

Memorandum of Understanding
between Lalitpur Sub-Metropolitan City, Kingdom of Nepal,
and Denbighshire County Council, United Kingdom

To further develop the friendship and co-operation between Denbighshire County Council, United Kingdom, and Lalitpur Sub-Metropolitan City, Kingdom of Nepal, the two parties have decided to establish a relationship of co-operation and friendship between the two authorities and make efforts in the following areas:

1. Develop mutual exchange of experience and ideas on matters related to education, such as the exchange of volunteers, providing scholarships to students, providing educational materials and exchange visits between teachers from the two authority areas.
2. Provide assistance in terms of developing and implementing projects related to educational and extra curricular activities to school children.
3. Assisting in establishing school and learning centres to provide educational opportunities to underprivileged children and women from undeveloped communities.
4. Exchange of cultural programmes, scholarships to learn traditional performing arts and assistance to projects related to the conservation of traditional culture.
5. Conduct any such activities or programmes based on mutual agreement between the two authorities.
6. This agreement can be amended as and when required by mutual agreement between the two authorities.
7. The Lalitpur Sub-Metropolitan City Office designates its International Relations Department, and Denbighshire County Council designatesto be responsible for liaison on a day-to-day basis for sustaining friendship and co-operation between the two authorities .

Done in triplicate, this Memorandum is signed at the City of Chester this th day of June 2002.

(Buddhi Raj Bajracharya)
Mayor,
Lalitpur City, Nepal

(.....)
Chairman
Denbighshire County Council, U.K.

Witnessed by:

REPORT TO FULL COUNCIL

AGENDA ITEM No.7

REPORT BY : Head of Planning Services
DATE : 24 September 2002
SUBJECT : Review of Code of Best Practice and Delegation Scheme

1. DECISION SOUGHT

1.1 To ratify the decision of the Planning Committee on the 4 September 2002.

2. REASON FOR SEEKING DECISION

2.1 The Code of Best Practice was last reviewed in November 2001 and the Delegation Scheme in March 2002.

2.2 The Service is committed to periodically reviewing standards and procedures. Since the last review the Local Government Association have published Circular 98/02 and the Audit Commission have published their Best Value Inspection report.

2.3 Further background information is available in the covering report to Planning Committee (see attached).

3. COST IMPLICATIONS

3.1 There are no cost implications.

4. FINANCIAL CONTROLLER STATEMENT

4.1 Not applicable.

5. CONSULTATIONS CARRIED OUT

5.1 Consultations with the Planning Committee. The Planning Committee approved the revised Code of Best Practice (subject to amendment to paragraph 8.3) and Delegation Scheme.

5.2 Paragraph 8.3 has been amended by deleting the last sentence and the version attached is the amended version.

5.3 Consultations will be carried out with Corporate Directors and Heads of Service prior to implementation.

6. IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

6.1 The Code of Best Practice in relation to Members giving evidence at appeals (Best Value Audit Commission recommendation - see paragraph 9.3 of Appendix 1) will require revision to the Council's Standing Orders.

7. RECOMMENDATION

7.1 That the County Council ratify the revised Code of Best Practice and Delegation Scheme set out in Appendix 1 and 2.

Planning Committee – 4th September 2002

Agenda Item

A Report by the Head of Planning Services

Review of:	1.	Code of Best Practice
	2.	Delegation Scheme
	3.	Other Procedures

1. Purpose of Report

1.1 To consider revisions to the following:

- (i) Code of Best Practice for Councillors and Officers dealing with planning matters.
- (ii) Scheme of Delegation to the Planning Committee and Planning Section.
- (iii) Guidelines for Site Inspection Panels
- (iv) Planning Services Charging Scheme

in light of **(1)** experience since the last review in November 2001; **(2)** the Audit Commission in Wales Best Value Inspection Report; **(3)** Local Government Association Circular 98/02 Probity in Planning (Update): The Role of Councillors and Officers.

2. Background

2.1 The Code of Best Practice and the procedures were last reviewed by the Planning Committee on 31st October and by Council on 27th November 2001. The Planning Committee approved minor amendments to the Scheme of Delegation on 30th January 2002 which were ratified by Council on 26th March 2002.

2.2 On 19th March 2002 the LGA published circular 98/02 Probity in Planning (Update) and on 17th July the Audit Commission in Wales published their final report following a Best Value inspection of the Planning Services.

2.3 This report should be seen as a commitment to periodically review our standards and procedures in the wider context of the need to constantly improve our performance.

3. Code of Best Practice and Delegation Scheme

3.1 The Code of Best Practice for Councillors and Officers was approved in January 1998 and amended in November 2001.

3.2 To take account of recommendations of the Audit Commission and LGA, a revised Code of Practice is set out in Appendix 1.

3.3 Main Changes proposed are:-

- 1. Applications submitted on land owned by Officers or Members and their close relatives would not be dealt with under delegated powers.
- 2. Applications by, or are land owned by Heads of Service, Directors and Chief Executives or close relatives of Officers, will not be dealt with under delegated powers.
- 3. The Monitoring Officer will be informed of applications submitted by, or on land owned by members, officers of Planning Services, Heads of Service, Directors and Chief Executives or close relatives of members and officers.
- 4. Training is seen as an essential part of the quality of the decision-making process for Councillors and Officers. Section 10 has been expanded.

5. There has been a case where a member has appeared on behalf of an appellant at a hearing. This puts the Officer who is there to defend the Council's position in a difficult position and undermines the Council's case. It is considered that members should not appear or give evidence in appeals on behalf of the appellant.
6. The Audit Commission recommends that where an Officer recommendation is reversed, members must give evidence in an appeal hearing or inquiry. (BVR para 65). Para 9.3 in the Code has been amended in cases where decisions are taken against Officer recommendation.
7. The Audit Commission recommends that adequate time should be provided for Officers to advise on the suitability of the reasons for refusal and when a case can be put at appeal without the risk of costs being given against the Council. The recommendation applies to refusals and to all cases. A new para 8.3 in the Code provides this opportunity but allows discretion to the Head of Planning Services in consultations with the Monitoring Officer and Chair of Planning.
8. By giving the required notice in writing members can require an application to be determined by the Planning Committee. Members reasons for calling in the application are background documents and available for the public to inspect. The reasons for calling in the application are summarised under 'Member Comments' in the planning committee report. Members are advised in calling in the planning application not to publicly express a firm view on the application thereby giving the impression that they have not considered all the evidence. Officers will prepare a list of standard reasons and members should refer to these when calling in the application.

4. Delegation Scheme

- 4.1 The current scheme of delegation was approved by the Council on 27th November 2002 and amended on 26th March 2002.
- 4.2 The scheme has been well received and appears to be working well.
- 4.3 Details amendments to the scheme are set out in Appendix 2. The main changes are as follows:-
 1. Applications submitted by, or are land owned by Heads of Services, Directors and Chief Executives and their close relatives, cannot be determined by the Head of Planning Services.
 2. Extending delegated powers in enforcement to issue Section 215 (untidy land) and Listed Building enforcement notices.

5. Charging Scheme

- 5.1 The charging scheme has been reviewed in consultation with front-line staff. It is recommended that the updated charging scheme set out in Appendix 3 be approved and implemented from January 2003.

6. Recommendations

- 6.1 That the recommendations set out in bold and strike through in Appendices 1-3 of this report be approved.
- 6.2 A final ratification of the decisions of the Planning Committee will be required by Full Council.

CODE OF BEST PRACTICE FOR COUNCILLORS AND OFFICERS DEALING WITH PLANNING MATTERS

1 DEVELOPMENT PLAN PROPOSALS AND PLANNING APPLICATIONS SUBMITTED BY MEMBERS AND OFFICERS, AND COUNCIL DEVELOPMENT PROPOSALS

- 1.1 Members submitting their own proposals or acting as agents for individuals or companies pursuing a planning matter or where a proposal relates to land which they own will take no part in the decision-making process for that proposal.
- 1.2 Planning applications submitted by **or on land owned by** members or close relatives* will be determined by the Planning Committee. **(*Close relative is defined as spouses/partners, parents, children and brothers and sisters.)**
- 1.3 Planning applications submitted by **or on land owned by** Officers of Planning Services, **Heads of Service, Directors and Chief Executive**, or close relatives* of **such** officers, will not be dealt with by officers under delegated powers. Such proposals will be reported to the Planning Committee. **(*Close relative is defined as spouses/partners, parents, children and brothers and sisters.)**
- 1.4 **The Monitoring Officer will be informed of all applications submitted by, or on land owned by members and officers of Planning Services, Heads of Service, Directors and Chief Executive of the council, or close relatives of such officers.**
- 1.5 Proposals for the Council's own development except where on Council owned land related to the functions of the Council will be determined by the Planning Committee (or Council in the case of significant departures) and treated in the same way as those by private developers.
- 1.6 **Proposals for a Council's own development will be treated in the same way as those of private developers in accordance with DOE Circular 19/92.**

2 LOBBYING OF AND BY COUNCILLORS

- 2.1 **Members should avoid taking a firm view on a planning matter in advance of the Planning Committee meeting. Great care should be taken when calling in an application to be determined by the Planning Committee under Part 2 A (iv) of the delegation scheme.** Members will make the final decision at the Planning Committee after receiving/hearing all the evidence and arguments on both sides and after duly considering the officer's report.
- 2.2 Members will not put pressure on officers for a particular recommendation, **nor seek to improperly influence a decision likely to compromise their impartiality.**
- 2.3 Members who are unsure whether an interest should be declared will seek the advice of the Council's Monitoring Officer.

2.4 Members should advise the Ward Councillor as a courtesy in cases where they are seeking to be involved in a development proposal or enforcement issue outside their own Ward.

2.5 **“Councillors should, in general, avoid organising support for or against a planning application and to avoid lobbying other councillors”.** (LGA Circular 98/02 para 8.10)

COMMENT

Lobbying is a part of the political process. Those who may be affected by a planning decision will often seek to influence it through an approach to their elected ward member or to a member of the Committee. The Nolan Committee accepts that it is essential for the proper operation of the planning system that local concerns are adequately ventilated. However, lobbying can lead to the impartiality and integrity of a member being called into question. When being lobbied, members should take care about expressing an opinion which may be taken as indicating that they have already made their mind up on the issues before they have been exposed to all the evidence and arguments. **Councillors should take account of private views and those of wider public interest. They should not favour any person, company, group or locality, nor put themselves in a position where they appear to do so (LGA Circular 98/02, para 5.4).** Members should be aware that the planning decision process involves rules of procedure, rights of appeal and an expectation that people will act reasonably and fairly, with the added possibility that an aggrieved party may seek Judicial Review of the way the decision was made, or complain to The Ombudsman on grounds of maladministration.

Members of the Planning Committee should not openly declare which way they intend to vote in advance of the planning meeting and of hearing evidence and arguments on both sides. If the member responds to lobbying by deciding to go public in support of a particular outcome the proper course of action for such a member would be to make an open declaration and not vote.

3 PRE-APPLICATION AND ENFORCEMENT DISCUSSIONS AND NEGOTIATIONS

3.1 Members should, wherever possible, refer requests for advice to officers.

3.2 Members and officers involved in pre-application and/or enforcement related discussions with potential applicants should make clear at the outset that the advice is not binding on the Council. Members will state that any views are personal and provisional.

3.3 Advice should be consistent and based upon the development plan and material planning considerations.

3.4 Members and Officers will keep notes of all **potentially contentious meetings and telephone discussions relating to** pre-application and enforcement related discussions.

3.5 Application and enforcement related negotiations will be conducted by officers. Officers will brief members when appropriate.

4 OFFICER REPORTS TO PLANNING COMMITTEE

- 4.1 Officers will produce written reports on all planning applications reported to the Planning Committee.
- 4.2 Reports will cover, among other things:
- description of the planning application
 - substance of objections
 - views of case officers **and those consulted**
 - relevant development plan policies
 - **site or related history**
 - other material planning considerations
 - **outcome of environmental statement (where one has been submitted)**
 - recommendation
 - the heads of agreement of any recommended Section 106 obligation
- 4.3 Officers will provide written reports on all enforcement matters reported to the Planning Committee. On occasions enforcement reports will need to be presented under Part 2 of the agenda when public and press need to be excluded because of the content of the item.
- 4.4 Reports will be updated orally at the Planning Committee meeting.
- 4.5 If the report's recommendation is contrary to the provisions of the development plan, the material considerations which justify this will be clearly stated.
- 4.6 Oral reports or written reports handed out at Committee should only take place in exceptional circumstances.

5 LATE CORRESPONDENCE

- 5.1 The substance of correspondence received by officers after the committee report has been completed will be reported orally to Members at the Planning Committee, provided the correspondence is received before 5pm on the day before the Committee starts. If correspondence is received after this deadline, **including at Committee**, only the receipt of the item will be recorded but a copy will be made available at Committee.
- 5.2 **Members who read out at Committee or refer to letters received from their electorate/applicant/objector should, as a matter of courtesy, provide an advance copy to officers.**

6 PUBLIC SPEAKING AT ~~SUB~~-COMMITTEE

- 6.1 Public speaking by applicants, objectors, contravenors, complainants or third parties is not allowed at Planning Committee meetings.

COMMENT

The Council consults widely and currently gives more than the statutory minimum time for responses. It considers that the disbenefits (e.g. legislative meetings, difficulties in managing committee meetings, ensuring fairness and establishing a practical protocol) outweigh the benefits.

7 ~~COMMITTEE~~ SITE VISITS BY THE SITE INSPECTION PANEL

- 7.1 Site inspection panels cause delay and additional costs and will only be used in exceptional cases where the expected benefit is substantial.
- 7.2 Site inspection panels will be carefully arranged and their composition, format and conduct will follow the 'Guidelines for Site Inspection Panels' approved by The Planning and Economic Development Committee on the 10th September, 1997.
- 7.3 Members proposing Site Inspection Panels will state clearly why an Inspection Panel should be appointed **and how the benefit would be substantial**. The reasons should be planning reasons related to the development proposed or enforcement issues reported and should clearly state the physical features on sites or surroundings which requires detailed inspection.
- 7.4 A site visit is only likely to be necessary if **(1)**, the impact of the proposed or unauthorised development is difficult to visualise from the plans and any supporting material including photographs; **(2) the proposal is particularly contentious**.
- 7.5 A record will be kept of the reason(s) why a Site Inspection Panel is called.

8 PLANNING COMMITTEE DECISIONS

- 8.1 The Chair of the Planning Committee will make it clear for the benefit of members and the public the decision of the Committee following the vote.
- 8.2 Where Members grant or refuse a planning application against officer recommendation, Members will provide the following particulars at the Planning Committee meeting and the particulars minuted.
- The terms of conditions or heads of the Section 106 Agreement to be attached to the grant .
 - The reason(s) for granting or refusing the planning application.
 - The reason(s) for not accepting the recommendation.
- 8.3 **Where members refuse planning permission against officer recommendation, the Head of Planning Services in consultation with the Monitoring Officer, may report the application back to the next planning committee meeting with a covering report dealing with the suitability of the reasons for refusal.**
- 8.4 Where Members decide to take/not to take enforcement action against officer recommendation, Members will provide the following particulars at the Planning Committee meeting and the particulars minuted.
- The reason(s) why it is / is not expedient to take enforcement action.
 - Where enforcement action is required, the steps to be taken to remedy the breach and the period for compliance.
 - Where enforcement action is not required, give instruction to officers as to what other (if any) action is required.

COMMENT

As part of the democratic process, Members will occasionally make decisions against officer recommendation. Officer reports to the Planning Committee contain the planning justification for the recommendation. It is important when Members make decisions contrary to the recommendation that the reason(s) for the decision is/are full, clear and carefully minuted.

9 APPEALS

- 9.1 Officers will organise and generally appear as witnesses at public inquiry or informal hearing on behalf of the Council.
- 9.2 Officers giving evidence as witness will present the best possible case on behalf of the Council while complying with the RTPI Code of Professional Conduct. The appeal will be conducted in accordance with the agreed procedure as set out in the report on Planning Appeals and Member Involvement approved at Planning Committee on 16th December 1998.
- 9.3 Members **will** give evidence at inquiry or informal hearing in appeals where **an officer recommendation has been reversed**.
- 9.4 In exceptional cases it may be necessary to use Planning Consultants, **rather than officers**, to present the Council's case. Committee approval will be sought in such cases.
- 9.5 **Members should not appear or give evidence at appeals on behalf of the appellant.**
- 9.6 Local members will receive, for comment, a copy of the Council's proposed Rule 6 statement in Inquiry cases

COMMENT

The professional responsibility of a Chartered Town Planner as a witness at a local inquiry or informal hearing are governed by The RTPI Code of Professional Conduct which requires member officers to conduct themselves in such a manner as to uphold the reputation of the RTPI and of the planning profession. In particular, it requires that officers do not undertake any duties or carry out any instructions of a public employee or other employee, or a client or supervisor which involves making statements purporting to be their own, but which are contrary to their bona fide professional opinion. Conflicts of interests is likely to occur at an inquiry arising from a decision taken by the Council contrary to a professional recommendation. The advice of the RTPI (PAN4 "*Chartered Town Planners at Inquiries*" and PAN9 "*Development Control - Handling Appeals*") is that officers as witness at an inquiry or hearing are there to give evidence and opinion. This must be true evidence, true to the best of his or her understanding and knowledge. The evidence can be the authority's stated opinion and local opinion. While officers should not volunteer giving information that the case made is at variance with his/her own professional opinion if challenged the officer must give an opinion based on the report to Committee. The RTPI considers that where there are clear differences of opinion which would be detrimental to the Council's case, the planning case officer is unlikely to be the best witness and the Council must accept the consequences of such a revelation. The better alternative according to the RTPI is to call someone else, who is in a position to speak with conviction, e.g. member of the

Planning Committee or consultant(s) employed by the Council. Members will, therefore, be given an opportunity to appear/present case on behalf of the Council.

10 TRAINING AND REVIEW OF DECISIONS

10.1 Members of the Planning Committee will be offered training on the planning process when first serving on the planning committee.

10.2 All members will be offered training annually.

10.3 Members will be updated regularly on changes to legislation or procedures.

10.4 Officers will arrange for members ~~to a~~visit ~~to~~ a sample of implemented planning permissions and enforcement sites to assess the quality of decisions. These will include examples from a broad range of categories, including delegated decisions. The results will be used to review planning policy guidelines or practices.

11 COMPLAINTS AND RECORD KEEPING

11.1 Officers will operate the Council's complaints system.

11.2 All reports of alleged unauthorised development and enquiries will be recorded.

11.3 All planning applications, including delegated applications, enforcement files, building regulations and development plan files, will contain a written account of events throughout its life.

12 INFORMATION

12.1 Planning Services will comply with the Access to Information Act and the Data Protection Act.

12.2 Members will receive weekly lists of planning applications received.

12.3 Members (local ward members) will receive notification of enforcement cases to be reported to Committee and copies of enforcement notices served.

12.4 Members (local ward members) will receive notification of appeals lodged and decisions.

12.5 Members will receive regular enforcement, appeal and planning application progress reports.

12.6 Members will receive full annual and interim half year performance reports.

SCHEME OF DELEGATION

This revised scheme was approved in September 2002 and came into effect on the 1st January 2003

The scheme is in three parts. Part 1 sets out what the Head of Planning Services can do subject to checks and balances in Parts 2 and 3. Part 2 sets out under what circumstances the Head of Planning Services cannot exercise decisions. Part 3 sets out decisions which must be taken by Full Council.

***"Close relative" is defined as spouses/partners, parents, children, brothers and sisters.**

PART 1

The scheme shall authorise the Head of Planning Services to:-

- (1) determine all types of applications and notifications under the Planning Acts and allied legislation, including in the case of notifications and determinations, where material planning objection(s) has/have been received.
- (2) determine building plans, certificates and notices, service notices under the Building Act and Regulations and allied legislation
- (3) submit observations on development proposals for example from neighbouring authorities, exempted organisations, etc.
- (4) resolve all planning and building regulation enforcement related cases by serving statutory notices as necessary or by taking no further action in accordance with the Committee approved, "Enforcement Policies and Procedures" document and instigate prosecution proceedings
- (5) to determine the name and numbering of streets subject to prior consultation with local ward member(s) and no adverse views expressed. [Note : naming delegated to Town and Community Councils in some instances]
- (6) instigate the Emergency Powers provisions in Enforcement related cases where extremely urgent formal action is deemed necessary. This will allow for the service of any Enforcement related statutory notice and seek an injunction subject to prior consultation with the local Ward Member(s) who agree on such action as recommended by Officers. The following signatures will be required in all cases - the Corporate Director of Environment or the Head of Planning Services, the County Clerk or the Legal Services Manager and Chair or Vice Chair of the Planning Committee
- (7) take all necessary ancillary decision/action in exercising statutory planning and building control functions including determining the need for Environmental Impact Assessments and acting on Committee or Full Council resolutions
- (8) determine applications for grant aid under approved schemes

- (9) decide the type of appeal subject to Members being consulted and defend the Council's position at appeal or court of law
- (10) submit observations on consultations on draft documents
- (11) **instigate prosecution proceedings in respect of fly posting, Section 215, Listed Building Enforcement and Discontinuance Notices**

PART 2

The Scheme shall not authorise the Head of Planning Services to:

A DETERMINE ALL TYPES OF PLANNING APPLICATIONS

- (i) on which a material planning objection(s) including those from Town/Community Councils and statutory consultees) has been received in the stipulated time span, which is recommended contrary to objections, other than were allowed for by Part 1 (1)
- (ii) contrary to the provisions of an adopted development plan, and which is recommended for approval;
- (iii) contrary to approved Council policies, standards or guidance, and which is recommended for approval;
- (iv) which any Member requests in writing or by e-mail to the Head of Planning Services, within 21 days of the circulation of details of the application, should be the subject to consideration by the relevant Committee (subject to planning reasons being given);
- (v) submitted by or on behalf of a Councillor of the authority, **Planning Staff, Heads of Service, Director, Chief Executive**, or by any member of the Planning Services' staff or their close relative;
- (vi) submitted by or on behalf of the Council for development except where on Council owned land related to the functions exercised by the Council.
- (vii) to refuse applications which are retrospective when enforcement action is also recommended **unless the enforcement action is delegated to officers by this scheme i.e. Listed building consent applications**;
- (viii) relating to land in the ownership of a Councillor, **Planning Staff, Heads of Service, Director, Chief Executive**, or their close relative;
- (ix) where in the view of the Head of Planning Services material planning issues in support of the application has been raised by consultees or third parties which warrant consideration by the Planning Committee;
- (x) remove or vary a condition previously imposed through a resolution of the Planning Committee additional to those recommended by Officers;

B RESOLVE ENFORCEMENT RELATED CASES

- (i) by instigating prosecution proceedings for failure to comply with an order or notice except in those cases ~~involving large fly posting campaigns~~ listed in Part 1
- (ii) by serving the following enforcement related statutory notices unless the Emergency Power provisions have been instigated
 - Enforcement Notice (other than enforcement notices related to breach of condition)
 - Special Enforcement Notice
 - Stop Notice
 - ~~Section 215 (untidy land) Notice~~
 - ~~Listed Building Enforcement Notice~~
 - Urgent Works Notice
 - Repairs Notice
 - ~~Discontinuance Notice~~
 - Legal Injunction
- (iii) take no further action on enforcement related case that have generated 5 or more complaints from separate addresses in the locality

PART 3

DECISIONS RETAINED BY THE FULL COUNCIL

- (i) Planning applications or other applications which constitute significant departures from **the Adopted Unitary Development Plan** where the Planning Committee have resolved to grant permission. Significant departures constitute:
 - (a) those proposals which have little or no justification under the terms of the adopted **UDP** e.g. new dwellings in the countryside unrelated to agricultural need, and
 - (b) other proposals which are clearly not allowed for by the adopted **UDP** but where other material considerations justify a departure e.g. economic benefits
- (ii) Final approval of policies and proposals to be included in the Unitary Development Plan or any modification **or review** thereof.
- (ii) Applications which if refused or approved with conditions attached or a decision on an enforcement matter that would be likely to result in a successful award of costs against the Council at appeal

GUIDELINES FOR SITE INSPECTION PANELS

A. THE APPOINTMENT OF SITE INSPECTION PANELS

- (i) To empower the Planning Committee to appoint Site Inspection Panels to investigate and report back on any planning applications or enforcement matter reported for determination by the Head of Planning Services. Members shall give a clear indication of the planning grounds for appointing a Site Inspection Panel, in each instance.

B. THE COMPOSITION OF SITE INSPECTION PANELS

- (i) The membership shall consist of the Chairman and Vice-Chairman of the Planning Committee together with six (6) other members (the whole politically balanced) selected on a rota basis and the local ward member(s).

C. PROCEDURES AT SITE INSPECTION PANEL MEETINGS

- (i) If the Committee Chairman is absent, Members shall agree on the acting Chairman (this shall be the elected Vice Chairman if present).
- (ii) The Chairman shall formally open the meeting and set out the reasons for appointing the Panel.
- (iii) The Planning Officer shall be requested to outline the proposal or the breach of planning control and main issues and indicate what members should look at taking into account the reasons for appointing the panel. The Officer shall advise the panel of whether it is considered necessary to view the proposal from adjoining land / properties and of any requests from neighbouring occupants to view the relevant site from their land / properties.
- (iv) The Site Inspection Panel shall view the site, relevant buildings and surroundings as necessary.
- (v) Members shall be offered the opportunity to raise questions or seek clarification of points of fact with the Planning Officer and/or local member(s).
- (vi) The Local Member(s) shall be offered the opportunity to comment on the proposal.
- (vii) Members of the Site Inspection Panel shall be offered the opportunity to comment on the proposal or breach of planning control and to debate issues.
- (viii) At the conclusion of the debate, the Chairman shall invite members to agree on matters of fact relating to circumstances on site and the reasons for appointing the Panel.

- (ix) The Planning Officer shall be responsible for taking notes and for preparing the notes of the Panel's meetings for the Planning Committee to consider. These notes shall include the reasons for appointing the panel, a record of those present, an outline of what was considered, and members conclusions on points considered.
- (x) **Other Members** - Any Members other than those appointed onto the Site Inspection Panel, who wish to attend a site meeting, shall not take part, in any way, in the proceedings of that meeting, but merely observe the meeting.
- (xi) **The General Public/Applicants/Agents** - No members of the public, applicants or their agents, shall be permitted to take part, attend, address or to observe the proceedings of any Site Inspection Panel meeting. In exceptional circumstances, where it is necessary for the Site Inspection Panel to inspect / enter onto buildings or land in the presence of the owner/applicant/neighbouring occupier that person shall be advised at the outset of the meeting that he/she is not able to take part in any of the proceedings of the meeting, other than to answer any factual questions put through the Chairman. The owner/applicant/neighbouring occupier shall be asked to leave the presence of the Site Inspection Panel prior to any comment or debate on a proposal.
- (xii) **Hospitality** - Members of a Site Inspection Panel should not accept any form of hospitality which might be considered as having an influence on the decision making process.
- (xiii) **Confidentiality** - The comments made by Site Inspection Panel shall remain confidential until the notes of the meeting are published in the following Planning Committee reports (i.e. when available for public inspection 3 working days before the date of the Planning Committee).

CABINET MEMBER: Lead Cabinet Member for Finance

DATE: 24 September, 2002

SUBJECT: Final Accounts - 2001/02 (Capital Expenditure)

1 DECISION SOUGHT

1.1 To update members on the capital outturn for 2001/02 and to approve statutory determinations.

2 REASON FOR SEEKING DECISION

2.1 It is a requirement under the Local Government and Housing Act 1989 for members to approve determinations in connection with the financing of capital expenditure for each financial year.

3 COST IMPLICATIONS

3.1 None

4 FINANCIAL CONTROLLER STATEMENT

4.1 The detailed analysis of outturn is included in the attached appendix.

5 CONSULTATION CARRIED OUT

5.1 None

6 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

6.1 The level of capital payments and the use of capital resources impacts on all the Council's policies.

7 RECOMMENDATION

7.1 The report and determinations be approved.

Capital Outturn 2001/02**1.0 Background**

- 1.1 A report was presented to Council on 26 March addressing the 2002/03 capital plan which also provided details of the anticipated outturn for the 2001/02 programme of capital works .
- 1.2 A summary of estimated and actual capital payments for the year is presented at Appendix 1. The summary categorises payments between:-

	Revised Estimate £000s	Actual Payments £000s
General Schemes	10,118	9,035
Specially Financed Schemes	11,396	10,574
Housing Revenue Account	1,109	1,218
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Total	22,623	20,827
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- 1.3 The Housing Revenue Account and Specially Financed Schemes have resources earmarked to projects. Payments in the year were fully matched with resources. Special funding not utilised in 2001/02 has been carried forward to finance associated scheme payments to be incurred in 2002/03. A number of special funding approvals were obtained towards the end of the financial year. In these cases spending has been incurred which has been fully matched with special funding resources although a budget is not shown in Appendix 3 as this information was not available at the time when the report to Council in March was prepared.
- 1.4 General Schemes are financed from the Basic Credit Approval and General Capital Grant, the usable element of capital receipts together with any capital reserves that may have been established. Any resulting deficit must be financed from Revenue.
- 1.5 General payments were slightly less than the revised estimate due to slippage and claim settlements remaining ongoing. Payments were fully financed from available resources and it has been possible to carry forward into 2002/03 usable capital receipts and the capital reserve to match the payments falling due in that year.
- 1.6 The cost of fees relating to the Ruthin Offices PFI scheme have increased over the anticipated level of spending in 2001/02. This pressure has been incorporated into the 2002/03 Capital Plan, with corresponding reductions being made elsewhere within the Plan to bring anticipated payments into line with resources. In the remaining areas where increases have occurred, these are attributable to the timing of payments falling in 2001/02 which had originally been envisaged for 2002/03 and consequently have a neutral impact on the overall Plan.

2.0 Recommendation

- 2.1 That the contents of the report be noted.
- 2.2 The Local Government and Housing Act (1989) places a duty on local authorities to have made determinations in relation to certain capital items by 30 September of the following financial year. These are presented at Appendix 2.

Denbighshire County Council

Determinations to be made under
Part IV of the Local Government & Housing Act 1989.

The following matters are required formally to be determined in respect of 2001/02:-

- 1) Under s.42 (2) (g) , a determination is required if expenditure for capital purposes which is to be reimbursed, or met out of money provided, by any other person is to be capitalised.

The amount of capital expenditure financed by grants and contributions totalled £11,002,595.

- 2) Under s. 56 (1) , a determination is required if a credit approval is to be used:
a) as authorisation to capitalise expenditure.
b) as authorisation to enter into or vary a credit arrangement.

Expenditure capitalised under credit approvals amounted to £8,224,962.

No credit arrangements were entered into or varied during the year.

- 3) Under s. 56 (2) , a determination is required if a credit approval is in whole or in part to be transferred to another authority.

No credit approvals were transferred during the year.

- 4) Under s. 60 (2) , a determination is required if usable capital receipts are applied:
a) to meet expenditure incurred for capital purposes, or
b) as (voluntary) provision for credit liabilities.

Capital receipts of £ 1,567,069 were applied to finance capital expenditure in the year.

- 5) Under s. 63 (1) , a determination is required for the amount (being not less than the required minimum revenue provision for the year) to be set aside from revenue as provision for credit liabilities.

The minimum revenue provision consists of two elements:

	£
<i>Housing Revenue Account</i>	<i>346,803</i>
<i>County Fund</i>	<i>3,421,497</i>

DENBIGHSHIRE COUNTY COUNCIL CAPITAL PLAN 2001/02			General Funded Budget	Special Funded Budget	Total Budget	General Funded Actual	Special Funded Actual	Total Actual	Variance Over/ Under
			£000s	£000s	£000s	£000s	£000s	£000s	£000s
Lifelong Learning	Schools								
	Plas Brondyffryn		50		50	243		243	193
	2000/01 Rollover Schemes		173		173	214		214	41
	New Deal Schemes			647	647		647	647	0
	Additional New Deal Schemes			747	747		747	747	0
	Class Size Reduction Schemes				0		42	42	42
	School Furniture		10		10	10		10	0
	Project 10 & 11 Group - 6 Gordon Avenue		20		20	0		0	-20
			253	1,394	1,647	467	1,436	1,903	256
	Non school Funding								
	SEN/MIS System		20		20	20		20	0
	Middle Lane Telephone System		30		30	27		27	-3
			50	0	50	47	0	47	-3
	Leisure Services								
	Sun Centre Roof Repairs		146		146	110		110	-36
	Loggerheads Country Park Flood Reinstatement Works		50		50	31		31	-19
			196	0	196	141	0	141	-55
	Culture								
	Llangollen Old Chapel		120		120	22		22	-98
	Plas Newydd Garden Restoration		45		45	0		0	-45
	Ruthin Gaol		525	1,547	2,072	348	1,150	1,498	-574
			690	1,547	2,237	370	1,150	1,520	-717
	Total - Lifelong Learning		1,189	2,941	4,130	1,025	2,586	3,611	-519
Environment	Highways and Transportation								
	Flood damage reinstatement		440		440	358		358	-82
	Flood prevention schemes		175		175	202		202	27
	Structural maintenance,bridges etc		1,000	300	1,300	1,015	524	1,539	239
	2000/01 Rollover Schemes		51		51	145		145	94
	Sea Defence works		52		52	0		0	-52
	Horseshoe Pass Landslide Reinstatement Works				0		410	410	410
	Severe Weather Capital Grant				0		580	580	580
	Local Road Maintenance Grant			425	425	53		53	-372
	Local Road Safety Grant				0		96	96	96
	Transport Grant			1,241	1,241		2,145	2,145	904
			1,718	1,966	3,684	1,720	3,810	5,534	1,846
	Public Protection & Community Services								
	Housing Improvement Grants		2,500	1,142	3,642	2,500	641	3,141	-501
	2000/01 Rollover Schemes		61		61	56		56	-5
	Marine Lake Environmental Improvements				0		33	33	33
	Playgrounds Improvement Programme		100	55	155	4	55	59	-96
	Renewal Areas			2,131	2,131		1,098	1,098	-1,033
			2,661	3,328	5,989	2,560	1,827	4,387	-1,602
	Economic Regeneration								
	Business Development Grants		130		130	77		77	-53
	Nant Clwyd House			64	64	64		64	0
	Countryside Projects		40		40	40		40	0
	Small Towns & Villages Initiative		19		19	19		19	0
	Llangollen Mooring Basin Grant		75		75	75		75	0
	Local Regeneration Fund			1,716	1,716		625	625	-1,091
	2000/01 Rollover Schemes		690		690	414		414	-276
	Objective 1			1,113	1,113		713	713	-400
	Objective 5b				0		48	48	48
			820	3,027	3,847	491	1,584	2,075	-1,772
	Planning Services								
	Town Schemes				0	34		34	34
	Denbigh THI				0	43		43	43
	Countryside Grants Scheme			44	44	44		44	0
			0	44	44	0	121	121	77
	Design and Construction								
	Agricultural Estates			50	50		108	108	58
	Ty Nant Offices - landscaping		25		25			0	-25
	Denbigh Town Hall			40	40		40	40	0
	Purchase of Canol-y-Dre Records Office		101		101	108	204	312	211
	Park road Depot - Demolition				0		148	148	148
	Property - Block Allocation		1,000		1,000	1,027		1,027	27
			1,126	90	1,216	1,135	500	1,635	419
	Total - Environment		6,325	8,459	14,784	5,906	7,842	13,748	-1,032
Personal Services	Housing Revenue Account								
	Strategic Planning			1,109	1,109		1,218	1,218	109
	Adaptations to homes of disabled		94		94	70		70	-24
	Social Services - client IT system		400		400	270		270	-130
	2000/01 Rollover Schemes		117		117	129		129	12
			611	0	611	469	0	469	-142
	Total - Personal Services		611	1,109	1,720	469	1,218	1,687	-33
Chief Executive	County Clerk's Department								
	Mobile Translation Equipment		5		5	0		0	-5
	CCTV				0	45	135	180	180
			5	0	5	45	135	180	175
Resources	Learningstream IT System		335		335	324		324	-11
	2000/01 Rollover Schemes		39		39	3		3	-36
			374	0	374	327	0	327	-47
Corporate & Miscellaneous	Community Projects - Block Allocation		180		180	81		81	-99
	Magistrates' Courts				0		11	11	11
	Match Funding - Block Allocation		100		100	25		25	-75
	PFI Offices - Provision for fees and associated works (net costs)		300		300	502		502	202
	Provision for Claims		356		356	26		26	-330
	Provision for Grant Clawback		678		678	629		629	-49
			1,614	0	1,614	1,263	11	1,274	-340
	Total - Chief Executive,Resources and Corporate & Miscellaneous		1,993	0	1,993	1,635	146	1,781	-212
	Total All Services		10,118	12,502	22,620	9,035	11,792	20,827	-1,793

REPORT TO COUNCIL

CABINET MEMBER: Lead Member for Finance .

DATE: 24 September 2002

SUBJECT: Final Accounts - 2001/02 (Revenue Expenditure)

1 DECISION SOUGHT

Approval of the Council's Statement of Accounts for 2001/02 set out at appendix 3 which includes the establishment of Reserves.

2 REASON FOR SEEKING DECISION

The Statement of Accounts is a statutory document required to be approved by a meeting of members by the end of September each year.

3 COST IMPLICATIONS

The provisional outturn figures presented to Cabinet of 7 May pointed to a small net budget underspend which would produce positive balances of £0.169m at the year end. This anticipated outturn exceeded the target set in the Council's Financial Recovery Plan which aimed to eliminate the overdrawn balances of £1.911m by the year end.

The final outturn figures are detailed in appendix 1 and show a slight improvement on the provisional position with general balances now standing at £0.201m.

Reserves totalling £0.885m have been established to meet costs expected to be incurred arising from the clawback of Housing Benefit subsidy (£0.500m), Denbighshire's share of the trading deficit incurred by the Wirral & North Wales Purchasing Organisation (£0.335m) and residual costs to be met from the finalisation of Clwyd County Council's accounts (£0.050m).

In accordance with the Council's Financial Standing Orders service underspends and overspends can be carried forward from one financial year to the next, subject to a review of performance. These arrangements have been suspended in previous years in view of the serious budgetary situation faced by the Council. Cabinet on 7 May approved the reintroduction of the carry forward facility in view of the anticipated delivery of the Recovery Plan. The amounts to be carried forward amount to a net total of £0.096m and are identified against each Directorate in Appendix 1.

The final position of the Housing Revenue Account compared with budget is shown in appendix 2.

4 FINANCIAL CONTROLLER STATEMENT

The target set in the Financial Recovery Plan has been achieved and positive balances are now in place.

The Council's Corporate Objectives set a target of delivering balances of £1.0m by the end of the financial year 2002/03. Careful budget monitoring and control must continue to be exercised in order to ensure that this objective is achieved.

5 CONSULTATION CARRIED OUT

The accounts for 2001/02 are open to examination by local Council Tax payers for a period of 3 weeks annually. This period starts on 7 October. After the approval of the Statement of Accounts the District Auditor will commence the external audit process.

6 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

The level of funding available together with budgetary performance impacts upon all services of the Council.

7 RECOMMENDATION

1. That members note the figures in appendix 1 and 2 including the level of general balances at year end and approve the establishment of the reserves referred to in section 3.

2. That members approve the annual Statement of Accounts in accordance with statutory requirements.

DENBIGHSHIRE COUNTY COUNCIL**Final Revenue Account 2001/02**

	Budget	Outturn	Variance Over/ - Under	Budget Carried Forward
	£000	£000	£000	£000
Directorate Expenditure:				
Life Long Learning				
- Schools Devolved	35,909	35,808	-101	
- Other Education	8,565	8,584	19	-19
- Culture & Leisure	5,130	5,119	-11	11
Environment	16,027	15,998	-29	29
Personal Services	19,527	19,496	-31	31
Resources	4,233	4,214	-19	19
Chief Executive including Legal	2,025	2,000	-25	25
				96
Corporate	2,796	2,767	-29	
Benefits	873	882	9	
Early Retirement & Redundancy Costs	1,000	1,003	3	
Total Directorate Expenditure	96,085	95,871	-214	
Centrally Controlled				
- Capital Financing Charges	9,138	8,904	-234	
- Precepts & Levies	3,835	3,835	0	
	109,058	108,610	-448	
Contribution to General Balances	2,000	2,112	112	
Contribution to Schools Balances	0	101	101	
Contribution to Reserves	0	885	885	
Total Net Expenditure	111,058	111,708	650	
Funding:				
Revenue Support Grant	69,695	69,699	4	
Business Ratepayers	19,550	19,550	0	
Council Taxpayers	21,813	22,459	646	
Total Funding	111,058	111,708	650	

Analysis of General Balances:

	£000
Balance Brought Forward (Overdrawn)	-1,911
Contribution to Balances	2,112

Balance Carried Forward	201

Analysis of Schools Balances:

	£000
Balance Brought Forward	631
Contribution to Balances	101

Balance Carried Forward	732

HOUSING REVENUE ACCOUNT 2001/2002

	<u>Original budget</u> £	<u>Revised budget</u> £	<u>Final out-turn</u> £
<u>Expenditure</u>			
Supervision & Management General	1,042,825	650,720	662,737
Supervision & Management Special	181,560	182,620	180,769
Welfare Services	506,500	519,550	524,045
Homelessness	74,665	77,375	76,496
Rents	0	368,918	328,896
Repairs & Maintenance	2,332,530	2,360,620	2,324,937
Total Management & Maintenance	----- 4,138,080	----- 4,159,803	----- 4,097,880
Rent rebates	4,977,000	4,938,860	5,165,023
Debt charges	1,853,000	1,700,000	1,615,301
C.E.R.A.	100,000	0	0
Provision for bad debts	0	200,000	200,000
	-----	-----	-----
Total expenditure	11,068,080	10,998,663	11,078,204
	=====	=====	=====
<u>Income</u>			
Rents (net of voids) - Dwellings	8,381,805	8,399,590	8,418,089
- Garages	97,000	75,000	81,420
Interest (R.T.B. mortgages)	35,000	25,000	21,011
Subsidy	2,502,097	2,400,000	2,423,012
	-----	-----	-----
Total income	11,015,902	10,899,590	10,943,532
	=====	=====	=====
Surplus/(Deficit) for the year	-52,178	-99,073	-134,672
Balance at the beginning of the year	199,143	284,881	284,881
	-----	-----	-----
Balance at the end of the year	146,965	185,808	150,209
	=====	=====	=====



CYNGOR SIR DDINBYCH

DENBIGHSHIRE COUNTY COUNCIL

DATGANIAD CYFRIFON

STATEMENT OF ACCOUNTS

2001/2002

DENBIGHSHIRE COUNTY COUNCIL

ANNUAL STATEMENT OF ACCOUNTS

2001/02

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INTRODUCTION AND OBJECTIVES

The Annual Statement of Accounts is produced each year with the aim of:

- complying with statutory and professional requirements

- providing electors, business ratepayers, those subject to locally levied taxes and charges, members of the Authority and other interested parties with clear information about the Authority's finances .

Section 1 includes a **Foreword** by the Corporate Director - Resources providing a summary of the financial activities of the Council during the year and at the year end.

The **Statement of Responsibilities** included in this section outlines the duties of the Corporate Director - Resources as Chief Financial Officer in preparing the accounts.

Section 2 of this document provides details of the **Statement of Accounting Policies**. This section explains the accounting principles used to produce the figures in the accounts. These accounting principles are set nationally and ensure accounts from different organisations are consistent and comparable.

Section 3 covers the main financial statements as follows:-

The **Consolidated Revenue Account** shows how much the Authority has spent during the year on each of its services along with any corporate income or expenditure which relates to the Authority as a whole. It also shows how much of this cost has been met by local taxpayers and how much has been funded by central government through the revenue support grant. Any surplus or deficit on this account is transferred to the Authority's general balances.

Central Government requires Local Authorities to account separately for the cost of local authority housing provision by way of a **Housing Revenue Account**. This account shows where money is spent in maintaining and managing the Authority's council houses and how these costs are met from rents, central government subsidy and other income.

The **Consolidated Balance Sheet** shows a snap shot as at the financial year end of all the Authority's assets and liabilities. Assets include both the value of our fixed assets such as buildings, land, equipment etc., and of our current assets such as money owed to the Authority, stock and investments. Liabilities mainly relate to money owed by the Authority. The balance of the assets and liabilities is represented on the balance sheet by the Authority's reserves.

The **Cash Flow Statement** shows the Authority's cash transactions over the year, indicating the sources of cash income received and actual cash spent. The cash transactions are split between those which are of a revenue nature, those which are capital and those which are in respect of the Authority's borrowing.

The **Statement of Total Movement in Reserves** brings together all of the movements in the Authority's reserves. The statement also splits the reserves between those which can be used to support future revenue expenditure and those which are of a capital nature.

The accounts of **Contract Services** provide details of the expenditure and income of this unit and the surpluses and deficits arising from the activities undertaken. These trading accounts were formerly classed as direct service organisations under CCT legislation which has now been repealed. The concept of trading accounts has however been retained under the current Accounting Code of Practice.

The accounts are subject to an independent external audit by the District Auditor. The **External Auditor's Report** is included at section 4.

Section 5 covers the requirement under the Accounting Code of Practice to produce certain additional financial information by way of **Explanatory Notes**. The aim of this additional information is to inform the reader of the accounts about specific financial issues which are not readily identifiable from the other financial statements.

FOREWORD BY THE CORPORATE DIRECTOR - RESOURCES**REVENUE BUDGET**

The Council's revenue budget for the year was £111.058m (2000/01 £103.840m) and took account of known and estimated pay awards and price increases. The National Assembly for Wales has a major influence over the Council's finances and makes an assessment of what it thinks each local authority in Wales should spend called a "standard spending assessment" (SSA). The budget is £2.683m (2.5%) above the standard spending assessment of £108.375m.

The National Assembly for Wales fixed Denbighshire's Revenue Support Grant at £65.695m and Denbighshire's share of non-domestic rate income at £19.550m. Council taxpayers were left to fund £21.813m at £666.55 per Band D property.

The budget was top sliced by £2.000m to allow for a contribution to general balances which were £1.911m in deficit at the start of the financial year.

REVENUE OUTTURN

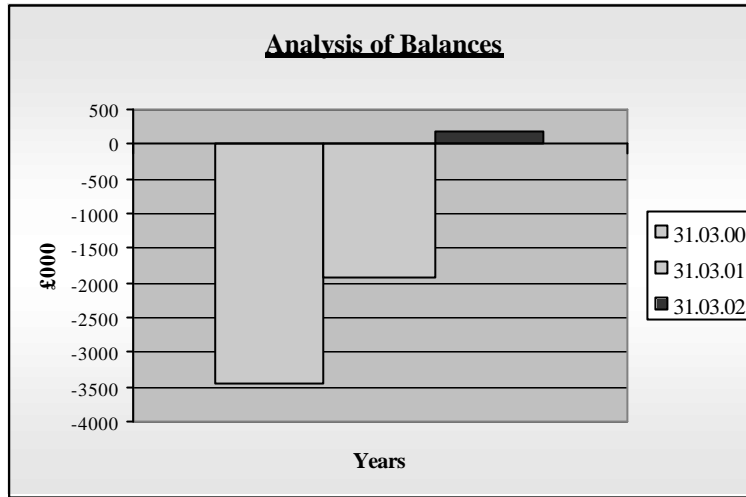
Actual spending totalled £111.708m. The main components of the Budget for 2001/02 and how these compare with the actual income and expenditure are set out below:

Please note that these figures are presented on a different basis from the Consolidated Revenue Account which includes Support Services recharges and Asset Accounting charges which are required to comply with the Accounting Code of Practice.

	Budget 2001/02 £000	Actual 2001/02 £000	Variance £000
Net expenditure on services	109,058	108,610	(448)
Contribution to balances - General	2,000	2,112	112
Contribution to balances - Schools	0	101	101
Contribution to Reserves	0	885	885
Total expenditure	111,058	111,708	650
Funded by			
Council Tax	21,813	22,459	646
Revenue Support Grant	69,695	69,699	4
National Non-Domestic Rates	19,550	19,550	0
Total Resources	111,058	111,708	650
Analysis of General Balances:			
Balances Brought Forward	(2,000)	(1,911)	89
Contribution to balances	2,000	2,112	112
Balances Carried forward	0	201	201
Analysis of Schools Balances:			
Balances Brought forward		631	
Contributions to balances		101	
Balances Carried Forward		732	

RECOVERY PLAN

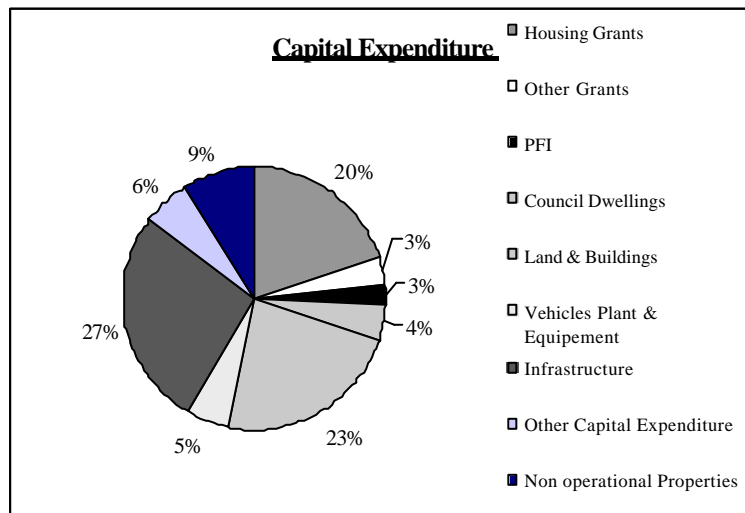
Following the District Audit Management letter, in July 2000, the Authority approved a Recovery Plan to improve its financial position. The Recovery Plan called for measures to be put in place to achieve positive balances by the end of 2001/02. The level of negative balances at the start of 2001/02 was £1.911m. A contribution to balances of £2.112m was made during 2001/02 leaving positive balances in place at the year end of £0.201m.



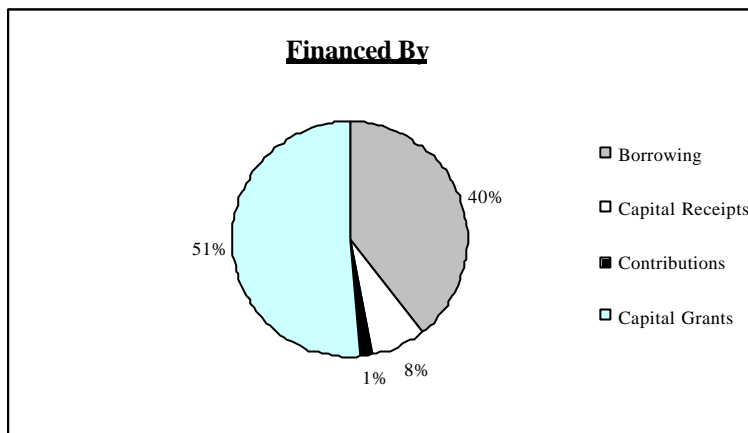
CAPITAL EXPENDITURE

Each year the Council invests in major assets such as land, buildings, road improvements, vehicles and equipment in order to maintain and develop the services it provides. The level of this investment in the future is limited by the ability of the Council to finance its capital spending.

In 2001/02 the Council spent £20.8m on capital items.

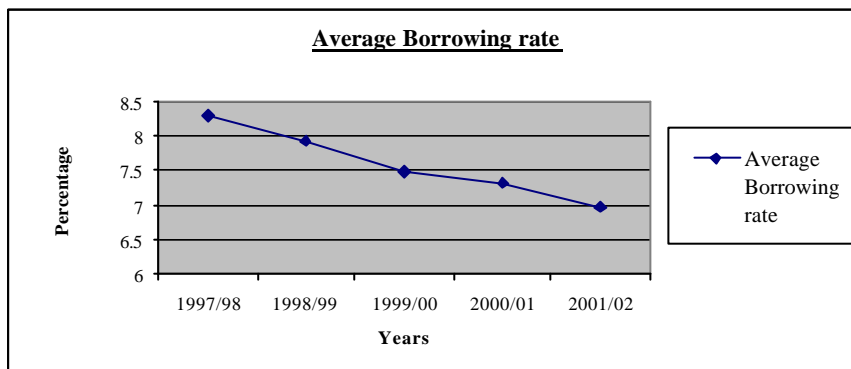


In financing this level of spending the Council utilised borrowing approvals received from the National Assembly for Wales which were supplemented by Government grants, European grants, capital contributions and capital receipts generated from the sale of assets.



TREASURY MANAGEMENT

Proactive treasury management continues to ensure that the Authority minimises its interest payable on external borrowings, and invests any temporary cash surpluses to generate investment income. The graph below illustrates how the Authority's average borrowing rate has steadily reduced over recent years.



Premature repayment of loans in 2001/02 of £6.5m has reduced annualised interest costs by £0.5m and generated a total discount of £0.6m in the year.

FURTHER INFORMATION

Further information relating to the accounts can be obtained from the Financial Controller, Denbighshire County Council, Council Offices, Wynnstay Road, Ruthin, LL15 1YN. In addition, members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the local press.

Alan Evans
Corporate Director - Resources

STATEMENT OF RESPONSIBILITIES**The Authority's Responsibilities**

The Council is required:

- (i) to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs.
- (ii) to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Authority's Statement of Accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code'), is required to present fairly the financial position of the Authority at the accounting date and its income and expenditure for the year (ended 31 March 2002).

In preparing this Statement of Accounts, the Chief Financial Officer has:

- (i) selected suitable accounting principles and then applied them consistently;
- (ii) made judgements and estimates that were reasonable and prudent;
- (iii) complied with the Code except where otherwise stated.

The Chief Financial Officer has also:

- (i) kept proper accounting records which were up to date;
- (ii) taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate:- Corporate Director - Resources**DENBIGHSHIRE COUNTY COUNCIL
STATEMENT OF ACCOUNTS 2001/02**

The foregoing abstract of accounts has been prepared in accordance with Regulation 6 of the Accounts and Audit Regulations 1996.

24 September 2002



Dated
Alan Evans

Corporate Director - Resources

STATEMENT OF ACCOUNTING POLICIES**General**

The Accounts have been prepared in accordance with both the Code of Practice on Local Authority Accounting issued in 2001 by CIPFA and with guidance notes on the application of Statements of Recommended Accounting Practice (SORPS) approved by the Accounting Standards Board. Any exceptions are consistently applied each year and therefore do not have a material effect on the accounts.

Consolidated Revenue Account

The Consolidated Revenue Account for 2001/02 follows the format recommended in the Accounting Code of Practice. The presentation meets Best Value requirements and differs from the layout which was included in the 2000/01 Statement of Accounts. It has therefore been necessary to revise the presentation of the 2000/01 figures in order to provide a comparison with the 2001/02 Outturn.

Debtors and creditors

The Council's revenue accounts are maintained on a receipts and payments basis during the year and are converted to an income and expenditure basis at the year end by providing for all debtors and creditors on an actual or estimated basis. The financing of capital expenditure is based on the actual cash spent during the year.

The Council has a policy of paying creditors within thirty days of date of invoice.

Provisions

The Council makes provisions for specific future expenses which are likely or certain to be incurred. The main provisions are the Repairs and Renewals Fund and the Insurance Fund and details of each are given in note 17 of the Balance Sheet.

Costs of Central Support Services

The costs of centrally provided support services have been charged to the capital and revenue accounts of the various services. The actual time spent by officers in the various service departments, together with charges for units of certain services and the costs of administrative buildings have been apportioned on the basis of floor area occupied.

Capital Accounting**Fixed Assets**

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis in the accounts. Vehicles, Plant and Equipment acquired under finance leases have not been capitalised and included in the balance sheet on the grounds of materiality.

Land and property holdings have been categorised into operational and non-operational properties in accordance with the SORP and have been valued in accordance with the Statement of Asset Valuation Practice and Guidance Notes published by the Royal Institution of Chartered Surveyors. These have been included in the balance sheet at the lower of net current replacement cost and net realisable value.

Infrastructure assets, community assets and vehicles, plant, furniture and equipment have been included in the balance sheet at historic cost, net of depreciation where appropriate. Variations from the initial valuation of Fixed Assets are credited or debited to the Fixed Asset Restatement Reserve.

Subsequent revaluations of fixed assets are planned as part of a continuous assessment in order that all assets are revalued within five years of their previous valuation, although material changes to asset valuation will be adjusted in the interim period as they occur.

The current values used in the accounts are based on a revaluation as at 1st April 2001.

Impairment

Fixed assets other than non-depreciable land are reviewed for impairment at the end of each reporting period when either:

- i) no depreciation charge is made on the grounds it would be immaterial, or
- ii) the estimated remaining useful life of the fixed asset exceeds 50 years.

Where an impairment loss on a fixed asset is identified due to a clear consumption of economic benefits, the loss is recognised in the Service Revenue Account and in the Asset Management Revenue account. Other impairments are recognised in the Fixed Asset Restatement Reserve.

Disposals

Income from the disposal of fixed assets is accounted for on an accruals basis. Such income that is not reserved for the repayment of external loans and forms part of the capital financing reserve is included in the balance sheet as usable capital receipts.

The net book value of the asset is written out of Fixed Assets and debited to the Fixed Asset Restatement Reserve.

Depreciation

All fixed assets with a finite useful life are depreciated. Depreciation is charged in the year of disposal but not in the year of acquisition. Assets are depreciated using the straight line method over the following periods.

Buildings	1-200 years
Vehicles, Plant, Furniture and Equipment	5 years
Infrastructure	40 years

Charges to Revenue

A capital charge for all fixed assets used in the provision of services is included in the Revenue Accounts. The total charge covers the annual provision for depreciation plus a capital financing charge determined by applying a specified notional rate of interest to net asset values. The charge made to the Housing Revenue Account is an amount equal to the statutory financing charges.

The notional rates of interest used are 6% for assets carried at current value and 6% for assets carried at historic cost as prescribed by the CIPFA/LASAAC Joint Committee.

External interest payable and the provision for depreciation are charged to the Asset Management Revenue Account, which is credited with capital charges applied to services. Capital charges therefore have a neutral impact on the amounts required to be raised from local taxation.

Deferred Charges

Deferred charges represent expenditure which may properly be capitalised, but which do not result in the creation of a fixed asset. The balance sheet includes expenditure which represents continuing value to the Authority at the balance sheet date. Expenditure is amortised to the Service Revenue Account over a period appropriate to the benefit obtained by the service.

Government Grants and Contributions

Where expenditure which may properly be capitalised is financed wholly or in part by a government grant or contribution, the amount of the grant or contribution is credited initially to the Government Grants Deferred Account. Amounts are released to the Asset Management Revenue Account over the useful life of the asset to match the depreciation charged on the asset to which it relates.

Capital Reserves

These are not available for revenue purposes and certain of them can only be used for specific statutory purposes. The Fixed Asset Restatement Reserve, Usable Capital Receipts and Capital Financing Reserve are examples of such reserves.

Capital Financing Reserve

This includes amounts set aside from revenue or capital receipts to finance expenditure on fixed assets or for the repayment of external loans and other capital financing transactions.

Provision for the Redemption of Debt

The Local Government & Housing Act 1989 requires local authorities to make a minimum revenue provision for debt redemption, currently 2% of outstanding Housing debt and 4% of Council Fund Debt.

Provision for Credit Liabilities

A Provision for Credit Liabilities (PCL), which represents part of taxpayers' equity to meet repayment of debt, has been created in accordance with the Local Government and Housing Act 1989. The PCL does not feature under the arrangements for capital accounting, although it is necessary to include an analysis as a memorandum item.

Finance Leases

The Council inherited a number of finance leases for vehicles, plant and equipment from the predecessor authorities.

The Accounting Code of Practice now requires these assets to be recorded in the Balance Sheet. In view of the small value of these leases and the reducing liability relating to them, they have been excluded on the basis of materiality.

The County Council leases part of the Rhyl Railway Station from Railtrack. The lease period is 125 years and accordingly this asset has been included in the Balance Sheet.

Capital Receipts

Part IV of the Local Government & Housing Act 1989 requires local authorities to apply specified proportions of capital receipts as a provision to redeem debt. The remaining proportions are available to finance capital spending.

Investments

Investments have been recorded in the accounts at cost.

Stocks and Stores

The highways materials stores together with all other stocks, stores and work-in-progress are valued at cost price.

Value Added Tax

The County Council receives reimbursement of Value Added Tax from HM Customs and Excise. The Revenue accounts have been presented exclusive of this tax in accordance with SSAP 5.

Council Fund Balances

The Council Fund Balances include earmarked surpluses generated by schools which are not available for general county purposes. Further information is given in the notes to the accounts.

Pensions

The County Council participates in two different pension schemes which meet the needs of employees in particular services. All the schemes provide members with defined benefits related to pay and service. The schemes are as follows:

Teachers - This is an unfunded scheme administered by the Department for Education and Skills (DfES). The pension cost charged to the accounts is the contribution rate set by the DfES on the basis of a notional fund.

Other Employees - Other employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme. The pension costs that are charged to the Council's accounts in respect of these employees are equal to the contributions paid to the funded pension scheme for these employees. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis.

These costs have been determined on the basis of stepped contribution rates that are set to meet 100% of the liabilities of the Fund, in accordance with relevant Government regulations. In accordance with standard accounting practice for local authorities, the additional costs that it would have been necessary to provide for in the accounts for the period under SSAP24 are disclosed by way of a note to the accounts.

CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2002

2000/01 Net Expenditure £000		Gross Expenditure £000	Income £000	2001/02 Net Expenditure £000
854	Central Services to the Public	6,228	5,235	993
121	Courts Services	272	148	124
18,967	Culture, Environmental and Planning	31,516	9,673	21,843
45,217	Education Services	58,301	6,834	51,467
7,466	Highways Roads & Transportation Services	9,656	1,611	8,045
	Housing Services :			
(275)	Housing Revenue Account	11,078	10,943	135
5,209	General	13,277	10,854	2,423
19,326	Social Services	27,743	7,416	20,327
5,837	Corporate & Democratic Core	3,539	82	3,457
4,489	Unapportionable Central Overheads	4,513	0	4,513
107,211	Net cost of Services	166,123	52,796	113,327
3,701	Precepts			3,835
(379)	Surplus/Deficit on trading undertakings			(145)
770	Community Councils			823
(2,710)	Asset Management Revenue Account			(3,005)
(1,322)	Investments			(1,055)
107,271	Net Operating Expenditure			113,780
275	Transfer to HRA balances			(135)
0	Transfer from Contract services Balances			192
(6,579)	Appropriations to/(from) Capital Financing Reserve			(1,122)
36	PWLB Premium			(433)
472	Contributions to /from earmarked reserves - schools			100
216	Contributions to /from earmarked reserves - other			1,208
11	CERA deficit from capital account			32
1,958	Capital Financing Provision for repayment of external loans			(2,674)
103,660	Amount to be met from Government Grant and Local Taxpayers			110,948
(65,038)	Revenue Support Grant			(69,466)
0	Substitute Funding			(232)
(18,237)	Share of National Non-Domestic Rates Pool			(19,550)
(22,284)	Council Tax			(23,765)
(1,899)	(Surplus) / Deficit for the Year			(2,065)
(3,060)	Balance at beginning of the year			(1,161)
(1,161)	Council Fund Balance at the end of the year			904

HOUSING REVENUE ACCOUNT FOR YEAR ENDED 31ST MARCH 2002

2000/01 £000		2001/02 £000
EXPENDITURE		EXPENDITURE
2,184	Repairs & Maintenance	2,325
	Supervision & Management	
945	General	1,068
585	Special Services	705
4,382	Rent Rebates - Note 1	5,165
1,634	Capital Financing Charges	1,615
0	C.E.R.A	0
229	Provision For Bad Debts	200
9,959	Total Expenditure	11,078
INCOME		INCOME
	Gross Rent Income - Note 2	
8,205	Dwellings	8,418
78	Other	81
1,919	Housing Subsidy - Note 3	2,423
32	Mortgage Interest - Note 4	21
10,234	Total Income	10,943
275	Surplus/ (Deficit) For The Year	(135)
10	Balance at the Beginning of the Year	285
285	Balance at the End of the Year	150

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2002

Total 31 Mar 01 £000		Note	£000	Total 31 Mar 02 £000
	Net Fixed Assets	1		
	Operational Assets			
64,709	-Council Dwellings		67,925	
117,728	-Other Land & Buildings		122,868	
1,321	-Vehicles, Plant & Equipment		1,958	
28,424	-Infrastructure Assets		33,090	
996	-Community Assets		1,649	
13,589	Non Operational Assets		15,632	
226,767				243,122
1,344	Deferred Charges	4		2,701
27	Long Term Investments			26
1,193	Long Term Debtors	10		951
229,331	TOTAL LONG TERM ASSETS			246,800
	<u>Current Assets</u>			
1,020	-Stocks/W.I.P		1,065	
17,945	-Debtors	11	20,263	
18,800	-Investments	26	14,125	
309	-Cash		268	35,721
267,405	TOTAL ASSETS			282,521
	<u>Current Liabilities</u>			
(1,857)	-Short Term Borrowing	13	(584)	
(18,434)	-Creditors	12	(20,849)	
(2,642)	-Bank Overdraft		(5199)	(26,632)
244,472	TOTAL ASSETS less current liabilities			255,889
(116,003)	Long term borrowing	13		(109,248)
(1,688)	Deferred Liabilities	9		(1,340)
(340)	Deferred Credits			(261)
0	Government Grants Deferred	18		(6,499)
(1,663)	Provisions	17		(1,841)
124,778	TOTAL ASSETS less liabilities			136,700
(80,210)	Fixed Asset Restatement Reserve	15		(89,423)
(41,269)	Capital Financing Reserve	16		(40,102)
(2,636)	Capital Monies Unapplied	14		(3,162)
(1,539)	Earmarked Reserves	19		(2,959)
1,161	Balances - General Fund	20		(904)
(285)	Housing Revenue Account balance	20		(150)
(124,778)	TOTAL EQUITY			(136,700)

CASH FLOW STATEMENT

2000/01 £000		£000	2001/02 £000	£000
	REVENUE ACTIVITIES			
	Cash Outflows :			
(67,093)	- Cash paid to and on behalf of employees	(71,923)		
(78,725)	- Other operating cash payments	(63,989)		
(10,333)	- Housing Benefit paid out	(11,009)		
(14,755)	- NNDR payments to national pool	(15,839)		
(3,701)	- Precepts paid	(3,835)		
(770)	- Community Councils precepts paid	(823)	(167,418)	
	Cash Inflows			
3,522	- Rents (after rebates)	3,627		
21,479	- Council Tax receipts (General Fund)	22,880		
770	- Council Tax receipts (Community Councils)	823		
18,237	- NNDR receipts from national pool	19,550		
14,206	- NDR receipts	15,287		
65,038	- Revenue Support Grant	69,466		
9,391	- DWP grants for benefits	10,204		
18,925	- Other Government & EU Grants	20,508		
36,768	- Cash Received for Goods & Services	19,240	181,585	
12,959	Revenue Activities Cash Flow			14,167
	SERVICING OF FINANCE			
	Cash Outflows			
(6,516)	- Interest paid		(8,012)	
	Cash Inflows			
1,321	-Interest Received		1,055	(6,957)
	CAPITAL ACTIVITIES			
	Cash Outflows			
(15,406)	- Purchase of Fixed Assets		(20,827)	
	Cash Inflows			
2,252	- Sale of Fixed Assets	3,287		
7,480	- Capital Grants Received	11,084	14,371	(6,456)
2,090	NET CASH INFLOW BEFORE FINANCING			754
	FINANCING			
	Payments			
(24,982)	- Repayments of Amounts Borrowed		(16,222)	
	Receipts			
33,979	- New Loans Raised		8,195	(8,027)
11,087	NET INCREASE/DECREASE IN CASH AND EQUIVALENTS			(7,273)

STATEMENT OF TOTAL MOVEMENT IN RESERVES2001/02

	Fixed Asset Restatement Reserve £000	Capital Financing Reserve £000	Capital Monies Unapplied £000	General Fund £000	Specific Reserves £000	HRA £000	Total £000
Balance as at 1 April 01	80,210	41,269	2,636	(1,161)	1,539	285	124,778
Net Surplus/(Deficit) for year		(3,954)		2,065		(135)	(2,024)
Transfers in / out			11,129		1,420		12,549
Unrealised Surplus/(deficit) on Revaluation of Fixed Assets	12,171						12,171
Cost/value of assets disposed of	(2,958)						(2,958)
Proceeds of Disposals		1,220	1,967				3,187
Capital financing		1,567	(12,570)				(11,003)
Balance as at 31 March 02	89,423	40,102	3,162	904	2,959	150	136,700

DENBIGHSHIRE CONTRACT SERVICES
REVENUE ACCOUNTS FOR YEAR ENDED 31ST MARCH 2002

Final Outturn 2000/01			ACTIVITY	Final Outturn 2001/02		
Income £	Expenditure £	Surplus/ (Deficit) £		Income £	Expenditure £	Surplus/ (Deficit) £
1,482,326	1,344,076	138,250	Building Maintenance	1,485,413	1,459,875	25,538
708,599	696,742	11,857	Grounds Maintenance	776,898	768,871	8,027
977,873	961,740	16,133	Street Cleansing	1,025,278	1,008,419	16,859
1,487,949	1,416,804	71,145	Refuse Collection	1,563,750	1,532,803	30,947
2,591,452	2,487,096	104,356	Highways Maintenance /Sign Shop	3,155,795	3,100,171	55,624
398,264	394,533	3,731	Vehicle Maintenance	448,776	444,992	3,784
580,445	562,054	18,391	Building Cleaning	745,805	741,875	3,930
1,858,048	1,842,667	15,381	Catering	1,989,489	1,988,945	544
10,084,956	9,705,712	379,244		11,191,204	11,045,951	145,253

The accounts of **Contract Services** provide details of the expenditure and income of the activities of this unit and the surpluses and deficits arising from the activities undertaken. These trading accounts were formerly classed as direct service organisations under CCT legislation which has now been repealed. The concept of trading accounts has however, been retained under the current Accounting Code of Practice.

EXTERNAL AUDITOR'S REPORT

The District Auditor will commence the examination of the accounts for 2001/02 following their presentation to Council in September 2002. The accounts published after the conclusion of the audit will contain a copy of the auditor's certificate and opinion.

The Statement of Accounts must be published by 31st December. If the audit has not been concluded by that date a declaration to this effect will be included at that time. A final document will be published on conclusion of the audit if this situation arises.

EXPLANATORY NOTES**CONTENTS****PAGE**

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Consolidated Balance Sheet Notes 1 - 26	31 - 46
Cash Flow Statement Notes 1 - 2	47

CONSOLIDATED REVENUE ACCOUNT NOTES**1. EXPENDITURE ETC. UNDER SECTION 137 OF THE LOCAL GOVERNMENT ACT 1972 AS AMENDED BY S.36 LOCAL GOVERNMENT AND HOUSING ACT 1989**

Section 137 of the Local Government Act 1972 empowers a local authority to incur expenditure up to a specified sum, in each financial year, for which specific statutory authority does not exist elsewhere. The limit is currently set at £5.00 per head of relevant population of the Authority's area, amounting to £455,000 in 2001/02 and £452,500 in 2000/01.

No expenditure was incurred in 2001/02 under this section.

2. PUBLICITY

In accordance with Section 5 of the Local Government Act 1986, the Authority is required to disclose total spending on publicity and advertising during the year.

2000/01 £000		2001/02 £000
52	Staff advertising	108
183	General advertising	207
103	Publicity	126
338	Total	441

Expenditure on publicity can be analysed as follows:-

2000/01 £000		2001/02 £000
0	Education	2
1	Finance	1
8	Chief Executive's Department	9
72	Economic Development	103
5	Culture and Leisure	4
17	High ways department	7
103	Total	126

3. AGENCY EXPENDITURE AND INCOME

National Assembly for Wales - the Highways Department undertakes trunk road agency work on behalf of the National Assembly for Wales. The North-East Wales partnership has been established and the work is co-ordinated by the Trunk Road Management Unit, based at Flintshire County Council. £3,124,115 was reclaimed by the Authority in 2001/02 (£1,107,991 in 2000/01)

Welsh Water - the Welsh Water Agency ceased to operate on 31st March 2001 (£229,465 was reimbursed in 2000/01)

4. BALANCES

The County Fund Balance at the end of 2001/02 was a surplus of £904k (£1,161k deficit in 2000/01) and includes the balance carried forward relating to Contract Services of £703k (£750k in 2000/01) and the surplus balance carried forward for general county purposes of £201k (£1,911k deficit in 2000/01).

5. PENSION COSTS

Teachers - In 2001/02 the County Council paid £1.81m (£1.59m in 2000/01) to the Department for Education and Skills in respect of teachers' pension costs, which represents 7.4% (7.4% in 2000/01) of teachers' pensionable pay. In addition, the County is responsible for all pension payments relating to added years it has awarded, together with the related increases. In 2001/02 these amounted to £0.746m (£0.732m in 2000/01), representing 3.1% (3.4% in 2000/01) of pensionable pay. The costs of added years benefits to teachers are funded through the Clwyd Pension Fund.

Other employees - In 2001/02 Denbighshire County Council paid an employer's contribution of £6,497,000 representing 20.01% of employees' pensionable pay into the Clwyd Pension Fund, which provides members with defined benefits related to pay and service. The contribution rate is determined by the Fund's Actuary based on tri-ennial actuarial valuations, the last review being at 31 March 2001. Under current Pensions Regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund. During 2001/02 added years benefits of £218,000 were awarded to employees, which represents 0.67% of employees' pensionable pay. The pension cost charged for 2001/02 is £6,715,000 which represents 20.68% of pensionable pay.

Further information can be found in the Clwyd Pension Fund's Annual Report and Accounts which is available upon request from The County Treasurer, Flintshire County Council, County Hall, Mold CH7 6NA. Telephone number 01352 702263.

6. THE ASSET MANAGEMENT REVENUE ACCOUNT

This account was introduced by the 1993 Code and allows the authority to offset the impact of the capital charges in arriving at the total level of expenditure to be financed from government grants and local taxpayers.

2000/01 £000		2001/02 £000
1,701	Provision for Depreciation	6,442
8,404	External Interest Paid	8,017
	Capital Charges to Services	(17,465)
(12,815)		
(2,710)	Excess of Capital Charges over Depreciation and Interest Charges	(3,006)

Interest relating to finance leases is excluded from external interest due to the insignificant sums involved.

The provision for depreciation is based on the requirements of Financial Reporting Standard 15, Tangible Assets, and thus an adjustment is required to the Consolidated Revenue Account to reconcile the provision for depreciation to the amount set aside for the repayment of debt. This is shown at note 13 below.

7. PRECEPTS AND LEVIES

The total precepts and levies paid were:-

2000/01 £000		2001/02 £000
770	Community Councils	823
2,919	North Wales Fire Authority	3,134
156	North Wales Probation Service	4
118	North Wales Magistrates' Courts Committee	127
495	Flood Defence Levy	557
13	North Western and North Wales Sea Fisheries Committee	13
4,471	Total	4,658

8. REVENUE SUPPORT GRANT

This is the principal source of finance towards revenue expenditure from Central Government with the amount receivable fixed at the start of each financial year. The amount received in 2001/02 was £69,466,493 (£65,038,320 in 1999/00). In addition the Welsh Assembly provided a further grant of £232,441 to compensate the council for the effects of the impact of the boundary change with Wrexham County Borough Council on Denbighshire's RSG settlement.

9. COUNCIL TAX

Council tax income derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands estimating 1 April 1991 values for this specific purposes. Charges are calculated by taking the amount of income required for Denbighshire County Council, each Community Council and the North Wales Police Authority and dividing this amount by the council tax base. The council tax base is the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts - 32,875 in 2001/02 (32,742 in 2000/01.)

This basic amount (including Community Council precept) for a Band D property - £691.60 in 2001/02 (£654.06 in 2000/01) is multiplied by the proportion specified for the particular band to give the individual amount due.

Council tax bills were based on the following multipliers for bands A to H:

Band	A	B	C	D	E	F	G	H
Multiplier	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

Analysis of the net proceeds from Council Tax:

2000/01 £000		2001/02 £000
(24,854)	Council Tax collectable	(26,484)
2,570	Less: payable to North Wales Police Authority	2,719
(22,284)	Net proceeds from Council Tax	(23,765)
	Denbighshire County Council Split:	
(21,479)	Denbighshire County Council	(22,880)
(770)	Community Councils	(824)
(35)	Discretionary non-domestic rate relief	(61)
(22,284)		(23,765)

10. NATIONAL NON-DOMESTIC RATES (NNDR)

NNDR is organised on a national basis. The government specifies an amount for the rate (42.6p in 2001/02) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. The Council is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NNDR pool administered by the Welsh Assembly. The Welsh Assembly redistributes the sums payable back to local authorities on the basis of a fixed amount per head of population.

The NNDR income (after relief and provisions) of £16,515,773 for 2001/02 (£15,199,268 for 2000/01) was based on an average rateable value of £41,997,605 for the year.

Analysis of the net proceeds from non-domestic rates:

2000/01 £000		2001/02 £000
15,200	Non Domestic rates collectable	16,516
187	Transitional Relief amendments	29
15,387		16,545
	Less:	
14,206	Contributions To NNDR pool	15,287
191	Cost of Collection allowance	192
692	Transitional Relief and Refunds of interest	606
298	Increase in provision for bad debts	460
0		0
18,237	Denbighshire County Council's share of Non-Domestic rating pool	19,550

11. EMPLOYEES' REMUNERATION

The number of employees whose remuneration was £40,000 or more, in bands of £10,000, were:-

2000/01 No. of employees	Remuneration Band	2001/02 No of employ ees
30	£40,000 - £49,999	38
7	£50,000 - £59,999	12
4	£60,000 - £69,999	6
0	£70,000 - £79,999	0
1	£80,000 - £89,999	0
1	£90,000 - £99,999	0
0	£100,000 - £109,999	0
0	£110,000 - £119,999	0
0	£120,000 - £129,999	1
43	Total	57

12. MEMBERS' ALLOWANCES

Details of members' allowances paid in 2001/02 were issued to the press in May 2002. Further copies are obtainable from the Press/Public Relations Officer, Chief Executive's Department, Council Offices, Ruthin, Denbighshire. LL15 1YN

2000/01 £000		2001/02 £000
189	Basic Allowances	249
47	Special Allowances	78
45	Attendance Allowances	0
281	Total	327

13. MINIMUM REVENUE PROVISION

The authority is required by statute to set aside a minimum revenue provision for the redemption of external debt. The method of calculating the provision is defined by statute.

The minimum revenue provision has been charged to the service revenue accounts based on the provision for depreciation derived from fixed assets used to deliver the service. Thus an adjustment has been made to the Consolidated Revenue Account to reconcile the provision for depreciation to the minimum revenue provision.

The calculation is as follows:

2000/01 £000		2001/02 £000
343	Housing amount - 2% of opening credit ceiling	347
3,315	Non-Housing amount - 4% of opening credit ceiling	3,421
3,658	Minimum Revenue Provision	3,768
1,700	Provision for depreciation	6,442
1,958	Reconciling amount to minimum revenue provision	(2,674)
3,658		3,768

14. RELATED PARTY TRANSACTIONS

Related parties and related party transactions are defined by the 1998 Accounting Code of Practice.

Information already included in this years statement is listed below:-

Consolidated Revenue Account (C.R.A) and Notes

Precepts and Levies paid	Note 7
Government Grants	C.R.A
Section 137 expenditure	Note 1
Agency expenditure and Income	Note 3
Pension costs	Note 5

Housing Revenue Account**Consolidated Balance Sheet and Notes**

Statement of Debtors	Note 11
Statement of Creditors	Note 12
Related Companies	Note 24

15. PENSIONS MEMORANDUM

Cipfa, as the designated Statement of Recommended Practice (SORP) preparers for Local Authority Accounting has adopted Financial Reporting Standard (FRS) 17 in respect of Retirement Benefits. The objectives of FRS17 are to ensure that:

- Financial statements reflect the fair value of the assets and liabilities arising from an employer's retirement benefit obligations and any related funding;
- The operating costs of providing retirement benefits to employers are recognised in the appropriate accounting period; and
- The financial statements contain adequate disclosure of the cost of providing retirement benefits and the related gains, losses, assets and liabilities.

FRS 17 will be incorporated fully into the SORP for the 2003/04 financial year. For 2001/02 there is no change to existing accounting arrangements but local authorities are required to include a memorandum note to the Balance Sheet disclosing the Council's net asset or liability in relation to retirement benefits.

Teachers' Pensions

The Teachers' pension scheme is administered by the Department for Education and Skills (DfES) and is treated under FRS 17 as a defined contribution scheme as the identification of liabilities cannot be made reliably and consistently between participant authorities. No disclosure is made in respect of this scheme.

Clwyd Pension Fund

The disclosure details relating to the Local Government Pension Scheme in respect of Denbighshire County Council have been provided by the Clwyd Pension Fund who engaged Mercer Human Resource Consulting, an independent firm of actuaries, to undertake the valuation.

The Local Government Pension scheme is a funded scheme, Defined Benefit meaning that the Council and employees pay contributions into a fund, calculated at a level estimated to balance the pension liabilities with investment assets.

At 31 March 2002 the Council had the following overall assets and liabilities for pensions that have not been included in the Balance Sheet:

	£m
Market Value of Assets	68.6
Liabilities	(116.8)

Deficit	(48.2)

Notes:

1. Deferred taxation has been ignored.
2. Revenue account items and movement in reserves items are not required for 2001/02
3. Compensatory Added Years benefits which are recharged to the employer have been included in the liabilities for the purpose of FRS17 calculations.
4. The date of the last full Actuarial Valuation was 31 March 2002.

ACTUARIAL ASSUMPTIONS**Financial Assumptions**

	End of Year
	%
Rate of inflation	2.5
Rate of increase in salaries	3.5
Rate of increase in pensions	2.5
Discount rate	6.0

Expected rate of return on assets

Equities	8.0
Bonds	6.0
Other	6.0

Split of assets between investment categories

Equities	81.2
Bonds	10.6
Other	8.2

Comparative (beginning of year) figures are not required for 2001/02 disclosures.

North Wales Magistrates' Courts Committee

Denbighshire County Council makes a contribution of 14% towards the cost of operating the North Wales Magistrates' Courts Committee. Gwynedd Council administers the Gwynedd Pension Fund of which the Committee is a member. Disclosure details relating to the Local Government Pension Scheme in respect of the Committee have been provided by the Gwynedd Pension Fund who engaged Hymans Robertson, an independent firm of actuaries, to undertake the valuation.

At 31 March 2002 the Committee had the following overall assets and liabilities for pensions that have not been included in the Balance Sheet:

Market Value of Assets	6.3
Liabilities	(8.3)

Deficit	(2.0)

Denbighshire's share of this deficit based on a 14% share of costs is £0.280m.

Note: The date of the last full Actuarial Valuation was 31 March 2001.

ACTUARIAL ASSUMPTIONS**Financial Assumptions**

	End of Year
	%
Rate of inflation	2.8
Rate of increase in salaries	4.3
Rate of increase in pensions	2.8
Discount rate	5.9

Expected rate of return on assets

Equities	7.5
Bonds	5.5
Property	6.0
Cash	4.0

Split of assets between investment categories

Equities	71.0
Bonds	18.0
Property	5.0
Cash	6.0

NOTES TO THE HOUSING REVENUE ACCOUNT**1. REBATES**

Assistance with rents is available under the Housing Benefits Scheme for those on low incomes. Approximately 60% of the Council's tenants receive some help with the costs of rent and other charges.

2. GROSS RENT INCOME

This is the total rent income due for the year after allowance is made for voids, etc. The actual average rent was £39.15 per week in 2001/02.

3. HOUSING SUBSIDY

Housing Benefit is administered by the Council and the cost of its administration is borne by the Council Fund. Since 1st April, 1990, the cost of rebates granted to Council tenants has formed part of the main Housing Subsidy and is not specifically reimbursed. The figures below show the net charge to the Housing Revenue Account in 2001/02.

2000/01 £000		2001/02 £000
4,382	Rebates Given	5,165
(1,919)	Reimbursement	(2,423)
2,463	Net Cost to Tenants	2,742

4. MORTGAGE INTEREST

This figure represents interest on mortgages granted to tenants of the former authorities of Rhuddlan and Glyndwr to enable them to purchase their Council houses under the Right to Buy Scheme. The mortgage facility is no longer available and it is anticipated, therefore, that the amount of interest will reduce year by year.

5. HOUSING STOCK

The Council was responsible for managing an average of 4,093 dwellings during 2001/02. The stock was made up as follows:-

2000/01		2001/02
2,514	Houses	2,441
1,009	Flats	1,008
644	Bungalows	644
4,167	Total	4,093

The change in stock can be summarised as follows:-

2000/01		2001/02
4,193	Stock at 1st April	4,141
(52)	Less Sales	(97)
-	Add New Buildings	-
4,141	Stock at 31st March	4,044

6. RENT ARREARS

At the 31 March, 2002, tenants' rent arrears were £789k, which represented 9.15% of the gross rent income. Arrears totalling £32,515 were written off during the year. A further provision of £200k has been made from the Housing Revenue Account in 2001/02.

CONSOLIDATED BALANCE SHEET NOTES1. Fixed Assets

Movements in fixed assets during the year were as follows:

Balance at 1 April 01 £000		Revaluation £000	Additions £000	Disposals £000	Transfers £000	Depreciation £000	Balance at 31 March 02 £000
70,598	Council Dwellings	(883)	883	(1,643)		(1,030)	67,925
127,805	Other Land & Buildings	(3,860)	4,780		(2,072)	(3,785)	122,868
	Vehicles, Plant & Equipment		1,023		313	(699)	1,958
1,321	Infrastructure Assets	(645)	5,552		547	(788)	33,090
28,424	Community Assets	(24)	51		626		1,649
996	Non Operational Assets	(341)	1,851	(1,315)	30	(140)	15,632
15,547							
244,691		(5,753)	14,140	(2,958)	(556)	(6,442)	243,122

The operational assets of the Authority (excluding vehicles, plant, furniture and equipment, infrastructure and community assets) were revalued as at 1st April 2001.

As a result the comparative for those categories of assets which have been revalued is based on the valuation at that date.

A reconciliation between the comparative in the Balance Sheet at 31 March 2001 and the revalued amount at 1 April 2001 is provided below:

Balance at 31 March 01 £000		Revaluation £000	Balance at 1 April 01 £000
64,709	Council Dwellings	5,889	70,598
117,728	Other Land & Buildings	10,077	127,805
13,589	Non - Operational Assets	1,958	15,547

2.

Fixed Asset Valuation

The freehold and leasehold properties which comprise the authority's property portfolio have been valued as at 1 April 2001 by Mr C D Mathews Bsc (Hons), MRICS, a Valuation and Estates Officer of the Council, on the under mentioned bases in accordance with the Statements of Asset Valuation and Guidance Notes of the Royal Institute of Chartered Surveyors, except that not all properties were inspected. This was neither practical nor considered by the valuer to be necessary for the purpose of the valuation. Inspections were carried out between August 2001 and July 2002.

Properties regarded by the authority as operational, except for Vehicles, Plant, Furniture and Equipment, Infrastructure and Community Assets were valued on the basis of open market value for the existing use, or, where this could not be assessed because there was no market for the subject asset, the depreciated replacement cost. Vehicles, Plant, Furniture and Equipment, Infrastructure and Community Assets were valued at historic cost.

Properties regarded by the authority as non-operational have been valued on the basis of open market value.

3. Information on Assets held

Type of Property	2001/02
Museums	1
Libraries	7
Sport Centres	9
Parks	28
Theatres	3
Schools	72
Depots	14
Farms	36
Residential Homes	4
Day Centres	3
Sheltered Workshops	3
Factory Units	30
Youth Centres	8
Offices	14
Public Conveniences	27
Council Dwellings	4,044
Car Parks	49
Cemeteries	4
Town/County Halls	4
Industrial Centres	9

4. Deferred Charges

Balance at 31 March 2001 £000		Adjustments £000	Gross Additions £000	Grants & Contributions £000	Net Additions £000	Exchequer Grants £000	Write Off £000	Balance at 31 March 2002 £000
1,344	Housing Improvement Grant	280	4,072	(2,985)	1,087	204	(1,290)	1,625
0	School Accommodation	0	325	(263)	62	0	(62)	0
0	ERDF Grant Repayment	0	629	(629)	0	0	0	0
0	Stock Transfer Investigations	0	200	0	200	0	(200)	0
0	HRA Disturbance Allowances	0	4	0	4	0	(4)	0
0	Town Schemes	0	102	(67)	35	0	(35)	0
0	Countryside Service Grant	0	77	(85)	(8)	0	8	0
0	Business Development Grants	0	168	(107)	61	0	(61)	0
0	Economic Development Grants	0	270	(212)	58	0	(58)	0
0	Adaptations to homes of disabled	0	85	0	85	0	(85)	0
0	New Offices, Ruthin	556	520	0	520	0	0	1,076
1,344		836	6,452	(4,348)	2,112	204	(1,767)	2,701

Of the figure of £1,787,000 written off from Deferred Charges during 2001/02, £1,302,000 was written off via revenue, and £204,000 of HRA expenditure was written off directly to the Capital Financing Reserve, due to the ring fenced nature of the HRA. The remaining balance is in respect of the adjustment to Housing Improvement grants referred to below.

The figure of £204,000 in Exchequer Grants represents £156,000 applied to finance expenditure on housing improvement grants during 2001/02, adjusted by £360,000 of Exchequer Grants applied to housing improvement grant expenditure in 2000/01.

The adjustment of £836,000 in 2001/02 represents £556,000 of expenditure on fees transferred from Fixed Assets, owing to misclassification in previous years, and £280,000 to Housing Improvement Grants in order that the Balance at 31 March 2002 reconciles to grant income the Council is eligible to receive from the National Assembly for Wales on schemes not completed at that date.

5. Significant Items of Capital Expenditure

	2001/02 £000
Ysgol Dinas Bryn	344
Ysgol Brynhyfryd	330
Ysgol Plas Brondyffryn	243
Ruthin Gaol - Archive Refurbishment	1,529
Corwen Business Centre - Construction	207
Kings Avenue Prestatyn Business Units - Construction	464
Lon Parcwr, Ruthin Business Units - Construction	221
Rhuddlan By Pass	283
Rhuddlan High Street	856
Horseshoe Pass	410
Bryn Cwnin Roundabout	285
Lifeguard Factory Ruthin - Purchase	312
Rhyl Cycle Network	211

6. Financing of Capital Expenditure

Capital Expenditure is recorded on an accruals basis in the Statement of Accounts, whereas only the actual payments made in the year are required to be financed.

2000/01 £000		2001/02 £000
7,990	Fixed Assets (note 1)	14,140
7,584	Deferred Charges (note 4)	6,452
15,574	Total Capital Expenditure	20,592
131	Plus Creditors Brought Forward	299
(299)	Less Creditors Carried Forward	(64)
15,406	Total Capital Payments	20,827
	Financed By:	
8,390	Borrowing	8,225
6,401	Capital Grants	10,690
38	Capital Receipts	1,567
556	Contributions	313
21	Revenue	32
15,406	Total Finance	20,827

* Capital Grants include General Capital Grant from The National Assembly for Wales of £3.300 m .
(2000/01 £2.246m)

7. Significant Contracts For Future Capital Spending

At 31st March 2002 the Council was contractually committed to capital works which amounted to £1.271m on the following schemes:

	£000
Proposed Business Units, Corwen	541
Rhydwen Drive Rhyl - Environmental Improvement	730
	1,271

8. Leases

The Council holds various capital assets, principally computer equipment and vehicles under finance and operating leases. During 2001/02 finance lease rentals totalled £2k with operating lease rentals amounting to £701k.

As at 31 March 2002 the Council had a commitment to meet the following rental charges:

Operating Leases	£000
2002/03	521
2003/04	368
2004/05	249
2005/06	179
2006/07	77
2007/08	19
2008/09	19
2009/10	3

The County Council also leases part of the Rhyl Railway Station from Railtrack. Credit cover for the capital value of this lease was provided in 1997/98. The lease period is 125 years with a current annual rental of £15,000. This has been included in the Asset Values of the Balance Sheet as part of the revaluation process undertaken in 2001/02.

9. Deferred Liabilities**(i) Non PWLB Debt**

These liabilities arose following Local Government Reorganisation where non-PWLB loans held by predecessor authorities could not be disaggregated to successor authorities. This required Flintshire County as designated authority for the former Clwyd County Council to administer such loans on behalf of Denbighshire and recharge shared of costs each year until maturity.

Flintshire County Council	£000
Balance at 31 March 2001	168
Repayment	168
Balance at 31 March 2002	0

(ii) Deferred Purchase Arrangement

The former Rhuddlan Borough Council entered into a Deferred Purchase agreement in November 1989 with the merchant bank Morgan Grenfell towards the construction of the Pavilion Theatre, Rhyl. The agreement enabled the Council to construct the theatre and use the facility but deferred the purchase cost until a later date. This agreement was inherited by Denbighshire County Council at Local Government reorganisation. Annual repayments of principal of £0.180m are made each year. The final instalment will be made in 2008/09.

Rhyl Pavilion Theatre	£000
Balance at 31 March 2001	1,520
Repayment	180
Balance at 31 March 2002	1,340

10. Long term Debtors

31 March 01 Balance £000		Advances 2001/02 £000	Repayments 2001/02 £000	31 March 02 Balance £000
	(i) Loan Agreements			
7	Industrial Loans		1	6
593	Higher Education-colleges		35	558
12	Community Councils		8	4
341	Mortgages		80	261
51	(ii) Charges on property		55	(4)
189	(iii) Car Loans	45	108	126
1,193	Total	45	287	951

11. Debtors and Payments in Advance

31 March 01 £000		31 March 02 £000
	Debtors	
	Amounts falling due in one year:	
666	Government Department/Grants	1,539
20,800	Sundry Debtors	22,860
(4,350)	Less Doubtful Debts	(4,797)
17,116	Total Debtors	19,602
829	Payments in Advance	661
17,945	Total	20,263

12. Creditors and Receipts in Advance

31 March 01 £000		31 March 02 £000
	Creditors	
851	Grants	90
16,104	Sundry Creditors	18,762
16,955	Total Creditors	18,852
1,479	Receipts in Advance	1,997
18,434	Total	20,849

13. Analysis of Total Borrowing**(i) By type of Loan**

31st Mar 2001 £000	%		31st Mar 2002 £000	%
117,759	99.92	Public Works Loan Board	109,782	99.95
100	0.08	Market Loans	50	0.05
117,859	100		109,832	100.00

(ii) By Maturity

	Between Years	31st March 2002 £000	%
Less than one year		584	0.53
	Over 1 under 2	201	0.18
	Over 2 under 3	201	0.18
	Over 3 under 4	189	0.17
	Over 4 under 5	835	0.76
	Over 5 under 6	179	0.16
	Over 6 under 10	3,146	2.86
	Over 10 under 15	36,280	33.03
	Over 15 under 20	13,270	12.08
	Over 20 under 25	5,791	5.27
	Over 25 under 30	5,468	4.98
	More than 30	43,688	39.80
	Total Borrowing	109,832	100.00

14. Capital Monies Unapplied**(i) Capital Receipts**

	Housing £000	Council Fund £000	Total £000
Balance at 31st March 2001	225	1,876	2,101
Plus Asset Sale Proceeds	1,635	1,573	3,208
Deferred Capital Receipts	79		79
	1,939	3,449	5,388
Less Applied during year:			
Costs	68	32	100
Financing Capital Expenditure	0	1,567	1,567
Debt Redemption	1,220	0	1,220
Balance at 31st March 2002	651	1,850	2,501

14. Capital Monies Unapplied (Continued)**(ii) Capital Grants & Contributions**

		£000	£000	£000
	Unapplied at 31 March 2001			535
Less	Capital Debtors at 31 March 2001			1,253
Plus	Capital Creditors at 31 Mar 2001			2,320
	Net Balance at 1 April 2001			1,602
	Grants & Contributions received in year			11,084
				12,686
	Grants and Contributions applied in year			
	-ERDF grants		15	
	-Housing Improvements			
	Contributions	303		
	Grants 2001/02	156		
	Grants 2000/01 Audit Adj	(359)	100	
	-Capital Projects		10,543	10,658
				2,028
	Plus Capital Debtors at 31 March 2002			2,036
				4,064
Less	Capital Creditors at 31 March 2002			3,403
	Unapplied at 31 March 2002			661

(iii) Summary

Capital Receipts	2,501
Capital Grants & Contributions	661
Total Capital Monies Unapplied	3,162

15. Fixed Asset Restatement Reserve

This balance represents the difference between the valuation of assets under the previous system of capital accounting and the revaluation as at 1st April 1994. The reserve is written down by the net book value of assets as they are disposed of, and debited or credited with the deficits or surpluses arising on revaluations. Fixed Assets were revalued as at 1st April 2001.

2000/01 £000		2001/2002 £000
81,053	Balance B/F	80,210
(843)	Disposal of Fixed Assets	(2,958)
0	Revaluation of Fixed Assets	12,171
80,210	Balance C/F	89,423

16. Capital Financing Reserve

2000/01 £000		2001/02 £000
38,780	Balance B/F	41,269
(6,759)	Deferred Charges written off	(1,507)
	Grants and Contributions	
6,143	Written off from Government Grants Deferred	0
763	Capital Receipts set aside	1,220
	Capital Financing	
38	Capital Receipts used to fund capital expenditure	1,567
11	Revenue used to finance capital expenditure	32
1,958	MRP (less depreciation provision)	(2,674)
155	ERDF Grants set aside	15
180	Deferred Purchase Agreement - Principal	180
41,269	Balance C/F	40,102

The Capital Financing Reserve contains the amounts which are required by statute to be set aside from capital receipts, the repayment of external loans and the amount of capital expenditure financed from revenue and capital receipts. It contains the difference between amounts provided for depreciation and that required to be charged to revenue to repay the principal element of external loans. The balance on the reserve is reduced as loan debt is repaid. In 2000/01 deferred charges written off represented deferred charges written off via revenue. In 2001/02, of the figure shown for deferred charges written off, £1,302,000 was written off via revenue, and £205,000 was written off from deferred charges directly to the Capital Financing Reserve, due to the ring fenced nature of the HRA.

17. Provisions**Insurance Fund**

The internal insurance fund was established to finance the bulk of the excess levels applicable to the councils insurance claims. The risk management fund was established to finance corporate driven risk management initiatives with the aim of minimising the potential of future claims.

Repairs and Renewals Fund

The authority operates a Repairs and Renewals Fund in order to provide for the future acquisition of plant and vehicles.

31st Mar 00 £000		31st Mar 01 £000
1,506	Insurance Fund	1,666
132	Renewals Fund	150
25	Other	25
1,663	Total	1,841

18. Government Grants Deferred Account

2000/01 £000		2001/02 £000
0	Balance B/F	0
	Applied in year	
6,458	Capital Grants	9,715
556	Capital Contributions	928
7,014		10,643
(871)	Less: Applied to Deferred Charges	(4,144)
6,143		6,499
(6,143)	Written off to Capital Financing Reserve	0
0	Balance C/F	6,499

Capital grants and contributions applied to finance capital expenditure in 2001/02 have initially been credited to this account. If grants have been used to finance capital expenditure on deferred charges, the value of these grants has been transferred to deferred charges. Otherwise, grants are released to revenue in annual instalments to offset depreciation charges on related fixed assets. In 2000/01, depreciation was not charged on assets financed by capital grants and contributions, and consequently this balance was written off to the capital financing reserve.

19. Reserves

Details of significant reserves are given below:

Balance at 31 March 2001 £000		Transfers In (Out) £000	Balance at 31 March 2002 £000
351	Earmarked schemes	0	351
621	Schools balances	110	731
188	Denbigh Eisteddfod	(188)	0
50	Contract Services	291	341
100	Cefndy Enterprise	100	200
48	Early Retirement Fund - Schools	10	58
50	Lottery Bid - Bodelwyddan Castle	0	50
22	Environment Directorate - Reserves	10	32
0	Bellwin Reserve	220	220
52	Enterprise Fund	0	52
0	HB Subsidy Clawback	500	500
0	W.N.W.P.O. - Deficit	335	335
0	Clwyd CC - Residual costs	50	50
57	Other	(18)	39
1,539	Total	1,420	2,959

20. County Fund Revenue Balances

The County Fund Revenue Balances are available to the County Council for general or specific purposes and represent accumulation of past surpluses on the County Fund Revenue Account.

The County Fund Revenue balances at 31 March 2002 can be analysed as follows:

Balance at 31st March 2001 £000		Balance at 31st March 2002 £000
(1,911)	General Revenue Account Balances	201
750	Contract Services	703
(1,161)	Total	904
	Earmarked Balances:-	
285	HRA	150

21. Provision for Credit Liabilities - Memorandum

In accordance with statutory requirements the Council is required to set aside sums as a provision to repay external loans. Local Authorities are not required to keep an account within accounting records, but must produce a memorandum.

2000/01 £000		2001/02 £000
2,881	Balance B/F	4,981
763	Plus Capital Receipts - Debt Redemption element	1,220
3,658	Revenue provision for Debt Redemption	3,768
155	ERDF Grants	15
7,457		9,984
(2,476)	Less External debt repaid in year	(8,195)
4,981	Balance C/F	1,789

22. Welsh Church Acts Fund

As per the Welsh Church Act Funds (Designation and Specification) order, 1996, the former Clwyd County Council fund is administered by Flintshire County Council and the income distributed to the new authorities on a population basis. The application of this fund covers a wide field ranging from education, social and recreational needs, the relief of sickness and protection of historical buildings. There is a separate balance sheet for the Welsh Church Fund and the balance on the fund as at 31st March 2002 is £9,661 (£10,749 in 2000/01).

23. Education Trust Funds

The County Council currently administers 55 Education Trust Funds. Each Education Trust Fund consists of a relatively small sum of money received largely from individuals, and invested in order to provide an annual income for prizes and so forth.

The total fund balance as at 31 March 2002 amounted to £229,017 which is not reflected in the Balance Sheet.

The market value of all investments held at 31 March 2001 was £190,409.

24. Related Companies

(i) Clwydfro Cyfyngedig (trading as Denbighshire Enterprise Agency)

Clwydfro is a company limited by guarantee and having no Share Capital which was set up in 1983 to promote and encourage industrial and commercial activity and enterprise within parts of the areas of the County of Denbighshire and the County Borough of Conwy. The net assets of the company at 31 March 2002 were £802,354 compared to £796,596 in 2000/01. In 2001/02 the net loss on operations was £14,242 (the surplus in 2000/01 being £13,898). Further information can be obtained from Denbighshire Enterprise Agency, Clwyd Business Centre, Lon Parcwr Industrial Estate, Ruthin, LL15 1NJ.

(ii) ECTARC

Ectarc is a company limited by guarantee, having no Share Capital, which is a registered international charity to manage the European Centre for Traditional and Regional Cultures based in Llangollen and carrying out research, exhibitions, courses etc of relevance to European issues. The accounts for 2001/02 are not yet available but the net assets of the company in 2000/01 were £33,563 and the net loss for the year was £57,442. Further information can be obtained from ECTARC, Parade Street, Llangollen LL20 8RB.

(iii) Bodelwyddan Castle Trust

Bodelwyddan Castle Trust is a company limited by guarantee, having no Share Capital, which is a registered charity set up in 1994 to manage the Castle and its surrounding parkland for the advancement of education in the field of art and history for the public by acquiring, housing and exhibiting, conserving, restoring and reopening artefacts etc. together with the establishment and management of a public park for recreation and promotion of appreciation of the natural world. The accounts for 2001/02 are not yet available but the net assets of the company in 2000/01 were £231,559 and the net profit for the year was £69,883. Further information can be obtained from the Bodelwyddan Castle Trust, Bodelwyddan LL18 5YA.

(iv) Clwyd Leisure Ltd.

Clwyd Leisure Limited was established on 1st April 2001 to provide tourism and leisure services operating as a Non Profit Distributing Organisation grant aided by Denbighshire County Council. The net assets of the company as at 31st March 2002 were £165,032 and the net surplus on operations was £165,032. Further information can be obtained from Clwyd Leisure Ltd, Wood Road, Rhyl, Denbighshire LL18 1DS.

25. Contingent Liabilities

A contingent liability is defined as either:

- A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control;

or

- A present obligation that arises from past events but is not recognised because:

(i) it is not probable that a transfer of economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

Wirral and North Wales Purchasing Organisation:

The Council has included in the accounts a provision of £0.335m for its anticipated share of the deficit incurred by the Wirral and North Wales Purchasing Organisation (W&NWPO) as at 31 March 2002. Further costs may arise in the event that the W&NWPO ceases to operate in the future but at this stage the Organisation continues to trade as a going concern. Any decision on the future operation will be determined by the Governing Body of W&NWPO following the receipt of specialist advice.

Commutation Adjustments:

Each year the Council includes within its annual revenue provision for debt redemption an allowance for commuted grants which is calculated in accordance with statutory regulations. This allowance is known as the Commutation Adjustment. The National Assembly for Wales has advised Councils that a drafting error exists in the regulations and has undertaken its own calculations of what it believes Councils should have taken credit for in their accounts since the system was introduced. Although a cumulative variance exists between the Assembly's notional calculation of the adjustment and the amount taken into account by Denbighshire, there is sufficient lack of clarity surrounding the regulations to warrant the inclusion of a provision in the accounts for this difference.

The potential introduction in 2004 of the Local Authority Prudential Borrowing regime by Central Government is expected to bring to an end the requirement to make a provision for debt redemption. This will remove the concept of the commutation adjustment.

Pensions

The costs of added years benefits to teachers and non-teachers are funded initially through the Clwyd Pension Fund and then recharged accordingly. In accordance with the Statement of Recommended Practice, the capital value of discretionary added years increases in pension awarded and agreed by the Council in early years and for which payments are still being made, amounts to £27.9m.

26. Temporary Investments

The Council manages its cash flow and invests cash balances which arise as a result of this strategy. All investments of cash are made in accordance with the Approved Investments Regulations (1990) in Banks and Building Societies having credit ratings satisfying the Council's criteria laid down in its Treasury Management Policy Statement. Cash investments are also permitted with other local authorities. At 31 March 2001 the Council had seven individual cash investments totalling £14.125m, six of which were with Banks, the remaining one being with a Building Society. All these investments were of a short term nature and were scheduled to mature in early April 2002.

CASH FLOW STATEMENT NOTES**1. Reconciliation of Movement in Cash and Equivalents to Balance Sheet**

Balance 31.03.00 £000		Balance 31.03.01 £000	Balance 31.03.02 £000	Movement £000
160	Cash	309	268	(41)
7,725	Investments	18,800	14,125	(4,675)
(2,505)	Cash Overdrawn	(2,642)	(5,199)	(2,557)
5,380		16,467	9,194	(7,273)

2. Analysis of Grants Received

	2001/02
	£000
Government Grants	1,851
Housing Grants	14,345
Education Grants	1,900
Social Services Grants	1,579
Environmental Grants	349
European Grants	484
	20,508

Report To: Council

Date: 24 September 2002

Report By: Chief Executive

Subject: Consultation Arrangements with the North Wales Police Authority.

1. Decision sought

1. To agree to establish regular meetings between members of the Council and North Wales Police Authority Representatives to discuss issues relevant to policing in the County .

2. Reason for seeking decision

2.1 The Police Authority has asked all of the North Wales Councils to agree to setting up regular joint meetings so as to identify issues which may affect policing in each of the County Council areas .

2.2 The Assistant Clerk (Policy) to the North Wales Police Authority wrote to the Council on the 19th August to ask that consideration be given to setting up such meetings so as to strengthen its consultation arrangements with local authorities. The Chief Constable has expressed his support for such arrangements which he considers will allow consideration to be given to broad issues that are not currently being addressed by groups such as the Crime and Disorder Partnerships. It is accepted that there arrangements are already in place for Police officers to meet with town and community councils, but that there are no similar arrangements for meetings with County Council representatives.

2.3 Following consultation with Councillor Elwyn Edwards, Cabinet Member for Safeguarding our Communities, I have acknowledged the letter and welcomed the principle of such meetings. I have suggested that, from a practical point of view, it would be helpful if such meetings could take place following Council meetings when most or all members of the Council would be present .

2.4 These wider meetings would not affect the right of the Council or Cabinet to ask questions of Denbighshire's police authority member, under section 20 of the Police Act 1996.

3. Cost Implications

3.1 Nil if meetings were held on the same day as meetings of full Council. Otherwise costs are those associated with members' allowances for attendance at the meetings .

4. Financial Controller Statement

4.1 Not yet available.

5. Consultation carried out.

5.1 Councillor E. C. Edwards

6. Impact on other policy areas

6.1 Such meetings will impact on the Crime and Disorder policy in particular, and possibly on policy areas such as social inclusion

7. Recommendation

7.1 That Members support arrangements for regular meetings between councillors and representatives of the Police Authority .

COUNTY COUNCIL - 24 SEPTEMBER 2002

REPORT OF: LEAD MEMBER FOR SOCIAL INCLUSION

SUBJECT: CHILDREN'S SERVICES STRATEGIC PLAN 2002-2007 AND CHILDREN FIRST REVIEW
AND PLAN 2002-2003

1. DECISION SOUGHT

1.1 To seek confirmation of a Cabinet recommendation that the County Council approves the Children's Services Strategic Plan 2002-2007 and Children First Review and Plan 2002-2003

2. REASONS FOR SEEKING DECISION

2.1 Cabinet considered the attached report at its meeting on 10 September 2002 and recommended that the above Plan be submitted to County Council for approval.

NOTE: A copy of the Plan was previously circulated to Members with the Cabinet papers. Please bring the Plan to the Council meeting.

3. COST IMPLICATION

3.1 During consideration of the Plan Councillor E A Owens requested whether information was available on the long term financial commitment to the Plan. The Corporate Director Personal Services detailed the resources for the Children First Programme up to April 2004 and indicated that grants would be consolidated within the Revenue Support Grant. See attached report for details of the costs of the projects within the Children First Programme 2002-2003

4. FINANCIAL CONTROLLER'S STATEMENT

4.1 See attached report

5. CONSULTATION CARRIED OUT

5.1 See attached report

6. IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

6.1 See attached report

7. RECOMMENDATION

7.1 That the County Council approves the Children's Services Strategic Plan 2002-2007 and Children First Review and Plan 2002-2003 for onward submission to the National Assembly for Wales.

REPORT TO CABINET

CABINET MEMBER: COUNCILLOR J A SMITH, LEAD MEMBER FOR SOCIAL INCLUSION

DATE

SUBJECT: CHILDREN'S SERVICES STRATEGIC PLAN 2002-2007 AND CHILDREN FIRST REVIEW AND PLAN 2002-2003

1 DECISION SOUGHT

Cabinet is requested to approve for recommendation to Council for submission to the National Assembly for Wales, the Children's Services Strategic Plan 2002-2007, which includes the Children First Review and Plan 2002-2003.

2 REASON FOR SEEKING DECISION

- The proposed plans have been drawn up in response to statutory guidance from the Welsh Assembly Government issued under Section 7A of the Local Authority Social Services Act 1970.
- The Children's Services Strategic Plan and Children First Action Plans were due to be submitted to the Welsh Assembly Government by 1st July 2002. However, the Welsh Assembly Government experienced delays in issuing guidance for the plans: guidance for Children First was released in early May, and corrections to this guidance were issued on 7 July 2002. Consequently, the Assembly has agreed to an extension in the deadline. A draft version of the plans has been sent to the Assembly, and the final version will be submitted when Members' approval has been obtained.
- The aims of the Children's Services Strategic Plan are set out in the Social Services White Paper "*Building For the Future*", and the Welsh Assembly Government document "*Social Services Guidance on Planning*". As directed, the plan is based on agreed inter-agency objectives and includes broad 5 year projections for needs, performance targets, measurement and management proposals, proposed service developments and financial assumptions.
- The Children First Progress Report and Action Plan describes progress on actions taken during 2001-2002 to meet national and local objectives of the Children First Programme for Wales. The aim of the Children First programme is to transform services for children in need and their families. The Action Plan describes new and ongoing objectives for 2002-2003.

3 COST IMPLICATIONS

Projects within the Children First Programme 2002-2003 for Denbighshire cost £611,605. This includes:

- a Welsh Assembly Government Children First Development Fund Grant of £430,046;
- the Children First Base Budget rolled forward, including inflation, of £147,001;
- the balance being funded from the Social Services budget.

4 FINANCIAL CONTROLLER STATEMENT

The majority of the costs of this service are met from external funding with the balance being met from within existing service revenue budgets. The recommendation does not result in a budget pressure and accordingly does not have an adverse impact on the Council's Corporate Objective to deliver balances of £1.0m by the end of the current financial year.

5 CONSULTATION CARRIED OUT

Draft copies of the document were distributed for consultation to:

Social Services managers and staff

John McKenna	(Specialist Mental Health Practitioner for LAC, CAMHS)
Sally Baxter	(Planning & Commissioning Manager, LHG)
Grenville Kershaw	(Chief Executive, C&D NHS Trust)
Dr Sarah Horrocks	(Consultant Community Paediatrician, C&D NHS Trust)
Alison Jones	(Nurse Consultant, C&D NHS Trust)
Alwen Ingledew	(Senior/Named Nurse-Child Protection, C&D NHS Trust)
David Hands	(Chief Executive, NWAHA)
Dr Ruth Parry	(Consultant in Public Health Medicine, NWAHA)
Julie Gilbanks	(N. Wales Assistant Director, NCH)
Glenys Griffiths	(Service Manager, Barnardos)
Christine Jones	(Co-ordinator, Sure Start)
Morfydd Roberts	(Chair, Childcare Partnership)
Sioned Bowen	(Director of Lifelong Learning)
Ieuan Lloyd Roberts	(Head of Education, Lifelong Learning)
Sylvia Jones	(Education Officer, Lifelong Learning)
Mike Denman	(Chair, Social Inclusion Management Group)
Nia Ellis Williams	(Strategic Manager, YOT)
Richard Brunstrom	(Chief Constable, North Wales Police)
Brian James	(Chair, North Wales Probation Board)

Groups:

Children's Services Planning Forum	(Chair: Paul McWade, SSD)
Children with Disabilities Development Group	(Chair: Fiona Faire, Lifelong Learning)
Looked After Children Development Group	(Chair: Gwynfor Griffiths, SSD)
Family Support Development Group	(Chair: Peter Hibbs, NCH)
ACPC	(Chair: Dr Sarah Horrocks, NHS Trust)
Leaving Care Forum	(Chair: Johnny O'Hagan & Ian Jones, SSD)

Events:

Consultation day, 11 July 2002, attended by 40 families children with disabilities.

Results of consultation:

In addition to advice from senior Social Services staff, which was incorporated into the document, consultation produced the following results:

- Comments from families attending the Consultation event on 11 July were incorporated into Annex 1 of the Children First Plan.
- Performance measures from the Youth Justice Plan were added to the list of linked action plans in objectives 1, 2 and 3 of the Children's Services Strategic Plan.
- The Looked After Children Development Group and the Family Support Development Group have set up 3 task groups to take forward and monitor aspects of the plans.
- The document was discussed and recommended for approval by Personal Services Policy Review and Scrutiny Committee on 31 July 2002, pending any revisions which may be required following a special Scrutiny Committee seminar meeting on 5 September 2002.

6 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

It is intended that the Children's Services Strategic Plan will work in harmony with other Corporate and partner agency plans, where identified as linked action plans in its objectives.

7 RECOMMENDATION

It is recommended that Cabinet approves, for recommendation to Council, the Children's Services Strategic Plan 2002-2007, and Children First Review and Plan 2002-2003, as the relevant strategic plan for Social Services Children & Families Services.

REPORT OF: Head of Personnel

DATE: 24th September, 2002

SUBJECT: LJCC Constitution

1. Decision Sought

That the Council adopt the revised Local Joint Consultative Committee Constitution (LJCC) as attached to this report

2. Reason for Seeking Decision

On 14 May, Council resolved to change the Employer's Representation at the LJCC. The Modernising Panel had also resolved on 22 April that

(a) the employer side of the LJCC should consist of 6 councillors (1 of whom should be a member of Cabinet), the Chief Executive or a Corporate Director, and the Head of Personnel.

(b) the document setting out the constitution and functions of the LJCC should be revised, including in particular the arrangements for chairing the Committee and voting procedure. These changes to the document would be the subject of consultation with the trade unions.

The suggested revision brings the constitution up to date.

3. Consultation Carried Out

A recommendation was carried by Council, that the Constitution of the Council's Local Joint Consultative Committee should be amended. The revision included a change to the Employer's representation. Historically the Employer's representation was 8 (eight) Elected Councillor Members, the amended representation to remain at 8, but comprising of 6 (six) Elected Councillor Members, (including 1 Cabinet Member), the Chief Executive or Corporate Director, and the Head of Personnel.

At the LJCC meeting on 4th of July 2002 it was agreed that a working party of 3 councillors and 3 union representatives be set up to draft a proposed new constitution.

The working party met on 9 September and agreed a proposed draft constitution. The UNISON Regional Officer was also in attendance.

The amended constitution was put to the LJCC at a Special Meeting held on 11 September. Concerns about the new arrangement were then raised by the union members. Their stated concern was that the employer's representatives should only consist of councillors. Officers should not be part of the committee. It was requested that this issue be taken back to Full Council.

4. Advice

Under para 13.1 of the Council's Standing Orders, the Council cannot rescind a decision it has made within 6 months (except on notice of a motion signed by at least 10 members, no such notice having been given for this meeting of the Council).

My advice is that the Council adhere to its original decision, the balance of 2 Officers and 6 Councillors allows scope for informed discussion and decisions, with the balance remaining with Councillors. It should also be acknowledged that it is for the Employer's, through the Council, to determine the Employer's representation on the LJCC

5. Implications On Other Policy Areas Including Corporate

There are no obvious direct implications for other policy areas .

6. Recommendation

It is recommended that the revised employer's representation be confirmed as entirely appropriate and the draft LJCC Constitution as attached should therefore be adopted

Denbighshire County Council REVISED DRAFT 11
Local Joint Consultative Committee
Constitution and Functions

1. TITLE

The Committee shall be called the “Denbighshire County Council Local Joint Consultative Committee” hereinafter called the LJCC.

The LJCC has jurisdiction for all Denbighshire County Council employees, other than Teachers (who have their own forum), JNC Chief Officers and the Chief Executive.

2. REPRESENTATION

- (a) The LJCC shall comprise sixteen (16) members.
- (b) Eight (8) of such Members (hereinafter referred to as “Employer’s Representatives”) shall be 6 Elected Councillor Members, including one (1) Cabinet Member, plus two (2) Officers. These Officers to be the Chief Executive or Corporate Director and the Head of Personnel.
- (c) Eight (8) of such members (hereinafter referred to as “Employees’ Representatives”) shall be employees of the Council and shall be appointed by the Trade Unions side, with four (4) of their number being appointed by the Denbighshire Branch of UNISON and two (2) each being appointed by the Denbighshire Branches of the GMB and T&GWU.
- (d) the members of the LJCC shall retire annually and be eligible for re-appointment.
- (e) If an LJCC Representative ceases to be either an elected Councillor or an employee of Denbighshire County Council, he/she shall cease to be a member of the LJCC. The vacancy thereupon arising being filled in the case of an Employer’s Representative by the Council and in the case of an Employees’ Representative by the relevant Trade Union.
- (f) Both Sides of the LJCC shall be allowed unnamed substitutes to ensure full membership of the Committee at any time.
- (g) Where another recognised Trade Union representing employees of the Council wishes to have an item raised at the LJCC, the Grievance Procedure having been exhausted, then with the consent of UNISON, GMB and T&GWU this may be done. The item will then be put forward for the agenda in the normal way, through the Secretary.

That Union may be represented at such a meeting for the duration of that item only, but will not be a full member nor have a right to vote.

- (h) Where the Employer's Side wish to discuss a matter which may affect members of recognised Unions other than UNISON, GMB and T&GWU, then a representative of that Union may be invited to attend with the consent of UNISON, GMB and T&GWU.

3. CHAIR AND VICE-CHAIR

The Chair and Vice-Chair shall be appointed by the LJCC at its first meeting in each municipal year commencing after the Annual Meeting of the County Council. The chairship shall alternate each year as between the Employer's Representative and the Employees' Representative. If the Chair appointed is from the Employer's side the Vice-Chair shall be from the Employees' side and vice-versa.

In the absence of both the Chair and Vice-Chair, a Chair for the meeting shall be elected from amongst those members present at the meeting, from the side which holds the right to chairship for the year.

The Chair of the meeting shall not have a casting vote.

4. COMMITTEE OFFICERS

The LJCC shall appoint a Secretary and any other necessary officers. All Directors of the Council shall be entitled to attend all meetings (or be represented by an appropriate Departmental Officer of the Council, nominated by him or her).

5. ADVISERS

Either side shall have the right to request the attendance, in a consultative capacity, of (a) representatives of particular departments or (b) sections affected by a question under discussion which are not directly represented on the LJCC, but only for the period during which the relevant question is under consideration, provided notice of such intention is given.

Full-time officials of UNISON, GMB and T&GWU shall be allowed to attend meetings of the LJCC with a right to participate fully in discussions, but without the right to vote.

Where, under 2(g) or 2(h) an item is raised by or in respect of another Union, then the full-time official of that Union may attend as an adviser.

6. FUNCTIONS

The functions of the LJCC shall be:-

- (a) to establish regular consultation between Denbighshire County Council and its employees in order to prevent differences, and to resolve them should they arise, always provided no question of individual discipline, promotion or efficiency shall be within the scope of the LJCC.
- (b) to consider any relevant matter referred to it by an appropriate mechanism of the County Council or by a Trade Union with appointed Employee Representatives on the LJCC.
- (c) to make recommendations to the County Council through the appropriate mechanism as to the application of the terms and conditions of service of employees of the Council.
- (d) to discharge any other functions specifically assigned to the LJCC.
- (e) the LJCC may refer any questions coming before it for consideration by and the advice of the Joint Council for Wales and shall inform the Joint Council for Wales of any recommendation of the LJCC which appears to the Committee to be of more than local interest, always provided that such a recommendation shall be approved by Denbighshire County Council prior to its submission to the Joint Council for Wales.
- (f) provided that there shall be excluded from the foregoing functions any matters indicated in paragraph 1.2. of Part 4.3. of the National Agreement on Pay and Conditions of Service (Green Book) which shall be referred to the Joint Council for Wales.

7. MEETINGS

- (a) The LJCC shall meet as and when required, but shall be scheduled to be held quarterly.
- (b) The Chair or Vice-Chair may direct the Secretary to call a meeting at any time.
- (c) A special meeting shall normally be called within 14 days of the receipt by the Joint Secretaries of a requisition signed by not less than four members of either side. This period may be extended by mutual agreement. Matters to be discussed at any meeting shall be stated on the notice summoning the meeting. Any other business may also be considered if consideration is approved by both sides.

- (d) The venue for the meetings of the LJCC shall be Denbighshire County Council Offices. The necessary time off will be allowed by the Council to enable each side to hold such preliminary meetings of members as may be necessary.
- (e) The quorum of the LJCC shall be four (4) of the members of each side, including one from each of the three Trade Unions listed in paragraph 2(c) above.

8. RESOLUTIONS

No recommendation shall be regarded as carried unless it has been approved by both sides. In the event of (a) the LJCC being unable to arrive at a recommendation, or (b) the County Council disagreeing with the recommendation of the LJCC, the matter in dispute may, in accordance with the Constitution of the Joint Council for Wales, be referred to the Joint Council for Wales by the LJCC or by either side of the LJCC.

9. REPORTING

The proceedings of the LJCC shall be reported by the submission of the minutes of its meeting to the Full Council, the minutes shall be signed by the Chair and Vice-Chair of the LJCC before being so submitted.

AGENDA ITEM 13

REPORT TO COUNCIL

REPORT FROM

FINANCIAL CONTROLLER

DATE OF MEETING

24 SEPTEMBER 2002

SUBJECT

CONSULTANTS FEES FOR PFI SCHEME

1. Purpose of Report

To inform members of the level of fees incurred in connection with the Ruthin Civic Offices PFI scheme.

2. Background

The Council appointed lead financial and legal consultants in 1998 to provide support to the Council's officers in particular to deal with the many specialist matters involved in the procurement process. The appointments were made following a tendering and interview exercise where experience, cost and other issues were all considered through an evaluation matrix.

In the absence of an external appointment to fulfill the role of project manager, certain internal costs were also treated as a charge to Capital in support of the scheme.

3. Costs

The costs incurred to date for both lead advisers and other consultants together with some in house costs that have been capitalised are £1.166m. Of this £1.053m has been funded in earlier financial years, including a special contribution from the Assembly of £175k. The detailed analysis of these costs has had to be included as a separate report under Part 2 of the agenda as it clearly involves the business affairs of third parties. Answers to detailed questions will therefore need to be given in Part 2

4. Recommendation

That members note the level of fees incurred to date.