfield
Recommendations from Scrutiny Committees	Scrutiny Officers

<b>25 MAY 2010</b>	
Revenue Budget Monitoring Report 2010-2011	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
Housing Revenue Account Budget	Councillor D A J Thomas P Quirk
Review of Progress with the Strategic Regeneration Area and Future Programme	Councillor D A J Thomas M Dixon
Monitoring Performance Against the Authority's Corporate Plan	Councillor H H Evans E McWilliams
West Rhyl Master Plan – To consider options drawn up by Consultant for demolition and redevelopment works in part of West Rhyl in order to go to public consultation for a preferred option	Councillor S Frobisher G Boase
GIFT Support Project – support project for homeless people	Councillor P A Dobb Gary Major
Recommendations from Scrutiny Committees	Scrutiny Officers
<b>JUNE 2010</b>	
Revenue Budget Monitoring Report 2010-2011	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
Housing Revenue Account Budget	Councillor D A J Thomas P Quirk
Modernising Education – Prestatyn Area Review	Councillor E W Williams J Walley / Hedd V Evans
Annual Council Reporting Framework (ACRF) – The Statutory Director of Social Services will be responsible for publishing an annual report setting out her assessment of the effectiveness of social care services and priority areas for improvement in the year ahead	Councillor P A Dobb S Ellis / C O'Gorman
Recommendations from Scrutiny Committees	Scrutiny Officers
<b>JULY 2010</b>	
Revenue Budget Monitoring Report 2010-2011	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
Housing Revenue Account Budget	Councillor D A J Thomas P Quirk
Performance Framework for Community Strategy	Councillor H H Evans David Morgan
Recommendations from Scrutiny Committees	Scrutiny Officers
<b>AUGUST ~ NO MEETING</b>	

<b>SEPTEMBER 2010</b>	
Revenue Budget Monitoring Report 2010 -2011	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
Housing Revenue Account Budget	Councillor D A J Thomas P Quirk
Corporate Plan II 2009-2012 – Annual Review for recommendation to Council	Councillor H H Evans David Morgan
Monitoring Performance Against the Authority's Corporate Plan	Councillor H H Evans E McWilliams
Review of Progress with Community Capital Projects	Councillor D A J Thomas M Dixon
Recommendations from Scrutiny Committees	Scrutiny Officers

REPORT TO CABINET

**CABINET MEMBER:** Councillor S Frobisher, Lead Member Environment and Sustainable Development

**DATE:** 16 February 2010

**SUBJECT:** Approval of Outline Business Case and Inter Authority Agreement for the N.Wales Residual Waste Project

**1. Decision sought**

To approve the Outline Business Case (OBC) and Inter-Authority Agreement (IAA) for the Residual Waste Treatment procurement project.

**2. Reason for seeking decision**

2.1 In February 2008 Cabinet gave its approval for DCC to enter into a formal partnership with four other north Wales councils (subsequently referred to as the 'hub'), to jointly procure waste treatment and/or waste disposal facilities.

2.2 Flintshire is acting as the lead authority for the hub, and has prepared an OBC for the project with assistance from technical, financial, and legal advisors. An IAA has also been prepared. The OBC demonstrates that the proposed solution will provide a cheaper solution than continuing to landfill the council's waste.

2.3 This report provides detail on the Outline Business Case (OBC) for the North Wales Residual Waste Treatment Project and sets out:

- a) The key elements of the OBC and the Reference Solution in particular, noting that the detailed OBC is the subject of a separate Part Two report to this Cabinet.
- b) The key elements of the Inter Authority Agreement that will underpin the procurement process.

2.4 The report seeks Member approval for the suggested strategy. Specific approval of the financial commitment that this entails is set out in the Part Two Report .

**3. Power to Make the Decision**

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

**4. Resource Implications**

**4.1 Cost Implications**

**4.1.1. Cost of the Reference Solution and financial commitment from WAG**

a) The Reference Project has been modelled along the most financially prudent lines assuming high capital costs and minimum levels of return on third party income from both excess capacity usage and electricity sales. A key part of the

procurement and Competitive Dialogue process with bidders will be to move towards a more economically advantageous solution than that modelled for in the Reference Solution.

- b) The allocation of costs and additional SWMG funding across the five partnering authorities will be based on tonnage input to the facility which is in accordance with the principles embedded in the Inter- Authority Agreement.
- c) WAG funding is in the form of an annuity revenue contribution equivalent to 25% of the Net Present Value of the unitary charge. Based on the Project Team's understanding of the methodology for calculating funding, this results in a full year annuity payable from service commencement of £5.72m over the life of the contract and amounting to a total revenue stream of £142.42m. This funding assumption has been built into the affordability analysis. Denbighshire County Council's projected proportion of this is £21m over the 25 year period April 2015 to March 2041.
- d) On the assumption that WAG approves the Partnerships OBC, WAG will ring fence funding for the project and procurement can commence.
- e) At the completion of the procurement process (once a preferred bidder has been appointed) WAG funding will be finally confirmed by the production of a Final Business Case (FBC). Members are asked to note that this funding will only be lower than that awarded at OBC if the actual gate fee offered by the preferred bidder is lower than that projected within the reference project at OBC. In such an instance the benefit of the reduced charge will be shared equally between WAG and the Partnership.

#### 4.1.2. Budget and Affordability

- a) It is a requirement of the OBC to compare costs of the "do minimum" option against the Reference Project. The OBC demonstrates that the affordability gap with respect to the "do minimum" option is greater than that within the Reference Project.
- b) Based on the financial model used in the development of the OBC, the Partnership's annual Unitary charge affordability range is estimated for the base case to be £650m, net of WAG funding, within a range of £607m to £802m, for the assumed contract period of April 2015 to March 2041 as set out in Section 6 of the OBC. Denbighshire County Council's shares of the costs are projected as £98m for the Base Case and taking into account a number of sensitivities that have been modelled, is estimated to be in the range of £92m to £121m over the proposed contract period.

#### 4.1.3. Value for money Assessment

It is also a requirement of the OBC to compare the Reference Solution with a "Public Sector Comparator", which would normally be based on a local authority providing its own capital funding, most likely through Prudential Borrowing, in order to deliver the required waste treatment facilities and associated services. The OBC currently shows that whilst the financing costs of prudential borrowing would be cheaper, the likely levels of risk transference in a Public Private Partnership (PPP) project would result in the reference solution representing greater value for money. This position will become clearer during the procurement process and it will be necessary to

explore prudential borrowing further before any final commitment is made to the PPP route

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

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

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

None

### **5. Risk Assessment**

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

- a) That the other 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.

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

Agreeing to the recommendations commits that council to future expenditure, at a time when future budgetary provision (including WAG's sustainable waste management grant funding) is less than certain.

### **6. Chief Financial Officer Statement**

The cost of the proposal will be higher than the current budget for the service, however the option to continue with current arrangements would be even higher. The proposed solution will attract WAG grant and will benefit from the cost effectiveness of a regional rather than one Council procurement.

### **7. Consultation Carried Out**

- 7.1 The draft municipal Waste Management Strategy was presented to Cabinet on 26 October 2004. The subsequent public consultation exercise finished on 30 April 2005, and the Strategy was formally adopted on 30 May 2005, via a Cabinet delegated decision.
- 7.2 The concepts involved were explained at member development day was organised by Environmental Services on 29 April 2007, and again on 31 October 2008.
- 7.3 Full Council were given a presentation about the project on 19 January 2010



## 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”.

### 8.3 Assessment of Impact on Climate Change - Mitigation and Adaptation:

This initiative is fully in line with the published Welsh Assembly Government’s strategy “ Towards Zero Waste”, the aim of which is to minimise the ecological footprint associated with waste management,

## 9 Action plan

A timetable has been agreed with WAG where the NWRWTP OBC will be submitted to WAG by 09 April 2010. In order to achieve this all partner authority approvals must be completed by mid March 2010. Procurement can then commence in June 2010.

Headline procurement timetable

Activity	Target Date
Outline Business Case Approved by Local Authority(ies)	04/03/2010
Submission of OBC to WAG	09/04/2010
WAG Approval of OBC	14/05/2010
WAG gateway review	May 2010
OJEU Published	June 2010
Descriptive Document Issued	July 2010
Invitation to Submit Outline Solutions (ISOS) Issued	September 2010
ISOS Returned	December 2010
Invitation to Submit Detailed Solutions (ISDS) Issued	January 2011
Invitation to Submit Detailed Solutions (ISDS) Returned	June 2011
Call For Final Tenders	Sep 2011
Preferred Bidder Selected	April 2012
Submission of FBC	May 2012
WAG Approval of FBC	June 2012
Commercial and Financial Close	Sep 2012
Planning Application Submitted	Sep 2012
Planning consent achieved	Sep 2013
Operational Commencement	Sep 2016

- 9.1 It is envisaged that, should the recommendations be accepted, the appropriate letter required by WAG in respect of confirmation of affordability will be signed by the Leader of the Council, the Chief Executive and the Council's Section 151 Officer. This will then commit the Council to the funding regime set out within the Business Case subject to any negotiated final outcome.
- 9.2 Following scrutiny and review of the submission by WAG, the Partnership will be notified of the outcome of the application in May 2010.
- 9.3 On the basis that the application is successful, procurement is likely to commence in June 2010 and contract award made in autumn 2012, subject to the acceptance of the Final Business Case. The Final Business Case will be brought back to the NWRWTP Joint Committee and individual partner authorities for formal approval. It is expected that the new facility(s) will become operational in autumn 2016. Members are asked to note that Member approval will also be sought for moving to preferred bidder stage of the procurement, and following completion of the procurement process, contract award

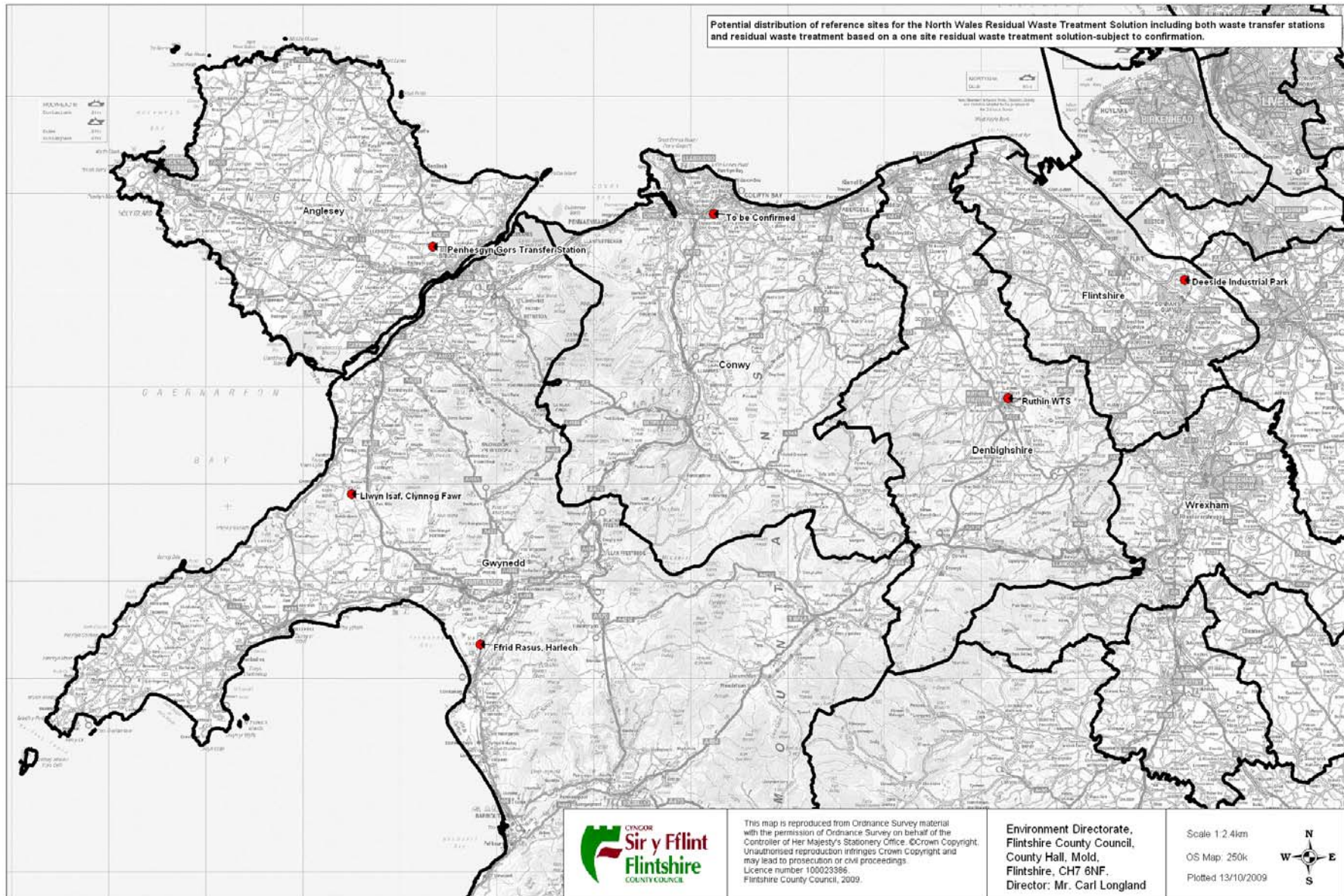
## **10. Recommendations**

- 10.1 That Cabinet approves the report, noting that the detailed OBC is contained within this agenda as a Part 2 item which will require specific Member approval.
- 10.2 To note that future Cabinet approval will be sought for moving to preferred bidder stage of the procurement process, for approval of the Final Business Case to WAG, and for contract award following the completion of the procurement process.
- 10.3 To approve the draft OJEU notice attached at Appendix 3
- 10.4 To approve the Inter Authority Agreement attached at Appendix 4 and give the County Clerk delegated powers to make amendments to the draft which do not significantly affect the content of the agreement in consultation with the Project Director and the Executive Member for Environment and Sustainable Development.

**Contact Officers:** Steve Parker – Head of Environmental Services 01824 712123  
Alan Roberts – Senior Waste Manager (Strategy) 01824 712108  
Stephen Penney – Project Director – Flintshire C.C.

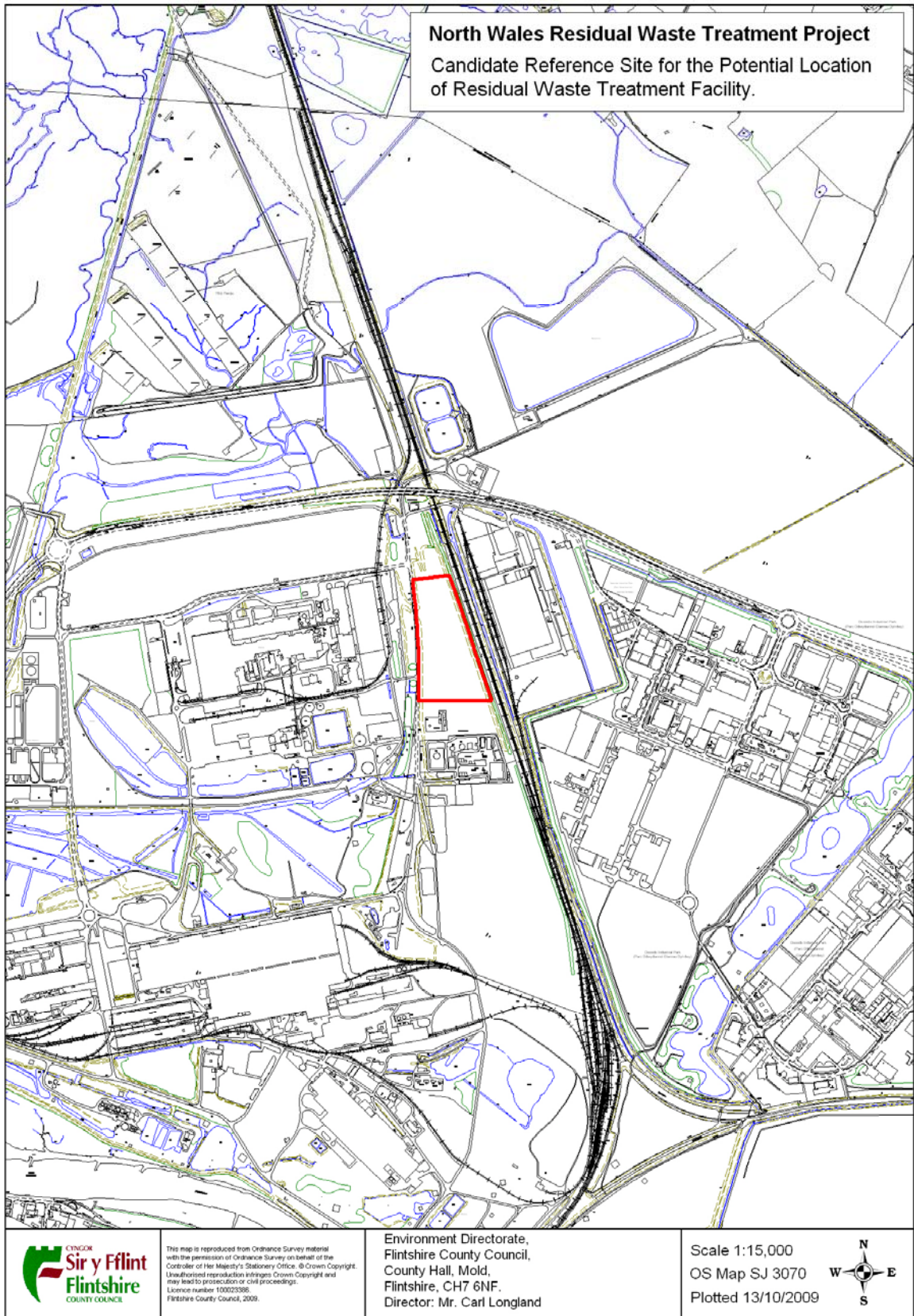
# PART ONE CABINET PAPER – 16 FEBRUARY 2010 - APPENDICES

## Appendix 1 Reference Project Facility Provisional Locations





**Appendix 2 –Deeside Industrial estate Candidate Reference site for a residual waste treatment facility**



## Appendix 3 Draft OJEU notice

### UK-Flintshire: Refuse Services

#### CONTRACT NOTICE

#### Services

#### SECTION I: CONTRACTING AUTHORITY

I.1) **NAME, ADDRESSES AND CONTACT POINT(S):**

**Official Name** - Flintshire County Council (on behalf of itself and Conwy County Borough Council, Denbighshire County Council, Gwynedd Council and Isle of Anglesey County Council and/or such local authority(ies) in North or Central Wales as may join these authorities or may be substituted for one or more of these authorities).

**Postal address** – Legal & Corporate Services, Corporate Procurement, County Hall, Mold, CH7 6NB

Attention: Andy Argyle, Procurement Officer (Swyddog Caffael)

Tel/Ffon: 01352 701814

Fax/Ffacs: 01352 702279

E-mail/E-bost: andy.argyle@flintshire.gov.uk

**Internet address(es):**

General address of the contracting authority: [www.flintshire.gov.uk](http://www.flintshire.gov.uk)

**Further information can be obtained at:** As in above-mentioned contact point(s).

**Specifications and additional documents (including documents for competitive dialogue and a dynamic purchasing system) can be obtained at:** As in above-mentioned contact point(s).

**Tenders or requests to participate must be sent to:** As in above-mentioned contact point(s).

**Tenderers are asked to note that during the procurement process an electronic tendering system (E-Box) may be utilised. Full details will be provided to bidders should this or a similar system be utilised for any stages of the procurement.**

I.2) **TYPE OF THE CONTRACTING AUTHORITY AND MAIN ACTIVITY OR ACTIVITIES:**

Regional or local authority.

General public services.

Environment.

The contracting authority is purchasing on behalf of other contracting authorities: Yes.

#### SECTION II: OBJECT OF THE CONTRACT

II.1) **DESCRIPTION**

II.1.1) **Title attributed to the contract by the contracting authority:**

North Wales Residual Waste Treatment Partnership PPP Contract

II.1.2) **Type of contract and location of works, place of delivery or of performance:**

Services.

Service category: No 16.

Main place of performance: Depends on the solution proffered.

NUTS code: UKL

II.1.3) **The notice involves:**

A public contract.

II.1.4) **Information on framework agreement:**

Not applicable.

II.1.5) **Short description of the contract or purchase(s):**

Flintshire Council (for and on behalf of itself and Conwy County Borough Council, Denbighshire County Council, Gwynedd Council and Isle of Anglesey County Council and/or such local authority(ies) in North Wales as may join these authorities or may be substituted for one or more of these authorities (together the North Wales Residual Waste Treatment Partnership ("the **Partnership**")) is seeking (subject to value for money and affordability considerations) to enter into a long-term PPP contract with one contractor (or consortium) for the provision of a solution for the treatment and disposal of the Partnership's residual waste. This may include (but is not limited to) the design, build, finance and operation of a waste treatment facility (or facilities) including waste transfer stations. However the Partnership reserve the right to adopt a contract structure that best meets their respective needs. The Partnership have identified a site within the ownership of the Partnership which is considered suitable and can be considered by the applicants when putting forward their solution, although the Partnership and applicants will be free to put forward other sites for the Project. The Partnership site is located at [Deeside EM1 13 at Weighbridge Road, Deeside Industrial Park, Flintshire]. The Partnership do not intend to specify a particular technology for the solution and will, therefore, consider any technology solution that meets the Partnership requirements which will be assessed in accordance with the evaluation criteria/methodology for the Project. [The potential for the solution to cater for commercial and industrial waste as well as waste from other public sector organisations may be explored during competitive dialogue.]

For further details refer to II.2.1 and IV.1.3.

II.1.6) **Common procurement vocabulary (CPV):**

**Main object** - 90500000 (Refuse and Waste Related Services)

**Additional objects** – 90510000 (Refuse Disposal and Treatment), 90530000 (Operation of a Refuse Site) 90531000 (Landfill Management Services), 90513000 (Non-hazardous Refuse and Waste Treatment and Disposal Services), 90514000 (Refuse Recycling Services), 45222100 (Waste Treatment Plant Construction Work), 45222110 (Waste Disposal Site Construction Work).

II.1.7) **Contract covered by the Government Procurement Agreement (GPA):**

Yes.

II.1.8) **Division into lots:**

No.

II.1.9) **Variants will be accepted:**

Yes.

## II.2) **QUANTITY OR SCOPE OF THE CONTRACT**

### II.2.1) **Total quantity or scope:**

The Partnership are seeking (subject to value for money and affordability considerations) a contractor (or consortium) to enter into a long-term PPP contract (with possible revenue support to be provided by the Welsh Assembly Government ("**WAG**")) for the provision of a solution for the treatment and disposal of the Partnership's residual waste.

This may include (but is not limited to) the design, build, finance and operation of a waste treatment facility (or facilities) and waste transfer station(s) and/or a merchant waste treatment facility(ies) and or merchant waste treatment capacity. Dependent on the solution proffered, the expectation is that financing for the project will be predominantly, if not wholly, procured from private finance. However the Partnership reserve the right to adopt a contract structure that best meets their respective needs or to provide or procure capital contributions and/or finance for the Project from other sources including (but not limited to) prudential borrowing and/or the European Investment Bank. The Partnership envisages a contract period of approximately 25 (twenty-five) to 40 (forty years) however the actual contract period will be determined by best value considerations during the competitive dialogue procedure and may also be dependent on financial market conditions. For the avoidance of doubt, a 25 (twenty-five) to forty (40) years duration is indicative only and is not intended to specify the maximum or minimum length of the contract.

The Partnership will follow a Lead Authority model and Flintshire County Council will enter into the contract for and on behalf of itself and the other local authorities.

The Partnership reserves the right to explore with the Participants during the procurement process the potential for marketing any energy (heat and/or power and/or electricity) produced by the solution to neighbouring users and/or to the Partnership and/or to the National Grid and/or to other users. [The procurement is not intended to include any of the collection or delivery functions to the solution. However as a matter of flexibility, the Partnership may wish to include some ancillary waste management services such as (but not limited to) construction and operation of waste transfer stations and bulking haulage operations.]

It is envisaged that the construction of the facilities may take up to 3 years to complete depending on the chosen technical solution, and the services will be for a period of up to 37 years following completion. In 2008/9 approximately [335500] tonnes of municipal waste were generated in the Partnership area. The Partnership estimates that around [150000] tonnes per annum of residual municipal waste may be required to be treated through a residual waste treatment facility (but reserves the right to amend this figure up or down).

The Partnership may accept variant bids provided the Partnership's output requirements are met and provided the variant is submitted in accordance with the tender/contract documents.

Estimated value excluding VAT: [ TBC ] This is provided by way of estimate only and depends upon the solution put forward. The Partnership reserve the right to invite variant solutions and further details are set out in the [Information Memorandum].

### II.2.2) **Options:**

The Partnership may discuss with the applicants during the competitive dialogue procedure the possibility of being granted option(s) to extend the Contract for a period of about 5 (five) years (subject to the caveats outlined in section II.2.1

## II.3) **DURATION OF THE CONTRACT OR TIME-LIMIT FOR COMPLETION:**

Duration in months: 480(from the award of the contract).

### **SECTION III: LEGAL, ECONOMIC, FINANCIAL AND TECHNICAL INFORMATION**

#### **III.1) CONDITIONS RELATING TO THE CONTRACT**

##### **III.1.1) Deposits and guarantees required:**

The Partnership reserves the right to require guarantees, parent company guarantees (in a form acceptable to the Partners), direct agreements, deposits, bonds or other forms of appropriate security as it may require. Further details will be set out in the project documentation.

##### **III.1.2) Main financing conditions and payment arrangements and/or reference to the relevant provisions regulating them:**

Payment and the payment terms and conditions will be set out in the Contract and the Payment Mechanism. The Contract and the Payment Mechanism will be based on the WIDP/Defra Model Form (as set out in the WIDP Residual Waste Procurement Pack) and as further amended and approved by WAG to be relevant for Wales. The payment terms and conditions will be discussed with the applicants during competitive dialogue procedure and further information will be provided in the project documentation.

##### **III.1.3) Legal form to be taken by the group of economic operators to whom the contract is to be awarded:**

Requests to participate will be accepted from groupings of economic operators (consortia). In the event of a successful consortium bid, the Partnership may specify that the consortium (and or member of the consortium) takes a particular legal form and/or require that a single consortium member takes primary liability or that each member undertakes joint and several liability irrespective of the legal form adopted. Where a subsidiary company is used, the ultimate parent company may be required to provide a guarantee in respect of the performance of the Contract by the subsidiary before acceptance. Full details of the proposed contracting structures must be provided in the Pre-Qualification stage.

##### **III.1.4) Other particular conditions to which the performance of the contract is subject:**

Yes.

The successful applicant (and any consortium members and/or sub-contractors) will be required to actively participate in the achievement of social, economic and environmental regeneration of the locality of and surrounding the place of delivery of the project. Accordingly contract performance conditions may relate in particular to social, economic, environmental or other corporate social responsibility considerations. Further details of these and any other conditions will be set out in the tender documents.

#### **III.2) CONDITIONS FOR PARTICIPATION**

##### **III.2.1) Personal situation of economic operators, including requirements relating to enrolment on professional or trade registers:**

Information and formalities necessary for evaluating if requirements are met: In accordance with Articles 45 to 50 of Directive 2004/18/EC and Regulations 23 to 25 of the Public Contracts Regulations 2006 and as set out in the PQQ.

##### **III.2.2) Economic and financial capacity:**

Information and formalities necessary for evaluating if requirements are met: In accordance with Article 47 of Directive 2004/18/EC and Regulation 24 of the Public Contracts Regulations 2006 and as set out in the PQQ.

Minimum level(s) of standards possibly required: As set out in the PQQ.

##### **Technical capacity:**



Information and formalities necessary for evaluating if requirements are met: In accordance with Articles 48 to 50 of Directive 2004/18/EC and Regulation 25 of the Public Contracts Regulations 2006 and as set out in the Pre-Qualification Questionnaire.

Minimum level(s) of standards possibly required: As set out in the PQQ.

III.2.3) **Reserved contracts:**

No.

III.3) **CONDITIONS SPECIFIC TO SERVICES CONTRACTS**

III.3.1) **Execution of the service is reserved to a particular profession:**

No.

III.3.2) **Legal entities should indicate the names and professional qualifications of the staff responsible for the execution of the service:**

Yes.

**SECTION IV: PROCEDURE**

IV.1) **TYPE OF PROCEDURE**

IV.1.1) **Type of procedure:**

Competitive dialogue.

IV.1.2) **Limitations on the number of operators who will be invited to tender or to participate:**

Envisaged minimum number: 3. Maximum number: 10

Objective criteria for choosing the limited number of candidates: As stated in the PQQ.

IV.1.3) **Reduction of the number of operators during the negotiation or dialogue:**

Yes - Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated.

IV.2) **AWARD CRITERIA**

IV.2.1) **Award criteria:**

The most economically advantageous tender in terms of the criteria stated in the specifications, in the invitation to tender or to negotiate or in the descriptive document.

IV.2.2) **An electronic auction will be used:**

No.

IV.3) **ADMINISTRATIVE INFORMATION**

IV.3.1) **File reference number attributed by the contracting authority: [Partnership to provide]**

IV.3.2) **Previous publication(s) concerning the same contract: [No]**

IV.3.3) **Conditions for obtaining specifications and additional documents or descriptive document [Partnership to provide]**

**Payable documents:** [TBC]

**Terms and Method of payment:** [TBC]

- IV.3.4) **Time-limit for receipt of tenders or requests to participate:**  
[Partnership to confirm date] 16:00
- IV.3.5) **Date of dispatch of invitations to tender or to participate to selected candidates:**  
[TBC ]
- IV.3.6) **Language(s) in which tenders or requests to participate may be drawn up:**  
English.
- IV.3.7) **Minimum time frame during which the tenderer must maintain the tender:** [ TBC ]
- IV.3.8) **Conditions for opening tenders:** [ TBC ]

#### **SECTION V: COMPLEMENTARY INFORMATION**

- V.1) **THIS IS A RECURRENT PROCUREMENT:**  
No.
- V.2) **CONTRACT RELATED TO A PROJECT AND/OR PROGRAMME FINANCED BY EU FUNDS:**  
No.
- V.3) **ADDITIONAL INFORMATION:**

[TBC\_ Additional Information may be inserted here i.e. key drivers and/or further projections and current projections of tonnages etc]

The Partnership may accept variant bids in addition to a standard bid as set out in the tender/contract documents provided the Partnerships core requirements are met and provided the variant is submitted in accordance with the tender/contract documents.

Candidates should note that it is very important to the Partnership that this project be completed within the shortest possible timeframe. Candidates' ability to comply with the timeframes specified by the Partnership will be an important factor in the evaluation of the Candidates' proposals at tender- evaluation stage.

Requests to participate must be made by completion and return of the Pre-Qualification Questionnaire by the date and time specified in Section IV.3.4 above and in accordance with the instructions set out in the Pre-Qualification Questionnaire and in the manner prescribed electronically via E-Box. Completed Pre-Qualification Questionnaires submitted after the deadline may not be considered. For consortium bids, the information in Section III.2 must be supplied by each consortium member but the lead member should aggregate its members' details and submit this as a single application. Candidates are advised that the Partnership is subject to the Freedom of Information Act 2000 (the "**Act**"). If a candidate considers that any of the information supplied as part of this procurement procedure should not be disclosed because of its commercial sensitivity, confidentiality or otherwise, they must, when providing this information, clearly identify the specific information they do not wish to be disclosed and clearly specify the reasons for its sensitivity. The Partnership shall take such statements into consideration in the event that it receives a request pursuant to the Act which relates to the information provided by the interested party. Please note, it is not sufficient to include a statement of confidentiality encompassing all the information provided in the response.

There may be a TUPE requirement associated with this contract.

Please note that all dates, time periods and figures in relation to values and volumes specified in this notice are approximate only and the Partnership reserves the right to change any or all of them.

The Partnership shall not be responsible for any costs, charges or expenses incurred by participants and accepts no liability for any costs, charges or expenses, irrespective of the outcome of the competition, or if the competition is cancelled or postponed. The Partnership reserves the right to not award any or part of this contract and to abandon this procurement at any stage.

V.4) **PROCEDURES FOR APPEAL**

V.4.1) **Body responsible for appeal procedures:** See V.4.2 below.

V.4.2) **Lodging of appeals:**

Precise information on deadline(s) for lodging appeals: In accordance with Regulation 32 (Information about Contract Award Procedures and the application of standstill period prior to Contract Award) and Regulation 47 (Enforcement of Obligations) of the Public Contracts Regulations 2006, the Partnership will incorporate a minimum ten (10) calendar day standstill period at the point information on the award of the contract is communicated to Candidates. This period allows unsuccessful Candidates to seek further debriefing from the Partnership before the contract is entered into. The Candidates have two (2) working days from notification of the award decision to request additional debriefing and that information has to be provided a minimum of three (3) working days before expiry of the standstill period. Such additional information should be requested from the address in section I.1. If an appeal regarding the award of a contract has not been successfully resolved the Public Contracts Regulations 2006 (SI 2006/5) provide for aggrieved parties who have been harmed or are at risk of harm by a breach of the rules to take action in the High Court. Any such action must be brought promptly (generally within three (3) months). Where a contract has not been entered into, the court may order the setting aside of the award decision or order the Partnership to amend any document and may award damages. If the contract has been entered into the court may only award damages.

V.4.3) **Service from which information about the lodging of appeals may be obtained:**

V.5) **DATE OF DISPATCH OF THIS NOTICE:**

[T

## Appendix 4 Inter Authority Agreement

639792.07001/NMT  
Draft 5  
Draft dated 15 December 2009

**DATED** \_\_\_\_\_ **2010**

- (1) **CONWY COUNTY BOROUGH COUNCIL**
- (2) **DENBIGHSHIRE COUNTY COUNCIL**
- (3) **FLINTSHIRE COUNTY COUNCIL**
- (4) **GWYNEDD COUNCIL**
- (5) **ISLE OF ANGLESEY COUNTY COUNCIL**

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**INTER-AUTHORITY AGREEMENT  
in relation to the joint procurement of  
a residual waste treatment facility pursuant to  
the North Wales Residual Waste Partnership Agreement**

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***NOT FOR PUBLIC DISCLOSURE – CONFIDENTIAL***

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**BETWEEN**

- (1) **CONWY COUNTY BOROUGH COUNCIL** of Bodlondeb, Conwy, North Wales, LL32 8DU ("**Conwy Council**");
- (2) **DENBIGHSHIRE COUNTY COUNCIL** of Environmental Services, Kinmel Park Depot, Bodelwyddan, Denbighshire, LL18 5UX ("**Denbighshire Council**");
- (3) **FLINTSHIRE COUNTY COUNCIL** of County Hall, Mold, Flintshire, CH7 6NB ("**Flintshire Council**");
- (4) **GWYNEDD COUNCIL** of Council Offices, Shirehall Street, Caernarfon, Gwynedd, LL55 1SH ("**Gwynedd Council**"); and
- (5) **ISLE OF ANGLESEY COUNTY COUNCIL** of Council Offices, Llangefni, Anglesey, LL77 7TW ("**Isle of Anglesey Council**")

(together referred to as the "**Councils**" and individually as a "**Council**")

**BACKGROUND**

- (A) The Councils have agreed to work together in a partnering relationship to jointly procure a residual waste treatment facility and deliver residual waste treatment services (the "**Solution**") in furtherance of the objectives of the North Wales Residual Waste Partnership Agreement (the "**Partnership Agreement**") and the project known as the North Wales Residual Waste Project (the "**Project**").
- (B) The Councils have agreed to enter into this Agreement to formalise their respective roles and responsibilities in relation to the joint working arrangements for the procurement of the Project and the appointment of Flintshire Council as Lead Council in carrying out the Procurement Milestones in accordance with the terms of the Outline Business Case and the common decision made by each Council to approve the Affordability Envelope and commence the Procurement Milestones.
- (C) The Councils wish to enter into this Agreement and implement the Project pursuant to the powers conferred on them by Sections 51 and 55 of the Environmental Protection Act 1990, Section 19 of the Local Government Act 2000 and all other enabling powers.
- (D) The Councils acknowledge that this Agreement sets out the basis on which risks and liabilities are apportioned between the Councils, is intended to replace the Partnership Agreement and shall regulate the procurement of the Project up to the end of the Procurement Milestones on the Procurement End Date. Subject to the successful award of the Project Agreement, the Councils have agreed to enter into an agreement which will set out the respective rights and obligations of each Council in relation to the implementation and operational phases of the Project. Such agreement (the "**Second Inter-Authority Agreement**") is intended to reflect the terms of the Project Agreement and as such cannot be completed until the Councils have agreed the terms of the Project Agreement.

- (E) The Councils agree to act reasonably and in good faith to negotiate the terms of the Second Inter-Authority Agreement and acknowledge that the same shall include the principles set out in Schedule 9 (Heads of Terms of Second Inter-Authority Agreement).

#### Definitions and Interpretation

In this Agreement and the Recitals, unless, the context otherwise requires the following terms shall have the meaning given to them below:-

<b>"Accounting Period"</b>	means those periods set out in Schedule 6 (Accounting Periods) as may be amended from time to time in accordance with the terms of this Agreement
<b>"Affordability Envelope"</b>	means the sum set out in Schedule 10 (Affordability Envelope) which represents the upper limit of the financial threshold calculated for each Council as approved by each Council in respect of this Project <sup>1</sup>
<b>"Bidder"</b>	means any person who, following the issue of the OJEU Notice, expresses or has expressed an interest in being awarded the Project Agreement through the Procurement Milestones
<b>"Bid Process"</b>	means the process of procuring and appointing a contractor to carry out the Project on behalf of the Councils
<b>"Business Day"</b>	means any day other than a Saturday or Sunday or a public or bank holiday in England and/or Wales
<b>"CEDR"</b>	means the Centre for Effective Dispute Resolution
<b>"Chair"</b>	means the chair of the Joint Committee (duly appointed pursuant to Clause 0) or the Project Board (duly appointed pursuant to Clause 0 (as the case may be)
<b>"CIWM"</b>	means the Chartered Institute of Wastes Management
<b>"Commencement Date"</b>	means the date hereof
<b>"Competitive Dialogue Procedure"</b>	has the meaning given to it in the EU Procurement Regime
<b>"Confidential Information"</b>	means all know-how and other information whether commercial, financial, technical or otherwise relating to the business, affairs or methods of all or any Council, which is contained in or discernible in any form whatsoever (including without limitation software, data, drawings, films, documents and computer-readable media) whether or not marked or designated as confidential or proprietary or which is disclosed orally or by demonstration and which is described at the time of disclosure as confidential or is clearly so from its content or the context of disclosure

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<sup>1</sup> To confirm how the overall Affordability Envelope is built up i.e. from five individual Councils' own affordability envelopes. Grant Thornton UK to confirm.



<b>"Decision Period"</b>	means the period of fourteen (14) Business Days from the date of the Liability Report or such other time as is unanimously agreed by all the Councils
<b>"DPA"</b>	means the Data Protection Act 1998
<b>"Evaluation Criteria"</b>	means the primary level evaluation criteria outlined in the Invitation to Participate in Dialogue to be further refined by the Joint Committee as part of the Procurement Milestones
<b>"EU Procurement Rules"</b>	means the Public Contracts Regulations 2006
<b>"Facility"</b>	means the new waste management facility (or facilities) that may be procured as the Solution under the Project <sup>2</sup>
<b>"Intellectual Property"</b>	means any and all patents, trade marks, trade names, copyright, moral rights, rights in design, rights in databases, know-how and all or other intellectual property rights whether or not registered or capable of registration and whether subsisting in the United Kingdom or any other part of the world together with all or any goodwill relating to them and the right to apply for registration of them
<b>"IP Material"</b>	means the Intellectual Property in the Material
<b>"ISDS"</b>	means the Invitation to Submit Detailed Solutions stage of the Procurement Milestones
<b>"ISOS"</b>	means the Invitation to Submit Outline Solutions stage of the Procurement Milestones
<b>"ISRS"</b>	means the Invitation to Submit Refined Solutions stage of the Procurement Milestones
<b>"Joint Committee"</b>	shall have the meaning given to it in Clause 0
<b>"Joint Committee Meeting"</b>	means a meeting of the Joint Committee duly convened in accordance with Clause 0
<b>"Key Documents"</b>	means the documents that shall be received by the Joint Committee in relation to the Project and shall include the Project Initiation Document and the Outline Business Case
<b>"Key Facility"</b>	means the key residual waste treatment facility (or facilities) that may be procured as part of the Solution under the Project
<b>"LAS"</b>	means the Landfill Allowance Scheme (LAS) Regulations (Wales) 2004
<b>"Lead Council"</b>	means the Council appointed under Clause 0 as the lead administering authority for the Project whose duties are set out in this Agreement

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<sup>2</sup> It is envisaged that waste transfer stations in Council administrative areas will be central collection points for bulking up waste before transport to waste treatment facilities.

<b>"Lead Finance Officer"</b>	means the person so appointed from time to time by the Lead Council to represent the interests of the Councils in respect of financial matters of the Project and to ensure the provision of regular update reports are provided to the Project Board from time to time and who shall be called the Lead Finance Officer reporting to the Project Section 151 Officer
<b>"Liability Report"</b>	means a report prepared by the Lead Council (or such other Council nominated under Clause 0) acting reasonably setting out the financial and resource commitments of the relevant Council under Clause 0 including the items set out in Schedule 7 (Liability Report)
<b>"Local Authority"</b>	means a principal council (as defined in Section 270 of the Local Government Act 1972) or any body of government in Wales established as a successor of a principal councils
<b>"Longstop Date"</b>	means the date of execution of the Project Agreement and the Second Inter-Authority Agreement or, if earlier, the date at which all the Councils determine to abandon the procurement exercise for the Project
<b>"Material"</b>	means all data, text, graphics, images and other materials or documents created, used or supplied by a Council in connection with this Agreement unless before the first use or supply, the Council notifies the other Councils that the data, text supplied is not to be covered by this definition
<b>"Matter Reserved To The Councils"</b>	means as defined in Clause 6.1.3
<b>"Model Procedure"</b>	means the Centre for Dispute Resolution Model Mediation Procedure
<b>"OJEU Notice"</b>	has the meaning given to it in the EU Procurement Rules

### "Open Market Value"<sup>3</sup>

means the best price at which the Site or site in question might reasonably be expected to have been disposed of unconditionally for cash consideration at the relevant time assuming:

- (a) a willing seller;
- (b) that prior to the relevant time there has been a reasonable period for the proper marketing of such Site or site and for the agreement of price and terms for completion of the disposal of such Site or site;
- (c) the state of the market, levels of values and other circumstances are on any earlier assumed date of exchange of contracts the same as at the relevant time;
- (d) the relevant Council has good and marketable title to such Site or site;
- (e) all necessary consents for any building or other works at such Site have been obtained and such Site or site can be lawfully used;
- (f) any damage to such Site or site caused by any insured risk has been made good;
- (g) that where the Project (or one of the Councils in furtherance of the Project) has made an investment into improving a Site or site (whether by obtaining planning permission or other permits or necessary consents, regardless of whether they are used or capable of being used for the Project, or otherwise) to confer an advantage on the value of such Site or site compared to its pre-Project value then such enhancement shall be taken into account<sup>4</sup>;

and otherwise taking into account of the actual circumstances as shall exist at the time,

provided further that for the purposes of calculating valuation to determine whether proposed Site or site disposals under the terms of the Local Government Act 1972 fall within the provisions of the Local Government Act 1972: General Disposal Consent (Wales) 2003 the relevant Council shall have regard to the guidance on local authority disposals of land at an undervalue in the version of the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors' which is current at the time of disposal<sup>5</sup>

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<sup>3</sup> The Councils' own valuation teams may wish to comment on the scope of Open Market Value calculations to ensure any heads of "improvement costs" are reflected in the value.

<sup>4</sup> This is aiming at brownfield development sites where remediation/clean up and/or improvement works are carried out under the auspices of the Project which confer an advantage on the Site or site whether or not such Site or site is ultimately used within the Project.

<sup>5</sup> Note that the corresponding general consent in England is covered by "Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can be reasonably obtained" which includes a Technical Appendix on valuation which appears to take into account more than the RICS Red Book. Which approach is preferred to the principles of valuation?

<b>"Outline Business Case"</b>	means the outline business case dated on or about [ ] December 2009 (as amended from time to time) prepared by the Councils and submitted to the Joint Committee for approval before submission to WAG for funding to support the Project and provide approval to proceed with the Procurement Milestones (including the strategic, economic, commercial, financial and management case for the Project, all prepared in accordance with good industry practice)
<b>"Partnership Agreement"</b>	means, as referred to in Recital A, the partnership agreement made between the Councils dated [ ] November 2008
<b>"Personal Data"</b>	means personal data as defined in the DPA
<b>"Procurement End Date"</b>	means the date that the Project Agreement (and any associated documentation) is executed by the Lead Council pursuant to the Procurement Milestones or, if earlier, the date that the Councils determine not to proceed with the Project
<b>"Procurement Milestones"</b>	means the procurement stages as set out in Schedule 1 (Procurement Milestones) to be carried out in order to procure the Project as such Procurement Milestones may be amended from time to time by the Councils in accordance with the terms of this Agreement
<b>"Project"</b>	means as defined in Recital A
<b>"Project Agreement"</b>	means the proposed contract for the preferred Solution to dispose of the Councils' residual waste to be entered into by the Lead Council (acting on behalf of itself and the Councils) and the successful Bidder in accordance with the Procurement Milestones in connection with the Project
<b>"Project Board"</b>	has the meaning given to it in Clause 0
<b>"Project Board Meeting"</b>	means a meeting of the Project Board duly convened in accordance with Clause 0

**"Project Director"**

means the person who:

(a) is engaged by Flintshire Council as Lead Council as at the date of this Agreement and whose line manager is Flintshire Council's Director of Environmental Services (which individual has delegated powers and is also a member of the Project Board);

(b) is so appointed from time to time by the Project Board to represent the interests of all the Councils in respect of their operational requirements for the Project;

(c) shall be called the Project Director;

(d) who shall be a member of and responsible to the Project Board, and

(e) for the avoidance of doubt the Councils have agreed that the remit of such person is to use his authorisation received from Flintshire Council to:

(i) take decisions on behalf of the Project Board;

(ii) run a soft market test exercise;

(iii) negotiate on behalf of the Councils including with Bidders on all material commercial issues (including risk allocation matters and any proposed changes to the Project output specification principles enshrined in the Outline Business Case during the competitive dialogue phase of the procurement<sup>6</sup>) where project management and commercial negotiations can be conducted provided that such negotiations:

(A) are consistent with WAG guidance and/or WAG support;

(B) do not materially and adversely change the strategic nature of the Project (including its risk profile); and

(C) do not require reference back to the Joint Committee and/or the Councils on those matters reserved to such bodies pursuant to Schedule 1 (Procurement Milestones)

**"Project Initiation Document"**

means the project initiation document for the Project as agreed by the Councils setting out the justification for the Project, its outline description and indicative costs, Project timetable, Project governance and management arrangements and the Project budget

**"Project Manager"**

means the person appointed to manage the Project in accordance with the job description set out in the Project Initiation Document

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<sup>6</sup> It is too prescriptive to schedule out which aspects of potential commercial negotiations on the terms of the Project's output specification etc. should fall within the remit of the Project Director. Experienced practitioners (and the wider external advisory team) should be able to endorse and/or recommend when the Project Director should be taking the lead rather than referring matters back to the Project Board, Joint Committee or individual Councils.

<b>"Project Section 151 Officer"</b>	means the person so appointed by the Lead Council (as their officer appointed pursuant to section 151 of the Local Government Act 1972) as the officer responsible for the proper administration of the financial affairs under the Project and who shall manage the Lead Finance Officer and collate regular reports on Project accounting matters (provided that for the avoidance of doubt each Council's own officer appointed pursuant to section 151 of the Local Government Act 1972 shall be entitled to attend Project Board Meetings and Joint Committee Meetings from time to time as non-voting members pursuant to Clauses 8.9 and 7.13 respectively)
<b>"Site"<sup>7</sup></b>	means the reference site selected by the Councils for the purposes of the Outline Business Case over the areas of land known as Deeside EM1 13 at Weighbridge Road, Deeside Industrial Park, Flintshire and shown for the purposes of identification only edged red on the plan shown at Schedule 8 (Site Plan) provided that the Councils acknowledge that the declaration of such reference site does not commit the Councils to a technology solution nor a preferred location for any waste management facilities in delivering the Project
<b>"Solution"</b>	means as defined in Recital A
<b>"Vice-Chair"</b>	means the vice-chair of the Joint Committee (duly appointed pursuant to Clause 0) or the Project Board (duly appointed pursuant to Clause 0 (as the case may be))
<b>"WAG"</b>	means the Welsh Assembly Government.

## 1.1 Interpretation

In this Agreement, except where the context otherwise requires:-

the singular includes the plural and vice versa;

a reference to any clause, sub-clause, paragraph, Schedule, recital or annex is, except where expressly stated to the contrary, a reference to such clause, sub-clause, paragraph, schedule, recital or annex of and to this Agreement;

any reference to this Agreement or to any other document shall include any permitted variation, amendment or supplement to such document;

any reference to legislation shall be construed as a reference to any legislation as amended, replaced, consolidated or re-enacted;

a reference to a public organisation (to include, for the avoidance of doubt, any Council) shall be deemed to include a reference to any successor to such public organisation or any organisation or entity which has taken over the waste disposal functions and responsibilities of such public organisation;

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<sup>7</sup> There may be other proposals for one or more waste management facilities (residual waste treatment facility, waste transfer stations or otherwise) identified during the procurement by the Councils or by Bidders.

a reference to a person includes firms, partnerships and corporations and their successors and permitted assignees or transferees;

the schedule, clause, sub-clause and (where provided) paragraph headings and captions in the body of this Agreement do not form part of this Agreement and shall not be taken into account in its construction or interpretation;

words preceding "include", "includes", "including" and "included" shall be construed without limitation by the words which follow those words; and

any reference to the title of an officer or any of the Councils shall include any person holding such office from time to time by the same or any title substituted thereafter or such other officer of the relevant Council as that Council may from time to time appoint to carry out the duties of the officer referred to.

## **Schedules**

The Schedules to this Agreement form part of this Agreement.

### commencement, duration and termination

#### **Duration of Contract**

This Agreement shall continue in full force and effect from the Commencement Date until the earlier of the following dates:-

all the Councils agree in writing to its termination; or

there is only one remaining Council who has not withdrawn from this Agreement in accordance with Clause 0 (Withdrawal); or

the date of execution of the Project Agreement.

#### **Termination**

Without prejudice to any other rights or remedies, this Agreement may be terminated in relation to any Council ("**Defaulter**") by the other Councils ("**Non-Defaulting Councils**") acting unanimously in giving written notice to the Defaulter effective on receipt where the Defaulter breaches any of the provisions of this Agreement and in the case of a breach capable of remedy fails to remedy the same within [five (5)][sixty (60)]<sup>8</sup> Business Days (or such other period as agreed by the Councils) of being notified of each breach in writing by the Non-Defaulting Councils and being required to remedy the same.

#### SITE

The Councils acknowledge that Flintshire Council has secured ownership of the Site for the purpose of the Project and that, if the reference site approach adopted by the Councils for the purposes of the Outline Business Case is ultimately adopted, the Site will be made available to Bidders as a site upon which the successful Bidder may wish to develop a Key Facility. For the avoidance of doubt the Councils acknowledge that a single reference site approach at this stage does not prohibit any other alternative site location strategy including but not limited to a twin site proposal for residual waste treatment Key Facilities using the Site and a second site which may be located in the Bangor area to serve the western Councils. Furthermore the Councils may each make available to the Project interests in a site or sites upon which the successful Bidder

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<sup>8</sup> To avoid a hair trigger termination event there should be the opportunity to refer any potential termination event back through the hierarchy of Project Board, Joint Committee and to individual Councils since a termination will attract potential liability for the Defaulter and may compromise the delivery of the overall Project. This necessitates a longer time period.

may wish to develop other Facilities necessary for the Solution to succeed, provided that the Joint Committee shall consider any such proposals and may agree to adopt such sites as Project sites in its absolute discretion and (using Open Market Value principles) ascribe an initial valuation for the interest in such sites<sup>9</sup>.

Subject to Clause 3.4, Flintshire Council agrees that if it exercises its right to withdraw from the Project pursuant to Clause 0 (Withdrawal) or if this Agreement is terminated in respect of it pursuant to Clause 0 (Termination) then it will transfer its interest in the Site to one of the remaining Councils (at the direction of the Joint Committee) for use for the purposes of the Project.

Subject to Clause 3.5, each Council agrees that if it exercises its right to withdraw from the Project pursuant to Clause 0 (Withdrawal) or if this Agreement is terminated in respect of it pursuant to Clause 0 (Termination) then if it has any interest in a site or sites (not being the Site) allocated to the Project with the agreement of the Joint Committee it will transfer its interest in such site or sites to one of the remaining Councils (at the direction of the Joint Committee) for use for the purposes of the Project.

If Flintshire Council exercises its right to withdraw from the Project pursuant to Clause 0 (Withdrawal) or if this Agreement is terminated in respect of it pursuant to Clause 0 (Termination) then it will use all reasonable endeavours to transfer its interest in the Site to one of the remaining Councils (at the direction of the Joint Committee) for use for the purposes of the Project. The interest in the Site shall be valued at Open Market Value and Flintshire Council may then elect to conduct a transfer at an undervalue if it can secure appropriate consents and approvals and that successful dispensation is granted.

If any Council exercises its right to withdraw from the Project pursuant to Clause 0 (Withdrawal) or if this Agreement is terminated in respect of it pursuant to Clause 0 (Termination) then it will use all reasonable endeavours to transfer its interest in such site or sites<sup>10</sup> (not being the Site) to one of the remaining Councils (at the direction of the Joint Committee) for use for the purpose of the Project. The interest in such site or sites shall be valued at Open Market Value and the relevant Council may then elect to conduct a transfer at an undervalue if it can secure appropriate consents and approvals and that successful dispensation is granted<sup>11</sup>.

The costs and terms of the acquisitions and/or securing of the sites referred to in Clause 3.3 together with the costs of obtaining outline planning consent shall be borne by the relevant Council.

Where a Council is the owner of the Site or a site but the Joint Committee does not direct a transfer to one of the remaining Councils, that relevant Council shall be entitled to dispose of that Site or site (or to retain that Site or site) at its discretion.

An assessment of the Open Market Value of the Site or site shall be carried out within thirty (30) Business Days of either the relevant Council's decision to withdraw from the Project or the date on which notice is given to a Council that it is a Defaulter in accordance with the provisions of Clause 2.3 (Termination).

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<sup>9</sup> It is agreed that there should be a mechanism to import sites (not being the Site) into the Project. To aid any compensatory payments a value should be ascribed on the way into and out of the Project?

<sup>10</sup> If the sites represent possible locations for Facilities like waste transfer stations (not being the Key Facility at the Site or a similarly useful residual waste treatment facility) then the structure of the property interests on particularly a Contractor default of the Project Agreement needs to be considered to ensure continuing availability of the sites for the Project or a successor to the Project?

<sup>11</sup> What should the process be for securing a property valuation and then considering a negotiation between the departing Council and the remaining Councils to negotiate a value and then justify any transfer at an undervalue in similar vein to Section 123 of the Local Government Act 1972 and the general disposal consent order? How would this affect the Project procurement timetable?



## PRINCIPLES AND KEY OBJECTIVES

The Councils intend this Agreement to be legally binding.

The Councils agree to work together to carry out the Procurement Milestones in accordance with the terms of this Agreement.

Without prejudice to the terms of this Agreement, the Councils agree that they will conduct their relationship in accordance with the following principles:-

### **Openness and Trust**

in relation to this Agreement the Councils will be open and trusting in their dealings with each other, make information and analysis available to each other, discuss and develop ideas openly and contribute fully to all aspects of making the joint working successful. Whilst respecting the mutual need for commercial confidentiality, the Councils will willingly embrace a commitment to transparency in their dealings and in particular a need to comply with statutory access to information requirements including the Environmental Information Regulations 2004 (SI 2004/3391) and the Freedom of Information Act 2000 and supporting codes of practice. The Councils will be aware of the need for and respect matters of commercial confidentiality and potential sensitivity;

### **Commitment and Drive**

the Councils will be fully committed to working jointly, will seek to fully motivate employees and will address the challenges of the Project with drive, enthusiasm and a determination to succeed;

### **Skills and Creativity**

the Councils recognise that each brings complementary skills and knowledge which they will apply creatively to achieving the Councils' objectives, continuity, resolution of difficulties and the development of the joint working relationship and the personnel working within it. It is recognised that this will involve the appreciation and adoption of common values;

### **Effective Relationships**

the roles and responsibilities of each Council will be clear with relationships developed at the appropriate levels within each organisation with direct and easy access to each other's representatives;

### **Developing and Adaptive**

the Councils recognise that they are engaged in what could be a long term business relationship which needs to develop and adapt and will use reasonable endeavours to develop and maintain an effective joint process to ensure that the relationship develops appropriately and in line with these principles and objectives;

### **Reputation and Standing**

the Councils agree that, in relation to this Agreement and the Project generally, they shall pay the utmost regard to the standing and reputation of one another and shall not do or fail to do anything which may bring the standing or reputation of any other Council into disrepute or attract adverse publicity to any other Council;

### **Reasonableness of Decision Making**

the Councils agree that all decisions made in relation to this Agreement and the Project generally shall be made by them acting reasonably and in good faith;

## Necessary Consents

each Council hereby represents to the other Councils that it has obtained all necessary consents sufficient to ensure the delegation of functions and responsibilities provided for by this Agreement; and

## Members and Officers' Commitments

each Council shall use its reasonable endeavours to procure that their respective members and officers who are involved in the Project shall at all times act in the best interests of the Project, devote sufficient resources to the Project and respond in a timely manner to all relevant requests from the other Councils.

The Councils agree and acknowledge that in the Outline Business Case the commercial case for new Facilities requires a preliminary sizing of Key Facility capacity. The Councils' external technical advisors have worked with the Councils' in-house waste management technical officers to study waste flows, ascribe a projected waste growth rate and provide an initial assessment of approximate projected tonnes per year of residual waste to be supplied to the Key Facility and maximum tonnage guarantees set out in Schedule 11 (Projected Contract Waste Tonnages and Minimum Tonnage Guarantees) which the Councils will support as their committed waste tonnage supply band pending further studies and modelling to establish revised waste tonnage supply bands as the procurement continues. The revised waste tonnages will be a Matter Reserved To the Councils as part of the Outline Business Case approval process. Each Council agrees to work with each other (acting reasonably and in good faith with time being of the essence), to finalise, before the issue of the ISDS documents to Bidders, the actual residual waste tonnages to be supplied by each Council to the Key Facility<sup>12</sup>.

The Councils acknowledge that the principle of a common gate fee is agreed (and such common gate fee acknowledges the respective costs of waste collection for each of the Councils<sup>13</sup>). This will include in the common gate fee all costs of waste reception, haulage and treatment as well as the costs of providing and/or building one or more waste reception points and transfer loading stations within each Council's administrative area<sup>14</sup>. Waste will be collected and taken to a central point in a Council's administrative area for onward transfer to waste treatment and disposal facilities.

The Councils acknowledge the principles that if a Council provides its residual waste to the Facility outside the anticipated and committed minimum (or maximum) tonnages supply band that:

if the overall Project residual waste tonnage supply band is not breached then no extra Project treatment costs will be apportioned to such Council (but it will suffer additional extra costs relating to actual residual waste tonnage delivered on a "take or pay" basis);

if the overall Project residual waste tonnage band is breached then extra Project treatment costs may be apportioned to such Council.

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<sup>12</sup> Ultimately a waste treatment facility will be sized to accept a band of waste tonnage between minimum and maximum levels. Delivering less than or more than the predicted waste tonnage band has financial effects. Underdelivery (perhaps due to better waste minimisation and increased recycling, reuse and recovery of the waste stream post-collection but pre-residual treatment) can leave spare capacity in a facility beneath the modelled base case usage (and hence payment stream). Councils changing their upstream recycling policy to extract various types of materials could influence this. Underdelivery causes the private sector contractor to suffer loss of revenue so will a Council be responsible for its shortfall beneath a minimum declared level of waste tonnage to be supplied? Overdelivery requires higher transport costs to deal with unexpectedly high waste tonnage levels (and perhaps alternative, more expensive treatment options if the Project's residual waste treatment facility is undersized compared to the demand) so will the Council providing extra waste beyond its assumed maximum tonnage be liable for these additional costs? Overdelivery can also impact on any non-Project waste which has been assumed to fill capacity in a shared/merchant plant solution. Note that in a multi-authority scheme there may be mitigating circumstances as Councils simultaneously underdeliver and overdeliver at the same time so the net effect may be neutral.

<sup>13</sup> Noted that the differing geographic spread and possible location of Facilities and the Key Facility (or Key Facilities) will have an impact on the assumptions made by individual Councils in committing to a common gate fee i.e. do some Councils "win" and some "lose" or is it accepted that as a compromise a common gate fee exists?

<sup>14</sup> To resolve who will own and operate the reception points and transfer stations.

## DUTIES OF the LEAD COUNCIL AND OTHER COUNCILS

The Councils (acting severally) have agreed, with effect from the Commencement Date, that Flintshire Council will be the Lead Council for the carrying out of the Procurement Milestones which shall be carried out for and on behalf of itself and the other Councils and Flintshire Council agrees to act in that capacity subject to and in accordance with the terms of this Agreement. For the avoidance of doubt the role of Lead Council includes (but is not limited to):

acting on behalf of the Project in the management and supervision of the procurement exercise;

subject to indemnities act as the employing authority for any staff engaged in the discharge of the Project's functions (appointing, employing or accepting the secondment of staff) in accordance with this Agreement;

being the legal point of contact for the purposes of managing the procurement;

providing such additional administrative resources and office facilities that may be necessary for the purpose of discharging the Project and hold all central funds;

provide senior officers who will act as Secretary, Monitoring Officer, and Treasurer (who will also be the section 151 officer) for the Project and who will therefore act as the primary legal and financial advisers to the Project;

responsibility for liaison and communication and WAG and co-ordination of communication and public relations; and

power to enter into contracts for Consultants as required for the purposes of the Project.

If the Lead Council defaults and the Agreement is terminated in respect of it pursuant to Clause 0 (Termination) or the Lead Council withdraws pursuant to Clause 0 (Withdrawal), then a replacement Lead Council will be appointed by the Joint Committee and the withdrawing/defaulting Lead Council will not have the right to vote in regard to any such appointment.

For the duration of this Agreement, the Lead Council shall act diligently and in good faith in all its dealings with the Bidders and the other Councils and it shall use all reasonable endeavours to carry out the Procurement Milestones in accordance with the EU Procurement Rules and any other applicable legislation.

For the duration of this Agreement, the Lead Council shall act as the primary interface with the Bidders, WAG, Partnerships UK and any other body necessary to carry out the Procurement Milestones in accordance with the terms of this Agreement and in accordance with the Lead Council's own Contract Procedure Rules.

For the duration of this Agreement, the other Councils shall act diligently and in good faith in all their dealings with the Lead Council and shall use their reasonable endeavours to assist the Lead Council to carry out the Procurement Milestones in accordance with the EU Procurement Rules any requirements of WAG and any other applicable legislation.

## DECISION MAKING

In terms of the need for decisions and other actions to be taken and carried out during the Procurement Milestones, the Councils have identified the following three categories together with the means by which they will be taken:-

**"Project Board Matter"** - being a matter which is to be decided upon at a quorate meeting of the Project Board by those present and entitled to vote and any such decision will be binding on all the Councils;

**"Joint Committee Matter"** – being a matter which is to be decided upon at a quorate meeting of the Joint Committee by those present and entitled to vote and any such decision will be binding on all the Councils;

**"Matter Reserved To The Councils"** – being a matter which will have to be referred to each Council for decision and, for the avoidance of doubt, any such matter will not be dealt with by the Project Board or the Joint Committee (as the case may be) until the matter has been determined by all of the Councils. If the Councils fail to reach the same decision in respect of such matter then the matter shall be referred under Clause 0 (Dispute Resolution) as a dispute for resolution,

and in each case, such matters are identified in Schedule 1 (Procurement Milestones).

## JOINT COMMITTEE

The Councils have formed the joint committee ("**Joint Committee**") called the North Wales Residual Waste Partnership pursuant to the Partnership Agreement to consider all Key Documents in relation to the Project and to carry out the functions set out in Schedule 2 (Joint Committee Terms of Reference).

The Joint Committee is a joint committee constituted by the Councils under section 101(5) and 102(1) of the Local Government Act 1972 and section 20 of the Local Government Act 2000. Meetings of the Joint Committee are subject to the provisions of the Local Government Act 1972 including the provisions on access to information and meetings held in public.

Each Council shall appoint two (2) elected members of their executive or cabinet, one (1) of whom shall be a voting member, as their representatives to the Joint Committee.

Each Council shall be entitled from time to time to appoint its non-voting member as a deputy for its voting member and such deputy (in each case) shall be entitled to attend meetings of the Joint Committee but shall only be entitled to vote in the absence of his or her corresponding voting member.

Each Council may, at their discretion, replace their representatives appointed to the Joint Committee, provided that:-

at all times, they have representatives appointed to the Joint Committee in accordance with the roles identified in Schedule 2 (Joint Committee Terms of Reference); and

any such replacement nominated in writing on not less than five (5) Business Days' notice shall have no lesser status or authority than that set out in Schedule 2 (Joint Committee Terms of Reference) unless otherwise agreed by the Councils.

The Chair of the Joint Committee shall be an elected Executive or Board member of a Council appointed by the Joint Committee pursuant to Clause 7.7.

The Vice-Chair of the Joint Committee shall be an elected executive member of a Council appointed by the Joint Committee pursuant to Clause 7.7. In the absence of the Chair for any reason, the responsibilities of the Chair can be discharged by the Vice-Chair.

The Chair and the Vice-Chair of the Joint Committee shall be elected at the annual general meeting and appointments shall take effect until the next annual general meeting.

The Joint Committee shall meet as and when required to suit the needs of the Project in accordance with the Project timetable provided that there shall be a minimum of three (3) meetings per year, one of which shall be specified as the annual general meeting and, subject to Clauses 7.9 and 7.17, at appropriate times and on reasonable notice (to be issued through the Project Director) to carry out the Joint Committee Matters referred to in Schedule 1 (Procurement Milestones). The venue for the meetings shall be agreed by the Joint Committee.

A printed copy of the agenda and reports for each meeting and the minutes of the previous meeting shall be despatched at least five (5) Business Days before such meetings to each representative appointed to the Joint Committee. The Chief Executive of the Lead Council shall ensure that the agenda and all relevant papers meet this deadline. All Agendas, reports and minutes in relation to the Joint Committee shall be in both Welsh and English and a translation will be available at all meetings of the Joint Committee.

Save as is inconsistent with the terms of this Agreement the Council Procedure Rules of the Lead Council shall apply.

The quorum necessary for a Joint Committee meeting shall be five (5) members of the Joint Committee comprising at least one (1) member from each of the Councils (and for the avoidance of doubt such member may be a voting or non-voting member) from each Council (in person but not by telephone).

Each Council shall be entitled to invite appropriate third parties to observe Joint Committee Meetings and such third parties shall be entitled to take part in such Joint Committee Meetings at the discretion of the Chair of the Joint Committee. Such observers shall not have a vote. For the avoidance of doubt, the section 151 officer and/or monitoring officer for each Council shall be entitled to attend and participate in Joint Committee Meetings in a non-voting capacity.

At meetings of the Joint Committee each elected voting member or appropriate deputy appointed pursuant to Clause 7.3 above from each Council shall have one (1) vote. Decisions at meetings of the Joint Committee will be taken by a simple majority vote. The Project Director shall not have a vote.

The Joint Committee shall not have power to approve any Matter Reserved To the Councils pursuant to Clause 0 (Decision Making).

Reports to be submitted to the Joint Committee shall be considered by the Project Board prior to submission to the Joint Committee.

In making a recommendation the Joint Committee may either:

- approve any Key Document;
- approve the Key Document subject to certain conditions; or
- reject any Key Document.

The Chair may summon a special meeting of the Joint Committee at any time by written notice to the Lead Council specifying the business to be considered at the special meeting.

A special meeting shall be summoned on the requisition in writing of any Joint Committee Members acting on behalf of his/her Council, which requisition shall specify the business to be considered at the special meeting.

Arrangements for holding a special meeting will be in accordance with the timetable set out in Clause 7.9.

In the event that a special meeting is called the Lead Council shall notify all members of the Project Board as a matter of urgency.

If, at a meeting of the Joint Committee, a matter is not determined by a majority vote pursuant to Clause 7.13, that matter ("**JC Unresolved Matter**") shall be deferred for consideration at the next Joint Committee Meeting which shall be convened within ten (10) Business Days of that meeting. If at the reconvened Joint Committee meeting the JC Unresolved Matter is not determined by a majority vote, the Chair shall have a casting vote in respect of that JC Unresolved Matter.

Each Council shall provide all information reasonably required upon request by the Joint Committee and shall comply with any decisions of the Joint Committee to request such information.

Each Council shall consult with the other Councils to ensure the diligent progress of the day to day matters relating to the Procurement Milestones.

### PROJECT BOARD

The Councils have formed the project board ("**Project Board**") for the purpose of implementing the Procurement Milestones and the day-to-day management and monitoring of the process and to carry out those functions set out in Schedule 1 (Procurement Milestones) as being functions of the Project Board and in accordance with the Project Board's Terms of Reference<sup>15</sup> as set on in Schedule 3 (Project Board).

The Project Board shall not have power to approve any Joint Committee Matter or any Matter Reserved To The Councils pursuant to Clause 0.

Notwithstanding the above the following specific functions are given to the Project Board:

prior approval of all reports for decision by the Joint Committee save if impracticable in the case of a special meeting; and

monitor the Project to ensure that it remains within budget.

The Project Board representatives shall consist of the Chief Executive of the Lead Council and one (1) director (as senior office representative) from each of the other four (4) Councils, the Project Director, the Project Section 151 Officer (of the Lead Council), the monitoring officer of the Lead Council and other external parties as appropriate.

The membership of the Project Board may vary at the discretion of each Council as appropriate to the topic or issue being considered.

The Councils may, at their discretion, replace their representatives appointed to the Project Board provided that such replacement shall be on the same basis as the original appointed and provided further that no senior officer of the Project Board shall be removed or replaced by any Council without that Council giving prior written notice as soon as reasonably practicable and in any event within ten (10) Business Days of its intention to remove or replace that representative.

The Chair of the Project Board shall be appointed by the Project Board from time to time. Each such representative shall have one (1) vote on any matter to be determined by the Project Board. The Project Board shall strive, at all times, to reach consensus but decisions at meetings of the Project Board may be taken by a simple majority vote.

The quorum necessary for a Project Board Meetings shall be a senior officer representative from each Council (in person or in an emergency by telephone). The Project Director, the Lead Finance Officer, the legal, procurement and technical officers for each Council shall be entitled to attend the meetings of the Project Board but not vote.

The section 151 officer and/or the monitoring officer for each Council shall be entitled to attend and participate in Project Board Meetings in a non-voting capacity.

The Project Board shall meet as and when required in accordance with the timetable for the Project.

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<sup>15</sup> Consider enhancing the detail of the Project Board's Terms of Reference to help delineate those issues which are within the responsibility of the Project Director and those which are more likely to need referral to a Project Board meeting or Joint Committee or individual Councils? Also to specify the extent of financial reporting via the Lead Finance Officer, possibly the Project Section 151 Officer and the Councils' own section 151 officers.

Minutes and appropriate Project documentation shall be kept of all minutes of the Project Board meetings and submitted to the next meeting of the Joint Committee for consideration. All material or significant reports shall be submitted to the Joint Committee.

If, at a meeting of the Project Board, a matter is not determined by a majority vote pursuant to Clause 8.7, that matter ("**PB Unresolved Matter**") shall be deferred for consideration at the next Project Board meeting which shall be convened within ten (10) Business Days of that meeting. If at the reconvened Project Board meeting the PB Unresolved Matter is not determined by a majority vote the matter shall be referred to the next convenient meeting of the Joint Committee for consideration.

#### Commitment of the councils and contributions<sup>16</sup>

The Councils agree and undertake to commit to the Project in accordance with the terms of this Agreement and not to commission and/or undertake any procurement and/or project that seeks or would procure the delivery of all or any part of the Project outside the terms of this Agreement unless and until it shall have withdrawn from the Project in accordance with Clause 0 (Withdrawal)<sup>17</sup>. The Councils acknowledge that their commitment to a minimum tonnage guarantee for residual waste remains whether they consider alternative waste collection or recycling programmes and that they shall be liable for the minimum tonnage guarantee payments where there is an overall shortfall by the Councils collectively in supplying sufficient waste to the Key Facility (or Key Facilities).

The costs associated with providing internal resources in relation to the Procurement Milestones shall, subject to Clause 0, be borne by the Council providing that internal resource. However, any additional costs and external costs required shall be shared equally by the Councils provided that it has received prior written approval from the Project Director (subject to where such additional costs and/or external costs exceed [ten thousand pounds (£10,000)] in value they shall require the Project Director to secure prior written approval from the Project Board) and such sums fall within the Project spend profile agreed by the Councils and approved by WAG set out at Schedule 5 (Heads of Expenditure/Spend Profile). Any additional costs and external costs sought from Project funds which are not included in the spend profile at Schedule 5 (Heads of Expenditure/Spend Profile) will be dealt with pursuant to Clause 9.6 below.

Each Council shall be required to prepare accounts including (reporting by exception) details of any expenditure incurred pursuant to Schedule 5 (Heads of Expenditure/Spend Profile) ("**the Accounts**") in respect of each Accounting Period and for such further and/or other accounting periods as the Project Board<sup>18</sup> shall determine and which shall be incorporated into Schedule 6 (Accounting Periods).

Each Council shall:-

in the Accounts make true and complete entries of all relevant payments made by it during the previous Accounting Period;

within ten (10) Business Days of the end of the Accounting Period, Conwy Council, Denbighshire Council, Gwynedd Council and Isle of Anglesey Council shall provide to Flintshire Council unaudited Accounts for such Accounting Period together with certification that such Accounts comply with this Clause 0;

nominate an individual to be responsible for ensuring that Council's own compliance with this Clause 0 and the name, address and telephone number of each individual

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<sup>16</sup> Query as to whether any match funding will be accessible? Would this have to be included in the accounts prepared at Clause 9.3?

<sup>17</sup> A non-competing clause is necessary so as not to distract from the Project – once committed to minimum tonnage guarantees the residual waste will be on a "take/deliver or pay" basis. Future changes in a long term strategic contract can be made under the change protocol but such changes are unlikely to allow a Council to diminish its committed supply unless there are third party sources of waste to fill the pre-sized Key Facility.

<sup>18</sup> Will the Project Board deal with reporting on the Accounts or at pre-determined frequency/intervals should the Joint Committee and individual Councils be briefed too?

nominated pursuant to this Clause 0 shall be notified to the other Councils in accordance with Clause 0 (Notices); and

Flintshire Council shall within ten (10) Business Days of receipt of the Accounts submitted by Conwy Council, Denbighshire Council, Gwynedd Council and Isle of Anglesey Council in accordance with Clause 0 prepare a reconciliation statement identifying the payments made by each Council and the balance due from or owing to each Council. Flintshire Council shall within twenty (20) Business Days of the preparation of the reconciliation statement send out a copy of the reconciliation statement together with either a balancing invoice or credit payments to each Council. A Council receiving an invoice for payment shall pay it in full within twenty (20) Business Days. Any error in a balancing invoice must be notified to Flintshire Council within five (5) Business Days of such balancing invoice being sent out. An amended balancing invoice will be issued by Flintshire Council and the Council receiving such an invoice shall pay it in full within twenty (20) Business Days.

If an individual nominated by a Council pursuant to Clause 0 changes, that Council shall notify the other Councils forthwith of the replacement nominees.

The Councils hereby agree that<sup>19</sup>:

if one of the Councils wishes to carry out any work or incur any cost or expenses exceeding [one thousand pounds (£1,000)] or requests the Joint Committee, the Project Board or any member or officer appointed to or engaged to support the Project to carry out any work or to incur any cost or expense that is not envisaged by the spend profile set out at Schedule 5 (Heads of Expenditure/Spend Profile) then such Council shall seek the prior written approval of the Project Director to approve it and allocate Project funding else it shall have to bear the cost itself; and

if one of the Councils carries out any work or incurs any cost or expenses or requests the Joint Committee, the Project Board or any member or officer appointed to or engaged to support the Project to carry out any work or to incur any cost or expense that is not envisaged by the Project Director to be an efficient use of time and/or resources, that matter shall, at the discretion of the Project Director, be referred to the Project Board for a decision as to whether such work, cost or expense is part of the Project or whether such work, cost or expense should be the entire responsibility of the Council so carrying it out or requesting it (as the case may be).

The Councils hereby agree that if one of the Councils believes it is likely to incur disproportionate internal resource costs pursuant to Clause 0 that matter shall be referred to the Project Board for a decision as to whether such costs will be disproportionate and whether any contributions should be made to this cost by the other Councils.

Where the actual costs associated with the Project are likely to exceed the approved annual Project budget held on behalf of the Councils by five per cent (5%) this will be a Matter Reserved To the Councils.

#### INTELLECTUAL PROPERTY

Each Council will retain all Intellectual Property in its Material.

Each Council will grant all of the other Councils a non exclusive, perpetual, non-transferable and royalty free licence to use, modify, amend and develop its IP Material for the Procurement Milestones and any other purpose resulting from the Procurement Milestones whether or not the party granting the licence remains a party to this Agreement or the Procurement Milestones.

Without prejudice to Clause 0, if more than one Council owns or has a legal or beneficial right or interest in any aspect of the IP Material for any reason (including without limitation that no one

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<sup>19</sup> Consider whether to include a mechanism for consent not to be unreasonably withheld/delayed and a link to DRP.



Council can demonstrate that it independently supplied or created the relevant IP Material without the help of one or more of the other Councils), each of the Councils who contributed to the relevant IP Material will grant to all other Councils to this Agreement a non-exclusive, perpetual, non-transferable and royalty free licence to use and exploit such IP Material as if all the other Councils were the sole owner under the Copyright Design and Patents Act 1988 or any other relevant statute or rule of law.

For the avoidance of doubt, any entity or person who is at the date of this Agreement a party to this Agreement and who has licensed any Intellectual Property under this Agreement will have a non-exclusive, perpetual right to continue to use the licensed Intellectual Property.

Each Council warrants that it has or will have the necessary rights to grant the licences set out in Clauses 0 and 0 in respect of the IP Material to be licensed.

Each Council agrees to execute such further documents and take such actions or do such things as may be reasonably requested by any other Council (and at the expense of the Council(s) making the request) to give full effect to the terms of this Agreement concerning management and control of Intellectual Property<sup>20</sup>.

#### LIABILITY OF THE COUNCILS<sup>21</sup>

The Lead Council shall indemnify and keep indemnified each of the other Councils to this Agreement against any losses, claims, expenses, actions, demands, costs and liability suffered by that Council to the extent arising from any breach by the Lead Council of its obligations under this Agreement or any negligent act or omission in relation to such obligations and the Lead Council shall make payment to the other Councils sums for which it becomes liable under this Clause 0 within twenty (20) Business Days of the date of another Council's written demand.

No claim shall be made against the Lead Council to recover any loss or damage which may be incurred by reason of or arising out of the carrying out by the Lead Council of its obligations under this Agreement unless and to the extent such loss or damage arises from any breach by the Lead Council under Clause 0.

Each of the other Councils (acting severally) shall indemnify and keep indemnified the Lead Council against all losses, claims, expenses, actions, demands, costs and liabilities which the Lead Council may incur by reason of or arising out of the carrying out by the Lead Council of its obligations under this Agreement for that Council or arising from any breach by a Council of its obligations under this Agreement or any negligent act or omission in relation to such obligations unless and to the extent that the same result from any breach by the Lead Council of any such obligations or any negligent act or omission by the Lead Council and each Council shall make payment to the Lead Council sums for which it becomes liable under this Clause 0 within twenty (20) Business Days of the date of the Lead Council's written demand.

The Councils agree and acknowledge that the amount to be paid to the Lead Council by any of the other Councils under Clause 0 shall be borne by each of the Councils to the extent of its responsibility, however in the event that the responsibility is a shared one between the Councils (so that it is not reasonably practicable to ascertain the exact responsibility between the Councils) then the amount to be paid shall be divided equally between the Councils.

In the event of a claim under Clause 0 in which it is not reasonably practicable to determine the extent of responsibility as between the Councils (including the Lead Council), then the amount shall be divided equally between the Councils (including the Lead Council).

A Council (including the Lead Council) who receives a claim for losses, expenses, actions, demands, costs and liabilities shall notify and provide details of such claim as soon as is reasonably practicable to the other Councils.

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<sup>20</sup> This is presumed to relate to licence agreements for bespoke IT products or techniques which may be used for the Project.

<sup>21</sup> Further consideration required in relation to extent of losses. Also the Councils' insurers may wish to be consulted but any PPP project insurance advisors like Aon, JLT, Marsh or Willis are best placed to advise on the interface of PPP project insurances (effectively paid for by the Councils) and the traditional insurance products taken out for the Councils' current risks.

No Council shall be indemnified in accordance with this Clause 0 unless it has given notice in accordance with Clause 0 to the other Council against whom it will be enforcing its right to an indemnity under this Agreement.

Each Council ("**Indemnifier**") shall not be responsible or be obliged to indemnify the other Councils (including the Lead Council) ("**Beneficiary**") to the extent that any insurances maintained by the Beneficiary at the relevant time provide an indemnity against the loss giving rise to such claim and to the extent that the Beneficiary recovers under such policy of insurance (save that the Indemnifier shall be responsible for the deductible under any such policy of insurance and any amount over the maximum amount insured under such policy of insurance).

## WITHDRAWAL<sup>22</sup>

### **Withdrawal Where Project Exceeds Affordability Envelope**

If at any stage the cost of the Project is estimated by the Joint Committee (following a report by the Project Board) to exceed the Affordability Envelope then the matter shall be a Matter Reserved To the Councils and Clause 0 (Decision Making) shall apply.

If at any stage the cost of the Project is estimated to exceed the Affordability Envelope pursuant to Clause 0, and any Council wishes to withdraw from the Project, that the Council shall provide written notice to the Project Director who shall convene an urgent Joint Committee Meeting to discuss the proposed withdrawal and its estimated impact on the Project should such Council withdraw (as the Project may suffer consequential difficulties with the remaining Councils' Affordability Envelope) prior to the relevant Council confirming its intention to withdraw from the Project in writing to all the other Councils.

### **Withdrawal For Any Reason (Except Where Project Exceeds Affordability Envelope)**

If, subject to Clause 12.9, for any reason any Council (including the Lead Council) determines to withdraw from this Agreement in circumstances where the cost of the Project is not estimated to exceed the Affordability Envelope then Clauses 0 to 0 shall apply. For the avoidance of doubt, any failure by any Council to make a decision concerning the appointment of the Preferred Bidder pursuant to Procurement Milestone 17, shall be deemed (from the date falling [twenty (20)] Business Days after the failure to make such decision at the relevant Project Board meeting) to amount to a Withdrawal Notice by that Council and Clauses 0 to 0 shall apply.

If any Council wishes to withdraw from the Project it shall provide written notice to all the other Councils as soon as reasonably practicable ("**Withdrawal Notice**"). The Lead Council (or such other Council as nominated by the Joint Committee in the event that the Lead Council issues the Withdrawal Notice) shall within fourteen (14) days of receipt of the Withdrawal Notice provide to all the Councils a Liability Report<sup>23</sup> which shall be discussed by the Joint Committee at its next meeting or a specially convened meeting if the next meeting falls more than two (2) weeks after the issue of the Liability Report. Those Councils who do not wish to withdraw from the Project shall have a duty, acting reasonably, to mitigate any losses which they suffer due to the financial and resource implications set out in the Liability Report.

Within the Decision Period each Council shall indicate either:-

that it withdraws from the Project and this Agreement; or

that it wishes to continue with the Project and this Agreement.

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<sup>22</sup> Termination for breach is dealt with at Clause 2.3.

<sup>23</sup> The Liability Report envisaged at this stage must cover the costs incurred by aborting the procurement i.e. sunk procurement costs, related asset acquisition and transfer costs plus any possible Bidder claims for their costs. There are no indirect costs envisaged i.e. loss of ability to use a Facility to treat residual waste or Bidder claims for loss of profit etc.

Where a Council does not indicate its intentions as required by Clause 0 then it shall at the expiry of the Decision Period be taken to have indicated that they wish to continue with the Project and this Agreement.

Where a Council indicates that it wishes to withdraw from the Project in accordance with Clause 0 then:-

the Council who shall have indicated its wish to withdraw shall pay all amounts due to be paid by it in accordance with the Liability Report<sup>24</sup> within twenty (20) Business Days of the date of its notification under Clause 0 and comply with its obligation to contribute to the Project up to the date of its withdrawal;

the Council who shall have indicated its wish to withdraw shall each be responsible for a proportion of any Bidders' claimed abortive costs (which have been substantiated by the Joint Committee) to the extent such abortive costs become payable as a result of such withdrawal; and

if in the event of such a withdrawal the Project is delayed in terms of the Procurement Milestones then the Council who shall have indicated its wish to withdraw may be responsible for any increased costs associated with such delay (as determined by the Joint Committee and notified as the sum payable in full and final settlement of such Council's liability, subject always to that Council meeting any additional antecedent liabilities incurred prior to the date of withdrawal).

#### **Effects of Withdrawal**

Unless agreed otherwise by the remaining Councils, the Council who shall have indicated its wish to withdraw from the Project shall not remove its appointees to the Project Board for a period of three (3) months<sup>25</sup> commencing on the date of such Council's withdrawal, provided that the costs associated with those appointees to the Project Board shall be borne by the remaining Councils to the Project and this Agreement in equal shares. For the avoidance of doubt, the Council who shall have indicated its wish to withdraw from the Project shall remove its representatives from the Joint Committee with effect from the date of its confirmation under Clause 0.

#### **Withdrawal Due To Project Material Change**

If any Council wishes to withdraw from the Project and alleges that the Project has suffered material change since the Councils entered into this Agreement it shall provide written notice to all the other Councils as soon as reasonably practicable ("**Withdrawal Notice**") evidencing how it asserts:

the nature of the Project (including its risk profile) has undergone material and adverse change;

the extent of liability it is prepared to bear to compensate the remaining Councils should it withdraw from the Project due to material change; and

if the Councils convene a Joint Committee Meeting where it is agreed that the Project has suffered a material change then the Lead Council (or such other Council as nominated by the Joint Committee in the event that the Lead Council issues the Withdrawal Notice) shall within fourteen (14) days of receipt of the Withdrawal Notice provide to all the Councils a Liability Report<sup>26</sup> which shall be discussed by the Joint

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<sup>24</sup> Note Entec as external technical advisors have a work package (requested by Flintshire Council, Gwynedd Council and Anglesey Council) for options appraisal which identifies the benefits of joint working as opposed to individual procurement but this will not feed into discussing the scope of any potential liability on withdrawing from the Project for the Liability Report.

<sup>25</sup> This is consistent with quarterly meetings of the Joint Committee.

<sup>26</sup> The Liability Report envisaged at this stage must cover the costs incurred by aborting the procurement i.e. sunk procurement costs, related asset acquisition and transfer costs plus any possible Bidder claims for their costs. There are no indirect costs envisaged i.e. loss of ability to use a Facility to treat residual waste or Bidder claims for loss of profit etc.

Committee at its next meeting or a specially convened meeting if the next meeting falls more than two (2) weeks after the issue of the Liability Report and the provisions of Clauses 12.5 to 12.7 shall apply.

#### conclusion of the Second Inter-Authority agreement

The Councils shall individually and jointly use all reasonable endeavours to negotiate and agree the Second Inter-Authority Agreement in conjunction with the negotiation and agreement of the Project Agreement. The Councils agree that the Second Inter-Authority Agreement shall reflect the heads of terms set out in Schedule 9 (Heads of Terms of the Second Inter-Authority Agreement).

The reference to "all reasonable endeavours" in Clause 0 shall include a requirement on all Councils to:-

(without prejudice to Clause 0 (Principles and Key Objectives)) at all times act in good faith;

ensure that sufficient time is set aside to conduct the negotiations on the terms of the Second Inter-Authority Agreement either through correspondence or by holding meetings or a combination of both to ensure that the terms of the Second Inter-Authority Agreement are agreed in accordance with the timetable envisaged and developed for the Project by the Project Board;

If a dispute or difference arises between the Councils in relation to a provision of the Second Inter-Authority Agreement and such dispute or difference cannot be settled by the Councils within ten (10) Business Days of it first arising, any Council may refer such dispute or difference for determination in accordance with Clause 0 (Dispute Resolution).

#### Confidentiality and Announcements

Each Council ("**Covenanter**") shall, both during the currency of this Agreement and at all times following its termination or expiry, keep private and confidential and shall not use or disclose (whether for its own benefit or that of any third party) any Confidential Information about the business of and/or belonging to any other Council or Bidder which has come to its attention as a result of or in connection with this Agreement, (including the Bid Process), in particular (but without prejudice to the generality of the foregoing) Confidential Information relating to the Second Inter-Authority Agreement and/or the Project Agreement and/or the Bid Process.

The obligation set out in Clause 0 shall not relate to information which:-

comes into the public domain or is subsequently disclosed to the public (other than through default on the part of the Covenanter or any other person to whom the Covenanter is permitted to disclose such information under this Agreement); or

is required to be disclosed by law; or

was already in the possession of the Covenanter (without restrictions as to its use) on the date of receipt; or

is required or recommended by the rules of any governmental or regulatory body including any guidance from time to time as to openness and disclosure of information by public bodies; or

is necessary to be disclosed to provide relevant information to any insurer or insurance broker in connection with obtaining any insurance required by this Agreement.

Where disclosure is permitted under Clauses 0, 0 or 0, the recipient of the information shall be subject to a similar obligation of confidentiality as that contained in this Clause 0 and the disclosing Council shall make this known to the recipient of the information.

No Council shall make any public statement or issue any press release or publish any other public document relating, connected with or arising out of this Agreement and/or the Second Inter-Authority Agreement and/or the Project Agreement without the prior written consent of the Project Board.

#### CONTRACTS (THIRD PARTY RIGHTS)

The Councils as parties to this Agreement do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

#### NOTICES

Any notice or demand in connection with this Agreement shall be in writing and may be delivered by hand, prepaid first class post, special delivery post, facsimile or email, addressed to the recipient at the address or facsimile number as the case may be set out in Schedule 4 (Addresses of the Councils) or such other recipient address or facsimile number as may be notified in writing from time to time by any of the parties to this Agreement to all the other Councils to this Agreement.

The notice or demand shall be deemed to have been duly served:-

if delivered by hand, when left at the proper address for service;

if given or made by prepaid first class post or special delivery post, forty-eight (48) hours after being posted (excluding days other than Business Days);

if given or made by facsimile, at the time of transmission;

if given or made by email, at the time of transmission,

provided that, where in the case of delivery by hand or transmission by facsimile or email such delivery or transmission occurs either after 4.00pm on a Business Day or on a day other than a Business Day service shall be deemed to occur at 9.00am on the next following Business Day.

For the avoidance of doubt, where proceedings to which the Civil Procedure Rules apply have been issued, the provisions of the Civil Procedure Rules must be complied with in respect of the service of documents in connection with those proceedings.

#### GOVERNING LAW

This Agreement shall be governed by and construed in all respects in accordance with the laws of England and Wales. Subject to Clause 0 (Dispute Resolution), the English and Welsh Courts shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.

#### ASSIGNMENTS

The rights and obligations of the Councils under this Agreement shall not be assigned, novated or otherwise transferred (whether by virtue of any legislation or any scheme pursuant to any legislation or otherwise) to any person other than to any public body (being a single entity) acquiring the whole of the Agreement and having the legal capacity, power and Council to become a party to and to perform the obligations of the relevant Council under this Agreement being:

a Minister of the Crown pursuant to an Order under the Ministers of the Crown Act 1975; or

any Local Authority which has sufficient financial standing or financial resources to perform the obligations of the relevant Council under this Agreement.

#### WAIVER

No failure or delay by any Council to exercise any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same or some other right, power or remedy unless a waiver is given in writing by that Council.

Each Council shall pay their own costs incurred in connection with the preparation, execution, completion and implementation of this Agreement.

#### ENTIRE AGREEMENT

This Agreement contains all the terms which the parties have agreed in relation to the subject of this Agreement and supersedes any prior written or oral agreements, representations or understandings between the Councils relating to such subject matter. No Council has been induced to enter into this Agreement or any of these documents by statement or promise which they do not contain, save that this Clause shall not exclude any liability which one Council would otherwise have to the other in respect of any statements made fraudulently by that Council.

#### COUNTERPARTS

This Agreement may be executed in any number of counterparts each of which so executed shall be an original but together shall constitute one and the same instrument.

#### RELATIONSHIP OF COUNCILS

Each Council is an independent body and nothing contained in this Agreement shall be construed to imply that there is any relationship between the Councils of Partnership or (except as expressly provided in this Agreement) of principal/agent or of employer/employee. No Council shall have the right to act on behalf of another nor to bind the other by contract or otherwise except to the extent expressly permitted by the terms of this Agreement. In particular for the avoidance of doubt, none of the provisions relating to the principles of working in partnership shall be taken to establish any partnership as defined by The Partnership Act 1890.

#### DISPUTE RESOLUTION

Any dispute arising in relation to any aspect of this Agreement shall be resolved in accordance with this Clause 0. The Councils undertake and agree to pursue a positive approach towards dispute resolution which seeks (in the context of this Partnership) to identify a solution which avoids legal proceedings and maintains a strong working relationship between the Councils.

In the event of any dispute or difference between the Councils relating to this Agreement (whether this may be a matter of contractual interpretation or otherwise) then save in relation to disputes or disagreements relating to a Matter Reserved To The Councils, the matter shall be dealt with as follows by referral in the first instance to the Project Board who shall meet within ten (10) Business Days of notification of the occurrence of such dispute and attempt to resolve the disputed matter in good faith.

In relation to a dispute or disagreement relating to a Matter Reserved To The Councils, or if the Project Board fails to resolve a dispute or disagreement within five (5) Business Days of meeting pursuant to Clause 0, or fails to meet in accordance with the timescales set out in Clause 0, then the Councils in dispute or the Project Board (as the case may be) may refer the matter for resolution to the Chief Executive of each of the Councils as a pre-condition to mediation followed by:

a mediation facilitated by the President of the Chartered Institute of Wastes Management ("**CIWM**") or his nominated representative or such other party as the Councils may agree (or the CIWM may direct) for resolution by them; or

the exclusive jurisdiction of the Courts of England or Wales otherwise.

Any dispute and/or disagreement to be determined by the Chief Executives (as appropriate), CIWM or the Courts of England and Wales or such other body as agreed by the Councils (as the case may be) under this Agreement shall be promptly referred for determination to them.

The Councils shall on request promptly supply to the Chief Executive(s) or CIWM (as the case may be) all such assistance, documents and information as may be required for the purpose of determination and the Councils shall use all reasonable endeavours to procure the prompt determination of such reference.

If the CIWM is appointed to determine in dispute pursuant to Clause 0, then the CIWM shall be deemed to act as an expert and not as an arbitrator and his determination shall (in the absence of manifest error) be conclusive and binding upon the Councils.

The costs of the resolution of any dispute and/or disagreement between the Councils under this Agreement shall be borne equally by the Councils to the dispute in question save as may be otherwise directed by the Chief Executive(s) (as appropriate), CIWM or the Courts of England or Wales (as the case may be).

#### DATA PROTECTION

In relation to all Personal Data, each Council shall at all times comply with the DPA, (as a data controller if necessary) which includes (but is not limited to) maintaining a valid and up to date registration or notification under the DPA covering the data processing activities to be performed in connection with the Procurement Milestones.

Each Council:

shall process Personal Data belonging to any other Council only on the instructions of that Council (subject to compliance with applicable law);

shall only undertake processing of Personal Data reasonably required in connection with the Procurement Milestones and shall not transfer any Personal Data to any country or territory outside the European Economic Area; and

shall use all reasonable endeavours to procure that all relevant sub-contractors and Bidders comply with this Clause 0. For the avoidance of doubt a relevant sub-contractor or Bidder is one which processes Personal Data belonging to the one or any of the Councils.

The Councils shall not disclose Personal Data to any third parties other than:

to employees and sub-contractors and Bidders to whom such disclosure is reasonably necessary in order for the Councils to carry out the Procurement Milestones; or

to the extent required under a court order or to comply with any applicable laws including (but not limited to) any statute, bye law, European Directive or regulation;

provided that any disclosure to sub-contractors or Bidders under Clause 0 shall be made subject to written terms substantially the same as, and no less stringent than, the terms contained in this Clause 0 and that the Councils shall give notice in writing to all other Councils of any disclosure of Personal Data belonging to them which they or a

sub-contractor or Bidders are required to make under Clause 0 immediately they are aware of such a requirement.

The Councils shall bring into effect and maintain and shall use all reasonable endeavours to ensure that all relevant sub-contractors and Bidders have in effect and maintain all reasonable technical and organisational measures necessary to prevent unauthorised or unlawful processing of Personal Data and accidental loss or destruction of, or damage to, Personal Data including but not limited to taking reasonable steps to ensure the reliability and probity of any employee or agent of a relevant sub contractor or Bidders having access to the Personal Data.

Any Council may, at reasonable intervals, request a written description of the technical and organisational methods employed by any other Council and the relevant sub-contractors referred to in Clause 0. Within five (5) Business Days of such a request, the Council requested to do so shall supply written particulars of all such measures as it is maintaining detailed to a reasonable level such that the requesting Council can determine whether or not, in connection with the Personal Data, it is compliant with the DPA. All Councils shall use all reasonable endeavours to ensure that the sub-contractors and Bidders also comply with such request from any other Council.

All Councils shall ensure that any Personal Data they obtain and provide to any other Council has been lawfully obtained and complies with the DPA and that the use thereof in accordance with this Agreement shall not breach any of the provisions of the DPA.

If:-

under the DPA any Council is required to provide information to a data subject (as defined in the DPA) in relation to Personal Data when such data is in the possession or under control of any other Council; and

the required Council informs the controlling Council in writing that this is the case,

then the controlling Council shall guarantee reasonable and prompt co-operation to the required Council in meeting its obligations under the DPA including making copies of the relevant Personal Data to the extent the same are in its possession.

Each Council shall provide the other as soon as reasonably practicable, with such information in relation to Personal Data and their processing as the other Council may reasonably request in writing and the party asked to provide the relevant data may reasonably be able to provide in order for the other Council to:-

comply with its obligations under this Clause and the DPA; and

assess whether the processing of the relevant Personal Data in connection with this Agreement is breaching or may breach the DPA in a manner which is material and not effectively sanctioned by any guidance statement issued by the Information Commissioner.

The Councils shall each take reasonable precautions (having regard to the nature of their respective obligations under this Agreement) to preserve the integrity of any Personal Data.

#### FREEDOM OF INFORMATION AND ENVIRONMENT INFORMATION

Each Council acknowledges that the other Councils are subject to the requirements of the Freedom of Information Act 2000 ("**FoIA**") and the Environmental Information Regulations 2004 ("**EIR**") and each Council shall where reasonable assist and co-operate with the other Councils (at their own expense) to enable the other Councils to comply with these information disclosure obligations.



Where a Council receives a request for information under either the FoIA or the EIR in relation to information which it is holding on behalf of any of the other Councils in relation to the Project, it shall:

transfer the request for information to the other Councils as soon as practicable after receipt and in any event within two (2) Business Days of receiving a request for information;

provide the other Councils with a copy of all information in its possession or power in the form that the Councils reasonably require within ten (10) Business Days (or such longer period as the Councils may specify) of the Council requesting that information; and

provide all necessary assistance as reasonably requested by the other Councils to enable the Council to respond to a request for information within the time for compliance set out in the FoIA or the EIR.

Where a Council receives a request for information under the FoIA or the EIR which relates to this Agreement or the Project, it shall inform the other Councils of the request for information as soon as practicable after receipt and in any event at least two (2) Business Days before disclosure and shall use all reasonable endeavours to consult with the other Councils prior to disclosure and shall consider all representations made by the other Councils in relation to the decision whether or not to disclose the information requested.

The Councils shall be responsible for determining in their absolute discretion whether any information requested under the FoIA or the EIR:

is exempt from disclosure under the FoIA or the EIR;

is to be disclosed in response to a request for information.

Each Council acknowledges that the other Councils may be obliged under the FoIA or the EIR to disclose information:

without consulting with the other Councils where it has not been practicable to achieve such consultation; or

following consultation with the other Councils and having taken their views into account.

#### MITIGATION

Each Council shall at all time take all reasonable steps to minimise and mitigate any loss for which the relevant Council is entitled to bring a claim against the other Council(s) pursuant to this Agreement.

#### STATUTORY RESPONSIBILITIES

Notwithstanding anything apparently to the contrary in this Agreement, in carrying out their statutory duties, the discretion of any Council shall not be fettered or otherwise affected by the terms of this Agreement.

#### variations

No amendment to this Agreement shall be binding unless it is in writing and signed by the duly authorised representatives of each of the Councils and expressed to be for the purpose of such amendment.

**AS WITNESSED** the duly authorised representatives of the Councils have signed this Agreement as a deed on the date written at the beginning of this Agreement.

**SCHEDULE 1**

**PROCUREMENT MILESTONES**

<b>MILESTONE</b>	<b>PROJECT BOARD MATTER</b>	<b>JOINT COMMITTEE MATTER</b>	<b>MATTER RESERVED TO THE COUNCILS</b>
<u>APPROVAL OF INTER-COUNCIL PARTNERSHIP GOVERNANCE ARRANGEMENTS</u>			✓
<u>INCREASE OF BUDGET OVER AGREED COUNCIL CONTRIBUTION</u>			✓
<u>PROJECT INITIATION DOCUMENT APPROVAL</u>			✓
<u>OUTLINE BUSINESS CASE APPROVAL (INCLUDING EACH COUNCIL'S COMMITMENT TO SUPPLY RESIDUAL WASTE TONNAGE MINIMUM AND MAXIMUM LEVELS)</u>			✓
<u>SETTING THE AFFORDABILITY ENVELOPE</u>		✓	
<u>SETTING OUT AND AGREEING THE PROJECT SCOPE OF SERVICES IN OJEU NOTICE</u>			✓
<u>RECOMMENDATION TO PROCURE REMEDIATION WORKS ON THE SITE(S)</u>	✓		
9. <u>APPROVE THE EVALUATION CRITERIA AND WEIGHTINGS FOR EACH OF THE PROCUREMENT MILESTONES</u>		✓	
10. <u>EVALUATION AND FINAL AGREEMENT TO LONG LIST OF BIDDERS TO GO THROUGH TO ISOS STAGE</u>	✓		
11. <u>APPROVAL OF THE ISOS, ISDS AND ISRS AND ALL ACCOMPANYING DOCUMENTATION</u>		✓	
12. <u>EVALUATION AND SELECTION OF BIDDERS TO GO TO EACH STAGE OF COMPETITIVE DIALOGUE PROCEDURE</u>		✓	
13. <u>DECISION TO CLOSE COMPETITIVE DIALOGUE PROCEDURE AND ISSUE THE CALL FOR FINAL TENDERS</u>		✓	
14. <u>REVIEW OF FINAL TENDERS AND RECOMMENDATION TO JOINT COMMITTEE</u>	✓		

MILESTONE	PROJECT BOARD MATTER	JOINT COMMITTEE MATTER	MATTER RESERVED TO THE COUNCILS
15. <u>REVIEW OF FINAL TENDERS AND RECOMMENDATION TO EACH COUNCIL OF THE PREFERRED BIDDER</u>		✓	
16. <u>PREPARING AND ISSUING THE PREFERRED BIDDER LETTER</u>	✓		
17. <u>APPOINTMENT OF THE PREFERRED BIDDER, APPROVAL OF THE FINAL BUSINESS CASE AND DECISION TO CONCLUDE THE PROJECT AGREEMENT AND THE SECOND INTER-AUTHORITY AGREEMENT (I.E. FINANCIAL CLOSE)</u>			✓
18. <u>EXECUTION OF THE PROJECT AGREEMENT AND THE SECOND INTER-AUTHORITY AGREEMENT</u>	✓		
19. <u>APPROVAL OF ADDITIONAL EXPENDITURE FOR THE PROJECT IN EXCESS OF FIVE PER CENT (5%) OF THE APPROVED PROJECT ANNUAL BUDGET</u>			✓
20. <u>REPORTING TO THE JOINT COMMITTEE AS SOON AS PROJECT BOARD BECOME AWARE THAT ESTIMATED COSTS OF THE PROJECT LIKELY TO EXCEED AFFORDABILITY ENVELOPE</u>	✓		
21. <u>REPORTING TO THE EACH COUNCIL AS SOON AS THE JOINT COMMITTEE BECOME AWARE THAT ESTIMATED COSTS OF THE PROJECT LIKELY TO EXCEED AFFORDABILITY ENVELOPE</u>		✓	
22. <u>DECISION WHETHER TO PROCEED FOLLOWING RECEIPT OF REPORT THAT ESTIMATED COST OF THE PROJECT LIKELY TO EXCEED AFFORDABILITY ENVELOPE</u>			✓

## SCHEDULE 2

### JOINT COMMITTEE TERMS OF REFERENCE

#### **THE TERMS OF REFERENCE OF THE JOINT COMMITTEE ARE:**

to promote joint working in the delivery of the Project through:

facilitating constructive partnership working;

engaging with key interested bodies and stakeholders when appropriate; and

carrying out such other activities calculated to facilitate, or which are conducive to the successful delivery of the Project; and

to ensure that the Project is developed and procured in accordance with good industry practice, is in the best interests of all Councils, is affordable to all Councils and delivers value for money.

#### **THE KEY FUNCTIONS OF THE JOINT COMMITTEE ARE TO:**

approve the budget for the Project on an annual basis;

consider and make recommendations in respect of all Key Documents in relation to the Project;

to monitor and manage the risks associated with the Project; and

to ratify requests for additional funding from individual Councils.

#### **THE FOLLOWING MATTERS ARE RESERVED FOR AN INDIVIDUAL COUNCIL DECISION:**

approval of inter-Council partnership governance arrangements;

increase of budget over agreed Council contributions; and

Outline Business Case approval (before each Council considers its approval).

#### **THE KEY RESPONSIBILITIES OF THE JOINT COMMITTEE INCLUDE THOSE TASKS SET OUT IN SCHEDULE 1 (PROCUREMENT MILESTONES) WHICH ARE EACH DESIGNATED AS A "JOINT COMMITTEE MATTER" AND IN ADDITION THE FOLLOWING:**

Providing strategic direction to the Project team;

Agreeing a procurement programme for ratification by the Councils;

Agreeing a negotiating remit for the Project team;

Setting the Affordability Envelope of the Project as a whole and for each participating Council;

Ensuring that the Project team is adequately resourced;

Procuring the necessary audit and assurance checks;

Receiving and endorsing the Key Documents and reports relating to the procurement and associated activities;

Approving the long term client function and the allocation of risks and responsibilities between the Councils; and

Promoting partnership working between the Councils.

**TYPICALLY THE PROCUREMENT RELATED DOCUMENTS AND REPORTS (OR SUMMARIES THEREOF) THAT THE JOINT COMMITTEE SHALL RECEIVE AND CONSIDER SHALL INCLUDE:**

applications for grant funding;

Project Initiation Document;

Outline Business Case (or summary highlighting key risks, cost and affordability implications, preferred or reference solution, sites and planning implications etc.);

Project plan key milestones review and key Project risks highlight report (as a regular and ongoing item);

OJEU notice;

PQQ and Information Memorandum;

ISOS and ISDS documents;

summaries of key elements of the draft Project Agreement and Payment Mechanism;

Second Inter-Authority Agreement;

ratification of shortlist of Bidders and preferred bidder selection;

Final Business Case ("**FBC**") summary; and

final Project Agreement summary.

### SCHEDULE 3

#### PROJECT BOARD

**THE PROJECT BOARD WILL MANAGE THE PROGRESS AND IMPLEMENTATION OF THE PROJECT INCLUDING IDENTIFYING ALL WORKS NECESSARY TO BE CARRIED OUT AND INSTRUCTING THE INTERNAL AND EXTERNAL FINANCIAL, LEGAL, PROCUREMENT AND TECHNICAL ADVISERS TO CARRY OUT THE SAME. THE PROJECT DIRECTOR SHALL BE EMPOWERED (WITHIN PRE-AGREED PARAMETERS) TO DEAL DIRECT WITH BIDDERS AND OTHER THIRD PARTIES.**

**THE PROJECT BOARD WILL ACT AS A REPRESENTATIVE FOR EACH OF THE COUNCIL'S "CORPORATE OFFICER MANAGEMENT TEAM" DESCRIBED IN SCHEDULE 4 (ADDRESSES OF THE COUNCILS) TO ENSURE CONSISTENCY WITH INDIVIDUAL COUNCIL OBJECTIVES AND VISIONS.**

**THE PROJECT BOARD WILL CONSIDER AND DETERMINE THOSE MATTERS ALLOCATED TO IT IN SCHEDULE 1 (PROCUREMENT MILESTONES).**

**THE PROJECT BOARD WILL AS AND WHEN NECESSARY REPORT TO THE JOINT COMMITTEE AND PROVIDE ADVICE TO THE JOINT COMMITTEE ON THOSE MATTERS REFERRED TO THE JOINT COMMITTEE AS SET OUT IN SCHEDULE 1 (PROCUREMENT MILESTONES) AND SCHEDULE 2 (JOINT COMMITTEE TERMS OF REFERENCE).**

For the avoidance of doubt (as set out in Clause 8.3) the following specific functions are given to the Project Board:

prior approval of all reports for decision by the Joint Committee save if impracticable in the case of a special meeting; and

monitor the Project to ensure that it remains within budget.

[ ]<sup>27</sup>.

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<sup>27</sup> Is additional information required about the format and frequency of financial reporting? Will the Lead Finance Officer or Project Section 151 Officer have the main role at this level?

**SCHEDULE 4**

**ADDRESSES OF THE COUNCILS**

<b>RECIPIENT'S NAME</b>	<b>ADDRESS</b>	<b>FAX NO.</b>	<b>EMAIL</b>	<b>CORPORATE OFFICER MANAGEMENT TEAM</b>
Conwy Council: [ • ]	Bodlondeb, Conwy, North Wales LL32 8DU	[ • ]	[ • ]	[ ]
Denbighshire Council: [ • ]	County Hall, Wynnstay Road, Ruthin LL15 1YN	[ • ]	[ • ]	[ ]
Flintshire Council: [ • ]	County Hall, Mold, Flintshire CH7 6NB	[ • ]	[ • ]	[ ]
Gwynedd Council: [ • ]	Council Offices, Shirehall Street, Caernarfon, Gwynedd LL55 1SH	[ • ]	[ • ]	[ ]
Isle of Anglesey Council: [ • ]	Council Offices, Llangefni, Anglesey LL77 7TW	[ • ]	[ • ]	[ ]

## SCHEDULE 5

### HEADS OF EXPENDITURE/SPEND PROFILE

**THE FOLLOWING IS A NON-EXHAUSTIVE LIST OF THE HEADS OF EXPENDITURE THAT MAY BE EXPECTED TO BE INCURRED BY THE COUNCILS IN RELATION TO THE PROCUREMENT MILESTONES:-**

Internal expenditure (staff costs and associated overheads)

Project management/technical and admin support

Internal financial support

Internal legal support

Other professional services (including asset management, architects, quantity surveyors, surveyors, procurement and planning)

Communications

External expenditure (staff costs and associated overheads)

Project management/technical and administrative support

Financial advisors

Technical advisors

Insurance advisors

Legal advisors

Other professional services (including asset management, architects, QS, surveyors, procurement, site investigation, remediation and planning)

Waste analysis

ICT

Communications

Associated overheads may include such expenses as travel expenses, room hire, printing, accommodation and ICT costs.

Agreement to the incurring of costs and the appropriateness of sharing such costs between the Councils will be in accordance with Clause 9 (Commitment of the Councils and Contributions) of this Agreement.



## NWRWTP – PROJECTED SPEND PROFILE 2009/10 TO 20011/12

Spend year	2008/09	2009/10	2010/11	2011/12	Total
Project Management costs	£79,000	£228,200	£253,462	£256,152	£816,814
Advisor costs (core)		£154,805	£484,656	£147,882	£787,343
Additional /time and cost works		£515,000	£412,500	£492,500	£1,420,000
Potential site option/ lease payment)		£100,000	£200,000	£200,000	£500,000
<b>Total costs</b>	£79,000	£998,005	£1,350,618	£1,096,534	£3,524,157
Project Contingency (10%)		£99,801	£135,062	£109,653	£352,416
<b>WAG RCAF contribution</b>	£75,000	£195,000	£200,000	£200,000	£670,000
net	£4,000	£902,806	£1,285,680	£1,006,187	<b>£3,198,673</b>
<b>Per authority</b>	<b>£800</b>	<b>£180,561</b>	<b>£257,136</b>	<b>£201,237</b>	

Per authority allocation is a 1/5th of total and subject to confirmation

Site option/lease payments relate to the potential requirement to provide funding to secure access to site(s) for residual waste treatment or waste transfer services

Advisor costs (core) relate to fixed price/target price elements of advisor works

Additional time and cost works relate to non-core activities (time and cost) - including planning and site support from technical advisors and communications support

Project Management costs include Project Director, Project Manager, administrative, venue, translation and finance -recharges costs related to the project.

**SCHEDULE 6**

**ACCOUNTING PERIODS**

<b>Start of Accounting Period</b>	<b>End of Accounting Period</b>
1 April	30 June
1 July	30 September
1 October	31 December
1 January	31 March

**SCHEDULE 7**  
**LIABILITY REPORT<sup>28</sup>**

The Liability Report shall include (but shall not be limited to):

	<b><u>Amount</u> (all figures in round pounds)</b>
Procurement costs (including but not limited to those set out in Schedule 5 (Heads of Expenditure/Spend Profile))	
<p>Costs associated with the cessation of the procurement to include (without limitation):</p> <p>Site acquisition costs (transfer or agreement for lease/lease) and subsequent disposal costs including professional fees for valuation and conveyancing etc.; and/or;</p> <p>Site size being excessive for non-Project use or entirely surplus to requirements including professional fees for valuation and conveyancing etc.; and/or</p> <p>[ ]</p>	
<p>Costs associated with delays to the Procurement Milestones to include (without limitation):</p> <p>landfill costs associated with the alternative disposal of the residual waste (including landfill tax); and</p> <p>LAS fines</p>	
<p>Staff costs (and associated overheads) in progressing the Project:</p> <p>consultancy and advisors fees;</p> <p>internal Project management and monitoring;</p> <p>internal professional advice; and</p> <p>[ ]</p>	
Loss of funding support from:	

<sup>28</sup> This links to the possible withdrawal from the Project by a Council. It is framed around costs incurred rather than wider costs and losses (which presumably will be recoverable under the general indemnity unless the right to recover as between Councils is limited/capped to the Liability Report with third party claims being covered by the general indemnity provisions.

	<b><u>Amount</u></b> (all figures in round pounds)
WAG; and/or the Strategic Capital Investment Fund; and/or the Sustainable Waste Management Grant.	
Costs incurred by the Lead Council as certified by the Project Section 151 Officer and as approved by the Project Board as appropriate	

Certified as correct \_\_\_\_\_

\_\_\_\_\_  
(Signed)

\_\_\_\_\_  
(Date)

\* To be deleted if Councils are confident that suitable interim disposal arrangements are in place.

**SCHEDULE 8**

**SITE**

Deeside EM1 13 (two parts – southern is 52 acres)

Northern EM13 (estimates 22 acres useable)

Southern EM13 (52 acres)

## SCHEDULE 9

### HEADS OF TERMS OF SECOND INTER-AUTHORITY AGREEMENT

#### General Principles of Anticipated Contract with the Contractor

The Lead Council will enter into a contract with the selected private sector contractor (the "**Contractor**") to supply residual waste to the Facility on a long term basis (estimated to be twenty-five (25) years from the date of service commencement) within agreed parameters of tonnage and waste composition.

The Contractor will guarantee treatment of supplied waste to a set of agreed standards, which shall include a guaranteed minimum level of diversion of waste from landfill.

It is anticipated that the Contractor will be responsible for all operational costs and for the disposal costs of any residual materials and wastes.

The Contractor is likely to contain agreements to share any additional costs of operation brought about by legislative changes and other operational risks which are better managed by the Councils on a reasonable value for money basis. Any such additional operational costs will be shared between the Councils on a pro-rata basis by reference to their respective residual waste tonnages.

The Councils acknowledge that the Contractor may have the main benefit of the sale of any valuable products such as energy and recyclable materials and third party capacity generated at the Facility subject to any excess revenue sharing arrangements sharing mechanism from the sale of these potential items agreed by the Councils as part of the Procurement Milestones on a value for money basis. Any such excess revenue will be shared between the Councils on a pro-rata basis by reference to their respective residual waste tonnages.

The contract may include for some excess revenue sharing arrangements from the sale of these potential items.

The Councils acknowledge that the contract gate price and any income from sales will be index linked in some way to market prices and actual costs on terms to be agreed by the Councils as part of the Procurement Milestones on a value for money basis.

#### Principles of the Second Inter-Authority Agreement between the Lead Council and the other Councils

The Lead Council will have a separate contract with each of the other Councils setting out the terms and conditions applicable to the delivery and treatment of residual waste at the Facility. Each Council agrees that, should they enter into any final, legally binding contract in connection with this Project, they shall do so in a genuine and sincere spirit of mutual co-operation with the objective of securing for the benefit of all the Councils the most financially and environmentally beneficial contract for the treatment and disposal of residual waste at the Facility.

All Councils agree that they shall be fully committed negotiating in good faith the terms of to any binding contract with the Lead Council and the overall aim of maximising the benefits to be derived from the Project for all the Councils.

The Councils agree to provide all reasonable resources and assistance to each other in order to achieve the agreed goals within the agreed time scales for the Project.

The Councils acknowledge that the Lead Council shall enter into the contract with the Contractor which shall include provision for the disposal of agreed volumes of residual waste to be provided by the other Councils to be delivered to the Facility under that contract.

The Councils acknowledge that they shall each contract with the Lead Council to deliver residual waste to the Facility in accordance with an agreed delivery schedule of tonnage which

will take account of periods of planned and unplanned maintenance and other unavailability of the Facility. The implications of any such unavailability will be agreed by the Councils as part of the Procurement Milestones on a value for money basis. The Lead Council agrees to consult in good faith with the other Councils and to agree any proposed contingency arrangements with a view to mitigating as far as practicable the implications of any periods of unavailability of the Facility.

The Lead Council shall be responsible for the negotiation of the contract with the Contractor. The Lead Council shall in consultation with the other Councils endeavour to achieve the most economically advantageous contract that best meets the financial, social, environmental, operational, technical, and commercial criteria, commensurate with minimising risk and adhering to good practice guidelines of the Councils.

The Lead Council shall, in its individual residual waste supply contracts with the other Councils reflect the conditions and requirements of the contract between the Lead Council and the Contractor. The Lead Council will not attempt to impose upon the other Councils more onerous or detrimental terms of contract than those covering the same issues which it has agreed with the Contractor. Such terms, for limited recourse project finance transactions or corporately financed transactions delivering major infrastructure assets through a public private partnership ("PPP"), are typically anticipated to be based upon the Standardisation of Private Finance Initiative Contracts guidance version 4 ("SoPC4") produced by H M Treasury as amended by WAG for the waste sector. However, the Councils may wish to use traditional capital expenditure as an alternative to PPP or may seek prudential borrowing as a means to aid funding of the Project (although the opportunity for the Councils to obtain WAG funding may be restricted to PPP schemes requiring compliance with standard form contract terms and Project risk transfer profile unless the Councils can justify any Project specific reasons and/or value for money reasons to derogate from such terms.

The Councils acknowledge that the contract provides for a Liaison Committee which reviews the contract at regular periods throughout the life of the contract period. The Committee is made up of three (3) representatives of the Contractor and three (3) representatives of the Councils. The Councils will determine how many representatives are required on the Liaison Committee.

#### Financial Security for Lead Council

The Second Inter-Authority Agreement shall contain provisions to the following effect:-

any grant from WAG to the Councils in respect of the Project shall be paid to the Lead Council;

the other Councils shall pay the Lead Council in advance of any payment by the Lead Council to the Contractor;

if any one or more Council defaults in making any payment to the Lead Council then such deficit shall be made good, on demand, by the other Councils in equal shares (such indemnity being subject to the usual dispute resolution procedure if a Council considers such provision to be ultra vires);

a contingency fund shall be held by the Lead Council (on terms and for purposes to be agreed by the Councils).



**SCHEDULE 10**  
**AFFORDABILITY ENVELOPE<sup>29</sup>**

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<sup>29</sup> Note universal gate fee principle has been agreed by Councils – regardless of disparate transport costs attributable to each Council's location and transport pattern the total mileage for waste transportation will be dealt with as a single cost to be borne by the Councils and allocated on a tonnage basis to each Council. The Affordability Envelope discussions are ongoing and will be concluded when the financial team leads from each Council meet to discuss with Grant Thornton UK (and use one figure with five subset figures for each Council's own Affordability Envelope element)?

**SCHEDULE 11**

**PROJECTED CONTRACT WASTE TONNAGES AND MINIMUM TONNAGE GUARANTEES**

**Projected Contract Waste Tonnage**

(Part year)

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Conwy	13731	28142	27949	28021	28148	28319	28491	28662	28833	29004	29175	29346	29453
Denbighshire	8486	17420	17537	17607	17712	17844	17976	18107	18238	18369	18500	18627	18714
Flintshire	16654	34135	34314	34402	34557	34767	34978	35188	35398	35608	35818	36028	36160
Gwynedd	14835	30304	30361	30338	30373	30254	30136	30018	29901	29785	29670	29556	29664
Isle of Anglesey	8294	17000	17089	17133	17210	17315	17420	17525	17629	17734	17838	17943	18008
<b>Total</b>	<b>62000</b>	<b>127000</b>	<b>127250</b>	<b>127500</b>	<b>128000</b>	<b>128500</b>	<b>129000</b>	<b>129500</b>	<b>130000</b>	<b>130500</b>	<b>131000</b>	<b>131500</b>	<b>132000</b>

Year	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Conwy	29561	29668	29776	29943	30110	30277	30445	30612	30779	30947	31114	31281	31448
Denbighshire	18801	18888	18975	19081	19188	19295	19401	19508	19614	19721	19828	19934	20041
Flintshire	36292	36424	36556	36761	36966	37172	37377	37582	37788	37993	38198	38404	38609
Gwynedd	29772	29880	29989	30157	30326	30494	30663	30831	30999	31168	31336	31505	31673
Isle of Anglesey	18074	18140	18206	18308	18410	18512	18615	18717	18819	18921	19024	19126	19228
<b>Total</b>	<b>132500</b>	<b>133000</b>	<b>133500</b>	<b>134250</b>	<b>135000</b>	<b>135750</b>	<b>136500</b>	<b>137250</b>	<b>138000</b>	<b>138750</b>	<b>139500</b>	<b>140250</b>	<b>141000</b>

**Minimum Tonnage Guarantee**

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Conwy	14459	22514	22514	22514	22514	22514	22514	22514	22514	22514	22514	22514	22514
Denbighshire	6789	13936	13936	13936	13936	13936	13936	13936	13936	13936	13936	13936	13936
Flintshire	13323	27308	27308	27308	27308	27308	27308	27308	27308	27308	27308	27308	27308
Gwynedd	11868	24243	24243	24243	24243	24243	24243	24243	24243	24243	24243	24243	24243
Isle of Anglesey	6635	13600	13600	13600	13600	13600	13600	13600	13600	13600	13600	13600	13600
<b>Total</b>	<b>53,075</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>

Year	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Conwy	22514	22514	22514	22514	22514	22514	22514	22514	22514	22514	22514	22514	22514
Denbighshire	13936	13936	13936	13936	13936	13936	13936	13936	13936	13936	13936	13936	13936
Flintshire	27308	27308	27308	27308	27308	27308	27308	27308	27308	27308	27308	27308	27308
Gwynedd	24243	24243	24243	24243	24243	24243	24243	24243	24243	24243	24243	24243	24243
Isle of Anglesey	13600	13600	13600	13600	13600	13600	13600	13600	13600	13600	13600	13600	13600
<b>Total</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>	<b>101,600</b>

The Common Seal of **CONWY COUNTY** )  
**BOROUGH COUNCIL** was )  
hereunto affixed in the presence of:- )

The Common Seal of **DENBIGHSHIRE** )  
**COUNTY COUNCIL** was )  
hereunto affixed in the presence of:- )

The Common Seal of **FLINTSHIRE** )  
**COUNTY COUNCIL** was )  
hereunto affixed in the presence of:- )

The Common Seal of **GWYNEDD** )  
**COUNCIL** was )  
hereunto affixed in the presence of:- )

The Common Seal of **ISLE OF** )  
**ANGLESEY COUNTY COUNCIL** was )  
hereunto affixed in the presence of:- )