

**CABINET**

Minutes of the Cabinet meeting held at 10.00 a.m. on Tuesday 14 December 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; 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; M LI Davies; G C Evans; R L Feeley and D I Smith.

**ALSO PRESENT**

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

**APOLOGIES**

Councillor P J Marfleet, Lead Member for Modernising the Council.

**1 URGENT MATTERS**

An Urgent Report to be presented at Item 11: Amendment to the Winter Maintenance Policy.

**2 MINUTES OF THE CABINET MEETING 30.11.2010**

The Minutes of the Cabinet meeting held on 30 November 2010 were submitted.

Item 7 Introduction of Skidding Resistance Policy Within Denbighshire County Council: The Head of Corporate Governance said the Resolution should read "... delegated authority is given to the Chief Executive to further authorise delegation to the Head of Service, in .."

**RESOLVED** that, subject to the above, the Minutes of the meeting held on 30 November 2010 be approved as a correct record and signed by the Leader.

**3 MONITORING PERFORMANCE AGAINST THE AUTHORITY'S CORPORATE PLAN**

Councillor H H Evans presented the report seeking Cabinet consideration performance against the Corporate Plan 2009 - 2012 as detailed in the attached report of

performance for the second quarter of 2010 – 2011 for the 2012 Indicators and each Improvement Objective. There were positive elements being reported and the trend is one of improvement although there were concerns with some elements. Whereas only 63% of indicators were in the first or second quartile last year, the figure had risen to 70% this year.

Regarding Demographic Change, the indicator relating to the number of older people being supported at home had decreased and more were now living in care homes than before. Councillor P A Dobb said the indicator was misleading as more older people were living in the community, there was more reablement and many received Telecare services which were not included in the indicators. Programmes were in place to foster living in the community for older people. At the recent Service Performance Review meeting the Performance Manager agreed to contact other Authorities to ascertain whether they were experiencing the same issues and contact the Welsh Assembly Government to discuss the indicator and its recording. The Head of Business Planning and Performance said the indicator did not reflect the Authority's policy and local indicators would be used to show local performance, which would give a more accurate picture. Councillor Dobb said the Service was holding personal residences until clients sold their homes and a more pro-active approach was being taken to speed this up. The Corporate Director: Social Services and Housing informed Members that the indicators nationally were not measuring the correct issues and therefore it was not a true picture of what was being done locally.

Turning to the Regenerating our Communities objective, Councillor H H Evans said there was a gap in the percentage of Job Seeker's Allowance (JSA) claimants between Denbighshire and the Wales figures. Extra funding had been committed to the priorities and he was concerned whether the funding was being allocated to the right place in Regeneration. Councillor D A J Thomas said the Council's indicators measured deprivation in the economy, seasonal trends and JSA but it was important to remember that key employers had been lost within the Authority e.g. the Modus development in Rhyl and Pontins. It was essential that major industry came to Denbighshire. It was hoped that refurbishment of Ysbyty Glan Clwyd would lead to the creation of jobs and the Authority would liaise with the Health Trust in regard to this. The Service Performance Review discussions had said targets were being set too high. Councillor D I Smith complimented the officers on the report and said the graphs were excellent but wondered why some graphs had targets but no comment attached. The Head of Business Planning and Performance said some targets reflected successes but some were not as great as expected. Those targets without comments was where the information would not be available until the year end as the information was gathered annually. The Corporate Improvement Manager said revised targets had been agreed with the Assembly as grant funding streams had reduced and the targets therefore had to be revised. Referring to the Rural Development Plan, Councillor E W Williams said the Key Fund was essential and brought in jobs to the County and that 7 or 8 projects had been approved. The results from these would be available at the year end. The Corporate Director: Governance and Efficiency said targets would have to be reviewed because of the current national economic situation and reduced grants. The next stage would be to review targets as those set had been very aspirational. It was important to

understand what the Authority was trying to achieve throughout the Regeneration Strategy.

Turning to Modernising Education, Councillor H H Evans expressed concern regarding the way some Key Stage results were going and reminded colleagues that the Authority had committed a lot of funding to Education. Councillor E W Williams said it would take time to improve Education as the Authority had come from an extremely low base but he felt confident that improvements would be achieved. Key Stages 1, 2 and 3 were measured by teachers in schools and it was important that the teacher measurements were robust. Key Stage 4 showed the results achieved and it was important that the Authority carried on with improvements. There was ongoing work in the Monitoring and Evaluating Support Services to Schools Programme and this was progressing according to schedule. The 14-19 Agenda was improving Key Stage 4 targets as pupils were taking vocational qualifications. Councillor Evans said that overall improvements had been made but some Authorities had overtaken Denbighshire. Core subjects had not performed well in some schools the previous year and this was being given careful consideration. Improvements would have to be made although the trend was for consistent improvement. Councillor D I Smith concurred with Members' comments and said Scrutiny Committee had a report on how the extra funding had been spent and a further report would be provided at the year end. He also said School Governing Bodies had an important part to play and the report showed them the improvements which were needed.

The position had not improved on the Roads and Flood Defences priority and the County results were lower than the Welsh median. Councillor S Frobisher reminded Members that very little investment had been made in the County's roads over the past years which meant roads were in a worse condition. The Head of Highways and Infrastructure agreed that historically insufficient monies had been invested although roads were a high community priority. More surface treatments were required but this would not change the fundamental problem as only structural improvements would change this. He said it was important to have a balance in the works carried out. Councillor E W Williams said the priority of most Councillors in an election year was the condition of the roads and they would wish to see roads in a better condition. The Authority would be criticised at a local level for spending a lot of money on a few roads. Although national indicators were important, the public perception locally was also important. Responding to a query from Councillor Evans on whether it was an issue of revenue for road maintenance or a lack of capital investment, the Head of Highways and Infrastructure said the revenue kept the drainage systems working for example which helped the surface conditions but in reality it was a combination of both issues. Councillor D A J Thomas said the Authority was trying to catch up with lack of investment in previous years and that because of the bad weather the previous winter and at the current time the Authority may need to review road funding.

Councillor M LI Davies said there was a need to clear drains and culverts on some small rural roads and some Community Councils had asked for this work to be carried out. If the maintenance was carried out the roads would be in a better condition and the ice would not form. The Head of Highways and Infrastructure said that as part of the

collaboration with Conwy CBC these issues were under consideration and he assured Members that funding would be used effectively. He said the investment in the jet patcher should free up some workers to tackle work on ditches.

The Chief Executive said issues had been debated well and he felt the Authority had the correct priorities. Pressure on school improvements had to be maintained and Denbighshire had to be as good as any other Authority. Currently roads were the biggest issue for residents and improvements to roads should be linked to budget discussions. At the last budget discussion it had been agreed to spend £1.5m on the Council's priorities and much of that could be spent on roads. Discussion would be needed on the detail of this and how the monies should be spent.

Councillor E W Williams suggested the Area Members' Groups should consider the Highways Forward Work Programme.

The Chief Executive congratulated the Highways staff who were doing a brilliant job, particularly in the adverse weather conditions. He said the Council needed to take a more strategic approach to road maintenance and this should be discussed at Cabinet Briefing and then at the Area Members' Groups. The Chief Financial Officer said Members would consider capital improvements and maintenance as part of their discussions at Informal Council on 07.01.2011.

**RESOLVED** that Cabinet:

- 1 *having considered and discussed the likelihood of successfully achieving the outcomes detailed in our Corporate Plan, follow up performance related issues with the appropriate Head of Service where specific concerns are raised or where improvement is in jeopardy.*
- 2 *sanction the development of additional indicators for the demographic change improvement objective to reflect the positive outcomes of our reablement work.*
- 3 *take into account additional information outlining the relationship between the highways capital maintenance programme and the road condition indicators during the ongoing budget discussions.*

#### **4 GOVERNANCE ARRANGEMENTS FOR SERVICE COLLABORATION PROJECTS BETWEEN CONWY CBC AND DENBIGHSHIRE COUNTY COUNCIL**

Councillor H H Evans presented the report seeking Cabinet agreement to new governance arrangements in relation to the Council's existing collaboration projects with Conwy County Borough Council as set out in appendix 1 to the report and that these new arrangements would apply to any future collaborative projects between Denbighshire CC and Conwy CBC. Cabinet note that if **significant** collaborative projects were developed with other counties, then the model as set out was to be reviewed to establish if these could be accommodated within this or whether similar arrangements based on this model need to be established with other counties.

Councillor Evans said that previous collaborations had been opportunistic and a sense of purpose was now required, with any negatives being turned into positives. Clear leadership and willing partners were required to identify barriers, benefits and any pitfalls. This would come through effective communication.

The report was welcomed by Councillor S Frobisher. She was a member of 2 collaborative boards and was pleased that these also had Scrutiny Members. Councillor D A J Thomas suggested a proforma be set up to show what the Authority wanted and expected out of any collaboration and this should set out the processes which would lead to the outcomes.

The Corporate Director: Governance and Efficiency said the arrangements were important for officers as it was essential to have a coordinated approach. Lessons would need to be learnt in terms of collaboration and there was a need to drive this faster to achieve clear benefits.

The report was also welcomed by Councillor E W Williams. He asked whether the Board would oversee regional projects and where they would fit in. the Corporate Director: Governance and Efficiency confirmed that the report was also being presented to Conwy CBC Cabinet today and that the Conwy Partnership Scrutiny Committee had welcomed the report. Including Chief Executives on the Programme Board would ensure flow of information to Regional North Wales Collaboration.

**RESOLVED** that Cabinet agrees to new governance arrangements in relation to the Council's existing collaboration projects with Conwy County Borough Council as set out in appendix 1 to the report and that these new arrangements will apply to any future collaborative projects between Denbighshire CC and Conwy CBC. Cabinet also agree that if **significant** collaborative projects are developed with other counties, then the model as set out is to be reviewed to establish if these can be accommodated within this or whether similar arrangements based on this model need to be established with other counties.

## 5 FORMER NORTH WALES HOSPITAL, DENBIGH

Councillor D A J Thomas presented the report seeking Cabinet authorisation to an exemption from Contract Procedure Rules (CPR) for the appointment of a contractor to carry out urgent works at the Former North Wales Hospital Denbigh.

Following the report to Cabinet in October 2010, the current report seeks agreement to an exemption from CPR to appoint a contractor to secure the future of the building. The most important part of the main building would be targeted, with the removal of all timber as the building is riddled with dry rot otherwise the floors and roofs could collapse with also the possibility of external walls collapsing. Removing the roof structure would mean having to put a temporary roof over the building. Planning Committee authorisation would be required to pursue any enforcement action and this authorisation would be presented to Planning Committee on 15.12.2010. A specialist

demolition contractor was required to carry out the work, one who was familiar with selective demolition in an important listed building.

Councillor G C Evans asked whether the contractor would be asked to use local workers and equipment if at all possible. Councillor M LI Davies agreed with Councillor Evans' suggestion although he was aware that a less qualified contractor could have a detrimental impact on the listed building. The Head of Planning and Public Protection agreed employment of local workers was valid but reminded Members that this was very specialised work. The market had been tested locally to see if there were any contractors with specialist knowledge and track record of this kind of work. He agreed it was important to ensure local labour was used where possible. Councillor E W Williams said it was good to have evidence that the Authority had considered whether there were local contractors with the necessary expertise.

**RESOLVED** that Cabinet authorises exemption from CPR rules to allow a single tender for urgent works on the former North Wales Hospital site.

## 6 REVENUE BUDGET AND SUMMARY CAPITAL PLAN 2010-2011

Councillor J Thompson Hill presented the report for Cabinet to note the latest estimate of the likely outturn figures for the 2010/11 financial year as detailed in Appendix 1 attached to the report and the summary capital plan performance for 2010/11 as detailed in Appendices 2 and 3 attached to the report. 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 attached to the report.

The overall revenue underspend was £150k excluding the schools' delegated budget. Lifelong Learning were forecasting a balanced budget, as were Social Services and Housing but there were ongoing pressures with specialist placements in Children's Services. The Environment Directorate were forecasting an underspend of £181k, and the latest forecast assumed winter maintenance costs could be contained within the existing budgets and by drawing on the Winter Maintenance Reserve. Corporate Governance and Efficiency was forecasting a £40k net overspend as a result of pressures on the translation budget.

Capital expenditure was at £14.6m for a plan totalling £31.3m. Officers continued to meet with external Treasury advisers to evaluate the current money market position and review the strategy. The latest figures for the Housing Revenue Account showed an in year surplus of £303k, an improvement of £17k from the previous month. The Authority was on course to meet the 2012 quality standard and the business plan was financially viable. Councillor P A Dobb said she was pleased to see the Right to Buy figures increasing.

**RESOLVED** that Members note the revenue projections for 2010/11 as detailed in Appendix 1 attached to the report and note the Summary Capital Plan performance figures for the 2010/11 financial year as detailed in Appendices 2 and 3 attached to the

*report. Members also note the Housing Revenue Account and Housing Capital Plan forecasts as detailed in Appendices 4 and 5 to the report.*

## **7 ROUTINE REPORTING ON PERSONNEL**

In Councillor P J Marfleet's absence, the Senior Personnel Officer presented the report for Cabinet to note and comment on the new content of the overview report on Personnel Statistics which provided Headcount Analysis for the period April-September 2010 and a comparison of collated data for Sickness Absence within the authority between April-September 2009 and April-September 2010.

Councillor H H Evans was pleased to see a positive report, in its new format. There was a 21% reduction in the average number of days lost and he congratulated the work by Heads of Service and Lead Members on reducing the number of days lost. He was concerned that the main reason for absence was stress / depression and suggested further work was required to ascertain why this was happening.

The Senior Personnel Officer said comparisons were not available for some services, due to the restructuring. Regarding Lifelong Learning, she said schools had just commenced using Trent and teething problems had been experienced. Work was ongoing with schools regarding working patterns and these figures would be better reported in future. Stress could be due to a combination of things – the uncertain financial climate or restructuring factors could play a part. However, the medium term sickness absence levels had decreased. Occupational Health had designed a resilience package and this should help individuals and teams tackle stress problems. Only 42% return to work interviews had been recorded on Trent and more data guidance work was to be carried out.

Members discussed the issue of stress in detail and agreed further work was required on this. Councillor D A J Thomas asked whether information was available on the Monday / Friday absences and that HR look at departments where staff cuts had been made to see if there was a link to increased sickness absence because of increased workloads.

***RESOLVED*** that Cabinet considered the new format and data and the relevance of the information supplied and note the information in the report. Cabinet identify Stress / Other musculo-skeletal / Stomach absence issues which future Cabinet reports should focus on.

## **8 EXEMPTION FROM TENDERING REQUIREMENT OF CONTRACT PROCEDURE RULES: REFUSE COLLECTION VEHICLES**

Councillor S Frobisher presented the report seeking Cabinet agreement that Environmental Services may be excepted from the tendering requirement of the Council's Contract Procedure Rules (CPRs) for the purchase of two refuse collection vehicles (RCVs) on the grounds that there is only one supplier able to supply vehicles of the required specification. One of these vehicles is a "like for like" replacement of the

vehicle that currently serves the Llangollen area. The second is an additional RCV required for an extension of the x2 service, which will replace other vehicle types.

The anticipated costs of the vehicles was £260k, therefore Cabinet agreement was required for tenders with a value greater than £250k. Compliance with European Union public procurement requirements was assured as the vehicles would be purchased through a national procurement framework. The vehicles were a niche product because of the narrow chassis required to serve areas with poor access and could only be supplied by a specialist manufacturer. One vehicle was a direct replacement for a vehicle reaching the end of its life and was a planned and budgeted replacement. The other vehicle was designed to deliver service enhancement by bringing the x2 wheely bin service to a further 3,500 households which would mean 70% of Denbighshire households would receive the service. At least 2 pickup vehicles would be taken out of service as a result of the change.

The change in service was anticipated to deliver a saving of £350k in landfill costs in the first year along with increasing cost savings as disposal costs increase. No additional staff would be required. The flexibility that the vehicles will bring will assist greatly in the planned recycling and refuse redesign planned for 2011-2012. The aim of the redesign will be to increase efficiency and productivity and would be expected to further increase the proportion of households provided with the x2 wheely bin service. Households in the south of Denbighshire typically produce 30% more rubbish for landfill than in the north of the County. Whilst there are other factors e.g. ash from use of solid fuels, the much lower proportion of households provided with the x2 service was believed to be the main factor for this. This was not a case of households in the south being “bad” – in fact they do well – but the performance in the north was exceptional even on a UK-wide basis. An extension of this size to the x2 service will be expected to take Denbighshire’s recycling rate beyond 60% and will help maintain the Council’s top quartile position in the National Performance Indicator.

Councillor H H Evans supported the recommendations and reminded colleagues that large wagons were not able to access many rural areas. The Corporate Director: Environment said the only planned reduction in the number of small wagons was as stated in the report. He also informed Councillor P A Dobb that more properties could be accessed by the new vehicles. Councillor E W Williams suggested that after adverse weather when collections in rural areas had not been made, that officers consider the possibility of having a one off central collection in a village, to enable those householders in outlying areas to bring their refuse to the village.

***RESOLVED*** that Cabinet authorise the procurement of 2 number 18 tonne narrow chassis/body refuse collection vehicles from Dennis Eagle Ltd.

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



## **9 CABINET FORWARD WORK PROGRAMME**

Councillor H H Evans presented the Cabinet Forward Work Programme.

It was agreed the 11.01.2011 Cabinet meeting be cancelled with the reports due being considered on 25.01.2011. The Strategy for Area / Town Plans would be considered at the 15.02.2011 meeting. The report on Redevelopment Proposals for the Sun Centre and Theatre, Rhyl should be a joint report with Councillor P A Dobb.

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

## **10 ISSUES REFERRED TO CABINET BY THE SCRUTINY COMMITTEES**

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

## **11 AMENDMENT OF THE WINTER MAINTENANCE POLICY**

Councillor S Frobisher presented the report to Cabinet in order to introduce a revised salt spreading matrix for use during precautionary salting operations. The Authority needed to move away from the recommendations in the Code of Practice and therefore needed to vary the Winter Maintenance Policy recently agreed by Cabinet.

Councillor Frobisher said Members would have seen press reports regarding availability of salt and coupled with the enforced reduction in rates used in the winter of 2009-2010 officers from 5 of the 6 North Wales Authorities had taken the opportunity to review how much salt needed to be applied to ensure the network was adequately treated. This had resulted in the revised matrix attached to the report and each Authority would now be seeking Member approval for its introduction. The Welsh Assembly Government was also considering this approach. The Head of Highways and Infrastructure said the reduced rate had been used the previous winter for a couple of months following Welsh Assembly guidance. Lack of potential availability of salt was of concern and the Authority was wise in its wish to conserve grit when possible, but not at a risk based situation. The matrix could be further revised once it was known what the Welsh Assembly would be recommending. Responding to Councillor H H Evans' query on supplies, he said half the amount of stock had been used to date and this was the situation in most Authorities in Wales. Orders had been placed for resupply for December and it was likely that this would not be delivered. Many Welsh Authorities were conserving stock and the same situation applied in Conwy.

Concern was expressed by Councillor P A Dobb over the intention to reduce the amount of salt spread, particularly at this time of year. She said the A494 at the Clwyd Gate was notorious for problems in adverse weather and the smaller B roads received only 1 gritting which had resulted in very icy roads. She was very disappointed to see the request in the report. The Head of Highways and Infrastructure agreed the ideal would be to treat all secondary routes but it was not possible to source supplies. However, if supplies became available further consideration would be given to those routes. Councillor Dobb said the A494 was a primary route, used by heavy duty

vehicles and cars every single day. Members were informed by the Head of Highways and Infrastructure that the Highways Agency was also reducing spread rates on motorways. Temperatures experienced to date meant that the Authority would still have to treat at the higher rate but the amendment to the rate was for use in marginal conditions. This could extend the number of days where grit would be available.

Councillor P A Dobb voted against the recommendation.

**RESOLVED** that Cabinet approves the proposed change to the DCC/CCBC Winter Maintenance Policy.

## **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 16 of Part 4 of Schedule 12A of the Local Government Act 1972.

### **12 APPOINTMENT OF A CONTRACTOR FOR THE WEST RHYL COASTAL DEFENCE SCHEME**

Councillor S Frobisher presented the report seeking Cabinet agreement for the appointment of the contractor named in the report for the construction of the West Rhyl Coastal Defence Scheme, subject to successful planning consents from Conwy County Borough Council (CCBC) and Denbighshire County Council (DCC), and approval from the Welsh Assembly Government.

The preferred contractor appointment was the conclusion of the procurement process started in April 2010, following a competitive process which followed EU procurement rules. The estimate of the total scheme and grant aid from the Assembly over the period was outlined. In order to maximize the available EU Convergence Funding and the associated Assembly match funding there would be a benefit to the scheme to commence in the current financial year. It was essential to obtain approval to appoint a contractor so that the works could commence as soon as all approvals and consents were in place. The approval in principle would enable the Council to appoint a contractor as soon as the statutory consents were in place and assist in achieving the spend in 2010-2011 as requested by the Assembly. Failure to do this could result in losing a portion of the funding and the scheme would suffer.

Members discussed the consultation carried out and the Corporate Director: Environment confirmed that thorough local consultation had been carried out.

**RESOLVED** that Cabinet approve the appointment of the contractor named in the report as Contractor for the West Rhyl Coastal Defence Scheme subject to Planning Consents from CCBC and DCC, and approval from Welsh Assembly Government.

### 13 INTEGRATION OF PASSENER TRANSPORT SECTIONS IN CONWY CBC AND DENBIGHSHIRE COUNTY COUNCIL

Councillor S Frobisher presented the report seeking Cabinet approval to progress with the integration of the Passenger Transport Sections in both Denbighshire County and Conwy County Borough Councils. The report was also being taken to the Cabinet in Conwy County Borough Council for approval.

The outline proposals have been approved by the JHOS Programme Board and formed part of the ongoing collaborative and integrative process between the 2 Authorities. There would be a single management structure, with officers based in one location. If approved by the 2 Authorities, there would be appropriate staff always on hand to deal with immediate issues. It was expected that this would lead to a saving between the 2 Authorities from Year 2, as known additional set up costs were charged against Year 1 savings.

Members supported the proposals and agreed officers continue to seek integration with other Authorities.

**RESOLVED** that Members agree to progress with the integration of the two passenger transport teams of Denbighshire County and Conwy Borough County Councils as outlined within the report.

### 14 UPDATE ON SCALA, PRESTATYN

The Chief Financial Officer presented the report for Cabinet to receive the Scala Company Board's latest financial projections for the current year and the 3 following years. Cabinet were asked to consider whether sufficient progress had been made by the Board to deliver a solvent trading position for the Company and consider whether further financial support was needed in the current financial year.

The Scala received an annual grant from Denbighshire of £54k, had received an £80k loan in February 2010 and approval of further one off support, subject to conditions, of £86k in May 2010. Since then the Board had identified cost savings of £40k and final proposals had now been received. The Chief Financial Officer outlined the support he had provided to the Board in the form of a draft business plan layout and he had since written to the Board regarding monitoring and support arrangements for arms length companies. The Board were projecting a profit at the end of the current financial year following receipt of half of the £86k one off support agreed in May 2010. A liaison officer would be appointed from Leisure Services and would need to have monthly accounts and cash flow figures provided. Potential risks within the Board's figures were highlighted including increased income levels and the loss of temporary staff employed under the Future Jobs Scheme which would mean their work would need to be absorbed by other staff.

Councillor H H Evans was pleased to see a profit being projected by the board and the Scala's future being secured. Councillor S Frobisher agreed and said the Scala was an excellent facility for both the people of Prestatyn and the County as a whole.

The figures from the Board suggested that no further additional financial support was required and Members said they were prepared to accept the information given by the Board. However, they stressed the Board would have to produce cash flow figures for their own monitoring purposes and for the Authority. The Chief Executive congratulated the Board on the actions it had recently taken, to help secure a viable future for the Scala. He agreed the Scala business plan would need to be closely monitored and that the balance of additional support was not needed.

Members discussed general future opportunities for the Scala and agreed officers enter into discussions with the Board.

**RESOLVED** that Cabinet note the Company has produced a revised set of financial forecasts demonstrating a potential positive trading position for the next 3 years and in the light of this that Cabinet agree that the Company does not need any further additional financial support based on these figures. Cabinet agree the delivery of the revised financial projections should be monitored closely over the next 6 months and then in line with the Council's agreed monitoring strategy for arms length companies. Cabinet further agree that officers enter into discussions with the Scala Board about future opportunities.

## 15 CAPITAL PLAN 2010-11 TO 2013-2014

Councillor J Thompson Hill presented the report for Cabinet to note the latest position on the 2010-2011 element of the Capital Plan.

He referred initially to the position for 2011/12 and later years. Heads of Service had quantified the level of annual funding needed to deliver various programmes. The information had been compared with the likely level of capital resources available from the Assembly, capital receipts and prudential borrowing funded from existing revenue budgets. There was, inevitably, a large annual funding gap.

A Capital Strategy and Asset Management Group, meeting quarterly, whose membership was the Lead Cabinet Members for Finance and Assets, one Member from each of the 4 Scrutiny Committees, the Corporate Director: Governance & Efficiency and the Chief Financial Officer would consider the Capital bids and future funding and recommend to members accordingly. The Capital Monitoring Group (Lead Cabinet Members for Finance and Assets, Corporate Director: Governance & Efficiency and the Chief Financial Officer) would meet monthly to consider progress with current schemes in the plan and review any new schemes.

Councillor E W Williams discussed the Community Match Funding allocation in the Capital Plan and asked for confirmation that funds were included in the plan. The Chief Financial Officer said that all the previously agreed block allocations had been

subsumed into the Heads of Service bids although as mentioned previously there is a resulting major funding gap in each of the next 4 years. The overall position would be discussed at the Members' budget seminar on 7 January along with potential options for providing further funding to at least part fund the gap.

***RESOLVED*** that Cabinet note the latest position on the 2010-2011 element of the Capital Plan.

The meeting concluded at 1.35 p.m.

**REPORT TO CABINET**

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

**LEAD OFFICER: B E JONES, CORPORATE DIRECTOR GOVERNANCE & EFFICIENCY**

**DATE: 25 JANUARY 2011**

**SUBJECT: ASSET REVIEW STRATEGY**

**1.0 DECISION SOUGHT**

- 1.1 That Cabinet endorses the recommendations formulated from the service asset reviews outlined in paragraph 2.11
- 1.2 That Cabinet approves the Asset Review Strategy as outlined in this report as the vehicle for delivering these recommendations with a view to rationalisation of the Council's asset portfolio and increased efficiency of space utilisation in line with service delivery needs.
- 1.3 That Cabinet agrees that all changes to the Council's property portfolio are reviewed by the Asset Management Team, effectively acting in the role of County Landlord, with strategic decisions being formally agreed at the Capital and Asset Strategy Management Group and operational issues being formally agreed by the Asset Management Group prior to agreement at CET, Cabinet and/or Council where applicable.

**2.0 REASON FOR SEEKING DECISION**

- 2.1 Denbighshire County Council currently manages and maintains property assets with an estimated value of £280 Million (taking into consideration the current property market). The annual running cost of the property portfolio is in the region of £17 Million and the current maintenance backlog is estimated at £24 Million (this does not include works required for asbestos management, legionella management or compliance with the Disability Discrimination Act). Bearing in mind the level of funding available annually for maintenance purposes, it is inevitable that the estate in its current form will deteriorate rather than improve. The Council's property portfolio, therefore, is unsustainable.
- 2.2 Management of buildings is becoming increasingly onerous and expensive. Health and Safety legislation, increasing energy costs and the implications of The Climate Change Act 2008 (an imposed annual levy of £12 per tonne of carbon emitted – equating to a worst case scenario of approximately £250 - £300K in 2011) are just some examples of increasing pressures being put on the Council in terms of managing a property portfolio of varying age, appropriateness and efficiency.

2.3 The Council's property holdings are currently allocated to ten service portfolios, namely:

- Corporate\* (Office accommodations etc.);
- Agricultural Estate;
- Environmental Services\* (Civic Amenity Sites, Depots, Parkland etc.);
- Development Services\* (Regeneration Properties & Business Units etc.);
- Lifelong Learning Education;
- Lifelong Learning Leisure Services\*;
- Lifelong Learning Youth Services\*;
- Transport & Infrastructure (Car Parks, Depots etc. but not roads & pavements);
- Social Services & Housing (Elderly Persons Homes; Day Centres etc. but not Social Housing);
- Tourism, Culture & Countryside\* (Arts centres, Heritage Sites etc.)

\* Exact portfolios to be established following internal reorganisations.

2.4 In order to realise and maintain long term efficiency savings and generate capital receipts to support service delivery over the next 4- 5 years and beyond, the council needs to:

- Review its current property portfolio in terms of suitability for purpose, efficiency and utilisation – identifying poorly performing buildings and implementing measures for improvement, including disposal where appropriate;

- Challenge Service Departments regarding asset utilisation and retention, including reviews of service delivery methods in order to identify potential for increased utilisation of assets or, ideally, non asset dependent service delivery models;

- Identify potential for collaboration with other public sector bodies, the private sector and community groups in order to share facilities and integrate service provision;

- Ensure that property assets are considered a corporate resource, with properties being retained purely for the support of core service delivery and managed by appropriately qualified professional officers through established/proposed protocols and procedures;

2.5 The Asset Review will encompass all assets owned and/or leased by the Council, irrespective of which service manages the property portfolio or geographical location.

2.6 Service delivery models will be reviewed in order to investigate the potential for reducing or eliminating reliance on property. It is recognised, however, that improved service provision is a priority for the Council and this will be a significant consideration in any proposals brought forward.

- 2.7 Where services consider the opportunities suggested by Property to be unworkable, alternative proposals realising similar benefits will need to be developed by the service where possible. Where consensus cannot be reached, CET will act as arbiter.
- 2.8 Internal service repositioning and collaborative ventures with other public and private sector bodies will need to be considered and encouraged.
- 2.9 Where properties cannot be categorised into service portfolios, they will be considered surplus to service needs and, therefore, suitable for re-appropriation/disposal through the asset management process.
- 2.10 It is recognised that certain categories of property have specific management considerations which, in effect, delegate responsibility to non Council bodies. An example is school buildings where the governing bodies are deemed to have the power to make alterations to the buildings. Notwithstanding the operational considerations of allowing such bodies to undertake work (Control of Asbestos, Construction Design & Management Regulations, Health & Safety at Work Act etc.), it must be remembered that the ownership of the buildings still lies with the Council and, ultimately, it is the Council that bears cost of any alterations which are prejudicial to strategic considerations or detrimental to value.
- 2.11 Relevant service representatives have outlined their property strategies to a review panel and have formulated their 2011/12 Service Asset Management Plans based on these. These reviews will continue to be undertaken on an annual basis and will inform Service Asset Management Plan production.

Recommendations from the review panel are:

#### **2.11.1 Development Services;**

In order to regularise the operational management of the portfolio, ensure that legal and financial risks to the Council are minimised and ensure that the aims outlined in service strategies are met, operational management of the portfolio should be transferred to Finance & Assets (Property).

The service needs to formulate long term strategies for developing the portfolio which clearly state:

The rational for retention of existing individual sites and/or buildings as opposed to disposal including the potential for renegotiation of terms where it is clear the site and/or building are no longer fulfilling a regeneration role in terms of establishing new business opportunities;

Review of empty units and identification of long term vacancies together with the formulation of mitigation measures;

The rational for future acquisitions, proposals and developments in geographically specific areas;



### **2.11.2 Education Services;**

It is recognised that the Service have some developing strategies for the portfolio based on service needs, but there is a lack of professional property representation in the decision making process. This needs to be rectified by inclusion of relevant officers from Property and/or Asset Management in the consultation and decision making process.

### **2.11.3 Environmental Services;**

Emerging outcomes of the Efficiency Agenda and Repositioning exercise need to be considered and the service will need to review the strategies for reallocated service areas.

Options need to be developed for the utilisation of the Rhuallt former abattoir site including potential to utilise the site for alternative uses;

Options for increased utilisation of the Ruthin Lon Pacwr site with particular emphasis on the potential to develop the site to the South of the Ruthin relief road.

### **2.11.4 Leisure Services, Youth services & Libraries;**

Emerging outcomes of the Efficiency Agenda and Repositioning exercise need to be considered and the service will need to review the strategies for reallocated service areas.

Options appraisals need to be undertaken in respect of Library provision across the County with specific emphasis on Prestatyn, Rhuddlan and St Asaph.

### **2.11.5 Social Services and Housing;**

Adult Services:

A clearer strategy needs to be developed regarding the development of Extra Care Social Housing models and the impacts on remaining residential and day care provision.

Co – location with The Health Service needs to be explored and the impact on office accommodation strategies reviewed.

### **2.11.6 Transport & Infrastructure;**

The impacts of co – location with CCBC need to be investigated and likely outcomes established in terms of accommodation needs.

An options appraisal is required regarding the continued utilisation of Bodelwyddan depot aligned to the above recommendation.

A review of car park occupancies and revenue incomes needs to be undertaken.

#### **2.11.7 Agricultural Estate;**

Recommendations from the Agricultural Estate Review should be implemented as approved at Cabinet on 26<sup>th</sup> October 2010.

#### **2.11.8 Corporate Property;**

##### **Greengates Farm:**

Identify and bring forward opportunities for the development of the former Greengates Farm site, St Asaph.

##### **Office Accommodation General:**

The Council's office accommodation portfolio should be reduced to the minimum amount of floor space required, consistent with its business needs, operating effectively and sustainably.

Increased utilisation of space should be achieved where possible by applying the following criteria:

Maximum 10m<sup>2</sup> gross floor area per workstation;

Ratio of desks/staff to be 8/10 (8 desks for every 10 staff members) as a target – final ratio to be determined by service needs;

Open plan configuration where possible and use of cellular offices minimised;

Corporately managed meeting and training facilities based on actual need;

Flexible utilisation of cellular offices as departmental meeting spaces;

Service review of filing and storage needs.

Investigation into collaboration with external agencies;

##### **Office Accommodation North Denbighshire:**

Investigate the potential and cost implications of housing all staff currently accommodated in the 6 locations in the North of the County in either:

A reduced number of office buildings currently owned/leased by the Council;

One or two newly constructed, leased building.

### **Office Accommodation South Denbighshire:**

Increase utilisation of the PFI buildings (County Hall, Town Hall and Corporate Store) through more efficient use of space and alternative working practices (as outlined above).

Investigate the potential to vacate Trem Clwyd & Canol y Dre for alternative use/capital generation.

### **Office Accommodation Denbigh:**

Retain the existing building in Denbigh in the medium term but consider the potential for vacation and disposal in conjunction with the studies of the other two areas.

- 2.12 Presentations have been delivered to the Area Elected Member Groups and proposals for potential rationalisation/alternative use have been received. The proposals are currently being compared with the service reviews to identify any correlation. All proposals will be investigated and updates given to the Member Groups at regular intervals.

## **3.0 POWER TO MAKE THE DECISION**

- 3.1 Sections 111,120,123 & 132 of The Local Government Act 1972

## **4.0 COST IMPLICATIONS**

- 4.1 The Asset Review will generate the need for feasibility studies, including involvement from legal services. Funding will be subject to bids either through Capital Strategy Group or to the feasibility fund allocated to Property. The outcome of initial cost/benefit analysis will determine which schemes are developed and brought forward as funding bids.
- 4.3 Efficiencies realised through the Asset Review Process will depend on cost/benefit analysis of specific schemes brought forward.
- 4.4 Funding will be subject to proposals being approved at Asset Management Group and Capital Strategy Group via the Capital Prioritisation Process.
- 4.2 In line with the criteria for success identified in the Business Transition Programme Board document "PROGRAMME ORGANISATION AND OUTCOMES", targets for efficiencies related to the Office Accommodation Review are:

Success Criteria	Actual	Target				
	Mar 10	Mar 11	Mar 12	Mar 13	Mar 14	Mar 15
We will occupy less office space (m <sup>2</sup> )	18,470	18,070	17,505	16,340	15,395	14,095
The office accommodation we occupy will be wi-fi enabled (percentage)						
We will have reduced the cost of facilities management for our property portfolio <sup>5</sup> (£)	316,961	309,938	295,153	271,254	249,124	238,303
We will have reduced our energy consumption <sup>1</sup> (kWh)	62,447,290	60,000,000	57,000,000	55,000,000	49,000,000	42,000,000
We will have reduced our carbon emissions (carbon tonnes) <sup>2</sup>	18,403	18,000	17,800	17,500	15,300	13,000
We will have reduced the maintenance backlog for our property portfolio <sup>6</sup> (£) Cumulative figures in brackets	393,570	393,570	382,800	295,639	253,722	183,943
We will have raised capital through property disposals (£) <sup>7</sup>	0	500K	2.0M	2.5M	2.5M	2.5M

## 5.0 FINANCIAL CONTROLLER STATEMENT

5.1 The Council's asset portfolio represents a major element of expenditure within both revenue and capital budgets. These budgets are going to be put under significant pressure over the coming years and it is important that the Council is clear on how it intends to manage its portfolio going forward.

5.2 There is an expectation that the portfolio will become smaller and more efficient leading to service improvements, revenue savings and capital receipts

## 6.0 CONSULTATION CARRIED OUT

6.1 Presentations have been delivered to the Area Elected Member Groups during September 2010 outlining the need for a review of assets and asking Local members for input. Further consultation with these groups is planned as the Asset Review process develops and any outcomes from it emerge.

<sup>1</sup> Energy consumption figures include Clwyd Leisure buildings and street lighting (CRC scope)

<sup>2</sup> Carbon emission figures include Clwyd Leisure buildings and street lighting (CRC scope)

<sup>5</sup> Includes caretaking, alarms & security, cleaning, refuse collection, building manager cost, window cleaning etc. Figures relate to Corporate Office portfolio only. Target figures do not take account of potential increased FM costs in County Hall.

<sup>6</sup> Inflation and future dilapidations have not been calculated. Figures relate to Corporate Office portfolio only.

<sup>7</sup> Not restricted to Corporate Office Portfolio

6.2 Specific proposals arising from the Asset review will be subject to formal consultation with services, Senior Management, Lead Members, Local Members, Cabinet and Full Council where appropriate.

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

7.1 The Asset Review is a fundamental component of the Council's strategy for service delivery through the anticipated reduction in public spending. Financial benefits identified and realised through the Asset Review strategy will assist the Council in maintaining service delivery levels which otherwise may not be sustainable.

7.2 The implementation of a strategy which effectively streamlines the Council's asset portfolio will have an impact on all service delivery areas and will depend to a significant extent on alternative service delivery models and service delivery needs.

7.3 The Asset Review Process is fundamental to the pursuit of the Corporate Asset Objectives. The process assists the service departments in implementing Council policy by helping to align accommodation needs with service delivery needs.

## **8.0 PRELIMINARY ACTION PLAN**

8.1 Ongoing – Feb/March 2011

Gathering of additional information and verification of existing data in terms of all property with regard to specific ownership and utilisation.

8.2 March 2011 – July 2011

Assets identified and Service use established/confirmed, the service portfolios will be scrutinised and the assets within them benchmarked using the following criteria:

- Current use efficiency & occupancy ratio (staff/visitors per m<sup>2</sup>);
- Backlog/Ongoing maintenance burden;
- Energy & utility costs;
- CO2 production/burden
- Facility Management costs;
- Suitability of use;

8.3 July 2011 – September 2011

In depth investigation into legal issues (trusts, covenants, easements etc.) undertaken on poorly performing buildings. A corporate strategic overview will be

taken to consider the properties where service retention will be challenged. Unmarketable properties will be considered in terms of alternative and/or increased utilisation.

#### 8.4 September 2011 – Ongoing & annually

With assistance from the Asset Management Team and other property departments, services will be asked to review asset retention/utilisation and consider the following:

- Is this the best location for specific service delivery?
- Does the configuration of the building suit service delivery needs?
- Is the available space being utilised efficiently?

Services will also be asked to consider:

- Adapting service delivery to minimise property reliance, with particular emphasis on assets identified as performing poorly;
- Adopting a more strategic attitude to asset retention & development;
- Potential collaboration with internal and external partners including service integration;

8.5 Recommendations and proposals from the asset reviews will be brought forward for consultation and approval through the existing democratic and decision making processes. Consultation with Officers and Members will form part of this process.

## 9.0 RECOMMENDATIONS

9.1 That Cabinet endorses the recommendations formulated from the service asset reviews outlined in paragraph 2.11

9.2 That Cabinet approves the Asset Review strategy as outlined in this report as the vehicle for delivering these recommendations with a view to rationalisation of the Council's asset portfolio and increased efficiency of space utilisation in line with service delivery needs.

9.3 That Cabinet agrees that all changes to the Council's property portfolio are reviewed by the Asset Management Team, effectively acting in the role of County Landlord, with strategic decisions being formally agreed at the Capital and Asset Strategy Management Group and operational issues being formally agreed by the Asset Management Group prior to agreement at CET, Cabinet and/or Council where applicable.

**REPORT TO CABINET**

**CABINET MEMBER:** Councillor J Thompson Hill, Lead Member Finance

**LEAD OFFICER:** K Jones, Head of Revenues and Benefits

**DATE:** 25 January 2011

**SUBJECT:** Write Off Sundry Debtor Balances

**1 DECISION SOUGHT**

To write off a debt of £86,724.04 being debts outstanding for Integrated Building Services Engineering LTD T/A Operon - one invoice totaling £50,979.75  
David McLean Contractors LTD – Two invoices totaling £35,744.29

**2 REASON FOR SEEKING DECISION**

**2.1** The Financial Regulations of the Council state that the Write Off for amounts above £20,000 will be subject to Cabinet approval.

**2.2** There is a balance of £50,979.75 outstanding from Integrated building Services Engineering LTD T/A Operon. This invoice is in respect of utility recharges for the PFI County offices

**2.3** Operon entered in to Administration on 29 January 2010, with the latest administrators report showing unsecured non preferential creditors of £4.4 million.

**2.4** There is a balance of £35,744.29 outstanding from David McLean Contractors LTD. Being two invoices: One invoice for £2,271.10 and an invoice for £33,892.41 both in respect of street lighting scheme at Prestatyn High school

**2.5** David McLean entered in to Administration on 21 October 2009 with Liquidation final report being completed on 5<sup>th</sup> March 2010 .

**2.6** There is no further enforcement action available to recover the debt.

**3 POWER TO MAKE THE DECISION**

Financial Regulations 25.1

**4 RESOURCE IMPLICATIONS**

**4.1 Cost Implications:**

The loss to the Authority both in terms of loss of income and expenses (services) paid on behalf of the company.

**4.2 Staffing / Accommodation Implications:** None

**4.3 IT Implications:** None

## **5 RISK ASSESSMENT**

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

None - however the amount will remain shown within the balance sheet as a creditor if Write off is not approved.

### **5.2 Risks associated with agreeing the recommendation/s:** None

## **6 CHIEF FINANCE OFFICER'S STATEMENT**

This account was identified for write off for the current year and was included within the 2010/11 calculation of the Bad Debt provision

## **7 CONSULTATION CARRIED OUT**

None relevant

## **8 IMPLICATIONS**

### **8.1 Assessment of Impact on Corporate Priorities:** No impact

### **8.2 Assessment of impact on the Vision, Community Strategy, Equalities and Sustainability:** No impact

### **8.3 Assessment of Impact on Climate Change - Mitigation and Adaptation** No Impact

### **8.4 Assessment of Impact on NERC Act Biodiversity Duty:** No impact

## **9 ACTION PLAN**

<b>ACTION</b>	<b>RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED</b>	<b>ACTION TO BE REVIEWED &amp; MONITORED BY / DATE TO BE MONITORED</b>
Financial transaction to be completed to write off debt	Ken. A. Jones On Cabinet approval	

## **10 RECOMMENDATIONS**

To Write off a debt of £86,724.04 being the balances outstanding.



**REPORT TO CABINET**

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

**DATE:** 25th January 2011

**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 budget forecasts in order to deliver the agreed budget strategy for 2010/11. 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. To be consistent with previous budget reports and planning assumptions, this report and those to the end of the financial year will retain the four directorate block presentation. All budget reports relating to 2011/12 will be presented taking account of the new corporate structure. Appendix 1 details a projected, overall revenue under spend of £190k, excluding the schools' delegated budgets. Vacancies and other savings within the Environment block and reduced pressures within Corporate Governance & Efficiency have contributed to the small increase in the projected net under spend from last month. The revenue budget forecasts assume a neutral impact for single status payments in this financial year. The over spend reported on the schools' delegated budgets remains at £596k 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 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 with some pressures funded from reserves. 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. Expenditure on services for older people has increased marginally in the past month. Demand on mental health budgets has increased and continues to be pressure. Any overspends arising this year will be funded from within 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 and have reduced slightly since last month.*

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.*

**iii) Environment** is forecasting an under spend of £210k.

a) *The latest forecast still assumes that winter maintenance costs can be contained within the existing budgets and by drawing on the Winter Maintenance Reserve though this may have to be reviewed subject to the weather conditions in the coming weeks.*

**iv) Corporate Governance & Efficiency budgets** are forecast to be £20k net over spent as a result of pressures on the translation budget.

4.2 **Capital expenditure** at the end of October is **£17.3m**, for a plan that totals **£28.7m**. 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 Housing Capital Plan.

4.4 The latest figures show an in year surplus of £288k (a reduction of £2k from last month) on the HRA and capital expenditure of £6.8m against an original plan of £8m. The capital expenditure forecast remains the same as last month with works not completed this year rolling into 2011/12. There have been four council house sales this year under the Right to Buy scheme meaning the housing stock is now 3,465. The Housing Stock Business Plan has been

reviewed and 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**

No perceived risks currently but future funding reductions have a 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 All departments will need to continue to exercise tight control over their revenue expenditure to ensure they remain within their budgets. The current financial year must be used as a platform for all departments to begin to deliver the significant savings required to achieve the council's Medium Term Financial Strategy.

6.2 Service budgets remain broadly on target. Should pressures emerge within the remainder of the year, departments will need to contain them within existing resources. It is crucial that the longer term implications of spending decisions and commitments in the remainder of this financial year are considered in the context of the significant funding reductions ahead.

### **6.3 MONEY MARKET INVESTMENTS UPDATE**

The Council's strategy in 2010/11 is to reduce new borrowing and investment balances through use of temporary cash surpluses but maintain a level of cash that is sufficient for cash flow purposes. New borrowing has occurred this financial year, prior to the recent increase in interest rates charged to local authorities. Further debt rescheduling opportunities will continue to be explored and taken at the appropriate time by monitoring the Capital Plan, interest rates and the Council's cash position. Investment balances are continually monitored with the aim of maintaining sufficient levels to meet the Council's cash flow requirements.

The Council continues to invest with the top 6 UK banking groups and the HM Treasury deposit account. The Treasury Management Strategy agreed by Council allows investments to be placed with banks in Germany and Australia when required. The likely future levels of surplus cash makes this an unlikely event in the short to medium term.

Officers are meeting regularly with the Council's Treasury advisers to evaluate the current market position and are reviewing the strategy.

## **6.4 USE OF DELIVERING CHANGE FUND RESOURCES**

There is no change to the position reported to the last Cabinet meeting.

## **7. CONSULTATION CARRIED OUT**

- 7.1 Lead Cabinet members will consult with Heads of Service during the financial year to agree necessary remedial actions to accommodate pressures in year.

## **8. IMPLICATIONS**

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

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

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

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

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

None directly

### **8.4 Assessment of Impact on NERC Act Biodiversity Duty:**

None directly

## **9. ACTION PLAN**

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

## **10. RECOMMENDATIONS**

- 10.1 To note the latest 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**

Service	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)	24,021	-9,145	14,876	24,021	-9,145	14,876	0	0	0	0
Environment	46,290	-17,906	28,384	46,036	-17,862	28,174	-254	44	-210	-190
Social Services & Housing	58,875	-17,582	41,293	59,672	-18,379	41,293	797	-797	0	0
Corporate Governance & Efficiency	21,035	-8,394	12,641	21,055	-8,394	12,661	20	0	20	40
Corporate, Miscellaneous & Benefits	32,211	-26,458	5,753	32,211	-26,458	5,753	0	0	0	0
Business Planning & Performance	2,504	-1,867	637	2,504	-1,867	637	0	0	0	0
<b>Total All Services</b>	<b>184,936</b>	<b>-81,352</b>	<b>103,584</b>	<b>185,499</b>	<b>-82,105</b>	<b>103,394</b>	<b>563</b>	<b>-753</b>	<b>-190</b>	<b>-150</b>
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
			<b>119,317</b>			<b>119,127</b>			<b>-190</b>	<b>-150</b>

**Note:**

The Management Accounting rules of the Council require debtor account entries to be reversed in respect of amounts outstanding for more than 30 days after the due date. In the event that debts cannot be collected, services will be required to meet the cost of the debt write-off. This may impact on the actual outturn achieved by services at the year end.

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10**  
**LIFELONG LEARNING**  
**SUMMARY POSITION AS AT END 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
<b>Individual School Budgets</b>	62,901	-6,794	56,107	63,497	-6,794	56,703	596	0	596	596
<b>Schools - Non Delegated</b>	4,091	-51	4,040	4,091	-51	4,040	0	0	0	
<b>School Improvement &amp; Inclusion</b>	7,548	-2,702	4,846	7,548	-2,702	4,846	0	0	0	0
<b>Modernising Education</b>	1,710	0	1,710	1,710	0	1,710	0	0	0	0
<b>Education Grants</b>	3,342	-3,342	0	3,342	-3,342	0	0	0	0	0
<b>Library Services</b>	2,355	-108	2,247	2,355	-108	2,247	0	0	0	0
<b>Leisure &amp; Youth Services</b>	4,425	-2,392	2,033	4,425	-2,392	2,033	0	0	0	0
<b>Cultural Services Grants</b>	550	-550	0	550	-550	0	0	0	0	0
<b>Total excluding schools</b>	<b>24,021</b>	<b>-9,145</b>	<b>14,876</b>	<b>24,021</b>	<b>-9,145</b>	<b>14,876</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

	<b>Current Month £000s</b>	<b>Previous Month £000s</b>
<b><u>SCHOOLS - DELEGATED</u></b>		
The projected overpend of £596k is reflective of the latest position during quarter 3. The true overspend across all schools is a £114k 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 2 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	596
<b><u>SCHOOLS - NON DELEGATED</u></b>		
This budget has been reviewed and realigned this year. A scheme has been agreed with schools to meet the anticipated overspend in maternity costs. Work is nearing completion with the Head of SI&I to agree expenditure that can be charged to this budget. All expenditure is currently being closely monitored by Finance to prevent unallowable expenditure.	0	0
<b><u>SCHOOL IMPROVEMENT &amp; INCLUSION</u></b>		
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
<b><u>MODERNISING EDUCATION</u></b>		
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
<b><u>LEISURE &amp; YOUTH SERVICES</u></b>		
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 February 2011.	0	0
<b><u>LIBRARY SERVICES</u></b>		
The service is currently working to an estimated balanced budget. Transfers of credit balances from the holding accounts will be utilised to offset the matchfunding for the Rhyl Library refurbishment.	0	0
<b><u>TOTAL</u></b>	<b>596</b>	<b>596</b>

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2009/10  
ENVIRONMENT  
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	15,191	-5,370	9,821	15,124	-5,308	9,816	-67	62	-5	-7
PLANNING & PUBLIC PROTECTION	4,546	-1,725	2,821	4,490	-1,755	2,735	-56	-30	-86	-24
DIRECTOR & SUPPORT	517	-57	460	370	-57	313	-147	0	-147	-143
ENVIRONMENTAL SERVICES	17,612	-6,375	11,237	17,646	-6,375	11,271	34	0	34	-2
REGENERATION & TOURISM	8,424	-4,379	4,045	8,406	-4,367	4,039	-18	12	-6	-14
<b>Total Environment</b>	<b>46,290</b>	<b>-17,906</b>	<b>28,384</b>	<b>46,036</b>	<b>-17,862</b>	<b>28,174</b>	<b>-254</b>	<b>44</b>	<b>-210</b>	<b>-190</b>



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

Comments	Current Month	Previous Month
<b>HIGHWAYS &amp; INFRASTRUCTURE</b>		
<b>School and Public Transport</b> Most of the savings on these budgets have now been vired to offset the major income pressures in Car Parking.	-5	-22
<b>Car Parking income</b> 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 partly offset this pressure.	45	53
<b>Highways and Winter Maintenance</b> The severe weather conditions during the last winter placed a huge financial strain on the winter maintenance (WM) budget in 09/10 which was overspent by £327K. Following the recent severe weather conditions during November and December it seems likely that this budget will again be under pressure although some of the costs are recharged to the North Wales Trunk Road Agency. There is also the WM Reserve available to dampen any in-year pressure.	0	0
<b>Staffing savings</b> Savings from vacant posts in the Highways Network and Admin Support Sections.	-45	-38
<b>TOTAL HIGHWAYS &amp; INFRASTRUCTURE</b>	<b>-5</b>	<b>-7</b>
<b>PLANNING &amp; PUBLIC PROTECTION</b>		
<b>Building Control and Development Control</b> These budgets have now been realigned to negate the downturn in income due to the recession.	-21	0
<b>Licensing</b> An award of costs has been made against the Council as a result of a successful appeal by the V2 Nighclub in Ruthin against the closure of the premises. These costs (£24K) are included in this report.	13	33
<b>Improvement Grants</b> Due to the short term nature of this funding it has been difficult to appoint staff to these positions and as a result there will be underspends in 10/11. The work required as part of the funding has been undertaken by existing staff.	-20	-17
<b>Staffing savings &amp; Professional Fees</b> The budget savings on vacant posts plus not committing to spend the professional fees budgets across the Service.	-58	-40
<b>TOTAL PLANNING &amp; PUBLIC PROTECTION</b>	<b>-86</b>	<b>-24</b>
<b>DIRECTOR &amp; SUPPORT</b>		
<b>Staffing savings/Initiatives</b> As part of the vacancy control process savings as a result of posts remaining vacant are transferred to a central budget formerly controlled by the Director. This is the projected savings for the year which are not included in other parts of the report. The Initiatives budget is funding the 10/11 shortfall in the Llangollen Pavilion budget (please see below).	-147	-143
<b>TOTAL DIRECTOR &amp; SUPPORT</b>	<b>-147</b>	<b>-143</b>
<b>ENVIRONMENTAL SERVICES</b>		
<b>Refuse Collection &amp; Waste Disposal</b> Latest indications are that not all the N Wales Residual Waste facility procurement budget of £309K will be spent.	-40	-40
<b>Public Conveniences</b> Savings as a result of rating revaluations on some premises.	-17	-7
<b>Free School Meals</b> 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.	76	46
<b>General</b> Savings on Street Lighting being used to partly offset cost of new Hi Lite management system and insurance pressure in 10/11.	15	-1
<b>TOTAL ENVIRONMENTAL SERVICES</b>	<b>34</b>	<b>-2</b>
<b>REGENERATION &amp; TOURISM</b>		
<b>Llangollen Royal International Pavilion</b> There is a pressure on this budget in 10/11 as a result of the delay in re-opening the Venue following the major upgrade to the facilities.	54	49
<b>Staffing savings</b> Projected savings on salary budgets as a result of not filling the HoS position plus other vacant posts across the Department. These savings have been partly offset by extra payments to other officers pending the final restructuring.	-60	-63
<b>TOTAL REGENERATION &amp; TOURISM</b>	<b>-6</b>	<b>-14</b>
<b>TOTAL ENVIRONMENT DIRECTORATE</b>	<b>-210</b>	<b>-190</b>

**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	9,466	-821	8,645	9,649	-889	8,760	183	-68	115	99
Adult Services	43,063	-10,811	32,252	43,758	-11,573	32,185	695	-762	-67	-27
Supporting People Grant	4,489	-4,488	1	4,489	-4,581	-92	0	-93	-93	-125
<b>Sub Total Social Services</b>	<b>57,018</b>	<b>-16,120</b>	<b>40,898</b>	<b>57,896</b>	<b>-17,043</b>	<b>40,853</b>	<b>878</b>	<b>-923</b>	<b>-45</b>	<b>-53</b>
Non HRA Housing	1,857	-1,462	395	1,776	-1,336	440	-81	126	45	53
<b>Directorate Total</b>	<b>58,875</b>	<b>-17,582</b>	<b>41,293</b>	<b>59,672</b>	<b>-18,379</b>	<b>41,293</b>	<b>797</b>	<b>-797</b>	<b>0</b>	<b>0</b>

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

<u>Comments</u>	<b>Current Month</b>	<b>Previous Month</b>
	<b>£000s</b>	<b>£000s</b>
<b><u>SOCIAL SERVICES</u></b>		
<b>CHILDREN'S SERVICES</b>	115	99
The outturn for Children's Services is currently showing an overspend of £115K. To achieve this, a figure of £140k has been assumed from the Children's Specialist Placement reserve. Specialist Residential and Fostering placements still remain the main pressure areas with a combined overspend of £318K. The increased overspend compared to last month relates to increased Specialist Placement fees. This outturn assumes no further increased costs in relation to Specialist placements during the remainder of the financial year.		
<b>TOTAL CHILDREN'S SERVICES</b>	115	99
<b>ADULT SERVICES</b>		
<b>Learning Disabilities</b>	15	-2
The service is projected to show an over spend of £15k, a reduction of £17k from the previous month. This is due to a general increase of expenditure across many of the LD services. 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 £54k		
<b>Mental Illness</b>	156	146
Expenditure on Residential, Nursing and Homecare continues to be the main budget pressure, and expenditure to date is higher than the corresponding period in 2009/10, hence the increase in the forecast outturn.		
<b>Older People</b>		
The outturn for Older People is currently £95k overspent with the main pressures on residential, nursing and domiciliary care budgets. The expenditure can fluctuate significantly during the year, especially on domiciliary care. Currently, there are 33 clients with charges against property amounting to approximately £438k. 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. FNC income has increased for 10/11 and Income forecasts have improved in the local authority homes due to a number of residents paying full fees increasing.	95	69
<b>Older People Extra Care Provision</b> - 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 2011/12 to fund the Prestatyn and Ruthin extra care schemes.	-160	-155
<b>PDSI</b>	26	28
Community Care spend was the largest budget pressure in 2009/10 and this will still be the case for 2010/11. However it is still expected that expenditure on specialised equipment can be contained within budget.		
<b>Performance Management &amp; Commissioning</b>	-199	-163
This projected under spend is mainly savings in staffing costs due to the continuation of the vacancy control process.		
<b>Other Adult Services</b>	-161	-160
Charging policy income received so far based on eight months' invoices is higher than the corresponding period last year and should mean income from charges meets the revised charging policy budget. However, since income from charges can be volatile and difficult to predict, this figure is closely monitored and reviewed every month.		
<b>Cefndy Healthcare</b>	0	30
Improved sales and the tightening of internal controls are expected to result in a balanced budget for 2010/11. Sales currently show an improvement of £160k compared to the corresponding period last year.		
<b>Business Support &amp; Development</b>		
Costs associated with the Paris Project remain a significant pressure this year due to the implementation of the latest phase of the system. There are also underlying pressures in directorate support budgets. Additional pressures this year include the costs of the acting Head of Children's Services' post being extended by five months until the end of December and a reduction in income to the Workforce Development Unit.	159	180
<b>TOTAL ADULT SERVICES &amp; BSD</b>	<b>-69</b>	<b>-27</b>
<b>Supporting People</b>	-92	-125
The in year underspend in 2009/2010 was taken to fund corporate pressures going forward and £600k has been identified for the same purpose in 2010/11. At this stage, any surplus above this amount will be assumed to be taken to the Supporting People reserve but this position may change as the year progresses.		
<b>HOUSING</b>	46	53
The pressure on homeless budgets is currently £46k. Recent changes to the HRA leasing subsidy have had a negative impact on council funded housing services to the value of £30k. Also, changes in HB legislation has caused a projected overspend of £6k in B&B accommodation. In addition, the Housing Task & Finish Group agreed to continue funding to voluntary organisations to the value of £27k. Other accommodation costs have started to increase, however, HB receipts are also following the same trend, therefore net expenditure projections remain static. Utilising alternative resources have assisted with maintaining the homelessness overspend at circa £50k.		
<b>TOTAL HOUSING</b>	<b>46</b>	<b>53</b>
<b>TOTAL SOCIAL SERVICES &amp; HOUSING</b>	<b>0</b>	<b>0</b>

**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
<b><u>FINANCE &amp; ASSETS</u></b>									
Finance	5,122	(2,234)	2,888	5,122	(2,234)	2,888	-	-	-
Property	7,611	(4,167)	3,444	7,611	(4,167)	3,444	-	-	-
<b>FINANCE &amp; ASSETS</b>	<b>12,733</b>	<b>(6,401)</b>	<b>6,332</b>	<b>12,733</b>	<b>(6,401)</b>	<b>6,332</b>	-	-	-
<b><u>STRATEGIC HR</u></b>									
HR	1,704	(381)	1,323	1,704	(381)	1,323	-	-	-
<b><u>GOVERNANCE &amp; EFFICIENCY</u></b>									
Corporate Governance	2,156	(541)	1,615	2,086	(541)	1,545	(70)	-	(70)
Translation	111	-	111	201	-	201	90	-	90
<b>GOVERNANCE &amp; EFFICIENCY</b>	<b>2,267</b>	<b>(541)</b>	<b>1,726</b>	<b>2,287</b>	<b>(541)</b>	<b>1,746</b>	<b>20</b>	-	<b>20</b>
<b><u>CUSTOMER CARE</u></b>									
Customer Services	874	(190)	684	874	(190)	684	-	-	-
ICT	2,696	(594)	2,102	2,696	(594)	2,102	-	-	-
Corporate Communications	216	(54)	162	216	(54)	162	-	-	-
<b>CUSTOMER CARE</b>	<b>3,786</b>	<b>(838)</b>	<b>2,948</b>	<b>3,786</b>	<b>(838)</b>	<b>2,948</b>	-	-	-
<b><u>AUDIT &amp; RISK MANAGEMENT</u></b>									
Internal Audit	451	(124)	327	451	(124)	327	-	-	-
Risk Management & Insurance	94	(109)	(15)	94	(109)	(15)	-	-	-
<b>AUDIT &amp; RISK MANAGEMENT</b>	<b>545</b>	<b>(233)</b>	<b>312</b>	<b>545</b>	<b>(233)</b>	<b>312</b>	-	-	-
<b>CORPORATE GOVERNANCE &amp; EFFICIENCY</b>	<b>21,035</b>	<b>(8,394)</b>	<b>12,641</b>	<b>21,055</b>	<b>(8,394)</b>	<b>12,661</b>	<b>20</b>	-	<b>20</b>
<b>CORPORATE &amp; MISCELLANEOUS</b>	<b>6,570</b>	<b>(817)</b>	<b>5,753</b>	<b>6,570</b>	<b>(817)</b>	<b>5,753</b>	-	-	-
<b><u>BUSINESS PLANNING &amp; PERFORMANCE</u></b>									
Improvement Team	357	-	357	357	-	357	-	-	-
Project Management	338	(224)	114	338	(224)	114	-	-	-
Partnership & Communities	1,809	(1,643)	166	1,809	(1,643)	166	-	-	-
<b>BUSINESS PLANNING &amp; PERFORMANCE</b>	<b>2,504</b>	<b>(1,867)</b>	<b>637</b>	<b>2,504</b>	<b>(1,867)</b>	<b>637</b>	-	-	-
<b>BENEFITS</b>	<b>25,641</b>	<b>(25,641)</b>	-	<b>25,641</b>	<b>(25,641)</b>	-	-	-	-
<b><u>TOTAL</u></b>	<b>55,750</b>	<b>(36,719)</b>	<b>19,031</b>	<b>55,770</b>	<b>(36,719)</b>	<b>19,051</b>	<b>20</b>	-	<b>20</b>

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 December 2010**

**APPENDIX 2**

		2010/11	2011/12	2012/13	2013/14
		£000s	£000s	£000s	£000s
<b>Capital Funding:</b>					
1	<b>General Funding:</b>				
	Unhypothecated Supported Borrowing	5,598	7,427	4,445	4,431
	General Capital Grant	3,917	1,936	1,565	1,369
	General Capital Receipts	941			
	Earmarked Capital Receipts	395	49	0	0
		10,851	9,412	6,010	5,800
2	<b>Prudential Borrowing</b>	7,761	3,055	0	0
3	<b>Reserves and Contributions</b>	731	424	0	0
4	<b>Specific Grants</b>	10,134	5,052	70	
	<b>Total Finance</b>	29,477	17,943	6,080	5,800
	<b>Total Estimated Payments</b>	-28,677	-17,701	-80	0
	<b>Contingency</b>	-800	-1,000	-1,000	-1,000
	<b>Earmarked Contingency</b>				
	<b>Unallocated Reserve</b>	0	0	0	0
	<b>Funding available</b>	0	-758	5,000	4,800

## Capital Expenditure By Directorate

	2010/11 Spend to December	2010/11 Estimated programme	2011/12 Estimated programme	2012/13 Estimated programme	2013/14 Estimated programme
	£000	£000	£000	£000	£000
Environment	13,939	21,194	7,862	80	0
Lifelong Learning	2,052	4,462	7,827	0	0
Corporate, Governance and Efficiency	1,256	2,710	1,672	0	0
Social Services and Housing	97	311	340	0	0
<b>Total</b>	<b>17,344</b>	<b>28,677</b>	<b>17,701</b>	<b>80</b>	<b>0</b>

## Capital Expenditure by Council Priority

	2010/11 Spend to December	2010/11 Estimated programme	2011/12 Estimated programme	2012/13 Estimated programme	2013/14 Estimated programme
	£000	£000	£000	£000	£000
Modernising Education	1,537	3,372	7,297	0	0
Roads and Flood Defence	5,506	8,164	1,800	0	0
Regeneration	2,473	3,313	315	0	0
Responding to Demographic Change					0
<b>Total</b>	<b>9,516</b>	<b>14,849</b>	<b>9,412</b>	<b>0</b>	<b>0</b>

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 December	2010/11 Estimated Programme
	£000	£000
Highways	2,923	4,400
<b>Total</b>	<b>2,923</b>	<b>4,400</b>

**Appendix 4 Housing Revenue Account ~ 2010/2011 Budget**

<b>2009/2010</b> Final Outturn  £	<b>Period 7 - OCTOBER 2010</b>  <b>EXPENDITURE</b>	<b>2010/2011</b>			<b>2010/2011</b>
		<b>Original Budget  £</b>	<b>Forecast Out-turn  £</b>	<b>Variance to Budget  £</b>	<b>Previous Report Sept  £</b>
1,764,345	Supervision & Management - General	1,799,554	1,879,576	-80,022	1,883,591
275,198	Supervision & Management - Special	282,778	284,315	-1,537	284,315
146,779	Welfare Services	149,058	153,626	-4,568	153,271
2,661,438	Repairs and Maintenance	2,739,136	2,711,864	27,273	2,722,363
<b>4,847,760</b>	<b>Total Housing Management</b>	<b>4,970,526</b>	<b>5,029,381</b>	<b>-58,855</b>	<b>5,043,540</b>
2,212,562	Item 8 Capital Charges	2,452,038	2,401,876	50,162	2,404,939
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	3,016,493
-7,081	Provision for Bad Debts	26,750	25,750	1,000	25,750
<b>10,097,417</b>	<b>Total Expenditure</b>	<b>10,526,341</b>	<b>10,548,500</b>	<b>-22,159</b>	<b>10,565,722</b>
	<b>INCOME</b>				
10,474,398	Rents (net of voids)	10,644,755	10,689,017	44,262	10,689,017
139,940	Garages	153,342	151,537	-1,805	151,924
4,924	Interest on Balances & Other Income	34,886	11,106	-23,780	11,106
<b>10,619,262</b>	<b>Total Income</b>	<b>10,832,983</b>	<b>10,851,660</b>	<b>18,677</b>	<b>10,852,047</b>
	<b>Surplus / Deficit (-) for the Year:</b>				
<b>521,845</b>	<b>General Balances</b>	<b>306,642</b>	<b>303,160</b>	<b>-3,482</b>	<b>286,325</b>
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	1,846,691	-3,482	1,829,856

**HRA Capital Plan Update 2010/11**

**Month 9**

<b>Actual 2009/10 £</b>	<b>Description</b>	<b>Approved Schemes £</b>	<b>Actual at End Dec £</b>	<b>Forecast Outturn £</b>
464,100	Environmental Improvement Works	415,000	365,202	495,000
3,032,256	Major Improvements	7,226,000	3,945,243	5,885,167
119,044	Windows Replacement	0	0	0
15,816	Central Heating Contract	0	0	0
410,209	Disabled Adaptations (Council Houses)	400,000	345,171	450,000
<b>4,041,425</b>	<b>Total</b>	<b>8,041,000</b>	<b>4,655,616</b>	<b>6,830,167</b>
<b>2009/10 £</b>	<b>HRA Capital Plan Financed By:</b>	<b>Original £</b>		<b>Forecast £</b>
2,400,000	Major Repairs Allowance Grant	2,400,000		2,400,000
18,900	Useable Capital Receipts	21,000		66,000
1,622,525	Prudential Borrowing	5,620,000		4,364,167
<b>4,041,425</b>	<b>Total</b>	<b>8,041,000</b>		<b>6,830,167</b>



**REPORT TO CABINET**

**CABINET MEMBER:** COUNCILLOR J THOMPSON-HILL,  
LEAD MEMBER FOR FINANCE

**DATE:** 25 JANUARY 2011

**SUBJECT:** REVENUE BUDGET PROPOSALS 2011/12

**1 DECISION SOUGHT**

- 1.1 That Cabinet supports the budget proposals for 2011/12 as shown in the appendix, and recommend accordingly to full Council.
- 1.2 That Cabinet recommends the resulting 2.9% increase in the level of Council Tax for 2011-12 to full Council.
- 1.3 That Cabinet notes the need for significant further efficiency savings and cost reductions in future financial years, as a result of the likely settlements from the Welsh Assembly Government, together with significant service pressures.

**2 REASON FOR SEEKING DECISION**

**2.1 Background**

Members have been advised of the draft WAG settlement details for next financial year. The level of support is a cash decrease of 1.6% against our original assumptions of -3%. At the time of writing the final settlement has not yet been received and it will not be received until 2 February, which means that that the figures in this report may be subject to change.

**2.2 Budget assumptions**

During the summer the Council undertook a series of 'Service Challenges' to review service provision and budget proposals for all services. The service challenge groups consisted of officers, cabinet members and representatives from scrutiny committees.

The proposals were then reviewed by Cabinet, CET and at four informal Council meetings in July, October, December and January. The following assumptions have been used to arrive at the budget proposals:

a) Provision for inflation has been kept to a minimum with only a small number of inflationary budget increases allowed for. These include:

- the teachers' nationally agreed pay award,
- an increase of 1% in employer's National Insurance contributions,
- an increase in the employer's contribution to the pension fund
- an increase in the Council's cost of borrowing
- an increase due to single status settlements
- some increases in fuel and energy costs

These inflation allowances total just over £3m

b) Savings proposals, totalling £6.359m, are detailed in Appendix 1. It has been assumed that not all savings will be delivered from day one so a 5% slippage allowance has been assumed giving net savings required of £6.041m. These proposals will minimise the impact upon front line services.

c) Budget proposals have for some months assumed the need to demonstrate a commitment to improving agreed Priority service outcomes and a sum of £1.5m has initially been allocated as shown below although the final allocations will be dependent upon business cases brought forward by services:

<b>Service</b>	<b>Amount £k</b>
School Improvement and Modernising Education – various improvements to the management of schools	250
Adult Social Care – the impact of WAG charging restrictions and recent legal judgements	250
Highways – funds to pay for Prudential Borrowing for major highways works	650
Regeneration – coordination of Rhyl strategies and some property acquisitions	175
Area Support – appropriate support for Area Members' Groups and Town Plans	175
<b>TOTAL</b>	<b>1,500</b>

d) This year WAG required Councils to protect the schools' budget to ensure they received 1% above the level of funding the Council received. The proposals contained within this report allow Denbighshire to meet those requirements

f) Original budget assumptions were that the Fire Service Levy would increase by £120k, however since the informal Council meeting on 7 January, the Fire Service has informed us that the levy will decrease by £120k meaning that the Council has overprovided by £170k.

g) In the last few weeks a court case has concluded where residential homes challenged the amount of fees paid by Pembrokeshire County Council. The care home challenge was successful and this led to a significant increase in the fees paid. Denbighshire pays more than Pembrokeshire did before the judgement but is among the lowest payers in north Wales. Although market conditions and relationships are different it still leaves the Council at risk. It is therefore sensible to set aside the £170k mentioned in (f) above to offset this risk. This can be held centrally and allocated as required. This funding is in addition to the funding shown in the table above.

### **2.3 Capital funding.**

The position on general WAG funding for capital schemes is a reduction of £1,581k compared with the current year, which is a cut of just over 20%. In addition to this, future specific grants are likely to be paid at a much lower level than in previous years. These two factors will put a significant strain on the Council's capital plan.

The capital plan will be brought to members at a later meeting once service proposals have been reviewed.

## **2.4 Future Years Prospects.**

The draft settlement indicates a small cash rise for the Council in 2012/13 and 2013/14 however with inflationary pressures this means that the Council is likely to have to find savings of between £4m and £5m in each of those years.

## **2.6 Council Tax**

The final level of Council Tax increase is always a concern for Members given the impact any increase has on taxpayers and Denbighshire's relatively high level of Council Tax. Current proposals suggest an increase of 2.9% for next year which is likely to be the lowest increase in north Wales and also below the government's preferred measure of inflation – CPI (Consumer Price Index) which is currently 3.3%. This 2.9% assumption would have to rise if the target level of savings is not agreed or further spending proposals emerge. The Assembly has reserve powers to cap any increase at 5%.

## **2.7 Prudential Borrowing**

Provision has been made in the proposals for the costs of about £8m of further Prudential Borrowing. The Capital and Asset Strategy Group will make recommendations on the future capital plan in February.

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

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

## **4 RESOURCE IMPLICATIONS**

### **4.1 Cost Implications**

Appendix 1 shows a summary of the budget proposals for 2011/12. Projected information for later years will be included in the next version of the Medium Term Financial Plan. Members will be aware of the extremely difficult financial position for later years. The delivery of further efficiency savings will be crucial to the formulation of balanced and robust future budget proposals together with proposals for the development of the Council's agreed priorities.

### **4.2 Staff / ICT / Accommodation Implications**

There are implications for all areas of the council as services change the way they provide their services and reduce costs.

## **5 RISK ASSESSMENT**

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

The Council has a statutory duty to agree its budget and set an appropriate level of Council Tax. If these recommendations are not agreed then alternative proposals must be brought forward in time for the Council meeting on 8 February otherwise the Council will be breaking the law, will not be able to demonstrate proper financial management and will probably be subject to external review and damage to its reputation

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

The budget is a set of financial plans. In agreeing it there is always the risk that some elements cannot be delivered or that circumstances change. This has been mitigated by a long planning and consultation process and by the service challenge process to ensure that the savings are as robust as possible. An allowance for slippage has also been built into the budget. Close monitoring of the budget will also take place.

## **6 CHIEF FINANCIAL OFFICER (Section 151 Officer) STATEMENT**

6.1 During the review of budget proposals any savings that are deleted or reduced, and any additional allocation of resources, will result in an increase in Council Tax next year and/or an alternative saving needing to be identified.

6.2 It is important to stress that the assumptions built into the Budget for next year must be robust and deliverable. This is particularly so for savings proposals. The final level of Council Tax next year must be based on proposals that the Council can have reasonable confidence in delivering.

6.3 The figures in the appendices demonstrate that the proposals to deliver a Council Tax of 2.9% are potentially robust at this stage.

6.4 It is important to note that these proposals are still based on the Assembly's draft settlement as they will not release the final version until 2 February. This is just six days before Council is due to meet to agree the budget. Any changes will be reported to Council, and, should they be significant it may be necessary to take a revised budget to Council on 22 February.

6.5 The proposals detailed in this report take account of the Assembly settlement, inflation, pressures and savings proposals. It has also been possible to provide resources to develop the Council's agreed Priorities within a proposed Council Tax increase of 2.9%.

6.6 A number of very positive elements can be seen from within the Budget proposals,

a) Savings from improved efficiency of £6.4m with minimum impact on front line service delivery.

b) Increased resources of £1.5m made available to the Council's agreed Priorities, which includes funds for £7m of additional capital resources, through Prudential Borrowing, to improve the highway network.

c) Proposals contained within a 2.9% increase in Council Tax.

## **7 CONSULTATION CARRIED OUT**

7.1 The Service Challenge group met Heads of Service over the course of the summer to review services, their savings proposals and bids for additional resources.

7.2 Corporate Executive Team, the Senior Leadership Team and Cabinet have considered the position on several occasions.

- 7.3 Four informal Councils have been held to update members on the overall position as matters progressed and to seek feedback on several issues.
- 7.4 The 'Big Debate' encouraged feedback from the public and other interested parties. Meetings also took place with Town and Community Councils.
- 7.5 The Resources Scrutiny Committee has reviewed the budget setting process and other Scrutiny Committees have reviewed elements of the budget.

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

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

The budget contains proposals to invest £1.5m into priority areas.

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

The budget underpins all elements of the Council services. An equalities impact assessment is currently underway.

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

Setting the budget does not, in itself, have any impact on these areas however there are service proposals contained in the budget that should reduce carbon emissions.

## **9 ACTION PLAN**

- 9.1 Cabinet recommendations will go to full Council on 8 February. Council will then set the Council Tax on 22 February
- 9.2 Heads of Service will then be expected to manage their services within agreed budgets throughout the year. Regular monitoring will take place with reports back to Cabinet.

## **10 RECOMMENDATIONS**

- 10.1 That Members agree the budget proposals for 2011/12 and recommend accordingly to Council.
- 10.2 That Members recommend the resulting 2.9% increase in Council Tax for 2011/12.
- 10.3 That Members note the need for significant further efficiency savings and cost reductions/cuts in future financial years, in the light of the draft settlement from the Welsh Assembly Government.

<b>DENBIGHSHIRE COUNTY COUNCIL</b>													<b>APPENDIX 1</b>
<b>Budget Proposals 2011/12</b>													
	-1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-					
	Budget	Inflation	One off funds	Transfers in	Pressures	Savings	Investment	Projected					
	2010/11	2011/12	removed	to settlement			in Priorities	Budget					
	£k	£k	£k	£k	£k	£k	2011/12	2011/12					
	£k	£k	£k	£k	£k	£k	£k	£k					
Business Planning & Performance	716	8											722
Corporate Governance	1,600	21											1,449
Finance & Assets	6,771	167	-40										6,549
Highways & Infrastructure	11,223	135	-40								650		11,744
Regeneration, Planning & Public Protection	3,549	60	-14								175		3,508
Adult & Business Services	32,519	213	-386								250		32,010
Children & Family Services	8,905	51		790									9,603
Housing Services	358	15											340
Leisure, Libraries & Community Development	5,763	126											5,664
Strategic HR	1,289	16	-75										1,173
Customer Services	3,058	34	-50										2,865
Environment	12,387	149	-71										12,142
Modernising Education	1,763	14	-105										1,650
School Improvement & Inclusion	8,381	111	-584										7,618
Schools Delegated	56,137	1,040	-820								250		55,647
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	154,419	2,160	-2,185	790	0	-3,825	1,325						152,684
Corporate (inc Single Status)	4,524	220			500	-1	175						5,418
Fire levy	4,602	-50											4,552
Capital Finance/Interest received	11,131				250								11,381
Contingency for Further Pressures	650												650
Contribution to Reserves	300												300
Further Efficiency Savings	0												0
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
	175,626	2,330	-2,185	790	750	-3,826	1,500						174,985
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
<b>2. Level of Funding</b>													
W A G funding	138,107	0		790	-2,519								136,378
Use of reserves	50	0											50
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
	138,157	0	0	790	-2,519	0	0						136,428
Council Tax yield	37,469	2,330	-2,185		3,269	-3,826	1,500						38,557
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
	175,626	2,330	-2,185	790	750	-3,826	1,500						174,985
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**Note: The recent restructure of departments is still not finalised and so the above budgets may change slightly as remaining issues are agreed**

REPORT TO CABINET

SCRUTINY COMMITTEE CHAIR: COUNCILLOR HUW LI JONES, RESOURCES  
SCRUTINY CHAIR

DATE: 25 JANUARY 2011

SUBJECT: RECOMMENDATIONS FROM RESOURCES SCRUTINY  
COMMITTEE IN RELATION TO THE COUNCIL'S DRAFT  
REVENUE BUDGET

**1 DECISION SOUGHT**

1.1 That Cabinet considers representations made by the Resources Scrutiny Committee in respect of staffing levels for certain services as part of its revenue budget setting process.

**2 REASON FOR SEEKING DECISION**

2.1 At its meeting on 2 December 2010 the Resources Scrutiny Committee considered the draft service business plans or position statements for services which lie within the Chief Executive and the Resources Directorates. During the discussion on the draft service business plans issues relating to potential staffing pressures were raised, particularly with respect to Revenues and Benefits Department and the Human Resources Department.

2.2 The following paragraphs and the relevant extract from the minutes of the Resources Scrutiny Committee meeting (appendix 1) outline the pressures facing these services and the reasons why scrutiny is of the view that their particular circumstances merit special consideration

2.3 Revenues and Benefits Service

At present this Service is encountering difficulties in progressing with the production of its business plan due to proposed national changes in the benefits system instigated by the UK Government. These changes render some uncertainties in respect of which services the Department will be expected to deliver in the medium to long-term. In view of these uncertainties the Committee has serious concerns that if staffing levels within this Service are cut it could have a detrimental effect on service delivery, in what is acknowledged to be a high performing Service, and could potentially lead to a reduction in income for the Council for the services it delivers on behalf of the Department for Work and Pensions (DWP). The Committee therefore requests that staffing levels within this Service are maintained at the current levels until clarity on the above issues has been received.

2.4 Human Resources (HR)

The Committee is of the view that the Council's improved performance in relation to its sickness absence levels has been achieved due to the work of the dedicated sickness absence officer who works in Strategic HR. Therefore, the Committee is

of the view that for the Authority's improved performance in this area to be sustained it is imperative that staffing levels and the provision of sickness management courses are maintained. Cabinet is asked to consider this request.

- 2.5 Cabinet is asked to consider the above representations from the Resources Scrutiny Committee in respect of issues relating to Service Business Plans as part of the Council's revenue budget setting process.

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

Local Government Act 2000 and Article 6 of the Council's Constitution.

### **4 RESOURCE IMPLICATIONS**

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

Consideration of the above requests should not have any significant cost implications. However, if the recommendations are accepted staffing costs would need to be met from within the Services' budget allocation which may therefore necessitate a review of the associated Service's business plan.

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

There is no additional staffing or accommodation requirements resulting from agreeing the recommendations.

#### **4.3 IT Implications:**

There are no additional IT implications from agreeing the recommendations.

### **5 RISK ASSESSMENT**

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

That the Council's performance in these two specific service areas deteriorates which could have a detrimental affect on the Council's reputation.

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

None

### **6 CHIEF FINANCIAL OFFICER STATEMENT**

This report comments on draft business plans that have not yet been finalised.

All services are being subject to a Service Challenge before decisions are made on what savings should be delivered. This is done within a clear budget setting framework that allows input from members at various points. The Revenues and Benefits Department will go through a Service Challenge shortly where any concerns about legislation changes can be considered.



The HR Department went through a challenge 12 months ago at which the savings were agreed. In recognition of the short term challenges facing the department a Spend to Save bid was recently approved for two fixed term members of staff.

HR has agreed to the savings in the 2011/12 draft budget and, elsewhere on the agenda, Cabinet is asked to recommend the budget proposals to full Council. Should it now consider it wants to protect HR, then it cannot support the budget as it stands.

**7 CONSULTATION CARRIED OUT**

The recommendations and observations are the result of discussions which have taken place at a meeting of the Resources Scrutiny Committee.

**8 IMPLICATIONS**

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

Consideration of the recommendations submitted following the scrutiny of services business plans will assist the Council to deliver its corporate priorities and deliver its services in line with the desired outcomes for the county's citizens

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

Consideration of scrutiny's views will assist the Council to deliver its Vision and Community Strategy and ensure that all aspects of its work conform with Equalities legislation and policies and is sustainable in the long-term.

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

None identified.

**8.4 Assessment of Impact on NERC Act Biodiversity Duty: None identified.**

**9 ACTION PLAN**

ACTION	RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED	ACTION TO BE REVIEWED & MONITORED BY / DATE TO BE MONITORED
<b>Cabinet to consider the recommendations</b>	25 January 2011	
<b>Cabinet Support to inform Scrutiny Support Officer of outcome</b>	within 7days	1 February 2011 Scrutiny Support Officer
<b>Outcome to be reported to scrutiny</b>	As soon as possible	

## **10 RECOMMENDATIONS**

That Cabinet and appropriate senior officers consider the representations made by the Resources Scrutiny Committee in respect of staffing levels for certain services as part of its revenue budget setting process.

**Relevant extract from the minutes of the Resources Scrutiny Committee meeting held on 2 December 2010**

**“Revenues and Benefits (Appendix 3)**

The Head of Revenues and Benefits highlighted the difficulties encountered in producing the Business Plan as it was unclear which services Revenues and Benefits would be expected to deliver during the coming years. He referred to the introduction of Universal Credit by the Department for Work and Pensions and the lack of clarity relating to the provider of the service during the coming years, particular reference being made to the various aspects relating to the provision of Housing Benefits and the costs pertaining to the new software equipment required to deliver the changing benefit service.

The uncertainty relating to the categories and levels of service provision required during the coming years in respect of services such as Council Tax, National Non Domestic Rates, Sundry Debtors, Bailiffs, Housing and Council Tax Benefit, Free School Meals, Prevention and Detection of Counter Benefit Fraud and Student Loans, was emphasised by the Head of Revenues and Benefits.

Members expressed their concern regarding the possible impact of any financial or staffing cuts within the Section and any subsequent detrimental affect on service delivery, performance and income generation. Members agreed that representations be made to CET and Cabinet expressing the support of the Resources Scrutiny Committee for maintaining staffing levels within the Revenues and Benefits Department. Councillor G.A. Green stressed the importance of ensuring that a response was received in respect of the representations made. The Chair commended the staff within the Revenues and Benefits Section on the work undertaken and the achievements attained.

During the ensuing discussion it was agreed that a further update report be submitted to the February 2011 meeting of the Resources Scrutiny Committee.

**Human Resources (Appendix 4)**

The Head of Strategic Human Resources informed Members that the report was currently in the form of a position statement and that it would be difficult to formulate the Business Plan until the requirements of the various services were known, however it was anticipated that the draft Plan would be completed in January, 2011.

It was confirmed that the review of Strategic Human Resources (HR) had provided the service with a solid basis to ensure service delivery. Reference was made to key dependencies such as the new Intranet system, which it was hoped would be finalised by April, 2011, and it was anticipated that a more consistent and efficient service would be provided with a 14% saving based on current budget levels.

The Head of Strategic Human Resources outlined the move towards the Business Partner model which would split the strategic and operational aspects of the HR function. She also highlighted the two key indicators in the Corporate Plan which related to Sickness Absence and Performance Appraisal Indicators. Members referred to the reduction in sickness absence figures and the Chair stressed that it would be of paramount importance for the support provided to managers by the dedicated sickness absence HR officer and through the provision of the Building Resilience training courses to be maintained if the Council was to sustain its improved performance in this area. The Committee therefore agreed that representations be made to Cabinet and the Corporate Executive Team (CET) with respect of the importance of maintaining staffing levels and support with a view to sustaining performance. In response to questions from Councillor G.A. Green, the Head of Strategic Human Resources provided details of the new Intranet system and agreed that the progress with its implementation be reported to Members in due course.

Following further discussion, it was agreed that the revised Business Plan be submitted to the February 2011 meeting of the Resources Scrutiny Committee.

**CABINET: FORWARD WORK PROGRAMME**

<b>15 FEBRUARY 2011</b>	
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
Selection of Preferred Bidder - N E Wales Regional Food Waste Treatment Project	Councillor S Frobisher S Parker / J Espley
Extension of parenting programme contract with Action for Children	Councillor M M Jones S Ellis / Vicky Allen / Helen Head
Recommendations from Scrutiny Committees	Scrutiny Officers
<b>29 MARCH 2011</b>	
Revenue Budget Monitoring Report 2010 -2011	Councillor J Thompson Hill P McGrady
Routine Report on Personnel to include Sickness Management	Councillor P J Marfleet L Atkin / G Humphreys
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 P McGrady / Gareth Williams
Delivering the Corporate Plan – Year 3	Councillor H H Evans A Smith / T Ward
Approval to appoint a contractor for the Foryd Harbour Walking and Cycling Bridge	Councillor S Frobisher Bob Humphreys
Integration of Parking Services Teams CCBC and DCC	Councillor S Frobisher S Davies / Mike Graham
Regional Educational Project	Councillor E W Williams H Williams
Monitoring Performance against the Corporate Plan	Councillor H H Evans A Smith / T Ward
Strategy for Area / Town Plans – seeks agreement to the strategy which will lead to development of the plans -	Councillor H H Evans G Boase
Strategic Youth Justice Plan and Inspection Report	Councillors S Frobisher and M M Jones Emma Rathbone
DCC's Sustainable Travel Plan	Councillor P J Marfleet L Atkin / H Burkhalter
Recommendations from Scrutiny Committees	Scrutiny Officers
<b>26 APRIL 2011</b>	
Revenue Budget Monitoring Report 2010 -2011	Councillor J Thompson Hill P McGrady
Capital Plan 2010-2011	Councillor J Thompson Hill P McGrady
Award of Contract for Provision of Insurance Policies for DCC	Councillor J Thompson Hill Chris Jones
West Rhyl Housing Regeneration Strategy – Implementation and Delivery Plan	Councillors S Frobisher and D A J Thomas G Boase / Gareth Roberts
<b>24 MAY 2011</b>	
Revenue Budget Monitoring Report 2011 -2012	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 G Boase / M Dixon
<b>JUNE 2011</b>	
Revenue Budget Monitoring Report 2011 -2012	Councillor J Thompson Hill P McGrady
Final Accounts 2010-2011	
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
<b>JULY 2011</b>	
Revenue Budget Monitoring Report 2011 -2012	Councillor J Thompson Hill P McGrady
<b>SEPTEMBER 2011</b>	
Revenue Budget Monitoring Report 2011 -2012	Councillor J Thompson Hill P McGrady
Treasury Management Update	Councillor J Thompson Hill P McGrady
DCC Annual Report 2010-2011	Councillor H H Evans A Smith / T Ward

**REPORT TO CABINET**

**SCRUTINY COMMITTEE CHAIR: COUNCILLOR HUW LI JONES**

**DATE: 25 JANUARY 2011**

**SUBJECT: RECOMMENDATIONS FROM RESOURCES SCRUTINY COMMITTEE –  
COMMUNICATION BETWEEN THE EXECUTIVE AND SCRUTINY COMMITTEES**

**1 DECISION SOUGHT**

- 1.1 That Cabinet agrees to formally respond to recommendations and observations from Scrutiny Committees within a defined time frame.

**2 REASON FOR SEEKING DECISION**

- 2.1 At its meeting on 2 December 2010 members of the Resources Scrutiny Committee raised concerns that insufficient feedback was received from Cabinet in response to comments or recommendations referred to the Executive from scrutiny committees. Whilst it is acknowledged that reference is made in Cabinet minutes to observations or recommendations received from scrutiny, no formal acknowledgment or feedback is received from Cabinet in response to observations or recommendations made. Therefore the Committee agreed that representations should be made to Cabinet seeking it to provide a formal response to issues raised by scrutiny committees within a specified period of time.
- 2.2 The Committee is of the view that improving communication channels between the Executive and scrutiny will ensure that a clear audit trail is available for recommendations and observations, which will in turn enhance transparency and assist in building a high level of mutual trust between the Council's executive and scrutiny functions.
- 2.3 Cabinet is therefore asked to agree to formally respond to recommendations, or observations that require a response, put forward by scrutiny committees within a reasonably defined timescale dependent upon the urgency of the matter under consideration. It is suggested that the response could be communicated via electronic communication methods to the Scrutiny Support Officer as soon as is reasonably possible following consideration of the matter. The Scrutiny Support Officer could then arrange to distribute the response to members of the relevant scrutiny committee.

**3 POWER TO MAKE THE DECISION**

Local Government Act 2000 and Article 6 of the Council's Constitution.

## **4 RESOURCE IMPLICATIONS**

### **4.1 Cost Implications:**

Consideration of the above request should not have any significant cost implications as the cost of formally responding to scrutiny committee recommendations and observations can be met within existing budgets, and could generally be undertaken electronically.

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

There is no additional staffing or accommodation requirements resulting from agreeing the recommendations.

### **4.3 IT Implications:**

There are no additional IT implications from agreeing the recommendations.

## **5 RISK ASSESSMENT**

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

That Cabinet could be perceived as not giving due consideration to observations and recommendations put forward by the Council's scrutiny committees, and in not formally responding to such observations and recommendations that it does not conform with its responsibilities to promote good corporate governance.

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

None

## **6 CHIEF FINANCIAL OFFICER STATEMENT**

There are no financial implications from this report.

## **7 CONSULTATION CARRIED OUT**

The recommendation is the result of discussions which have taken place at a meeting of the Resources Scrutiny Committee.

## **8 IMPLICATIONS**

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

Consideration of observations and recommendations submitted following the scrutiny of services, strategies and performance will assist the Council to deliver its corporate priorities. The availability of open dialogue and communication channels between both Executive and Scrutiny will ensure that the priorities are delivered in line with the desired outcomes for the county's citizens



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

Consideration of scrutiny's views and open/clear communication channels between the Council's executive and scrutiny functions will assist the Council to deliver its Vision and Community Strategy and ensure that all aspects of its work conform with Equalities legislation and policies, and are sustainable in the long-term.

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

None identified.

## 8.4 Assessment of Impact on NERC Act Biodiversity Duty:

None identified.

## 9 ACTION PLAN

<b>ACTION</b>	<b>RESPONSIBLE OFFICER / DATE BY WHEN ACTION TO BE COMPLETED</b>	<b>ACTION TO BE REVIEWED &amp; MONITORED BY / DATE TO BE MONITORED</b>
<b>Cabinet to consider the recommendations</b>	25 January 2011	
<b>Relevant Corporate Director/Head of Service to inform Scrutiny Support Officer of outcome</b>	within the agreed timescale	Within the agreed timescale by the Scrutiny Support Officer
<b>Outcome to be reported to scrutiny</b>	As soon as possible	

## 10 RECOMMENDATIONS

That Cabinet:

- 10.1 agrees to formally respond in future to all scrutiny recommendations, and those observations that require a response, within an agreed timescale; and
- 10.2 determines a reasonable timescale for the submission of all except urgent responses.