

CABINET

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin LL15 1YN on Tuesday, 13 December 2011 at 10.00 am.

PRESENT

Councillors Pauline Dobb, Hugh Evans (Chair), Morfudd Jones, Paul Marfleet, David Thomas, Julian Thompson-Hill and Eryl Williams (Lead Member for Education)

Observers: Councillor William L Cowie and Councillor Meirick LI Davies

ALSO PRESENT

M Mehmet (Chief Executive), B Jones (Corporate Director: Business Transformation and Regeneration), G Williams (Head of Legal and Democratic Services), S Ellis (Corporate Director: Demographics, Well-being and Planning), H Williams (Corporate Director: Communities and Learning), P McGrady (Head of Finance and Property), J Groves (Head of Leisure, Libraries and Community Development), M Dixon (Strategic Regeneration Manager), E Wynne (Principal Regeneration and Investment Strategy Officer) and Steve Price (Democratic Services Manager)

1 APOLOGIES

Councillor Sharon Frobisher.

2 DECLARATION OF INTERESTS

No interests were declared.

3 URGENT MATTERS

There were no urgent matters.

4 MINUTES

***RESOLVED** that the minutes of the Cabinet meeting held on the 24 November 2011 be approved and signed as a correct record.*

5 MONITORING THE CORPORATE PLAN PERFORMANCE 2011 - 12, QUARTER 2

Councillor Hugh Evans presented a report to facilitate performance management by Cabinet in respect of the Corporate Plan. He referred to the Council's ongoing aspirations to be a high performing authority and advised that the issues in today's report had been reviewed by the relevant scrutiny committee. He drew Members' attention to 4 performance indicators that could require attention in order to achieve performance above the Wales median for 2011 – 12 relating to adult protection

referrals; vacant private sector dwellings returned to occupation; changes of school for looked after children; and 19 year olds who have left care in suitable, non-emergency accommodation.

Councillor Evans particularly highlighted the Council's ambition to be within the top 10 performing authorities in Wales for educational attainment and the indicators measuring performance were generally positive in particular the newly published figures for 2011 / 2012 at Key Stage 4 which have established the Council as a high performing council at this crucial stage. He then invited each of the Cabinet members present to summarise performance issues within their portfolios.

Councillor Eryl Williams, Lead Member for Education, referred to officers' work in identifying pupils at Key Stage 3 who required additional support in order to improve results which did not meet Denbighshire's target this year. He also outlined activities under the 14 – 19 agenda that were making a range of occupational courses available in addition to academic courses.

Councillor Morfudd Jones, Lead Member for Welsh Language, Children, Young People and Leisure, highlighted indicator SCC002 and reported that 3 more looked after children had experienced school moves between August and September this year which exceeded the Council's target.

Councillor Pauline Dobb, Lead Member for Social Care, Health and Wellbeing, reported on the declining figure over the first half of this year for completing adult protection referrals. As this indicator related to safeguarding vulnerable adults Councillor Dobb assured members that the Head of Adult and Business Services was investigating performance.

Councillor David Thomas, Lead Member for Regeneration and Tourism, reported on the number of vacant private sector homes in the county and how the Council had so far focussed on working with owners who were willing to work with the authority to return homes to occupation. Linking the importance of accurate data and the empty homes officers' role in cleansing the database and developing a new strategy to include reluctant owners, Councillor Thomas stated that this key post was supported by temporary funding.

Councillor Paul Marfleet, Lead Member for Modernising the Council, advised that the most recent data available (2010 / 2011) recorded carbon dioxide emissions from the Council's (non-domestic) properties as having risen. However, he reported that a lot of the work undertaken over the last year, such as vacating office buildings, would appear in the emissions data in future.

The Corporate Director, Demographics, Wellbeing and Planning, referred to Outcome Agreement 3 – a strong and prosperous economy helps reduce poverty – which was at risk of not meeting all its targets for this year, partly because of issues such as debt resolution undertaken by external organisations who contributed to delivering the Agreement. It was **agreed** that a verbal update on progress would be given at the next meeting.

RESOLVED – That Cabinet approves the proposed Action Plan (paragraph 28 of the report) to address issues identified within the report, subject to the inclusion of actions to address issues in respect of Outcome Agreement 3.

6 DENBIGH TOWN PLAN

Councillor David Thomas presented a report detailing a proposed town plan for Denbigh, setting out the current situation and key challenges and opportunities for the town. He advised that public consultations had been a part of the development of the plan.

The Strategic Regeneration Manager reported that responses to the consultation had been generally very positive and some amendments had been made to the plan as a result. In response to questions about the geographic boundary to the plan he confirmed that, after consideration, the plan was drafted to concentrate on the town itself whilst acknowledging the hinterland. Councillor Marfleet strongly advocated including rural data in the plan as the population in the surrounding areas that looked to Denbigh as their main town was likely to be almost as large as that in the town and potential investors would find that information useful.

In respect of Welsh language data it was confirmed that census information currently available dated back to 2001 so data for the draft plan would be included when the new census data becomes available next year. As a 'living' document the plan could easily be updated with current information.

The Leader of the Council advised that the Council's standing as a high performing authority had to be accompanied by successful towns and it was important that all members could see that their communities were receiving support. He stated that he would welcome a debate on support programmes with representatives of the Welsh Government.

Members agreed that cluster meetings would be used to gather the views of the community councils. In response to a question from Councillor Meirick Lloyd Davies the Strategic Regeneration Manager referred to the highlighted provision of a coach park which a developer could build. He stated that the retail and tourist offer would also need to be attractive to make that venture successful.

Councillor Thomas thanked officers for their work in preparing the town plan.

RESOLVED – That Cabinet supports the proposed town plan for Denbigh.

7 FINANCE REPORT 2011-12

Councillor Julian Thompson-Hill presented a report for Cabinet to consider the latest financial position and progress against the agreed budget position. He reported:

- A net underspend on the revenue budget of £294k was forecast, and that £250k had been allocated since the last report to fund a highways capital scheme. In respect of the highways programme Councillor Eryl Williams

reported constituents' frustrations when signage appeared advising of road works that subsequently were not carried out.

- £6.024m of the savings agreed as part of the budget had been achieved and £275k were being progressed
- A summary of the Housing Revenue Account (HRA) including the use of £1.3m to fund capital expenditure as part of the Housing Stock Business Plan and confirmation that the Plan remained viable
- The Welsh Housing Quality Standard (WHQS) was on course to be achieved by the end of 2012

Councillor Dobb requested that a report on the progress of the major repairs and renovations to the housing stock be considered by Cabinet and the Corporate Director, Demographics, Wellbeing and Planning suggested bringing a report on the WHQS at the end of 2012.

RESOLVED – that:

- (1) *Cabinet notes the latest financial position and progress against the agreed budget strategy; and*
- (2) *Reports on the progress of major repairs and renovations to the Council's housing stock to be considered by Cabinet in April 2012 and on the Welsh Housing Quality Standard at the end of 2012.*

8 CABINET FORWARD WORK PROGRAMME

Councillor Hugh Evans presented Cabinet's forward work programme. Cabinet agreed to include a report on regional economic development issues around March 2012.

RESOLVED – that the forward work programme be approved.

EXCLUSION OF PRESS AND PUBLIC

RESOLVED that under Section 100A 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 it involved the likely disclosure of exempt information as defined in paragraphs 13 and 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

9 LEISURE DEVELOPMENT PARTNER APPOINTMENT

Councillor Paul Marfleet introduced a confidential report on proposals to appoint a development partner to develop new or refurbished leisure facilities within the county and the Head of Leisure, Libraries and Community Development introduced representatives from a proposed partner identified through the evaluation of a pre-qualification questionnaire who outlined how they could provide remodelled facilities with financial and business support.

Following the presentation Members discussed the following:

- Agreement that local contractors should be used where possible. The development partner confirmed that they encouraged their main contractors to use local firms wherever possible
- Cabinet was being asked to agree to appoint a development partner but was not being asked to approve any specific projects as these would need to be approved through the Council's capital planning processes
- The proposed development partner's expertise and track record and the business plan that would be used to ensure a successful collaboration with the Council

Councillor Morfudd Jones gave her thanks to officers for developing this exciting proposal.

RESOLVED – *that Cabinet approves the appointment on a five year framework agreement of a development partner for the development of new facilities and the refurbishment of existing facilities within Denbighshire County Council.*

10 SCALA CINEMA AND ARTS CENTRE UPDATE

Councillor Pauline Dobb presented a confidential report on the current financial position of the Scala Cinema and Arts Centre. Councillor Dobb congratulated the Scala for the awards it had recently won and for the successful work to increase sales and visitor numbers over the past year. However, she warned that further actions were necessary in respect of managing the overall financial situation and referred Members to paragraph 4.3 of the report which detailed operating profits and losses and she referred to loan repayments to the Council and subsidy reductions that would begin in 2012 / 2013.

Members discussed the level of assistance provided by Council officers to the Scala; the positive impact that a proposed retail development might have; the terms of grant funding awarded; the level of engagement and cooperation between the Scala and the Council in respect of business and financial solutions; and the options available to assist the Scala.

There was a consensus amongst Members that direct communication with the Board of the Scala and the Council was needed and agreed that a meeting be arranged with the Board and the Scala's accountant to include Councillors Pauline Dobb, Hugh Evans and Eryl Williams and relevant officers of the Council.

RESOLVED – *that:*

- (1) *That a group of senior officers, to include the Head of Leisure, Libraries and Community Development and the Head of Finance and Property, and senior members meet with the Board and the Scala Cinema and Arts Centre company accountant in January 2012 to discuss the measures required to address the financial difficulties experienced by the company.*

- (2) *In the meantime, the Council is to continue with option 1 until further consideration by Cabinet of the outcome of the meeting referred to in 3.1 above.*

11 DEVELOPMENT OF A FULLY INTEGRATED HIGHWAYS AND INFRASTRUCTURE SERVICE FOR CONWY CBC AND DENBIGHSHIRE CC

Councillor Hugh Evans introduced a confidential report on behalf of Councillor Sharon Frobisher on the development of an integrated service which sought Cabinet's endorsement for a consultation process.

The Corporate Director, Business Transformation and Regeneration, advised that consideration had been given in detail to the business case for integration including financial and other benefits and that related HR, finance, IT and property issues had been studied. The Director drew particular attention to the implications on support services and regulatory and planning services and host authority considerations.

RESOLVED – *that Cabinet agrees:*

- (1) *To consult on a fully integrated management structure for the highways and infrastructure departments of Conwy County Borough Council and Denbighshire County Council on a Host Authority – Joint Committee Model;*
- (2) *To the incorporation of the items labelled recommendations 3 to 25 in the Highways and Infrastructure Integration report as issues which need to be considered further in the next stage of the project; and*
- (3) *For a further report to be submitted to the Conwy and Denbighshire Collaboration Board in March 2012 on the progress of this additional work and of the consultation process, with a final report being submitted for the decision of both Cabinets in July 2012.*

Report To: CABINET
Date of Meeting: 24 January 2012
Lead Cabinet Member: Councillor Paul Marfleet
Lead Officer: Linda Atkin
Title: Routine Report on HR Statistics

1 What is the report about?

The report contains information on starters and leavers and absence for the period of April to September 2011.

2 What is the reason for making this report?

For Members to note and comment on the content of the enclosed overview report on Personnel Statistics which provides Headcount Analysis for the period April 2011 to September 2011 and a comparison of collated data for Sickness Absence within the authority between April 2011 and September 2011.

3 What are the Recommendations?

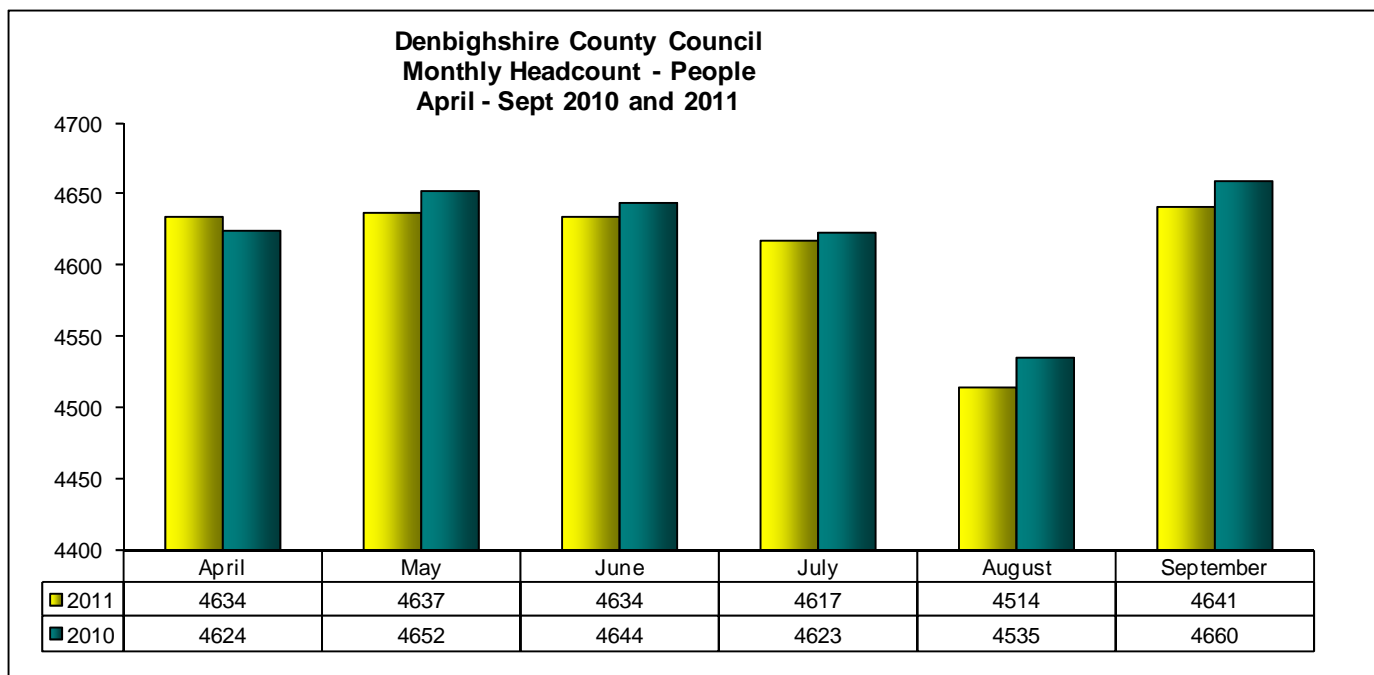
Members note the information considered in this report and identify issues which future reports should focus upon.

4 Report Details

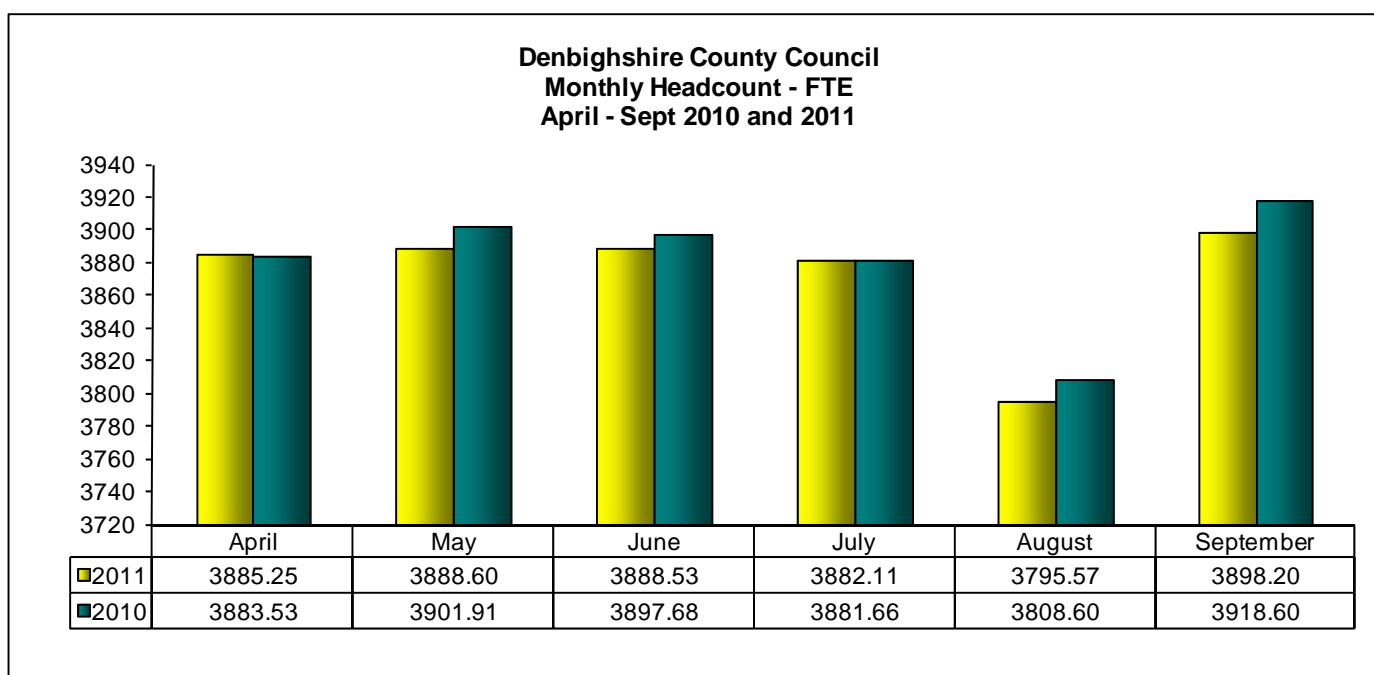
4.1 Headcount and Starters & Leavers Analysis

4.1.1 Headcount analysis

Although the overall headcount has increased by 7 from April to September 2011, the headcount has decreased by 19 compared to last year. The chart below also shows the same period for 2010.



The overall FTE has reduced by 13 from April to September 2011 in relation to the increase and decrease of headcount, as per the chart below. The chart below also includes the same period for 2010 and shows a decrease of 20 FTE



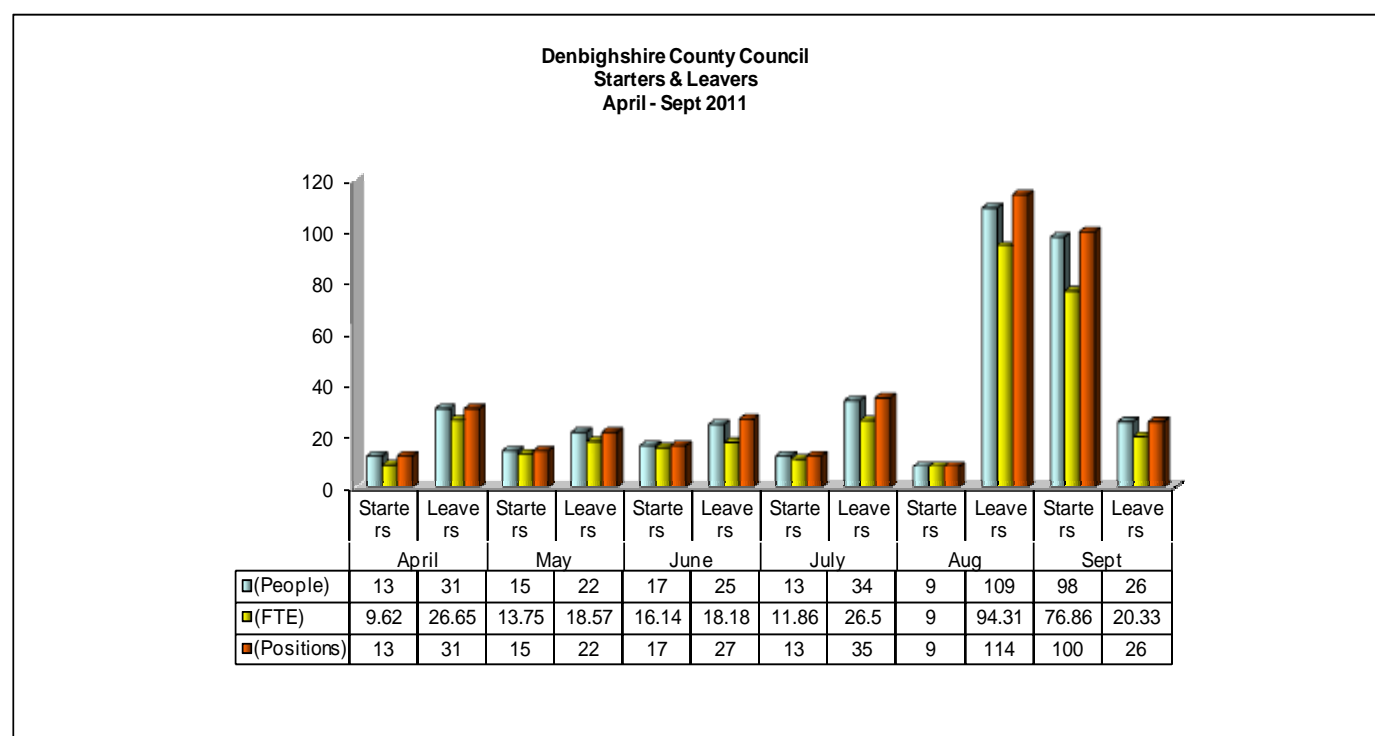
4.1.2 Starters & Leavers Analysis

The starters and leavers figures for each month are shown in the table and graph below for the period of April to September 2011. The People column is the headcount figure and the positions are the number of jobs. If the number of People differs from the number of Positions this indicates that an employee had one or more positions.

Most recruitment during this period has been internal, posts are only advertised externally if internal recruitment has failed or it is a specialist post, ie LGV mechanic, conservation officer, biodiversity officer. The remainder of external recruitment is to lower graded/part-time posts in historically high turnover areas such as catering and cleaning. There are also a number of posts in public realm and property where agency staff have been replaced with permanent staff. There

has also been an expansion of recycling rounds which increased staff numbers. Prior to any recruitment, our re-deployment process is followed where employees who have been identified at risk or are already under notice of redundancy, are given prior consideration. This has resulted in over 50 employees being re-deployed over the past twelve months.

Month	Starters	Starters	Starters	Leavers	Leavers	Leavers
	(People)	(FTE)	(Positions)	(People)	(FTE)	(Positions)
April	13	9.62	13	31	26.65	31
May	15	13.75	15	22	18.57	22
June	17	16.14	17	25	18.18	27
July	13	11.86	13	34	26.50	35
Aug	9	9	9	109	94.31	114
Sept	98	76.86	100	26	20.33	26
Grand Total	165	137.23	167	247	204.54	255



4.2 Sickness

4.2.1 Average Working Days Lost

The cumulative average number of working days lost per employee for the authority as a whole during April 2011 to September 2011 is shown in the chart below along with the target figures. Whilst this indicates, that absence is slightly higher than the same period last year, we are still under target.

The HR Business Partner Team will be producing and analysing absence trends for each service every month. They will meet with the heads of service for the area to discuss action plans for addressing trends, hotspots and the specific and detailed issues facing that service. Interventions may include coaching individual managers, providing specialist advice and sharing good practice. It will also include producing a report for schools so that the school improvement team can compliment any actions by individual schools via the health and wellbeing interventions currently in place.

The main reasons for absence are as follows.

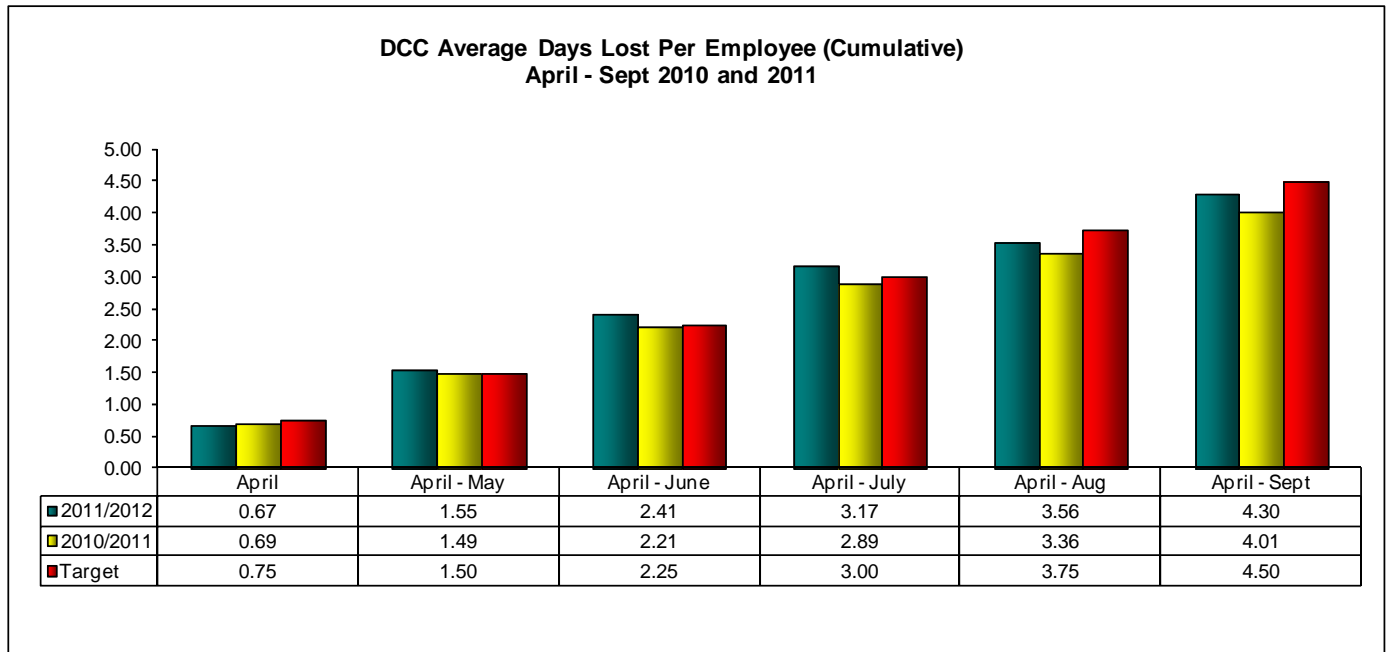
Service top 3 absence reasons for April-October

- 1 Stress, depression, anxiety, mental health, fatigue **3957.06(20%)**
- 2 Other Muscular Skeletal **2470.09(13%)**
- 3 Surgery **2373.69(12.5%)**

Service top 3 absence reasons for October

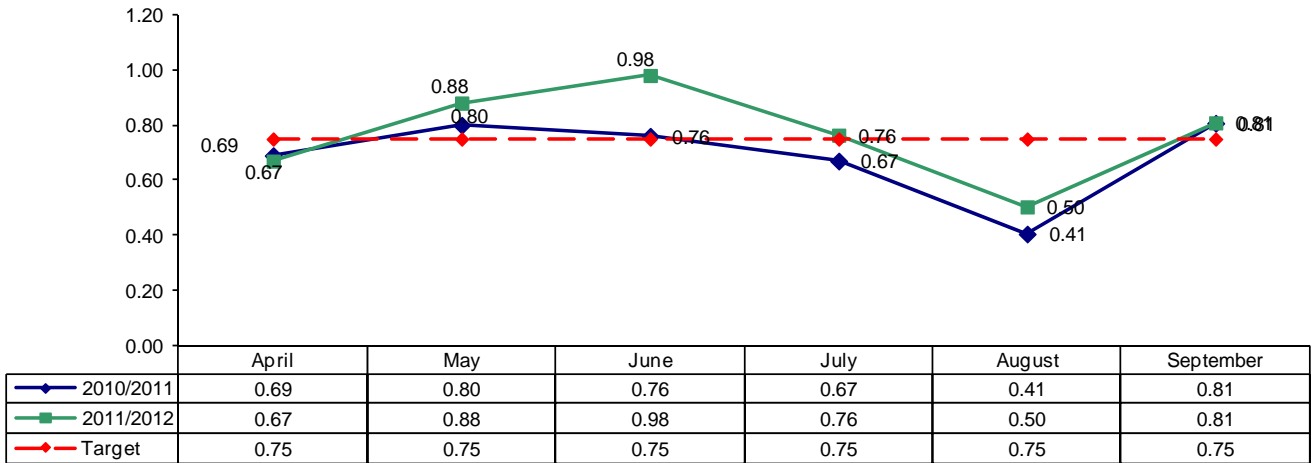
- 1 Stress, depression, anxiety, mental health, fatigue **487.60 (14%)**
- 2 Infections to include Colds Flu **419.10 (12.5%)**
- 3 Other Muscular Skeletal **413.71 (12%)**

Given that the top three reasons for absence are comparable in percentage terms for the month of October however for the cumulative figures equal priority needs to be given to Muscular Skeletal and Stress and depression as the trend is showing that Muscular Skeletal is not improving and Stress absence is reducing



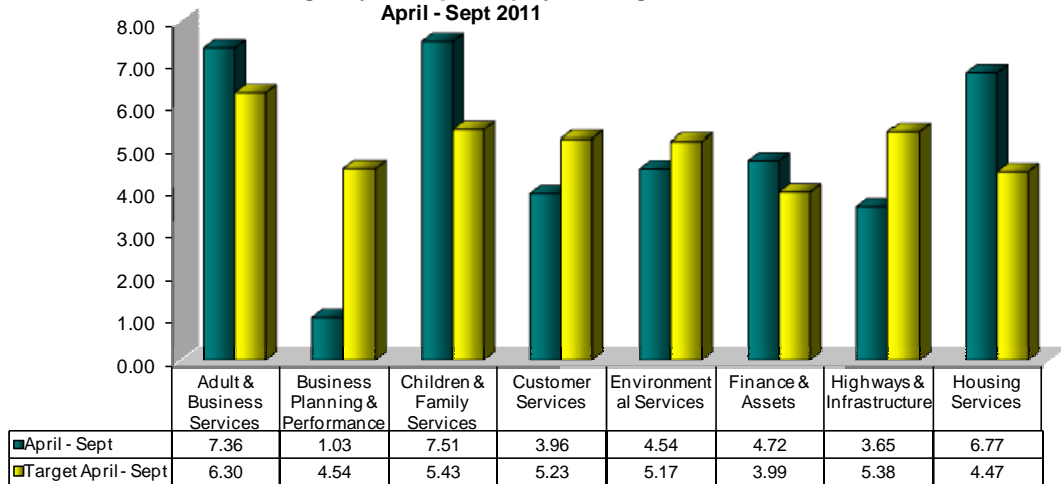
The non-cumulative averages for DCC are shown below, together with last year's figures and the 2011/12 target.

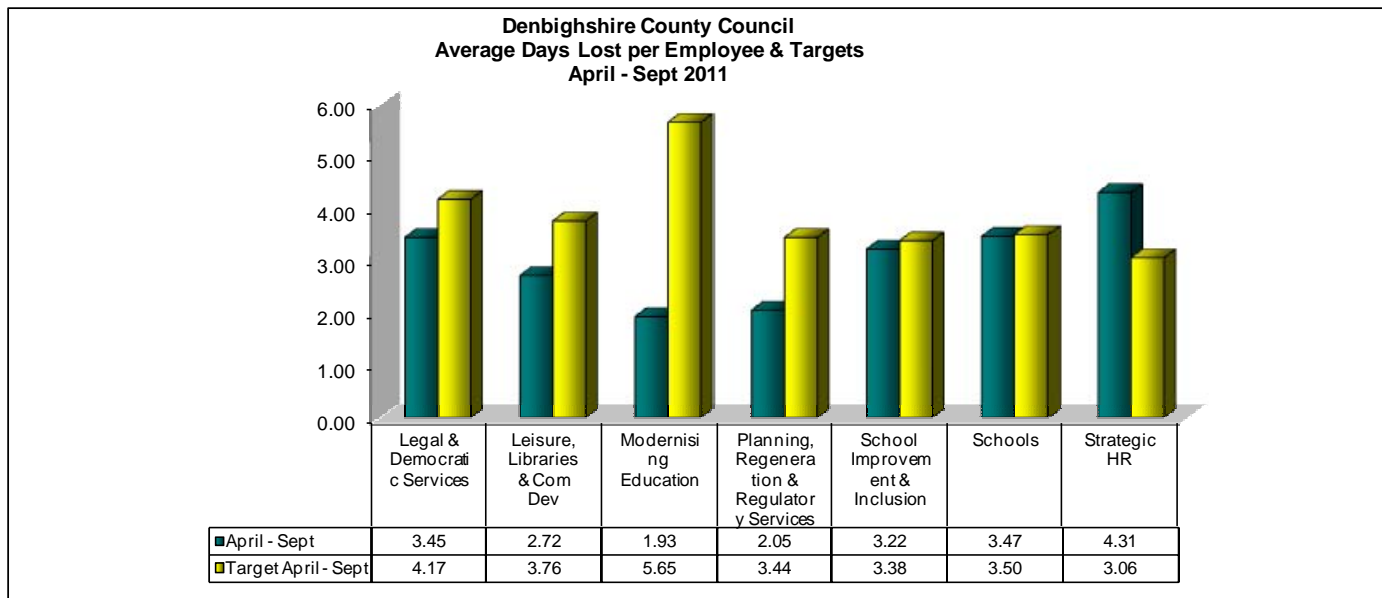
**Denbighshire County Council
Average Days Lost Per Employee
April - Sept 2010 & 2011**



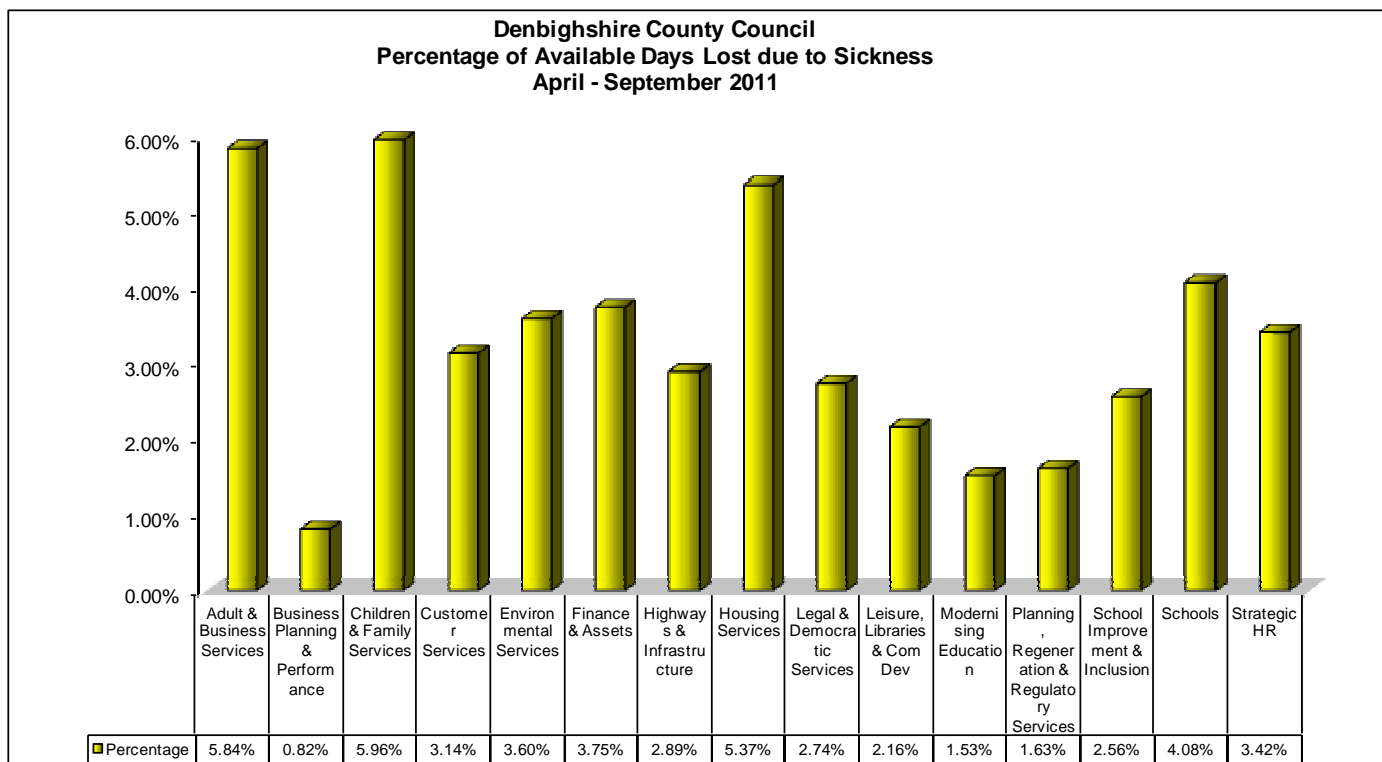
An analysis of the services' averages is illustrated in the next two charts for the period of April to Sept 2011 matched against their respective service targets for the same period. From April 2012 all services will be measured against the Denbighshire target, which is currently 9 days or 4.5 days for the period April to end of September

**Denbighshire County Council
Average Days Lost per Employee & Targets
April - Sept 2011**





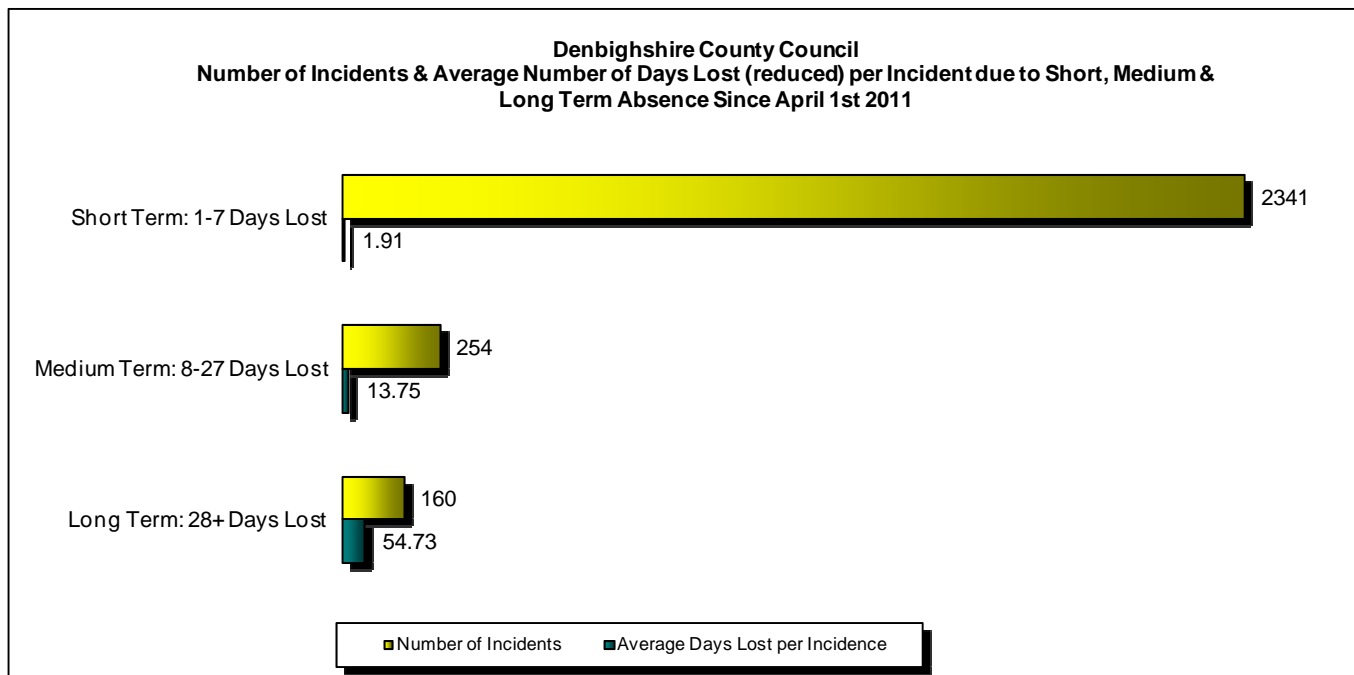
The next chart shows the percentage of available days lost by each service during April 2011 - September 2011.



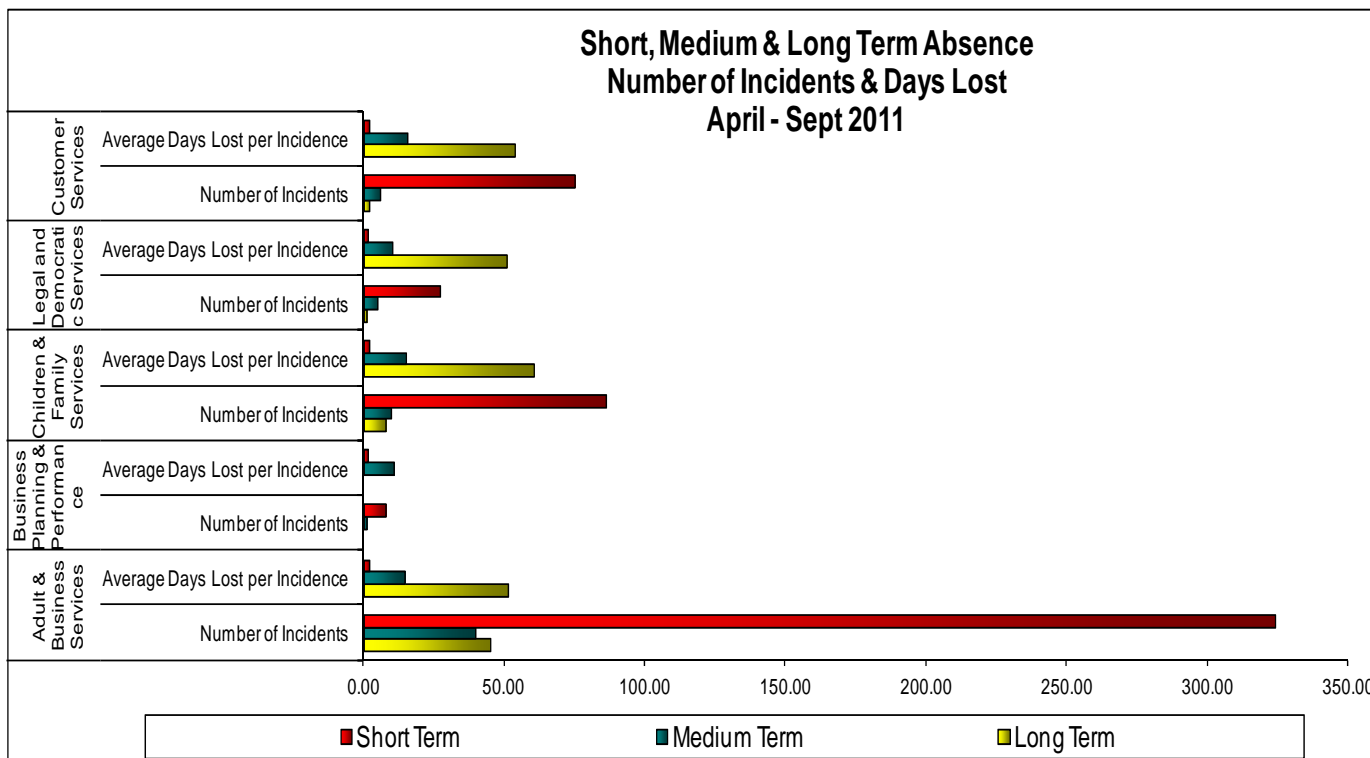
4.2.2 Short, Medium and Long Term Absence Analysis

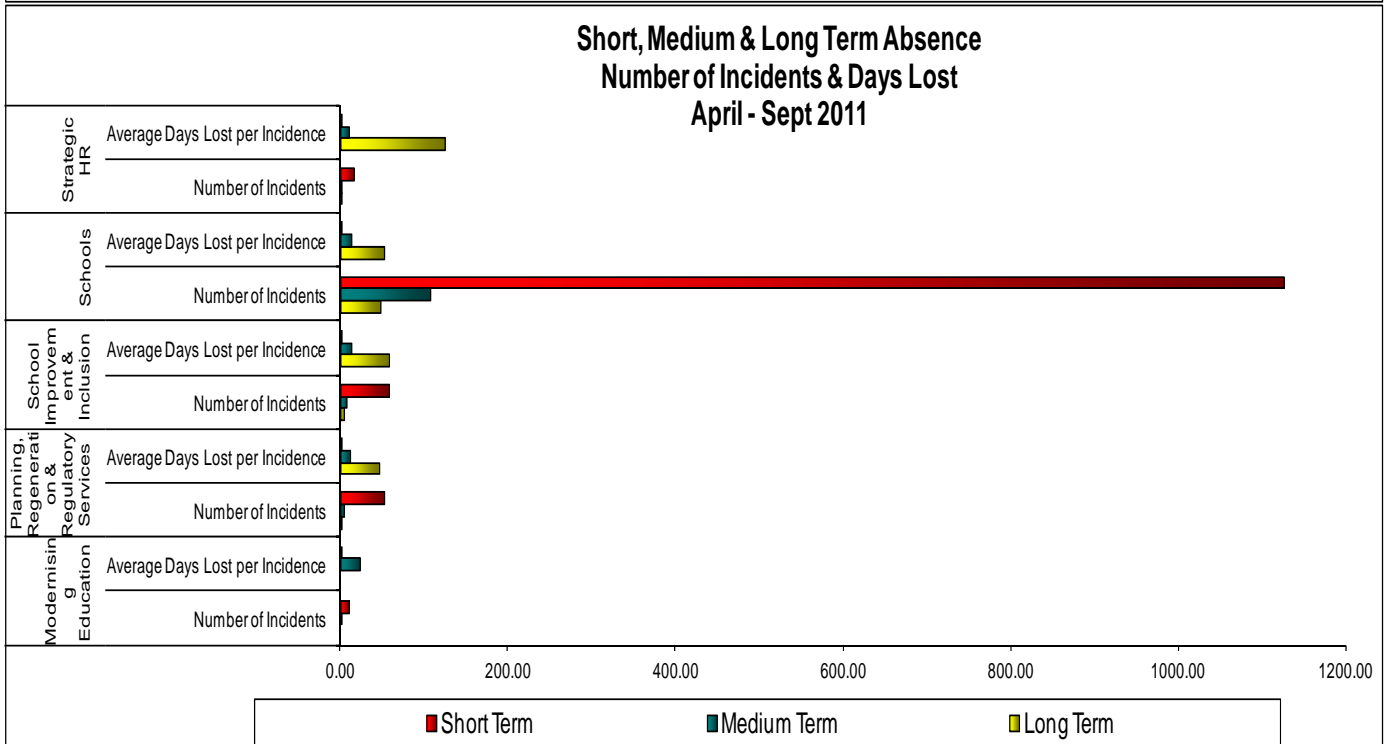
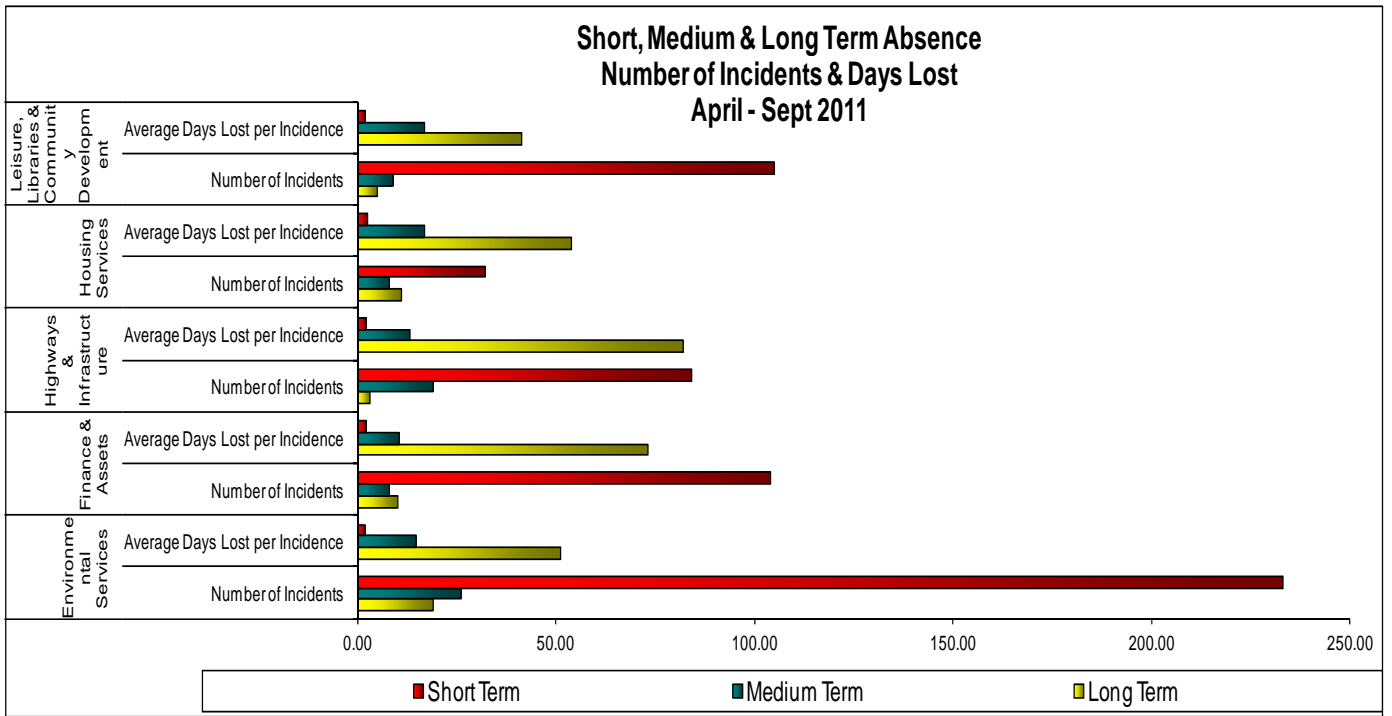
Short term absence is by far the most common type of absence, whilst long term absence accounts for the largest amount of days lost per incidence. Short, medium and long term absence is examined further in the next four graphs.

Denbighshire County Council – Overall



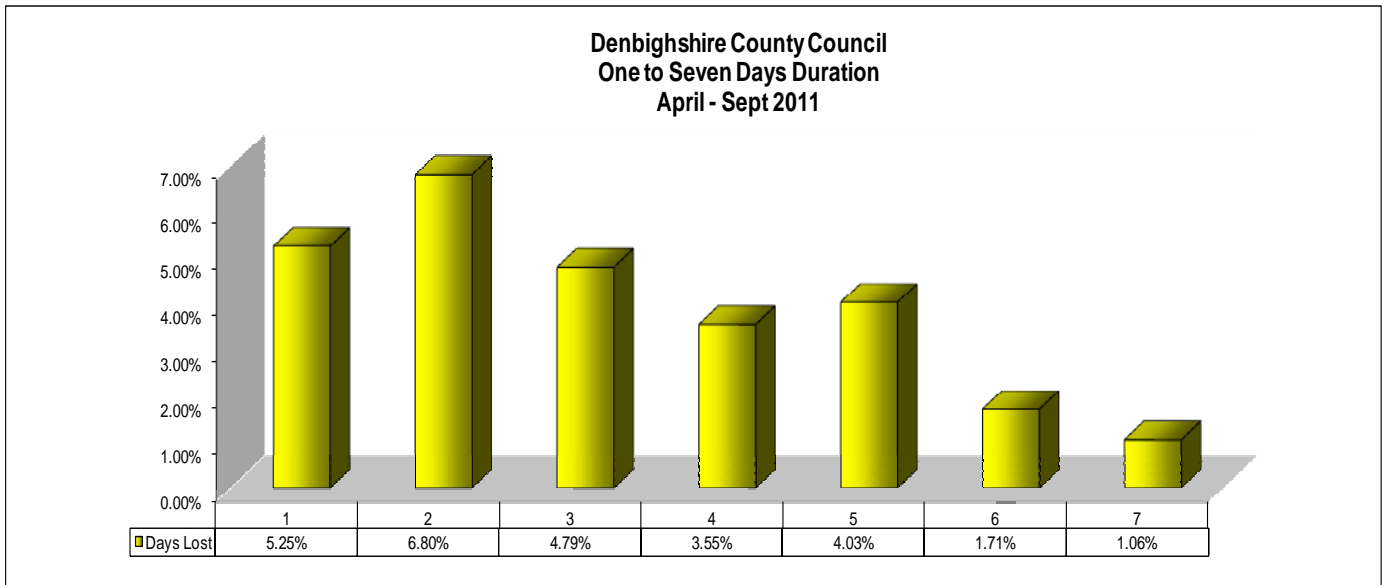
Breakdown by Service





4.2.3 Absences of One to Seven Days Duration

An analysis of the total days lost for the short term absence can be further details as per the chart below which shows one to seven day duration. The short term absence in terms of a percentages account for 27% of the total days lost.



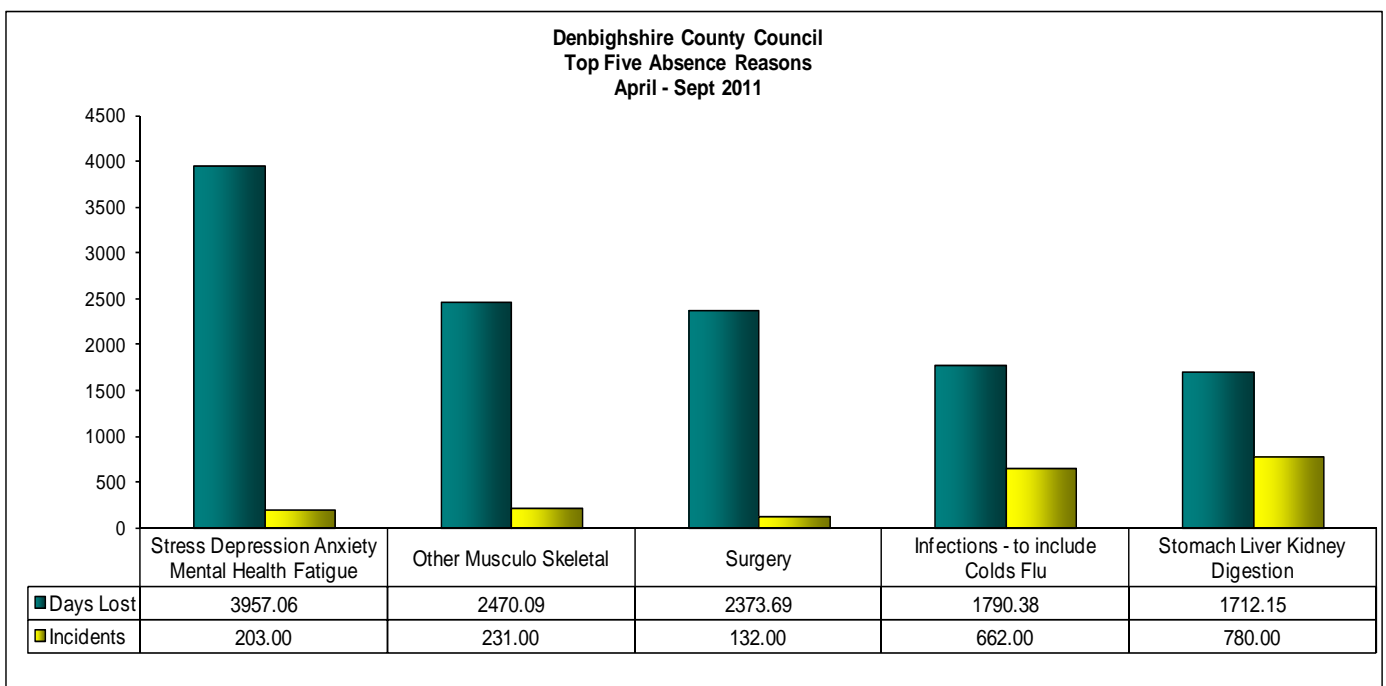
4.2.4 Absence Reason Analysis

The top five absence reasons in terms of the number of actual working days lost for April – September 2011:

- Stress Depression Anxiety Mental Health Fatigue
- Other Musculo Skeletal
- Surgery
- Infections - to include Colds Flu
- Stomach Liver Kidney Digestion

Together, these five absence reasons were responsible for 62% of actual days lost due to sickness absence in April 2011 - September 2011.

The chart below provides a breakdown of the top five absence reasons for April – September 2011 in terms of the number of absences caused by each reason and the number of actual days lost due to each reason.

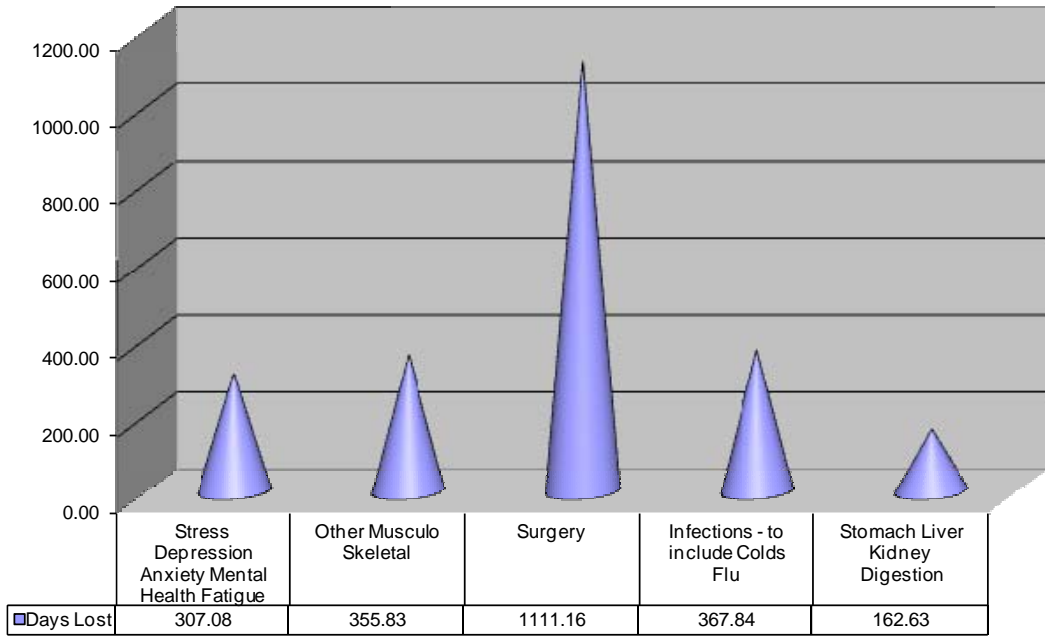


The table below lists all absence reasons for the April 2011 - September 2011 period, arranged in alphabetical order dependent on the number of actual working days lost per absence reason, together with percentages. Also included are the increases or decreases in actual days lost and percentages compared to April 2010 - September 2010. Please note that Cancer has only recently been added to the absence reasons as a separate category.

Absence Reason	Total Days Lost 2011	Total Days Lost 2010	Days Lost Increase / Decrease	Percentage Increase / Decrease
Back Neck Problems	1329.56	1108.76	220.80	9.06%
Cancer	1.08	0.00	1.08	100.00%
Chest Respiratory - to include Chest Infections	799.03	518.10	280.93	21.33%
Disability Related	200.42	113.83	86.59	27.55%
Ear Eye Nose Mouth Dental - to include Sinusitis	706.96	428.80	278.16	24.49%
Genito-Urinary - to include Menstrual Problems	420.26	395.12	25.14	3.08%
Heart Blood Pressure Circulation	452.15	528.92	-76.77	-7.82%
Hospital Appointment	92.31	84.79	7.53	4.25%
Infections - to include Colds Flu	1790.38	1422.54	367.84	11.45%
Neurological - to include Headaches Migraine	605.20	535.98	69.22	6.07%
Other	1522.01	1351.26	170.75	5.94%
Other Musculo Skeletal	2470.09	2114.26	355.83	7.76%
Pregnancy Related	189.35	312.32	-122.97	-24.51%
Skin Related Disorders	257.68	77.85	179.83	53.59%
Stomach Liver Kidney Digestion	1712.15	1549.52	162.63	4.99%
Stress Depression Anxiety Mental Health Fatigue	3957.06	3649.98	307.08	4.04%
Surgery	2373.69	1262.54	1111.16	30.56%
Swine Flu	67.11	3.00	64.11	91.44%
Unknown Reason - Awaiting Certificate	214.47	93.89	120.59	39.11%
z DO NOT USE	1.00	0.00	1.00	100.00%
(blank)	677.93	156.72	521.21	62.45%
Grand Total	19839.90	15708.18	4131.73	11.62%

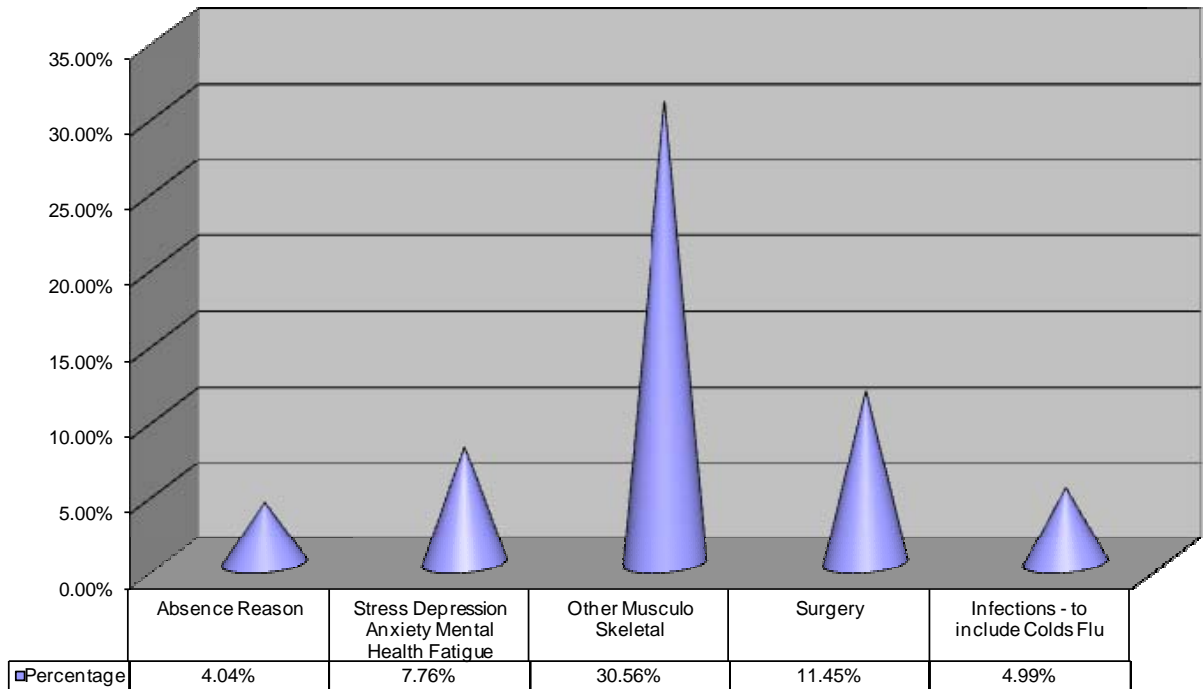
The next chart examines the top five absence reasons during April – September 2010 in terms of increase or decrease in the number of actual working days lost per absence reason compared to April – September 2011.

Denbighshire County Council
Top Reasons for Absence & Days Lost Increase / Decrease
April - Sept 2010 & April - Sept 2011



The next chart, which examines the same data in terms of percentage increases or decreases, shows that whilst the overall number of days lost has increased, the percentage of days lost caused by stress related absences has actually decreased.

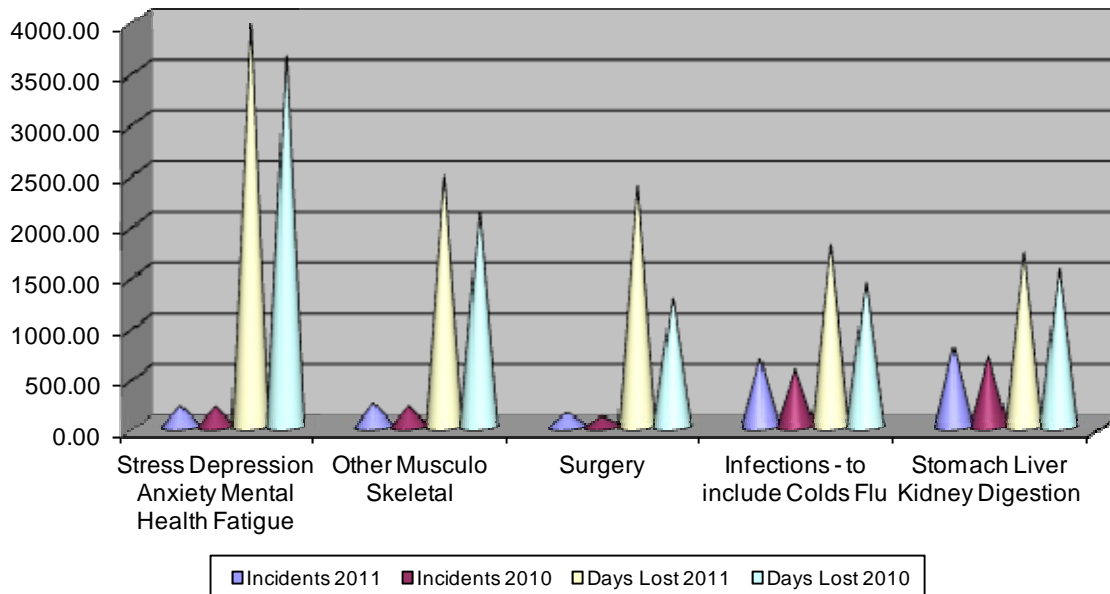
Denbighshire County Council
Top Reasons for Absence & Days Lost Increase / Decrease Percentage
April - Sept 2010 & April - Sept 2011



4.3.5 Top Reasons for Sickness Absence

The next chart provides a more detailed analysis of the top reasons for sickness absence in terms of average days lost per absence and the number of incidents per reason, comparing April to September 2010 and April to September 2011.

**Denbighshire County Council
Average Days Lost per Absence & Incidents
April - Sept 2010 & April - Sept 2011**



4.3 Occupational Health Referrals – Stress

28.97% of occupational health referrals were for stress related absences during April 2011 - September 2011. It should be noted that these referrals do not include self referrals.

5 How does the decision contribute to the Corporate Priorities?

Attendance and performance of employees is fundamental to achieving our Corporate priorities.

6 What will it cost and how will it affect other services?

Additional Resources needed (staffing or financial) - There are no direct staffing implications however sickness levels do impact on the ability to provide services.

7 What consultations have been carried out?

The headcount & absence information has been prepared by the Strategic HR team directly from the HR system.

8 Chief Finance Officer Statement

Payroll costs are one of the largest costs faced by the Council and therefore any further actions to monitor and control expenditure are beneficial.

9 What risks are there and is there anything we can do to reduce them?

N/A

10 Power to make the Decision

Section III of the Local Government Act 1972

Report To: Cabinet
Date of Meeting: 24th January 2012
Lead Officer: Councillor D A J Thomas
Report Author: Mark Dixon
Title: Ruthin Town Plan

1. What is the report about?

The report is about the town plan which has been prepared for Ruthin.

2. What is the reason for making this report?

The County Council has invited the town councils, and the business, community and voluntary sectors in each of its main towns to join together to develop Town Plans. Cabinet is requested to confirm support for the Ruthin Town Plan on behalf of the County Council.

3. What are the Recommendations?

To support the proposed town plan for Ruthin.

4. Report details.

The town plan sets out the current situation in the town, the key challenges and opportunities which it will face over the next decade, a vision which will provide it with a sustainable future, and realistic and achievable actions which will deliver that vision.

The proposed town plan for Ruthin is attached as the annex to the report.

5. How does the decision contribute to the Corporate Priorities?

Preparing town plans will assist the County Council achieve its strategic objective of “bringing the Council closer to the community” and the outcomes for its corporate priority for regeneration.

6. What will it cost and how will it affect other services?

There are no costs arising directly from supporting the proposed town plan considering whether the structure and nor are there any consequences for other services. Any of the actions proposed which have not already been agreed previously will need to be considered through relevant statutory or business planning processes at the appropriate time.

7. What consultations have been carried out?

A workshop for members took place on 14th March 2011 about the purpose and structure of the town plans and this was also an agenda item at the Cabinet briefing on 5th April 2011, at the Senior Leadership Team meeting on 19th May 2011 and at Communities Scrutiny Committee on 27th October 2011.

All Heads of Service were invited to participate at every step in the development of the draft plan. It has been considered by the Ruthin Member Area Group and by members of Ruthin Town Council. It has been discussed with students of the town's two schools which provide secondary education and also with representatives of Bro Rhuthun, Rhuthun Ymlaen, Ruthin Chamber of Trade and Ruthin & District Civic Association. It has also been the subject of a public consultation on the council's website and in the town's library. Reference will be made to any additional comments received at the meeting.

8. Chief Finance Officer Statement

The cost and funding implications of any actions not already agreed arising from the plan would have to be considered and approved on an individual basis.

9. What risks are there and is there anything we can do to reduce them?

The risk of not adopting all the town plans before the next County Council election has been reduced by including them in the Cabinet forward work programme for the meetings leading up to March 2012.

10. Power to make the Decision

Section 2 of the Local Government Act 2000 gives the Council the power to do anything which it considers is likely to promote or improve the economic, social and environmental well-being of the area.

DRAFT
RUTHIN TOWN PLAN
2012 - 2020

“Looking Forward Together”



Introduction

Denbighshire County Council has adopted a strategic aim of being “a high performing council closer to the community”.

To help achieve this aim, the County Council is inviting the town and community councils and the businesses, community and voluntary sectors in each of its main towns and the smaller outlying communities which relate to them to join together to develop “town plans”. These will be living documents which will set out

- The current situation
- The key challenges and opportunities which they will face over the next decade
- A vision for each town which will provide it with a sustainable future, and
- Realistic and achievable actions which will deliver the vision



The name Ruthin comes from the Welsh words ‘rhudd’ (red) and ‘din’ (fort) and refers to the colour of the red sandstone which forms the geological basis of the area and from which the castle was built as a strategic lookout over the River Clwyd in 1277 to 1284. Ruthin has a lively and interesting history - which has provided a rich architectural heritage and there are around 230 listed buildings in the Ruthin area, with the majority of that number being in the town itself.

The town is currently an administrative and service centre for its rural hinterland. It is the home of Denbighshire County Council's headquarters, bringing a knock-on benefit to the retail and service industries in the town, and is now home to one of the largest cattle and sheep auction markets in Wales. The town is also home to Ruthin Craft Centre which was recently redeveloped with a £4.3 million scheme into the Centre for the Applied Arts, housing 3 galleries, six artists’ studios, a retail gallery, education and residency workshops and a café. The galleries attract world renowned artists who exhibit there.

There are a number of primary and secondary schools serving the town and its surrounding area. Brynhyfryd School is a bilingual co-educational school and Ruthin School is a public, co-educational school for day and boarding students open to applications from all over the world. The people of Ruthin and its surrounding area also have access to a community hospital, a leisure centre, a community theatre and the further education college at Llysfasi (now part of Deeside College) giving access to vocational and higher education courses for school leavers and students over 19.

During the summer, the Ruthin Festival provides a week long programme of events and concerts and the town hosts the MTB Marathon mountain biking event with competitors starting and finishing in Ruthin having ridden through the Clwydian Range Area of Outstanding Natural Beauty (AONB).

The town is home to 5,218 people and a further 11,639 people live in the surrounding rural hinterland in the Llandyrnog, Llanbedr Dyffryn Clwyd/Llangynhafal, Llanarmon yn Iâl/Llandegla, Llanfair Dyffryn Clwyd/Gwyddelwern, Efenechtyd and Llanrhaeadr-yng-Nghinmeirch wards.

DRAFT

Map showing the wards in the Ruthin Area



Where we are now

People

Compared to the county as a whole, the town of Ruthin has

- more people aged over 65,
- higher percentage of over 85's,
- fewer young people under 15,
- fewer households claiming housing or Council Tax benefit, and
- a lower proportion of households which are overcrowded.

Community

Compared to the county as a whole, more people in the town of Ruthin

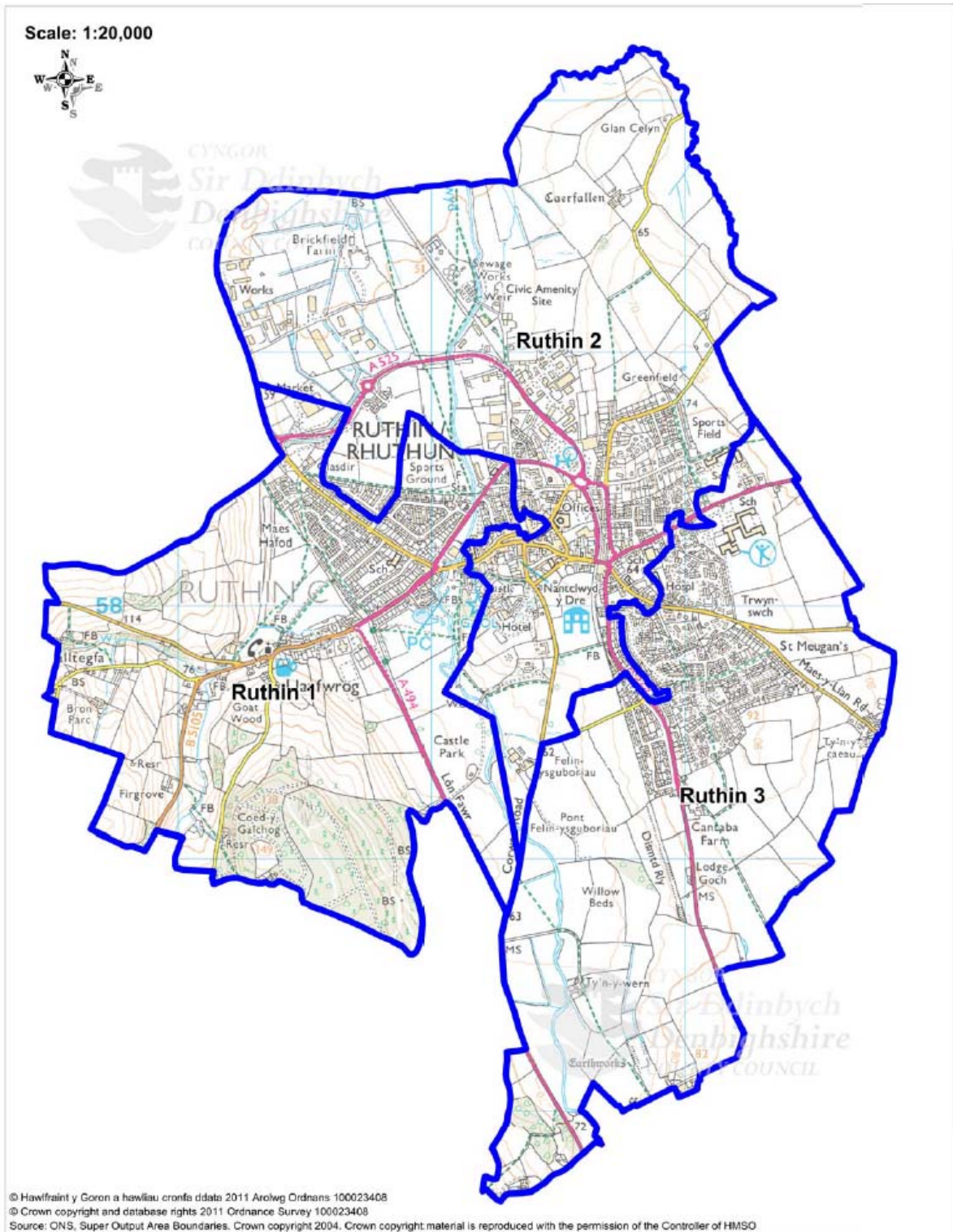
- were born in Wales, and
- can speak Welsh.

The crime rate in Ruthin is lower than the average rate for the County, particularly for incidences of violence against the person, theft and handling and criminal damage.

The Welsh Government uses a formula to measure deprivation called the "Welsh Index of Multiple Deprivation". Wales is split into 1896 areas which are smaller than County Council wards. Each area is then ranked with the most deprived given a score of 1 and the least deprived as score of 1896. The scores in different years are not directly comparable because the way in which the index is calculated changes over time, but nevertheless give an indication of the Welsh Government's view about the deprivation in the town at various points in time. All of the areas in Ruthin town are amongst the 30% least deprived in Wales.

Part of the index which relates to how easy it is for people to access services such as schools, clinics, shops and leisure centres and in the surrounding rural area, the Efenechtyd, Llanarmon yn Iâl/Llandegla, Llanfair Dyffryn Clwyd/Gwyddelwern and Llanrhaeadr yng Nghinmeirch, wards are considered to be amongst the 10% most deprived in Wales in this regard with the Llanbedr Dyffryn Clwyd/Llangynhafal and Llandyrnog wards being in the 20% most deprived.

Map showing the Lower Super Output Areas in Ruthin



Jobs

Compared to the county as a whole,

- more people who live in Ruthin work in the public sector (and more people in Denbighshire work in this sector than in any other local authority area in Great Britain),
- a lower percentage of people work in manufacturing, retail and hotels & restaurants
- a higher percentage of people who live in Ruthin are managers and professionals
- more residents of the town commute more than 20km to work
- more people commute more than 20km to work in the town, and
- lower percentage of people of working age claim Job Seekers' Allowance
- the average annual household income in Ruthin is slightly higher although the percentage of households in Ruthin below the 60% GB median is also higher

Place

Vacancy rates for retail premises – Autumn 2011

Ruthin has one of the highest percentages of vacant town centre units in the county, although this is still broadly similar to the average level for the UK.

Ruthin	14%	(25 units)
UK	14.5%	(Local Data Company)

The County Council runs the town's key tourism assets - namely Ruthin Craft Centre (with support from Arts Council for Wales), Nantclwyd y Dre and Ruthin Gaol. The Craft Centre gets around 90,000 visitors through its doors annually, whilst Ruthin Gaol has around 10,000 and Nantclwyd y Dre around 4,000.

There are 165 graded bed spaces in visitor accommodation within the town.

Future challenges and opportunities

People

Llysfasi College is now part of Deeside College and could provide a wider choice of further education locally.

The Glasdir residential development will bring more people to live in the town and there is plenty of land left for more houses.

Primary school provision within Ruthin and its surrounding communities will be reviewed and a vision will be agreed for future investment in primary and secondary provision.

There is a higher proportion of people aged over 85 in Ruthin. This is an age group that is projected to increase as a proportion of the population.

Community

There may be the potential to provide more allotments through Planning gain.

There are several successful sports teams in Ruthin; rugby, football, cricket, tennis and hockey with many of the members coming from outside the town. Outdoor leisure provision will therefore need to be sustainable.

A 3G pitch is to be built in Ruthin at Brynhyfryd School.

Jobs

Shopping via the internet and at out of town shopping outlets is a big challenge for the existing retail offer in town centre.

Ruthin serves its hinterland with the livestock market and professional services but farms are dependent upon income from Single Farm Payments which could be reduced as a result of Common Agricultural Policy reform.

There is private sector interest in running a produce market in St Peter's Square.

Town centre businesses and visitor attractions could work in a more coordinated way.

There is already a strong arts offer in Ruthin and a large number of visitors go to the Craft Centre but they do not go into the town centre.

There is potential to offer a better night time economy.

A new branded leisure offer provided by Wetherspoons is about to be opened in town.

There is limited employment land ready to build on which could constrain both the growth of current businesses and new investment on the industrial estate.

There is a national mountain bike event held in the area (that starts and finishes in Ruthin) and surrounding countryside for road cycling and walking which could help sustain tourism as part of the wider visitor offer.

Place

There is potential to improve the town square including changes to the traffic flow.

Ruthin has a key role to play in the wider Vale of Clwyd and AONB offer to visitors.

There is a Safer Routes in the Community project being run in Ruthin.

DRAFT

Vision for Ruthin

We want Ruthin

- to offer an enviable quality of life attractive to residents of all ages,
- to have viable town centre uses which anticipate changes in traditional retailing and the demand for services required by people from the surrounding rural area,
- to make more of the high visitor numbers and international reputation of the Craft Centre, and
- to be a key part of what the wider Vale of Clwyd and Clwydian Range Area of Outstanding Natural Beauty offers to visitors.

DRAFT

Making it happen...

...for people			
<i>What we want to achieve</i>	<i>We will achieve this by</i>	<i>Led by</i>	<i>By when</i>
An improvement in educational attainment	Securing approval to commence review of primary education provision within Ruthin and adjoining communities	County Council Modernising Education	1 year
	Completing area review of existing primary provision and agreeing pattern for future provision and improvement works	County Council Modernising Education	1-5 years
	Improving primary education provision to serve Ruthin and surrounding communities by securing funding to invest in schools	County Council Modernising Education	5-10 years
The housing needs of residents have been met	Looking into providing more extra care housing for older people	County Council Social Services	1-5 years

Making it happen...

...for the community			
<i>What we want to achieve</i>	<i>We will achieve this by</i>	<i>Led by</i>	<i>By when</i>
Reduce waiting list for allotments	Providing more allotments	County Council Finance & Assets	1-5 years
The town's community facilities will be better and more sustainable	Building a 3G sports pitch to ensure the viability of the sports clubs	County Council Leisure, Libraries & Community Development	1-5 years
	Providing more flexible public transport for people living in outlying communities to make it easier for them to access the facilities in the town	County Council Highways	1-5 years
Residents and visitors not feeling intimidated by people consuming alcohol in public places	Implementing a Designated Public Place Order within the part of the town covered by the 30 mph speed limit	County Council Planning, Regeneration & Regulatory Services	1 year
A reduction in the amount of dog mess in public places	Consulting on the introduction of a Dog Control Order within the part of the town covered by the 30 mph speed limit	County Council Planning, Regeneration & Regulatory Services	1 year

Making it happen...

...for jobs			
<i>What we want to achieve</i>	<i>We will achieve this by</i>	<i>Led by</i>	<i>By when</i>
Retain the vitality of the town centre if retail uses decline	Commissioning a location modelling study	County Council Environment	1 year
	Establishing a "town team" to enable businesses, visitor attractions and events to work in a more co-ordinated way	Bro Rhuthun, Rhuthun Ymlaen, Ruthin Chamber of Trade, Ruthin & District Civic Association	1 year
	Trialling the produce market on the Square	County Council Planning, Regeneration and Regulatory Services	
Town centre businesses have greater potential for growth through increased footfall	Installing an Art Trail to enhance the art offer in the town and also to encourage visitors to the Craft Centre to go to the town centre	County Council Environment	1 year
	Providing signage to let visitors at the Craft Centre know about the town centre	County Council Environment	1 year
	Installing pedestrian signage to show pedestrians how to get from car parks at Market Street, Troed y Rhiw and Crispin Yard car parks	County Council Highways	1 year
Provide new employment opportunities in the town	Reviewing the allocation of employment land which is viable to develop	County Council	5-10 years
	Reviewing the position of the Ruthin visitor offer including assets such as the medieval	County Council Planning, Regeneration and Regulatory	1-5 years

	castle and in order to gain greater recognition of Ruthin as a centre for applied arts	Services with Leisure, Libraries & Community Development	
--	--	--	--

DRAFT

Making it happen

... for the place			
<i>What we want to achieve</i>	<i>We will achieve this by</i>	<i>Led by</i>	<i>By when</i>
An improved visitor experience	Carrying out full signage audit	County Council Highways and Planning, Regeneration and Regulatory Services	1 year
	Reviewing tourist information provision	County Council Planning, Regeneration and Regulatory Services	1-5 years
	Refurbishing, renewing and removing of signs in all car parks as appropriate	County Council Highways	1 year
	Removing all old and unnecessary signs such as the old WDA sign outside Niagara Health Care and those referring to Glyndwr District Council	County Council Environment	1 year
	Replacing direction sign for Denbigh on Clwyd Street	County Council Highways	1 year
	Replacing missing 'Welcome to Ruthin' sign on Lon Fawr	Town Council	1 year
	Improving signage at Ruthin Gaol	County Council Environment	1 year
	Fixing the toilet in Cae Ddol car park	County Council Environment	1 year
	Repairing pot holes and speed bumps in Cae Ddol car park	County Council Highways	1 year
	Making 'residents only' parking signs in Market Street more obvious to visitors	County Council Highways	1 year
Ensuring that services such as public transport accommodate additional demands arising from major events like Ruthin Festival	County Council Environment and Highways	1 -5 years	

	Providing extra town trail boards	County Council Environment	1 year
The town's public realm will look more attractive	Providing a consistent style of benches in and around town centre and more bins on the Cuning Green footpath	Town Council	1-5 years
	Removing unauthorised A boards and signs at entrance to Lon Parcwr and on Clwyd Street	County Council Planning, Regeneration and Regulatory Services	1 year
	Tidying scruffy sites along the Glasdir link road	County Council Environment	1 year
	Removing and/or replacing the banners on street lighting columns	County Council Leisure, Libraries and Community Development	1 year
	Removing rubbish from the river at Cae Ddol and around Clwyd Street bridge	County Council Environment	1 year
	Removing graffiti on parking meter signs in Cae Ddol car park	County Council Highways	1 year
	Tidying up the path between almshouses and clinic	County Council Environment	1 year
	Replacing broken and missing cobbles on traffic calming system on Clwyd Street	County Council Highways	1 year
Further improve the park at Cae Ddol park	Replacing the current bridge at Cae Ddol with a more attractive alternative which is strong enough to take the weight of the vehicles required on site when events are being staged	Friends of Cae Ddol	1-5 years
Improve traffic circulation and provide more on street parking on and around St Peter's Square	Implementing a one way traffic system through the town centre	County Council Highways	1-5 years
	Looking into ways of funding the removal of the roundabout in St Peter's Square	County Council Planning, Regeneration and Regulatory Services	1-5 years
	Discouraging large vehicles from using Castle Street and	County Council Highways	1-5 years

	the town centre by directing them along Lon Fawr		
--	--	--	--

DRAFT

How will we know if we are on track

Annual reviews will be undertaken by the Town Council together with Denbighshire County Council. Each aspiration will be looked at in turn and the plan will be used as a working document where aspirations can be included or deleted due to changes in circumstances.

Quarterly updates will also be provided to the Town Council informing them of the progress made on the various aspirations. Information will also be s

hared at the Area Elected Members Groups and to the wider community through County Voice and through press releases made by Denbighshire County Council. A specific webpage on the Denbighshire County Council website could be established to inform the community of progress and changes made with regards to the plan.

The progress of all town plans will be reported to Denbighshire County Council's People and Places Board and the Communities Scrutiny Committee.

Who was involved in the production of this plan?

This plan was produced by Denbighshire County Council following consultations with County Council Councillors and Services, the Town Council, the Business Group, secondary schools and the wider community.

Statistical Appendix

2001 census data

Percentage of...	In Ruthin town	In the surrounding rural area	In Denbighshire
Young people aged 15 or under	18.6	18.4	19.7
All people aged 65 or over	23.5	18.3	20.2
People aged 85 or over	3.4	2.0	2.8
People claiming housing or Council Tax benefit	7.1	4.2	9.9
Overcrowded households	2.6	2.0	4.4
People born in Wales	68.4	58.9	57.9
People over 3 years of age who can speak, read or write Welsh	45.7	46.8	29.0
Working residents who are managers or professionals	27.3	29.4	23.1
Working residents employed in the public sector	32.2	30.2	30.0
Working residents employed in agriculture	3.1	10.4	3.6
Working residents employed in hotels and restaurants	2.8	4.7	6.5
Working residents employed in manufacturing	12.1	12.7	13.9
Working residents employed in retail	14.8	12.2	16.4
Working residents who travel more than 20km to work	20.9	24.3	18.6
People who travel more than 20km to work in the area	15.0	7.3	11.9

Welsh Index of Multiple Deprivation

"Lower Super Output Area"	2005	2008	2011
Town			
Ruthin 1	1148	1187	1316
Ruthin 2	1632	1694	1669
Ruthin 3	1847	1859	1863
Surrounding rural area			
Efenechtyd	1431	1497	1482
Llanarmon yn Iâl/Llandegla	1539	1622	1642
Llanbedr Dyffryn Clwyd/Llangynhafal	1627	1653	1686
Llandyrnog	1428	1301	1384
Llanfair Dyffryn Clwyd/Gwyddelwern	1541	1431	1435
Llanrhaeadr yng Nghinmeirch	1359	1300	1422

Report To: CABINET
Date of Meeting: 24th January 2012
Lead Cabinet Member: Councillor Julian Thompson-Hill
Lead Officer: Paul McGrady, Head of Finance & Assets
Title: Finance Report

1 What is the report about?

The report gives a forecast position for the council's revenue budget and performance against the budget strategy for 2011/12 as at the end of December 2011. The report also gives a summary update of the Capital Plan, the Housing Revenue Account and Housing Capital Plan.

2 What is the reason for making this report?

The report advises members of the latest financial forecasts in order to deliver the agreed budget strategy for 2011/12 as defined in the Medium Term Financial Plan, the Capital Plan and the Housing Stock Business Plan.

3 What are the Recommendations?

Members note the latest financial position and progress against the agreed budget strategy.

Members consider how they want to deal with the likely corporate under spend shown in section 4.

4 Report details

The latest revenue budget forecast is presented as **Appendix 1** and shows a net under spend of £487k on council services (£294k last month). There are also variances within some services compared to original forecasts but these are being managed within the services.

The forecast position for schools remains £446k over spent. Further details of departmental budget performance are shown below. The Housing Revenue Account summary is also included in Appendix 1 for information but this is a separate fund and not part of the council's revenue budget.

Appendix 2 to this report gives an update showing progress against the savings and pressures agreed as part of the 2011/12 budget setting process. In total, net savings of £6.359m were agreed and so far, £6.024m (95%) have been achieved with £0.275m (4%) still in progress. Generally, those items remaining as 'in

progress' are those that cannot be confirmed until the end of the year, though confidence is high that all will be achieved.

The Medium Term Financial Plan made a provision of 5% to cover non-achievement of savings within the year against the original proposals. The provision equates to £318k and although currently £275k of the savings has yet to be confirmed as delivered it is now likely that the provision this year will not be required in full and so a cash surplus will be generated. Members need to consider what they want to do with this likely under spend.

There are a number of options:

- Transfer to general balances – There is already a budgeted contribution to balances and as such additional funding is not required.
- Allocate to a specific reserve – This would allow the funds to be set aside and spent at some point in the future on a priority project for example 21st Century Schools, extra care housing etc.
- Allocate to a short term spending initiative – The funds could be used for immediate expenditure in early 2012/13 on a priority project eg highways, ICT etc.

5 How does the decision contribute to the Corporate Priorities?

Effective management of the council's revenue and capital budgets and delivery of the agreed budget strategy underpins activity in all areas, including corporate priorities.

6 What will it cost and how will it affect other services?

This section of the report is used to highlight any key variances from budget or savings targets, risks or potential additional savings that may arise throughout the year and to give a more general update on the Capital Plan and the Housing Revenue Account.

Revenue Budget - The revenue budget for services to the end of December shows a projected under spend of £487k (£294 last month). Departmental details are highlighted below.

The under spend in **Business Planning & Performance** is primarily related to the budget for the administration of the Cymorth grant and the winding down of the current grant. It was agreed at the recent service challenge that this could be reviewed as a possible budget saving in future if the net departmental position continues to show an under spend. The under spend has increased this month because of delayed recruitment and additional fee income within Project Management.

The **Finance and Assets** budget is forecast to be balanced in total. However, within this, the **Property Services** budget continues to face pressure on fee income targets as a result of the reduction in the council's capital works budget.

Efforts to reduce this continue and the pressure within the budget has reduced again since the last report.

Highways & Infrastructure shows a forecast position of £192k under spent. As reported in detail previously, the department has achieved the departmental savings target of £150k and a further £100k in relation to procurement savings on school transport. The budgets for road maintenance are currently forecasting an under spend and this has increased from last month in total, but within this is the budget for winter maintenance which is subject to significant swings in demand depending on weather conditions.

In late December, the Welsh Government announced an extra £200k for Denbighshire to be spent on specific highways projects in addition to our planned works. The department are working on plans for this and hope to spend the money in this financial year.

The **Regeneration, Planning & Public Protection** Department has a budget savings target of £200k in 2011/12 and is well on course to achieve this in full. Added to this, the department is forecasting an under spend which has increased to £87k (£62k last month) due to a further improvement in projected Development Control income as well as an increase in Pest Control fee income since the last report. In 11/12 the Department has been given two additional priority area budgets (two lots of £175k); the first towards funding the Council's regeneration priority and the second allocation to fund costs associated with the Town Plans/Closer to the Community priority. The Department is confident that the full budget will be spent by the year end.

Adult Services budgets are shown as balanced but assume that approximately £300k of Supporting People grant will be used to fund pressures within the year (£393k last month). This was part of the strategy agreed at the service challenge in 2010 to manage in-year cost pressures. However, the subsidy from Supporting People will be reducing and ultimately removed so underlying pressures will have to be addressed in the medium term. The future of Supporting People funding is becoming clearer with proposals of a 4% cut next year and 5% annually thereafter. The impact of this on Supporting People services is being modelled, including the wider impact on the adult services budget and use of Supporting People reserves.

The **Environment Services Department** has a budget savings target of £541k in 2011/12 and is well on course to achieve this in full. The department is forecasting an under spend for the year. The projected under spend is now £87k (£58k last month). The change is due to savings being achieved on the Public Conveniences budget following an in-depth review of all staffing posts within the team. Also, one senior member of the Public Conveniences staff has been seconded to another management role within Heritage Services to cover maternity leave and the post not been back-filled.

The savings targets within **Customer Services** total £271k this year. Of this, £126k is in relation to procurement efficiencies and is on target. It can be assessed more effectively as actual expenditure on consumables is reviewed toward the end of the year. An under spend of £40k is forecast over the departmental budget due to

delays in recruitment. If departmental balances are carried forward, it is proposed to use some of this for investment in the intranet in 2012/13.

Schools – The forecast on schools budgets remains unchanged with a net overspend £446k. The position includes eight schools in financial difficulty. Schools with a forecast deficit position are required to submit proposals to achieve a balanced budget. Schools with an over spend at year-end will carry the deficit balance forward.

Capital Plan – Expenditure to the end of December is £20.2m against a plan of £32m for the year. The last finance report estimated a total plan of £36m but some £4m of this will now be rolled into 2012/13. **Appendix 4** shows a summary of the plan and how it is financed and **Appendix 5** gives a brief update on the major capital projects. The update includes a funded proposal to enhance the Apollo cinema scheme to include an entertainment plaza. This proposal has been considered and is supported by the Strategic Investment Group.

Housing Revenue Account (HRA) – The latest HRA forecast shows a planned in-year deficit of £1.108m (£1.140m last month) against an original budget of £1.025m. The forecast deficit is currently £83k higher than the original budget. The planned in-year deficit arises as £1.3m of revenue budget is to be used to fund capital expenditure as part of the agreed Housing Stock Business Plan for 2011/12. The Business Plan remains viable and based on the latest forecast, the HRA balance carried forward will be £898k (£869k reported last month).

The Housing Capital Plan forecast outturn has increased to £5.832m (£5.196m reported last month) compared to the budgeted estimate of £5.969m for the year. This is due to additional costs being identified in relation to the removal of asbestos in some of the properties in the current phase of the improvement programme. Welsh Housing Quality Standard by the end of 2012. A summary of the latest HRA position is shown in the table below.

Housing Revenue Account & Capital Plan Summary:

Housing Revenue Account Summary 2011/12	
December 2011	
Expenditure	£'000
Housing Management & Maintenance	5,358
Capital Charges	2,596
Subsidy	3,079
Provision for Bad Debts	26
Revenue Contribution to Capital	1,341
Total Expenditure	12,400
Income	
Rents	11,129
Garages	154
Interest	9
Total Income	11,292
In Year Deficit	1,108
HRA Balance Carried Forward	898

<u>Housing Capital Plan</u> <u>December 2011</u>	<u>£,000</u>
Planned Expenditure	5,832
Funded By:	
Major Repairs Allowance	2,400
Revenue Contribution	1,341
Capital Receipts	65
Borrowing	2,026
Total	5,832

7 What consultations have been carried out?

The revenue budget was recommended by cabinet and agreed formally by council after an extensive round of service challenges. The capital plan was approved by council following scrutiny by the Capital & Assets Strategy Group (now called the Strategic Investment Group) and recommendation by cabinet. The Housing Revenue Account has been approved following consultation with elected members and tenant federation representatives.

8 Chief Finance Officer Statement

It is a significant achievement to have delivered most of the savings target for the year. Those savings that remain as in-progress are likely to be confirmed by the end of the year.

As predicted, the overall position has started to improve because progress made in the delivery of some of next year's savings targets may begin to have an impact toward the end of the current year. Some corporately held budgets for specific provisions that are committed in future years will generate a cash surplus in the current year. It would be prudent to carry the budgeted provision for slippage against agreed savings forward to 2012/13. The use of any in-year surpluses must be carefully considered in relation to the council's Medium Term Financial Plan and in the context of continuing budget pressures.

Economic Commentary & Treasury Management Update

Financial markets continue to be very volatile and this is causing problems as the number of institutions with which the council can invest is very limited. Earlier in the year, the council decided to limit all investments to six months as a prudent measure. More recently, the ratings of a number of UK banks have been downgraded. This has a direct impact on the council's treasury management strategy and meant that amendments had to be agreed to the strategy for the current year to allow the council to place cash on deposit with its appointed bankers. Deposits with other UK banks have now been limited to one month. The council is continually exploring all prudent options to ensure that investments are

secure whilst also trying to achieve the most reasonable returns possible in the circumstances.

Total borrowing currently stands at £136m at an average rate of 5.73% and total investments are £23.0m at an average rate of 1.60%.

9 What risks are there and is there anything we can do to reduce them?

This is the most challenging financial period the council has faced and failure to deliver the agreed budget strategy will put further pressure on services in the current and future financial years. Effective budget monitoring and control and early reporting of variances will help ensure that the financial strategy is achieved.

Specific risks are apparent when dealing with capital projects and can include expenditure or time overruns, funding issues and other non-financial considerations. A robust approval mechanism and close financial monitoring and reporting, along with effective project management procedures, help to minimise these risks.

The HRA is undertaking a considerable capital investment to improve the housing stock and using borrowing and grants to fund the works. Any borrowing must be affordable and the regular monitoring and annual approval and viability assessment of the Housing Stock Business Plan ensures that this is so.

10 Power to make the Decision

Local authorities are required under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs.

Appendix 1

DENBIGHSHIRE COUNTY COUNCIL REVENUE BUDGET MONITORING REPORT 2011/12

Forecast as at 31/12/2011	Budget			Projected Outturn			Variance				Variance Previous Report £'000
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net	Net	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
Business Planning & Performance	2,263	-1,292	971	2,163	-1,292	871	-100	0	-100	-10.30%	-40
Legal & Democratic Services	2,086	-538	1,548	2,086	-538	1,548	0	0	0	0.00%	0
Finance & Assets	14,519	-7,413	7,106	14,535	-7,429	7,106	16	-16	0	0.00%	0
Highways & Infrastructure	20,218	-9,529	10,689	20,241	-9,744	10,497	23	-215	-192	-1.80%	-162
Regeneration, Planning & Public Protection	5,763	-1,949	3,814	5,475	-1,748	3,727	-288	201	-87	-2.28%	-62
Adult & Business Services	44,861	-13,135	31,726	44,095	-12,369	31,726	-766	766	0	0.00%	0
Children & Family Services	9,904	-1,105	8,799	10,011	-1,212	8,799	107	-107	0	0.00%	0
Housing Services	1,849	-1,461	388	1,643	-1,234	409	-206	227	21	5.41%	28
Leisure, Libraries & Community Development	10,309	-4,713	5,596	10,694	-5,100	5,594	385	-387	-2	-0.04%	0
Strategic HR	1,672	-370	1,302	1,672	-370	1,302	0	0	0	0.00%	0
Customer Services	3,847	-876	2,971	3,807	-876	2,931	-40	0	-40	-1.35%	0
Environment	19,680	-8,247	11,433	19,592	-8,246	11,346	-88	1	-87	-0.76%	-58
Modernising Education	1,336	0	1,336	1,336	0	1,336	0	0	0	0.00%	0
School Improvement & Inclusion	11,246	-6,699	4,547	11,253	-6,706	4,547	7	-7	0	0.00%	0
Total Services	149,553	-57,327	92,226	148,603	-56,864	91,739	-950	463	-487	-0.53%	-294
Corporate	42,995	-36,671	6,324	42,995	-36,671	6,324	0	0	0	0.00%	0
Precepts & Levies	4,549	0	4,549	4,549	0	4,549	0	0	0	0.00%	0
Capital Financing	12,104	0	12,104	12,104	0	12,104	0	0	0	0.00%	0
Total Corporate	59,648	-36,671	22,977	59,648	-36,671	22,977	0	0	0	0.00%	0
Council Services & Corporate Budget	209,201	-93,998	115,203	208,251	-93,535	114,716	-950	463	-487	-0.42%	-294
Schools	67,166	-7,226	59,940	67,612	-7,226	60,386	446	0	446	0.74%	446
Total Council Budget	276,367	-101,224	175,143	275,863	-100,761	175,102	-504	463	-41	-0.02%	152
Housing Revenue Account	12,327	-11,302	1,025	12,400	-11,292	1,108	73	10	83	8.10%	115

**Appendix Medium Term Financial Plan Update 2011/12
Update to 31/11/2011**

<u>Ref</u>	<u>Action</u>	<u>Status</u>	<u>Saving £'000</u>	<u>Total £'000</u>	
General					
A1	Workforce Budget Reduction 1%	Achieved	125		Base budget reduction applied to staffing budgets.
A4	Reduce staff advertising	Achieved	150		Base budget reduction applied though actual expenditure has exceeded the total cut.
A5	Procurement savings	Achieved	200		Includes savings on e-tendering school transport contracts and new insurance contract.
A7	Costs of Democracy	Achieved	25		Reduction in cabinet membership etc.
A8	Review of Senior Management & Exec PAs	Achieved	365		Based on removal of 3 senior management posts and 2 PA posts.
A9	Reduce budget for Major Events	Achieved	40		Base budget reduction.
DS1	Reduction in School Roles	Achieved	340		Based on forecast reduction in pupil numbers.
DS2	Removal of Unused School Pay Budget Provision	Achieved	620		Removal of single status funding.
G1	Removal of one-off Budget 2010/11	Achieved	2,185	4,050	
Asset Review					
B1	Office accommodation	Achieved	80	80	Savings in relation to Trem Clwyd and Fronfaith.
Support Services Review					
C1	HR review	Achieved	50		Ongoing savings re HR Direct and impact of restructure, inc saving on 1 management post.
C12	Insurance Tender	Achieved	50		New contract has delivered savings. Part of the saving included in procurement target above.
C2	Property services - phase 1	Achieved	100		Savings through restructure - redundancy and reduction in use of agency staff.
C3	Legal services - phase 1	Achieved	42		Removal of a solicitor's post
C4	Democratic support	Achieved	52		Removal of a manager's post
C5	ICT/IM	Achieved	131		Four redundancies as part of reorganisation of the department
C5	ICT/IM	In Progress	14		Dependent upon wider use of Proactis to allow a further post to be declared redundant
C6	ICT/IM	In Progress	126		Procurement/consolidation of equipment - will be achieved but need to prove later in the year.
C7	Finance - Financial Management	Achieved	70	635	Removal of 2 posts in creditor payments
Service Challenges					
Leisure, Libraries & Community Development					
Da1	Leisure services- Management System	Achieved	40		New booking system and membership scheme
Da2	Back office co-location	Achieved	20		Savings in admin as sections move to one location
Da5	Remove subsidy by increasing income	Achieved	50		General increases in income from various sources
Dk2	Merger of N Wales Bibliographic Services	Achieved	20		Libraries
Dk3	Running Costs / Income	Achieved	27		Libraries - review of cleaning and caretaking costs
Dk4	Family Info and Archives review	Achieved	35		Libraries
Dk5	Review of housesbound service	In Progress	10	202	Libraries
Environmental Services					
Db11	Outsource Propogation	Achieved	30		Open spaces - included restricted use of nursery for bedding plants as well as outsourcing
Db13	Cemetaries charging -	Achieved	34		Increase charges over inflation
Db16	Countryside staff reduction	Achieved	24		Post reduction Senior Admin Officer
Db17	Tourism Service Redesign	Achieved	20		Saving of PA post.
Db18	Regeneration Service Redesign	Achieved	23		Savings from redefinition of roles, lower numbers and integrations with public realm and leisure.
Db2	Renegotiate recycle and disposal contracts	Achieved	220		New recycling contract
Db5	Regional Waste Project Procurement Budget	Achieved	94		Reduction in project budget as it comes live
Db8	Reduce Overtime (Street Cleansing)	In Progress	20		Introduction of flat time for weekends and review of hours allocated to specific jobs
Db9	Fleet Efficiency	Achieved	50		Hired vehicles replaced by in-house
Db1/12	Other	Achieved	26		
Db14	WAG Waste Target Pressures	Confirmed	-247		Pressure is as originally forecast.
Db15	Free School Meals Cost Pressures	Confirmed	-130	164	Pressure is as originally forecast.
Planning, Regeneration & Regulatory Services					
Dc1	Review of Regeneration	Achieved	40		Staff reductions as a result of restructuring - includes elements of a management post
EC21	Review Pest Control	Achieved	30		Part of collaboration project - one post gone on EVR
EC22	Review Development Control	In Progress	20		Officer on long term sabbatical, not replaced.
EC25	Review of CCTV service	Achieved	20		Review of shift patterns and overtime.
EC26	Review of Pollution Control	Achieved	30		Part of the same project as noted against Pest Control
EC27	Review of Trading Standards	Achieved	60	200	Part of collaboration - senior management posts shared with Conwy.

		Status	Saving £,000	Total £'000	
Highways & Infrastructure					
Dd1	Road Safety	Achieved	45		Various small savings due to use of traffic signals, anti-skid surfaces, etc. Based on work recharged to Conwy under collaborative structure. Savings based on work recharged to Conwy under collaborative structure. Part of the saving on collaborative parking arrangements brought forward from 12/13 Savings on admin/standardisation of policies etc Including fees for skips, increasing inspection/charges
EC11	Street Lighting	Achieved	30		
	Public Transport	Replacement	30		
	Car Parking	Replacement	15		
EC14	Street Works	Achieved	20		
EC16	Winter Maintenance	In Progress	10	150	
Adult & Business Services					
Df1	Cefndy Healthcare	Achieved	60		Gradual removal of council subsidy Removal of one service manager post Reduction of administrative support as part of wider review Removal of long-term vacancies and introduction of new locality structure Changes to qualifying routes for social work trainees - more use of part-time OU courses plus Gd 8 post (60%) being deleted Will be delivered in full next year (£120k) Investment in reablement packages (intensive home care) to avoid residential care. On target to be achieved. Saving is around the differential between residential care cost and extra care - up to £150 per week. Pressure reduced by £115k as PMDF grant has been paid in 2011/12 Includes savings through Telecare, re-ablement and reduction in contribution to Mental Health Partnership Loss of grant figure reduced by £115k as noted above. Impact being dampened in 2011/12 by use of Supporting People grant funding.
Df10	Restructure part of service	Achieved	53		
Df16	Administration Rationalisation	Achieved	47		
Df17	Systems Thinking and Vacancy Control	Achieved	40		
Df19	Workforce Development Review	Achieved	30		
Df6	Day care - review and rationalise	Deferred	60		
Df8	Impact of investment in reablement	In Progress	75		
Df9	Residential Care - Impact of Extra Care	Achieved	60		
Df99	Compensating savings within the services	Achieved	451		
Df5,12-15	Other	Achieved	51		
P1/4/6	Loss of Grant	Confirmed	-179		
P2/3/5	Demographic Change	Confirmed	-272	476	
School Improvement & Inclusion					
Dh1	Service Restructure	Achieved	261	261	Includes the removal of 4.5 posts.
Children & Family Services					
Dj1	Management Changes	Achieved	105		Review of senior posts - includes removal of two senior manager level posts. CHC funding from the NHS has replaced the base budget for the team - long term funding. Includes £35k budget for projects that have now finished (inc merger etc), plus savings to therapy service Costs have been brought down but there is still a pressure hence marked as in progress. Deleted one vacant admin post and one further post will be redundant this year. Increased costs resulting from Southwark Judgement - more likely to be £20k. Pressure has reduced because of vacancies but offset by an increase in fostering pressure. Pressure has increased from the original estimate. Pressure is as expected.
Dj10	TAPP Team change in funding	Achieved	93		
Dj3/6/9/13	Other Savings	Achieved	56		
Dj5	Re-shaping Supervised Contact Service	Achieved	33		
Dj2	Admin Rationalisation	Achieved	40		
Dj20	Legislative	Confirmed	-14		
Dj16/17	Social Worker & Staffing Pressures	Confirmed	-117		
Dj18	In-house Fostering	Confirmed	-62		
Dj19	Direct Payments	Confirmed	-24	110	
Housing Services					
Dz1	Various small savings	Achieved	31	31	Numerous small savings. Will be confirmed following review of total housing budget, including the HRA.
Total Savings 2011/12				6,359	
Summary:					
Savings Achieved/Replaced or Pressures Confirmed			6,024	95	
Savings In Progress/Being Reviewed			275	4	
Savings Not Achieved/Deferred			60	1	
Total			6,359		

Denbighshire County Council - Capital Plan 2011/12 - 2014/15

Position as at December 2011

APPENDIX 3

		2011/12	2012/13	2013/14	2014/15
		£000s	£000s	£000s	£000s
Capital Funding:					
1	General Funding:				
	Unhypothecated Supported Borrowing	3,762	9,096	3,674	3,490
	General Capital Grant	3,564	1,947	1,850	1,758
	General Capital Receipts	2,586			
	Earmarked Capital Receipts	276	32	0	0
		10,188	11,075	5,524	5,248
2	Prudential Borrowing	8,750	4,300	3	300
3	Reserves and Contributions	933	944	0	0
4	Specific Grants	13,067	7,897	2,659	549
	Total Finance	32,938	24,216	8,186	6,097
	Total Estimated Payments	-32,041	-17,880	-2,662	-849
	Contingency	-897	-1,500	-1,000	-1,000
	Earmarked Contingency				
	Unallocated Reserve	0	0	0	0
	Funding available	0	4,836	4,524	4,248

Appendix 4 Major Capital Projects Update

Rhyl Coastal Defence

Budget	£10.0m
Funding	WAG Grant
Expenditure to Date	£5.522m
Comments	<p>This coastal defence scheme will reduce the flood risk to some 2,000 properties and 500 businesses in West Rhyl. Approval for phase 1 & 2 has been given by the Welsh Government and they have notified us of approval to increase the grant to £8.25m. This is the estimate to complete phases 1 & 2 of the scheme.</p> <p>Phases 1 & 2 are the works to the inner harbour and river training wall. The works are underway and are anticipated to be complete by April 2012.</p> <p>Approval for phase 3 of the works, in relation to the stepped revetment towards the drift park is still awaited. The Welsh Government has asked the Council to review the flood risk and calculate the cost of the most economic solution to reducing the flood risk. This is likely to be a rock revetment. This work is on-going.</p> <p>The Welsh Government have advised that should the Council decide to build a promenade, as originally proposed, the additional cost would need to be met by the Council. Early estimates of this element suggest up to £1m funding would be required.</p> <p>The scheme is 100% funded by the Welsh Government until March 2012. Any costs beyond March 2012 will receive a lesser grant contribution of around 87%. The majority of phase 1 & 2 works will attract 100% grant funding.</p> <p>It looks increasingly likely that grant approval for Phase 3 will not be received until 2013/14.</p> <p>Phase 3 will require a 13% contribution from the Council. Some funding has previously been approved by the Council to meet this however it is envisaged further funding will be required, and a capital bid has been submitted to the Strategic Investment Group for review as part of the 2012-13 capital bid process.</p>
Forecast Expenditure 11/12	£5.299m

Foryd Development

Budget	£9.013m (inc Revenue £413k)
Funding	WG, WEFO and Sustrans grants
Expenditure to Date	£0.977m
Comments	<p>Summary A preferred design for the project which supports the working harbour and provides a smaller timber modular building on the harbour square, was agreed further to meetings with the Project Board, Informal Cabinet, Welsh Government (WG) and the Welsh European Funding Office (WEFO). This scheme has progressed and some value engineering undertaken.</p> <p>A re profile of the project will be undertaken in January 2012 and this will form part of a new project approval to formally recognise the additional £500k contribution from WEFO and the £500k contribution agreed by the Council on 15 November 2011.</p> <p>Foryd Harbour Cycle & Pedestrian Bridge</p> <p>Detailed design is complete and detailed costs are being finalised. The latest cost estimate is £4.4m.</p> <p>We await the Section 106 order to cross a navigable watercourse by the Minister. This should be received in early 2012.</p> <p>It is anticipated that a paper will be presented to Cabinet in February 2012 seeking permission to progress to the construction phase.</p> <p>It is anticipated off site prefabrication will commence in early 2012. Some “setting up” for the deck fabrication has already commenced.</p> <p>Commencement of site works will complement the Public Square scheme to share site costs. This will likely be mid 2012 with completion by March 2013.</p> <p>Quayside Units, Public Square & Extended Quay Wall</p> <p>The main Planning application was submitted to Conwy County Borough Council on 12 December 2011, and it is anticipated that an approval will be gained in April 2012. A further planning application was submitted to Denbighshire County Council the following week in respect of the environmental mitigation within the Marine Lake, associated with the planned harbour works.</p> <p>The application has been made for the Marine Consents Licence associated with these works. Work has now commenced on the detailed design.</p> <p>The programme of works shows a start on site in June 2012 with the initial works being the construction of the quay walls. The</p>

	<p>programme of works for this element of works dovetails with that of the Pedestrian and Cycle Bridge to enable the schemes to progress alongside each other. Whilst the quay walls and the public square will be complete by March 2013 enabling the bridge works to be completed, the finishes to the square and the building will not be complete until September 2013; this is due to the settlement period required further to the construction of the quay walls.</p> <p>It is anticipated that a report will be submitted to Cabinet in February 2012 with a request to let part of the contract; this is due to the lead in time for the large concrete block sections for the quay wall that will be required for the start on site in June 2012.</p> <p>The monthly meetings with Foryd Harbour Users Forum are still taking place, where up to date information regarding the project is shared with members of the group. In addition further meetings have taken place separately with the Rhyl Chartered Skipper's Association, The Rhyl Fisherman's Association and Rhyl Yacht Club.</p>
Forecast Expenditure 11/12	A re profile of the project will be undertaken in January 2012.

Property Acquisition & Demolitions

Budget	£2.95m
Funding	£1.93m SRA Grant ; DCC Prudential Borrowing £1,025k
Expenditure to Date	£2.5m
Comments	<p>Council have previously approved the purchase of a number of properties in Rhyl with a view to demolition and the provision of public realm works:</p> <p>87/88 West Parade The Council has acquired the freehold of this property following Compulsory Purchase. It is anticipated that demolition of the property will take place during February 2012.</p> <p>24 West Parade This property, which forms an integral part of a building known as the Honey Club is now in the ownership of the Council.</p> <p>26 Abbey Street Transfer of ownership to the Authority proceeding.</p> <p>28 and 30 Abbey Street Both properties are now in the ownership of the Council. Preparatory survey work is underway with a view to demolitions taking place in the spring of 2012.</p> <p>Costigans This property is now in the Council's ownership and refurbishment works will commence during February. Following these works, the property will be offered for sale on the open market.</p>
Forecast Expenditure 11/12	£1.2m

Highways Programme Works

Budget	£5.87m
Funding	£5.87m Prudential Borrowing
Expenditure to Date	£4.5m
Comments	<p>An allocation of £5.87M was made to progress highways capital works as part of the 2011/12 Capital Bid process.</p> <p>A regular update on progress achieved is produced by the Head of Highways and Infrastructure. The latest update (No 8) was recently sent out to all Councillors and SLT.</p>
Forecast Expenditure 11/12	£5.87m

Apollo Cinema

Budget	£2.66m
Funding	£1.2m SRA Grant, £1.18 Private Finance , £0.280m DCC
Expenditure to Date	£1.408m (DCC & SRA)
Comments	<p>Improvements to the Council owned Apollo Cinema on West Parade, Rhyl were completed in August 2011. The improvements have provided an enhanced visitor experience at the cinema by installation of digital 3D projection and improved seating, quality concessions and a sea view bar.</p> <p>The original proposals for the Apollo included provision of an Entertainment Plaza, consisting of an outdoor amphitheatre which can be used as an outdoor cinema, broadcasting live events/drama/music and conversion to an ice rink in the winter. It was not possible to progress this element from the original funding available. However, there is now an opportunity to progress this element of the project and a 50% contribution has been secured from Apollo Cinemas to fund the Plaza.</p> <p>A successful Entertainment Plaza will create additional rental income for the Council.</p>
Forecast Expenditure 11/12	£1.03m (DCC & SRA)

Report To: CABINET
Date of Meeting: 24th January 2012
Lead Cabinet Member: Councillor Julian Thompson-Hill
Lead Officer: Paul McGrady, Head of Finance & Assets
Title: 2012/13 Budget

1 What is the report about?

The report details the proposed budget for 2012/13.

2 What is the reason for making this report?

The Council is legally required to set a balanced and deliverable budget before the start of each financial year and to set the resulting level of Council Tax to allow bills to be sent to residents.

3 What are the Recommendations?

That Cabinet supports the budget proposals for 2012/13 as shown in the appendix, and recommends accordingly to full Council.

That Cabinet recommends the resulting 2.8% increase in the level of Council Tax for 2012/13 to full Council.

4 Report details

4.1 The Welsh Government released its final settlement in early December. This showed the settlement that each Council would get. The settlement had changed marginally from the draft issued in October.

4.2 The draft settlement showed that the increase in our revenue settlement would be 0.7% and that we received £13k more than the draft settlement.

4.3 The final settlement showed that the cut in our capital settlement was also the same as had been shown in the draft settlement. The funding has been cut by 6.9% (equivalent to around £400k) which is worse than the 5% cut we had originally planned for. This is a significant loss on top of the 20% cut we had to the current year's settlement meaning a loss of around £2m over the two years from £7.8m to £5.7m. The general capital funding is what we rely on to carry out Health and Safety works, major maintenance etc – basically the work that allows us to keep our buildings going. Initial indications are that this will be cut by a further £700k (12%) in 2013/14

Medium Term Financial Plan

4.4 The outlook for public finance is still very poor for the medium term. It is likely that low settlements and a difficult financial situation will continue beyond the term of the current three year plan. This means it is very important for Members to consider a medium to long term view on all proposals for savings and not try for easy options that provide short term solutions.

4.5 The MTFP has identified savings for each of the next three years. However each year contains proposals that have not yet been worked up or may be aspirational. This brings with it a risk that they may not be delivered. The table below shows a summary of savings requirements for the next three years:

	2012/13	2013/14	2014/15
Savings Target	£3.7m	£3.4m	£4.4m
At risk		£1.2m	£2.9m

4.6 Following discussions with members and services, those savings considered to be at risk for 2012/13 were replaced with alternative savings which are considered to be deliverable.

4.7 The MTFP had originally assumed there would be cost increases in a number of areas. It is always difficult to accurately forecast inflationary changes in so many areas of expenditure and the Council always has to be prudent with its assumptions.

Fuel and energy cost increases

4.8 The original assumption for the increase in energy costs was 20%, based on previous experience plus the rises that had been announced in the autumn for domestic supply. However, the best information we have currently suggests that the cost of our energy contracts will rise by around 10%. This is due to a number of factors such as current demand, the fact that we are on a national framework with good purchasing power, energy efficiency measures and changes to wholesale markets. We are not due to enter into the new contract until April so cannot be certain what the rise will be, but it appears that we will not need as much money added to the energy budget as anticipated. This will save us around £215k per year. Given the highly volatile nature of the energy market, the MTFP will continue to assume higher rises in future years and this will then be amended as we work through the budget process each year.

Pay and Single Status

4.9 An assumption has been made for an increase in staff pay for 2012/13. The increase was assumed in the light of a 2 year pay freeze, inflation running above 5% and a likely significant increase in employee's pension costs.

4.10 The worsening economic climate, the recent announcement by the Chancellor that public sector pay increases should be limited to an *average* of 1%, the proposed delay in changes to the Local Government Pension Scheme and reducing inflation coupled with very poor financial settlements for English Councils (an average of 3.3% cuts in grant) mean a pay rise is less likely. Pay

is negotiated at a UK level for Councils. This means that English Councils will probably push for a very low or nil increase in pay costs.

- 4.11 It will be several months before we are any clearer on proposals for pay, and as discussed at the recent budget workshop, it would not be sensible to rely on this for a saving at this time. We should therefore retain the assumption within the budget. If the rise is above 1% we would have funds to pay this. If the rise was below 1% it would create a saving which would have two consequences – firstly would generate cash as we would have a budget allowance, but no expenditure and secondly would form additional savings required for 2013/14.
- 4.12 The MTFP shows that currently the Council has a savings gap of about £1.2m for 2013/14, where either there are no savings or proposals are considered to be a risk. This gap rises to £2.9m in 2014/15.
- 4.13 The agreement on single status brought 2 financial burdens to the Council's budget. The first was a one-off increase in pay costs as a number of staff were moved onto higher grades, the second was the 'incremental drift' of these grades. That means staff would have been appointed at the bottom of the grade and over time will move up to the top of the grade. We set up a budget to pay for this 'drift' and it is due to be fully allocated to services by 2014/15.

Schools protection

- 4.14 The Welsh Government expects that schools will be protected from savings. The Council must passport to schools an amount equivalent to 1% above the settlement. For Denbighshire that means that schools will receive a budget increase of around £946k. From this, they must absorb any increases in staffing costs – single status, pay awards etc and also deal with the impact of falling pupil numbers. In addition to the £946k they will also receive budget increases to deal with energy increases and the introduction of the Carbon Tax, and increases in pension contributions and a possible NI increase. This totals around £1.25m and is the equivalent of an increase of about £90 per pupil, although the final amount will be dependant on the confirming some of the cost increases (ie if energy costs change from forecast they will get whatever the final cost actually is)

Social Services Fees

- 4.15 There are further service specific pressures that will have to be addressed. The most notable of these is residential homes fees. Following the Pembrokeshire judgement all councils have reviewed their fee structures and are increasing the amounts they pay. Denbighshire has always paid relatively low rates to care homes and initial work suggests that somewhere around £800k will be needed to bring us up to a more acceptable level and this amount has been included in the MTFP.

Translation

- 4.16 The translation service has overspent for a number of years. It has been moved to different departments, had different management arrangements and has recently been reviewed again with a view to working collaboratively with other organisations. This collaborative work is unlikely to deliver significant savings

and the reality appears to be that we have simply not allocated enough budget to deliver the service in the way the Council requires it. A specific pressure of £70k has been added to the budget assumptions. Currently the Legal Department is subsidising the majority of this pressure. By increasing the budget to an appropriate level, this will remove the need for the Legal Department to subsidise it and allow them to meet the savings target set for them in the 2012/13 budget (that had been highlighted as a risk).

Budget Workshop

- 4.17 A budget workshop was held in December to which all members were invited. Three areas were considered – savings, priorities for investment and possible Council Tax levels. A summary of conclusions has been circulated to all members.
- 4.18 There were a number of suggestions for additional savings and these will be investigated further.
- 4.19 Members also gave an indication of the sort of Council Tax increase they wanted to see. The range of responses from the groups was from 2.75% to 3%, with some individuals advocating a range from 0% to 4%. The emphasis was on the lower end of this range.
- 4.20 Members were asked to consider which areas any additional priority funds such be aimed at. The original suggested allocations were broadly supported along with additional investment in demographic change / extra care housing as shown below:

	£k
Modernising Education	200
Highways	100
Town Plans / Regeneration	100
ICT	300
Foryd Harbour	100
Demographic Change / Extra Care	200

- 4.21 Any proposals to spend priority funds would need to be backed by a full business case and should members choose, they can change the level of funding to individual proposals as long as the total does not exceed £1m.

Overall Budget Position

- 4.22 Appendix 1 details the overall budget position for the Council and shows the rise in Council Tax would be 2.8%

5 How does the decision contribute to the Corporate Priorities?

Effective management of the council's revenue and capital budgets and delivery of the agreed budget strategy underpins activity in all areas, including corporate priorities.

6 What will it cost and how will it affect other services?

Appendix 1 shows the full Council budget and the implications of the proposals within this report.

7 What consultations have been carried out?

Service challenges were held with each head of service and each challenge included representatives from scrutiny committee and Cabinet. Budget workshops were held with members in September, December and January. Performance Scrutiny also reviewed the budget setting process.

8 Chief Finance Officer Statement

2012/13 will be another challenging year for the Council's finances. It is likely that relatively low settlements will continue for the medium term and the Council must be mindful of this when setting this budget.

The budget as proposed is realistic and deliverable. It makes sufficient savings to balance our position, protects front line services from major reductions and allows investment of £1m into Council priorities.

This is delivered with a 2.8% increase in Council Tax which compares to general inflation running at around 4.5%.

9 What risks are there and is there anything we can do to reduce them?

If the budget is not agreed within the relevant timescale then the Council will be breaking the law.

This is the most challenging financial period the council has faced and failure to deliver the agreed budget strategy will put further pressure on services in the current and future financial years. Effective budget monitoring and control and early reporting of variances will help ensure that the financial strategy is achieved.

10 Power to make the Decision

Local authorities are required under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs.

	2012/13						
	1	2	3	4	5	6	
	Budget 2011/12	Inflation	WAG grant 0.7%	Transfers	Investment / Savings	Projected Budget	% Increase
	£k	£k	£k	£k	£k	£k	%
Business Planning & Performance	722				0	722	
Corporate Governance	1,449	70			-148	1,371	
Finance & Assets	6,549				-300	6,249	
Highways & Infrastructure	11,744				-288	11,456	
Regeneration, Planning & Public Protection	3,508				-170	3,338	
Adult & Business Services	32,055	800			-900	31,955	
Children & Family Services	9,603				-148	9,455	
Housing Services	340				0	340	
Leisure, Libraries & Community Development	5,664				-280	5,384	
Strategic HR	1,173				-45	1,128	
Customer Services	2,865				-85	2,780	
Environment	12,142				-771	11,371	
Modernising Education	1,650				0	1,650	
School Improvement & Inclusion	7,618				-125	7,493	
Schools Delegated	55,647	946				56,593	
	152,729	1,816	0	0	-3,260	151,285	
Corporate	5,531				1,000	6,531	
Fire levy	4,552	-23				4,529	
Capital Finance/Interest received	11,381	250				11,631	
Inflation	2	2,893			-442	2,453	
CONTINGENCY for Further Pressures	650					650	
Contribution to Reserves	300	0				300	
Further Efficiency Savings *	0	0				0	
	175,145	4,936	0	0	-2,702	177,379	
2. Level of Funding							
W A G funding	136,538	0	904	0		137,442	
Use of reserves	50	8				42	
	136,588	8	904	0	0	137,484	
Council Tax yield	38,557	4,944	-904	0	-2,702	39,895	2.80
	175,145	4,952	0	0	-2,702	177,379	

Report to:	Cabinet
Date of Meeting:	24 January 2012
Scrutiny Chair:	Chair of Performance Scrutiny Committee
Report Author:	Scrutiny Coordinator
Title:	Recommendation from Performance Scrutiny Committee: Energy Efficiency

1. What is the report about?

Scrutiny's concerns in relation to the Council's performance in meeting the performance indicator (PI) with respect to 'the percentage change in carbon dioxide emissions in the non-domestic public building stock' (EEF002) and the Authority's overall progress in becoming more energy efficient.

2. What is the reason for making this report?

To draw Cabinet's attention to Scrutiny's concerns with respect to the Council's performance in meeting its target in relation to the above PI, which forms part of the Corporate Plan, and the Authority's progress in becoming more energy efficient.

3. What are the Recommendations?

That Cabinet:

- 3.1 acknowledges the concerns raised by Scrutiny with respect to the Council's performance in reducing carbon emissions in its non-domestic building stock; and
- 3.2 instructs officers to raise the profile of energy efficiency across the Authority and, where agreed protocols exist and reasonable support has been provided to enable services to adhere to those protocols, implement the relevant enforcement procedures to address repeated non-compliance.

4. Information

- 4.1 Performance Scrutiny Committee's remit includes monitoring the Council's performance in delivering its Corporate Plan. In undertaking this role it receives regular quarterly monitoring updates on the Authority's progress and performance in delivering the Corporate Plan.

- 4.2 For some time the Committee has had particular concern with respect to the Council's performance in meeting PI EEF002 'the percentage change in carbon dioxide emissions in the non domestic public building stock'. Due to the implications to the Council of its poor performance in this area, both financially and to its reputation, the Committee requested that a report be submitted to it at its January meeting setting out the measures taken to date with a view to becoming more energy efficient and to improve its performance against the PI.
- 4.3 The Lead Member for Modernising the Council, who has Executive responsibility for carbon reduction, was invited to the meeting to answer members' questions with respect to the Council's performance in this particular area.
- 4.4 When considering the report submitted to them Committee members were also privy to two recent Internal Audit reports which reviewed the arrangements in place to cover the Council's Carbon Reduction Commitment (CRC) responsibilities.
- 4.5 Having considered the information in the report presented to it, the Internal Audit reports and the answers given at the meeting, Performance Scrutiny Committee acknowledged that some progress has been achieved in improving the Council's performance with respect to energy efficiency, but is also of the view that considerably more needs to be done. The Committee is concerned about the Authority's performance against the PI, particularly as the Council's performance remains in the third quartile compared to other local authorities in Wales, with limited expectation that the position will significantly improve before the end of the reporting year.
- 4.6 Amongst the Committee's other concerns was the fact that Denbighshire has one of the highest numbers of estimated energy bills for any North Wales local authority – the Committee acknowledges that this is not all the fault of the Authority. It was also disappointed that, whilst Denbighshire had set itself a modest annual target of 3% for carbon reduction with a view to meeting the statutory 34% reduction in carbon emissions for public organisations by 2020 set under the Climate Change Act, the Council was yet to achieve this target, and in 2010/11 only managed to realise a 1% reduction in its carbon emissions.
- 4.7 During the discussion it became apparent that a number of relatively simple measures could assist the Council to improve its energy efficiency and mitigate the level of financial penalties payable. The Council's Senior Leadership Team (SLT) has approved a meter reading protocol which could lead to services, which continually fail to comply with the protocol and submit regular meter readings to the Energy Team, being subject to financial penalties. Despite this it seems that a number of services are still not adhering to the protocol. Consequently this detracts from the CRC Energy Team's efforts in

realising energy efficiencies and mitigating the consequential financial risks to the Authority. To date no financial penalties have been imposed on services that do not abide by the protocol, but the Committee is of the view that pressure now needs to be asserted on all services to comply with this protocol.

4.8 In the constrained financial climate within which local authorities currently operate the payment of avoidable financial penalties, such as CRC tax payments, will further compound the Council's financial position and reduce the amount of money available for key services. The Committee hopes that the new Energy Officer who will take up post in February 2012 will sufficiently increase capacity within the Energy Team to address a number of the issues outlined above. Equally there is a need to raise awareness and emphasise the importance of energy efficiency across the Council, both amongst staff and elected members alike, highlighting simple energy efficient practices and the potential consequences to the Authority of inefficient energy use practices. Whilst awareness of energy efficiency and carbon reduction measures need to be raised initially, for continued success in this area and in order to sustain continued improvement, these measures need to be complemented with similar activities on a regular basis.

4.9 In view of the concerns outlined above the Committee resolved to submit this report to Cabinet. It has also asked the Lead Member and senior officers to report back to Performance Scrutiny Committee, at its meeting in February, on Cabinet and the SLT's response to the concerns raised and on progress in this area.

5. How does the decision contribute to the Corporate Priorities?

Financial resources saved by applying energy efficient measures and practices will reduce, and may even negate, the Council's obligation to pay Carbon Reduction Commitment tax payments. All monies saved would be available to the Authority to invest in the delivery of all of its corporate priorities.

6. What will it cost and how will it affect other services?

The Carbon Reduction Commitment scheme imposes a penalty of £12 per tonne for each tonne of carbon dioxide emitted by the Council. This means that 1% of emissions equates to about £1,700. This is set to increase in future years.

7. What consultations have been carried out?

This report has been submitted at the request of the Performance Scrutiny Committee.

8. Chief Finance Officer Statement

Energy expenditure represents a significant cost to the Council and as such its management should be taken seriously.

The report presented to the committee showed a sample of sites across the Council and was forecasting a reduction in energy consumption of around 16.7% across the Council during 2011/12.

The latest figures suggest a reduction of 24% in electricity consumption and 13% in gas consumption for 2011/12. This would clearly translate into a saving for the Council as its energy bill will reduce as will its liability for Carbon Tax payments.

The Council cannot avoid the Carbon Tax scheme whatever action it takes this year as the scheme was set up and organisations assessed in 2009. The earliest the Council can try to come out of the scheme is 2014 so energy reductions on this scale need to continue.

The report to the committee showed that around 70% of sites have their meters read on a regular basis and that this covered in excess of 95% consumption / expenditure. All major sites report meter readings on a regular basis, however there are some smaller sites from which reporting is inconsistent. A report is being presented to SLT to ensure improved compliance. At this level it is unlikely there would be any financial implications from estimated readings or penalties from the Carbon Reduction Commitment.

While it appears that the Council understands its energy consumption, and is making improvements to its energy management, further work is needed to ensure that awareness continues to be raised throughout the Council on the need to reduce energy consumption.

9. What risks are there and is there anything we can do to reduce them?

9.1 The Council's performance against this particular PI could potentially have an adverse affect on its reputation, and on the realisation of its ambition of becoming a high performing council. As outlined in paragraph 6 the potential financial implications of not meeting the carbon reduction commitment target can be substantial, and could result in the Council being obliged to use valuable financial resources to meet tax payments rather than to deliver frontline services.

9.2 Whilst the Council has a duty to use the financial resources at its disposal in an efficient and effective manner, it also has a duty to its residents to protect the natural environment by making the best use of the natural resources at its disposal. By improving its performance in this area the Council could help safeguard the County's environment

and contribute towards developing a sustainable future for the planet and for future generations.

- 9.3 In seeking Cabinet's endorsement of the concerns raised, scrutiny seeks the Executive's support for raising the profile and awareness of all energy saving methods, however great or small, and the benefits to the Council and the county's residents of the Authority routinely applying energy saving measures into all aspects of its day to day business.

10. Background Papers

- Energy Efficiency Report to Performance Scrutiny Committee 12 January 2012
- Internal Audit Report Carbon Reduction Commitment (Phase 1) August 2012
- Internal Audit Report Carbon Reduction Commitment (Phase 2) December 2012

11. Power to make the Decision

Article 6.3.4 of the Council's Constitution
Article 7 of the Council's Constitution

Contact Officer:
Scrutiny Coordinator
Tel: 01824 712554

AGENDA ITEM NO: 10**CABINET: FORWARD WORK PROGRAMME**

21 FEBRUARY 2012	
Finance Report 2011 -2012	Councillor J Thompson Hill P McGrady
Phase II Construction of the Foryd Harbour Walking and Cycling Bridge	Councillor S Frobisher / Councillor D A J Thomas S Davies / Bob Humphreys / Sian Lloyd Price
Rhuddlan Town Plan	Councillor D A J Thomas M Dixon
St Asaph Town Plan	Councillor D A J Thomas
Adoption of the Full Business Case for the North Wales Regional School Effectiveness and Improvement Service	Councillor E Williams / H Williams
Regional CCTV	Councillor Sharon Frobisher / Steve Parker (tbc)
Regional Collaboration on Economic Regeneration Purpose: Approval for the governance arrangements for priority collaborative activities	Councillor David Thomas / Mark Dixon
Regional School Effectiveness & Improvement Service Project Purpose: To consider the Full Business Case	Councillor Eryl Williams / Hywyn Williams
Regional Commissioning Procurement and Monitoring Hub Project	Councillor P A Dobb / Councillor M M Jones Sally Ellis
Care Home Fees Methodology	Councillor P A Dobb / Sally Ellis / Phil Gilroy
New Work Connections: Training and Education – Procurement of accredited training courses across the project – up to 1620 people could be involved in the training e.g. a one day confidence building course or an NVQ Level 4 course	Councillor P A Dobb Gwynfor Griffiths / Melanie Evans / Carina Edwards 708307
Recommendations from Scrutiny Committees	Scrutiny Coordinator
20 MARCH 2012	
Finance Report 2011 -2012	Councillor J Thompson Hill P McGrady
Corwen Town Plan	Councillor D A J Thomas M Dixon
Llangollen Town Plan	Councillor D A J Thomas M Dixon
Prestatyn Town Plan	Councillor D A J Thomas M Dixon
Monitoring Performance Against the Corporate Plan	Councillor H H Evans T Ward
Supporting People Strategy Update and Operational Plan 2012 – 13	Councillor P A Dobb Gary Major
Regeneration Strategy for Denbighshire	Mark Dixon
Recommendations from Scrutiny Committees	Scrutiny Coordinator

24 APRIL 2012	
Finance Report 2011 -2012	Councillor J Thompson Hill P McGrady
Recommendations from Scrutiny Committees	Scrutiny Coordinator

FUTURE ISSUES

DECEMBER 2012	
Welsh Housing Quality Standards	Councillor David Thomas / Peter McHugh

Updated 12/1/2012