

CABINET

Minutes of the Cabinet meeting held at 10.00 a.m. on Tuesday 7 September 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; 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 and E W Williams, Lead Member for Education.

Observers: Councillors W L Cowie; G C Evans; B Feeley; H LI Jones and G M Kensler.

ALSO PRESENT

Chief Executive; Corporate Director: Environment; Corporate Director: Governance and Efficiency; Corporate Director: Lifelong Learning; Head of Finance and Assets and Legal Services Manager.

APOLOGIES

Councillor R W Hughes, Lead Member for Customers and Communities, and Ian Hearle, Head of Corporate Governance.

ANNOUNCEMENT

The Leader announced that the Council had been shortlisted for a number of UK Association for Public Service Excellence (APSE) service awards.

He conveyed his best wishes to the Services shortlisted in the following categories:

Best Service Team – Highways, winter maintenance and street lighting

Best Service Team – Waste management and recycling

Best Service Team – Social Care

Overall Council of the Year – Denbighshire being the only Welsh authority shortlisted

Best Public Partnership Initiative - Conwy/Denbighshire Joint Head of Highways and Transportation Service

1 URGENT MATTERS

There were no Urgent Matters.

2 MINUTES OF THE CABINET MEETING 13.07.2010

The Minutes of the Cabinet meeting held on 13 July 2010 were submitted:

Pg. 2 – last sentence of the 2nd paragraph – the sentence should read – *He said this had been **signed***

RESOLVED that the Minutes of the meeting held on 13 July be approved as a correct record and signed by the Leader subject to the above amendment.

3 SHORELINE MANAGEMENT PLAN

Councillor S Frobisher presented the report seeking Cabinet support for the Shoreline Management Plan policies and to recommend adoption of the Shoreline Management Plan by the Council.

She explained that the Plan provided a large scale assessment of the risks associated with coastal processes and presented a long term framework to reduce these risks to people and the developed, historic and natural environment in a sustainable manner. The Plan was a high level document that formed an important element of the strategy for flood and coastal erosion risk management and also developed coastal defence policies for the coastline. The level of funding required by Denbighshire would depend upon the grant aid received from the Welsh Assembly Government at the time, and typically it was expected that Denbighshire would be expected to fund 25% of the cost of the works.

Councillor J Thompson Hill said he welcomed the Plan, but highlighted that bearing in mind that the Council's capital expenditure was expected to be significantly reduced in future years, it was expected that £1.25m would need to be allocated towards the cost of these works.

In response to the Leader's question asking what percentage of Denbighshire's priority funding would have to be allocated to the Plan, the Corporate Director: Environment explained that this was difficult to answer at the present time, but if the Plan needed to be delivered, it would need to be included in the 10 year Capital Plan. It made far more sense for the Council to aggregate these schemes instead of breaking them into smaller packages, and if the funding was not there, they would not go ahead.

Councillor D A J Thomas reminded Members that 20 years had passed since the Towyn Floods, and highlighted the importance of when deciding as to where this Plan was placed as a priority, a risk assessment would need to be carried out to find out what the financial implications on other Council services would be if flood defences were breached.

RESOLVED that Cabinet support the report and recommend that Council adopt the Shoreline Management Plan.

4 REVENUE BUDGET AND SUMMARY CAPITAL PLAN 2010/11

Councillor J Thompson Hill presented the report for Cabinet to note the latest estimates of the likely outturn for the 2010/11 financial year as detailed in Appendix 1 attached to the report, and the summary capital plan performance for the 2010/11 financial year as detailed in the attached Appendices 2 and 3. Cabinet were also asked to note the latest Housing Revenue Account and housing capital position for 2010/11 as detailed in Appendices 4 and 5.

Councillor Thompson Hill reported that an overall overspend of £70k (excluding schools' delegated budget) was forecast and that Lifelong Learning was forecasting a balanced budget following the introduction of a revised agreement which had been introduced with schools in relation to the cost of maternity cover.

Social Services and Housing, and Environment were all forecasting a balanced budget. Corporate Governance and Efficiency were forecasting an overspend of £70k which was a result of the pressures on the translation budget.

The capital expenditure at the end of July was £6.3m against a plan of £25.4m. The Housing Revenue Account was forecasting an in year surplus of £269k and capital expenditure of £6.9m against the original plan of £8m. Denbighshire was still on track to achieve the Welsh Housing Quality Standard by the end of 2012.

Councillor P J Marfleet referred to the forecast overspend in relation to translation costs, and asked whether this was a one off overspend, or an error made in the amount of budget allocated to the service.

The Corporate Director: Governance and Efficiency explained that the translation service was being looked at as part of the review, and currently there was no in-house translation service.

The Leader said that this figure was similar for the whole of the year, and expressed his concerns that translation costs were always seen as an overspend. He felt that there was a definite need to strengthen the service within the authority.

The Leader thanked Officers within Lifelong Learning for promptly reaching a new agreement with schools in relation to the cost of maternity cover.

RESOLVED that Cabinet note the initial revenue projections for 2010/11 as detailed in Appendix 1 of the report and note the summary Capital Plan performance figures for 2010/11 financial year as detailed in Appendices 2 and 3. Cabinet also noted the latest Housing Revenue Account and Housing Capital Plan forecasts as shown in Appendices 4 and 5.

5 MONITORING PERFORMANCE AGAINST THE CORPORATE PLAN: QUARTER 1 2010-2011

Councillor H H Evans presented the report seeking Cabinet consideration of performance against the Corporate Plan 2009-2012 as detailed in the performance for the first quarter of 2010-2011 (Appendices I - III) attached to the report and agree where action needed to be taken in response to slippage against targets for 2010–2011.

Councillor Evans reported that the Corporate Plan 2009-12 set the strategic direction for the authority, and that progress on programmes, projects; actions and performance indicators that were associated with priority outcomes and improvement themes were monitored quarterly by Cabinet, in this format. Progress will be discussed and evaluated more closely with Lead Members over the next few weeks in their quarterly one to one meetings which had already commenced.

He said that the Council had achieved top 2 quartile status in 16 of the 23 indicators. The current picture for the 2012 set of indicators looked good but at this stage was incomplete. Future projections show that the Council had a decent chance of meeting its target for 2010/11 – 17 out of 23.

There had therefore been a good start this year, and the report highlighted the RAG status of the plan. He referred to Appendix I and offered Lead Members the opportunity to comment on their indicators:

The following comments were made:

Pg. 13: there were a number of indicators marked in red against highway issues and this was due to the way in which we were re-assessing the way road conditions are reported.

Pg. 15 – Project GAIA: Councillor P J Marfleet is the Lead Member for Asset Management; but the remainder of the indicators for Project GAIA should be amended to read Councillor S Frobisher as Lead Member.

Pg 16 – Produce a Corporate Workforce Planning Strategy: HR is aware of this action, but do not currently have the capacity to produce the new Plan.

Pg 21 – The percentage of private sector dwellings that had been vacant for more than 6 months: This should be amended to read Councillor D A J Thomas as Lead Member.

Councillor E W Williams said that the School Improvement Team had now all moved into Trem Clwyd, and he invited Members to visit the Team to see the good work that is being done. He also referred to the indicator on road conditions, and asked for an assurance that all roads were being looked at, not just the main roads.

In response, the Corporate Director: Environment said that all roads are assessed regularly and all factors are considered.

Councillor D A J Thomas referred to the Ffynnon Training which now allows Members to track an indicator from beginning to end, and gives an assurance that if there are problems with any of the indicators, they can be tracked earlier. The Leader encouraged Members to attend the training being provided.

RESOLVED that Cabinet notes the Quarterly Performance Report and refers the Indicators not currently on target to the Service Performance Reviews for consideration.

6 ANNUAL PERFORMANCE REVIEW 2009-10

Councillor H H Evans presented the report seeking Cabinet approval to recommend the draft 'Annual Performance Review 2009-10 (as attached at Appendix 1) for adoption by full Council on the 21 September 2010, subject to any amendments agreed. Cabinet agreement was also sought to agree to the publication of the public summary of the Annual Performance Review 2009-10 in County Voice and on the Denbighshire County Council Website (attached at Appendix 2).

Councillor Evans advised Members that the Council is required to publish an annual report of its performance by 31 October of each year. This year, the Council had decided to produce a more comprehensive report which, not only reported against the performance of the Corporate Plan, but also provided a summary of the performance of our services.

The detailed and wide ranging report would be a useful tool for senior managers and elected members who need to see beyond the performance indicator data to understand fully the story behind the performance.

In 2009/10, the Council exceeded its expectations with 70% of the 2012 indicators in the top half of authorities in Wales. This was a promising start, but improvement needed to continue over the next two years in order to fulfil the Council's ambitious aim to be in the top half of authorities for 100% of these indicators by 2012. The 100% target was a real challenge, especially when the Welsh Assembly Government keeps moving the goal posts in the process.

Councillor Evans reported that he will be challenging Lead Members to take a more proactive approach to working with Heads of Service to maintain a clear focus on the 2012 indicators over the next two years and to achieve the targets.

Excellent progress had been made against the corporate priorities, and the report provided a comprehensive assessment of performance across the whole Council during 2009-10.

Councillor E W Williams referred to this year's 'A' Level and GCSE results and congratulated the young people and schools on their success.

In response to the question from Councillor P J Marfleeet asking how the Council internally audited work which is shared with other local authorities, the Corporate Improvement Team Manager explained that Denbighshire was currently working closely with Conwy County Borough Council on how to bring together their business planning frameworks so as to manage joint activities. Further meetings were already underway to develop a joint business plan for Highways and Infrastructure. Joint Service Performance Reviews will enable us to challenge the performance of joint services. He also referred to the Improvement Agreement and advised Members that the Council were still in the process of being assessed by WAG and the Wales Audit Office, and although the final position was still unknown, the Council was confident that its performance was good enough to secure the funding.

Councillor P A Dobb referred to Improvement Theme 3: Strong Governance and Leadership for Improvement and was pleased that work had progressed on developing guidelines for scrutinising cross-organisational bodies, partnerships and collaborative working, but felt that as a number of Members sat on cross-boundary groups, it would be useful to have an update on work to date. She also felt that there was nothing highlighting the training investment that had been made by the Council to develop all Councillors.

In response the Corporate Improvement Team Manager explained that this report was a direct reflection of the actions contained in the Corporate Plan and what the Council said it would do in the first year to deliver them. However, he agreed to re-visit the report to provide more information on Member development.

The Corporate Director: Governance and Efficiency explained that the scrutiny proposals are under consideration as part of the Democratic Services Review and that Alan Smith would be visiting all the Groups to discuss the proposals in more detail.

Councillor H Jones suggested that in order to ensure that the Council's performance against the indicators was easily understood when published in County Voice and on the website, another column should be added to show the trend and the performance against the indicators for the previous year.

The Chief Executive advised he was really pleased with the report which demonstrated real progress, but drew Members attention to the indicators for roads, and that Denbighshire was worse than target and the Welsh median. The condition of Denbighshire roads was a corporate priority, but was a real challenge and very expensive to put right. He referred to meetings he and the Leader had convened with Town and Community Councils, and it was clear from these meetings that the condition of roads within the County was the most important issue for most residents, and therefore careful consideration would need to be given as to whether enough money had been allocated to this priority.

RESOLVED that Cabinet recommend full adoption of the Annual Performance Review 2009-10 by full Council on 21st September, and agreed subject to the inclusion of an

additional column, the public summary of the Review be published in County Voice and on Denbighshire's County Council website.

7 CABINET FORWARD WORK PROGRAMME

Councillor H H Evans presented the Cabinet Forward Work Programme.

Councillor P J Marfleet referred to the reports listed for the 26 October meeting and in particular the report on the Agricultural Estates Review. He advised Members that this report would not be an update as listed, but proposals which will require a Cabinet decision.

The Corporate Director: Lifelong Learning forewarned Members that the report on 21st Century Schools Bid Submission may need to be brought forward to the 28 September meeting. He was currently in discussions with WAG over their change to the submission date.

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

8 ISSUES REFERRED TO CABINET BY THE SCRUTINY COMMITTEES

There were no issues referred to Cabinet by the Scrutiny Committees.

9 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.

10 COMMUNITY CAPITAL PROJECTS

Councillor D A J Thomas presented the report seeking Cabinet approval for the allocation of funding to community capital projects in 2010/11.

He referred to the request at the County Council meeting on the 9th February, 2010 to invite expressions of interest from community organisations for the receipt of financial support towards new capital projects. This was advertised in the local press, the Denbighshire Volunteer magazine and on the Council's website.

The Denbighshire Voluntary Services Council and the six area member elected groups were consulted about the expressions of interest received, and other funding opportunities such as the Rural Key Fund were explored to ensure that the best use had been made of the limited resources available from the County Council.

Councillor Thomas informed Members that the applications which most closely matched the criteria to be supported were given the highest priority by the Area Members' Groups.

Councillor P J Marfleet said he was pleased that the submitted applications had been discussed and agreed by the Area Elected Member Groups, and both he and Councillor P A Dobb said they were both happy with the creative process which had been followed.

Councillor P A Dobb asked for assurances that the projects which had not been successful were being offered support to look for funding elsewhere.

The Principal Regeneration Manager outlined a number of organisations which, although not successful of funding from this project would receive grant aid from other funding streams.

RESOLVED that Cabinet approves the allocation of funding to community capital projects as listed in Annex A of the report.

11 ACQUISITION OF LAND FROM NEWTORK RAIL, PRESTATYN

Councillor D A J Thomas presented the report seeking Cabinet approval to use Compulsory Purchase procedures for the acquisition of Network Rail land to complete the land acquisition required for the Stadium (Prestatyn) Ltd Retail Development.

Councillor Thomas reminded Members of the historical background to this development.

Councillor J Thompson-Hill as local ward Member for the area welcomed this step forward which was very much necessary as a technical procedure to allow the submission of a combined planning application to ensure the development was a success.

RESOLVED that Cabinet approves the use of Compulsory Purchase procedures for the acquisition of Network Rail land to complete the land acquisition required for the Stadium (Prestatyn) Ltd Retail Development.

12 SCALA CINEMA AND ARTS CENTRE, PRESTATYN: BUSINESS PLAN UPDATE

Councillor P A Dobb presented the report updating Members on progress with the Scala, following the paper that was presented to Cabinet in May 2010. The report updated Members on the current financial position of the Company and outlined the

support currently being offered by the Council to the Scala Company to improve the current trading position.

She reported that following on from the Cabinet recommendation in May, considerable work had progressed at the Scala, and at the Board's Annual General meeting, 5 new members from the Council had been appointed and set to work on identifying work areas which had now been highlighted as areas which required attention.

During the Board's meeting in August, the Board responded positively to a number of recommendations that had emerged, and one recommendation was for an Officer from the Council to be seconded to work alongside the General Manager to revise operating procedures within the building. A further report would be presented to Cabinet in December.

Councillor Dobb said it was very positive that so much work had been undertaken in such a short time, and thanked the new Board Members and management of the Scala for their co-operation.

The Leader also thanked the new Board Members for the work they had put in so far on the Board.

RESOLVED that Cabinet

(a) note progress made since the last Cabinet report in May 2010, including progress with producing a revised business plan, and

(b) support the additional Officer time being used in support of the Scala management

The meeting concluded at 11.35 a.m.

REPORT TO CABINET

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

**LEAD OFFICER: C D MATHEWS
VALUATION AND PROPERTY MANAGER**

DATE: 26TH OCTOBER 2010

**SUBJECT: REVIEW OF THE POLICIES AFFECTING THE
OPERATIONAL MANAGEMENT, SUSTAINABILITY,
CONDITION AND SIZE OF THE COUNCIL'S
AGRICULTURAL ESTATE**

1 DECISION SOUGHT

- 1.1 To confirm policy for the future management of the Council's Agricultural Estate as recommended by the Agricultural Estate Working Group based on Option B of the Bruton Knowles Interim Summary Report of August 2010 (copy provided at Appendix A).
- 1.2 To authorise the Valuation and Property Manager to implement the recommended policy by developing and adopting an Asset Management Plan for the Estate.
- 1.3 To review and update the policy adopted by the Council in its decision of 20th March 2007 on retention of capital receipts and to set in place protocols and financial targets based on the Asset Management Plan to enable both appropriate investment in the agricultural estate and the continued generation of revenue and capital receipts for the authority.
- 1.4 In the context of the above recommendation to set an initial target of net capital generation of £5.5 million over the first 4 years of the Asset Management Plan.

2 REASON FOR SEEKING DECISION

2.1 Background

- 2.1.1 The Cabinet commissioned a review of the policies affecting the management of the Agricultural Estate in December 2009.
- 2.1.2 The Agricultural Estate Working Group has now received and considered an interim report from Bruton Knowles (Executive Summary attached) who were retained to advise on current policy and alternatives. Cabinet is asked to approve the recommendations from the Agricultural Estate Working Group

2.2 Summary Of The Agricultural Estate and Immediate Challenge

- 2.2.1 The challenge facing the Agricultural Estate was set out in the Cabinet Paper of 15th December 2010.
- 2.2.2 As at November 2009 the Estate comprised of 31 holdings or parts thereof extending to approximately 1,097 hectares (2,711 acres). This included two holdings with identified long-term development potential.
- 2.2.3 The target rental income for the year 2009/2010 was £260,000 and the forecast £230,000; actual out-turn was £228,000 but total revenue was bolstered by miscellaneous ad hoc income (compensation payments) of more than £40,000 giving a total revenue of almost £300,000. Total surplus credited to Council general revenue funds was approximately £140,000.
- 2.2.4 Significant accrued liabilities for investment had been identified totalling in excess of £1.4 million comprising £1.042 million capital requirement for urgent works identified from the Service Asset Management Plan 2008/9 and £440,000 to comply with Nitrate Vulnerable Zone requirements introduced from 1st January 2009 with a compliance date, in Wales, of 1st January 2012; this impacts particularly but not exclusively on the dairy farms.
- 2.2.5 Identified funding streams under the current policy, principally capital receipts, left a shortfall of some £1.122 million.
- 2.2.6 The paper went on to propose various options for addressing this shortfall at selected holding level including accelerating disposals to generate capital receipts, relocating tenants to avoid unviable investment, securing grant funding from WAG and entering in to long-term funding arrangements to introduce tenants' capital. These proposals assumed a continuation of the current funding policy (where one third of receipts from sales are retained for investment in the Agricultural Estate) together with substantial investment from tenants, offset by future rent abatements. The suite of proposals reduced the shortfall to £84,000.
- 2.2.7 At the same time the maintenance backlog was increasing and it was further recommended that thought be given to enabling the Estate to retain more revenue in order to address this backlog.
- 2.2.8 In the light of this challenge the Council launched the current review of policy undertaken by the Agricultural Estate Working Group.

3 POWER TO MAKE THE DECISION

- 3.1 Section 123 of the Local Government Act 1972 gives the Council to dispose of an interest in land.
- 3.2 In common with other assets due process needs to be followed under the Council's asset management procedure to declare land surplus from the agricultural estate and make it available for disposal.

- 3.3 The Council holds its Agricultural Estate as a Smallholdings Authority. The powers and responsibilities of Smallholdings Authorities are set out in The Agriculture Act 1970. Tenants occupy their holdings under the auspices of the Agricultural Holdings Act 1986 (which confers greater security of tenure on tenants) or the Agricultural Tenancies Act 1995 (which introduced Farm Business Tenancies). The operation of the Estate is also covered by Health and Safety legislation and associated environmental regulations and codes.

4 RESOURCE IMPLICATIONS

4.1 Cost Implications:

- 4.1.1 The December 2009 Cabinet Paper identified the financial resource implications, summarised in section 2.2 above, if the Council were to adequately protect itself from action for breaches of Health and Safety or Environmental legislation or current tenancy agreements.
- 4.1.2 The proposals to fund those works, some of which have been taken over by events, would have generated a capital surplus of approximately £2.7 million in the period 2009 to 2012 at an approximate cost to revenue of £20,000 per annum much of which would have been recouped by increases in rental values on the Estate consequent on the improvements.
- 4.1.3 Whilst the current proposal is not directly comparable, having addressed policy on an Estate wide basis, the target is for net capital receipts of £5.5 million over 5 years with a potential net gross revenue reduction in the order of £30,000 to £40,000 much of which would be recovered at net contribution to the Council level by reduction in maintenance expenditure and increasing rents on new lettings.

4.2 Staffing / Accommodation Implications:

- 4.2.1 There are no accommodation implications.
- 4.2.2 Some further temporary external support may be required to the Estates Team to implement the policy, particularly given the current position with staffing and anticipated partial retirements in the relevant team.

4.3 IT Implications:

- 4.3.1 N/a

4.4 Alternative Use Opportunities by Other Council Departments

- 4.4.1 There are opportunities for other services to benefit either from the presence of the farms or the occupying tenants in particular Countryside Management, Education and potentially Social Services (Care Farms) given the necessary commitment. However, some services, identification of a surplus holding as a potential care farm for example, can only be delivered at a financial cost.

- 4.4.2 There may be opportunities to develop social and community restorative programmes with other partner organizations working alongside the Councils such as Rhyl City Strategy and others.

5 RISK ASSESSMENT

5.1 Risks associated with not agreeing the recommendation/s

- 5.1.1 The December 2009 reported identified Health and Safety and Landlord and Tenant contractual risks as well as the risks to vacant property. These risks will only escalate as fixed equipment becomes more obsolescent and compliance/remedial costs increase.
- 5.1.2 The Agricultural Estate is not sustainable in its current structure and condition and there are financial, non-financial and reputational risks in not addressing the issue.

5.2 Risks associated with agreeing the recommendation/s

- 5.2.1 There will be a loss in revenue as a consequence of disposals however the likely “negative return” is less than 1%.
- 5.2.2 There is a reputational risk for the Council if the matter is not handled carefully, at a broad level as being seen to “abandon” the Estate by stakeholders and at a specific level in dealing with tenants some of whom will be both aggrieved and disadvantaged by this policy. The policy is likely to attract opposition from some farming unions and others.

6 CHIEF FINANCIAL OFFICER STATEMENT

Early indications are that Assembly Capital funding for the next few years will be reduced to a more significant extent than revenue funding. WLGA have estimated that general capital funding will reduce by 10% per annum i.e. 40% over the next 4 years. Special capital funding will reduce by a similar level in total but WAG will require significant match funding, around 30% minimum on Education schemes, on individual proposals, compared to the current situation where many grants have been 100%.

The delivery of additional capital resources from the disposal of some of the Council’s assets has never been more urgent. Reviews are currently in hand for all of the Council’s assets. The proposals in this report will make a major contribution to this situation.

7 CONSULTATION CARRIED OUT

- 7.1 Preliminary consultation was conducted as part of the review with the Agricultural Estate Working Group comprising the following

Elected Members

Cllr E Williams, Cllr R Feeley, Cllr H Evans, Cllr P Marfleet, Cllr R Jones, Cllr S Thomas, Cllr C Williams, Cllr G Evans, Cllr H Jones, Cllr J Thompson-Hill

Officers and External Consultant

B Jones, Corporate Director, Governance and Efficiency

R Parry, Head of Finance and Assets

P McGrady, Principal Management Accountant

D Mathews, Valuation and Property Manager

I Jones, PA to the Corporate Director

N Millard, Partner, Bruton Knowles (Consultant to the Working Group)

- 7.2 In accordance with undertakings given at the time stakeholders (Farming Unions, Young Farmers, Tenants Farmers Association and all relevant tenants) have been consulted on the initial findings and a summary of responses will be circulated at the Meeting.

8 IMPLICATIONS

8.1 Assessment of Impact on Corporate Priorities:

- 8.1.1 In its current form the Estate will do little support corporate priorities, not least as it will require investment over the next three to five years to meet statutory and contractual responsibilities. Rationalisation of the estate will enable these investments to be financed from within the Estate whilst still maintaining the financial and non-financial benefits of the Estate and protecting the strategic holdings.

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

- 8.2.1 The current strategy, adopted in 2007, is deemed to comply with the above. The proposed strategy is likely to generate adverse comment on the basis that it reduces the overall number of holdings which The Council makes available to let. However, the policy will significantly enhance financial sustainability and improve the environmental standards and sustainability of the retained holdings.
- 8.2.2 The proposed policy follows the general principles of the Curry Report given that the Council is setting a clear plan for the future of the Estate.

8.3 Assessment of Impact on Climate Change - Mitigation and Adaptation

- 8.3.1 The estate has possibilities for renewable energy schemes (both wind and hydro) and further investigations of these to generate both revenue and carbon offsetting should be investigated.

8.4 Assessment of Impact on NERC Act Biodiversity Duty:

- 8.4.1 The proposed actions undertaken to rationalize the estate are not envisaged as adversely impacting adversely on the Councils Biodiversity duty as the review is to make the estate more sustainable.

9 ACTION PLAN

ACTION	RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED	ACTION TO BE REVIEWED & MONITORED BY / DATE TO BE MONITORED
Adoption of the Proposed Policy of Managed Rationalisation based on Option B of the Bruton Knowles Report of August 2010	C D Mathews 26 th October 2010	Ag Estate Working Group to establish mechanism to review and monitor progress

10 RECOMMENDATIONS

- 10.1 To confirm policy for the future management of the Council's Agricultural Estate as recommended by the Agricultural Estate Working Group based on Option B of the Bruton Knowles Interim Summary Report of August 2010 (copy provided at Appendix A).
- 10.2 To authorise the Valuation and Property Manager to implement the recommended policy by developing and adopting an Asset Management Plan for the Estate.
- 10.3 To review and update the policy adopted by the Council in its decision of 20th March 2007 on retention of capital receipts and to set in place protocols and financial targets based on the Asset Management Plan to enable both appropriate investment in the agricultural estate and the continued generation of revenue and capital receipts for the authority.
- 10.4 In the context of the above recommendation to set an initial target of net capital generation of £5.5 million over the first 4 years of the Asset Management Plan.

APPENDIX A

Review of County Farm Estate

Report Summary

August 2010



1 INTRODUCTION

- 1.1 Bruton Knowles have been commissioned by Denbighshire County Council to undertake a review of the Council's Agricultural portfolio. This report is a summary of the initial findings presented to the Agricultural Estate Working Group on the 18th August 2010.
- 1.2 The focus of the review has been on the future sustainability of the portfolio in particular against the background of objectives for the portfolio discussed at initial interview to the extent that the agricultural portfolio should be:
- ❑ Maintained in good order
 - ❑ Financially sustainable
 - ❑ Self-financing; and
 - ❑ Achieve good levels of tenant satisfaction
- 1.3 Whilst focused on the potential for the Estate the review has also had regard to the current challenges facing both the wider agricultural sector and the Council itself, not least in the latter context, the likely demand for and availability of funds.
- 1.4 The review has involved an inspection of the majority of holdings (only some surplus holdings were not inspected) and meetings with officers and tenants. It has considered a range of options for the portfolio explored further below.

2 THE AGRICULTURAL ESTATE

- 2.1 The Agricultural Estate now extends to approximately 1,092 hectares (2,700 acres) comprised in some 54 lettings as follows:

Table 1 – Summary of Lettings

Type	AHA ^a	FBT ^b	Housing Act	Other ^c	Total
Complete Farms	18	7		3	28
Bare Land	2	16		5	23
Houses			1	2	3
Total	20	23	1	10	54

a) Agricultural Holdings Act 1986 b) Farm Business Tenancy c) Including vacant

- 2.2 The rent roll at the commencement of the financial year was in the order of £223,000 and revenue performance over the past 5 indicates an average contribution to Council funds of approximately £135,000 equating to 54% of the gross revenue over the period.

- 2.3 There is a marked difference in performance over the period with average net contribution of 61% of revenue in the period 2005 – 2008 reducing to 44.5% in the last two years. This is predominantly attributable to the increase in maintenance expenditure, in turn reflecting the demands for repairs to older fixed equipment.
- 2.4 The paper submitted to Cabinet in December 2009 identified liabilities for expenditure of approximately £1.482 million between 2009 and 2012 comprising:
- ❑ Accrued liabilities for repair/replacement of buildings/services £1,042,000
 - ❑ Works to meet Nitrate Vulnerable Zone requirements £440,000
- 2.5 This is clearly a major challenge in the context of the scale of the Estate and the capacity to generate funds. Consequently, the paper also identified a range of constructive approaches to address this shortfall which collectively narrowed the original funding gap from £1,122,000 under the existing policy to £84,000. These strategies have been considered as part of the wider review.
- 2.6 The paper also identified potential sales generating £1.08 million between 2009 and 2011 and potential sales of £5.2 million in the period 2012 to 2015. This latter figure included approximately £4.5 million of potential disposals of land for development subject to adoption under the LDP.

3 POLICY OPTIONS

- 3.1 The financial challenge facing Denbighshire are similar to those facing the majority of local authority rural estates. Whilst there has been investment in fixed equipment in the past increasing obsolescence, coupled with demands of technical advancement in the agricultural sector and increasing regulatory standards have generated demand for considerable investment. At the same time lack of opportunities for progression have left many tenant families remaining on their holdings for many years and in some cases more than one generation.
- 3.2 In essence local authorities have four options for the policy direction of their agricultural portfolios:
- ❑ *Retention in broadly* the current form
 - ❑ *Outright disposal* of the Estate as an investment as a whole or in lots
 - ❑ *Progressive disposal* particularly as vacant possession becomes available
 - ❑ *Progressive rationalisation* into a more viable and sustainable estate
- 3.3 The decision turns initially on the overall policy rationale for retention or otherwise of any estate. Put simply the choice is whether a Council wishes to retain the service to promote socio-economic benefits as well as generate capital and revenue funds or exploit the estate simply as a land bank or to retain it to generate revenue and promote socio-economic objectives?

- 3.4 There has also been a wide-ranging debate in the past whether the service is a statutory service. In the past Defra Ministers have expressed the view that they had no authority to intervene in the management of Estates¹. However, the matter has not been tested in the Courts, not least as no authority has yet pursued a policy of *Outright Disposal* which might well bring forward a legal challenge.
- 3.5 *Retention in broadly the current form* is seldom an option as most estates face investment challenges of proportionately similar scale to that facing Denbighshire. At the same time pressure on farm businesses is such that many tenants are anxious to expand beyond their current businesses.
- 3.6 To date *Outright Disposal* has been seen as a less than attractive option given the margin between investment and vacant possession values for rural property and the risk that purchasers, rather than the Council, would be able to exploit unforeseen opportunities for future development and vacant possession premiums and substantial future receipts would be lost.
- 3.7 The demand for agricultural investments has strengthened considerably in the current market given the limited opportunities for investment elsewhere. However, small holding estates, with high maintenance liabilities and social as well as financial objectives and ingrained cultures are not the best investments. Even in the current climate there appears to be no real enthusiasm for *outright disposals* and their certainly has been none for this approach in the past even though a number of counties have been approached by private investors and have therefore reviewed the opportunity.
- 3.8 This essentially leaves *Progressive Disposal* or *Progressive Rationalisation* as the most appropriate options. Again the decision between the two turns on the overall policy rationale and whether the Council is minded to retain or dispose of the portfolio long-term.
- 3.9 This wider policy issue is a political decision rather than a matter for this report which has focused on the practical question whether it is possible to maintain a portfolio meeting the objectives set out in paragraph 1.2 above and the implications for future management.

4 FINDINGS AND CONCLUSIONS

- 4.1 The initial findings from the review are:
- The Estate has provided a service which is not provided elsewhere in the agricultural economy; although in common with the majority of smallholdings estates it was constrained by the lack of opportunities in the wider tenanted sector;

¹ Elliot Morley MP then Parliamentary Secretary to MAFF, House of Commons Debate November 1997

- ❑ The estate has generally been well managed and benefitted from prudent investment in the past;
- ❑ Notwithstanding this earlier investment there is considerable accrued requirement for expenditure, not least generated by the latest NVZ proposals, previously estimated in total at more than £1.4 million;
- ❑ Proposals developed by the Estate Team for rationalisation of elements of the portfolio offered practical solutions to a significant number of the problems
- ❑ The Estate offers opportunities for future development sales although the timing of such disposals is by no means certain

4.2 In the light of these findings the review concluded:

- ❑ That the Estate is not sustainable for the Landlord or Tenants in its current condition and structure and could not simply be retained as existing; however
- ❑ The Estate is of sufficient scale and diversity that it can be made sustainable in the short-term with a degree of rationalisation to enable it to deliver both financial and non-financial benefits in the future
- ❑ There are sufficient assets and opportunities within the current portfolio that this rationalisation can be funded within the Estate whilst continuing to generate funds for investment in other core services

4.3 In exploring the potential of the Estate the review considered three broad policy models over a 15 year term:

- ❑ Option A – modelled on a policy of *Progressive Rationalisation* retaining an estate of approximately 2,400 acres and between 20 and 25 main holdings
- ❑ Option B – again modelled on a policy of *Progressive Rationalisation* retaining an estate of approximately 2,400 acres and between 20 and 25 main holdings
- ❑ Option C – based on a policy of *Progressive Disposal* retaining only property with long-term development potential

4.4 These models were developed from detailed analysis of the potential trajectories of individual holdings. As set out in Table 2 overleaf. They can only be indicative given that they turn on issues which are predominantly outside of the Council's control including the willingness of tenants to enter into transactions with the Council and the anticipated period of occupation of tenants with security of tenure. They are not firm financial forecasts rather projections of potential outcomes.

- 4.5 The options suggested a range of net capital receipts between approximately £4.5 and £14.3 million with a consequent impact of between +£5,000 per annum and -£124,000 per annum gross revenue at the end of the period. Adjusting the revenue figures for the different scale and configuration of the Estate the likely net revenue is anticipated to range between £140,000 per annum by year 15 for Option A, broadly equivalent to current contribution, and £45,000 for Option C.

Table 2 – Illustrative Models – Potential Financial Performance²

	Projected Gross Revenue (£)			Projected Net Capital Receipts (£)		
	Yrs 1 – 5	Yrs 6 - 10	Yrs 11 - 15	Yrs 1 - 5	Yrs 6 - 10	Yrs 11 – 15
Option A	248,322	231,625	227,015	2,455,000	1,070,000	1,000,000
Option B	235,122	218,065	213,815	4,000,000	1,470,000	0
Option C	179,372	130,765	99,615	7,030,000	3,940,000	3,330,000

- 4.6 These projections make no allowance for potential receipts from development land sales on the grounds that detailed use and consequently value are not yet established and these may also rely on other service requirements, e.g. Education. Similarly they make no allowance for potential end of tenancy compensation or for the provision of alternative accommodation for tenants on statutory retirement tenancies given that the first of these are only now maturing nationally and the practical consequences of the legal position is as yet unclear.
- 4.7 It is not unusual for potential capital receipts to diminish over time as more imminent sales are more predictable. However, it is likely that there will be further receipts from Year 10 onwards than are projected in options A and B.
- 4.8 A degree of caution is required in interpreting the potential disposals in Options B and C in particular which require a degree of negotiation with Tenants.
- 4.9 On past experience projections under a *progressive disposal* policy whilst reasonable and robust in principle, are more challenging to deliver in practice, not least as the approach tends to dissuade tenants from engaging in negotiations. Thus were such a policy adopted we anticipate that, at least in the first instance, only 50% of negotiations might come to fruition. This would suggest a potential outcome in capital terms in the order of £8 to £10 million rather than the headline £14 million in the plan although with consequently less reduction in revenue.

² At present day values and costs

- 4.10 Extending the summary further and making no allowance for deferred receipts or inflation in costs or values the relative worth of the three illustrations is broadly as set out in Table 3.

Table 3 – Illustrative Models – Assessment of “Worth” at end of Year 15

	Capital Receipts £	Gross Revenue £	Projected Value Year 16	Total £
Option A	4,525,000	3,533,000	11,350,000	19,408,000
Option B	5,470,000	3,335,000	10,690,000	19,495,000
Option C	14,300,000	2,050,000	4,980,000	21,330,000
Option C - weighted (per p4.8)	9,000,000	2,400,000	6,000,000	17,400,000

- 4.11 *Progressive Rationalisation* is the only policy option which delivers a sustainable estate in the long-term. The modelling undertaken as part of this review illustrates that rationalisation can be funded within the Estate whilst still generating capital and revenue to contribute to general funds.
- 4.12 Whilst *Progressive Disposal* may generate additional capital receipts the total worth over the period may well fall short of *Progressive Rationalisation* particularly given experience elsewhere. Further, it will not create a sustainable estate, there are unlikely to be more than 12 holdings left by Year 15, and there is no easy way to opt back from *Progressive Disposal* to *Progressive Rationalisation*.
- 4.13 **In the circumstances we recommend that The Council adopt a policy of Progressive Rationalisation which will deliver a sustainable estate for the future.**
- 4.14 The current capital policy provides for 33% of capital proceeds to be reserved for reinvestment in the Estate with the balance being transferred to central funds. Whilst this offers a clear policy environment it does not enable the degree of flexibility, particularly in investment timing, which is required to deliver a rationalisation policy of this type.
- 4.15 The proposed policy is supported by Asset Management Plans; elsewhere we have advised clients to adopt an approach that enables some freedom for investment in the Estate, subject to meeting an agreed net capital target. This offers a greater degree of flexibility in implementing the rationalisation plan and in meeting investment targets whether on or off the Estate.
- 4.16 **In the circumstances we recommend that The Council rescind the current capital policy but rather agree a set of net Capital targets for the Estate based on a robust Asset Management Plan.**

APPENDIX B

From: Kevin Owen <Kevin.Owen@nfu.org.uk>
To: <david.mathews@denbighshire.gov.uk>
Date: 12/10/2010 09:47
Subject: Agricultural Estate Review 2010

David

Thanks for your letter dated 30th September inviting our comment to the Authorities review of its Agricultural Estate.

I think our position in this regard is best outlined in the attached copies of evidence that we recently provided to the National Assembly for Wales' Rural Affairs Sub-Committee during its recent inquiry into local authority farms.

If you think there are areas that you would like to discuss with us further with specific regard to the Denbighshire Estate then I am only too willing to meet you to discuss these further should you wish.

Kevin Owen
Farm Policy Adviser

NFU Cymru
Ty Amaeth - Agriculture House
Royal Welsh Showground
Builth Wells
Powys
LD2 3TU

Tel: 01982 554200
Mob: 07767 886707
www.nfu-cymru.org.uk



The heart of Welsh farming - Wrth galon ffermio Cymru

To: Aled Elwyn Jones
Committee Clerk
Rural Development Sub
Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA
ruraldev.comm@wales.gsi.gov.uk

Date: 18th June 2010

Ref:

Cc:

Contact:

Tel:

Fax:

Email:

RURAL DEVELOPMENT SUB COMMITTEE **Inquiry into Local Authority Farms**

Introduction

NFU Cymru represents an estimated 21,000 farmers, managers and partners in agricultural businesses in Wales. A significant proportion of these would be tenants and several would be County Council leaseholders throughout Wales.

We are therefore very pleased to be given the opportunity to comment on the Local Authority Farm network in Wales and how they should be developed to secure their long term future.

Issues

Our starting point is that Farms owned and managed by Local Authorities in Wales **are an important, irreplaceable strategic national asset, that need to be retained.**

They have their origins in Central government policy of the early 20th century when there was a major concern about the decline in agriculture employment. Therefore they are just as relevant today to prevent the exodus of farmers, particularly young farmers out of our rural areas.

The 1970 Agriculture Act embodied the further evolution of the holdings as units to provide a much wider franchise for individuals to farm in their own right. In 1984 the House of Lords in debating what would become the 1984 Agricultural Holdings Act, explained the role these holdings played as starter units which allowed tenants to build up much needed capital and move onto larger holdings elsewhere either within or outside the council estates.

NFU Cymru understands that local authorities have very competing demands on their scarce resources as society's link with agriculture to become weaker. However, the number of applicants trying for vacant tenancies are evidence that there are still many looking to get into farming but who lack the capital to purchase land or to take up larger tenancies offered in the private sector. There is strong evidence that entrepreneurs will succeed provided

entry opportunities exist. We want and I am sure rural councils want such persons to see a future for themselves in rural areas of Wales.

Statutory objectives

The rules for administration of statutory smallholdings are set out in Part 111 of the Agriculture Act 1970. Councils in their role of statutory smallholding authorities have a power under legislation to provide farms to those who wish to be framers in their own right. This stems from Section 39 of the 1970 Act which reads:

“...having regard to the general interests of agriculture and of good estate management, [smallholding authorities] shall make it their general aim to provide opportunities for persons to be farmers on their own account by letting holdings to them”.

To meet the objective set out in Section 39 of the 1970 Act, smallholdings authorities need to offer opportunities to new entrants and to work to sustain existing tenants in their farming career. In the long term this could be on either the local authority estate or in the private sector. It is not sufficient to only offer opportunities for new entrants to come into the industry if they cannot then make the transition on to larger holdings in the in the public or private sectors. A much more integrated approach needs to be taken between Local Authorities and the private sector to ensure transition by working with organisations such as Farming Connect to increase the opportunities available for Local Authority tenants. More active management within estates could help create business development opportunities for tenants both inside and outside Local Authority ownership.

Disposal of County Farms

NFU Cymru understands the financial pressures faced by local authorities in managing their various commitments and statutory responsibilities. This has led to a number considering a programme of farm disposals. However this threatens to undermine the objectives of county farms. Research has shown that county farms are the principal route into farming for new entrants¹. If the decline in the number and area of county farms continues this will be a major blow for the future of the agricultural industry.

New entrants are essential for any industry, however, the capital requirements of agriculture make farming one of the most difficult industries to enter. This is particularly true today. Tenancies offer a very useful and effective way of bringing in new entrants to agriculture and sustaining businesses into the long term since both the capital requirements and risk are shared jointly between landlord and tenant in long-term binding agreements. The County Council farm structure has, in the past, provided a major contribution to this and should be allowed to retain the capacity to continue to do so in the future.

County Councils and Unitary Authorities should view their land holdings as an entry point into agriculture for new entrants and as a spring board to progress to larger units. Every effort should be made to encourage progression.

In responding to the 2003 report of the Tenancy Reform Industry Group (TRIG)² the UK Government said that local authorities should continue to follow the provisions of the Agriculture Act 1970 and that it shared the concerns of TRIG about the potential adverse,

long term impact that continuing sales of County Council Smallholdings will have on farming and the rural economy.

¹ An Economic Evaluation of the 1995 Agricultural Tenancies Act, University of Plymouth, April 2002.

² Government Response to the Report of the Tenancy Reform Industry Group (TRIG), DEFRA, 15 December 2003.

Strategic Importance

County farm estates are clearly owned by individual County Councils. They are however a very important strategic national asset and as such there should be a greater recognition of this in their management on an all Wales basis supported where appropriate by the Welsh Assembly Government. One area the Assembly would help is to identify good practice to seek better uniformity between authorities in the management of this asset.

One of the recommendations contained in the report of the Tenancy Reform Industry Group of June 2003³ was that there would be merit in investigating the potential for greater networking and collaboration in the management of County Council Smallholding Estates. In responding to the report, the Government agreed that County Council Smallholdings had an important role to play in providing a gateway through which able and experienced people can start a farming career which might otherwise be denied them. In view of this the Government fully supported the idea of greater networking and collaboration in the management of County Council smallholdings. However there is little evidence to date of progress on this suggestion.

The vision should be to create a stable, long-term framework for the profitable management of County Council farms. The following objectives are essential components in that process:

- To ensure that County Council farms continue to provide their principle function of creating opportunities for individuals to be farmers on their own account.
- To provide a more integrated management system for all County Council Smallholding estates.
- To reduce global costs of administration.
- To provide flexibility to local authorities in managing their asset portfolio.

³Tenancy Industry Reform Group final report DEFRA 16.5.03

Development Opportunities

Local Authorities can of course realise significant sums through the sale of individual pieces of land with development potential. Provided the current tenants businesses' are not compromised, this can greatly benefit the income of County Councils whilst maintaining the bulk of the agricultural estate. However NFU Cymru would only support this if the money is ring fenced to benefit other farm houses and buildings on the estate.

All Local Authorities should look to take a more long term, strategic and patient approach to disposals which will enable maximum benefit with minimum disruption. Local Authorities

should carry out a strategic review of their estates as Anglesey Council have done for example to assist in policy discussions to be taken on retention and disposal over a longer time period. Local Authorities in Wales are well placed to identify future development opportunities and should consider acquiring land as opportunities arise. Active asset management could be a real benefit to create entry points for new entrants. The principle objectives of the estate outlined earlier must however be paramount.

Wider Benefits

Since the 1970 Agriculture Act farming has moved on and so must County Council tenancies. A wide range of benefits would be provided on the estate with the right incentives and opportunities for the tenants. These would include renewable energy, waste utilisation, local food, reconnecting with the urban population, planning policies, green belt management and managing flood risk. In the requirements for Councils to be carbon neutral or reduce their carbon footprint a well managed farm estate would be a significant help in achieving this. Once land is sold this opportunity is lost forever. County Councils are in a good position to get a more strategic approach between departments to realise potential benefits which will help all residents in the county.

Length of Tenancies

While owner occupier farms have benefited from rises in land values to land investment tenants in general do not have this luxury – without land their asset base is smaller. The short terms sometimes offered on County Council Estates do nothing to encourage or facilitate long term investment by either the tenant or indeed the landlord.

The Farm Business Tenancy reforms does allow the opportunity to fixed reasonably long leases whilst at the same time allowing the landlord to be able to plan his estate in advance as a whole. He will know when parcels of land and farmhouses will become available to new tenants. The tenant on the other hand will find it easier to plan his business decisions if he knows that he will have security for say 20-25 years. Also there needs to be a commitment from landlords to pay a proper value for tenant improvements at the end of the tenancy. In this way a real partnership will develop between the landlord and the tenant to maximise the value of the asset to avoid it falling into a state of disrepair.

Rationale for Council Farm Estates

In 2009 the Association of Chief Estate Surveyors (ACES) updated the rationale for the Farms Estate summarising the benefits already outlined in the report and in line with the adoption of 5 Good Estate Management Principles.

Working for Agriculture

- A means of entry into farming for those who may not otherwise have the opportunity to farm on their own account;
- The potential for tenants to establish and develop viable business enterprises, enabling internal progression to larger Council Farms and advancement from the Estate to bigger holdings on privately or institutionally owned let estates;
- A means of supporting the tenanted sector, boosted by the flexibility of opportunities offered by agricultural tenure legislation;

- A tangible means of meeting the aspirations of the young farming community and agricultural industry;

Working for the rural economy

- A valuable source of rural employment opportunities on small family farms, often in remote locations;
- An opportunity to contribute to the wider economic well being and development of the countryside, including local food products for local markets;

Working for the wider community

- A direct stake in the countryside for Councils enabling links to be made between the local farming industry, the rural economy and the wider community through school visits, open days and guided walks;

Working for the environment

- An opportunity to implement best practice in rural estate and sustainable countryside management and stewardship: e.g. Glastir;
- A wealth of traditional landscape features such as stonewalls, ditches, hedgerows and farm buildings which are more likely to be retained on small family farms;
- The opportunity for the implementation of positive strategies that address the challenges of climate change, such as wind farms, anaerobic digestion plants and other renewable energy sources.

Working for the Council

- A “bank” of potentially surplus development land arising from positive property reviews and estate rationalisations, providing a valuable source of capital for essential estate reinvestment, which assists rural economic regeneration and also provides finance for the provision of other Council services;
- A potential land bank source of exception sites for affordable housing projects in rural areas;

Conclusion

1. County Council smallholding estates are an important, strategic, national asset that should be retained.
2. More effort should be made to support existing and future tenants on these estates to sustain their businesses either on the smallholding estates or in actually encouraging moves in the future into the private sector.
3. There should be greater collaboration between individual County farm estates to help effective management.
4. Local Authorities should seek to manage their disposals of land from estates in a more patient and thoughtful way to maximise revenue from development sales whilst not undermining the principle objectives of the estates. Some of this development profit should be used to re-invest in the estate.
5. Local authorities should pay a greater attention to the wider benefits derived from owning and managing their estates and should regard County Council Farms as a vital part of the wider regional economic strategy.

To: Aled Elwyn Jones
Committee Clerk
Rural Development Sub Committee
Ruraldev.comm@wales.gsi.gov.uk

Date: 26th July 2010

Ref:

Circulation:

Contact:

Tel:

Fax:

Email:

National Assembly for Wales Rural Development Sub Committee Inquiry into Local Authority Farms – 7th July 2010

Questions not reached in Committee – Response from NFU Cymru

- 1. What balance should local authorities aim to achieve between providing sufficient opportunities for new entrants and ensuring long term security for existing tenants?**

The right balance needs to be found to ensure some certainty of tenure for the tenant whilst at the same time maintaining opportunities for new entrants to enter the estate. Banks and other lending institutions will require security of tenure before lending money which is crucial for tenants considering diversification, adding value to primary produce or other business ventures. For most business ventures it is likely to take a number of years for the initial investment to be recovered and for the business to deliver profit. To enter into a number of schemes offered by the Assembly Government tenants need to be able to show that they have full management control of land for a number of years.

Many within the estate will wish to progress on to larger units be this within the county council estate or possibly through a move into the private sector however as we highlighted at our oral evidence session this can only happen if opportunities arise at the appropriate time for tenants. No one would wish to see a tenant having made a success of his business being forced to leave the holding with no progression opportunity available. This is why NFU Cymru believes that the Welsh Assembly Government could play an important role in co-ordinating a more integrated approach between neighbouring authorities and between the public and private sectors to facilitate progression. As tenants progress “up the ladder” this would then work its way back down the chain to open up more opportunities for new entrants.

Finally it is important to point out that whilst more recent tenancy legislation provides greater flexibility on setting the length of tenancies, local authorities must respect tenancy agreements set under previous legislation that they still have remaining.

2. What, if any, further work could be done by local authorities and the Welsh Assembly Government to support tenant progression from farms?

As highlighted in question 1 NFU Cymru believe a closer working relationship between local authorities, the Welsh Assembly Government and the private sector would support tenant progression.

NFU Cymru believe that WAG may have a role to play in fostering, developing and facilitating a much more integrated approach between neighbouring authorities and private estates to ensure that tenants are in a position to take advantage of progression opportunities. Farming Connect may also have a role to play in this process in helping, advising and mentoring tenants to prepare them for the transition to larger units.

3. What opportunities exist for local authority tenant farms to contribute to wider countryside objectives?

The Local Authority estate can deliver on a wide range of countryside objectives given the right incentives and opportunities. These could include renewable energy production, utilisation of waste (possibly from the Local authority) for energy generation and / or composting, reconnecting with the urban population through open farm days and providing opportunities for school and educational visits. A well managed farm estate can also offer opportunities for local authorities to become carbon neutral or to reduce their carbon footprint.

Local Authority farmers will manage a wealth of traditional landscape features such as hedges, stonewalls, ditches and farm buildings all important to the aspirations of Local authorities. Tenant farmers will also play an important in maintaining and improving biodiversity another important local authority aspiration.

The origins of Local Authority farms were based on early 20th Century policy when there was concern about the decline in agricultural employment. Given the continuing exodus of young people from rural areas the role the estate plays in securing employment is as crucial today as it ever was.

Many of the issues highlighted above will of course have budgetary implications for the tenant and as we have highlighted in both written and oral evidence these tenants will have very little capital to be able to invest in such measures. It is therefore important that to help achieve these wider countryside objectives sufficient financial support and / or incentive is made available to tenants.

4. How could these objectives be further facilitated by local authorities and the Welsh Assembly Government?

As highlighted above tenants will respond to these objectives provided that the right incentives are made available. Energy generation and waste utilisation in particular require significant initial capital investment something that tenants will not have access to, Local authorities and WAG will therefore need to consider how this lack of access to finance can be overcome.

5. To what extent do you believe there is a need for a more strategic approach by local authorities to the disposal of local authority farm estates?

NFU Cymru recognises the extreme financial pressures faced by local authorities in the present economic climate resulting in some authorities considering a programme of farm disposals. We believe that this is tantamount to selling the family silver; instead a well managed estate should be seen as a vital and profitable asset for local authorities. We fully understand that opportunities will and do arise to sell individual parcels of land for development which can realise significant sums of money. We can accept this provided that individual businesses are not threatened and that the money is ring-fenced and is re-invested in the estate.

Local Authorities should carry out a strategic review of their estates to assist in deciding on a strategy for the estate over a longer time period and this should include whether the current estate has the right balance in terms of starter and progression units, the review would also need to consider whether the size of units offered and farming systems practiced continue to be appropriate to modern day agriculture. The review should consider potential actions that could be taken to ensure that the estate remains able to fulfil its primary role in providing opportunities to allow individuals to farm in their own right. The review could also identify opportunities to potentially co-operate with neighbouring authorities to ensure a good mix of starter / progression and “full time commercial” holdings are available.

Local authorities in Wales are well placed to identify future development opportunities and acquiring land should also be a consideration of any review to provide a land bank for the authority which at the same time could be used as an entry point for new entrants into agriculture. NFU Cymru could support this type of active asset management provided that it could be seen as improving and increasing the authority’s portfolio and that tenants businesses were not compromised.

6. To what extent do you believe that the collection of national data on local authority farms should be a priority?

It is important that national data is readily available on local authority farms in Wales; it is difficult to plan for the future without knowing accurately what the current state of play is. In researching for this inquiry NFU Cymru had great difficulty in finding any relevant up to date data on the local authority farm network in Wales. We believe that WAG should investigate what mechanisms could be utilised that could provide the necessary information at minimum cost to WAG and local authorities and how this information could be regularly updated.

Clybiau Ffermwyr Ieuanc Clwyd,
Clwyd Young Farmers' Clubs
Coleg LLYSFASI College
Rhuthun/Ruthin
Sir Ddinbych/Denbighshire
LL15 2LB



Ffôn/Tel: 01978 790403 Ffacs/Fax
e.bost yfc@llysfasi.ac.uk e.mail

Rhif Elusen/Charity No: 1015797

C.D. Mathews BSc(Hons) MRICS
Valuation And Property Manager
Denbighshire C.C.
Caledfryn
Smithfield Road
DENBIGH
LL16 3RJ

12 October 2010.

Ref: PE/CDM/0518/000ptiv

Dear Sir,

DENBIGHSHIRE COUNTY COUNCIL AGRICULTURAL ESTATE REVIEW 2010

Clwyd Federation of Young Farmers' Clubs is a voluntary rural youth organisation that represents over 450 young people between 10 and 26 years of age. The aims of Clwyd YFC is to facilitate the personal development of young rural people and to support their transition to adulthood and to encourage members to take responsibility for their own futures and to become active and responsible citizens. We also aim to raise awareness, increase understanding and educate members about sustainable rural life, the environment and agriculture. Therefore, we are constantly seeking new opportunities and getting young people's voices heard. We were very pleased to be given the opportunity to express our opinions over the future of the Denbighshire Agricultural Estate.

We were made aware of the situation the estate is currently faced with in the first meeting and the urgency of the situation to find a workable solution with the regard to the impending NVZ regulations and the associated investment needed to get the affected holdings compliant.

We are fully aware of the financial difficulties faced by the council and country as a whole and understand that council must consider all the options to ease funding shortages.

From the outset our Federation is against the dispersal of the estate. We feel it is the only opportunity available for young people without the privilege of owning farmland, whether they are a new entrant or an existing tenant. We are of the opinion that although farmland is a very valuable asset it could only plug a gap in the budget once, where as retaining the estate it would provide a regular income to support county finances into the longer term.

Following the meeting held between a representation from both Clwyd Young Farmers and Denbighshire County Council, a brief outline was given of the proposal for the future of the estate i.e. progressive rationalisation.

After much consideration we have prepared our response.

We are very pleased and supportive that the proposal recommends;

Retaining the bulk of the agricultural Estate and not intending any major disposal of agricultural assets.

The interests and needs of existing tenants are being considered in the plan.

Consideration will be given to the next generation of younger tenants from within the estate.

The greater certainty and security for both landlord and tenant that will allow both parties to invest in the farms for the future.

We are disappointed that the progressive rationalisation would see the amalgamation or sale of the smaller 'starter farms'. This resulting in no chance of smaller farms becoming available in the foreseeable future for the occupation of new young entrants from outside the estate. However we do understand that the size of the estate limits opportunities for progression and that some land must be sacrificed to save the rest.

We would have also liked to have seen a greater share of capital released from land sales (more than the stated 30%) invested back into the holdings as the one of the main triggers of rationalisation was the level of investment needed in the estate.

In general we are supportive of the plan of progressive rationalisation but would like some recommendations to be considered in future reviews. We would like to see the council working together with neighbouring councils and private estates to provide as many opportunities as possible for new entrants and also existing tenants. The potential benefit of collaboration with neighbouring local authorities to the council would be to help to reduce running costs. We do however recognise that this cannot be achieved easily and would need a great deal of collaboration and co-operation and support from the Welsh Assembly Government. We hope that Denbighshire could take the initiative to set the wheels in motion and lead the way.

Yours faithfully,

Eleri V. Roberts

Eleri V. Roberts
(County Organiser)

REPORT TO CABINET

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

DATE: 26th October 2010

SUBJECT: Revenue Budget & Summary Capital Plan 2010/11

1. DECISIONS SOUGHT

- 1.1 To note the latest estimates of the likely outturn for the 2010/11 financial year as detailed in the attached Appendix 1.
- 1.2 To note the summary capital plan performance for the 2010/11 financial year as detailed in the attached Appendices 2 and 3.
- 1.3 To note the latest Housing Revenue Account and housing capital position for 2010/11 as detailed in Appendices 4 and 5.

2. REASONS FOR SEEKING DECISION

- 2.1 To advise members of the latest indications of budget performance in order to deliver the agreed budget strategy for 2010/11 and deliver significant savings to deal with reduced funding levels in the medium term. The report also keeps 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 shows the revenue and capital projections for the current financial year. Appendix 1 details an overall revenue under spend of £123k, excluding the schools' delegated budgets. There is a pressure reported within the translation service (Corporate Governance & Efficiency) and vacancies within Environment have contributed to a net under spend. The revenue budget forecasts assume a neutral impact for single status and equal pay adjustments in this financial year. The over spend reported on the schools' delegated budgets is £596k in total and relates to four schools in financial difficulty.

i) Lifelong Learning is forecasting a balanced budget. A commitment has been made by the directorate to increase the accountability of budget holders. This will therefore result in all overspends being taken off next year's budget if they have occurred as a result of ineffective budget management. Budget holders will have to balance their budgets in year unless the directorate management team have approved the variance on the basis of expenditure beyond the budget holder's control.

ii) **Social Services & Housing** is forecasting a balanced budget. Details are as follows:

- a) There are ongoing pressures on specialist placement budgets in Children's Services. The cost of these creates an additional pressure but it is assumed this can be funded by the Specialist Placement Reserve. During the last month, previous forecasts on older people budgets have been fully reviewed and revised downwards (more in line with earlier projections) as increases in expenditure profiles had been inflated by a number of short-term care packages. Any overspends arising this year will be funded from by the uncommitted element of the Supporting People grant. The Business Support expenditure estimate includes funding for interim senior management costs to the end of December. The additional costs in Housing this year are mainly as a result of recent legislative changes.
- b) The forecast assumes that the council's share of the Continuing Healthcare funding will be paid in 2010/11 and that funding matches expenditure. If this assumption changes the revenue position could improve later in the year.

iii) **The Environment Directorate** is forecasting an under spend of £173k.

a) The latest forecast assumes that winter maintenance costs can be contained within the existing budgets and by drawing on the Winter Maintenance Reserve. Income forecasts from Development Control have improved this month. An effective vacancy control process contributes to the overall position.

iv) **Corporate Governance & Efficiency budgets** are forecast to be £50k over spent as a result of pressures on the translation budget.

4.2 Capital expenditure at the end of August is **£9.8m**, for a plan that totals **£30.7m**. Appendix 2 shows a **Capital Plan summary** and Appendix 3 shows expenditure split by Directorate priority.

4.3 As previously agreed by Cabinet, **Housing Revenue Account (HRA)** and Housing Capital Plan updates are included in this report when there is no separate HRA report. Appendix 4 summarises the latest HRA position and Appendix 5 shows the latest **HRA Capital Plan**.

4.4 The latest figures show an in year surplus of £286k (an improvement of £18k from last month) on the HRA and capital expenditure of £6.4m against an original plan of £8m. The capital expenditure forecast has been reduced by £500k from last month but will not delay the overall programme. The delay has a positive financial impact which is reflected in the improved revenue position this month. Any delays will be recovered next year and the Housing Stock

Business Plan remains financially viable, with the council still on track to achieve the Welsh Housing Quality Standard by the end of 2012.

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

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

6. CHIEF FINANCIAL OFFICER STATEMENT

6.1 Directorates will need to continue to exercise tight control over their revenue expenditure to ensure they remain within their budgets. Action should be taken to begin to address underlying net pressures within service budgets as the capacity to do so in the coming years will diminish. The current financial year must be used as a platform for all departments to begin to deliver significant savings in the medium term. Plans should include strategies to manage the removal of any one-off funding that was awarded in the 2010/11 budget settlement.

6.2 Service budgets remain broadly on target. Should pressures emerge throughout the year directorates must try to contain them within existing resources.

6.3 MONEY MARKET INVESTMENTS UPDATE

The Council's strategy in 09/10 was to reduce its debt and investment balances until a level was achieved which the Council felt comfortable with for cash flow purposes. This was achieved by the end of 09/10 and the Council took out new long term loans of £10m in total at this time to boost its investment balances.

Further opportunities for new borrowing will be explored in 10/11 and taken at the appropriate time by monitoring the Capital Plan, interest rates and the Council's cash position. The Council will also monitor its investment balances throughout the year and aim to maintain them at a level which is comfortable for the Council's cash flow requirements.

The Council will continue to invest with the top 6 UK banking groups and the HM Treasury deposit account but will also consider placing investments with banks in Germany and Australia when required as agreed in the Treasury Management Strategy Statement for 10/11.

Officers are meeting regularly with the Council's Treasury advisers to evaluate the current market position and are reviewing the strategy going forward. Further opportunities for debt rescheduling are being monitored closely and will be pursued when the conditions are favourable in order to achieve savings in borrowing costs.

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 initial revenue projections for 2010/11 as detailed in the attached Appendix 1.
- 10.2 To note the summary Capital Plan performance figures for 2010/11 financial year as detailed in the attached Appendices 2 and 3.
- 10.3 To note the latest Housing Revenue Account and Housing Capital Plan forecasts as shown in Appendices 4 and 5.

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10
SUMMARY POSITION AS AT END MARCH 2011**

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)	23,230	-8,728	14,502	23,867	-9,365	14,502	637	-637	0	0
Environment	45,105	-17,709	27,396	44,867	-17,644	27,223	-238	65	-173	-75
Social Services & Housing	57,783	-17,130	40,653	58,298	-17,645	40,653	515	-515	0	0
Corporate Governance & Efficiency	20,615	-8,348	12,267	20,665	-8,348	12,317	50	0	50	50
Corporate, Miscellaneous & Benefits	34,621	-26,458	8,163	34,621	-26,458	8,163	0	0	0	0
Business Planning & Performance	2,493	-1,867	626	2,493	-1,867	626	0	0	0	0
Total All Services	183,847	-80,240	103,607	184,811	-81,327	103,484	964	-1,087	-123	-25
Capital Financing Charges savings & additional Investment Income net of contributions to specific provisions			11,131			11,131			0	0
Precepts & Levies			4,602			4,602			0	0
Contribution to balances/reserves			0			0			0	0
			119,340			119,217			-123	-25

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 MARCH 2011

	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	62,901	-6,794	56,107	63,497	-6,794	56,703	596	0	596	666
Central - Non Delegated School Improvement & Inclusion	11,045	-2,830	8,215	11,648	-3,433	8,215	603	-603	0	0
Modernising Education	1,755	0	1,755	1,755	0	1,755	0	0	0	0
Library Services	2,336	-127	2,209	2,336	-127	2,209	0	0	0	0
Leisure & Youth Services	4,752	-2,429	2,323	4,786	-2,463	2,323	34	-34	0	0
Education Grants	3,342	-3,342	0	3,342	-3,342	0	0	0	0	0
Total excluding schools	23,230	-8,728	14,502	23,867	-9,365	14,502	637	-637	0	0

MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2010/11
LIFELONG LEARNING

	Current Month £000s	Previous Month £000s
<u>INDIVIDUAL SCHOOLS BUDGET</u>		
The projected overpend of £596k is reflective of the latest position during quarter 2. The true overspend across all schools is a £115k deficit which is however distorted by the significant number of schools with surplus balances. Therefore we have reported the position of £596k which relates solely to the Schools in Financial Difficulty. These are Ysgol Plas Brondyffryn, Denbigh High, Rhyl High and Blessed Edward Jones. There are recovery plans in place for 2 of these schools and these plans will continue to be monitored by the LEA to ensure they remain on track. The other two schools are undergoing significant restructures and will require a recovery plan that demonstrates the impact of these changes. It should be noted that the reported position is based on the best known position at this point in time. Any changes resulting from the staff restructure will be remodelled and the financial position updated accordingly when information becomes available.	596	666
<u>SCHOOL IMPROVEMENT & INCLUSION</u>		
A commitment has been made by the directorate to increase the accountability of budget holders. This will therefore result in all overspends being taken off next years budget if they have occurred as a result of ineffective budget management. Budget Holders will have to balance their budgets in year unless DMT have approved the variance on the basis of expenditure beyond the budget holders control. The outturn assumes redundancy costs in relation to the ongoing restructure will be met from this years budget.	0	0
<u>LEISURE & YOUTH SERVICES</u>		
This year should see the full effect of the Leisure restructure with all budget holders being held accountable for their delegated budget responsibilities. Current energy costs have been reflected at a lower rate compared with last year as informed by the Energy Unit. Last year energy was the biggest area of volatility within the service. The budgets have been aligned to reflect this and any change will cause a pressure on the delivery of a balanced position. The projection assumes that income levels will be met. Youth Services are currently reporting a balanced position pending a full restructure of the service to be implemented in October 2010.	0	0
<u>MODERNISING EDUCATION</u>		
The service is currently supporting an historic shortfall against senior management costs which is being absorbed by in year vacancy and maternity savings.	0	0
<u>LIBRARY SERVICES</u>		
The service is currently working to an estimated balanced budget	0	0
<u>TOTAL</u>	596	666

MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10
ENVIRONMENT DIRECTORATE
SUMMARY POSITION AS AT END MARCH 2011

	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	15,148	-5,368	9,780	15,083	-5,308	9,775	-65	60	-5	0
PLANNING & PUBLIC PROTECTION	4,477	-1,709	2,768	4,448	-1,708	2,740	-29	1	-28	-9
DIRECTOR & SUPPORT (Note 8)	509	-87	422	396	-87	309	-113	0	-113	-80
ENVIRONMENTAL SERVICES (Note 6)	16,894	-6,325	10,569	16,883	-6,325	10,558	-11	0	-11	14
REGENERATION & TOURISM (Note 4)	8,077	-4,220	3,857	8,057	-4,216	3,841	-20	4	-16	0
Total Environment	45,105	-17,709	27,396	44,867	-17,644	27,223	-238	65	-173	-75

MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2010/11
ENVIRONMENT DIRECTORATE

Comments	Current Month	Previous Month
HIGHWAYS & INFRASTRUCTURE		
School and Public Transport Most of the savings on these budgets have now been vired to offset the major income pressures in Car Parking and Building Control.	-22	-20
Car Parking income Car Parking income continues to be significantly below budget as a result of the downturn in the economic climate. Budget has been vired from the School Transport service to offset this pressure.	48	55
Staffing Savings Savings from vacant posts in the Highways Network and Admin Support Sections.	-31	-35
Highways and Winter Maintenance The severe weather conditions during the winter placed a huge financial strain on the winter maintenance budget in 09/10 which was overspent by £327K. At this stage of the financial year it is difficult to estimate the likelihood of this scenario repeating in 10/11. In this report we are assuming that any pressure can be contained within the Winter Maintenance Reserve (current balance £273K).	0	0
TOTAL HIGHWAYS & INFRASTRUCTURE	-5	0
PLANNING & PUBLIC PROTECTION		
Building Control and Development Control During the first 6 months of the current financial year there continued to be major pressures on the large income budgets relating to Building and Development Control. This month however these budgets have been adjusted to reduce this pressure.	0	48
Land Charges Based on present income levels the budget should break-even in 10/11. However there is a possibility that some of the income will need to be repaid during the financial year. If this is the case then there is the likelihood that a budget pressure will be created.	0	0
Staffing savings & Professional Fees The budget savings on vacant posts plus not committing to spend the professional fees budgets have now been transferred to offset the income pressures on Building and Development Control	-28	-57
TOTAL PLANNING & PUBLIC PROTECTION	-28	-9
DIRECTOR & SUPPORT		
Staffing savings As part of the vacancy control process any salary savings as a result of posts remaining vacant are transferred to a central budget controlled by the Director. These are the projected savings for the year that are not reported elsewhere.	-113	-80
TOTAL DIRECTOR & SUPPORT	-113	-80
ENVIRONMENTAL SERVICES		
Refuse Collection & Waste Disposal Latest indications are that not all the N Wales Residual Waste facility procurement budget of £309K will be spent.	-40	-15
Public Conveniences There are savings as a result of rating revaluations on some facilities.	-18	-18
Free School Meals Pressure on the school meal budget due to the continued increase in entitlement and uptake has been partly offset by one year only additional budget of £70K been given to the service in 10/11.	58	58
Street Lighting Savings on the utility budgets in 10/11 due to lower contracted pricing tariffs being agreed for the full year. Savings now being vired to help offset the in-year Directorate income pressures.	-11	-11
TOTAL ENVIRONMENTAL SERVICES	-11	14
REGENERATION & TOURISM		
Rhyl Pavilion Theatre/Llangollen Royal International Pavilion There are pressures in excess of total budget for these facilities.	37	43
Staffing savings Projected savings on salary budgets as a result of not filling the HoS and PA posts but assuming payments made to other officers pending the final restructuring.	-53	-43
TOTAL REGENERATION & TOURISM	-16	0
TOTAL ENVIRONMENT DIRECTORATE	-173	-75

Corporate Item

School Meals budget

There continues to be a pressure on the school meals budget in 10/11. However thanks to continued efficiencies made across the service it is hoped to reduce the deficit further in the current financial year to ensure that the final loss will not exceed the £150K Council subsidy. However it is possible that new legislation relating to CRB/ISA employee checks could result in extra costs being incurred but the extent of this is still to be confirmed.

MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10
SOCIAL SERVICES AND HOUSING
SUMMARY POSITION AS AT END MARCH 2011

	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	9,427	-820	8,607	9,612	-1,005	8,607	185	-185	0	0
Adult Services	42,121	-10,423	31,698	42,560	-10,907	31,653	439	-484	-45	98
Supporting People Grant	4,424	-4,425	-1	4,424	-4,454	-30	0	-29	-29	-173
Sub Total Social Services	55,972	-15,668	40,304	56,596	-16,366	40,230	624	-698	-74	-75
Non HRA Housing	1,811	-1,462	349	1,702	-1,279	423	-109	183	74	75
Directorate Total	57,783	-17,130	40,653	58,298	-17,645	40,653	515	-515	0	0

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

<u>Comments</u>	Current Month	Previous Month
	£000s	£000s
SOCIAL SERVICES		
CHILDREN'S SERVICES		
The outturn for Children's Services is currently showing a zero variance. To achieve this zero balance a figure of £139k has taken from the Specialist Placement reserve. Specialist Residential and Fostering placements still remain the main pressure areas with a combined overspend of £293K. This outturn assumes no further increased costs in relation to Specialist placements during the remainder of the financial year.	0	0
TOTAL CHILDREN'S SERVICES	0	0
ADULT SERVICES		
Learning Disabilities		
The service is projected to show an under spend of £30k, an reduction in the under spend of £2k from the previous month. The outturn assumes CHC income of £96k but the definitive split has not yet been agreed. The main pressure area is expected to be the work opportunity services with a projected overspend of £25k..	-30	-32
Mental Illness		
Expenditure on Residential, Nursing and Homecare will continue to be the main budget pressure and expenditure in the last two months suggest that the overall pressure could increase if the pattern continues. However the outturn is similar to last month due to a forecast under spend on the Mental Health Carers' budget.	90	91
Older People		
The outturn for Older People is currently £135k overspent with the main pressures on residential, nursing and domiciliary care budgets. The expenditure can fluctuate significantly during the year, especially on domiciliary care. The movement in expenditure during the last few months has been due to seasonal increases in short term and respite care. Currently, there are 30 clients with charges against property amounting to approximately £444k. It is not certain when this will be released and so an estimate of £180k has been included in this year's outturn. Also included is £100k income received from the NHS in relation to the closure of the wards at the Royal Alexandra Hospital. Home Care expenditure has decreased due to permanent staff covering more relief hours. Income has increased in the part three homes due to a number of full payers receiving the service.	135	230
Extra Care Housing Provision The Extra Care Housing facility in Prestatyn will be operational later this year and part year costs will be incurred. The remainder of the former Llys Nant budget will be allocated during 11/12 to fund the Prestatyn and Ruthin extra care schemes	-140	-140
Physical Disability & Sensory Impairment		
Community Care spend was the largest budget pressure in 2009/10 and this will still be the case for 2010/11. The PDSI outturn has improved because it is expenditure on specialised equipment can be contained in overall budget.	69	89
Performance Management & Commissioning		
This projected under spend is mainly savings in staffing costs due to the continuation of the vacancy control process.	-149	-161
Other Adult Services		
Charging policy income received so far based on three month's invoices is higher than the corresponding period last year and should mean income from charges meets the revised charging policy budget. Income from charges can be volatile and difficult to predict, therefore this figure will be closely monitored and reviewed every month.	-161	-108
Cefndy Healthcare		
Improved sales and the tightening of internal controls are expected to see an improvement of £90k from the final 2009/10 position. Sales currently show an improvement of £100k compared to the corresponding period last year.	26	20
Business Support & Development		
Costs associated with the Paris Project remain pressures this year due to the implementation of the latest phase of the system. There are also underlying pressures in directorate support budgets. The position this year looks better than last year because one-off funding of £140k has been included in the BSD budget. The increased pressure is due to the acting Head of Children's Services' post being extended by five months until the end of December.	115	109
TOTAL ADULT SERVICES & BSD	-45	98
Supporting People		
There is approximately £607k of recurrent under spend and £195k of in year under spend this year. £500k has been earmarked as part of the medium term financial plan over the next three years. The remainder will be used to fund any pressures arising during 2010/11.	-29	-173
HOUSING		
The pressure on homeless budgets is currently £70k. Recent changes to the HRA leasing subsidy have had a negative impact on council funded housing services to the value of £54k. Also, changes in HB legislation has caused a projected overspend of £24k in B&B accommodation. 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.	74	75
TOTAL HOUSING	74	75
TOTAL SOCIAL SERVICES & HOUSING	0	0

MONTHLY BUDGET MONITORING REPORT - FINANCIAL YEAR 2010/11
CORPORATE GOVERNANCE AND EFFICIENCY & BUSINESS PLANNING & PERFORMANCE
PERIOD ENDING MARCH 2011

Directorates	Budget 31-Mar-11			Projected Outturn			Variance		
	Gross Exp	Gross Inc	Net Exp	Gross Exp	Gross Inc	Net Exp	Gross Exp	Gross Inc	Net Exp
	£k	£k	£k	£k	£k	£k	£k	£k	£k
<u>FINANCE & ASSETS</u>									
Finance	4,970	(2,234)	2,736	4,970	(2,234)	2,736	-	-	-
Property	7,485	(4,119)	3,366	7,485	(4,119)	3,366	-	-	-
FINANCE & ASSETS	12,455	(6,353)	6,102	12,455	(6,353)	6,102	-	-	-
<u>STRATEGIC HR</u>									
HR	1,746	(435)	1,311	1,746	(435)	1,311	-	-	-
<u>GOVERNANCE & EFFICIENCY</u>									
Corporate Governance	2,045	(491)	1,554	1,995	(491)	1,504	(50)	-	(50)
Translation	112	-	112	212	-	212	100	-	100
GOVERNANCE & EFFICIENCY	2,157	(491)	1,666	2,207	(491)	1,716	50	-	50
<u>CUSTOMER CARE</u>									
Customer Services	843	(190)	653	843	(190)	653	-	-	-
ICT	2,668	(592)	2,076	2,668	(592)	2,076	-	-	-
Corporate Communications	218	(54)	164	218	(54)	164	-	-	-
CUSTOMER CARE	3,729	(836)	2,893	3,729	(836)	2,893	-	-	-
<u>AUDIT & RISK MANAGEMENT</u>									
Internal Audit	437	(124)	313	437	(124)	313	-	-	-
Risk Management & Insurance	91	(109)	(18)	91	(109)	(18)	-	-	-
AUDIT & RISK MANAGEMENT	528	(233)	295	528	(233)	295	-	-	-
CORPORATE GOVERNANCE & EFFICIENCY	20,615	(8,348)	12,267	20,665	(8,348)	12,317	50	-	50
CORPORATE & MISCELLANEOUS	8,980	(817)	8,163	8,980	(817)	8,163	-	-	-
<u>BUSINESS PLANNING & PERFORMANCE</u>									
Improvement Team	348	-	348	348	-	348	-	-	-
Project Management	337	(224)	113	337	(224)	113	-	-	-
Partnership & Communities	1,808	(1,643)	165	1,808	(1,643)	165	-	-	-
BUSINESS PLANNING & PERFORMANCE	2,493	(1,867)	626	2,493	(1,867)	626	-	-	-
BENEFITS	25,641	(25,641)	-	25,641	(25,641)	-	-	-	-
<u>TOTAL</u>	57,729	(36,673)	21,056	57,779	(36,673)	21,106	50	-	50

1. Underlying pressure due to external translation costs greater than budget, currently under review in order to reduce costs & provide a more focussed service.

Denbighshire County Council - Capital Plan 2010/11 - 20013/14

Position as at September 2010

APPENDIX 2

		2010/11	2011/12 *	2012/13 *	2013/14 *
		£000s	£000s	£000s	£000s
Capital Funding:					
1	General Funding:				
	Unhypothecated Supported Borrowing	8,292	5,707	4,702	4,108
	General Capital Grant	3,917	1,760	1,565	1,369
	General Capital Receipts	941			
	Earmarked Capital Receipts	494	0	0	0
		13,644	7,468	6,267	5,477
2	Prudential Borrowing	6,866	1,969	0	0
3	Reserves and Contributions	1,074	0	0	0
4	Specific Grants	10,191	3,678	70	
	Total Finance	31,775	13,115	6,337	5,477
	Total Estimated Payments **	-30,775	-12,074	-80	0
	Contingency	-1,000	-1,000	-750	-750
	Earmarked Contingency				
	Unallocated Reserve	0	0	0	0
	Funding available	0	41	5,507	4,727

Note

* The level of general Assembly funding for future years is estimated by WAG to reduce by 10% per annum

** Block Allocations for Health & Safety related and urgent maintenance works have only been agreed up to 2011/12

Capital Expenditure By Directorate

	2010/11 Spend to September	2010/11 Estimated programme	2011/12 Estimated programme	2012/13 Estimated programme	2013/14 Estimated programme
	£000	£000	£000	£000	£000
Environment	7,853	21,387	4,185	80	0
Lifelong Learning	1,100	5,116	6,608	0	0
Corporate, Governance and Efficiency	838	3,796	1,106	0	0
Social Services and Housing	42	476	175	0	0
Total	9,833	30,775	12,074	80	0

Capital Expenditure by Council Priority

	2010/11 Spend to September	2010/11 Estimated programme	2011/12 Estimated programme	2012/13 Estimated programme	2013/14 Estimated programme
	£000	£000	£000	£000	£000
Modernising Education	932	4,291	6,278	0	0
Roads and Flood Defence	3,184	8,731	800	0	0
Regeneration	1,342	3,036	315	0	0
Responding to Demographic Change					0
Total	5,458	16,058	7,393	0	0

As part of the 10/11 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

	2010/11 Spend to September	2010/11 Estimated Programme
	£000	£000
Highways	1,373	4,400
Total	1,373	4,400

Appendix 4 Housing Revenue Account ~ 2010/2011 Budget

2009/2010	Period 6 - SEPTEMBER 2010	2010/2011			2010/2011
		Original Budget	Forecast Out-turn	Variance to Budget	Previous Report August
Final Outturn					
£	EXPENDITURE	£	£	£	£
1,764,345	Supervision & Management - General	1,799,554	1,883,591	-84,037	1,883,680
275,198	Supervision & Management - Special	282,778	284,315	-1,537	284,315
146,779	Welfare Services	149,058	153,271	-4,213	148,580
2,661,438	Repairs and Maintenance	2,739,136	2,722,363	16,773	2,728,014
4,847,760	Total Housing Management	4,970,526	5,043,540	-73,014	5,044,589
2,212,562	Item 8 Capital Charges	2,452,038	2,404,939	47,099	2,420,359
0	CERA	0	0	0	0
0	Rent Rebate Subsidy Limitation	91,000	75,000	16,000	75,000
3,044,175	Subsidy	2,986,027	3,016,493	-30,466	3,018,238
-7,081	Provision for Bad Debts	26,750	25,750	1,000	25,750
10,097,417	Total Expenditure	10,526,341	10,565,722	-39,381	10,583,936
	INCOME				
10,474,398	Rents (net of voids)	10,644,755	10,689,017	44,262	10,689,017
139,940	Garages	153,342	151,924	-1,418	152,099
4,924	Interest on Balances & Other Income	34,886	11,106	-23,780	11,106
10,619,262	Total Income	10,832,983	10,852,046	19,063	10,852,222
521,845	Surplus / Deficit (-) for the Year				
	General Balances	306,642	286,324	-20,318	268,286
1,021,686	Balance as at start of year ~ General	1,543,531	1,543,531	0	1,543,531
1,543,531	Balance as at end of year ~ General	1,850,173	1,829,856	-20,318	1,811,817

Appendix 5 HRA Capital Plan Update 2010/11				
<u>Month 6</u>				
Actual 2009/10 £	Description	Approved Schemes £	Actual at End Sept £	Forecast Outturn £
464,100	Environmental Improvement Works	415,000	320,337	445,000
3,032,256	Major Improvements	7,226,000	2,208,861	5,496,406
119,044	Windows Replacement	0	0	0
15,816	Central Heating Contract	0	0	0
410,209	Disabled Adaptations (Council Houses)	400,000	225,633	450,000
4,041,425	Total	8,041,000	2,754,832	6,391,406
2009/10 £	HRA Capital Plan Financed By:	Original £		Forecast £
2,400,000	Major Repairs Allowance Grant	2,400,000		2,400,000
18,900	Useable Capital Receipts	21,000		48,000
1,622,525	Prudential Borrowing	5,620,000		3,943,406
0	CERA	0		0
4,041,425	Total	8,041,000		6,391,406

REPORT TO CABINET

FROM: Chief Financial Officer

DATE: 26 October 2010

SUBJECT: Annual Treasury Report 2009/10

1. DECISION SOUGHT

1.1 In accordance with the Treasury Management Strategy Statement, Cabinet is asked to approve the report on treasury activities undertaken in 2009/10, which is attached as an appendix.

2. REASON FOR SEEKING DECISION

2.1 The main purpose of this report is to update members on the performance of the treasury management function of the Council and to update members on Prudential Indicators.

2.2 The CIPFA Code of Practice on Treasury Management requires the creation and maintenance of a Treasury Management Policy Statement which sets out the policy and objectives of the Council's treasury management activities. The policy requires an annual strategy to be produced. Denbighshire County Council's Treasury Management Strategy Statement 2009/10 was approved by Council on 24 February 2009. This document states that Cabinet will receive a report on its investment activity as part of its Annual Treasury Report (to be produced by 30 September following the financial year end).

Review of 2009/10

2.3 During the year the Council:

- made £0.6m from its investments and
- paid £7.5m in interest on its loans.

The attached report gives more details of the Council's treasury management activities and an overview of the economic background for the year.

2.4 The report gives details of the economic conditions in the UK. The Bank of England's base rate has been at a level of 0.5% since March 2009.

2.5 The reduction in interest rates had a significant impact on the investment return for 2009/10 which decreased from £2.2m in 2008/09 to £0.6m in 2009/10. This means that the investments budget will not be able to contribute to the Council's savings target in the way it has in recent years.

2.6 It was agreed by Council on 27 October 2009 that the governance of treasury management (TM) be subjected to scrutiny by the Corporate Governance Committee. Part of this role is to review the enclosed annual Report on Treasury Management Activities for 2009/10 prior to approval by Cabinet in September each year.

3. POWER TO MAKE THE DECISION

3.1 The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (made under the Local Government Act 2003) contain a regulation (regulation 19) relying on the power in section 15(1) (b) of the Local Government Act 2003 which requires local authorities to have regard to the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management 2001 which determines the requirement for the Cabinet to receive an annual report on treasury activities for the previous financial year.

4. RESOURCE IMPLICATIONS

4.1 Cost Implications

None

4.2 Staffing / I.T. / Accommodation Implications

None

5. RISK ASSESSMENT

5.1 Risks associated with not agreeing the recommendations

The Council is required by the CIPFA Code of Practice on Treasury Management to report by the end of September on its previous year's Treasury Management activities.

5.2 Risk associated with agreeing the recommendations

None.

6. CHIEF FINANCIAL OFFICER STATEMENT

6.1 It is a requirement under the terms of Denbighshire County Council's Treasury Policy Statement for members to be advised of the treasury activities undertaken in the preceding financial year.

7. CONSULTATION CARRIED OUT

7.1 Not applicable.

8. IMPLICATIONS

8.1 Assessment of Impact on Corporate Priorities

Good investment and borrowing decisions allow additional resources to be directed to other Council services.

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

None directly.

8.3 Assessment of Impact on Climate Change – Mitigation and Adaptation

None directly.

9. ACTION PLAN

9.1 The Treasury Management team will provide reports and training in accordance with the timetable below:

Committee	Date	Report Title	Report Content
Corporate Governance	January	TM Strategy	- Policy - Strategy - Prudential Indicators
Council	February	TM Strategy	As above
Corporate Governance	July	TM Update	- External environment - Risks - Activity - Controls - Future Activity
Corporate Governance	Early/mid September	TM Review	- Review of TM activities during the preceding year - Performance of TM function
Cabinet	End September	TM Review	As above
Corporate Governance	December	TM Update/Training Session	- As TM Update above - Training on the basics of TM - Refresher sessions on TM developments

10. RECOMMENDATIONS

10.1 Cabinet is asked to note the Annual Treasury Report for 2009/10.

DENBIGHSHIRE COUNTY COUNCIL

***ANNUAL TREASURY REPORT
2009/10***

**Roger Parry
Head of Finance & Assets**

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GLOSSARY - Useful guide to Treasury Management Terms and Acronyms

Bank of England	UK's Central Bank
Bank Rate	Bank of England Interest Rate (also known as Base Rate)
CPI	Consumer Price Index – a measure of the increase in prices
RPI	Retail Price Index – a measure of the increase in prices
DMO	Debt Management Office – issuer of gilts on behalf of HM Treasury
FSA	Financial Services Authority- the UK financial watchdog
GDP	Gross Domestic Product – a measure of financial output of the UK
GILTS	Investments issued by UK Government which pay a fixed cash payment to the holder
LIBID	London Interbank Bid Rate - International rate that banks lend to other banks
LIBOR	London Interbank Offer Rate – International rate that banks borrow from other banks (the most widely used benchmark or reference for short term interest rates)
PWLB	Public Works Loan Board – a Government department that lends money to public sector organisations
MPC	Monetary Policy Committee - the committee of the Bank of England that sets the Bank Rate
Long term rates	More than 12 months duration
Short term rates	Less than 12 months duration

1. Background

The CIPFA definition of Treasury Management is *“the management of the Council’s investments and cash flows, its banking and its capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks”*.

The Treasury Management Code requires public sector authorities to determine an annual Treasury Management Strategy and now, as a minimum, formally report on their treasury activities and arrangements to full Cabinet mid-year and after the year-end. These reports enable those tasked with implementing policies and undertaking transactions to demonstrate they have properly fulfilled their responsibilities, and enable those with ultimate responsibility/governance of the treasury management function to scrutinise and assess its effectiveness and compliance with policies and objectives.

2. Scope

This report:

- a) is prepared in accordance with the revised CIPFA Treasury Management Code and the revised Prudential Code;
- b) presents details of capital financing, borrowing, debt rescheduling and investment transactions;
- c) reports on the risk implications of treasury decisions and transactions;
- d) gives details of the outturn position on treasury management transactions in 2009/10;
- e) confirms compliance with treasury limits and Prudential Indicators.

The report is to Cabinet and is in addition also being submitted to the Corporate Governance Committee which is responsible for scrutiny of the Treasury Management function.

3. Revisions to the CIPFA Treasury Management and Prudential Codes, Welsh Assembly Government’s Guidance on Investments

In November 2009 CIPFA released the revised Code of Practice for Treasury Management in the Public Services and the revised Prudential Code for Capital Finance in Local Authorities. WAG also issued revised Guidance on Local Authority Investments for Welsh authorities. The revised Codes/Guidance re-emphasise an appropriate approach to risk management, particularly in relation to the security and liquidity of invested funds. Authorities were also required to demonstrate value for money when borrowing in advance of need and ensure the security of such funds. Authorities are now also required to have a separate body or committee responsible for the scrutiny of the treasury function.

The Council has revised its treasury policy and practices documentation to take account of the requirements and changes in the revised Codes and Guidance.

4. Economic Outlook for 2009/10

At the time of presenting the Treasury Management Strategy Statement for 2009/10 in February 2009, the outlook for the economy and interest rates was as follows:

The UK, Eurozone and US economies were contracting and global economies faced a prolonged recession or period of weakness following the financial market meltdown in the autumn of 2008. Availability of credit was restricted as banks undertook to repair their balance sheets which meant that finance for small businesses effectively came to a standstill.

Asset values were falling and were forecast to drop further, particularly those which related to commodities and housing. The increase in food and energy inflation which had exerted a powerful squeeze on real incomes in 2008 was, however, expected to fade in 2009. Wage inflation was forecast to remain low and the labour market to remain weak; the threat of unemployment was likely to influence consumers to scale back spending and save instead. The UK Bank Rate had also been cut to 0.5% in March 2009.

5. The Economy and Events in 2009/10

After the particularly torrid economic recession and a severe downturn in growth that extended into early 2009, there were reports of a recovery. The Bank of England forecast UK growth to fall by 3.9% in 2009, whilst inflation was forecast to be heading lower and staying lower for longer. The depth of the recession was highlighted by the 5.9% year-on-year fall in GDP recorded at the end of the second quarter of 2009. Green shoots of recovery were finally evident in the final quarter of 2009 with growth registering 0.4% for the quarter.

In order to stimulate growth, the Bank of England maintained the Bank Rate at 0.5% throughout the year. The Bank also took extreme measures on an extraordinary scale to revive the economy by increasing the supply of money in the system through its **Quantitative Easing** (QE) programme. The increased supply of money in the system due to QE did not however translate into an increase in the movement of money in the system as banks were still unwilling to lend, and consumers unwilling to borrow at pre-crisis levels.

The housing market showed some signs of stability but increases in house prices were modest. Nationwide House prices registered a year on year growth of 9% at the end of March 2010.

Consumer Price Inflation, having hit a high of 5.2% in September 2008, began the year at 3.2% (Feb 2009 data), fell to a low of 1.1% in September 2009 as the oil, commodity, utility and food prices (the main drivers of high inflation in 2008) fell out of the year-on-year statistical calculations. Thereafter, inflation pushed higher with rising oil and transport costs and VAT reverting to 17.5%. CPI at year end was 3.0% (Feb 2010 data).

Companies and households on the whole reduced rather than increased their levels of debt. Credit remained scarce and at a premium, and certainly as compared to that available two years earlier. Businesses retrenched rather than hiring workers and unemployment rose rapidly to just under 2.5 million. Against this background, wage growth was muted.

The November 2009 Budget was primarily about public debt. The Chancellor's forecast for net public sector borrowing in 2009/10 was £175bn or 12.4% of GDP. Standard & Poor's responded to the debt that the UK government was building up and a lack of a credible plan to reduce the debt burden by changing the UK's rating outlook from stable to negative.

The outlook for 2010 was therefore for a period of slow and patchy growth in the economy accompanied by stubbornly high unemployment. The UK fiscal deficit remained acute. Cuts in public spending and tax increases were becoming inevitable and a credible plan to reduce the deficit was urgently required after the May General Election, the absence of which increased the potential of a sovereign downgrade. The likelihood of a hung parliament had grown and had the potential of being disruptive to financial markets.

Tables for PWLB borrowing rates and UK Money Market rates are in **Appendix A**.

6. Long-term Borrowing: Strategy and Outturn

	Balance at 01/4/2009 £m	Maturing loans £m	Premature repayments £m	New Borrowing £m	Balance at 31/3/2010 £m
Fixed rate loans – Public Works Loan Board (PWLB)	128.472	6.151	4.000	10.000	128.321
Temporary Borrowing	0	8.500	0	8.500	0
Total borrowing	128.472	14.651	4.000	18.500	128.321

Appendix A shows movement in interest rates for borrowing.

The Council's strategy in 09/10 was to reduce its debt and investment balances until a level was achieved which the Council felt comfortable with for cash flow purposes. This was achieved by the end of 09/10 and the Council took out new long term loans of £10m in total at this time to boost its investment balances.

Further opportunities for new borrowing will be explored in 10/11 and taken at the appropriate time by monitoring the Capital Plan, interest rates and the Council's cash position. The Council will also monitor its investment balances throughout the year and aim to maintain them at a level which is comfortable for the Council's cash flow requirements.

During 09/10, capital expenditure was financed as follows:

Source	Amount £000
Supported Borrowing	7,540
Prudential Borrowing	7,784
Capital Grants	18,928
Capital Receipts – Earmarked	659
Contributions	492
Capital Expenditure charged to Revenue	971
Total	36,374

7. Debt Rescheduling Activity

Debt rescheduling is where the Council takes an opportunity to repay a loan early to take advantage of interest rate movements. The main objective of debt rescheduling is to protect the Council from the risk of interest rate movements, to lower the long-term interest charges paid on its debt and to make sure the Council does not have to repay too many loans in any year. Also when interest rates are low repaying debt makes more sense than getting very small investment returns.

The following loans were repaid / raised during 2009/10:

Loans Repaid:

Date	Lender	Principal £	Rate %	Period outstanding (years)	(Premium)/ Discount £
07/04/09	PWLB	4,000,000	4.44	29	(119)
23/09/09	PWLB	2,000,000	4.09	0	0
26/02/10	PWLB	4,000,000	4.14	0	0

Loans Raised:

Date	Lender	Principal £	Rate %	Period of loan (years)
10/02/10	PWLB	5,000,000	3.04	10
03/03/10	PWLB	5,000,000	2.94	10

As a result of loan repayment, new borrowing and maturities during the year, the average rate on the Council's debt decreased from 6.02% at 1 April 2009 to 5.92% at 31 March 2010. The portfolio average life decreased from 44.26 years to 44.04 years.

8. Annual Investment Strategy and Outturn

The Council held average cash balances of £25.05m during the year. These represent the Council's Balances and Reserves, working cash balances and also where money has been borrowed before capital expenditure being incurred.

The Welsh Assembly Government's Guidance on Investments, revised during 2009/10, reiterated security (keeping the money safe) and liquidity (making sure we never run out of cash) as the primary objectives of a prudent investment policy. The Council's aim was to achieve a return on investments in line with these principles. Having assessed the risks associated with the various potential investments, the Council determined the investments it would use during the year (**Appendix B**).

	Balance at 01/4/2008 £m	Investments Raised £m	Investments Repaid £m	Balance at 31/3/2009 £m
INVESTMENTS				
Internally managed investments	26.5	194.4	190.1	22.2

The Council's investment income for the year was £0.635m compared to £2.219m in 08/09.

Credit criteria, counterparty risk and selection: When deciding who to invest with, the Council looked at several factors including their credit ratings and (for foreign banks) the strength of their governments.

Managing counterparty risk continued to be the Council's overwhelming investment priority. Financial markets remained in a fragile state particularly at the beginning of 2009/10. Against this backdrop, the Council continued to place investments with a small, select list of counterparties. New investments were restricted to the Government's Debt Management Office Deposit Account and banks and building societies which are eligible institutions under the UK Government's 2008 Credit Guarantee Scheme* and with a long-term AA- (AA minus) rating. The Council accepted a lower investment return from investing with highly rated counterparties as an acceptable risk-reward trade-off.

**The Credit Guarantee Scheme was announced in October 2008 to stabilise the UK banking system and provide support for the certain banking institutions in the UK.*

The UK Bank Rate was maintained at 0.5% from March 2009 onwards. Money market rates soon fell to and remained at historic lows. This meant that the amount of money it was possible for the Council to make from its investments dropped significantly.

All investments made during the year complied with the Council's agreed Treasury Management Strategy, Prudential Indicators, Treasury Management Practices and prescribed limits. Maturing investments were repaid to the Council in full and in a timely manner.

9. Minimum Revenue Provision (MRP)

MRP is a statutory requirement to set money aside to repay debt according to a formula. Regulations changed during the year allowing greater freedom to choose how much to set aside to ensure a prudent level of debt repayment. In 09/10 the Council set aside £7m to repay debt.

10. Compliance with Treasury Limits and Prudential Indicators

The Council implemented its treasury strategy within the limits and parameters set in its treasury policy statement and Prudential Indicators as follows:

- (a) Financing its capital spending from government grants / usable capital resources / revenue contributions and an element from external borrowing.
- (b) Adhering to the paramount requirement of safeguarding the council's invested balances during a period of unprecedented problems in the money market; maintaining adequate diversification between institutions; maximising investment returns subject to the overriding requirement of security and liquidity.
- (c) Forecasting and managing cash flow and undertaking short-term borrowing and lending to ensure we always have enough money to pay the bills.
- (d) Repaying debt early to reduce credit risk and to spend less on interest payments.

Prudential Indicators

The Council at its meeting on 24 February 2009 approved the recommended Prudential Indicators for 2009/10. The Prudential Indicators for 2009/10 are shown in **Appendix C**.

11. Balanced Budget

The Council complied with the Balanced Budget requirement.

12. External Service Providers

Arlingclose is appointed as the Council's treasury management advisor. The Council is clear as to the services it expects and is provided under the contract. The service provision is comprehensively documented.

The Council is also clear that overall responsibility for treasury management remains with the Council.

13. Training

CIPFA's revised Code requires the Chief Financial Officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

The WAG's revised Investment Guidance also recommends that a process is adopted for reviewing and addressing the needs of the authority's treasury management staff for training in investment management.

The first TM training session was delivered to the Corporate Governance Committee on 3 February 2010 covering the Council's investments. This was also made available to all members. The second TM training session was delivered to the members on 26 May 2010 covering the Council's borrowing.

Appendix A

Public Works Loan Board (PWLB) borrowing rates and UK Money Market rates during the year were:

Example PWLB Borrowing rates % (The rate at which the Council could borrow money from the Government)

Start Date	Length of Loan		
	1yr	19½-20 yrs	49½-50 yrs
01-Apr-09	0.83	4.15	4.53
30-Sep-09	0.91	4.29	4.32
31-Mar-10	0.83	4.65	4.69

Example Bank Rate, Money Market rates (The rate at which the Council could invest with banks)

Date	Bank Rate %	7-day Investment Rates %	1-month Investment Rates %	6-month Investment Rates %
01-Apr-09	0.50	0.50	0.80	1.80
30-Sep-09	0.50	0.46	0.35	0.50
31-Mar-10	0.50	0.25	0.42	0.81

Specified and Non-Specified Investments determined for use by the Council

1. Specified Investments: (these will have a maximum maturity of 1 year)

The Council had a limit of £6m during 09/10 (increased to £8m for 10/11) per banking group for specified investments.

Debt Management Agency Deposit Facility
Term deposits – UK government
Term deposits – other LAs
Term deposits – banks and building societies
Certificates of deposits issued by banks and building societies
UK Government Gilts
Gilt Funds and Bond Funds
Treasury Bills

2. Non-Specified Investments determined for use by the Council:

The Council has a limit of £6m in total for non-specified investments.

	Maximum Maturity Period
Term deposits – UK government (with maturities in excess of 1 year)	5 years
Term deposits – other LAs (with maturities in excess of 1 year)	5 years
Term deposits – banks and building societies (with maturities in excess of 1 year)	5 years
Certificates of deposits issued by banks and building societies	5 years
UK Government Gilts with maturities in excess of 1 year	5 years

Compliance with Prudential Indicators 2009/10

1 Estimated and Actual Capital Expenditure

This indicator is set to ensure that the level of proposed investment in capital assets remains within sustainable limits and, in particular, to consider the impact on the Council Tax and in the case of the HRA, housing rent levels.

No.	Prudential Indicator	2009/10	2009/10	2009/10
1		Estimated Feb 09 £m	<i>Revised</i> <i>Feb 10</i> <i>£m</i>	Outturn Mar 10 £m
	Capital Expenditure			
	Non-HRA	17,028	34,116	32,333
	HRA	8,083	3,891	4,041
	Total	25,111	38,007	36,374

NB The original estimate in Feb 09 was lower because it excluded specific grants for 09/10 as the Council had not received notification from the Assembly of these grants at that time.

2 Estimated and Actual Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and demonstrates the revenue implications of capital investment decisions by highlighting the proportion of the revenue budget required to meet the borrowing costs associated with capital spending. The financing costs include existing and proposed capital commitments.

No.	Prudential Indicator	2009/10	2009/10	2009/10
2		Estimated	<i>Revised</i> <i>indicator</i>	Outturn
		%	%	%
	Ratio of Financing Costs to Net Revenue Stream			
	Non-HRA	6.77	6.17	5.81
	HRA	20.37	20.13	20.80
	Total	7.58	7.00	6.64

3 Capital Financing Requirement

3.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council ensures that net external borrowing does not, except in the short term, exceed the CFR in the preceding year plus the estimates of any additional

CFR for the current and next two financial years.

No.	Prudential Indicator	31/3/10	31/3/10	31/3/10	31/3/11	31/3/12	31/3/13
3	Non-PFI Basis	Estimated £	<i>Revised indicator</i> £	Outturn £	Estimated £	Estimated £	Estimated £
	Capital Financing Requirement						
	Non-HRA	130,420	131,071	127,821	136,599	136,233	135,613
	HRA	25,750	22,674	22,705	27,247	28,107	28,984
	Total	156,170	153,745	150,526	163,846	164,340	164,597
	Borrowing			128,321	143,901	151,446	158,632

The move to International Financial Reporting Standards (IFRS) has resulted in the Council's Private Finance Initiative (PFI) being brought on the balance sheet and this has resulted in an increase in the CFR as illustrated in the table below:

No.	Prudential Indicator	31/3/10	31/3/11	31/3/12	31/3/13
3	PFI Basis	Outturn £	Estimated £	Estimated £	Estimated £
	Capital Financing Requirement				
	Non-HRA	127,821	136,599	136,233	135,613
	HRA	22,705	27,247	28,107	28,984
	PFI	11,302	11,302	11,302	11,302
	Total	161,828	175,148	175,642	175,899

4 Affordable Borrowing Limit, Authorised Limit and Operational Boundary for External Debt

4.1 **Authorised Limit:** This is the maximum amount of external debt that can be outstanding at one time during the financial year. The limit, which is expressed gross of investments, is consistent with the Council's existing commitments, proposals for capital expenditure and financing and with its approved treasury policy and strategy and also provides headroom over and above for unusual cash movements. This limit was set at £165m for 2009/10.

4.2 **Operational Boundary:** This limit is set to reflect the Council's best view of the most likely prudent (i.e. not worst case) levels of borrowing activity and was set at £160m for the financial year.

- 4.3 The levels of debt are measured on an ongoing basis during the year for compliance with the Authorised Limit and the Operational Boundary. The Council maintained its total external borrowing and other long-term liabilities within both limits; at its peak this figure was £128m.

5 Incremental Impact of Capital Investment Decisions

- 5.1 This is an indicator of affordability that shows the impact of approved capital investment decisions on Council Tax and Housing Rent levels when the budget for the year was set.

No.	Prudential Indicator	2009/10 £
5	Incremental Impact of Capital Investment Decisions	
	Increase in Band D Council tax	10.76
	Increase in average weekly housing rents	-0.86

Capital investment decisions do not impact on the weekly housing rents as the Council sets its housing rents in line with the policy laid down by the WAG. There is no variation to council tax once it has been set prior to the commencement of the financial year.

6 Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- 6.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The exposures are calculated on a net basis i.e. fixed rate debt net of fixed rate investments. The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

No.	Prudential Indicator	2009/10 Estimated %	2009/10 Actual Peak Exposure %
9	Upper Limit for Fixed Rate Exposure	100	100
10	Upper Limit for Variable Rate Exposure	40	0

7 Maturity Structure of Fixed Rate borrowing

- 7.1 This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

- 7.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

No.	Prudential Indicator					
11	Maturity structure of fixed rate borrowing	Upper limit	Lower limit	Actual Borrowing as at 31/3/2010 £000	Percentage of total as at 31/3/2010 %	
		%	%			
		under 12 months	30	0	2,040	1.59
		12 months and within 24 months	30	0	1,140	0.89
		24 months and within 5 years	50	0	7,834	6.10
		5 years and within 10 years	75	0	10,902	8.50
		10 years and above	100	0	106,404	82.92
Total			128,320	100		

8 Total principal sums invested for periods longer than 364 days

This indicator is set in order to allow the Council to manage the risk inherent in investments longer than 364 days. For 2009/10 this limit was set at £6m. At their peak, these investments totaled £0m.

9 Adoption of the CIPFA Treasury Management Code

The Council confirms its adoption of the CIPFA Code of Treasury Management at its Council meeting on 26 March 2002.

The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

REPORT TO CABINET

CABINET MEMBER: Councillor E W Williams – Lead Member for Education

LEAD OFFICER: Jackie Walley – Head of Modernising Education

DATE: 26th October 2010

SUBJECT: Review of primary school provision in the Prestatyn area

1 DECISION SOUGHT

To approve the publication of the required statutory notice regarding the proposed amalgamation of Bodnant Infants and Bodnant Junior schools into a 2 Form Entry (60 pupils per year group) all-through school on existing sites from 1st January 2012

To approve the publication of the required statutory notice regarding the proposed expansion of Ysgol Y Llys into a 2 Form Entry (60 pupils per year group) from 1st September 2014

2 REASON FOR SEEKING DECISION

Background

- 2.1 Denbighshire County Council is committed to providing a first class education for all children and young people in the County. As part of this commitment, the Council has agreed that one of its priorities is modernising education.
- 2.2 The Council has a responsibility to ensure that our schools are sustainable and fit for purpose and can provide the best possible learning experience so that children and young people in Denbighshire have the widest opportunities available to them and are able to reach their full potential.
- 2.3 Cabinet adopted the Modernising Education Policy Framework on 27th January 2009. The policy framework provides the basis for the Council to strategically plan school provision. A key element of the policy framework is the review process to determine options for school provision within an area.
- 2.4 In April 2009 following the adoption of the Modernising Education Policy Framework primary school provision in the Prestatyn area was identified as a priority to review and a number of issues were identified to be addressed through the review.
- 2.5 In June 2010 the Cabinet approved the commencement of formal consultation on two proposals:
 - Proposal to amalgamation of Bodnant Infants and Bodnant Junior schools into a 2 Form Entry (60 pupils per year group) all-through school on existing sites;

- Proposals to expand Ysgol Y Llys into a 2 Form Entry (60 pupils per year group) subject to capital funding*.

* During the consultation period the authority has been successful in securing capital funding from the Welsh Assembly Government to progress this project subject to the outcome of the consultation period and the statutory process.

2.6 The consultation period for both proposals started on the 30th June 2010 and ended on the 24th September 2010.

Consultation on proposed amalgamation of Bodnant Infants and Bodnant Junior schools

2.7 At the start of the consultation period a letter advising of the commencement of the consultation and a copy of the consultation document was sent to a number of key stakeholders during the week commencing 30th June including parents of all children attending both schools; members of staff from both schools; Governing Bodies of both schools; neighbouring schools; local councilors; constituency MP's and AM's; regional AM's and Prestatyn Town Council. The Council also published the consultation document on the Council website and issued a press release regarding the commencement of the consultation.

2.8 A series of consultation meetings were held with parents, staff and governors of both schools in July 2010; as detailed below:

	Date	Time	Venue
Staff Meeting	07/07/10	16:00	Bodnant Infants School
Governors Meeting	07/07/10	17:00	Bodnant Infants School
Public Parents Meeting	07/07/10	18:00	Bodnant Infants School
Staff Meeting	07/07/10	17:00	Bodnant Junior School
Public Parents Meeting	07/07/10	19:00	Bodnant Junior School
Governors Meeting	08/07/10	18:00	Bodnant Junior School

2.9 Further consultation meetings were held with parents, staff and the local community in September 2010; as detailed below:

	Date	Time	Venue
Public Parents Meeting	15/09/10	15:45	Bodnant Junior School
Joint Staff Meeting	15/09/10	16:30	Bodnant Junior School
Public Community Meeting	15/09/10	17:45	Bodnant Junior School

2.10 During the consultation period 43 responses have been received and a breakdown of comments and officers responses is included in (Appendix 1). Of the responses received 5 were in favour of the proposal including one response on behalf of 18 members of staff from Bodnant Junior School. 38 responses were received opposed to the proposal including 33 responses from staff of Bodnant Infant School using a standard letter. Officers from Lifelong Learning have considered the issues raised during the consultation process and have concluded that proceeding with the statutory notice to amalgamate both schools on existing sites is the correct course of action based on educational arguments.

Consultation on proposed expansion of Ysgol Y Llys

- 2.11 At the start of the consultation period a letter advising of the commencement of the consultation and a copy of the consultation document was sent to a number of key stakeholders during the week commencing 30th June including parents of all children attending the school; members of staff from the school; Ysgol Y Llys Governing Body; neighbouring schools; local councilors; constituency MP's and AM's; regional AM's and Prestatyn Town Council. The Council also published the consultation document on the Council website and issued a press release regarding the commencement of the consultation. The proposals were also discussed by the Welsh in Education Strategic Group on the 29th June 2010.
- 2.12 A series of consultation meetings were held with parents, staff and governors of the school in July 2010; as detailed below:

	Date	Time	Venue
Staff Meeting	07/07/10	16:00	Ysgol Y Llys
Governors Meeting	07/07/10	17:00	Ysgol Y Llys
Public Parents Meeting	07/07/10	18:00	Ysgol Y Llys

- 2.13 Further consultation meetings were held with parents, staff, governors and the local community in September 2010; as detailed below:

	Date	Time	Venue
Public Parents / Staff Meeting	13/09/10	15:45	Ysgol Y Llys
Public Community Meeting	13/09/10	17:45	Ysgol Y Llys
Governing Body Meeting	14/09/10	18:00	Ysgol Y Llys

- 2.14 During the consultation period 45 responses have been received and a breakdown of comments and officers responses is included in (Appendix 2). Of the responses received 42 were in favour of the proposal and 2 responses were received opposed to the proposal. An additional response was received from the headteacher of Ysgol Dewi Sant regarding the consultation process. Officers from Lifelong Learning have considered the issues raised during the consultation process and have concluded that proceeding with the statutory notice to expand Ysgol Y Llys is the correct course of action that would allow the authority to increase access to Welsh Medium education in the North of the County.

Next Steps

- 2.15 Following the publication of the statutory notices there is an objections period of 2 months in which any person may send in written objections. The authority will then be required within one month of the close of the objection – consultation period to submit the details of any objections received, together with the response of the authority, to the Welsh Assembly Government. In instances where objections are received the Assembly will either; approve, approve with modifications or reject the proposals. In instances where no objections are received the authority will make the decision.

3 POWER TO MAKE THE DECISION
s29 School Standard and Framework Act 1998.

4 RESOURCE IMPLICATIONS

4.1 Cost Implications:

Bodnant Amalgamation – There would be some revenue savings from the amalgamation. Further discussion is required with the School Budget Forum to agree on the approach that should be followed. There would be initial costs associated with the amalgamation including potential redundancies. No initial capital expenditure is required as the school would operate on existing sites.

Ysgol Y Llys – Capital investment of £2.65m is required to expand the school. The majority of this investment (70%) has been provisionally allocated by the Welsh Assembly Government subject to consultation and the statutory process. The remaining investment required (30%) has already been identified from Council resources.

4.2 Staffing / Accommodation Implications:

Bodnant Amalgamation – The new Bodnant School would have one Headteacher and one/two Deputy Headteacher/s. The Temporary Governing Body would need to appoint these posts and this may involve national advertisements. Once the Headteacher is appointed he/she would work closely with the Temporary Governing Body to establish the new staffing structure. The council, with the agreement of the Temporary Governing Body would apply its policies to clarify the position of staff. The new staffing structure would take into account a number of factors including delivering the curriculum, class sizes and budget implications. The council will recommend that all teaching and associate staff posts for the new school should be “ring-fenced” to the staff within the existing schools. There is potential for staff redundancies, early voluntary retirement and staff redeployment.

Ysgol Y Llys – There would be no direct job losses as a result of this proposal. As the school increases in size there would be a need to employ additional teachers and support staff. The staffing structure would take into account a number of factors including delivering the curriculum, class sizes and budget implications.

4.3 IT Implications:

Bodnant Amalgamation - No significant IT implications.

Ysgol Y Llys – The expansion of Ysgol Y Llys would have IT implications. IT considerations would be taken into account during the design of the proposed extension.

5 RISK ASSESSMENT

5.1 Risks associated with not agreeing the recommendation/s

Failure to proceed with the proposals would represent a setback to the authority's strategic planning process for Modernising Education.

Failure to proceed with the amalgamation would result in children continuing to suffer the negative impact that transition from an Infant school to a Junior school can create. Failure to proceed would also result in the authority missing an opportunity to make better use of its resources.

Failure to proceed with the expansion of Ysgol Y Lllys would result in the authority will not have sufficient capacity to meet the demand for Welsh Medium Education potentially resulting in a substantial increase in the use of mobile accommodation. This would in a significant number of children receiving a sub-standard educational experience which will have a negative impact on their life chances.

5.2 Risks associated with agreeing the recommendation/s

The risk of agreeing the recommendation is that stakeholder views could be significantly different to those of the authority potentially resulting in negative publicity.

6 CHIEF FINANCIAL OFFICER STATEMENT

Costs in connection with publishing the statutory notices will need to be contained within the Lifelong Learning directorate.

Capital costs for prudential borrowing resulting from a position response to the consultation are already built into the service's spending plans.

7 CONSULTATION CARRIED OUT

7.1 The consultation carried out with regard to the proposed amalgamation of Bodnant Infants and Bodnant Junior schools is detailed in Sections 2.7, 2.8, 2.9 and 2.10.

7.2 The consultation carried out with regard to the proposed expansion of Ysgol Y Lllys is detailed in Sections 2.11, 2.12, 2.13 and 2.14.

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 proposals contribute towards the sustainability of Denbighshire schools and contribute towards the vision of investing in our schools in order to sustain high standards of educational attainment to meet the needs of pupils, the wider community and the economy.

The proposals will ensure equality of provision in the area for children wishing to pursue Welsh Medium and English Medium education.

8.3 Assessment of Impact on Climate Change - Mitigation and Adaptation

Publication of the statutory notices will have a negligible impact upon climate change.

Progressing the expansion of Ysgol Y Llys could impact on targets for climate change and carbon reduction when implemented. However any extensions, alterations to school buildings will be done in line with Welsh Assembly standards for energy efficiency and Council ambitions for low carbon buildings.

8.4 Assessment of Impact on NERC Act Biodiversity Duty:

Publication of the statutory notices will have a negligible impact upon the NERC Act Biodiversity Duty.

Progressing the expansion of Ysgol Y Llys could impact on the Act when implemented. However any extensions, alterations to school buildings will include impact assessments as required.

9 ACTION PLAN

ACTION	RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED	ACTION TO BE REVIEWED & MONITORED BY / DATE TO BE MONITORED
Publish statutory notices	Modernising Education Officer, 10 th November 2010	Head of Modernising Education, 11 th November 2010
Collate responses to statutory consultation	Modernising Education Officer, 11 th January 2011	Head of Modernising Education, 10 th February 2010
Submit any responses to the statutory consultation to the Welsh Assembly Government	Modernising Education Officer, 11 th February 2011	Head of Modernising Education 14 th February 2010

10 RECOMMENDATIONS

To approve the publication of the required statutory notice regarding the proposed amalgamation of Bodnant Infants and Bodnant Junior schools into a 2 Form Entry (60 pupils per year group) all-through school on existing sites from 1st January 2012

To approve the publication of the required statutory notice regarding the proposed expansion of Ysgol Y Llys into a 2 Form Entry (60 pupils per year group) from 1st September 2014

Appendix 1 - Consultation responses on proposal to amalgamate Bodnant Infants and Bodnant Junior schools on existing school sites

Total Number of Consultation Responses Received: 43

Total Number of responses in favour: 5 (including 1 response on behalf of 18 members of staff)

Total Number of responses opposed: 38 (including 33 responses using identical letter from staff)

Date Received	Status	Do you agree with the proposal?	Comments	Response from the authority
24/09/10	Letter on behalf of 18 members of staff – Bodnant Junior	YES	On educational grounds we support the principle of amalgamating the two schools, providing that two form entry is maintained. We would prefer to see the development on a single site sooner rather than later and understand the rationale of amalgamating the two schools on the remaining sites as a means of obtaining finance from WAG for the development.	Response noted.
24/09/10	33 Identical Responses from members of staff – Bodnant Infants	NO	* See response on page 4.	* See response on page 4.
24/09/10	Parent	NO	* See response on page 7.	* See response on page 7.
22/09/10	Governing Body – Bodnant Infants	YES	The Governors fully support the amalgamation of these two schools. In doing this we are hopeful that the final outcome will be one school on one site.	The support of the Governing Body for the proposal is noted.

19/09/10	Governing Body – Bodnant Juniors	YES	Following a meeting of Bodnant Junior School Board of Governors on the 14 th last it was resolved that the Board support the amalgamation plans in principle on educational grounds but concern was expressed as to the vagueness of the plans for the new build and we reserve the right to be consulted on the design of the new school and staffing requirements.	The support of the Governing Body for the proposal is noted.
14/09/10	Parent	YES	As long as my children aren't affected.	Response noted.
06/09/10	Parent	YES	I agree to the proposal as long as the school remains as a 2 stream entry and there is no disruption to my children.	Response noted.
12/08/10	Parent	NO	I feel amalgamation should only proceed when funding is secured to build/extend to a single site at the Junior school. In order to modernise education at Bodnant a single amalgamated school should exist on a single site to the benefit of all pupils.	<i>The authority has already carried out a site analysis of the existing Bodnant Junior school site that has identified the capability of the site to accommodate the Infant and Junior schools as an all-through school. There is a commitment by the authority to move both schools to a single site following the amalgamation. It is not possible to provide a timescale at this point as this is dependent on progressing through the statutory process and on accessing required capital investment. The authority has identified the project as one of its priorities for investment through the upcoming 21st Century Schools Programme. Once an all-through primary school has been established there would not be any need for a further statutory process to deliver the new facilities. There remain benefits in moving to an all-through provision in the meantime.</i>
29/07/10	Parent	NO	Bodnant Infant and Junior schools are 2 excellent schools with many great qualities of their own; these are achieved with wonderful staff and helpful parents. Why change what works well for all concerned. We don't need change!!!	<i>The authority recognises that both schools provide a good standard of education. The proposal is in line with the Council's policy on 'Infant and Junior Amalgamation' recognising the educational benefits of an all-through school.</i>

04/07/10	Parent	NO	<p>Why change what is working well? Why waste unnecessary money on a new school when existing schools are meeting needs perfectly well. OK schools require modernising but not necessary to build entire new building. Generations of pupils have been served by Bodnant schools including myself.</p>	<p><i>The authority recognises that both schools provide a good standard of education. The proposal is in line with the Council's policy on 'Infant and Junior Amalgamation' recognising the educational benefits of an all-through school.</i></p> <p><i>There is a commitment by the authority to move both schools to a single site following the amalgamation. It is not possible to provide a timescale at this point as this is dependent on progressing through the statutory process and on accessing required capital investment. The authority has identified the project as one of its priorities for investment through the upcoming 21st Century Schools Programme.</i></p> <p><i>The main Infant school building is a Victorian structure and is not considered an ideal facility to deliver the modern curriculum. The Infant school site has been recognised in Denbighshire's Schools Asset Management Plan as a restricted site.</i></p>
03/07/10	Parent	NO	<p>If something isn't broken, why try to fix it? Both schools work well – leave things alone.</p>	<p><i>The authority recognises that both schools provide a good standard of education. The proposal is in line with the Council's policy on 'Infant and Junior Amalgamation' recognising the educational benefits of an all-through school.</i></p>

Consultation Response from staff at Bodnant Infants School

- No new accommodation for the Infant School is guaranteed at the point of amalgamation or possibly for the foreseeable future, as was confirmed in the meeting of 16th September 2010 because funding to complete the project is entirely dependant upon the level of funding being given. We know that we are not the first priority school in Denbighshire.

The authority has already carried out a site analysis of the existing Bodnant Junior school site that has identified the capability of the site to accommodate the Infant and Junior schools as an all-through school. There is a commitment by the authority to move both schools to a single site following the amalgamation. It is not possible to provide a timescale at this point as this is dependent on progressing through the statutory process and on accessing required capital investment. The authority has identified the project as one of its priorities for investment through the upcoming 21st Century Schools Programme. Once an all-through primary school has been established there would not be any need for a further statutory process to deliver the new facilities. There remain benefits in moving to an all-through provision in the meantime.

- The quality of accommodation to be provided will be dependant upon the level of funding received and may not be equal to the accommodation which the Infants have already, especially when the school field is taken into consideration.

The authority is committed to improving school buildings to provide modern facilities and would not invest significant capital investment in a project that would not deliver improved facilities. The main Infant school building is a Victorian structure and is not considered an ideal facility to deliver the modern curriculum. The Infant school field is located on the other side of the main road which can not be considered an ideal location.

- There seems to be no guarantee for a two form entry at this point in preparation for a two stream amalgamation. Having been reduced by Denbighshire from a three form entry to a two form entry the way forward seems unclear, as from September 2010 we are now once again a 79 pupil entry school, with a specified entry of 62 for September 2011. This indicates more than the 2 form entry which is necessary in order for the amalgamation to take place on the Junior site. The present 2010 three form intake will take another 6 years to go through the schools making it too large for amalgamation until after this has happened.

Denbighshire has a policy that the maximum size of any primary school should be two form entry. Numbers on roll at the Infants school have naturally decreased from a three form entry to a two form entry school in recent years and as a result the authority removed mobile accommodation from the site resulting in the new admission number of 62 from September 2011. As there is a delay between the removal of capacity and the implementation of new admission numbers the intake for September 2010 is above 2 Form Entry. The authority believes this can be managed following the creation of an all-through school and would be included in any plans to move the school to a single site.

- Having one headteacher split between two sites is clearly not acceptable for either staff, children and in particular parents when we consider our very successful 'open door' policy. Parents can see and talk to our headteacher whenever they feel the need to and is a very important part of Foundation

Phase Education. It is very popular aspect to our school, is educationally very desirable and as a school is something which we wish to keep in order to maintain and improve standards.

There are many examples of headteachers operating over more than one site both in Denbighshire and across Wales. This situation is likely to become more common following the publication of the Federation of Maintained Schools Regulations in 2010 and is not detrimental to the management, standards and educational experiences within schools. A number of successful Infant and Junior school amalgamations have taken place in recent years across Wales based on educational grounds where Estyn reports have highlighted the positive impact on amalgamation.

There is currently not necessarily immediate access to the headteacher all the time. The exact Leadership and Management structure of the new school would be a decision for the new Governing Body and Headteacher. Effective communication with parents can be maintained over more than one site as happens in other schools in Denbighshire. There should be no impact upon the Foundation Phase with the Governing Body and Headteacher of the new school able to delegate responsibilities with confidence to staff when appropriate. There could also be development opportunities for staff through the creation of a Leadership and Management structure across both sites.

The new staffing structure would be consulted upon with staff from both schools providing an opportunity for any concerns to be raised with the new Governing Body and Headteacher.

- With no headteacher on site staff might find themselves in a position where they are dealing with an incident with no access to appropriate support or the authority to deal with it effectively.

If such an incident were to arise the Senior Management / Deputy Head (who would naturally be a full time teacher) would find themselves having to come out of the classroom in order to deal with this. As a possible regular occurrence this is not something for which 'rarely cover' could be used and is therefore educationally not acceptable either for the staff involved or the children.

The exact Leadership and Management structure of the new school would be a decision for the new Governing Body and Headteacher. However the structure would be expected to provide sufficient senior leadership across both sites with clear lines of responsibility in the absence of the headteacher.

There is no guarantee currently that the headteacher will be on site to deal with every issue and other members of staff deal are able to deal with issues in their absence. The Junior school site is approximately ½ mile away from the Infant site which is not a significant distance.

The authority understands the comments regarding 'rarely cover' however this would be a matter for the new Governing Body and Headteacher to address within their staffing structures. There are examples of 'non-teaching' Deputy Headteachers within Denbighshire and the exact teaching commitment of staff would be a decision for the new Governing Body and Headteacher.

- Transition between schools has never been an issue with our parents. Everything is done (including having a Transition Policy) to ensure a smooth, successful transition into the Junior school. If our parents were unhappy with transition they would not send their children to Ysgol Bodnant Infants when they have the alternative of 2 other 'all-through' Primary schools in Prestatyn and with traditionally no catchment areas to consider.

The authority recognises the work that both schools put into transition including the development of policies. However transition between schools does have an impact upon educational standards and is considered by the Welsh Assembly and the authority to be a priority area. Denbighshire has an approved policy on 'Infant and Junior Amalgamation' based on all-through provision providing the best educational model and is the best way to achieve a smooth transition between key stages.

- The proposal that resources could be shared is a non-starter! Are the staff to wheel the resources the ½ mile or so between the sites on a shopping trolley?

There is scope for teaching resources to be shared between the sites. It is expected that this would be planned and that resources could be transported between sites when required. There is also scope for pupils to access facilities at either sites and for staff to be shared across sites. However any movement of staff or pupils across sites would need to be carefully managed to minimise disruption and time spent travelling.

- Despite assurances being given the redundancy issue is a real concern. The Infant school has already gone through the redundancy process in order to reduce from a three form entry to two. We are now a cohesive and stable staff. This redundancy process is now about to take place (September 2011) in the Junior school. If the schools were to amalgamate staff from both schools would be "in the pot" from January 2012 and, despite assurances, neither opportunities for Career development or redeployment are guaranteed within Denbighshire. This would not enhance the educational environment which we are all looking for within a new school.

Until the new school is officially opened both schools are required to deal with any issues in relation to staffing requirements including potential redundancies independently. Any issues relating to matters such as falling pupil numbers curriculum requirements and/or financial deficits within the individual school must therefore be dealt with by the respective school governing bodies and head teacher. It is inappropriate for these matters to be dealt with jointly and the LEA would advise both schools strongly against this course of action.

The staffing structure for the new school would be a matter for the temporary governing body and new headteacher to decide upon. It is expected that they would take into consideration opportunities for career development and redeployment opportunities which would mitigate the need for potential future compulsory redundancies as a result of any falling pupil numbers beyond 2012. This approach would be adopted to ensure that the educational environment for the children from both schools continues to be supported. The authority would work with the school to minimise the impact and uncertainty for staff. Denbighshire has a number of HR policies and procedures that would be recommended to the temporary governing body. These Policies have supported a strong track record of working with schools to minimise compulsory redundancies in Denbighshire through voluntary redundancies, early retirements and redeployment opportunities.

- Our more senior members of staff remember a time when the present two schools were in fact one school on two sites as is now once again being proposed. It was felt that this was educationally unsound and thus the two present schools were formed. It appears to be that the clock is to be turned backwards and in doing so the question has to be asked – are we to regress educationally?

There is a national trend towards amalgamating infant and junior schools into all-through primary schools. A number of successful Infant and Junior school amalgamations have taken place in recent years across Wales based on educational grounds where Estyn reports have highlighted the positive impact on amalgamation. There is no evidence to suggest that this is “educationally unsound”.

All-through primary schools are able to provide children with a continuous stream of education, thus removing the disruption that can be caused by moving schools at an early age.

Denbighshire has an approved policy on ‘Infant and Junior Amalgamation’ based on all-through provision providing the best educational model and is the best way to achieve a smooth transition between key stages.

Consultation Response from a parent

1. Opportunity for stability – stability is based upon strong, long standing foundations and these schools are already well established with a proven track record of success. To simply create a new structure removes that stability and brings uncertainty especially if staff changes are also to be made.

Both schools have an excellent history of working together and the amalgamation would build upon this. The authority believes that all-through primary schools are the best educational model and would provide an excellent platform to build upon and improve the educational standards and experiences within the two schools.

2. Single governing body and head teacher – this is based over two sites with two age ranges of children and each have their own needs. I find it difficult to visualise a head teacher fully understanding needs of the school and being there for the children and staff when two sites are operational.

There are many examples of headteachers operating over more than one site both in Denbighshire and across Wales. This situation is likely to become more common following the publication of the Federation of Maintained Schools Regulations in 2010 and is not detrimental to the management, standards and educational experiences within schools.

The exact Leadership and Management structure of the new school would be a decision for the new Governing Body and Headteacher. However the structure would be expected to provide sufficient senior leadership across both sites with clear lines of responsibility in the absence of the headteacher. There could also be development opportunities for staff through the creation of a Leadership and Management structure across both sites.

There is no guarantee currently that the headteacher will be on site to deal with every issue and other members of staff deal are able to deal with issues in their absence. The Junior school site is approximately ½ mile away from the Infant site which is not a significant distance.

3. A single school ethos – Children who have attended both schools already see them as one. They are both Bodnant and the change from Infants to Juniors is an exciting stage in becoming that little bit older.

Having a single school does not remove the progression from the Foundation Phase / Key Stage 1 to Key Stage 2 and this is still an important phase in a child's life. However an all-through school is recognised by the Council as being the best way to achieve a smooth transition and to minimise the potential for negative impact upon a child's educational standards and experiences.

4. Single policy for teaching and learning etc – all families I have spoken with have only seen a smooth transition between schools. The current policies adopted work hand in hand and allow for the change in learning needs as a child's age increases.

There are benefits to having consistent policies across the school, the same behaviour code and expectations that provide a consistent approach that pupils will benefit from. Changes in the learning needs of children are reflected through the curriculum and through the progression from the Foundation Phase / Key Stage 1 to Key Stage 2.

5. Building upon best practice – strange as I was always under the impression staff and policies are under regular review and training to ensure best practices are being followed already. A fresh start doesn't always bring benefits as it also means staff involved need additional time to learn new practices and focus on the main target, which in this case is the children, can be diluted.

Both schools have an excellent history of working together and the amalgamation would build upon this. Amalgamation on existing sites provides consistency for pupils, staff and parents. The main focus of the amalgamated school would be the educational experiences of the pupils.

6. Continuity of education – As mentioned, the community already views Bodnant Infants and Bodnant Juniors as one.

The amalgamation would build upon the community's views through creating a single school providing a continuity of education for each child.

7. Reapplying to attend Juniors – this I fully accept, what I cannot understand is how this simply isn't deemed mandatory already when a child is from that area and already has a history within the community and school at a younger age.

It is a requirement that all pupils must apply to attend each school. As the Infant and Junior school are separate entities a separate application must be made to both the Infant school and the Junior school as required.

8. Interaction with a wider age range – personally, adults I know across the country who attended a different school for Infants and Junior's can only recommend this two school route. Being a child is learning to grow and develop. The stage of changing school at an early age allows the child to simply feel more grown up and recognise that they are developing as a human being. Keeping children mixed with those of a younger age can also hinder development and then make the transition to senior school far more daunting.

The authority recognises the work that both schools put into transition including the development of policies. However transition between schools does have an impact upon educational standards and is considered by the Welsh Assembly and the authority to be a priority area. Denbighshire has an approved policy on 'Infant and Junior Amalgamation' based on all-through provision providing the best educational model and is the best way to achieve a smooth transition between key stages.

9. Relationship to parents – this has not caused any issues, the staff at both sites are friendly, approachable and ready to interact with parents.

The authority expects the amalgamation to strengthen relationships with parents through having one headteacher, one leadership and management structure and one group of staff.

10. Staff knowing the children longer – Children also need to develop and by meeting new staff, ones who are specialised in their age group I would see as more beneficial.

Children would continue to be taught by appropriate staff members as they progress through the school and their level of interaction with certain staff would change each year.

11. Older children working with younger children, benefits for the community? I would suggest this already happens through siblings, neighbours, playing out etc but also recognise quite simply that older children will grow out of playing with Action Men and Barbies but still take care of younger children when needed.

The authority recognises this observation but does not believe it provides a reason not to progress with the proposed amalgamation.

12. Increased flexibility of staff – I have full confidence in the ability of the current staff employed and whilst flexibility is a great key word to use these days in an office boardroom, it also means a reduction of specialisation, focus and understanding of the children's needs as they advance in age and learning ability.

The increased flexibility of the staffing team does not mean a reduction in specialisation, focus and understanding of children's needs. Having one group of staff would allow the leadership of the school to use the experience and specialism of certain staff for the benefit of a wider range of pupils if it was deemed to be of benefit to the children.

13. Practical benefits including single uniform – I see it now, a very elastic uniform that lasts from 3 to 11 years age. Excuse my sarcasm but please don't insult my intelligence and remember children also like a new uniform, they like going to the 'grown up' school this is an area of their social development you should not take away. I accept financially not all can provide a new uniform but children also grow and as reason, this should not be used as an argument to change a system that currently works. If you must, then remember the colours are already the same at each school, just sell some sew on badges rather than embroidered ones.

The ability to have a single uniform is not one of the main advantages of amalgamation, but can provide benefits to some families. Uniforms are not expected to last for the duration of a child's school life, but children grow at different rates. This would allow parents to purchase new uniforms when required not specifically when moving school.

Single Site – I imagine that this is ultimately the goal as this is probably the only way this nonsense would make sense. Apart from the costs, the arguments on social development through changing schools and the simple fact the schools already work I must simply ask WHY? Is it simply to keep another department in the council on the payroll i.e. the planning department. The sites work, there is space for all activities including sports and the traditional foundation of the community remains strong. To close either or both sites to create a new school would simply break down community spirit, cause anxiety and no doubt additional problems to the local infrastructure e.g. road systems, parking, noise pollution during restructure etc.etc.

I also imagine it would probably end up as a monstrosity similar to the new building currently being finalised on Marine Road - the one that gives visitors the first impression of driving past a hotel in a low rent area of Benidorm rather than a traditional, pleasant family holiday resort. I think it is clear I am against your proposal and ask you to consider the lives and education of the children before the bean counters targets to reduce costs.

The authority notes your concerns however the case for amalgamation is based on educational reasons and is backed by the existing Council policy on 'Infant and Junior Amalgamation'. This policy states that where amalgamations take place on separate sites the authority would seek to move the school to a single site. The authority intends to seek capital investment to enable this to happen which would provide modern educational facilities for the benefit of all pupils.

Appendix 2 - Consultation responses on proposal to extend Ysgol Y Llys, Prestatyn

Total Number of Consultation Responses Received: 45

Total Number of responses in favour: 42

Total Number of responses opposed: 2

Other responses: 1

Date Received	Status	Do you agree with the proposal?	Comments	Response from the authority
24/09/10	Headteacher – Ysgol Dewi Sant	Not provided	<p>Unhappy with the lack of consultation with Ysgol Dewi Sant, Rhyl.</p> <p>No consideration given to the situation of staff, pupils, parents and governors of Ysgol Dewi Sant in the consultation process.</p>	<p><i>Officers have responded to concerns from the school and ensured the school that should the project progress the authority would engage with Ysgol Dewi Sant to ensure that any potential impact on staff, pupils, parents and governors are minimised and managed effectively.</i></p>
22/09/10	Parent	NO	<p>Prefer the money was spent on a bilingual school – something that would improve harmony within the area. Incomers would be less intimidated by a true bilingual school giving children a choice of attending an English or Welsh high school. I should have the right to a choice of Welsh medium or bilingual schools – I don't.</p>	<p><i>Denbighshire is committed to promoting bilingualism and increasing the number of pupils who access Welsh Medium education. The proposal to increase Ysgol Y Llys is part of that aim and will provide more parents with the opportunity to access Welsh Medium education for their children.</i></p> <p><i>The Council recognises that the most effective way for a child to become truly bilingual is through receiving a Welsh Medium education. English medium schools across the County are being encouraged to become more bilingual however this is a long term process.</i></p> <p><i>Should the demand for Welsh medium education continue to grow there will be a need to consider additional options to meet that demand including changing the linguistic nature of existing schools or the creation of new schools.</i></p>

22/09/10	Parent	NO	<p>I'd like choice. Parents who choose English medium schools have ample choice. What is the future for us – large, overfilled schools, few and far between? What if the nearest school is no good? A lone school with no competition can become complacent. Ysgol Y Llys is an average primary school. My belief is that it will loose its appeal to many with the loss of its "homely" atmosphere, but will weaken as it increases – as I don't think it's a strong enough school to build upon.</p>	<p><i>The authority recognises that there are more English Medium schools in the North of the County. The proposed expansion of Ysgol Y Llys is part of a commitment to increase access to Welsh Medium education across Denbighshire.</i></p> <p><i>The authority believes Ysgol Y Llys to be a good school that can be built upon. The proposed size of Ysgol Y Llys is in line with Denbighshire's policy of the size of large primary schools and is comparable in size with the English Medium schools in Prestatyn.</i></p> <p><i>Should the demand for Welsh medium education continue to grow there will be a need to consider additional options to meet that demand including changing the linguistic nature of existing schools or the creation of new schools.</i></p>
08/09/10	Parent	YES	<p>It would be very positive for the school to build upon what they have already achieved. Many families move over the border from Northern England to here and send their children to the local Welsh school and this is very beneficial in promoting and brining back more Welsh speakers to this part of North East Wales.</p>	<p>Response noted.</p>
03/09/10	Headteacher & Governing Body – Ysgol Y Llys	YES	<p>The Governing Body at Ysgol Y Llys are fully in agreement with the proposals to extend pupil capacity at Ysgol Y Llys. The proposals will extend Welsh medium provision for parents whose preference is education through Welsh.</p>	<p>Response noted.</p>

03/09/10	24 Members of Staff	YES	<p>Comments included:</p> <p>Good news that the demand for Welsh medium education is increasing.</p> <p>Expanding Welsh medium provision in this area is very important.</p> <p>I agree.</p> <p>Good to see that Welsh education in Prestatyn is important.</p> <p>Good idea – important that we are able to offer Welsh education to more pupils in this area.</p>	Responses noted.
03/09/10	Parent / Governor	YES	School needs to grow with the children	Response noted.
03/09/10	Parent	YES	No comments provided	Response noted.
03/09/10	Parent	YES	No comments provided	Response noted.
31/08/10	Parent	YES	Responding to the demand for Welsh medium education should be a priority for both town and county councils. As someone who benefited from a Welsh medium education I sincerely hope that my children will have the same choice in the future.	Response noted.
31/08/10	Staff Member	YES	Better facilities for the children. Less traffic congestion. More opportunity for staff development.	Response noted.
23/08/10	Headteacher & Governing Body – Ysgol Glan Clwyd	YES	We the governing body of Ysgol Glan Clwyd agree with the proposal. It's obvious that the demand for Welsh Medium education is growing in the Prestatyn area and we must respond to this. The only solution is to expand Ysgol Y Llys so that parents' preference can be met.	Response noted.
01/08/10	Parent	YES	As long as it benefits the school and pupils then it's in everyone's best interest.	Response noted.
14/07/10	Parent	YES	No comments provided	Response noted.
08/07/10	Parent	YES	No comments provided	Response noted.
06/07/10	Parent	YES	The fact that mobile classrooms would be replaced with permanent buildings which will give the children a better environment. The extra pupils would benefit the school as a whole.	Response noted.

09/07/10	Parent	YES	The school will benefit from the improved facilities provided by the extension. Pupils in the mobile classrooms find themselves extremely cold in winter months. The improved parking / pickup / collection area would be very welcomed by local residents.	Response noted.
09/07/10	Parents	YES	We are in desperate need for an extension due to the Welsh language becoming more popular and parents wishing to bring their children to Ysgol Y Llys.	Response noted.
08/07/10	Parent	YES	I think an extension to Ysgol Y Llys is necessary. The number of pupils has gone up and the classes are getting bigger. If capital funding is not available then more modern mobile classrooms could be a way forward.	Response noted.
07/07/10	Parent	YES	To make the school bigger with regards to extending the school would be marvellous. Ysgol Y Llys would be able to cater for the higher demand of pupils in school.	Response noted.
04/07/10	Parent	YES	I think it's a wonderful idea, as more children would have the chance to speak Welsh, which I think is wonderful as we all should. Living in Wales, being Welsh.	Response noted.
02/07/10	Parent	YES	I think it is good for the Welsh 'bilingualism' culture of Wales. A good step forward would be to extend the buildings & road entrance of Princes Avenue rather than hundreds of mobile classes.	Response noted.

REPORT TO CABINET

CABINET MEMBER: Councillor E W Williams – Lead Member for Education

LEAD OFFICER: Jackie Walley – Head of Modernising Education

DATE: 26th October 2010

SUBJECT: Initial consultation on Edeyrnion (Dee Valley West) primary school review

1 DECISION SOUGHT

To approve the commencement of initial consultation on options for school organisation within the Edeyrnion (Dee Valley West)

2 REASON FOR SEEKING DECISION

Background

- 2.1 Denbighshire County Council is committed to providing a first class education for all children and young people in the County. As part of this commitment, the Council has agreed that one of its priorities is modernising education.
- 2.2 The Council has a responsibility to ensure that our schools are sustainable and fit for purpose and can provide the best possible learning experience so that children and young people in Denbighshire have the widest opportunities available to them and are able to reach their full potential.
- 2.3 Cabinet adopted the Modernising Education Policy Framework on 27th January 2009. The policy framework provides the basis for the Council to strategically plan school provision. A key element of the policy framework is the review process to determine options for school provision within an area.
- 2.4 In November 2009 primary school provision in the Edeyrnion (Dee Valley West) area was identified as a priority to review and a number of issues were identified to be addressed through the review including:
 - Requests to increase Welsh medium provision
 - Surplus capacity in English and Welsh Medium schools
 - National shortage of Headteachers and upcoming retirements
 - Use of mobile accommodation
 - Suitability and sustainability of schools

Informal consultation has taken place with Headteachers, Chairs of Governors and local elected members since February 2010 which has resulted in the development of the three options for initial consultation.

Initial Consultation Document (Appendix 1)

2.5 The initial consultation document for the Edeyrnion (Dee Valley West) area provides options for public consultation that the authority believes will:

- Provide an educational system able to maintain and provide an opportunity to improve educational standards within the area.
- Consolidate or increase Welsh Medium and Bilingual provision within the area
- Provide a maximum of 370 full-time pupil places therefore reducing surplus (empty) places to between 5-24% based on projections.
- Reduce the number of Headteachers required within the area by a minimum of 2
- Result in the removal of all mobile accommodation
- Ensure all transport times for children are kept within Welsh Assembly guidelines (maximum 45 minutes travel time for primary school children).
- Reduce the variation of per pupil funding within the area and reduce the gap between the average spend per pupil within the Edeyrnion area and the Denbighshire average.
- Assist the authority in attracting capital funding from the Welsh Assembly to improve school buildings and facilities through meeting the drivers of the 21st Century Schools Programme.

Options for initial consultation

2.6 **Option 1 – Two Area Schools**

Close Ysgol Betws Gwerfil Goch, Ysgol Bro Elwern, Ysgol Caer Drewyn, Ysgol Carrog, Ysgol Glyndyfrdwy, Ysgol Llandrillo and Ysgol Maes Hyfryd.

Open:

- **a new Welsh Medium area school providing 210 full-time places, and;**
- **a new Bilingual* area school providing 160 full-time places**

* A bilingual school is an English medium school providing between 30-50% of the curriculum through the medium of Welsh (English with Significant Welsh)

This option would have significant cost implications for the Council with an estimated capital investment of £5-6m required. Progressing this option is going to be dependant on the availability of external capital funding through the Welsh Assembly's 21st Century Schools Programme. An announcement on funding is not expected until after the Welsh Assembly elections in May 2011.

2.7 Option 2 - Reduce the number of existing schools by 3 or 4

The number of primary schools within the Edeyrnion area would be reduced by 3 or 4 primary schools. Changes to the language categories of certain schools may be required.

Recommendations:

- Retain Ysgol Caer Drewyn as the largest school within the area serving the town of Corwen. The school would be a bilingual school providing between 30-50% of the curriculum through the medium of Welsh (English with Significant Welsh) or a dual-stream school providing a Welsh and Bilingual/English curriculum to children based on parental preference.
- Retain Ysgol Maes Hyfryd as the largest Welsh medium school within the area.
- Close 3 or maybe 4 of the remaining schools in the area:
 - Ysgol Bro Elwern, Gwyddelwern
 - Ysgol Carrog
 - Ysgol Glyndyfrdwy
 - Ysgol Llandrillo
 - Ysgol Betws Gwerfil Goch
- The Modernising Education Policy Framework provides key trigger points for the authority to review school provision:

	Policy 1		Policy 3	Policy 6	Policy 8
	< 80 Pupils	Small School / Sites	Surplus Places Over 25%	Mobile Accommodation	Temp / Acting Headteacher
Ysgol Caer Drewyn			√		
Ysgol Maes Hyfryd	√			√	
Ysgol Bro Elwern	√				√
Ysgol Carrog	√		√		
Ysgol Glyndyfrdwy	√	√	√		√
Ysgol Llandrillo	√		√		√
Ysgol Betws Gwerfil Goch	√		√	√	

- Invest in and expand the remaining schools as required to improve facilities and ensure that there are enough places to meet the need of the area.
- Increase the bilingual nature of certain schools as required.

Next Steps

- 2.8 The first stage of the process would be to commence initial consultation on the options. It is suggested that this consultation should commence on the 8th November and last until the 18th February. This period is suggested to allow additional time to be taken into account the school holiday period. The authority would then be required to consider the responses received during the consultation period.
- 2.9 During the consultation period the authority would undertake a number of works that would need to be completed including site surveys, impact assessments and identifying potential funding streams.
- 2.10 Cabinet would then be required to consider whether or not to proceed to formal consultation on a preferred option. This would be a period of no less than six weeks of term time public consultation. All consultation responses would be taken into consideration before any recommendation is made whether or not to progress to the next stage.
- 2.11 Cabinet would then be asked to consider whether or not to proceed to the publication of formal statutory notices. Following the publication of the statutory notices there is an objections period of 2 months in which any person may send in written objections. The authority will then be required within one month of the close of the objection – consultation period to submit the details of any objections received, together with the response of the authority, to the Welsh Assembly Government. In instances where objections are received the Assembly will either; approve, approve with modifications or reject the proposals. In instances where no objections are received the authority will make the decision.

3 POWER TO MAKE THE DECISION s29 School Standard and Framework Act 1998.

4 RESOURCE IMPLICATIONS

4.1 Cost Implications:

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

Both options for consultation have potential cost implications in terms of capital funding if implemented.

4.2 Staffing / Accommodation Implications:

Both options have potential staffing implications if implemented include redundancy and redeployment of current school staff. Both options have the potential to allow for the release of assets.

4.3 IT Implications:

No significant IT implications.

5 RISK ASSESSMENT

5.1 Risks associated with not agreeing the recommendation/s

Failure to proceed with the initial consultation would represent a setback to the authority's strategic planning process for Modernising Education.

The current age profile of Headteachers in Denbighshire and the low numbers of newly qualified Headteachers is a strategic risk to the continuation of education provision within the County. To address this risk the Council will need to look at amalgamations, mergers and federation as alternatives to existing provision. Failure to proceed with the initial consultation will result in the authority missing an opportunity to minimise this strategic risk.

Failure to proceed with the initial consultation could impact on timescales for accessing capital funding from the Welsh Assembly Government.

5.2 Risks associated with agreeing the recommendation/s

The risk of agreeing the recommendation is that stakeholder views could be significantly different to those of the authority potentially resulting in negative publicity.

There is a risk that progressing to initial consultation will raise expectations within the Edeyrnion community when all both options could result in the need for capital investment.

6 CHIEF FINANCIAL OFFICER STATEMENT

Costs in connection with the consultation will need to be contained within the Lifelong Learning directorate.

The delivery of Option 1 will be dependent upon WAG providing a substantial element of the capital cost involved. It is not possible currently to assess the likelihood of this. A significant match funding contribution from the Council would be necessary if WAG do agree to funding. Option 2 would not attract WAG support but would release revenue funding to support prudential borrowing.

7 CONSULTATION CARRIED OUT

A series of informal consultation meetings have taken place between Headteachers, Chairs of Governors, local Elected Members and officers to discuss the issues, potential options and to develop a consultation document.

	Date	Venue
Headteachers & Chairs of Governors	11/03/10	County Hall, Ruthin
Headteachers & Chairs of Governors	19/04/10	County Hall, Ruthin
Headteachers & Chairs of Governors	19/05/10	County Hall, Ruthin
Headteachers, Chairs of Governors & Local Elected Members	12/07/10	County Hall, Ruthin
Headteachers, Chairs of Governors & Local Elected Members	08/09/10	Corwen Sports Pavillion

At the meeting on the 08/09/10 it was decided that officers would speak to each individual governing body to take them through the proposed consultation document and timelines before the Cabinet meeting on the 26th October. The details of these meetings are listed below:

	Date	Time
Ysgol Caer Drewyn, Corwen	28/09/10	17:30
Ysgol Bro Elwern, Gwyddelwern	28/09/10	19:00
Ysgol Carrog	29/09/10	18:00
Ysgol Llandrillo	30/09/10	18:00
Ysgol Glyndyfrdwy	04/10/10	18:00
Ysgol Betws Gwerfil Goch	05/10/10	19:00
Ysgol Maes Hyfryd, Cynwyd	06/10/10	18:00

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 initial consultation contributes towards the sustainability of Denbighshire schools and towards the vision of investing in our schools in order to sustain high standards of educational attainment to meet the needs of pupils, the wider community and the economy.

8.3 Assessment of Impact on Climate Change - Mitigation and Adaptation

The initial consultation will have a negligible impact upon climate change. Certain projects should they be progressed subject to securing capital funding, particularly around expanding school provision could impact on targets for climate change and carbon reduction when implemented. However any extensions, alterations to school buildings will be done in line with Welsh Assembly standards for energy efficiency and Council ambitions for low carbon buildings.

8.4 Assessment of Impact on NERC Act Biodiversity Duty:

The initial consultation will have a negligible impact upon on the NERC Act Biodiversity Duty. Certain projects should they be progressed subject to securing capital funding, particularly around expanding school provision could impact on the Act when implemented. However any extensions, alterations to school buildings will include impact assessments as required.

9 ACTION PLAN

ACTION	RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED	ACTION TO BE REVIEWED & MONITORED BY / DATE TO BE MONITORED
Commence initial consultation	Modernising Education Officer, 8 th November 2010	Head of Modernising Education 9 th November

Collate responses to initial consultation	Modernising Education Officer, 21 st February 2011	Head of Modernising Education, 1 st March 2011
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10 RECOMMENDATIONS

To approve the commencement of initial consultation on Option 1 and / or Option 2 for school organisation within the Edeyrnion (Dee Valley West) area

Modernising Education

Review of Primary School Provision in the Edeyrnion (Dee Valley West) area

Consultation Document

September 2010

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6. Pupils attending schools within the Edeyrnion area
7. Pupil numbers over the last five years
8. Standard pupil projections
9. Birth rate trends
10. Housing developments
11. Surplus (Empty) Places
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14. What happens next?
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Background

The Council's Cabinet approved the Modernising Education policies in January 2009 to provide a framework to review existing provision against what is required for the future.

Denbighshire County Council is committed to providing a first class education for all children and young people in the county. As part of this commitment, the council has agreed that modernising education provision is a priority because we recognise the importance of having school buildings, learning environments and resources that meet the needs of 21st century Wales.

We know that we have to change and modernise education provision in the county, as improvements in education cannot be sustained without changes to the way education is provided. We have a responsibility to ensure that our schools are sustainable and fit for purpose. Schools need to be able to provide the best possible learning experience so that children and young people in Denbighshire have the widest opportunities available to them and are able to reach their full potential.

The way that we use school buildings has changed and will continue to change. New curriculum requirements (for example the foundation phase), developments in ICT (for example the use of whiteboards and wireless technology) or the potential for community use mean that our schools have to change and we need to keep pace if we are to meet the needs of modern life.

In order to improve all existing school buildings so that they meet the definition of a 21st Century School we would need to invest in excess of £200,000,000 in capital over the coming years. The Welsh Assembly have made it clear that local authorities will not be able to attract capital funding unless the issue of empty places is dealt with. There are a considerable number of schools within our county with high levels of unfilled places. As a result the current number of schools within the county is unsustainable if we want to provide the best possible learning environments and facilities for our children and young people.

We are also mindful that in the current financial climate no guarantees can be made regarding revenue funding for schools. A number of schools are already suffering from budget pressures due to low pupil numbers and high levels of unfilled places, a situation that could become worse over the coming years.

Denbighshire County Council has a responsibility to ensure that there is an educational system in place that is sustainable over the next 15-20 years. We want successful thriving schools that provide the best possible learning environments and facilities for our children and young people.

In order to do this we have to review education provision across the county.

Why review primary schools in the Edeyrnion area?

Denbighshire like every other local authority in Wales is currently reviewing schools as part of our commitment to modernising education and ensuring our schools provide the best possible learning environments and facilities in line with the Welsh Assembly's 21st Century Schools Programme.

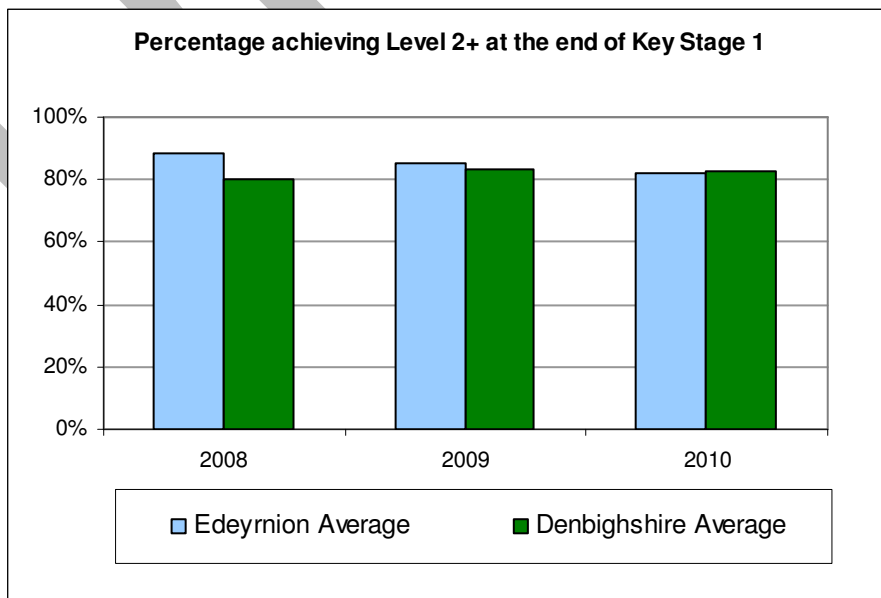
In order to achieve this we have embarked on a series of area reviews. Primary school provision in Denbighshire is reviewed on an area basis to ensure that changes to school organisation are made holistically taking into account any potential impact on other schools nearby.

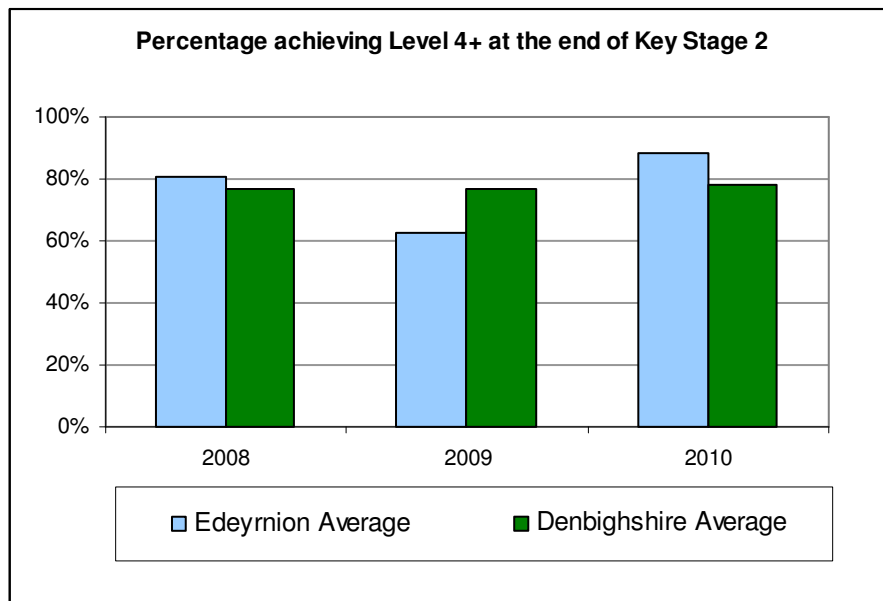
In November 2009 the political approval was secured for the commencement of a review of primary school provision in the Edeyrnion area. The review encompasses 7 primary schools (Ysgol Bro Elwern, Ysgol Betws Gwerfil Goch, Ysgol Caer Drewyn, Ysgol Carrog, Ysgol Glyndyfrdwy, Ysgol Maes Hyfryd and Ysgol Llandrillo).

The Edeyrnion area review is the third primary review to be undertaken by Denbighshire following the Prestatyn area and the Dee Valley West (Llangollen) area.

Education Standards

Overall education standards within the area are good with the majority of the schools receiving positive Estyn inspections in recent years. Denbighshire's Modernising Education Policy Framework clearly states that any change to school organisation must be able to deliver equal or improved educational standards.





Headteacher Recruitment

Headteacher recruitment is recognised as a national issue with over 60% of the headteachers across Wales over the age of 50. In Denbighshire we are seeing a reduction in the numbers of suitable senior teachers and deputy headteachers applying for Headship.

The problem is greater when seeking headteachers for smaller schools, in particular smaller Welsh Medium schools. Headteachers of smaller schools often have to combine leadership and management responsibilities with a large teaching commitment which can make it harder to recruit headteachers. In Welsh medium sector this problem is exacerbated by having a smaller pool of Welsh speaking teachers to draw from.

A number of schools within the area have experienced difficulty recruiting permanent headteachers in recent years; a situation that is not expected to improve.

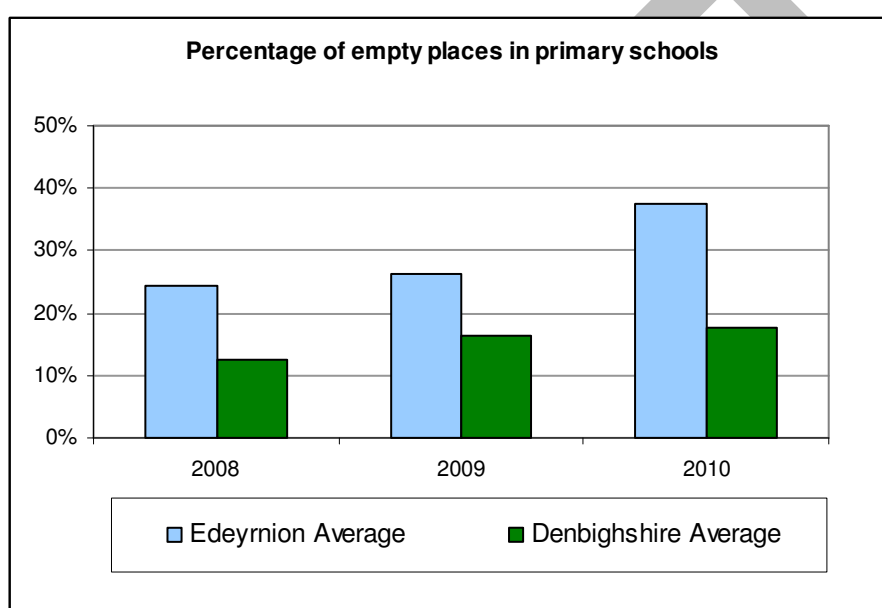
Being unable to recruit a permanent headteacher can have a significant impact upon a school, particularly in terms of educational achievement.

Denbighshire is committed to developing future headteachers through the 'Leadership and Development Programme', however we recognise the fact that schools may be forced to operate with fewer headteachers in the future. This has obvious implications for how our schools are organised.

Surplus Places (Empty places)

The suggested level of empty places within an area is recognised to be around the 10% mark. High levels of empty places do not represent the most efficient use of resources and the Welsh Assembly have made it clear that local authorities will not be able to attract capital investment to improve schools unless they deal with the issue of empty places.

The current level of surplus places across the seven schools is 37.3% compared with a Denbighshire average of 17.6% for primary schools.



As of January 2010* five schools within the area had a significant level of surplus places with 48.7% of places unfilled in Ysgol Betws Gwerfil Goch; 33.8% of places unfilled in Ysgol Carrog; 35.2% of places unfilled in Ysgol Caer Drewyn, Corwen; 67.2% of places unfilled in Ysgol Glyndyfrdwy and 44.3% of places unfilled in Ysgol Llandrillo. Ysgol Bro Elwern, Gwyddelwern and Ysgol Maes Hyrhyd, Cynwyd have surplus capacity of less than 25%.

Pupil projections for the area indicate that empty places across the area will rise to over 45% in the next 3-4 years. Such a level of empty places means the possibility of attracting capital funding to the area is negligible. Therefore we must address the issue in order to improve school buildings and facilities within the area.

* January 2010 is the date of the last Pupil Level Annual School Census (PLASC)

Welsh Medium

Denbighshire is committed to promoting bilingualism within our schools and increasing the number of pupils who leave our schools equally competent and confident in the use of both Welsh and English languages.

There are five Welsh Medium schools within the area and two English Medium schools who are interested in offering a more bilingual provision for pupils. Any change to school organisation would be expected to maintain or strengthen Welsh Medium provision within the area.

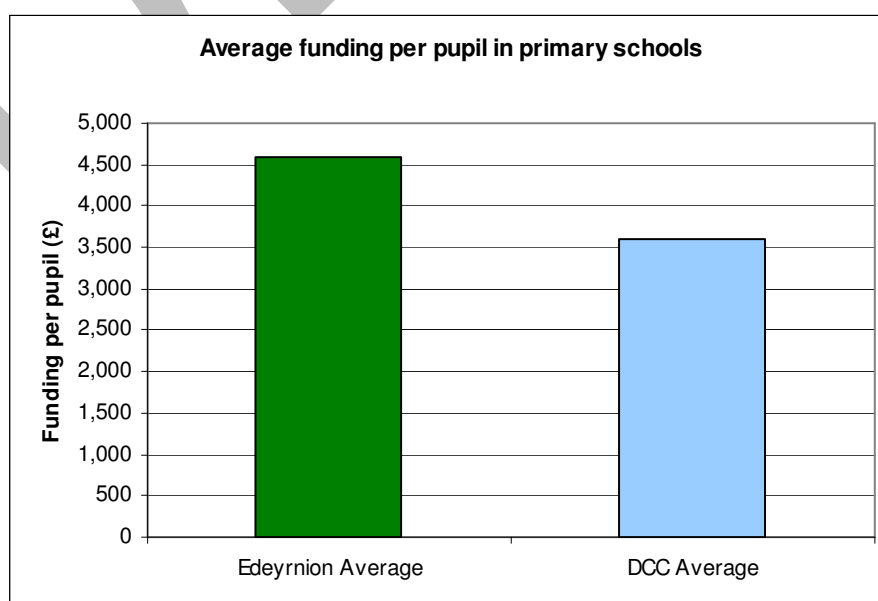
Mobile Accommodation

Mobiles are temporary buildings used by schools to meet peaks in pupil numbers. Mobiles are designed for temporary use and are not a long-term solution for meeting growth in pupil numbers at individual schools. Denbighshire is committed to removing mobile accommodation from schools and where appropriate replacing them with permanent buildings (Modernising Education Policy Framework – Policy 6: Mobiles).

Ysgol Maes Hyfryd has a mobile classroom that provides 18 full-time places; this is equivalent to 24.7% of the school's full-time capacity. Ysgol Betws Gwerfil Goch has a mobile classroom that provides 20 full-time places; this is equivalent to 25.6% of the school's full-time capacity. The cost of providing mobile accommodation in the Edeyrnion area is approximately £11,000 each year.

Cost of provision

The cost of school provision is even more important in the current financial climate with the prospect of reduced funding ahead. The average fund per pupil in Denbighshire for 2010/11 is £3,590. For schools within the Edeyrnion area funding ranges from £3,895 to £9,184 per pupil.



The average funding per pupil in the Edeyrnion area is £4,584 which is £994 (27.7%) per pupil more than the Denbighshire average.

We recognise that the cost of providing rural services is always likely to be higher than the average, however local authorities have a responsibility to ensure public services are delivered efficiently and provide value for money. It is unlikely that such a significant gap in terms of funding per pupils can be maintained in the future as a result of diminishing budgets.

Suitability and sustainability of schools

Denbighshire has a responsibility to ensure the suitability and sustainability of schools in order to provide a stable educational system within the area for the next 15-20 years. In order to achieve this we must reduce the level of empty places significantly in order to attract capital funding from the Welsh Assembly and we must ensure that the education system within the area is designed to operate with fewer headteachers.

21st Century Schools Programme

In March 2010, the Welsh Assembly Government (WAG) introduced a long term investment programme that will have an impact throughout the whole of Wales, with the aim of creating a generation of 21st Century Schools. The programme is currently being developed in close partnership between WAG and Local Government in Wales, led by the Department for Children, Education, Lifelong Learning and Skills (DCELLS) and the Welsh Local Government Association (WLGA); a co-production which is aimed at driving successful delivery and effective outcomes.

The Welsh Assembly Government, in collaboration with local government, will deliver:

- Learning environments for children and young people in Wales aged from 3 to 19 that will enable the successful implementation of strategies for school improvement and better educational outcomes;
- A sustainable education system through better use of resources to improve the efficiency and cost-effectiveness of the education estate, and which enhances local public service provision; and
- A 21st Century Schools Standard for all schools in Wales which reduces recurrent costs, energy consumption and carbon emissions.

<http://wales.gov.uk/docs/dcells/publications/100426summarydocen.pdf>

Issues to be addressed in the Edeyrnion area:-

- Maintaining or improving educational standards and experiences
- Requests to increase Welsh Medium / Bilingual* provision
- Surplus capacity (Empty places) in English and Welsh Medium schools
- Headteacher recruitment
- Use of mobile accommodation
- Cost of education provision
- Suitability and sustainability of schools

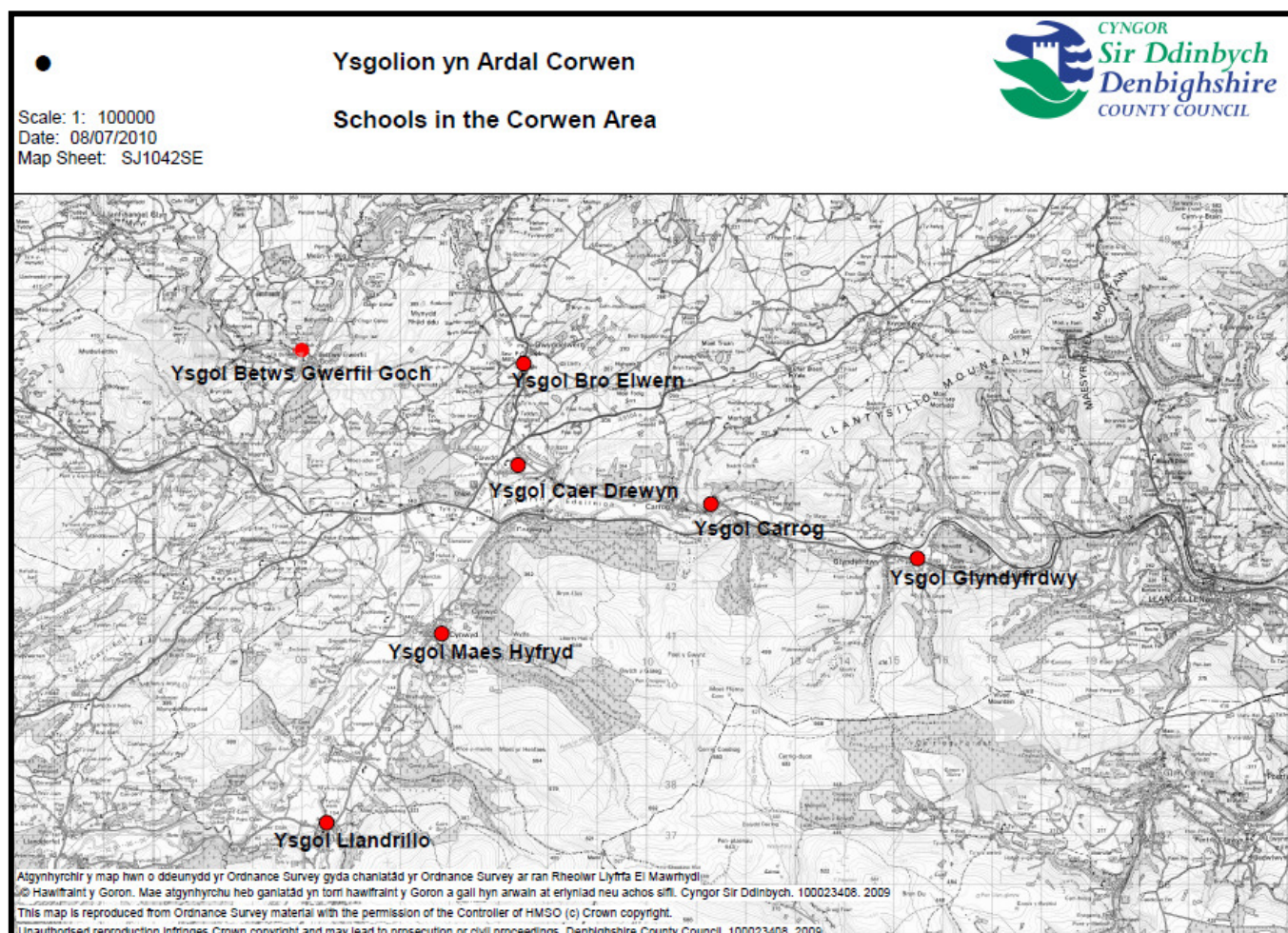
* A bilingual school is an English medium school providing between 30-50% of the curriculum through the medium of Welsh (English with Significant Welsh)

Through addressing these issues the authority believes it will be in a strong position to meet the aims of the 21st Century Schools Programme and potentially attract external capital funding from the Welsh Assembly to ensure school buildings, learning environments and resources meet the needs of 21st century Wales.

The Modernising Education Policy Framework has provided the platform to conduct the review in order to ensure that any alterations to schools would be able to deliver equal or improved educational standards.

The following document details the process being undertaken by the Council, the reasons for reviewing schools in this area and the potential options to be discussed that we believe could will provide sufficient, suitable and sustainable primary schools provision for the next 15-20 years.

Primary schools within the Edeyrnion area



School	Location	Status	Language
Ysgol Betws Gwerfil Goch	Betws Gwerfil Goch	Community Primary School	Natural Welsh
Ysgol Bro Elwern	Gwyddelwern	Community Primary School	Natural Welsh
Ysgol Caer Drewyn	Corwen	Community Primary School	School teaching Welsh as a 2 nd Language
Ysgol Carrog	Carrog	Community Primary School	School teaching Welsh as a 2 nd Language
Ysgol Glyndyfrdwy	Glyndyfrdwy	Community Primary School	Natural Welsh
Ysgol Maes Hyfryd	Cynwyd	Community Primary School	Natural Welsh
Ysgol Llandrillo	Llandrillo	Community Primary School	Natural Welsh

School Buildings – Condition, Suitability & Sustainability

Condition surveys, suitability surveys and sustainability surveys were undertaken in 2009 by consultants E.C.Harris on behalf of the Welsh Assembly Government.

A condition survey provides an assessment of physical property condition (i.e. the school building). A suitability survey assesses how well the premises meet the needs of pupils, teachers and other users in terms of space requirements. The sustainability survey looks at those areas which most impact on the environmental, social and economic sustainability of the school (energy, heating, security etc).

The Council will be engaging with schools over the coming months to ensure this data is accurate and can be used to inform any future decisions.

School Buildings – Maintenance Backlog

Denbighshire County Council like most other authorities in Wales has a significant schools maintenance backlog.

What does the maintenance backlog cover?

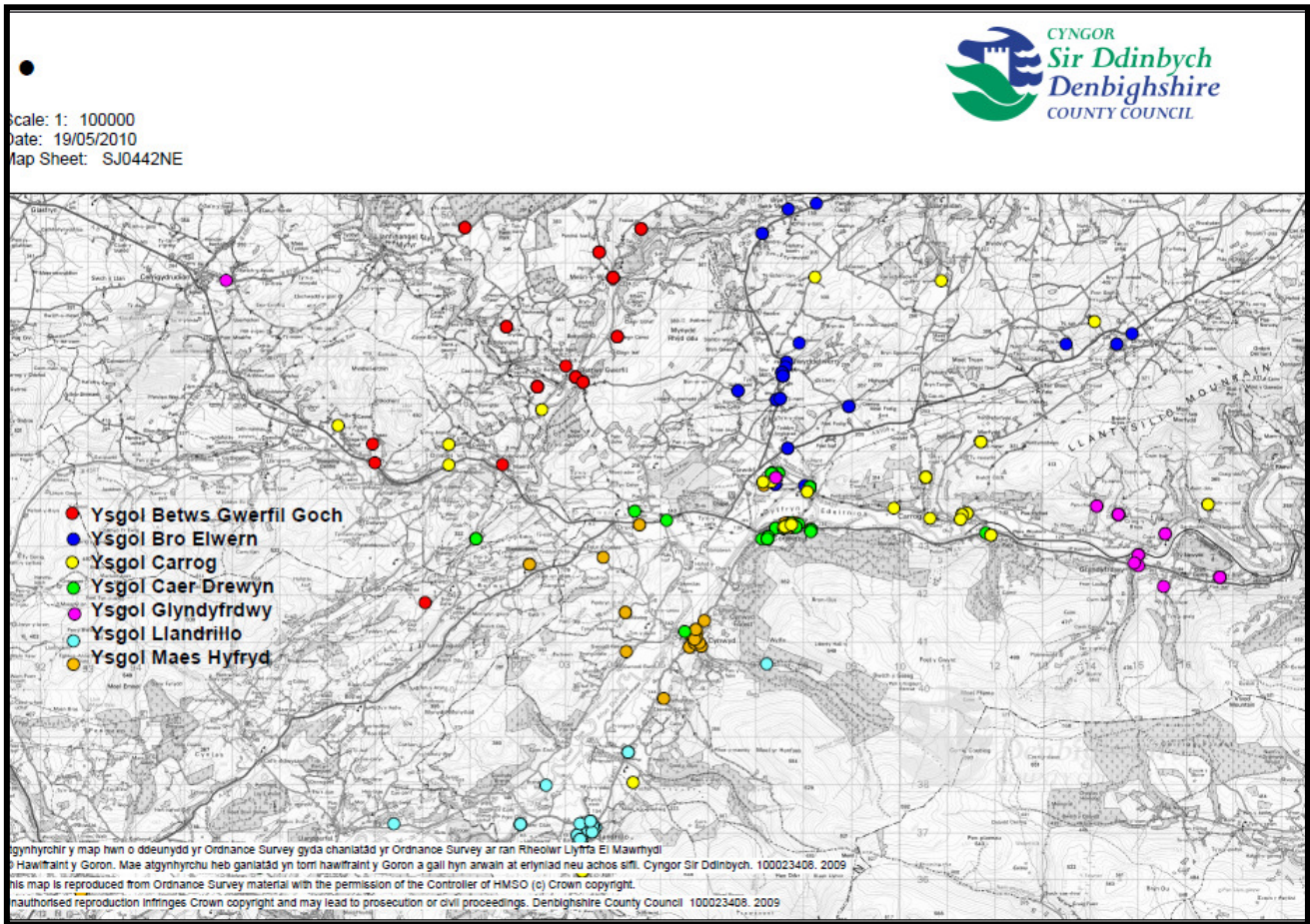
The maintenance backlog is basically maintenance that should, ideally, have been carried out in the past: in other words, repairs and renewals that are technically overdue. A maintenance backlog is an inherent feature of a large and diverse property stock. In theory there might be an ideal time to carry out every item of work when considered in isolation, but it is more economic and practical to carry out some of the work in “packages” and to prioritise the work according to the funding available. It follows that there will always be some form of maintenance backlog.

The total maintenance backlog for the area is estimated around £500,000 is a significant sum of money and in the current financial climate it is unlikely that the authority will be able to make any significant investment towards addressing this backlog.

Simply addressing the existing maintenance backlog in these schools will not deliver 21st century facilities and learning environments or meet the requirements of the Welsh Assembly’s 21st Century Schools Programme.

During the course of the initial consultation the Council will be engaging with schools to ensure this data is as accurate as possible and can be used to inform any future decisions.

Pupils attending schools within the Edeyrnion area



The map above indicates the spread of pupils in each school within the Edeyrnion area as of January 2010.

The map illustrates that while some parents chose to attend their local school others are willing for their children to travel to attend another school.

Examples of distances travelled

Corwen to Glyndyfrdwy: 5 miles

Llandrillo to Carrog: 7.2 miles

Bryneglwys – Gwyddelwern: 5.3 miles

Pupil Numbers over the past five years

School	Full-Time Pupil Numbers* from January Census (PLASC)					Trend 2006 - 2010
	2006	2007	2008	2009	2010	
Ysgol Betws Gwerfil Goch	45	39	32	34	40	- 5
Ysgol Bro Elwern	49	56	48	42	43	- 6
Ysgol Caer Drewyn	98	91	84	81	81	-17
Ysgol Carrog	41	40	43	44	47	+ 6
Ysgol Glyndyfrdwy	25	19	18	19	18	- 7
Ysgol Maes Hyfryd	48	52	61	61	61	+ 13
Ysgol Llandrillo	37	39	39	41	39	+ 2
Edeyrnion Area	343	336	325	322	329	- 14

* Excludes nursery pupils

Pupil numbers across the area over the past five years have varied slightly with the area as a whole seeing pupil numbers drop from 343 in 2006 to 329 in 2010.

Standard Pupil Projections

The standard methodology for projecting pupil numbers is based on taking an average of the recent intake to each school and using this figure as the new nursery intake each year. This is not an exact science but the methodology has been scrutinised by Estyn and is considered robust.

School	Pupil Numbers & Projections					Projected Trend 2010 - 2014
	Jan 2010	Projected 2011	Projected 2012	Projected 2013	Projected 2014	
Ysgol Betws Gwerfil Goch	40	34	31	28	27	- 13
Ysgol Bro Elwern	43	37	37	38	36	- 7
Ysgol Caer Drewyn	81	78	75	68	63	-18
Ysgol Carrog	47	46	44	43	43	- 4
Ysgol Glyndyfrdwy	18	16	18	13	12	- 6
Ysgol Maes Hyfryd	61	67	68	71	72	+ 11
Ysgol Llandrillo	39	36	33	32	28	- 11
Edeyrnion Area	329	314	306	293	281	- 48

The standard pupil projections indicate an overall decline in the number of primary school pupils across the area.

September Return 2010

Schools complete a Census in September each year to provide the authority with updated pupil numbers. We have used these figures to test the accuracy of our projections.

	January 2010	September 2010	Projected Jan 2011	Difference
Edeyrnion Area	329	307	314	-7

The projections for the 2010/11 academic year have been fairly accurate across the area. However when considering pupil projections it is also necessary to consider trends in birth rates and the impact of any potential housing developments in the area. This will ensure that any assumptions made on the number of pupil places required within the area are based on all available data.

Birth Rate Trends

Birth rate data is provided for each political ward within Denbighshire on an annual basis and is a useful aid in predicting future pupil numbers and trends.

There are a number of difficulties in using birth rate data to project pupil numbers:

- The data is never up to date – Latest figures are for 2008
- Data is based on political wards which can cover large areas
- Data is for calendar years not academic years
- Data does not provide any indication of linguistic choice

However the data can be used to indicate trends in birth rates across an area. An increase in birth rates in an area will result in additional pupils entering the primary school system on top of those estimated through standard pupil projections.

The schools within the Edeyrnion area are covered by four political wards:

- Efenechtyd;
- Llanfair Dyffryn Clwyd / Gwyddelwern;
- Corwen;
- Llandrillo;

The Efenechtyd and Llanfair Dyffryn Clwyd / Gwyddelwern wards cover a large area stretching towards Ruthin. As a result birth rates for these wards will include pupils more likely to attend schools in Clocaenog, Llanfair, Pentrecelyn and Ruthin.

Ward	Calendar Year					Increase
	2004	2005	2006	2007	2008	
Efenechtyd	10	17	15	14	13	+ 3
Llanfair DC / Gwyddelwern	15	21	16	19	24	+ 9
Corwen	22	16	17	21	23	+ 1
Llandrillo	9	9	8	8	8	- 1
Edeyrnion Area	56	63	56	62	68	+ 12

The table above shows an increase in the birth rate over the past five years. However the majority of this increase is within the Llanfair DC / Gwyddelwern ward which as stated above covers a large geographical area including two other schools outside the Edeyrnion area.

It is therefore reasonable to assume that using the standard projection figures will be accurate to within 2 pupils across the area each year.

Housing Developments

Another factor that can influence the number of school places needed across the area is the impact of any housing developments contained within the current Unitary Development Plan (UDP) or the incoming Local Development Plan (LDP).

Unitary Development Plan 1996 - 2011

A number of permitted sites identified within the Unitary Development Plan period are still undeveloped. There remains potential for the following developments:

Area	Maximum Number of Houses
Carrog	3
Glyndyfrdwy	20
Corwen	70
Llandrillo	6
Cynwyd	26
Betws Gwerfil Goch	10
Gwyddelwern	68
Total	199

Source: Housing Land Availability 2009/2010

Local Development Plan 2006 - 2021

Based on allocated sites proposed in the Deposit Local Development Plan (October 2009) the table below indicates the maximum number of houses that could be built over the period up to 2021. Some additional housing units may come forward during the plan period which are not identified/allocated in the Plan. The work to estimate a figure for these additional units is currently under review.

Area	Maximum Number of Houses*
Carrog	38
Glyndyfrdwy	33
Corwen	96
Llandrillo	20
Cynwyd	No additional
Betws Gwerfil Goch	20
Gwyddelwern	No additional
Total	207

* based on a broad estimate of 30 dwelling per hectare.

The standard calculation for estimating primary pupils from housing developments is:

$$\frac{\text{Number of Houses} \times 3 \text{ (average no in household)}}{10 \text{ (average life expectancy (70) divided by number of years in primary school (7))}}$$

A maximum 406 houses would deliver:

$$\frac{406 \times 3}{10} = 122 \text{ primary school children (2006 – 2021)}$$

This represents an average of 8 additional primary pupils per year over the course of the Local Development Plan (15 years). In terms of school places the authority will need to plan to ensure an additional 56 primary places on top of the standard projections.

Surplus Places (Empty Places)

Current Surplus Places – January 2010

Name of School	←-----Main School (ie excluding Nursery)-----→					+ / - SURPLUS PLACES	% SURPLUS PLACES
	A	B	D (A+B)	C	C-D		
	CAPACITY			Number On Roll			
Perm	Temp	Total					
Betws Gwerfil Goch	58	20	78	40	38	48.72%	
Maes Hyfryd	55	18	73	61	12	16.44%	
Glyndfrydwy	55	0	55	18	37	67.27%	
Bro Elwern	51	0	51	43	8	15.69%	
Llandrillo	70	0	70	39	31	44.29%	
Total Welsh Schools	289	38	327	201	126	38.53%	
Carrog	71	0	71	47	24	33.80%	
Caer Drewyn	125	0	125	81	44	35.20%	
Total English Schools	196	0	196	128	68	34.70%	
Edeyrnion Area Total	485	38	523	329	194	37.30%	

The current level of surplus (empty) places across the area is 37.30%.

Projected Surplus Places – January 2014

Name of School	←-----Main School (ie excluding Nursery)-----→					+ / - SURPLUS PLACES	% SURPLUS PLACES
	A	B	D (A+B)	C	C-D		
	CAPACITY			Number On Roll			
Perm	Temp	Total					
Betws Gwerfil Goch	58	20	78	27	51	65.38%	
Maes Hyfryd	55	18	73	72	1	1.37%	
Glyndfrydwy	55	0	55	12	43	78.18%	
Bro Elwern	51	0	51	36	15	29.41%	
Llandrillo	70	0	70	28	42	60.00%	
Total Welsh Schools	289	38	327	175	152	46.48%	
Carrog	71	0	71	43	28	39.44%	
Caer Drewyn	125	0	125	62	63	50.40%	
Total English Schools	196	0	196	105	91	46.43%	
Edeyrnion Area Total	485	38	523	280	243	46.46%	

The projected level of surplus (empty) places across the area by 2014 is 46.46%.

Removing the existing mobile accommodation (temp capacity) would reduce the number of surplus places to 205 (42.3%).

Estimated number of pupil places required in the Edeyrnion area

Current and historical pupil numbers

Pupil numbers across the area have fallen from 343 in 2006 to 329 in 2010.

Standard projections

Standard projections indicate that pupil numbers could fall from 329 in 2010 to 281 in 2014.

Birth rate trends

Birth rate trends demonstrate a slight increase in births across the area, the equivalent of 2 additional pupils per year. This represents an additional 14 school places required.

Unitary Development Plan (UDP) & Local Development Plan (LDP) Implications

If all the land allocated for housing within the UDP and LDP is developed there is the potential for an additional **122 primary aged children** within the area up to 2021. This represents a need for an additional 8 pupil places in each year group until 2021, equivalent to 56 places across primary schools.

** There is no guarantee of these houses being built. Housing developments depend on a variety of factors including demand and the economy.*

Estimated number of pupil places required

Based on the standard projections, birth rate trends and the possible impact of housing developments, primary schools within the Edeyrnion area should be re-organised to provide a maximum of 370 full-time places.

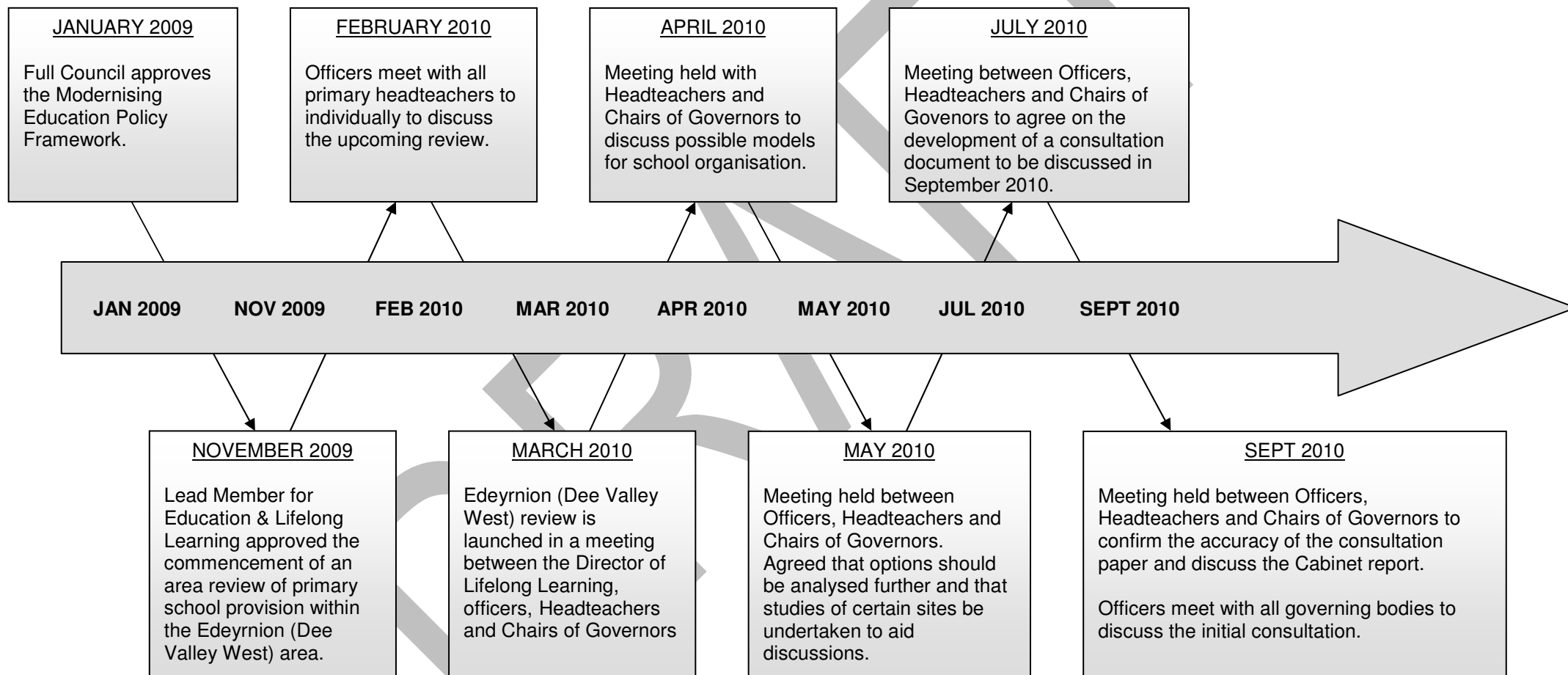
370 full-time places would provide between 19 and 90 (5-24%) surplus of places across the area to meet any increased demand in the future.

Based on current numbers this is likely to be:

- 210 full-time pupils in Welsh Medium education
- 160 full-time pupils in English Medium education

To achieve this, 153 full-time places need to be removed from primary school provision across the Edeyrnion area.

The process to date...



What happens next?

Denbighshire's Cabinet approved the following document for initial consultation on the 26th October 2010.

Stage 1 - Initial Consultation

The initial consultation period runs from 8th November 2010 to the 14th January 2011. The council is seeking your views on the two options detailed in Appendix 1 – Options to be considered.

We are initially consulting on two options which we believe will address the issues within the Edeyrnion area and enable the authority to secure external capital investment to deliver school buildings and learning facilities to meet the needs of 21st century Wales.

What happens after the initial consultation?

Following the end of the initial consultation period, officers will collate and report on the consultation responses. During this period the authority will also undertake a number of works that will need to be completed before a decision is made on how to progress.

These include:

- Site surveys;
- Welsh Language & Community Impact Assessments
- Identify potential funding streams

Once these have been completed officers will take a report to Cabinet with recommendation on how to progress. The Cabinet will consider all the consultation responses in addition to the officer recommendations and will decide whether or not to progress to formal consultation on a preferred option.

The full consultation process is detailed on the next page. It is important to note that if any of the options within Appendix 1 are eventually implemented by the authority, there will have been two public consultation periods and a statutory notice period. During the statutory notice period if any objections are received the final decision is made by a Welsh Assembly Minister.

The process to be followed is detailed below:

Stage	Description	Provisional Timeline
1	Initial Consultation Public Consultation on selected options	8 th November 2010 – 14 th January 2011
2	Works to be progressed by the authority: <ul style="list-style-type: none"> ▪ Collate and report on consultation responses ▪ Conduct site surveys ▪ Complete Impact Assessments ▪ Identify potential funding streams including 21st century schools announcement from the Welsh Assembly Government. 	Spring / Summer Term 2011
3	Prepare Cabinet Report Prepare report on the consultation responses received, works progressed by the authority including officer recommendations.	To be confirmed
4	Cabinet Decision	To be confirmed
	a) Proceed to formal consultation on preferred option(s)	
	b) Proposals rejected – No change	
5	6 Weeks (term time) Formal Consultation Public Consultation on preferred option(s)	To be confirmed
6	Consultation Responses Collate and report on the consultation responses received	To be confirmed
7	Cabinet Decision	To be confirmed
	a) Proceed to Statutory Notice (Stage 4)	
	b) Consult on alternative options (Stage 5)	
	c) Proposals rejected – No change	
8	Statutory Notice Where required proposals are published for statutory objections.	To be confirmed
	a) No Objections Received Council determines proposals	To be confirmed
	b) Objections Received Council collates objections, responds and submits to Assembly for determination. Minister for Education determines proposals	To be confirmed
9	Proposals Implemented Proposals implemented as stated within the statutory notice.	To be confirmed

Modernising Education

Review of Primary School Provision in the Edeyrnion (Dee Valley West) area

Consultation Document – Appendix 1: Options to be considered

September 2010

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1. Objectives
2. Retain the status quo?
3. Option 1 – Two Area Schools
4. Option 2 – Reduce the number of existing schools by 3 or maybe 4
5. Consultation Response Form

DRAFT

Objectives

School re-organisation within the Edeyrnion area should:

1. Provide an educational system able to maintain and provide an opportunity to improve educational standards within the area.
2. Maintain or strengthen Welsh Medium and Bilingual provision within the area
3. Provide 370 full-time pupil places therefore reducing surplus (empty) places to between 5-24% based on projections.
4. Reduce the number of headteachers required within the area
5. Result in the removal of all mobile accommodation
6. Ensure all transport times for children are kept within Welsh Assembly guidelines (maximum 45 minutes travel time for primary school children).
7. Reduce the variation of per pupil funding within the area and reduce the gap between the average spend per pupil within the Edeyrnion area and the Denbighshire average.
8. Assist the authority in attracting capital funding from the Welsh Assembly to improve school buildings and facilities through meeting the drivers of the 21st Century Schools Programme.

Capital Funding

The authority is looking to secure capital funding for school organisation within the Edeyrnion area through the Welsh Assembly Government's 21st Century Schools Programme.

An announcement on the first phase of funding from the Welsh Assembly is expected in spring 2011.

However if capital funding was not forthcoming the authority would look at all other options including prudential borrowing and the re-investment of capital receipts. The closure of certain schools could result in revenue savings for prudential borrowing and release sites which could attract a capital receipts.

Federated Schools

Federated schools have not been considered in this phase of the review as they do not address the fundamental issue of surplus (empty) places. This needs to be addressed in order to attract external funding to improve school facilities.

It is the view of the authority that federation be considered as an option by individual schools following the outcome of the review and the implementation of any resulting school organisational / building projects.

Retaining the Status Quo?

If no changes are made to school organisation within the area:

Advantages

- Overall standards of education across the area are good
- No disruption to pupils, parents and staff in the short term
- Each school continues within their own community

Disadvantages

- Doesn't address the issue of surplus (empty) places
- Doesn't strengthen Welsh Medium / Bilingual provision
- Doesn't address the issue of headteacher recruitment
- Mobile accommodation remains in two schools
- Buildings do not meet 21st Century School standards
- Unlikely to attract external capital investment to improve facilities
- Budget pressures likely to increase
- Doesn't improve value for money
- Questions remain over longer term suitability and sustainability of schools

Objective	Comments
1 – Education	Current education standards within the area are good with the majority of the schools receiving positive Estyn inspections in recent years. Retaining all 7 schools will ensure difficulties in headteacher recruitment. Being unable to recruit a permanent headteacher can have a significant impact upon a school, particularly in terms of educational achievement. As a result it may prove difficult to maintain standards across the area.
2 – Welsh Medium	Retaining the status quo would maintain the current Welsh medium provision in the short term; however question marks would remain over the long term sustainability of Welsh medium schools in the area.
3 – Surplus Places	Pupil projections indicate surplus places could increase to 46.46% by January 2014.
4 – Headteachers	Retaining the status quo would result in the need for 7 headteachers across the area.
5 – Mobile Accommodation	Mobile accommodation would be retained at Ysgol Maes Hyfryd and Ysgol Betws Gwerfil Goch.
6 – Transport	There would be no changes to existing transport arrangements.
7 – Funding per pupil	There would be no major impact upon funding per pupil.
8 – Capital	Given the high level of predicted surplus places it is unlikely the authority would be able to attract external capital investment for schools within the area.

Option 1 – Two Area Schools

Close Ysgol Betws Gwerfil Goch, Ysgol Bro Elwern, Ysgol Caer Drewyn, Ysgol Carrog, Ysgol Glyndyfrdwy, Ysgol Llandrillo and Ysgol Maes Hyfryd.

Open:

- **a new Welsh Medium area school providing 210 full-time places, and;**
- **a new Bilingual* area school providing 160 full-time places**

* A bilingual school is an English medium school providing between 30-50% of the curriculum through the medium of Welsh (English with Significant Welsh)

Studies of the potential locations will take place during the spring term 2011 (Jan – April). The authority will require this information before making a decision on which option if any to progress to the next stage of consultation. If the authority decides to progress to the formal consultation stage this information would be used as part of the consultation.

Advantages

- Ability to build on existing good educational standards
- Potential to secure the future of the Welsh and English languages in the Edeyrnion area
- Provides long term stability and suitability of schools within the area
- Addresses headteacher recruitment issues by reducing the number of headteachers significantly
- Surplus places within the area reduced to between 5-24%
- Ability to attract capital funding for new / improved facilities – 21st Century Schools
- Improved use of resources and value for money
- No mobile accommodation used within the area
- Opportunity for community provision to be provided within the school(s)
- Increased opportunity for professional development, leadership development and specialism
- Increased peer group interaction
- Allows headteachers to focus on leadership and development and school improvement

Disadvantages

- Significant disruption to pupils, parents and staff
- Increased travelling time for children and increased travelling costs
- Potential travelling problems in winter
- Loss of a school within several communities
- Potential for staff redundancies

Objective	Criteria / Comments
1 – Education	Current education standards within the area are good with the majority of the schools receiving positive Estyn inspections in recent years. Creating two new area schools will create a suitable, sustainable and stable educational system within the area able to build on existing good practise to maintain and improve standards. Access to improved facilities is likely to have a positive impact on pupils’ achievement and attainment.
2 – Welsh Medium	Having two area schools consolidates Welsh medium provision within the area into a single designated Welsh school which would improve the long-term sustainability of Welsh medium education in the area. Having a designated Welsh medium area school as opposed to a Welsh stream would provide a stronger Welsh ethos and allow pupils to be immersed in the language.
3 – Surplus Places	Based on pupil projections, surplus places would be reduced to between 5 – 24%
4 – Headteachers	There would be a need for 2 headteachers which would remove the difficulties in headteacher recruitment within the area and provide increased competition for advertised posts. Area schools would require a strong leadership and management structure which could help the authority in developing future leaders and headteachers.
5 – Mobile Accommodation	There would be no mobile accommodation within the area.
6 – Transport	There would be significant transport implications with many pupils having to travel further to schools. Travelling times would be kept within Welsh Assembly standards. Transport costs for the authority would increase.
7 – Funding per pupil	The gap between the Denbighshire average funding per pupil and the Edeyrnion average funding per pupil would decrease providing improved value for money across the area.
8 – Capital	The authority believes this option would significantly increase the possibility of attracting external capital investment to the area.

Funding

The authority would seek to secure capital funding from the Welsh Assembly Government to create the area schools. However if this was not forthcoming the creation of one or two area schools would result in significant revenue savings which could be used for prudential borrowing.

Prudential borrowing and capital receipts from the sale of some surplus school site could be used to fund the creation of the area schools.

Option 2 – Reduce the number of existing schools by 3 or 4

The number of primary schools within the Edeyrnion area would be reduced by 3 or maybe 4 primary schools. Investment would be made in the remaining schools and changes to the language categories of certain schools may be required.

Recommendations

- Retain Ysgol Caer Drewyn as the largest school within the area serving the town of Corwen. The school could be a bilingual school providing between 30-50% of the curriculum through the medium of Welsh (English with Significant Welsh) or a dual-stream school providing a Welsh and Bilingual/English curriculum to children based on parental preference.
- Retain Ysgol Maes Hyfryd as the largest Welsh medium school within the area.
- **Close 3 or 4 of the remaining schools in the area:**
 - Ysgol Bro Elwern, Gwyddelwern
 - Ysgol Carrog
 - Ysgol Glyndyfrdwy
 - Ysgol Llandrillo
 - Ysgol Betws Gwerfil Goch
- **The following criteria would be used by the authority to determine which schools could close:**
 - Educational Standards
 - Pupil Numbers & Surplus Places
 - Condition, Suitability & Sustainability of the School & School Site
 - Funding Per Pupil
 - Location
 - Language choice across the area
- Invest in and expand the remaining schools as required to improve facilities and ensure that there are enough places to meet the need of the area.
- Increase the bilingual nature of certain schools as required.

Ysgol Caer Drewyn, Corwen – English Medium School

- The largest school within the area with 81 full-time pupils on roll as of January 2010.
- Pupil numbers are projected to fall over the next four years.
- Ysgol Caer Drewyn is the only primary school within the town of Corwen.
- Largest school site within the area – significant potential for expansion.

Recommendation: Unlikely to be considered for closure under Option 2

Ysgol Maes Hyfryd, Cynwyd – Welsh Medium School

- The second largest school within the area and the largest Welsh medium school with 61 full-time pupils on roll as of January 2010.
- Pupil numbers are projected to increase over the next four years.
- Some potential for expansion based on school site.

Recommendation: Unlikely to be considered for closure under Option 2

Ysgol Betws Gwerfil Goch – Welsh Medium School	
<ul style="list-style-type: none"> ▪ Ysgol Betws Gwerfil Goch has 40 full-time pupils on roll as of January 2010. ▪ Pupil numbers are projected to fall over the next four years. ▪ Location unsuitable for further expansion. 	
Recommendation:	To be considered for closure under Option 2

Ysgol Bro Elwern, Gwyddelwern – Welsh Medium School	
<ul style="list-style-type: none"> ▪ Ysgol Bro Elwern has 43 full-time pupils on roll as of January 2010. ▪ Pupil numbers are projected to fall slightly over the next four years. ▪ Some potential for expansion based on school site. 	
Recommendation:	To be considered for closure under Option 2

Ysgol Carrog – English Medium School	
<ul style="list-style-type: none"> ▪ Ysgol Carrog has 47 full-time pupils on roll as of January 2010. ▪ Pupil numbers are projected to fall slightly over the next four years. ▪ No potential for expansion based on current school site. 	
Recommendation:	To be considered for closure under Option 2

Ysgol Glyndyfrdwy – Welsh Medium School	
<ul style="list-style-type: none"> ▪ The smallest school within the area with 18 full-time pupils on roll as of January 2010. ▪ Pupil numbers are projected to fall over the next four years. ▪ Location unsuitable for further expansion. 	
Recommendation:	To be considered for closure under Option 2

Ysgol Llandrillo – Welsh Medium School	
<ul style="list-style-type: none"> ▪ Ysgol Llandrillo has 39 full-time pupils on roll as of January 2010. ▪ Pupil numbers are projected to fall over the next four years. ▪ Location unsuitable for further expansion. 	
Recommendation:	To be considered for closure under Option 2

Advantages

- Ability to build on existing good educational standards
- Potential to secure the future of the Welsh and English languages in the Edeyrnion area
- Provides a choice of language and size of school for parents
- Improved the stability and suitability of remaining schools within the area
- Addresses headteacher recruitment issues by reducing the number of headteachers
- Significant reduction in surplus places
- Improved ability to attract capital funding for new / improved facilities – 21st Century Schools
- Improved use of resources and value for money
- No mobile accommodation used within the area
- Increased opportunity for professional development, leadership development & specialism
- Opportunity to improve community provision within remaining schools
- Increased peer group interaction

Disadvantages

- Increased travelling time for children and increased travelling costs
- Potential travelling problems in winter
- Loss of a school within several communities
- Potential for staff redundancies

Objective	Criteria / Comments
1 – Education	Current education standards within the area are good with the majority of the schools receiving positive Estyn inspections in recent years. Reducing the number of schools within the area by 3 or 4 schools would consolidate and strengthen the remaining schools creating a more suitable, sustainable and stable educational system within the area. The remaining schools would be able to build on good practise within the area to maintain and improve standards. Access to improved facilities is likely to have a positive impact on pupils' achievement and attainment.
2 – Welsh Medium	Welsh medium provision would be consolidated providing more sustainable and stable schools within the area.
3 – Surplus Places	Significant reduction in surplus places
4 – Headteachers	There would be a reduction of 3 or 4 headteachers within the area which would remove the difficulties in headteacher recruitment within the area and provide increased competition for advertised posts. The remaining schools could possibly federate to further reduce the number of headteachers needed.
5 – Mobile Accommodation	Investment in the remaining schools should result in the removal of mobile accommodation from the area.
6 – Transport	There would be transport implications with some pupils having to travel further to schools. Travelling times would be kept within Welsh Assembly standards. Transport costs for the authority would increase but not as much as Option 1.
7 – Funding per pupil	The gap between the Denbighshire average funding per pupil and the Edeyrnion average funding per pupil would decrease providing improved value for money across the area.
8 – Capital	The authority believes this option would improve the possibility of attracting external capital investment to the area.

Edeyrnion Area Review - Initial Consultation Response Form

The Council is keen to hear your views. Please indicate your preference by placing a tick in the appropriate box below, and comment if you wish, in support of your preference in the space provided.

	Tick (✓)
Option 1 – Two Area Schools A Welsh medium area school and a bilingual area school	<input type="checkbox"/>
Option 2 – Reducing the number of existing schools by 3 or maybe 4 Closing 3 or 4 of the existing primary schools	<input type="checkbox"/>
Alternative Option – please explain your suggestion	<input type="checkbox"/>

My comments are as follows:

You may provide additional comments overleaf or by e-mail or letter

Name (in block capitals):	Signed:	Date:
Status (parent, teacher, governor, resident):	School / Town / Village:	
If you would like to receive further information in the future regarding this review please provide your contact details (address / e-mail):		

Please return this response form no later than the 15th December to:-

Modernising Education Officer, Denbighshire County Council,
County Hall, Wynnstay Road, Ruthin LL15 1YN

You can also email your views to: modernisingeducation@denbighshire.gov.uk

REPORT TO CABINET

CABINET MEMBER: COUNCILLOR E W WILLIAMS, LEAD MEMBER FOR EDUCATION

LEAD OFFICER: HEAD OF MODERNISING EDUCATION

DATE: 26th October 2010

SUBJECT: 21st CENTURY SCHOOLS PROGRAMME

1 DECISION SOUGHT

1.1 To endorse the strategy for the 21st Century Schools Programme for Denbighshire.

2 REASON FOR SEEKING DECISION

2.1 In March 2010, the Welsh Assembly Government (WAG) introduced a long term investment programme that will have an impact throughout the whole of Wales, with the aim of creating a generation of 21st Century Schools. The programme is currently being developed in close partnership between WAG and Local Government in Wales, led by the Department for Children, Education, Lifelong Learning and Skills (DCELLS) and the Welsh Local Government Association (WLGA); a co-production which is aimed at driving successful delivery and effective outcomes.

2.2 The aims of the programme are designed to enable WAG to deliver, in collaboration with local government:-

- Learning environments for children and young people in Wales aged from 3 to 19 that will enable the successful implementation of strategies for school improvement and better educational outcomes;
- A sustainable education system through better use of resources to improve the efficiency and cost-effectiveness of the education estate, and which enhances local public service provision; and
- A 21st Century Schools Standard for all schools in Wales which reduces recurrent costs, energy consumption and carbon emissions.

2.3 The 21st Century Schools Programme seeks to enable a strategic approach aimed at investment across the whole estate in Wales for ages 3 to 19 over a longer term period. The programme should provide a major opportunity for all schools in the maintained sector in Wales to receive necessary investment. This will mean that from 2012 onwards, and continuing for 15 years or more, funding will be provided in 3-year bands for major elements of long-term programmes to be agreed between each local authority and WAG. This approach is intended to bring an end to the piecemeal approach to investment of the past and to move away from formulaic allocation of funding for projects.

- 2.4 To access the 21st Century Schools Programme individual local authorities have been invited to submit their Strategic Outline Programme (SOP) for future investment across the school estate. The SOP will need to provide an overview of the strategies needed to create school improvement and successful outcomes for children and young people, including a review of approaches to teaching and learning and to the use of ICT. The SOP will also underpin proposals for the creation of high quality school environments of the right size, in the right places and of the right type for young people in their locality. These might involve short, medium, or long term change in the configuration of the local school estate, identifying groups of schools requiring investment at different stages.
- 2.5 Within Denbighshire the approach taken is based on the differing policies which form the Modernising Education Policy Framework which was adopted by Cabinet in January 2009. Based on these policies a prioritised approach to future review areas has been developed. To date for the Primary Sector this has led to the area reviews and subsequent recommendations for the Dee Valley East and Prestatyn areas, whilst the initial recommendations for consultation for the Dee Valley West review are expected to be submitted to Cabinet shortly. For the Secondary Sector a similar prioritisation process based on the Policy Framework and the findings of the Strategic Site Masterplans has informed priority areas for investment. This has led to the commencement of feasibility works for future investment in Rhyl High School and Ysgol Glan Clwyd. For the special schools in the authority there is a need to ensure that future decisions are considered in conjunction with the future of other schools in their locality to enable informed decisions on future investment to be made, in particular to enable their pupils to access mainstream provision where possible. To fully address issues relating to secondary education in Rhyl, the Council has been actively involved in discussions with the Diocesan authorities and Governing Bodies of local faith schools to discuss the long term sustainability of faith based secondary education in North Denbighshire.
- 2.6 The outline approach to future investment across the school estate is outlined in Appendix 1. The Band A proposals are based on work undertaken to date and are based primarily on the findings from the work outlined in para 2.5 above. For Band B to D proposals further work is required to provide the necessary detail as to how amendments to the school estate will develop. At primary level this will emerge from the completion of area reviews in the Ruthin, Denbigh, St Asaph and Rhyl areas over the coming years. For the remaining Secondary Schools the investment requirements will emerge from further discussions on the implementation of the Strategic Site Masterplans. The findings from the Masterplans will be developed in conjunction with Leisure Services in view of the dual use sports facilities at the majority of Denbighshire Secondary Schools to ensure that all future investment meets the long term strategic needs of the authority. Similarly there will be a need to incorporate the needs of the Youth Service and Community Needs within the overall Strategic Programme. At this stage it is sufficient to provide an estimate of potential costs of the overall longer term programme as all local authorities will have the opportunity to submit updated SOP's on a bi-annual basis to reflect any additional recommendations or work areas emerging.

- 2.7 The overall SOP will be required to be submitted by the 10th December. The Welsh Assembly has advised that there will then be a process of negotiation and adjustment leading to the creation of the long term national investment programme. It is intended that funding will be released in 5 or more bands of spending, each of 3 years duration, in a sequence that would provide funding reasonably spread across Wales in each 3 year band. For planning purposes, it is being proposed that this spread of funding should be on the regional groupings of local authority education consortia recognised by ADEW (Association of Directors of Education in Wales), with the aim that no region is without investment for a significant length of time. Successful local authorities would be invited to submit Outline Business Case Submissions for Band A projects from the SOP for approval prior to accessing funding in 2012.

3 POWER TO MAKE THE DECISION

- 3.1 The School Standards and Framework Act 1998 provides the legislative framework for School Organisation Plans.

4 RESOURCE IMPLICATIONS

4.1 Cost Implications:

The implementation of the 21st Century Schools Programme will require significant capital investment both from WAG and from individual local authorities. The SOP as submitted will need to indicate the overall level of future investment required and an indication of the ability of the local authority to contribute in terms of match funding.

An estimate of £180m has been made in respect of potential investment needs over the next 10/15 years across the school estate. At present no decision has been made by the Welsh Assembly Government regarding ratios of match funding that local authorities will be required to generate. For the purposes of the application, an assumption of a 70% Assembly 30% local authority contribution has been made for Community School investments. Further clarification is also awaited whether the ratio of contributions for Voluntary Aided schools of 85% Assembly 15% Diocesan authorities, which is currently prescribed in statute, will be reviewed and amended.

The expectation of the Assembly is that local authority contributions will be raised by the use of capital receipts, reserves, general capital funding and prudential borrowing. The ability for the local authority to generate sufficient match funding for the programme via the use of prudential borrowing and the use of capital receipts will require savings to be made in how education is presently delivered.

The Band A proposals amount to £62m of which there will be a requirement of a contribution of £14m from Denbighshire County Council. It is anticipated that savings from the implementation of primary area reviews could provide £4m through efficiency savings funding prudential borrowing and the disposal of assets. This provides a further £10m to be funded as part of the general capital programme.

4.2 Staffing / Accommodation Implications:

The production of the SOP is being developed in Modernising Education through existing staffing resources. Work has been undertaken to ensure informed decisions are made on scenarios for potential future options for the school estate and this work has been funded through the existing Capital allocation for Lifelong Learning for feasibility works. This information will also inform future area reviews. The implementation of any future projects will have an impact on staff across all directorates within the Council.

4.3 IT Implications:

The SOP will be required to demonstrate an innovative approach to future IT investments to support the delivery of the curriculum. Within this the authority will be expected to demonstrate how the intended programme places IT innovation at the core of its transformation proposals.

5 RISK ASSESSMENT

5.1 Risks associated with not agreeing the recommendation/s

Should the authority agree not to submit the SOP the Council would not be in a position to draw down capital resources for investment in the school estate from WAG for at least a three year period.

5.2 Risks associated with agreeing the recommendation/s

Should the authority agree to submit the SOP the Council would be required to deliver the necessary changes in the school estate. This may then create a number of risks to be managed in respect of developing and implementing school organisation proposals.

6 CHIEF FINANCIAL OFFICER STATEMENT

The move to a structured 15 year programme of schemes supported by WAG is a major step forward in planning the modernising of Denbighshire's schools. The new requirement for a high level of match funding from the Council will however place a huge burden on the Council's capital resources at a time of major reductions in general capital funding from WAG.

7 CONSULTATION CARRIED OUT

The proposals detailed for Band A have been subject to extensive consultation to date with Headteachers and Chairs of Governors when examining individual proposals. Further consultation will take place with all impacted stakeholders including the diocesan authorities prior to the submission of the SOP in December.

8 IMPLICATIONS

8.1 Assessment of Impact on Corporate Priorities:

Modernising Education is a corporate priority. One strand of work within this priority is to modernise schools to ensure school buildings, learning environments and resources meet the needs of 21st century Wales.

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

The strategy will ensure the sustainability of Denbighshire schools and deliver the vision of investing in our schools in order to sustain high standards of educational attainment to meet the needs of pupils, the wider community and the economy.

The strategy will ensure equality of provision across Denbighshire for children wishing to pursue Welsh Medium and English Medium education.

8.3 Assessment of Impact on Climate Change - Mitigation and Adaptation

Endorsing the strategy will not have an immediate impact upon climate change. Projects contained within the strategy will have an impact upon climate change when implemented. Overall the strategy is expected to have a positive impact on climate change through reducing the overall number of school buildings and improving the sustainability and energy efficiency of the remaining schools through refurbishments, extensions or new builds. All building projects will be progressed in line with Welsh Assembly standards for energy efficiency and Council ambitions for low carbon buildings.

8.4 Assessment of Impact on NERC Act Biodiversity Duty:

Endorsing the strategy will not have an immediate impact upon on the NERC Act Biodiversity Duty. Projects contained within the strategy could have an impact on the Act when implemented. Any refurbishments, extensions or alterations to school buildings or new builds will include impact assessments as required.

9 ACTION PLAN

ACTION	RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED	ACTION TO BE REVIEWED & MONITORED BY / DATE TO BE MONITORED
Seek approval of the Strategic Outline Programme by Cabinet	Programme Manager, 26 th October 2010	Head of Modernising Education, 28 th October 2010
To submit the Strategic Outline Programme to the 21 st Century Schools Programme Team	Head of Modernising Education, 10 th December 2010	Corporate Director – Lifelong Learning, 10 th December 2010

10 RECOMMENDATIONS

- 10.1 To approve the submission of the Strategic Outline Programme for 21st Century Schools and the priority areas identified for the Band A submission for future investment in Denbighshire.

Appendix 1: Outline Approach to future investment for Denbighshire 21st Century Schools Programme - DRAFT

The aims of the programme are, in line with the national programme objectives, to deliver:

- Learning environments for children and young people aged from 3 to19 that will enable the successful implementation of strategies for school improvement and better educational outcomes;
- Greater economy through better use of resources to improve the efficiency and cost-effectiveness of the education estate and public service provision; and
- A sustainable education system with all schools meeting a 21st Century Schools Standard, and reducing the recurrent costs and carbon footprint.

Band	Area	Project Details	Estimated Value	Total for Band	Drivers for Change
Band A 2012 - 2014	Community Schools - Secondary	Ysgol Glan Clwyd - Rebuild / Refurbishment / Youth provision	£15m		Building : Condition and Suitability Category C Low level of surplus places: 2.89%, forecast deficit of 13% by 2014 – no alternative provision in North Denbighshire Post 16 Transformation Agenda Within SRA Regeneration area
	Community Schools - Secondary	Rhyl High School - New Build / Ysgol Tir Morfa / Youth provision	£26m		Building : Condition and Suitability Category C Need for radical transformation of education provision to improve attainment at the school Post 16 Transformation Agenda Within SRA Regeneration area Enable Ysgol Tir Morfa provision to be re-profiled

Appendix 1: Outline Approach to future investment for Denbighshire 21st Century Schools Programme - DRAFT

Band	Area	Project Details	Estimated Value	Total for Band	Drivers for Change
	Community Schools - Primary - Prestatyn	Implementation of Modernising Education Area Review findings :- Bodnant Infant / Junior Amalgamation Improvements to Ysgol Penmorfa . Melyd and Hirradug	£4.5m		High level of mobile accommodation Existing Infants building structure not suitable for future provision Works required to meet 21 st Century Schools provision following area review
	Primary - Edeyrnion Area	Implementation of Modernising Education Area Review findings:-	£3m		Within review area high level of surplus places – 30% Need to improve access to welsh medium education across the region
	Voluntary Aided Schools - Secondary	Faith Based Provision (Project would be funded via WAG & Diocesan authorities)	£15m		Current provision below sustainable levels identified in Policy Framework Significant shortfall in building capacity against current pupil numbers on both sites Unable to further develop Blessed Edward Jones site Opportunity to extend faith provision beyond Catholic provision
				£63.5m	

Anticipated DCC Contribution £14.5m, WAG Contribution £46.5m Diocesan contribution £2.5m

Long Term Proposals

Band	Area	Project Details	Drivers for Change
Band B	Secondary	Prestatyn High School - Implementation of Strategic Site Masterplan	<p>Current deficit of places</p> <p>Condition of buildings C rating condition survey</p> <p>Site significantly undersized for the current school population, particularly in key areas of teaching and learning resources</p> <p>Transformation Post 16 agenda</p>
	Primary – Ruthin area	Implementation of Modernising Education Area Review findings	<p>Within review area high level of surplus places – 30%</p> <p>Reliance on mobile accommodation</p>
	Primary / Secondary / Special - Denbigh	Implementation of Modernising Education Area Review findings for 3-19 provision across Denbigh – Phase 1	<p>Potential for greater interaction with Plas Brondyfryn provision</p> <p>Infant and Junior amalgamation options</p>
Band C	Primary / Secondary / Special - Denbigh	Implementation of Modernising Education Area Review findings for 3-19 provision across Denbigh – Phase 2	<p>Potential for greater interaction with Plas Brondyfryn provision</p> <p>Infant and Junior amalgamation options</p>
	Secondary	Ysgol Brynhyfryd - Implementation of Strategic Site Masterplan	<p>Low level of surplus places – potential issues meeting future demand</p> <p>Significant shortfall in Learning Resources areas</p>
	Primary - St Asaph	Implementation of Modernising Education Area Review findings	<p>Small level of surplus places, 3.82% with 3 of 5 schools with deficit places</p> <p>Potential population growth via Bodelwyddan site</p>

Appendix 1: Outline Approach to future investment for Denbighshire 21st Century Schools Programme - DRAFT

Band	Area	Project Details	Drivers for Change
Band D	Secondary	Ysgol Dinas Bran - Implementation of Strategic Site Masterplan	
	Primary - Dee Valley East	Phase 2 works Bryn Collen / Gwernant arising from Modernising Education Area Review	Address remaining issues re Ysgol Bryn Collen / Gwernant
	Primary - Rhyl	Implementation of review findings	Address condition of existing buildings through mixture of refurbishment and rebuild

DRAFT

REPORT TO CABINET

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

LEAD OFFICER: S Ellis, Director of Social Services and Housing

DATE: 26th OCTOBER, 2010

SUBJECT: **HEALTH AND SOCIAL CARE LOCALITIES:**
Arrangements for Co-working in Denbighshire

1 DECISION SOUGHT

For Cabinet to agree

- i) the approach to developing integrated health and social care teams in localities in Denbighshire. (This mainly applies to the delivery of services for older people)
- ii) the partnership governance arrangements applying to the development and implementation of this approach.

2 REASON FOR SEEKING DECISION

2.1 Background

2.1.1 Denbighshire County Council and successive health bodies have a strong track record of collaboration to meet the needs of older people with both health and social care needs.

2.1.2 Under the auspices of the Health, Social Care and Wellbeing Partnership Board, a range of integrated community services have been developed to meet the needs of vulnerable groups during the last five years. For older people, these include the development of Intermediate Care Services with the Rehabilitation and Response Service (RARS), Telecare, the development and roll-out of “generic” Health and Social Care Support Workers, the joint equipment store and, most recently, Hafan Lles- which provides a multi-agency locality base in Prestatyn. This base provides a single point of access to health and social care services for older people in the town with housing services and the voluntary sector also having a presence there.

2.1.3 The Council and the NHS have also co-operated in the development of other new services for older people- with the NHS providing an element of funding to Extra Care Housing- to meet the nursing costs of older people in Gorwel Newydd, for example. The Council has also been funded to provide social work support and disability equipment

in the new HECS (Home Enhanced Care Service) model in Rhyl- developed as a partial alternative to in-patient beds at the Royal Alexandra Hospital.

2.1.4 The rationale for these developments has been fairly straightforward, with two main components. Firstly, the current systems for accessing health and social care are complex and potentially very confusing for older people and their carers. The public often do not know or care who is responsible for providing what. What they do care about is having simple access to good quality services when they need them. Secondly, services can now be provided in different ways, with greater possibility to provide both health and social care in people's own homes- which older people generally prefer- rather than in any form of institutional setting (whether hospital or care home). Frequently, though not always, services provided in people's own homes are also more cost effective, a key consideration given the economic background.

2.1.5 In many respects, the NHS and the Council are now in a transition period in development of their services- with a need to move beyond successful "projects" to embedding models of service which takes from the best, both locally and nationally, new and old, and become mainstreamed. Only in this way will the new service landscape become completely reliable and equitable and the public become entirely familiar with what is available.

2.2 Planning services for localities and developing integrated teams- national guidance and Denbighshire context

2.2.1 A succession of national policy documents directed at the NHS, local government, and both together, have emphasized the need to plan and deliver in effective partnership- agreeing priorities, aligning resources, agreeing performance measures but most importantly delivering a set of services together which meet needs and over time can demonstrate improved outcomes.

2.2.2 Figures I and II are taken from Dr Chris Jones' report "Setting the Direction" which is regarded as a key reference point for health and social care developments in Wales. These illustrate weaknesses in the current pattern of health and social care delivery, suggesting we need to move to an organized system of integrated community services.

Delivering in localities- evidence of effectiveness

2.2.3 Various pilot schemes across Wales are referenced as the evidence base for "whole system approaches" delivering effective services in localities. These include the Torfaen Hospital at Home Intermediate Care Scheme, and the Cardiff East Locality Team. Both describe improved outcomes, and also savings to both health and social care. Developing integrated services across localities of 30,000 to 50,000 has become the accepted norm.

2.2.4 This size is considered to be large enough to bring together a core group of health and social care professionals, and of sufficient scale in terms of budgets to enable

services to be delivered in a different way. On the other hand, the size is felt to be small enough to enable local “conversations” about services, based on local information and analyses of need, local maps of services and engaging front line staff. Emerging evidence from North Wales localities (for example from Dwyfor in Gwynedd and East Conwy) is of overall resources being used more effectively –for example to avoid admissions to hospital and to enhance services provided through primary and community based care.

2.2.5 All the most recent joint/integrated developments in Denbighshire have clear evaluation programmes. This includes both Hafan Lles and HECS, both of which are being evaluated from a number of perspectives. Hafan Lles, for example is using a “balanced scorecard” which is capturing both qualitative and quantitative data, including the impact on the size of care packages required from Social Services. Preliminary findings from Hafan Lles have indicated significant benefits from the co-location of staff, including more effective and streamlined information sharing and speedier and more co-ordinated access to support for individuals. Evaluation data is emerging and is due to be available relating to Hafan Lles later in the autumn and from HECS in late October 2010.

2.2.6 For Denbighshire, it is proposed that there should be two localities, as shown in Figure 3. Denbighshire “North” would include the main GP practices north of the A55 and be co-terminous with the Council’s Rhyl and Prestatyn localities. Denbighshire “South” would be further sub-divided into two clusters, with Cluster “2a” co-terminous with the Elwy and Denbigh localities and “2b” with Ruthin and Edeyrnion localities. The current expectation is of locality bases in Prestatyn, Rhyl, Denbigh and Ruthin, with discussion ongoing relating to the most southerly part of Denbighshire.

Funding

2.2.5 In terms of how the new integrated service model is to be funded, “Setting the Direction” is clear that there are no significant new NHS monies to invest in the delivery of new primary and community services. What is envisaged, however, is a “rebalancing” of care between acute hospitals and community settings, with explicit transfer of resources to facilitate new ways of working and service delivery. Except in the case of the Royal Alexandra Hospital, and the development of the HECS service, it has not yet been easy locally to track how this is happening, though the NHS has funded essential refurbishment works to the Municipal Buildings in Nant Hall Road, which is the base for Hafan Lles.

2.2.6 From the local authority’s perspective, any modest costs arising from the integration of services in localities would principally have to be financed within existing resources or be financed on an invest to save basis. However, the fundamental approach is the redirection of existing staff resources, use of existing service delivery premises across health and social care and use of existing IT infrastructure and systems.

2.3 The model- what it is and what it is planned to deliver

2.3.1 From a local authority point of view, integrated health and social care locality teams, primarily serving older people, have four main characteristics:

- co-location of community based staff responsible for assessing and meeting the health and social care needs of older people. Typically, this will include a range of professional specialisms including medicine, nursing, therapy, pharmacy, social work. The rationale is to break down barriers between different professional groups providing services often to the same people. Services should be more holistic and streamlined. The current WAG model is for the team to be led by “a locality leadership team” bringing together leads from different professions. However, there is plainly potential to develop towards a “single line management” model which would potentially be more cost effective. Senior officers in Denbighshire are strongly supportive of such an approach and initial responses from BCU have been encouraging.
- development of common understanding of the characteristics of need in a particular locality, single point of access to services, common policies, procedures and eventually, hopefully, access to IT
- development of networks of community services and resources oriented to maintain people’s independence, support them at home wherever possible, maximizing use of self care, reablement and rehabilitation approaches. Networks will include access to wellbeing and leisure services, housing staff and voluntary sector services as well as health and social care services.
- potential to link these developments with other locality based developments within the Council, such as Area Elected Member Groups, as part of a strategic aim to “bring the Council closer to the community”.

2.3.2 It would be expected to see improved service user/patient outcomes, and reduced levels of long-term and intensive use of services, especially those which are particularly high cost- such as reduced levels of hospital admission, reduced level of placement in care homes and long term intensive domiciliary care packages.

2.3.3 While remaining suitably cautious, the outcomes of integrated working to date appear promising. The next logical stage for Denbighshire, therefore, is to plan roll out of an integrated service approach in localities, to a timescale which will enable learning from Hafan Lles and HECS, as well as the range of other new community services, both joint and single agency. The way roll out is taken forward will also have to be informed by learning about up front investment costs (ICT and accommodation related) and the cost effectiveness of the service model.

2.4 Governance arrangements

2.4.1 Most authorities in North Wales are planning to establish governance arrangements for integrated locality team development under revised Health and Wellbeing Boards. The attraction of this approach is that HSCWB Partnerships already exist and both the NHS and local authorities share legal duties for them.

2.4.2 However, agencies in Denbighshire are considering a different approach which is to develop use of the Local Service Board as the key driver for integrated partnership working, taking on the statutory responsibilities of other existing partnerships. It is therefore logical that the work of establishing integrated teams should report in to the LSB.

2.4.3 Whatever the accountability route, strategic and operational partnership structures need to enable the clinical governance and leadership requirements of the NHS and the professional standards and leadership requirements of local authority social care services to come together effectively.

2.4.4 It is consequently proposed to establish a cross sector “Intermediate Care and Locality Board” as the key delivery mechanism for rolling out both integrated health and social care teams in Denbighshire localities and continuing to develop the range of integrated community services eg Reablement. This Board would sit alongside other work being led by BCU, including work to establish need for in-patient beds in North Denbighshire, following the closure of wards at the Royal Alex and the implementation of the HECS service.

2.4.5 The Intermediate Care and Locality Board would require Terms of Reference and membership to be agreed on a partnership basis. Terms of reference would need to stress implementation and delivery, with Board members able to commit on behalf of their organizations, so as to be able to take developments forward at the pace required.

2.4.6 At regional level, a Primary and Community Implementation Board has been established by BCU to progress locality working. Local governance arrangements, probably via the Intermediate Care and Locality Board described above, would need to report in to this so as to enable the Health Board to have oversight of how the locality agenda, a critical plank of health policy, is developing across North Wales.

2.5 Proposed approach to roll out

Assuming performance information from Hafan Lles and HECS continues to be positive, the intention would be to develop our approach as follows:

Phase I (October 2010 – December 2010)

- Agree locality boundaries (see Figure 3). These have already been discussed by the Local Service Board and Social Services and Housing Scrutiny Committee

- Establish Intermediate Care and Locality Board, reporting to the Local Service Board
- Initial evaluation information from Hafan Lles and HECS

Phase 2 (December 2010 – December 2011)

- Agreement of roles, functions, leadership arrangements (including potential single line management) set up costs, expected outcomes for locality working)
- Identification of possible locality bases in Rhyl and Denbighshire “South”
- Development of phased plan for roll out, subject to available project management and freeing up of suitable accommodation both in the NHS and the Council

3 POWER TO MAKE THE DECISION

ss 40 and 33 of the NHS Wales Act 2006- requirement to develop Health, Social Care and Wellbeing Strategies and power/flexibilities to pool resources across local government and health

4 RESOURCE IMPLICATIONS

4.1 Cost implications. As set out in paras 2.2.5 – 2.2.6 above, it is expected that the cost implications associated with these proposals are modest as they mainly involve the redirection of staff resources. Costs and funding sources do need to be developed in detail when specific bases in localities are confirmed- see also related points in 4.2 and 4.3. Some project management capacity will be needed to enable roll out. A bid is being made to the Council’s Invest to Save fund to facilitate this as part of a substantial package of adult social care savings proposals.

4.2 Staffing/accommodation implications. From the Council’s perspective, the staffing of locality teams would be made up of existing staff- both managers and front line practitioners. Single line management arrangements at locality level, across health and social care, are being pursued. The plan under consideration is for one of the two Locality Managers to be drawn from the NHS and the other from Social Services. The Head of Adult Services has taken these proposals into account in the Service Budget Challenge Process. The situation regarding accommodation is that these proposals for integrated locality teams have been made known to officers leading the Asset Review/Office Accommodation Review. Possible premises suitable for locality bases are currently being identified across both the NHS and the Council with clear potential for reusing existing assets with reciprocal benefits. The proposals would principally involve Council staff currently based in Brighton Road and Russell House and thus could potentially help with the consolidation of office accommodation in the north of the County.

4.3 IT implications. This is a fairly complex picture. Most potential bases identified to date, with one exception, are already occupied by the Council or the NHS, have existing IT links and licences are already in place for staff members. Some modest additional revenue consequences are possible and will require scoping. There are no current plans to move to a single IT system, and though information sharing issues are complex, workarounds are in place in Hafan Lles and elsewhere. Those leading the development of ICT Strategy are aware of these proposals and they form part of the implementation route map for PARIS.

5 RISK ASSESSMENT

5.1 Risks associated with not agreeing the recommendation/s. The development of integrated locality working is a key WAG policy driver and a specific priority for the LSB. As such, a failure to engage with and progress this agenda would lead to significant reputational risk. It would also jeopardize relationships with a key public sector partner.

5.2 Risks associated with agreeing the recommendation/s. See 4.1 – 4.3 above. In addition, evaluation of the effectiveness of integrated locality teams, both in terms of outcomes for service users, and in terms of cost effective use of resources, is still at an early stage. There is therefore a risk of expected benefits not being fulfilled. Implementation in a staged way, explicitly drawing on earlier pilot work, is the key way to mitigate this risk.

6 CHIEF FINANCIAL OFFICER STATEMENT

The Council's Partnership Working and Collaboration Procedure rules require input from Finance, HR and ICT at an early stage. It is crucial that these services are involved in the discussions to be held along with Property colleagues where the sharing of premises is proposed.

7 CONSULTATION CARRIED OUT

The Local Service Board has received regular updates on the development of integrated locality working in Denbighshire as it is one of the priorities in the Local Delivery Agreement. They have requested further information on what integrated locality teams would be expected to deliver and the economic case for them. An update report, referring to this one, will be submitted to the Board on 20th October, 2010.

The development of proposals has also been reported to the Health, Social Care and Wellbeing Programme Management Board.

Social Services and Housing Scrutiny Committee (May 2010) discussed and supported initial proposals and the locality boundaries set out in Figure 3.

8 IMPLICATIONS

8.1 Assessment of impact on corporate priorities. Integrated health and social care teams have the potential to provide quality improvements and effective use of resources in delivering services for older people. Both the NHS and the Council share this demographic challenge and it is a priority for the Council as set out in the Corporate Plan.

8.2 Assessment of impact on the Vision, Community Strategy, Equalities and Sustainability. Locality working offers the opportunity to bring the Council closer to the community.

8.3 Assessment of impact on Climate Change- Mitigation and Adaptation. Not known. Locality working, and the development of enhanced services in primary and community care could potentially reduce transport costs.

8.4 Assessment of impact on NERC Act Biodiversity Duty N/A

9 ACTION PLAN

See 2.4 above

10 RECOMMENDATIONS

It is recommended that Cabinet agrees

- 10.1 the locality boundaries as set out in para 2.2.6 and Figure 3
- 10.2 establishment of the Intermediate Care and Locality Board, accountable to the Local Service Board, as the key joint Council/NHS delivery mechanism for integrating health and social care services for adults in localities (Section 2.4 refers)
- 10.3 the outline roll out plan set out in 2.5 above, subject to implementation of formal project management arrangements

Figure 1: Current System of Care “Push System full of Black Holes”

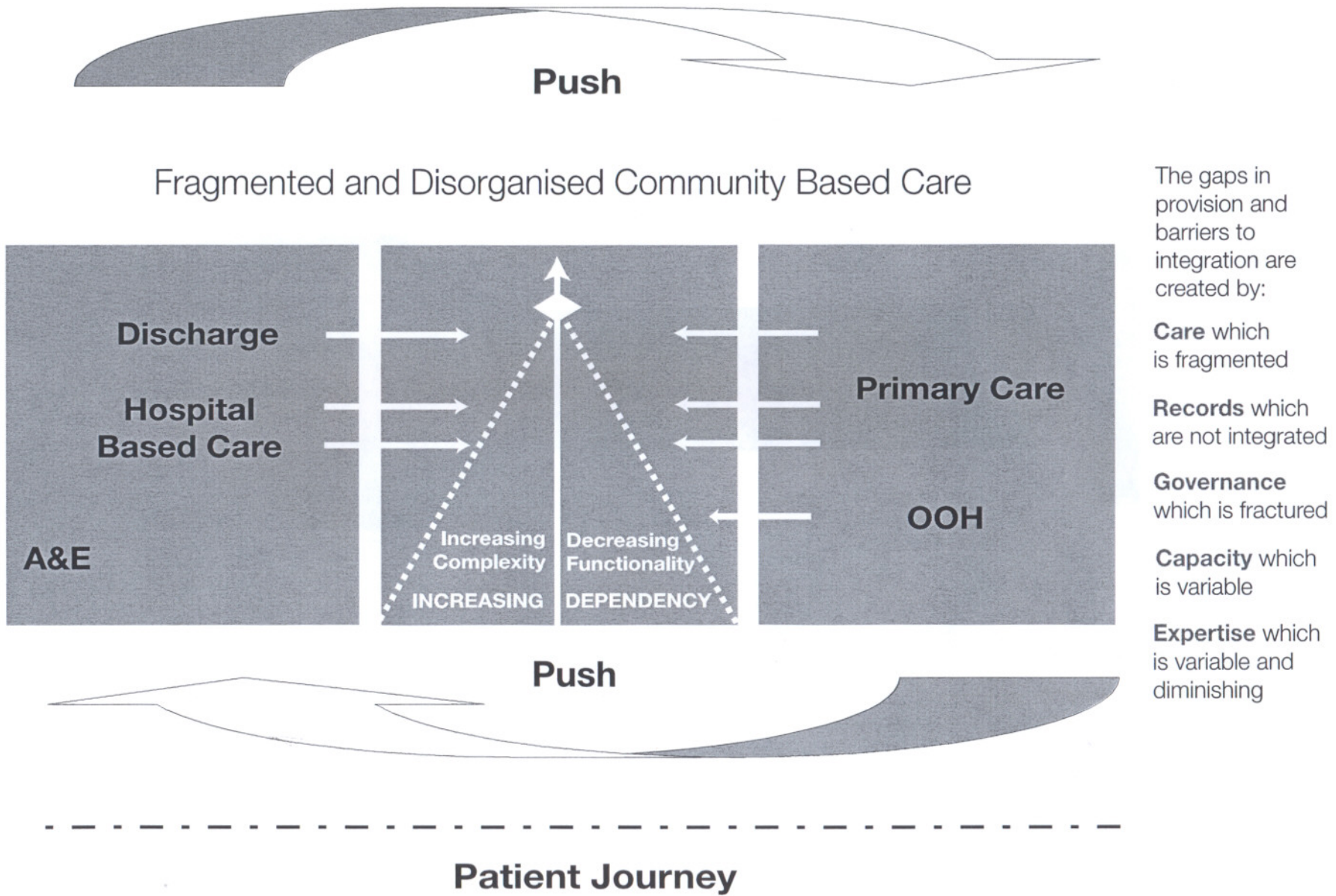
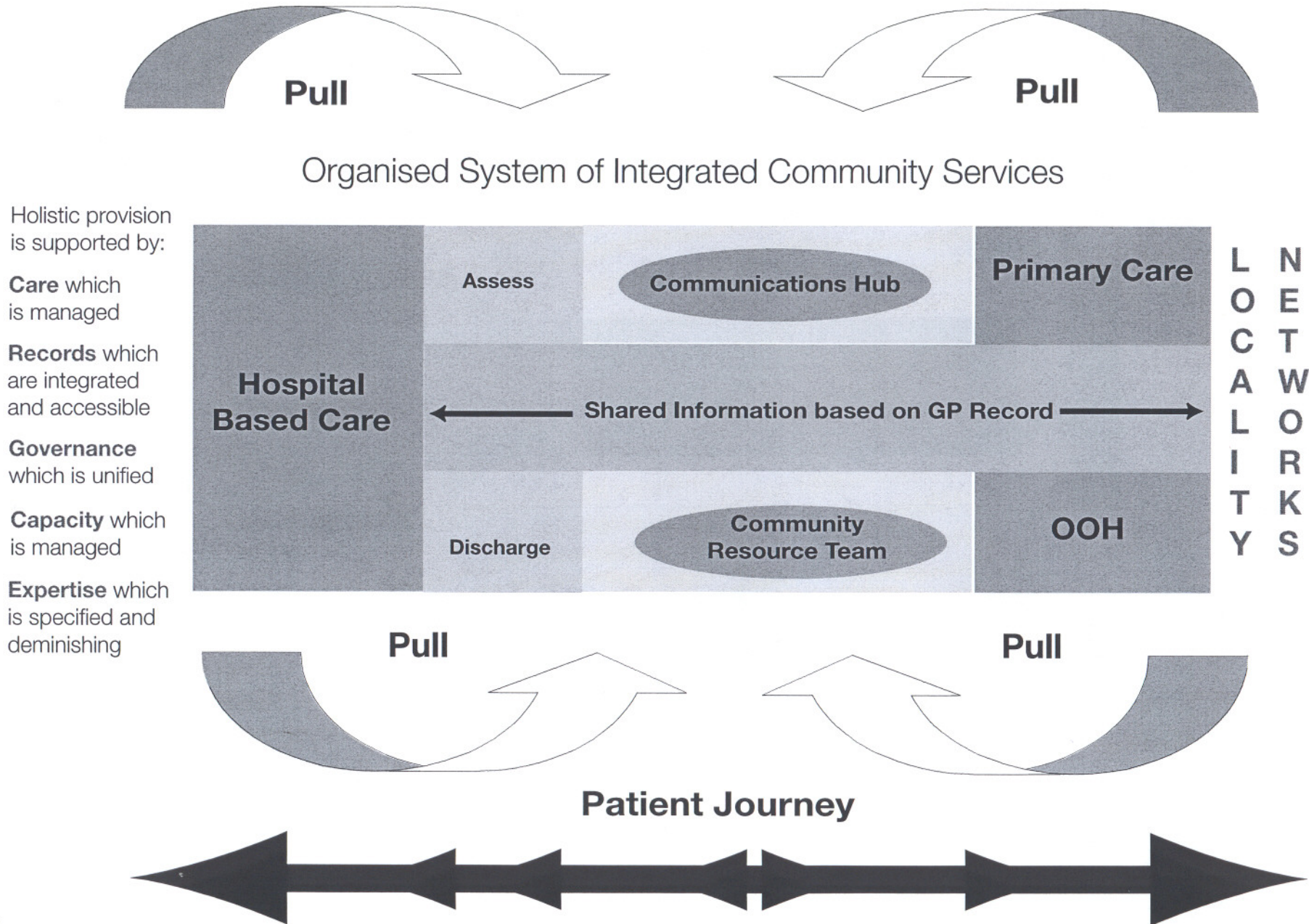


Figure 2: Future System of Care “Seamless Pull System” with Integrated Access to Information





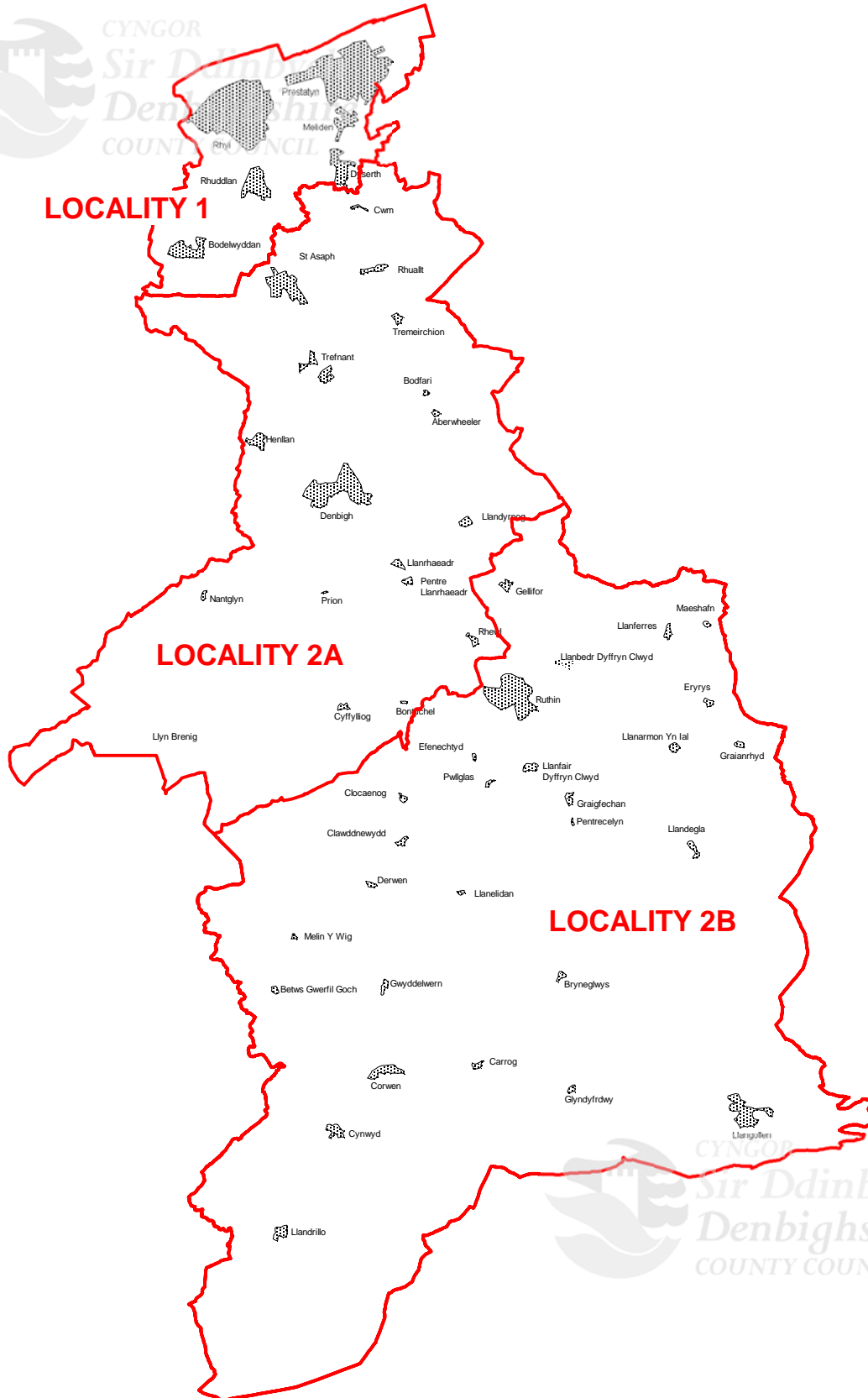
Graddfa/Scale: 1: 250000
Dyddiad/Date: 16/07/2010

Health Localities Map 2



Cyfarwyddiaeth yr Amgylchedd
Environment Directorate

Figure 3



Atgynhychir y map hwn o ddeunydd yr Ordnance Survey gyda chaniatâd yr Ordnance Survey ar ran Rheolwr Llyfrfa Ei Mawrhydi © Hawlfraint y Goron.
 Mae atgynhychu heb ganiatâd yn torri hawlfraint y Goron a gall hyn arwain at erlyniad neu achos sifil. Cyngor Sir Ddinbych. 100023408. 2009.
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AGENDA ITEM NO: 10

CABINET: FORWARD WORK PROGRAMME

30 NOVEMBER 2010	
Revenue Budget Monitoring Report 2010 -2011	Councillor J Thompson Hill R Parry
Update on Revenue Budget Settlement 2011 - 2012	Councillor J Thompson Hill R Parry
Routine Report on Personnel to include Sickness Management	Councillor P J Marfleet L Atkin / G Humphreys
Welsh Education Scheme – final approval following consultation	Councillor E W Williams Hedd Vaughan Evans
Selection of Preferred Bidder - N E Wales Regional Food Waste Treatment Project	Councillor S Frobisher S Parker
Approval to Appoint Contractor for West Rhyl Coastal Defence Scheme	Councillor S Frobisher Bob Humphreys / Bill Fishwick (01244 689926)
Extension of Highway Maintenance Framework Agreement until end March 2011 when joint contract with Conwy CBC will commence	Councillor S Frobisher Nathan Jones
Enforced Sale Policy and Procedure for Houses and Land and Commercial Premises	Councillor D A J Thomas Glesni Owen
Strategy for Area / Town Plans – seeks agreement to the strategy which will lead to development of the plans	Councillor R W Hughes G Boase / M Dixon / E Wynne
Planning & Public Protection Proposed Budget Savings – Authorise the budget savings as a result of the Service Challenge and the Service Collaboration Project with CCBC, accept the proposed collaborative structure for delivering services and accept the impact on service delivery	Councillor S Frobisher Councillor D A J Thomas G Boase
Strategic Youth Justice Plan and Inspection Report	Councillors S Frobisher and M M Jones Emma Rathbone
Procurement of Traffic Signal Maintenance Contract	Councillor S Frobisher S Davies / Peter Lea
Aligned Winter Service Policy – joint policy with CCBC on highways during winter period	Councillor S Frobisher S Davies / T Towers
Skid Resistance – joint policy with CCBC	Councillor S Frobisher S Davies / T Towers
Recommendations from Scrutiny Committees	Scrutiny Officers
14 DECEMBER 2010	
Revenue Budget Monitoring Report 2010 -2011	Councillor J Thompson Hill R Parry
Update on Revenue Budget Provisional Settlement 2011 - 2012	Councillor J Thompson Hill R Parry
Scala Cinema and Arts Centre, Prestatyn: Business Plan Update Part II	Councillor P A Dobb I Prys Jones
Redevelopment proposals for Sun Centre and Theatre, Rhyl Part II	Councillor D A J Thomas I Prys Jones / C Brindle
Parking, including a single merged parking organisation structure	Councillor S Frobisher S Davies / Mike Graham
Transport, including integration	Councillor S Frobisher S Davies / Mike Graham

Monitoring Performance Against the Authority's Corporate Plan	Councillor H H Evans E McWilliams
Learning Disability Community Living – Extension of Contract	Councillor P A Dobb Peter Fowler / Alison Heaton
Recommendations from Scrutiny Committees	Scrutiny Officers
11 JANUARY 2011	
Revenue Budget Monitoring Report 2010 -2011	Councillor J Thompson Hill P McGrady
Capital Plan 2010-2011	Councillor J Thompson Hill P McGrady
Capital Plan 2011 – 2012	Councillor J Thompson Hill P McGrady
Final Budget Proposals 2011 – 2012 or end of month	Councillor J Thompson Hill P McGrady
Recommendations from Scrutiny Committees	Scrutiny Officers
25 JANUARY 2011	
Revenue Budget Monitoring Report 2010 -2011	Councillor J Thompson Hill P McGrady
Final Budget Proposals 2011 - 2012	Councillor J Thompson Hill P McGrady
Asset Review	Councillor P J Marfleet B Jones / David Mathews
Recommendations from Scrutiny Committees	Scrutiny Officers
15 FEBRUARY 2011	
Revenue Budget Monitoring Report 2010 -2011	Councillor J Thompson Hill P McGrady
Housing Revenue and Capital Budgets 2011 – 2012	Councillor J Thompson Hill P McGrady
Routine Report on Personnel to include Sickness Management	Councillor P J Marfleet L Atkin / G Humphreys
Recommendations from Scrutiny Committees	Scrutiny Officers
29 MARCH 2011	
Revenue Budget Monitoring Report 2010 -2011	Councillor J Thompson Hill P McGrady
Scala Cinema and Arts Centre, Prestatyn: Updated 3 year business plan and annual report to be presented annually to Cabinet as per Clause 8.2.2 of the Loan Agreement	Councillor P A Dobb I Prys Jones / P McGrady / Gareth Williams
Recommendations from Scrutiny Committees	Scrutiny Officers

26 APRIL 2011	
Revenue Budget Monitoring Report 2010 -2011	Councillor J Thompson Hill P McGrady
Capital Plan 2010-2011	Councillor J Thompson Hill P McGrady
24 MAY 2011	
Revenue Budget Monitoring Report 2010 -2011	Councillor J Thompson Hill P McGrady
Destination Management - Tourism Partnership North Wales have offered to work with the Council to undertake an audit of the experience which a visitor gets when they come to the County and this item will provide an opportunity for Cabinet to receive the results of the audit and consider actions which need to be taken to improve the experience	Councillor D A J Thomas M Dixon / H Rees
JUNE 2011	
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	Councillors P A Dobb / M M Jones S Ellis / C O’Gorman
Routine Report on Personnel to include Sickness Management	Councillor P J Marfleet L Atkin / G Humphreys