

CABINET

Minutes of the Cabinet meeting held at 10.00 a.m. on Tuesday 16 February 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; S Frobisher, Lead Member for Environment and Sustainable Development; R W Hughes, Lead Member for Customers and Communities; M M Jones, Lead Member for Welsh Language, Children, Young People and Leisure; P J Marfleet, Lead Member for Modernising the Council; D A J Thomas, Lead Member for Regeneration and Tourism, J Thompson Hill, Lead Member for Finance and Efficiency.

Observers: Councillors W L Cowie; M LI Davies and G C Evans.

ALSO PRESENT

Chief Executive; Corporate Director: Environment; 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

Councillor E W Williams, Lead Member for Education and the Corporate Director: Lifelong Learning.

Councillor H H Evans welcomed Romy Salvador, whom he was mentoring as part of the WAG Stepup Cymru Mentoring Scheme. Mr Salvador wished to increase his knowledge of community engagement. Councillor P A Dobb was also pleased to be reacquainted with Mr Salvador, as they had previously worked together on the Caledfryn Credit Union.

1 URGENT MATTERS

There were no urgent items.

2 MINUTES OF THE CABINET MEETING 26.01.2010

The Minutes of the Cabinet meeting held on 26 January 2010 were submitted.

Item 4 Revenue Budget and Summary Capital Plan: In response to a query from Councillor W L Cowie, the Corporate Director: Environment explained how estimated earnings from car parking charges were down. There was a target for car park income generation cross the Authority and this was set in the budget as income generation. The target for income generation had not been reached.

RESOLVED that, subject to the above, the Minutes of the meeting held on 26 January 2010 be approved as a correct record and signed by the Leader.

3 MODERNISING EDUCATION – CLOSURE OF YSGOL LLANTYSILIO

In Councillor E W Williams' absence, Councillor H H Evans presented the report seeking Members' agreement to implement the proposal to close Ysgol Llantysilio as of 31.08.2010 and also to delegate future decisions, in instances of no objections being received to school organisation proposals, to the Chief Executive. Councillor Evans said proper and open consultation had been carried out and Local Members, staff, governors and parents supported the closure of the school.

Referring to consultation, Councillor Evans said the length of time taken by the Welsh Assembly Government of the process to approve any closure had become a national issue. The Head of Corporate Governance informed Members that in the absence of any adverse responses following the appropriate consultation, the decision for closure should be a delegated decision. He stressed the need to work closely with the Assembly to speed up some of the processes. The Chief Executive suggested that the Assembly did not need to be involved in similar decisions. If no objections to closure were received, the Authority should be able to implement the decision. He informed Members that in some areas, independent local boards were concerned if objections were received.

The Head of Modernising Education assured Councillor M M Jones that all staff from the school would be redeployed.

RESOLVED that Cabinet agree to implement the proposal to close Ysgol Llantysilio on 31.08.2010. Cabinet further agree 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".

4 MONITORING PERFORMANCE AGAINST THE AUTHORITY'S CORPORATE PLAN

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

Councillor Evans said the partnership governance framework would be further considered when the outcome of the Change Programme was known. He referred to the number of programmed inspections which were less than anticipated (page 5/5 Appendix II) and said the work programme of inspections had been put in place to ensure all premises were inspected by the end of the year by rolling over 14

inspections into the fourth quarter. Turning to the number of working days / shifts per full time equivalent lost due to sickness absence, Councillor Evans said the figures had increased since the last quarter but the total days lost was lower than last year. He also referred to the percentage of eligible staff who had had a performance appraisal and said all appraisals should be carried out and entered into Trent by the end of quarter 4. Councillor Evans said he wanted to see appraisals on track before the end of quarter 3 in future.

By focusing on the Red indicators, the Authority was reacting to issues. Councillor Evans suggested colleagues ask questions sooner in the process when considering the Amber indicators. It was also important to look at trends, comparing year on year and ensuring improvements year on year.

Councillor P J Marfleet agreed it was beneficial for indicators which were not on target being discussed by the Focused Agenda Board (FAB) e.g. performance appraisals and sickness absence. He referred to the sickness absence figures in the report he would be presenting later in the meeting on Personnel Statistics and said those figures were cumulative whilst the figures in the indicator report were a snapshot of part of a month. The gap would catch up with itself by the year end. It was important for the Authority not to overstate any 'poor' performance. He would be discussing with the Head of Personnel various issues regarding performance appraisals and sickness absence and its recording.

Councillor D A J Thomas asked for an awareness session for Members on sickness absence and how the system works to ensure that all Lead Members were aware of how the system worked, as sickness absence formed part of all their Portfolios. Councillor H H Evans said he would consider the request and how best it could be addressed.

The Head of Business Planning and Performance referred to setting targets and said it was hoped that Ffynnon would help as it could provide more sophisticated information and include seasonal variations. Performance data would be considered. The current monitoring report contained much factual information but it was hoped over the next 6 months or so to make the reports more focused. Two changes would be made – the first would still supply the figures but it would also include more information on outcomes and how things could be measured as a result. Also, it was agreed a list of targets relating to where the Authority was to be in 2012 and how the Authority could measure its success. Information on current progress and what still needed to be done would be provided.

Responding to a query from Councillor G C Evans, the Head of Personnel said managers could enter information onto Trent immediately an appraisal had been carried out – either at the 6 or 12 month stage – however, some managers leave data inputting to the end of the process. She also reassured Councillor S Frobisher that the information was accurate and that the majority of appraisals were carried out in the last 3 months, before the end of March deadline.

RESOLVED that Cabinet notes the Quarterly Performance Report and that Sickness Absence and Performance Appraisals not meeting targets would be considered by the Focused Agenda Board.

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

Councillor D A J Thomas 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 figures on the revenue report (Appendix 1) show the final position last year and the balance carried forward to this, the original budget set in February 2009 and the latest expenditure forecast. Also shown are figures reported last month, for reference. A surplus of £238k was forecast for the year, which was £55k less than originally forecast - the main reason being the estimated subsidy payable to the Government turned out to be higher than planned, as has already been reported to Cabinet. There were a number of minor movements but 2 more significant changes were the reduction for the amount of rent rebate subsidy limitation payable to the Department of Work and Pensions by £50k and also the reduced amount of interest payable to the HRA balances of £48k to more realistically reflect current interest rates.

As a result of a change in contractor, the capital programme had slipped but the programme would catch up the following year and was still expected to achieve the Welsh Housing Quality Standard by the end of 2012. The slippage benefitted the business plan financially and the tendering exercise had delivered significant savings.

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

6 HOUSING REVENUE ACCOUNT BUDGET PROPOSALS 2010-2011

[Councillor D A J Thomas declared a personal but non-prejudicial interest in this matter as a Council tenant.]

Councillor D A J Thomas presented the report seeking Members' agreement to adopt the Housing Revenue Account Budget [Appendix 1] and Capital Programme [Appendix 3] for 2010/11. Members were also asked to agree to increase the rent for Council dwellings in accordance with the Rent Setting Policy in Sections 2.2.7 and 2.2.8 (average 2.1% in line with the Assembly's Guideline Rent Increases), increases in rents for Council garages by £0.20 to £5.50 (3.8%) per week and increases in heating charges be increased by 10% in accordance with section 2.6.3, all with effect from Monday 5th April 2010.

Scrutiny Committee had raised questions about the rise in heating charges but the amounts charged were still significantly lower than the average household energy costs.

The expenditure budget had been set using a standard inflation uplift of 1.6%, except where a specific calculation had been applied (such as for the subsidy, capital charges and bad debt provision). The uplift was in-line with the assumptions built into the Housing Stock Business Plan. The capital budget for the following year included around £4m of work rolled-forward from this year (following the re-tendering exercise). It was worth stating that re-tendering had proved beneficial as savings had been achieved. The delays did not affect achievement of the Quality Standard by the end of 2012.

The Housing Stock Business Plan had been updated and had an external review and a due diligence assessment, both of which confirmed it remained financially viable and in a healthier position than previously. The Assembly were currently reviewing the Plan and it was likely to be approved as they had 'set aside' the capital major improvement grant of £2.4m which was dependent upon having a viable plan.

Referring to older people and the proposed increase in heating charges, Councillor P A Dobb asked whether the Authority had consulted with the Tenants' Association on that issue. The Head of Housing Services said they had been consulted and that many received the winter fuel allowance from the Department of Work and Pensions. The increase was just recovering the cost of gas where there were properties with a communal boiler.

Councillor R W Hughes asked whether a survey of Council owned garages had been carried out. The Head of Housing Services said some surveys had been carried out but it had not been possible to enter all garages. Most of the garages were used as stores rather than for vehicle use. If complaints were received about usage, these were investigated immediately. Councillor H H Evans asked whether it was possible to address the issue of garages being rented to people from outside Denbighshire. The Head of Housing Services said such instances were rare and were usually where a Denbighshire tenant had moved away. It was not possible to terminate a tenancy unless there was a good reason for so doing. He said it was not possible to leave garages untenanted as costs had to be covered.

Councillor D A J Thomas discussed the need for producing the HRA report on a monthly basis to Cabinet and whether this should now be a quarterly report, once approval of the current plan had been received, unless there were significant changes. The Corporate Director: Social Services and Housing suggested the information could be included in the monthly Revenue report to Cabinet unless there were significant changes and Members supported a decision on the proposed change being included as part of the following month's report. The Head of Housing Services confirmed he awaited comments from the Wales Audit Office and the Welsh Assembly Government on the housing stock business plan, before considering a change.

RESOLVED that Cabinet adopt the Housing Revenue Account Budget [Appendix 1] and Capital Programme [Appendix 3] for 2010/11. Cabinet also agree to increase the rent for Council dwellings in accordance with the Rent Setting Policy in Sections 2.2.7 and 2.2.8 (average 2.1%), increase in rents for Council garages by £0.20 to £5.50 (3.8%)

per week and increase in heating charges by 10% in accordance with section 2.6.3, all with effect from Monday 5th April 2010.

7 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.

An overall underspend of £446k was forecast, excluding the schools' delegated budgets. Social Services and Housing was forecasting an underspend of £699k, mainly due to the Continuing Health Care funding, and the Environment Directorate was forecasting an underspend of £204k mainly due to successful vacancy control procedures. The capital expenditure was at £20.9m against a plan total of £31.4m. Opportunities have arisen in the Authority's money market investments which are likely to result in an underspend of up to £300k at the year end.

An update on the winter maintenance spend was provided by the Corporate Director: Environment. An overspend of £196k was currently forecast and it was assumed that this would be charged to the Winter Maintenance Reserve at the year end.

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.

8 ROUTINE REPORT ON PERSONNEL

Councillor P J Marfleet presented the report for Members to note information on Personnel Statistics, Sickness Absence, Single Status, Voluntary Redundancies, HR Review, Senior Leadership Re-structuring and Modern Apprenticeships.

Councillor Marfleet said he was concerned at the increase in the number of staff as he was expecting to see a larger reduction in the headcount following the use of the vacancy control and early retirement and voluntary redundancies in the Authority. The figures shown do not include the 77 agency staff employed across the Authority. He said it was important to ensure the agency staff numbers did not rise and suggested agency staff figures could be included as a separate line in the report. Voluntary redundancies had resulted in a lower headcount but it was essential that the jobs were not filled in elsewhere.

Councillor Marfleet also expressed concern on the number of days lost in a year with sickness absence which cost in the region of £3m in productivity. Sickness absence had to be taken very seriously and if a small department had 1 staff member on sick leave long term, it had a bigger impact on their figures. Occupational Health should be

involved at an early stage and stress related illnesses identified to ensure workplace stress was not the cause.

Social Services and Housing was still a risk but improvements had been made to the level of absence over the past year.

The Modern Apprentice Scheme had been an excellent way of contributing to improving the long term problem of an ageing workforce. However, this had been partly funded with PIG funding until 2008/09. However, the demographic makeup of the workforce was still not young enough.

Councillor DAJ Thomas reminded colleagues that opportunities would become available through external funding with the European programme.

Councillor R W Hughes referred to the savings of £100k made as a result of handling the recruitment process of the Senior Leadership Team in-house.

The Chief Executive said morale was very important and good attendance by staff should be celebrated - some departments managed sickness absence very well. However, he reminded colleagues that in his small department his sickness absence figures were high as 3 were away following major surgery and were genuinely ill. It was important to have a balance and be a good employer. However, as the Authority was trying to reduce the headcount, it was possible that each new starter would have to be justified by the Corporate Executive Team.

Councillor P A Dobb reminded colleagues the Authority was aiming to achieve a gold standard with corporate health and any improvements would help with the assessment. The Working Group could consider this.

RESOLVED that Members note the information in the report.

9 CABINET FORWARD WORK PROGRAMME

Councillor H H Evans presented the Cabinet Forward Work Programme. He reported that the report on the Village Green Application, Ffordd Elan, Rhyl was unlikely to be presented to Cabinet before April 2010.

Councillor D A J Thomas said an Update and Review on the Community Capital Projects would be presented in June with the Community Capital Projects Decision being presented in September.

The next Routine Report on Personnel would be presented in June 2010.

RESOLVED that Cabinet note the amendments to the Forward Work Programme.

10 ISSUES REFERRED TO CABINET BY THE SCRUTINY COMMITTEES

There were no issues referred.

11 NORTH WALES RESIDUAL WASTE PROJECT: APPROVAL OF OUTLINE BUSINESS CASE AND INTER AUTHORITY AGREEMENT

Steffan Owen, Jonathan Bebb and Stephen Perring, Flintshire County Council Lead Officers were welcomed to the meeting by Councillor S Frobisher.

Councillor S Frobisher presented the report seeking approval of the Outline Business Case (OBC) and Inter-Authority Agreement (IAA) for the Residual Waste Treatment procurement project. This was a partnership between Anglesey, Gwynedd, Conwy, Denbighshire and Flintshire Councils set up to jointly manage residual (non recyclable) waste generated in the 5 Local Authorities.

The Welsh Assembly Government (WAG) encouraged joint working by providing additional financial assistance to partnerships. Working together was cost effective, as it made the most of economies of scale.

Residual waste was the rubbish collected in the black bins, which until now had been sent directly to landfill. WAG had now set targets to reduce the amount of waste being sent to landfill and Councils would be penalised for not meeting their targets, at the rate of £200 per tonne. All the North Wales Councils would have to treat their residual waste if they wanted to avoid incurring the fines. The project was designed to provide the necessary treatment infrastructure. The procurement process was due to commence in the summer of 2010 and a contractor would be appointed 2 years later, with new facilities expected to be operational by the summer / autumn of 2016.

An OBC had been developed by the partnership which would need approval by Cabinet, as would the IAA which set out how the Councils would work together on the project and what their individual liabilities were towards each other. Once the OBC was approved, WAG would provide significant additional financial support to the Partnership if and when the OBC was approved. The OBC does not specify what technology would be used to treat the waste nor where any treatment plant would be situated. However, in order to compare 'do something' against 'do nothing', it had been necessary to cost out a viable 'reference solution'. The chosen reference solution was an Energy from Waste plant with combined heat and power, located at a Flintshire site. However, this did not mean that Energy from Waste would be the final solution or that it would be located in Flintshire. Bidders would bring forward various solutions at different sites, with the Partnership selecting the solution which would provide the best overall match to its requirements.

The OBC compared the cost of going ahead with the project against the cost of doing nothing. Carrying on with existing methods would result in extra fines being incurred and the future cost of doing nothing would be more expensive than the reference solution. It made financial sense for the Authority to commit to the joint project and the

Chief Financial Officer's statement supported this course of action. However, the financial modelling indicated that the new arrangements were likely to cost around 15% more than existing methods currently cost.

Councillor P J Marfleet said he was pleased to receive the report and a tremendous amount of work had been carried out to date, resulting in a well thought out project. It was also pleasing to see the IAA in detail. He asked what commitment was being made by the other Authorities and would the construction of a site in one area have an adverse effect on another. S Owen said all 5 Authorities were considering the approvals during the course of the week and all were expected to approve the process by the end of the week. Regarding the site, J Bebb said there would continue to be a reception point at each Authority and it was likely that existing collection points would remain in situ. A transfer station would be in place and the costs would remain the same as payment would be on volume and not on geographical remoteness from the new site. He confirmed the timeline of OJEU in June 2010, 2 years for the procurement process with construction starting after 2012 with the site open in 2016.

Responding to a query from Councillor P A Dobb, J Bebb said the contract would start when the facility went live, however, there would be the procurement costs to be met by each Authority equally each year and Denbighshire had already made budgetary provision for this cost. He also responded to a query from Councillor G C Evans, and said if one Authority withdrew from the Partnership, that Authority would have to compensate the Partnership. It would purely depend on the time of any withdrawal. He also confirmed that there was no provision for additional waste and that the procurement was based on current levels. The market had been tested by way of a questionnaire and off-the-record discussions and this had elicited considerable interest in the project. As Wales was slightly behind England with procurement of residual waste, there should be no adverse effect on tender prices.

Regarding Scrutiny of the whole project, the Corporate Director: Governance and Efficiency said Group Leaders would discuss the issue and already established Partnership Scrutiny Committees could consider the issue.

RESOLVED that Cabinet approves the report, noting that the detailed Outline Business Case (OBC) is contained as a Part 2 item on the Cabinet Agenda of 16.02.2010 which will require specific Member approval. Members also 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. Cabinet approve the draft OJEU notice attached at Appendix 3 to the report and the Inter Authority Agreement attached at Appendix 4 to the report, and give the Head of Corporate Governance 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.

12 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.

13 NORTH WALES RESIDUAL WASTE PROJECT: APPROVAL TO PROCEED TO THE NEXT PHASE OF PROCUREMENT

Councillor S Frobisher presented the report seeking Cabinet approval for the North Wales Residual Waste Partnership to proceed with the submission of the Outline Business Case (OBC) to WAG on the basis of a Total Base Case Unitary charge for the figure stated in the report, net of WAG funding and within the stated range, for the assumed contract period of April 2015 to March 2041 as set out in Section 6 of the OBC and in Appendix 5 of the report. The Council was requested to confirm its commitment to meet its share of the cost, as per the estimated details in the report, over the proposed contract period.

Cabinet were asked to agree the Leader of the Council, Chief Executive and Section 151 Officer, be authorised to endorse an appropriate letter(s) to WAG supporting the OBC, with other partner authorities, to support the application for funding and to achieve the timetable detailed in the submitted report.

That subject to approval of the OBC and funding provision, as contained within the OBC by WAG, approval is given by the Council to the North Wales Residual Waste Treatment Partnership (NWRWTP) Joint Committee to commence procurement of the residual waste treatment services.

Councillor Frobisher said the report details the financial consequences of the project for the Council, including details of the 'affordability envelope', which Cabinet were asked to approve. If the tender prices eventually received fall within the agreed affordability envelope, the Authority would be committed to proceeding with the project. Withdrawing from the project at that stage would cause the Authority to incur significant financial penalties in the form of compensation to the other Councils in the Partnership. However, if the tender results fall outside the affordability envelope, the Council could choose to pull out of the project without incurring a penalty. The affordability envelope details remained strictly confidential.

S Owen confirmed to Councillor P A Dobb that if the cost over the proposed contract period was higher than stated in the report, each Authority would have to be consulted

as this was a ceiling figure being worked to. The Corporate Director: Environment informed Members that it was not viable for Denbighshire to 'do nothing' and high landfill costs and fines would be imposed by WAG.

The Chief Executive said that the figures in the last column in the Appendix to the report was the Affordability Gap. If the figures remained at the stated level or less then Denbighshire would go ahead with the scheme but if the figures were higher, further discussion and approval by Cabinet would be required. J Bebb confirmed the figures were as per the cost on the date the agreement was signed and that doing nothing would cost more to the Authority.

Councillor P A Dobb suggested that pressure be put upon businesses to produce less packaging so that overall tonnage of waste would reduce and then the revenue would be less which would lead to a change. J Bebb said there would be some risk as the predictions were for 20 – 30 years hence. However, if there was less waste there would be an obligation on the contractor to get similar waste from households to fill the gap. Officers would try and minimise any risks.

Councillor D A J Thomas, referred to line 26 of the table in Appendix 1 to the report, and asked why there was a gap in the amounts of the figures and had this resulted as the result of a typographical error. He said this would need to be resolved satisfactorily before proceeding further. J Bebb said this was likely to be a typographical error and should not have been included, as did the Chief Financial Officer. Councillor H H Evans agreed with Councillor Thomas and said an explanation on the figures had to be provided before approval to proceed to the next stage could be given.

RESOLVED that Cabinet approve the North Wales Residual Waste Partnership to proceed with the submission of the Outline Business Case (OBC) to WAG on the basis of a Total Base Case Unitary charge for the figure stated in the report, net of WAG funding and within the stated range, for the assumed contract period of April 2015 to March 2041 as set out in Section 6 of the OBC and in Appendix 5 of the report, once satisfactory written confirmation of the query on Appendix 1as stated above had been received. The Council confirms its commitment to meet its share of the cost, as per the estimated details in the report, over the proposed contract period.

Cabinet agree the Leader of the Council, Chief Executive and Section 151 Officer, be authorised to endorse an appropriate letter(s) to WAG supporting the OBC, with other partner authorities, to support the application for funding and to achieve the timetable detailed in the submitted report.

That subject to approval of the OBC and funding provision, as contained within the OBC by WAG, approval is given by the Council to the North Wales Residual Waste Treatment Partnership (NWRWTP) Joint Committee to commence procurement of the residual waste treatment services.

The meeting concluded at 12.15 p.m.

The focus upon provider collaboration must be wider than 14-19 and work will be undertaken to implement a structure that is fit for purpose ensuring efficiency, effectiveness and responsiveness. Focus will be on quality improvement, increasing participation in learning, improving basic skills levels, increasing recruitment, retention, attainment and progression levels.

There is no set model proposed. This must be determined by the Learning Partnership established to oversee the activities required to implement the proposed model, at a minimum, these partnerships must continue for the time it takes to implement activities and ultimately, it may be deemed for the partnerships to continue to manage and coordinate the activities of the new structure/model.

The Welsh Assembly Government are not being prescriptive in terms of what needs to happen and where, and are very focused upon the Learning Partnerships identifying and implementing local solutions for local needs. Therefore decisions and actions decided upon by the Partnership must be evidence based and underpinned by key data.

The Denbighshire Learning Partnership produced a Strategic Outline Plan based upon such evidence and key data in May 2009. This then formed the basis of the study completed by DTZ consultants, commissioned by the Learning Partnership and financed by the Welsh Assembly Government.

The Executive Summary of the report details the consultants' key recommendations.

'DTZ was commissioned to test and validate the direction of travel of the learning pathway in response to the Transformation Agenda and to help further develop the business case.

The Learning Partnership was reviewing the development of consortium arrangements across three sub-regions. These were:

- *The Coastal Area*
- *The Vale of Clwyd*
- *The Dee Valley*

Based on our absorption and assessment of the socio economic context, the education context, the breadth of consultations successfully completed we can conclude that the three sub-areas are sensible collaborative units. This is based on our assessment of:

- *the economic geography,*
- *learner geography,*
- *the existing collaborative arrangements; and*
- *emerging collaborative plans.*

Through our consultations we have also identified that there is a reasonable level of trust and preparedness to build partnerships at this level.

We do however believe that a number of cross county collaborations need to be reflected in any plan moving forward. This would include:

- *Work Based Learning Provision*
- *Coleg Llandrillo Cymru (CLC) Countywide Provision*
- *Welsh Language Provision*
- *Faith Based Provision*

The operationalisation of the collaboration needs a more formal structure. We recommend that a Memorandum of Understanding is drafted to capture area objectives. This should include the bilateral and multilateral objectives in addition to the countywide objectives; reflected in the four main areas identified above.

It will be critical to keep this Memorandum of Understanding simple, drawing up to 10-12 key principles that underpin the consortium developments. The Memorandum of Understanding could be drafted to reflect a set of countywide principles, with detail drawn out to reflect the sub-sets and geographic arrangements. The Memorandum of Understanding should incorporate the work being completed and identify what needs to be done and the key milestones.'

Recommendations for the three geographical areas:

Area	Recommendations
Coastal Areas	Given the greater level of benefits associated with a collaborative partnership between CLC and Prestatyn High School, together with lower initial investment cost it is recommended that this School/ College Collaboration is progressed.
Vale of Clwyd	It is recommended that a school and college collaborative model is further explored and that a business case is developed to support a capital bid for Welsh Medium and other provision in the Vale of Clwyd.
Dee Valley	It is recommended, that in conjunction to assessing the findings of the Wrexham Learning Partnership study, that models of collaboration between Dinas Brân and Wrexham partners are considered further.

The Learning Partnership accepts the DTZ Report (2nd February 2010) and wishes to proceed by

1. Developing a Memorandum of Understanding and set of Protocols to formalise collaborative arrangements between the partners schools and colleges
2. Commissioning specialist consultants to produce a Strategic Outline Case prior to building the business case using the 5 case business model to consider the capital implications of transforming post 16 education in the three geographical areas described above.

3 POWER TO MAKE THE DECISION

As mandated by the Welsh Assembly Governments' Department of Children Lifelong Learning and Skills, the power to make decisions rests with the Learning Partnership. However *'Local Authorities will lead on the development of 16-19 schools provision, in partnership with the further education sector, to secure the requirements of the Learning and Skills Measure. They will also take forward the protocols to establish a tertiary system for post-16 learning delivery, where appropriate.'* 'Transforming Education and Training Provision in Wales (2008) paragraph 40

The Welsh Assembly Government states that *'In the case of local authorities and further education institutions the Assembly Government has specific legislative and funding powers to direct change. However, the policy in the first instance, is to work positively with those Learning Partnerships that have a clear ambition and intention to transform, supported by a strong evidence base. There will only be intervention from the Welsh Assembly where there is strong evidence for transformational change but plans to secure the required change is not being progressed.'*

4 RESOURCE IMPLICATIONS

4.1 Cost Implications:

The Welsh Assembly Government is funding approved consultants, CPC from Cardiff, to assist Learning Partnerships and LEA to build the business case using the 5 case business model to consider the capital implications of transforming post 16 education in Wales. If agreed, Denbighshire will be the first of the North Wales authorities to engage in this process.

The additional costs of the developing collaboration arrangements between schools and colleges, mainly transport costs but also costs of joint marketing, publicity and of the production of a student prospectus, has been borne by the 14-19 Learning Network using grant funding from the Welsh Assembly Government. This will continue at least until September 2013 when it is planned that 14-19 funding will be integrated with funding from the Rate Support Grant. The costs of collaboration will be carefully monitored by the 14 – 19 Network with a view to developing a sustainable model that is funded predominantly from the core funding that is allocated to learning providers through the National Planning & Funding System (NPFS).

4.2 Staffing / Accommodation Implications:

The 14-19 Network team supports the secretariat and coordination of transformation in Denbighshire. The team is funded directly by Welsh Assembly Government grants.

4.3 IT Implications:

Data sharing between partners and the development of IT systems and protocols to support this and operational practice are key issues that need to be addressed

5 RISK ASSESSMENT

5.1 Risks associated with not agreeing the recommendation/s

These are mainly in the area of the loss of benefits associated with school and college collaboration as identified by DTZ. These include:

- losing expertise in vocational and academic offering in a fully integrated offering
- losing the ability to offer vocational provision that achieves a critical mass (viability) without having to provide full offering in all learning settings
- not using fully existing facilities and instead requiring extensive capital investment
- losing the potential for best practice sharing across all elements that would raise standards and learner experience
- students not having a wide choice of providers, courses and institutions
- not realizing the potential to reduce duplication and staff costs
- failure of our schools to meet the requirements of the Learning & Skills Measure (Wales) 2009

5.2 Risks associated with agreeing the recommendation/s

- Difficult to set up and sustain- institutions need to keep learner interests at heart of the option;
- Funding mechanisms may not encourage learner centred approach
- Risk that no one will be able to take the strategic and managerial lead – potential for sub-optimal solutions being delivered;
- May not result in substantial efficiency gains;
- Higher transport costs may not be sustainable over the longer term

6 CHIEF FINANCIAL OFFICER STATEMENT

The 14-19 learning pathways is grant funded and the proposals are all within the boundaries of the grant funding available.

7 CONSULTATION CARRIED OUT

Consultation regarding the Strategic Outline Plan has been duly carried out in the Interim Denbighshire Learning Partnership meeting held on Wednesday the 4th of March 2009. The Plan was duly endorsed and supported. DTZ produced a Scoping and Project Initiation Document (PID) that was discussed by Lifelong Learning Scrutiny on 8th October 2009 and went on to produce an Interim Report that is now being developed into a Final Report. In producing the final report DTZ have consulted with Ysgol Glan Clwyd, Ysgol Brynhyfryd, Denbigh HS, Ysgol Dinas Brân, St Brigid's, Prestatyn HS and the Rhyl Sixth; the Principals of Llandrillo, Deeside and Llysfasi Colleges; the Catholic diocese, North Wales Training, Chair of Scrutiny, and the Regional Director DCELLS (WAG), Church in Wales, Wrexham CBC.

The Denbighshire Learning Partnership comprises headteachers of all Denbighshire' secondary and special schools, the principals of Coleg Llandrillo Cymru and Coleg Llysfasi. the CEO of North Wales Training, senior education officers, the Leader and the Chair of Lifelong Learning Scrutiny Committee. The group met on 30th September and 16th December 2009, and 2nd February and 11th March 2010.

Reports on the progress of Transforming post 16 Education in Denbighshire were made to the meetings of the Lifelong Learning Scrutiny Committee were made on 14th January and 11th March 2010.

8 IMPLICATIONS

8.1 Assessment of Impact on Corporate Priorities:

Transformation has the potential to impact positively on the Corporate Priority of Modernising Education in terms of the quality of provision and the standards achieved by learners, and in improving the infrastructure. Any transformational capital plans will be linked to plans for Modernising Education and to Twenty First century Schools. There is also the potential to impact positively on Regeneration.

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

Transformation will help to equip more people for working life by helping them to achieve the vocational and life skills required to meet employment needs, and the confidence and support to start their own businesses. It will also help in the development of vocational learning hubs to the north and south of the County and an integrated network of local centres providing lifelong learning throughout the County. Transformation should also aid our investment in our schools in order to sustain high standards of educational attainment to meet the needs of pupils, the wider community and the economy.

Transformation is also consistent with the County Council's Vision for our rural communities and main towns by supporting continuing post 16 education and training in the Dee Valley, Vale of Clwyd and North Denbighshire

8.3 Assessment of Impact on Climate Change - Mitigation and Adaptation

Any negative impact on the carbon footprint relating to the transportation of students between learning providers during the school day is likely to be off-set by the reduction in journeys out of county to access learning, and is certainly less than if all post 16 learners were to be transported to and from their homes to a single tertiary provider.

8.4 Assessment of Impact on NERC Act Biodiversity Duty:

No impact envisaged

9 ACTION PLAN

ACTION	RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED	ACTION TO BE REVIEWED & MONITORED BY / DATE TO BE MONITORED
Progress meeting with Welsh Assembly Government Transformation team	18 th March 2010	19 th March 2010
Cabinet receive Denbighshire Learning Partnership's recommendations	30 th March 2010	30 th March 2010
*Strategic Outline Case prepared by CPC consultants	21 st April 2010	21 st April 2010
*Strategic Outline Case submitted to Welsh Assembly Government	23 rd April 2010	23 rd April 2010
Memorandum of Understanding agreed between learning providers Joint Governance Committees set up	25 th June 2010	25 th June 2010
*Strategic Outline Case prepared	15 th Sept. 2010	15 th Sept. 2010
*Strategic Outline Case submitted to Welsh Assembly Government	29 th Sept. 2010	29 th Sept. 2010
Progress monitored by LLL Scrutiny Committee	To be agreed	To be agreed

10 RECOMMENDATIONS

That Cabinet accepts the DTZ Report and approves the proposed actions of the Learning Partnership Board to

1. Develop a Memorandum of Understanding and set of Protocols to formalise collaborative arrangements between the partners schools and colleges

2. Agree with the Welsh Assembly Government to engage CPC as specialist consultants to
 - produce the Strategic Outline Case for Transformation in Denbighshire, and, subject to Welsh Assembly Government approval
 - build the business case using the 5 case business model to consider the capital implications of transforming post 16 education in the three geographical areas.

REPORT TO CABINET

CABINET MEMBER: Councillor J Thompson-Hill
Lead Member for Finance and Efficiency

LEAD OFFICER: Paul McGrady
Principal Management Accountant

DATE: 30th March 2010

SUBJECT: Revenue Budget & 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 note the summary capital plan performance for the 2009/10 financial year as detailed in the attached Appendices 2 and 3.
- 1.3 To also note the latest Housing Revenue Account and Housing Capital Plan updates attached as Appendices 4 and 5.

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, to allocate the balance of the contingency budget set up to dampen the impact of specific pressures in year and also, 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. RESOURCE IMPLICATIONS

Cost Implications

- 4.1 This report details latest projections for the current financial year. Appendix 1 details an overall under spend of £865k, excluding the schools' delegated budgets. This figure is made up of small pressures within the Lifelong Learning directorate, County Clerk's department and Corporate Budgets and savings in Social Services & Housing and Environment.

- i) Lifelong Learning is forecasting an overspend position of £13k. This has improved from last month as additional funding from WAG has been included and a revised action plan for the Rhyl High School recovery programme has been implemented that has reduced costs*

ii) **Social Services & Housing** is forecasting an under spend of £749k mainly due to:

a) pressures on Adult Services Community Care and the implementation costs of PARIS are 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 £50k from last month. Continuing Healthcare (CHC) funding from the NHS of £394k has been assumed in the outturn and represents the amounts for which invoices have been raised – some of which have actually now been paid but others are in dispute. The total allocation for Denbighshire for 09/10 is £534k but there is no firm agreement about whether all of this will be paid in 09/10 and if it is what recourse there may be to recover funding for schemes that are not yet fully operational. Financial support from the NHS to compensate for the Royal Alexandra Hospital (RAH) ward closures has been agreed in principle on a case-by-case basis but clarification is required about the timing of this support. Both the CHC money and funding in respect of the RAH are nonrecurring at this stage.

iii) **Environment budgets** are now forecasting an under spend of £209k, mainly due to continued successful vacancy control procedures. The main changes from last month are as follows:

a) Additional resources have been directed at the Highways maintenance service during the past few weeks. However part of this extra spend is being financed from additional one-off WAG grant funding of £111K.

b) Despite this increased expenditure the overall Directorate under spend has increased slightly this month to £209K (£204K last month) although now included in the projections is the impact of £130K of the current overspend on winter maintenance being charged to revenue with the balance (currently £55K) being charged to the Winter Maintenance Reserve at year end.

c) The projected under spend on the School and Public Transport budget has increased by £90K as further new contracts commence following recent e-auctions.

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 £50k.

4.2 Capital expenditure at the end of January is **£22.3m**, for a plan that totals **£32.2m**. Appendix 2 shows a **Capital Plan summary** and Appendix 3 shows expenditure split by Directorate priority.

- 4.3 It has been agreed that the detailed Housing Revenue Account (HRA) be reported less frequently to Cabinet and instead a summary is presented in this monthly report. The HRA has to be accounted for separately from the council's main revenue account and should include only income and expenditure that is directly linked to the provision of council housing services.
- 4.4 Therefore included as Appendix 4 is the **Housing Revenue Account** and Appendix 5 summarises the **HRA Capital Plan**. The latest figures show an in-year surplus of £202k and capital expenditure of £4m against an original plan of £8m. The capital expenditure has slipped this year as new contracts have been awarded but will recover next year. The Housing Stock Business Plan remains viable and the council is still on track to achieve the Welsh Housing Quality Standard by 2012.

Staff / Accommodation Implications

- 4.5 There are no direct staffing implications

ICT Implications

- 4.6 There are no direct ICT implications

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 under spends carried forward into the new financial year together with under spends 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 continuing to work closely with both Rhyl High School and Blessed Edward Jones to improve their financial situation. A financial recovery plan has been agreed with Blessed Edward Jones but there is still some work to be done. Positive steps have been taken at both schools.

- 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 £50k.
- 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 long term borrowing rates are currently around 4.5%, the practice of borrowing internally remains in place, i.e. run down cash levels, (however some new borrowing has been undertaken recently as cash levels fell to the minimum deemed acceptable by officers). 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

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.

8.4 Assessment of Impact on NERC Act Biodiversity Duty:

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 note the summary Capital Plan performance figures for 2009/10 financial year as detailed in the attached Appendices 2 and 3.
- 10.3 To also note the latest position Housing Revenue Account forecast as detailed in Appendix 4 (revenue) and Appendix 5 (capital)

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10
SUMMARY POSITION AS AT END FEBRUARY 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)	20,969	-6,544	14,425	20,982	-6,544	14,438	13	0	13	337
Environment	53,357	-21,967	31,390	52,878	-21,697	31,181	-479	270	-209	-204
Social Services & Housing	56,881	-17,486	39,395	60,337	-21,691	38,646	3,456	-4,205	-749	-699
County Clerk	2,141	-488	1,653	2,171	-488	1,683	30	0	30	30
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	33,674	-26,457	7,217	50	0	50	90
Total All Services	178,261	-76,761	101,500	181,331	-80,696	100,635	3,070	-3,935	-865	-446
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
			117,044			116,179			-865	-446

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 FEBRUARY 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
Individual School Budgets	60,141	-6,618	53,523	59,682	-5,647	54,035	-459	971	512	596
School Improvement & Inclusion	12,278	-4,050	8,228	12,321	-4,050	8,271	43	0	43	377
Leisure Services	4,690	-2,300	2,390	4,650	-2,300	2,350	-40	0	-40	-40
Modernising Education	1,601	-63	1,538	1,591	-63	1,528	-10	0	-10	0
Library Services	2,400	-131	2,269	2,420	-131	2,289	20	0	20	0
Total excluding schools	20,969	-6,544	14,425	20,982	-6,544	14,438	13	0	13	337

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

	Current Month £000s	Previous Month £000s
<u>INDIVIDUAL SCHOOLS BUDGET</u>		
School balances are currently projected at £985k after projections during Quarter 3. This is a predicted reduction in 2008/2009 balances by £513k. The figure carried forward from 2008/2009 has increased by £386k, as School budgets in 2009/2010 were top-sliced to cover the SEN overspend previously deducted from 2008/2009 balances. There are 5 Schools predicted to be carrying a deficit by the end of the financial year. (Bodnant Juniors, Denbigh High, Rhyl High, Blessed Edward Jones & Plas Brondyffryn.). Additional support is being provided to support these schools in developing robust financial recovery proposals	512	596
<u>SCHOOL IMPROVEMENT & INCLUSION</u>		
Rhyl High School's recovery costs have reduced by £110k due to a revised Action Plan being implemented and increased intervention from the school improvement team. The costs associated with the recovery of Rhyl High and other school redundancies is now projected at £139k. The position has also improved due to additional Dcells income for post 16 SEN of £211k and additional funding of £70k from the Corporate Centre to alleviate the impact of the school redundancies. The outturn assumes that invoices will be raised for the full cost of Plas Brondyffryn placements and that income of £83k will therefore be received. Other areas causing concern are the schools non delegated budgets due to the significant increase in maternity costs and the previous lack of budgetary control. Work is currently ongoing to review what is being charged to these budgets and to ensure that costs are justifiably a non-delegated commitment.	43	377
<u>LEISURE & YOUTH SERVICES</u>		
Leisure & Youth Services are projecting an underspend of £40k. This is due primarily to lower than forecast energy costs.	-40	-40
<u>MODERNISING EDUCATION</u>		
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 £20k, due to the 2008/09 efficiency saving being overstated. Other areas of overspend include the Director's costs and the Middle Lane Costs which have been transferred from other services pending its closure. 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.	-10	0
<u>LIBRARY SERVICES</u>		
Libraries are now projecting an overspend. This is mainly due to redundancy payments within the service	20	0
<u>TOTAL</u>	525	933

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

	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
HIGHWAYS & INFRASTRUCTURE (Notes 1-3)	15,203	-5,414	9,789	15,075	-5,365	9,710	-128	49	-79	-151
PLANNING & PUBLIC PROTECTION (Notes 1&5)	4,683	-1,551	3,132	4,473	-1,572	2,901	-210	-21	-231	-160
DIRECTOR & SUPPORT (Note 8)	858	-237	621	711	-237	474	-147	0	-147	-134
ENVIRONMENTAL SERVICES (Note 6)	16,850	-6,279	10,571	16,822	-6,279	10,543	-28	0	-28	-33
REGENERATION & TOURISM (Note 4)	8,427	-4,368	4,059	8,447	-4,219	4,228	20	149	169	157
PROPERTY SERVICES (Note 7)	7,336	-4,118	3,218	7,350	-4,025	3,325	14	93	107	117
Total Environment	53,357	-21,967	31,390	52,878	-21,697	31,181	-479	270	-209	-204

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

Comments	Current Month	Previous Month
HIGHWAYS & INFRASTRUCTURE		
School and Public Transport During 09/10 there are significant underspends on the School and Public Transport budgets as a result of effective new route planning and also 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.	-460	-370
Car Parking income 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. The figures include the £110K contribution from the corporate contingency budget to partially offset this pressure.	99	88
Highways and Winter Maintenance The recent severe weather conditions have placed a huge financial strain on the winter maintenance budget which is already overspent by £185K. This month's figures include charging £130K of this overspend to revenue and the balance to the Winter Maintenance Reserve. The final position will be reviewed at the financial year end. After the thaw there is also a 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 overall Directorate underspend is being used in the current financial year to finance some of this work, although clearly the extent of the damage will not be containable within the current revenue highways maintenance budget.	322	171
Major Projects Group Increased fee income largely due to additional work being undertaken for the North Wales Trunk Road Agency	-40	-40
TOTAL HIGHWAYS & INFRASTRUCTURE	-79	-151
PLANNING & PUBLIC PROTECTION		
Building Control, Development Control and Land Charges 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 £357K but have been offset by a contribution of £355K from the Council's contingency budget this year.	2	25
Community Enforcement/CCTV 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.	-70	-76
Licensing Additional licensing income received plus savings on salary costs as a result of the joint working with CCBC.	-52	-51
Pollution Control Savings on the contaminated land budget.	-9	-13
Trading Standards Included in the projections are legal and witness costs totalling £98K in relation to the Graig Park prosecution case. This month's figures also include in-year staffing savings following the Early Voluntary Redundancy exercise as well as the receipt of some extra DEFRA income.	-44	-20
Professional Fees The Department is projecting to underspend on its overall professional fees budget in 09/10.	-58	-25
TOTAL PLANNING & PUBLIC PROTECTION	-231	-160
DIRECTOR & SUPPORT 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.	-147	-134
TOTAL DIRECTOR & SUPPORT	-147	-134

ENVIRONMENTAL SERVICES		
Public Realm		
Pressures on the fleet and insurance budgets in 09/10.	5	28
Refuse Collection & Waste Disposal		
Savings on the N Wales Residual Waste facility procurement budget as a result in the delays with the project.	-77	-61
Free School Meals		
Pressure on the school meal budget due to a significant increase in entitlement and uptake	44	0
TOTAL ENVIRONMENTAL SERVICES	-28	-33
REGENERATION & TOURISM		
Rhyl Pavilion Theatre		
Current projections indicate that there is a £66K 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.	66	63
Llangollen Royal International Pavilion		
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
Heritage and Arts Service		
Currently forecast to overspend on their budgets as a result of staffing and the loss of Arts in Health grant income.	19	20
Convergence/Regeneration		
Underspends on the Regeneration and Objective 1 budgets partly offset by pressure on Industrial Estates	-4	-17
Coastal Facilities		
Pressures on the lettings budgets as well as overspends on facilities.	30	33
Street Markets		
Will not achieve its hire rental budget target.	5	5
TOTAL REGENERATION & TOURISM	169	157
PROPERTY SERVICES		
Agricultural Estates		
Pressure on the rents and repairs budget of £51K partially offset by one-off sales and compensation.	23	21
Valuation & Estates		
Additional agency costs partly offset by secondment savings.	19	32
County Building Group		
Includes reduced income from the Minor Works Section £41K and increased agency costs £22K.	99	64
Office Accommodation		
The PFI budget is £34K greater than the actual Unitary Charge.	-34	0
General		
However to date Property Services has contributed £131K (£122K to end of January) to the cashable salary savings budget as detailed in the Director & Support section above which more than clears the overspend.		
TOTAL PROPERTY SERVICES	107	117
TOTAL ENVIRONMENT DIRECTORATE	-209	-204

Corporate Item

School Meals budget

There continues to be a significant pressure on the school meals budget in 09/10. However in recent weeks the deficit has reduced as more pupils take up their free school meal entitlement. Latest forecasts indicate that the loss (over and above the £150K Council subsidy) will be £50K. 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 although one option would be to fund it from the increased savings on the School Transport budgets.

50 90

MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10
SOCIAL SERVICES AND HOUSING
SUMMARY POSITION AS AT END FEBRUARY 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	10,105	-1,607	8,498	1,424	-1,489	-65	-1
Adult Services	37,113	-8,872	28,241	38,773	-10,870	27,903	1,660	-1,998	-338	-357
<i>Underspend Brought Fwd</i>					-557	-557	0	-557	-557	-557
Business Support & Development	2,781	-538	2,243	3,205	-662	2,543	424	-124	300	298
<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
Sub Total Social Services	54,880	-15,723	39,157	58,388	-20,041	38,347	3,508	-4,318	-810	-767
Non HRA Housing	2,001	-1,763	238	1,949	-1,650	299	-52	113	61	68
Directorate Total	56,881	-17,486	39,395	60,337	-21,691	38,646	3,456	-4,205	-749	-699

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

<u>Comments</u>	<u>Current Month</u>	<u>Previous Month</u>
	<u>£000s</u>	<u>£000s</u>
SOCIAL SERVICES		
CHILDREN'S SERVICES		
The under spend within Children's Services has increased by £60k from the previous outturn. This has been caused by a reduction in the costs of agency staff predicted, due to the inability to recruit. It was previously assumed that 3 agency workers (at a cost of £30k) would be in post from 1 February 2010 to the year end. In addition to this, there has also been increased staff slippage within the Commissioning, Planning and Performance service area, again due to the inability to recruit to vacant posts. The Adoption Support Costs are also lower than expected, due to placements not commencing as hoped due to the	-65	-1
TOTAL CHILDREN'S SERVICES	-65	-1
ADULT SERVICES		
Learning Disabilities		
The reduction in the under spend is mainly due to the revised allocation of CHC funding from £96k to £72k. This is due to the BCUHB receiving only 75% of the LD allocation in 2009/2010. 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 £65k which is due to the increasing number of people requiring high cost placements and a number of placements transferring from Children's Services.	-16	-48
Mental Illness		
Expenditure on Residential, Nursing and Homecare continues to be the main budget pressure. The main reason for the reduced over spend is the improved budget position on Llys Marchan.	52	75
Older People		
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. Expenditure to date has previously been reviewed and shows that care costs have increased more than expected and has been confirmed as being due to increase in demand in residential and nursing care. Invoices relating to October have now been paid, this has had an impact on the budget for residential, nursing and domiciliary care in the South of the county increasing the spend by £30k. Preserved Rights underspend has decreased, this is due to invoices relating back to October now being paid. Gorwel Newydd is due to receive almost £32k more income as part of the Promoting Independence and Well-being grant. Reablement underspend is now greater due to employees starting part way through the year and the piloting of reablement did not begin until Mid Jan.	268	284
Extra Care Housing Provision. The closure of Llys Nant Residential Home should provide savings in 09/10 because part of that budget will be unallocated until 2010/11, when the new Prestatyn extra-care facility opens. Any remaining budget will be used to support the revenue costs of the Ruthin scheme. The savings will be used to dampen pressures in the current and next financial year.	-214	-214
PDSI		
Community Care spend is still the main budget pressure. The increased over spend is due to making a provision to write off obsolete Telecare stock.	63	39
Performance Management & Commissioning		
This projected under spend is mainly savings in staffing costs which is due to the continuation of the vacancy control process.	-211	-254
Other Adult Services		
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. It is believed safe to assume that Charging Policy will exceed budget by £235k this year (an improvement of £45k on the last outturn).	-383	-342
Joint Working & Older People Strategy Grant		
This grant is fully committed with a minor overspend forecast.	2	2
Cefndy Healthcare		
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	102
UNDER SPEND B/FWD 2008/09	-557	-557
TOTAL ADULT SERVICES	-894	-913
Business Support & Development		
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	297
UNDER SPEND B/FWD 2008/09	-150	-150
	147	147
Cymorth Grant		
All expenditure relating to the Cymorth grant has to be spent in year.	0	0
	0	0
Supporting People		
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
HOUSING		
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	68
TOTAL HOUSING	68	68
TOTAL SOCIAL SERVICES & HOUSING	-744	-699

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10
RESOURCES, COUNTY CLERK, CORPORATE & MISCELLANEOUS
SUMMARY POSITION AS AT END FEBRUARY 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
County Clerks (See Note 1)	2,030	-488	1,542	1,980	-488	1,492	-50	0	-50	-50
Translation (See Note 2)	111	0	111	191	0	191	80	0	80	80
Resources Directorate										
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
Total	11,289	-3,819	7,470	11,289	-3,819	7,470	0	0	0	0
Corporate and Miscellaneous	7,983	-816	7,167	8,033	-816	7,217	50	0	50	90
Benefits	25,641	-25,641	0	25,641	-25,641	0	0	0	0	0
Total	47,054	-30,764	16,290	47,134	-30,764	16,370	80	0	80	120

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 2

Position as at January 2010

		2009/10	2010/11	2011/12 *	2012/13 *
		£000s	£000s	£000s	£000s
Capital Funding:					
1	General Funding:				
	Unhypothecated Supported Borrowing	8,106	8,107	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
		11,435	10,669	7,855	7,855
2	Prudential Borrowing	6,476	5,609	269	
3	Reserves and Contributions	1,291	695	0	0
4	Specific Grants	13,079	3,214	80	70
	Total Finance	32,281	20,187	8,204	7,925
	Total Estimated Payments	-32,281	-19,187	-6,359	-80
	Contingency	0	-1,000	-1,000	-1,000
	Earmarked Contingency	0			
	Unallocated Reserve	0	0	0	0
	Surplus/ -Insufficient Resources	0	0	845	6,845

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
	Spend to February	Estimated programme	Estimated programme	Estimated programme
		£000	£000	£000
Environment	17,193	23,581	15,578	4,435
Lifelong Learning	4,552	7,107	3,006	1,480
Resources	496	1,203	318	269
Social Services and Housing	146	390	285	175
Total	22,387	32,281	19,187	6,359

Capital Expenditure by Council Priority

	2009/10	2009/10	2010/11	2011/12
	Spend to February	Estimated programme	Estimated programme	Estimated programme
	£000	£000	£000	£000
Modernising Education	4,200	6,462	2,676	1,150
Roads and Flood Defence	8,236	9,977	5,200	800
Regeneration	1,143	1,525	1,062	315
Responding to Demographic Change				
Total	13,579	17,964	8,938	2,265

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 February	Estimated programme
	£000	£000
Highways	4,000	4,000
Total		4,000

Appendix 4 Housing Revenue Account ~ 2009/10 Budget					
2008/09			2009/10		2009/10
Final		Original	Forecast	Variance	Previous
Outturn	Period 11 - February 2010	Budget	Out-turn	to Budget	Report
£	EXPENDITURE	£	£	£	Dec
					£
1,773,347	Supervision & Management - General	1,771,215	1,888,237	-117,022	1,854,185
251,090	Supervision & Management - Special	278,325	279,332	-1,007	278,920
144,789	Welfare Services	146,710	151,263	-4,553	150,499
377,064	Homelessness - Leased Properties	386,000	0	386,000	0
2,580,144	Repairs and Maintenance	2,696,000	2,704,187	-8,187	2,706,974
5,126,434	Total Housing Management	5,278,250	5,023,019	255,231	4,990,578
2,042,233	Item 8 Capital Charges	2,247,000	2,271,571	-24,571	2,267,112
3,000,000	CERA	0	0	0	0
0	Rent Rebate Subsidy Limitation	240,000	75,000	165,000	75,000
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
13,111,734	Total Expenditure	10,602,000	10,439,035	162,965	10,402,135
	INCOME				
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	139,279	-11,786	138,639
102,168	Interest on Balances & Other Income	28,000	33,326	5,326	33,326
10,426,684	Total Income	10,895,065	10,641,170	-253,895	10,640,531
	Surplus / Deficit (-) for the Year				
314,950	General Balances	293,065	202,135	-90,930	238,396
-3,000,000	Earmarked Balances	0	0	0	0
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	1,223,822	-90,930	1,260,082

Appendix 5 HRA Capital Plan Update 2009/10

Month 11

Actual 2008/09 £	Description	Approved Schemes £	Actual at End Feb £	Forecast Outturn £
383,638	Environmental Improvement Works	400,000	387,856	440,000
7,985,011	Major Improvements	6,853,000	2,549,991	3,087,551
228,111	Windows Replacement	0	119,044	119,044
403,135	Central Heating Contract	0	11,460	11,460
522,826	Disabled Adaptations (Council Houses)	400,000	354,108	400,000
0	HRA Capital Contingency	430,000	0	0
9,522,721	Total	8,083,000	3,422,459	4,058,055

2008/09 £	HRA Capital Plan Financed By:	Original £	Forecast £
2,400,000	Major Repairs Allowance Grant	2,400,000	2,400,000
73,636	Useable Capital Receipts	0	18,000
4,049,085	Prudential Borrowing	5,683,000	1,640,055
3,000,000	CERA	0	0
9,522,721	Total	8,083,000	4,058,055

CABINET: FORWARD WORK PROGRAMME

27 APRIL 2010	
Revenue Budget Monitoring Report 2009-2010	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
Future Direction of Cefndy Healthcare	Councillor P A Dobb Deborah Holmes Langstone
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
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
Extension to Contract for Provision of Substance Misuse Services to Children and Young People – Part II ?	Councillor M M Jones Vicky Allen / S Ellis
Rural Development Plan for Wales Business Plan 2	Councillor S Frobisher M Dixon
Hyfrydle – Preferred Future Use of the Building – Part II ?	Councillor P J Marfleet T Booty
Village Green Application, Ffordd Elan, Rhyl	Councillor P J Marfleet I K Hearle / Alan S Jones
Young Carers' Strategy – to approve the strategy	Councillor M M Jones Vicky Allen / Emma Banfield
Recommendations from Scrutiny Committees	Scrutiny Officers
25 MAY 2010	
Revenue Budget Monitoring Report 2010-2011	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
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
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
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 / Councillor D A J Thomas G Boase / S Kaye
Report on Progress Regarding Collaboration on Planning and Public Protection with Conwy CBC	Councillor S Frobisher / Councillor D A J Thomas G Boase

GIFT Support Project – support project for homeless people	Councillor P A Dobb Gary Major
Recommendations from Scrutiny Committees	Scrutiny Officers
22 JUNE 2010	
Revenue Budget Monitoring Report 2010-2011	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
Routine Report on Personnel	Councillor P J Marfleet L Atkin / G Humphreys
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
Asset Challenge and Efficiencies	Councillor P J Marfleet B Jones / R Parry
Agricultural Estates Review Update	Councillor P J Marfleet B Jones / David Mathews
Recommendations from Scrutiny Committees	Scrutiny Officers
13 JULY 2010	
Revenue Budget Monitoring Report 2010-2011	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
Performance Framework for Community Strategy	Councillor H H Evans David Morgan
Update and Review on the Community Capital Projects	Councillor D A J Thomas M Dixon
Recommendations from Scrutiny Committees	Scrutiny Officers
AUGUST ~ NO MEETING	
7 SEPTEMBER 2010	
Revenue Budget Monitoring Report 2010 -2011	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
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
Community Capital Projects – Decisions	Councillor D A J Thomas M Dixon

Local Development Plan – details conclusions on the consultation on the LDP prior to reporting to Full Council	Councillor S Frobisher G Boase / Angela Loftus
Recommendations from Scrutiny Committees	Scrutiny Officers
30 SEPTEMBER 2010	
Recommendations from Scrutiny Committees	Scrutiny Officers
26 OCTOBER 2010	
Revenue Budget Monitoring Report 2010 -2011	Councillor J Thompson Hill R Parry
Capital Plan	Councillor J Thompson Hill R Parry
Routine Report on Personnel	Councillor P J Marfleet L Atkin / G Humphreys
Recommendations from Scrutiny Committees	Scrutiny Officers