



To: Members of the Cabinet

Date: 17 September 2012

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Dear Councillor

You are invited to attend a meeting of the **CABINET** to be held at **10.00 am** on **TUESDAY, 25 SEPTEMBER 2012** in **CONFERENCE ROOM 1A, COUNTY HALL, RUTHIN.**

Yours sincerely

G Williams
Head of Legal and Democratic Services

AGENDA

PART 1 - THE PRESS AND PUBLIC ARE INVITED TO ATTEND THIS PART OF THE MEETING

1 APOLOGIES

2 DECLARATION OF INTERESTS

Members to declare any personal or prejudicial interests in any business identified to be considered at this meeting.

3 URGENT MATTERS

Notice of items which, in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act 1972.

4 MINUTES (Pages 5 - 16)

To receive the minutes of the Cabinet meeting held on 4 September 2012 [copy enclosed].

5 BUS SERVICES AND REDUCTIONS (Pages 17 - 34)

To consider a report by Councillor David Smith, Lead Member for Public Realm (copy enclosed) advising Cabinet of the implications of Welsh Government funding reductions and the subsequent consultation on bus service reductions. Cabinet approval is also sought for the proposed cuts in bus services in 2012/13 and 2013/14 as detailed within the report.

6 BRYN Y WAL CHILDREN'S HOME CONTRACT (Pages 35 - 38)

To consider a report by Councillor Bobby Feeley, Lead Member for Social Care and Children's Services (copy enclosed) seeking Cabinet's agreement to proposals in respect of contractual arrangements relating to a Residential Children's Home in Rhuddlan post April 2013 and the alternative use of resources.

7 ANNUAL TREASURY MANAGEMENT REPORT 2011/12 (Pages 39 - 52)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance and Assets (copy enclosed) updating Cabinet on the performance of the treasury management function and to demonstrate compliance with treasury limits and Prudential Indicators during 2011/12.

8 CABINET FORWARD WORK PROGRAMME (Pages 53 - 54)

To receive the enclosed Cabinet Forward Work Programme and note the contents.

PART 2 - NO CONFIDENTIAL ITEMS

MEMBERSHIP

Councillors

Hugh Evans
Julian Thompson-Hill
Eryl Williams
Bobby Feeley

Hugh Irving
Huw Jones
Barbara Smith
David Smith

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Agenda Item 4

CABINET

Minutes of the Cabinet meeting held at 10.00 a.m. on Tuesday 4th September, 2012 in Conference Room 1a, County Hall, Ruthin.

PRESENT

Councillors Hugh Evans, Leader; Bobby Feeley, Lead Member for Social Care and Children's Services; Hugh Irving, Lead Member for Customers and Community; Huw Jones, Lead Member for Tourism, Leisure and Youth; Barbara Smith, Lead Member for Modernising and Performance; David Smith, Lead Member for Public Realm; Julian Thompson Hill, Lead Member for Finance and Assets and Eryl Williams, Lead Member for Education.

Observers: Councillors J.R. Bartley, R.J. Davies and C. Hughes.

ALSO PRESENT

Chief Executive; Corporate Directors: Customers; Modernisation and Wellbeing; Head of Legal and Democratic Services, Head of Finance and Assets, Corporate Improvement team Manager, Rhyl Going Forward Programme Manager and Administrative Officer.

Councillor E.W. Williams referred to the successful exam results achieved by the pupils at Denbighshire schools. He thanked the Education officers for the work undertaken and confirmed that letters of congratulation had been sent to the Headteachers and the respective School Governing Bodies. Councillor Williams also referred to the success achieved by local schools at the National Eisteddfod. The Leader and Members of Cabinet requested that letters of congratulation, acknowledging the success, be sent from Cabinet to the schools and their Governing Bodies.

1 APOLOGIES

None received.

2 DECLARATION OF INTERESTS

Members were invited to declare any personal or prejudicial interests in any business identified to be considered at the meeting.

RESOLVED - that Cabinet note there were no Declaration of Interests.

3 URGENT MATTERS

No items were raised which in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act, 1972.

Councillor B.A. Smith explained that the Welsh Government had published the 2011/12 National Strategic Indicator data for all Councils in Wales which were used to measure the performance of Local Authorities at a national level. Of the 24 indicators Denbighshire had performed in the top half of Councils in Wales for 75% and were in the top quarter of Councils in Wales for two thirds of the indicators. In terms of the National Strategic Indicators Denbighshire were the highest performing Council in Wales. She explained this had been the aspiration set out in the Corporate Plan 2009/12 and independent confirmation had been provided of this achievement. Councillor Smith outlined a number of the highlights and also referred to the report published by the Local Government Data Unit which indicated a general improvement in the performance of Councils in Wales last year.

The Leader confirmed there was a commitment in the Authority from Members and officers with good processes in place. However, he confirmed that there was always room for improvement. Members supported the suggestion by Councillor E.W. Williams that a letter be sent to Members of the previous Council acknowledging the work they had undertaken and their contribution to the achievements outlined.

4 MINUTES OF THE CABINET MEETING 20.03.2012

The Minutes of the Cabinet meeting held on Tuesday, 17th July, 2012 were submitted.

Accuracy:- Councillor J. Thompson-Hill be included in the list of Members present. It was confirmed that he had been recorded as being present in the Welsh version of the minutes.

Matters arising:-

7. Former North Wales Hospital, Denbigh, Progress Report – Councillor D.I Smith provided an update of the work and costs in respect of the site. He explained that the Single Purpose Vehicle had been formally set up. A Repairs Notice would be served on the owners which would allow for a Compulsory Purchase Order to be made as required. The owner had advised Denbighshire that legal representation had been instructed to litigate against the Authority.

RESOLVED – that, subject to the above, the Minutes of the meeting held on Tuesday, 17th July, 2012 be approved as a correct record and signed by the Leader.

5 FINANCIAL UPDATE REPORT

Councillor J. Thompson Hill presented the report for Cabinet which outlined the Council's revenue budget and savings for 2012/13. He provided a detailed summary of the report which included the Capital Plan, Housing Revenue Account and Housing Capital Plan and advised of the format of the budgets and set out the reporting structure for the coming year. He confirmed that there were currently no significant deviations from the agreed budget strategy for 2012/13 as defined in the Medium Term Financial Plan, the Capital Plan and the Housing Stock Business Plan.

The latest revenue budget forecast, Appendix 1, indicated a small over spend across all services, including schools and corporate budgets. It also included the Revenue Account summary for information, however, this was a separate fund and not part of the Council's revenue budget. Appendix 2 provided an update showing progress against the savings and pressures agreed as part of the 2012/13 budget setting process. In total, net savings of £3.443m had been agreed and £1.774m had been achieved with £1.669m classed as in progress. The report highlighted any key variances from budget or savings targets, risks or potential additional savings that may arise throughout the year and provided a more general update on the Capital Plan and the Housing Revenue Account.

The report outlined the position with regard to the Revenue Budget and the officers provided a summary in respect of Communication, Marketing & Leisure, Planning, Regeneration & Regulatory Services, Adult Services, Environment Services, Modernising Education & Customer Care budgets and Schools. With regard to the Capital Plan the estimated outturn was £3.8m at the end of July against an agreed Plan of £37.3m. Appendix 3 summarised the current plan, and how it would be financed, and Appendix 4 provided an overview of major capital projects.

Specific reference was made to Communication, Marketing & Leisure and it was explained that the budget for the Rhyl Integrated Children's Centre Oaktree Centre had been under pressure due to the loss of £80k grant funding. While the service was taking action to reduce expenditure it was likely that the facility would overspend by £40k and it had been agreed that this would be funded corporately this financial year. Future years' pressures would be dealt with during the service challenge and budget setting process.

The latest Housing Revenue Account and Housing Capital Plan forecasts had been summarised in the report, together with, the Economic Commentary and Treasury Management Update. It was explained that this would be a challenging financial period for the Council and failure to deliver the agreed budget strategy would put further pressure on services in the current and future financial years. Members were informed that effective budget monitoring and control and early reporting of variances would help ensure that the financial strategy was achieved.

Councillor R.L. Feeley made reference to the funding element of the Foryd Harbour and Rhyl Coastal Defence projects and the possible need to utilise the contingency backing. Councillor Thompson-Hill explained that risk elements were usually more prevalent in the early stages of such projects and would diminish considerably as the work progresses. The Chief Executive explained that an update report would be submitted to the Project Board later in the day.

In response to concerns raised by Councillor D.I. Smith regarding the situation pertaining to the Honey Club, and the lack of progress in relation to the application submitted to the Welsh Government for conservation area consent to demolish the building, which was now in an unstable condition and presented possible safety issues. Details of the various options and consequences were outlined and it was confirmed that it would be an offence to demolish the building without the appropriate consent.

However, all possible steps had been taken to mitigate all risks and further representations had been made to the Welsh Government seeking the appropriate consent to demolish the structure. Members agreed that an information report outlining the progress in relation to the Honey Club be submitted to Cabinet

In reply to questions from the Leader, the Head of Finance and Assets provided details of the proposed timescales and agenda to address issues pertaining to the Capital Plan, and the potential savings from Collaboration Programme.

Following further discussion, it was:-

RESOLVED - that Cabinet:-

- (a) notes the budgets and savings targets for the year and progress against the agreed budget strategy, and
- (b) receives an information report on the situation and progress in relation to the Honey Club.

6 CHILD PROTECTION FAMILY SUPPORT PROJECT – CONTRACT EXEPTION REPORT

Councillor R.L. Feeley presented the report which detailed the Supporting People funded Family Support Team, Child Protection Family Support Project, and sought approval for the exemption of the contract from the requirement to tender.

The Child Protection Family Support Project supported families who receive statutory services in the areas of child protection and children in need, families identified as being in crisis and in urgent need of such statutory services and it provided support for young people leaving the care of Denbighshire County Council where a continuing statutory duty existed.

Details of the delivery of the project by the Family Support Team were provided. It was explained that the link between Social Services statutory Child Protection functions and those of the project were essential in ensuring that the project operated successfully. It was felt that the current internal provider would be best equipped to maintain the existing links, and that it was extremely unlikely that any external provider would be able to establish these links to a satisfactory level to ensure continuity in service provision.

An outline of the cost implications had been included in the report. The annual contract value would be £356,782.22 for the duration of 3 years, with an option to extend for a further 2 years based on performance and outcomes. The funding allocation over 5 years would be £1,783,911.12. In accordance with best practice, and in consultation with the Strategic Procurement Unit, there was no compelling case for outsourcing or contracting out the project.

Members were informed that the project would provide support for:-

- Vulnerable families to access coordinated family support intervention.

- Children and Young People with post 16 developments.
- Individuals and families to access education and training opportunities.
- Vulnerable individuals and families in accessing preventative support.
- People who need housing and would contribute towards tackling issues of transience and poverty.
- Service users in addressing issues of multiple deprivation including housing deprivation and needs.

It was explained that the project would also play a key role in contributing to the prevention of homelessness for vulnerable groups.

In considering the possible risks associated with the project going to tender, as outlined in the report, reference was made to the potential cost and disruption if the internal administrative and safeguarding systems were no longer available to the provider of the service. The strategic importance of the project to Children and Family Services and the sensitive and challenging service links to Child Protection were highlighted. It was confirmed that the risks associated with appointing an alternative provider could impact directly on statutory services as the project alleviated pressure on Homelessness and other services by providing appropriate housing related support.

In response to a question from the Leader regarding the provision of an assurance regarding value for money, the Corporate Director: Modernisation and Wellbeing confirmed that provision of the service had been subject to competitive tendering in 2009.

RESOLVED:- that Cabinet approves the exemption of the Family Support Team, Child Protection Family Support Project from the requirement to tender.

7 REGIONAL SCHOOL EFFECTIVENESS AND IMPROVEMENT PROJECT – ESTABLISHMENT OF A JOINT COMMITTEE

Councillor E.W. Williams presented the report which sought Cabinet approval for the Terms of Reference and Membership of the Joint Committee. He explained that Cabinet had approved the Final Business Case for the establishment of a Regional School Effectiveness and Improvement Service across the six North Wales Authorities and it had been resolved in March, 2012:-

- To support and approve the Full Business Case for the establishment of a Regional Schools Effectiveness and Improvement Service by April 2013.
- To support the North Wales Education Programme Board's recommendation that a Joint Committee with a Host Authority be adopted as a model of governance.
- The Chief Executives Group for the six Local Authorities subsequently approved Gwynedd Council as the Host Authority for the Regional Service.

Following a detailed options appraisal it had been recommended in the Full Business Case that a governance model based on a Joint Committee/Host Authority approach be adopted. The Partnership would be underpinned by an Inter Authority Agreement which

defined the roles and responsibilities of the Partners, Hosting Authority and governance arrangements. The report contained recommendations pertaining to the formal terms of reference and membership of the Joint Committee based on the Full Business Case and further Legal advice.

The possible membership structure of the Joint Committee had been set out in the Business Case with an acknowledgement that further refinement would be required. The Full Business Case outlined the scope of the proposed service and the function of the Joint Committee within the structure which would be governed by the Procedure Rules of the Host Authority. The proposed membership of the Joint Committee, which reflected the structure outlined in the Full Business Case, had been included in the report. A legal constraint had been included that Co-opted members of the Joint Committee may not vote on resolutions. The quorum necessary for a Joint Committee meeting would be five voting members of the Joint Committee, and agreement would provide for the attendance of a deputy if required.

The RSEIS Schools and Governors User Group would nominate a Secondary, Primary, Special and Governor Representative to take the respective seats on the Joint Committee. The Inter Authority Agreement would define the governance arrangements for the Joint Committee, including its Terms of Reference and Delegated Powers.

The proposed Terms of Reference and Delegated powers of the Joint Committee had been included in the report, together with, matters specifically reserved for individual Cabinet decision. Detailed consultations had been carried out with all stakeholders during the creation of the Full Business Case, and subsequent detailed consultations had also taken place with staff affected by the changes. The Terms of Reference and the broader implications of the report had been examined by the Legal Department.

RESOLVED:- *that Cabinet:-*

- (a) confirms the establishment of the Joint Committee in accordance with the report.*
- (b) appoints the Lead Member for Education to represent the Authority on the Joint Committee, and*
- (c) approves the Terms of Reference and Delegated Functions of the Joint Committee as set out in paragraph 4 of the report.*

8 WEST RHYL HOUSING IMPROVEMENT PROJECT – CONFIRMATION OF THE PROJECT BRIEF

Councillor H.H. Evans presented the report which provided details of the West Rhyl Housing Improvement Project (WRHIP), originally presented to Cabinet Briefing on 5th December, 2011.

Funding had been allocated by Welsh Government (WG) to deliver the Project, with no requirement for capital funding from Denbighshire, and Cabinet consideration of the project was required in line with Financial Regulations and Project Management Methodology.

The following details relating to the WRHIP had been provided in the report:-

Appendix 1 – Project Brief – West Rhyl Housing Improvement Project.

Appendix 2 – WRHIP Block Plan.

Appendix 3 – Artist’s Impression of Green Space.

Members were informed that the funding source in respect of WG–NWCRA for 2013/14 should be £1,647,000 and not £1,747,000 as stated in the table in the report.

The WRHIP was a continuation of the work already ongoing in West Rhyl under the North Wales Coast Strategic Regeneration Area (NWCRA) and a significant number of properties required for the delivery of the project had already been acquired with WG funding. Details pertaining to the Green Space, Acquisition Programme, type of housing to be created, Delivery Programme, Project Management and Governance Arrangements had been detailed in the report. An outline programme for the delivery of the individual blocks had been circulated and Appendix 4 included the WRHIP Programme Plan. A Project Board had been established and the draft Terms of Reference, including details of membership, had been included in Appendix 5. The Rhyl Going Forward Programme Manager informed Cabinet that a draft Supplementary Planning Guidance had now been produced for the area, which would provide the policy framework for any possible CPO enquiry, and this would be considered by the Planning Committee with a view to being submitted for formal consultation.

The overall responsibilities of the WRHIP Board for the delivery of the project had been highlighted in the report. It was explained that addressing the long-standing issues in the area would help to create a more positive impression of the town overall and thereby have more far-reaching regeneration benefits. By creating a more balanced community and housing market the project would reduce deprivation in the area and this had been one of the key outcomes of the priority. It would also boost private sector confidence in Rhyl and stimulate further private sector investment and confidence by creating new jobs and business opportunities.

The project would directly impact on the priority outcome of “offering a range of types and forms of housing...to meet the needs of individuals and families”. The costs extracted from Appendix 1, Project Brief – West Rhyl Housing Improvement Project, had been detailed in the report. However, it was confirmed that funding for 2014/15 had not yet been received from the NWCRA.

The table included in the report illustrated the funding for the WRHIP would be provided by WG from a combination of Centrally Retained Capital Fund and funding from the North Wales Coast Strategic Regeneration Area (NWCRA). The funding had been allocated specifically for the project and was not available to be spent outside Rhyl or on an alternative project.

The following responses were provided to concerns expressed and questions submitted:-

- The Rhyl Going Forward Project Manager explained that the new build would be designed and constructed to be as adaptable as possible, therefore accommodation could be adapted to meet the requirements of older persons.

- It was explained that there had been no proposal to provide extra care housing within the project, however, provision could be considered on the site at West Parade.

- With regard to the governance arrangements for the West Rhyl Housing Improvement Project Board. At present the Leader of the Council represented Denbighshire on the Board as both Lead Member for Regeneration and Leader of the Council. Cabinet discussed the membership arrangements and agreed to recommend the appointment of the Lead Member for Customers and Community to represent Denbighshire as well as the Leader.

The Chief Executive outlined the importance of the Project which would have the potential to transform the locality and have a significant effect on the large number of residents in the area. He explained that an offer by Denbighshire to manage the project, which was in the ownership of the Welsh Government, had been declined. He explained that as minor, but important, partners Denbighshire would only have a partial view of the proceedings and it would be important to note in terms of the management of the project. The Chief Executive also referred to Block 1, the Urban Park, which entailed the transformation of the area into a green area. He expressed concern that the post-project delivery could have revenue implication in relation to maintenance of the green space, and this would be an issue which would need to be addressed with the developers as the possible options and responsibilities would be a key element in the design and planning process.

RESOLVED:- *that Cabinet:-*

- (a) recommends the project to Council for approval.*
- (b) approves Denbighshire's involvement in the Board with regard to membership, and endorses the Terms of Reference as in Appendix 5, and*
- (c) recommends the appointment of the Lead Member for Customers and Community to the West Rhyl Housing Improvement Project Board.*

9 CHANGES TO SUPPORTING PEOPLE PROGRAMME

Councillor R.L. Feeley presented the report which outlined recent developments in the proposed arrangements for the Supporting People Programme (SPP) and sought Cabinet agreement to Lead Member representation on the Regional Collaborative Committee.

A summary of the key changes to the administration of the SPP which were taking place across Wales was provided. These included moves towards a new funding distribution formula and the transfer of contracting responsibilities for some services from Welsh Government to local authorities. New governance arrangements, including Regional Collaborative Committees (RCC) with key responsibilities for the SPP, were currently being established across Wales.

It was explained that the SPP was a significant Programme providing “housing related” support services to a wide range of vulnerable groups. Its aim being to enable them to maintain secure housing while developing other aspects of their lives promoting independence. The Programme had been evaluated at national level and shown to deliver very positive financial and non financial benefits. In 2011/12, Denbighshire received £6.9m of funding via the SPP which funded approximately 2404 units of support, a maximum capacity including older people warden services, at any one time, across a range of intensities of interventions.

The key recommendations of the independent review of the SPP, commissioned by the Welsh Government (WG), had been included in the report, together with, a summary of the most notable implications for Denbighshire, which included funding issues. The Leader and Councillor Feeley stressed that Scrutiny would have an important role to play in monitoring and overseeing the programme as it developed, and it was agreed that this be included in the relevant Scrutiny Committee Work Programme. The Corporate Director: Modernisation and Wellbeing referred to Denbighshire’s uneasiness regarding the development of the programme, particularly the balance of power at regional and individual Authority level with regard to the decision making process. In response to a question from the Leader, the Corporate Director expressed concern regarding the composition of the RCC’s and possibility of conflict between the providers of service and organisations who commission services.

Members were informed that in some respects the proposed changes had been controversial. However, following consultation and negotiation the WG had made some amendments to guidance, particularly around the role of the RCC. The WLGA had indicated their support for the new arrangements and the WG had made a commitment that the arrangements outlined in the guidance would be reviewed within the transition year. All regions had been asked to demonstrate, by 1st August, 2012 their “readiness” to establish RCC’s and North Wales had met the criteria set down by WG. Denbighshire had accepted the new grant terms and conditions and the new guidance. However, there were outstanding concerns which had been formally logged with WG.

Details pertaining to the new delivery structure had been included in Appendix I. This included the proposed role for the RCC and the Co-ordinating Local Authority, and also outlined how the individual Local Authority role would be envisaged as fitting with the regional structure. The recommendations set out in paragraphs 3.1 and 3.2 of the report reflected the view that, despite the risks, Denbighshire should participate in the new arrangements. However, it was explained that the impact of the risks pertaining to the new arrangements would require careful scrutiny over the next 12 months as the major changes were introduced.

In reply to concerns expressed by Councillor J.R. Bartley regarding the reduction in budget provision impacting on service delivery levels, the possible implications for Denbighshire and the replacement of Wardens when retiring or vacating posts. It was explained that the SPP would not impact on the Warden Service which would be the subject of a review.

Following further discussion, it was:-

RESOLVED:- that Cabinet:-

- (a) *nominates the Lead Member for Social Care and Children' Services to be Denbighshire County Council's elected member representative on the North Wales Supporting People Regional Collaborative Committee, with the Director of Modernisation and Wellbeing as the delegated official in her absence, and*
- (b) *refers the impact of the new Supporting People arrangements on the delivery and funding of Supporting People services in Denbighshire, for in-depth consideration as part of Scrutiny Work Programmes*

10 CABINET FORWARD WORK PROGRAMME

Councillor H.H. Evans presented the Cabinet Forward Work Programme.

Members agreed that the following Business Items be rescheduled as follows:-

- Appointment of Councillors to Outside Bodies from the September to the October meeting.
- Review of Faith Based Education Provision and Ruthin Schools Review from the September to the October or November meeting, pending the receipt of guidance from the Welsh Government on funding methodology.

RESOLVED – *that, subject to the above, Cabinet receive the Forward Work Programme.*

PART II

EXCLUSION OF PRESS AND PUBLIC

RESOLVED *under Section 100A(4) of the Local Government Act 1972 the Press and Public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 13 and 14 of Schedule 12A of the Local Government Act 1972.*

11 WEST RHYL HOUSING IMPROVEMENT PROJECT – COMPULSORY PURCHASE ORDER

Councillor H.H. Evans presented the report which detailed the use of Compulsory Purchase procedures to acquire property in West Rhyl, for the purpose of implementing the West Rhyl Housing Improvement Project, which had been considered under business item number 8 on the Agenda.

Members attention was invited to the plan included as Appendix 1. The officers explained that the Plan had been amended as follows:-

- Block 2 to include Gronant Street in the CPO to allow alignment works.
- Block 7 to include a further building, a outbuilding at the eastern end of Abbey Street near Crescent Road.

A copy of the amended plan was circulated to Members at the meeting.

The report outlined the background to the West Rhyl Housing Improvement Project (WRHIP). The Project aimed to reduce the number of houses in multiple occupation in the West Rhyl area, improve the quality of housing and the general environment and provide new open space. In November, 2011 Cabinet resolved to adopt the Rhyl Going Forward delivery plan as the regeneration strategy for Rhyl. The WRHIP Phase 1 Business Justification Case had been approved by the Welsh Government (WG) Finance Minister and funding for the project from the WG's Centrally Retained Capital Fund.

The WRHIP Business Plan had been approved by the WG in May, 2012 and the first meeting of the WRHIP Board, which was the strategic partnership for the project, had been convened in July, 2012.

Following consideration of the WRHIP report by Cabinet, and in accordance with Denbighshire Financial Regulations and Project Management Methodology, the report would be submitted to Council in September, 2012 to approve the project and delegate powers to the Project Board.

The report outlined the aims of the Project, to improve the amenity of the area and create a more balanced community with a proportion of owner occupation. Details of the properties included in the project had been included in Appendix 1 to the report. It was explained that the Compulsory Purchase Orders (CPO's) would apply to all outstanding properties not in public ownership for the project. However, even when the CPO's were made the Council would seek wherever possible to acquire properties by agreement. The Head of Finance and Assets would have authority to approve minor amendments to the Orders and to remove property from any of the Orders as instructed by the Project Board. The Project outcome for each block had been detailed in Appendix 3 to the report. The officers referred to the power to make the decision and details had been included and summarised in the report.

Councillor C. Hughes expressed concern regarding the possible decrease in the availability of one bedroom accommodation following the completion of the project and the affordability of the new properties to people currently residing in the area. The Rhyl Going Forward Programme Manager confirmed that one of the key objects had been to reduce the number of single one bedroom accommodation in the area due to the excessive availability of such accommodation currently in the area, which had been related to some of the economic and social deprivation associated problems experienced. He explained that it had not been the intention to remove single one bedroom accommodation entirely and confirmed that a significant amount of such accommodation would be available in the wider West Rhyl area, which he felt would provide a better balance of housing available in the locality.

Members supported the view expressed by Councillor E.W. Williams that it would be important to ensure that it was made clear that Denbighshire were carrying out the CPO procedures on behalf of the Welsh Government who were unable to undertake this process.

RESOLVED - that Cabinet:-

- (a) approves the use of Compulsory Purchase procedures for the acquisition of property required to implement The West Rhyl Housing Improvement Project.*
- (b) the Compulsory Purchase Orders be made in respect of Blocks 1 to 7 pursuant to section 226(1)(a) of the Town and Country Planning Act 1990 to acquire those properties not currently in public ownership, and*
- (c) confirms the amendments to West Rhyl Improvement Project Plan, Appendix 1, as agreed.*

The meeting concluded at 11.15 a.m.

Report To:	Cabinet
Date of Meeting:	25th September 2012
Lead Member:	David Smith, Lead Member for Public Realm
Lead Officer:	Stuart Davies, Joint Head of Highways & Infrastructure
Report Author:	Peter Daniels, Section Manager, Passenger Transport
Title:	Bus Services & Reductions

1. What is the report about?

To advise Cabinet of the implications of Welsh Government funding reductions, the subsequent consultation on bus service reductions and to propose cuts in bus services in 2012/13 and 2013/14.

2. What is the reason for making this report?

To ensure the bus service budget is contained in 2012/13 and in subsequent years.

3. What are the Recommendations?

- 3.1 That the reductions for 2012/13 as proposed in paragraph 4.7 be made as soon as possible.
- 3.2 That, subject to ministerial review and any new arrangements in administering grants for bus services in 2013/14, the reductions identified in 4.8 and Appendix 2 be made on and from Monday 1st April 2013.
- 3.3 If the Abergele Hospital pilot funding is unsuccessful, that a community car service be introduced from the Rhyl & Prestatyn areas, in accordance with paragraph 4.7
- 3.4 That should there be a marginal balancing reduction that this be delegated to the Joint Head of Highways & Infrastructure in consultation with the Lead Member.

4. Report details

- 4.1 In February 2012, the Welsh Government (WG) announced it would be making a 27 per cent cut in the Local Transport Services Grant (LTSG) it pays local authorities towards supporting local bus services. This equates to approximately £108,000. LTSG together with the Council's own funding has supported a range of bus services such that the Vale of Clwyd now enjoys a good bus service. The former Lead Member

agreed that it should be the new and not the old Council who considered the implications of such a financial reduction.

- 4.2 Communities Scrutiny considered the issues on 14th June 2012. It resolved that officers would consult with passengers and communities on the impact of a series of defined possible cuts before consideration by a Bus Service Reductions Working Group. The consultation process ran from mid-June to mid-July 2012 and a number of local press reports helped the response.
- 4.3 The Working Group met on 2nd August 2012 to consider in detail the outcome of the consultation. Minutes of the Group's meeting are attached as Appendix 1 to this report.
- 4.4 In the meantime, during the consultation process, WG had announced that for 2012/13 it would be mitigating the level of cuts to some 10 per cent (some £39,000). For future years, the minister has subsequently formed a review group to consider how grants will be managed although, at the time of writing, he has not yet made a decision. It is understood that in 2013/14 he might:
- Amalgamate LTSG with the grant paid directly to bus operators;
 - Reduce the total grant by up to an additional 17 per cent (up to 27 per cent in total); and
 - Administer the grant through each of the regional transport consortia (Taith in North Wales).
- 4.5 It is too early to predict the implications of the ministerial changes as they will have profound effects on:
- Commercial bus services (those without support from Councils);
 - Financially supported bus services; and
 - The way bus service grants are administered from 2013/14.

2012/13 (Cut of 10 per cent)

- 4.6 Taking into account the views of consultees, the Bus Services Reductions Working Group agreed the following proposals for 2012/13 should be considered for immediate implementation at Cabinet:
- i. Withdraw the £10,000 subsidy for the custody suite demand responsive taxi service from St Asaph to Rhyl.
 - ii. Withdraw the approximate £20,000 in LTSG funding for bus shelters.
 - iii. Withdraw £10,000 funding for the bus enquiry office at Rhyl Bus Station.

- iv. Reconfigure the Denbigh town taxi to include the bus to Llansannan and Nantglyn (£15,000) (under consideration before the WG announcement and required because the existing rural arrangements were not working).
- v. At need, £9,000 from other changes as proposed within the original scrutiny report, at need.

Note that the total sum of approximately £25,000 additional reduction to accommodate passenger requests, notably a new service by community car to and from the transferred eye clinic at Abergele. This may not be required and is subject to discussions with the Betsi Cadwaladr University Health Board in terms of a potential pilot.

2013/14 (possible cut of 10 + 17 = 27 per cent)

4.7 Although during the consultation WG reduced the need in 2012/13 to a 10 per cent reduction, the Working Group continued to consider the results of the consultation, in the light of the likely 2013/14 27 per cent reduction. Although this may now depend upon the ministerial review as outlined in paragraphs 4.4 & 4.5, in the light of the consultation, the Working Group agreed a further tranche of reductions. These were as proposed to the Communities Scrutiny of 14th June 2012 but amended by the Working Group, following responses from consultees. Details of these reductions are in Appendix 2 to this report.

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

Cuts in passenger transport services have a negative impact on corporate priorities especially for:

- (a) older and younger people (who are both most reliant on public transport); and
- (b) in terms of the environment (higher fares & fewer services will discourage bus use and increase car journeys).

Additionally, they affect the Wales National Transport Priorities of sustainability, supporting economic growth and social inclusion. It affects additionally on disabled people.

There is an equalities impact assessment regarding the potential reductions (see Appendix 3).

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

- 6.1 Reduction in 2012/13 (10 per cent) amount to some £39,000 and in 2013/14, subject to confirmation, £108,000 (10+17 per cent).
- 6.2 Note that in 2013/14, should commercial services also be withdrawn as a result of changes to grants, the Council may need to consider the priority of providing these against existing supported services.

7. What consultations have been carried out?

The consultation exercise included contacting town & community councils, convening the Rural Transport Forum and by arranging a drop-in Bus Surgery. Passengers were informed by notices on buses and through the press.

8. Chief Finance Officer Statement

The reductions to WG funding will create a cost pressure in the service. In the current climate, there is an expectation that services attempt to contain pressures within existing resources. The full impact of this in financial and service delivery terms should also be highlighted during the forthcoming service challenge process and in the budget round in the autumn.

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

Financial—in not bringing in the cuts immediately.

Reputational—in being unable to meet contract operators' requests for additional funding to mitigate grant reductions and in shouldering negative PR.

Environmental—potential for increased car journeys.

Corporate—reductions during a time when there are corporate strategies to assist an ageing demographic (on average, at least 40 pc of bus users are 60 or over) or younger people (another important segment of bus users).

Bus Service Reductions Working Group

2nd August 2012

Present: Councillors Rhys Hughes, Cefyn Williams, Huw Williams.
Apologies: Councillor Peter Evans
In attendance: Peter Daniels

1. Reason for the Working Group

It was resolved at the Communities Scrutiny of 14th June 2012 that officers would consult residents, passengers & communities on potential bus service reductions in the light of WG's then 27 per cent reductions in funding. It was further resolved that a working group be established to consider the proposed reductions in the light of the consultation, with a view to recommending further action.

2. Changes since Scrutiny

The WG had now reduced the cuts in 2012/13 from 27 to 10 per cent. It was highly likely that the full 27 per cent would fall in 2013/14. In the light of these changes, members were asked to consider what might appear the least painful reductions for 2012/13 but the full reductions for 2013/14. The cuts included a contingency to take forward passenger requests, notably a service to the new Abergele Hospital eye clinic (though there remained discussions on the potential for some sort of BCU-supported trial).

3. 2012/13 (10%)

It was agreed that the following proposals be included in the final report on bus service reductions. Other than in iv below, no consultee had expressed any issues about these:

- i. Withdraw the £10,000 subsidy for the custody suite demand responsive taxi service from St Asaph to Rhyl.
- ii. Withdraw the approximate £20,000 (a balancing item) in LTSG funding for bus shelters.
- iii. Withdraw £10,000 funding for the bus enquiry office at Rhyl Bus Station.
- iv. Reconfigure the Denbigh town taxi to include the bus to Llansannan and Nantglyn (£15,000) (under consideration before the WG announcement and required because the existing rural arrangements were not working)
- v. At need, £9,000 from other changes as proposed within the original scrutiny report, at need.

4. 2013/14 (10% + 17%)

The officer proposals were discussed in the light of the consultation responses. Members accepted that the decisions they faced were not palatable but that in view of likely reductions in budget in 2013/14 there was a need for decisions.

For April 2013 reductions, it was therefore agreed that all the savings identified under Saving Tranche 1 of the Appendix to the Scrutiny report be included in the final report on bus service reductions, including those in 3. above, save in the light of consultation for:

- i. While recognising the high cost of this service per passenger, officers to seek a compromise for the X5 1640 Ruthin to Corwen and return that might reduce the afternoon service by one bus without jeopardising existing passenger journeys. This would involve examination of both the 1640 and 1740 journeys.
- ii. Reconsideration of the small savings on Saturdays on the Prestatyn Town Service 38.
- iii. Noting that the press had misreported changes to villages south & west of Ruthin, there was nevertheless an opportunity to make some adjustment to services 70/77 (Betws/Clawdd/Cyffylliog/Llanelidan to Ruthin) and 91/95 (Betws/Carrog to Llangollen or Wrexham). These had previously been circulated to the local members affected and would be again, for further thoughts.

In addition, the officer would confirm that the 1818 Denbigh to Ruthin service 76 did not serve Highfield Park, Llangwyfan.

It was also agreed that the officer would forward a copy an indicative 2008 service 1 timetable that would give the suggested level of service to which the service might revert (attached as service B5).

5. Next Steps

As time was now of the essence, members agreed that the best course of action might be for the final report to go straight to Cabinet. The officer agreed to seek a view on this from Democratic Services.

NPD
6/8/12

Appendix 2

Reductions 2013/14

The original proposals as before the Communities Scrutiny of 14th June considered:

1. Reductions of 27 per cent and
2. A contingency should further reductions be required in the light of changes to commercial bus services.

This table includes the former. Note that it excludes those reductions proposed for the current year, 2012/13.

Service	From/To	Subsidy per passenger	Commentary	Original Proposals	Saving Tranche 1	Proposed changes following Working Group
1, 2	Ruthin – Mold	£2.44	Performing well in terms of cost/passenger. Carries students and workers to both Ruthin and Mold	Return to 2008 service pattern (withdrawing one bus worth of work off peak)	£18,000	None
X5	Corwen – Ruthin/Denbigh	£6.35 (Corwen section)	A fairly weak service but the only one north of Corwen for Maes Afallen, Clawdd Poncen, Gwyddelwern, Pandy'r Capel, Bryn SM, Pwllglas and parts of Llanfair DC,. Stronger over short section Corwen to Clawdd Poncen	Corwen-Ruthin section: Continue to operate broadly hourly because to reduce to every two hours would result in bus/driver standing down for one hour in every two. Withdrawal of the 1640 Mondays to Fridays journey from Ruthin and return	£16,000	Re-examination of both 1640 & 1740 ex-Ruthin and return from Corwen
6	Denbigh Town Service/Llanefydd	£1.23	This service performs well. Contribution from CCBC for Llanefydd. No change to service. Some scope to increase fares from low base of 60p per single to 80p (this is still significantly less than Arriva)	Fares revision	£3,000	

14	Denbigh – Mold	Awaiting data FCC	Carries students but believed to perform badly off-peak. Possible reduction to an off-peak bus every two hours (currently hourly)	Reduce level of service in consultation with FCC	£15,000	
38	Prestatyn town service	N/A	Infill services in Prestatyn	Withdraw Saturday afternoon journeys		Withdrawal no longer proposed
X50	0750 Ruthin – Wrexham	£3.68	Performs reasonably. Carries workers and students	Required September-December on college days as this acts as a duplicate for Denbighshire students attending Yale College. Possible withdrawal January to July on college days (Rhuddlan – Wrexham college bus to cover) .	£19,000	
62	Llansannan/Bylchau/Groes and Nantglyn/Prion/Saron to Denbigh	£6.24	Performs poorly	Discussions already in place to replace bus service with a demand responsive taxi (may not operate on six days per week	£8,000	
70/73/77	Betws GG, Clawdd, Clocaenog – Ruthin / Ruthin Town Service / Llanellidan - Ruthin	£7.43	These services have already been reduced following the withdrawal of external funding in August 2011. These now limited service is are the only ones that serve the rural area south and west of Ruthin. Externally funded improvements in the Betws GG/Melin y Wig area are under discussion	No further action following August 2011 reductions and possible external funding enhancements. Withdraw later afternoon journeys	£5,000	Revised proposals (see Appendix 4)
76	Denbigh – Llandyrnog – Llanbedr DC – Ruthin – Graigfechan	£1.70	Performs well	Possible withdrawal of little used 1818 Denbigh – Ruthin and or 1910 return	£6,000	

Equality Impact Assessment

Title:	Bus Service Reductions
Contact:	Peter Daniels
Department:	Highways and Infrastructure

1. What is being assessed?

Type of proposal (Brief Description)	Tick if applicable
A new or revised policy	
A new procedure	
A service review or re-organisation proposal	
An efficiency or savings proposal	✓
A project proposal	
A Strategic or Service plan	

2. Does the proposal have any potential impact on service users / potential users or employees / potential employees?

		Tick if applicable
Yes	If the answer to question 2 is 'Yes', please continue to Question 3.	✓
No	If the answer to question 2 is 'No', please proceed to Section 4.	

3. How do the equality risks apply to this proposal?

Equality risk	Key issues	How have these issues been eliminated (if applicable)?	How are these issues being managed (if applicable)?
<p>The service cannot be accessed by all users / potential users</p> <p>Impact on characteristic groups:</p> <p>1. Older People</p> <p>2. Younger people</p>	<p>In more rural areas, older people can make up between 75 and 100% of users. Such people are less likely to have a transport alternative</p> <p>Young people can make a significant proportion of users, especially at peak times</p>	<p>Owing to the size & nature of the cut in external funding, these issues cannot be eliminated</p> <p>Owing to the size & nature of the cut in external funding, these issues cannot be eliminated</p>	<p>Care to ensure that there is at least some alternative option for people to use</p> <p>No peak or school journeys affected in the proposals. Care to ensure that there is at least some alternative bus option for people to use</p>

Equality risk	Key issues	How have these issues been eliminated (if applicable)?	How are these issues being managed (if applicable)?
3. Workers	Continuity of employment and consequent effect on household income	Owing to the size & nature of the cut in external funding, these issues cannot be eliminated	No proposals to alter peak time bus services. Change to one journey on X5 at margins of the peak period are being re-examined
4. Disabled people	Greater numbers of disabled people may use bus services	Although there may be fewer transport opportunities, the proposed transport is designed to offer similar levels of access to existing services	N/A
5. Women	Women traditionally make up a higher proportion of bus users than men	Owing to the size & nature of the cut in external funding, these issues cannot be eliminated	Care to ensure that there is at least some alternative bus option for people to use
6. Gender re-assignment/Sexual orientation	No specific transport issues relating to this group	N/A	N/A
7. Rural low income groups	Access to bus services for local income groups improves quality of life	Owing to the size & nature of the cut in external funding, these issues cannot be eliminated	Care to ensure that there is at least some alternative bus option for people to use
8. Religion and belief	No specific transport issues relating to this group	N/A	N/A
9. Released police detainees	A proposal to withdraw support for the taxi service from St Asaph custody suite to Rhyl will affect released detainees	Owing to the size & nature of the cut in external funding, these issues cannot be eliminated	The support for this service was introduced at a time of very limited bus services on St Asaph Business Park. That service has now improved markedly, including evening services. These now offer

Equality risk	Key issues	How have these issues been eliminated (if applicable)?	How are these issues being managed (if applicable)?
10. Ethnicity	No specific transport issues relating to this group	N/A	some alternative to this group N/A
<p>Impact on access to the following travel purposes:</p> <p>1. Employment</p> <p>2. Statutory education</p> <p>3. Shopping</p> <p>4. Visiting friends & relatives</p> <p>5. Access to health services</p>	<p>Loss of employment following inability to get to work</p> <p>Loss of education following inability to get to school</p> <p>Rural areas in particular often have fewer local shops</p> <p>Provides social contact</p> <p>Constraints to access to health care</p>	<p>Owing to the size & nature of the cut in external funding, these issues cannot be eliminated</p> <p>The proposals do not affect statutory school transport</p> <p>Owing to the size & nature of the cut in external funding, these issues cannot be eliminated</p> <p>Owing to the size & nature of the cut in external funding, these issues cannot be eliminated</p> <p>Owing to the size & nature of the cut in external funding, these issues cannot be eliminated</p>	<p>No proposals to alter peak time bus services. Change to one journey on X5 at margins of the peak period are being re-examined</p> <p>N/A</p> <p>Care to ensure that there is at least some alternative bus option for people to use</p> <p>Care to ensure that there is at least some alternative bus option for people to use</p> <p>Care to ensure that there is at least some alternative bus option for people to use to local centres where there is primary health care. Note possible improvements to access for some people to Abergele for the eye clinic</p>

Equality risk	Key issues	How have these issues been eliminated (if applicable)?	How are these issues being managed (if applicable)?
The service venue does not cater for the needs of all users / potential users	N/A	N/A	N/A
The service and service user are not able to communicate with each other	N/A	N/A	N/A
Service users are not treated with dignity and respect	N/A	N/A	N/A
The service provided does not meet the diverse range of community needs	Those without their own transport find accessing services more difficult	Owing to the size & nature of the cut in external funding, these issues cannot be eliminated	Care to ensure that there is at least some alternative bus option for people to use
There is a lack of equal opportunity for employees and potential employees	Access to work	N/A	No proposals to alter peak time bus services. Change to one journey on X5 at margins of the peak period are being re-examined
Changes to staffing structures, terms and conditions have a disproportionately negative impact on staff with particular protected characteristics	N/A	N/A	N/A

Equality risk	Key issues	How have these issues been eliminated (if applicable)?	How are these issues being managed (if applicable)?
The project will negatively affect different groups and communities	See above	See above	See above
Additional risk not identified in the toolkit (please specify)	None known	N/A	N/A

September 2012

Appendix 4

	WF	MTThS			
Betws GG	09:25	....	....	....	....
Melin y Wig	09:30	....	....	....	....
Derwen	09:35	....	....	....	....
Clawddnewydd	09:41	09:41	....	12:12	....
Clocaenog	09:45	09:45	....	12:16	....
Cyffylliog	09:57	09:57	....	12:28	....
Bontuchel	10:02	10:02	....	12:33	....
Ruthin	10:08	10:08	....	12:39	....
Tesco	....	....	11:06	....	12:45
Market Street	10:08	10:08	11:08	....	11:08
St Peter's Square	10:09	10:09	11:09	....	11:08
Ty'n y Parc	10:11	10:11	11:11	....	Req
Porth y Dre	10:13	10:13	11:13	....	Req
Trem y Foel	10:15	10:15	11:15	....	Req
Tesco	10:18	10:18	11:18	....	Req
		MTThS	WF	SDO	
Ysgol Brynhyfryd/Leisure Centre	....	....	....	17:15	
Ruthin	12:00	13:45	13:45	17:20	
Bontuchel	(12:34)	Req	Req	Req	
Cyffylliog	(12:28)	Req	Req	Req	
Clocaenog	(12:16)	Req	Req	Req	
Clawddnewydd	12:12	Req	Req	Req	
Derwen	....	....	Req	Req	
Melin y Wig	....	....	Req	Req	
Betws GG	....	....	Req	Req	
<p>SDO - schooldays only. Option to run at 1620 on Mondays to Fridays during school holidays Upon request from passengers awaiting bus at Ysgol Brynhyfryd or Market Street</p>					
<p>Connection to/from Denbigh</p>					
<p>MTThS - Mondays, Tuesdays, Thursdays & Saturdays only</p>					

	MS	TTh	TTh
Melin y Wig	09:12	09:12	12:12
Betws GG	09:17	09:17	12:17
Glanrafon Garage	09:24	09:24	12:24
Uwch y Dre	09:34	09:34	12:34
Corwen Interchange	09:39	09:39	12:39
Carrog	09:47	09:47	12:47
Chain Bridge	09:59	....	....
Rhewl	10:05	....	....
Llantysilio	10:07	....	....
Llangollen Parade St	10:14	....	13:02
Bryneglwys	....	10:02	....
Bwlchgwyn	....	10:12	....
Maelor Hospital	....	10:28	....
Wrexham Bus Station	....	10:32	....
	TTh	TTh	MS
Wrexham Bus Station	....	....	13:22
Maelor Hospital	....	....	13:26
Bwlchgwyn	....	....	13:42
Bryneglwys	....	....	13:52
Llangollen Parade St	11:20	13:35	....
Llantysilio	....	Req	....
Rhewl	....	Req	....
Chain Bridge	....	Req	....
Carrog	11:35	13:52	14:02
Corwen Interchange	11:43	14:08	14:08
Uwch y Dre	11:48	Req	Req
Glanrafon Garage	11:58	Req	Req
Betws GG	12:05	Req	Req
Melin y Wig	12:10	Req	Req
Connection to from Ruthin			

Req - Upon request for passengers boarding at Llangollen Parade St or Corwen Interchange

The 1408 departure from Corwen awaits the arrival of the X5 from Ruthin

Ruthin	10:25	13:00	
Erw Goch	....	Req	
Parc y Castell	....	Req	
Llanfair DC	....	Req	
Pwllglas	10:32	....
Rhyd y Meudwy	....	Req	
Llanelidan	10:43	Req	Can operate on WF only or every day
Rhyd y Meudwy	10:49	....	If Wed & Fri only, the inbound service can be more usefully at 0925
Pwllglas	....	....
Llanfair DC	10:54	....
Parc y Castell	10:57	Req - on request for passengers awaiting bus at Market Street
Erw Goch	10:58	
Ruthin	11:01	

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Report To: Cabinet

Date of Meeting: 25th September 2012

Lead Member / Officer: Cllr Bobby Feeley

Report Author: Leighton Rees

Title: Bryn y Wal Children's Home Contract

1. What is the report about?

The report focusses on a contractual arrangement we have with Action for Children in respect of a four/five bedded Residential Children's Home in Rhuddlan. It explains our plan when the contract comes to an end for both the contract itself and the release of resources.

2. What is the reason for making this report?

To seek members agreement to the proposals in respect of this contract when it expires on 31st March 2013 and the alternative use of resources proposed.

3. What are the Recommendations?

- I. That Members agree the proposed contractual arrangements post April 2013.
- II. That Members agree the development of a seven day waking hours family support service as detailed
- III. That Members agree the development of support foster care as detailed

4. Report details.

Bryn Y Wal is a four/five bedded Residential Home for Children owned and run by Action for Children. Until 31st March 2013 we have exclusive rights for placements and in effect have a block contract for this resource in the sum of £559,393.

Part of our efficiency savings in 2013/14 was to make a saving of £109,000. Initially this was intended to be by the sale of one placement to neighbouring authorities. Bryn Y Wal is seen as having a positive reputation as a family group home.

However when we have reviewed our usage of Bryn Y Wal we have come to the conclusion that our demand for such a resource is limited.

However we do see a purpose in keeping the resource open. We have therefore had discussions with Action for Children, Flintshire County Council, Wrexham County Council and Conwy County Council to see if it is possible for there to be a shared use of the resources and the costs shared equally between partners. Currently Flintshire and Wrexham are considering their position. Conwy is also carefully considering their overall position and will let us know in September 2012. Action for Children have indicated that they would not maintain the resource open without a commitment from local authorities to purchase all the bed spaces available. If agreed the contracting will be between individual Local Authorities and Action for Children without any residual liability to Denbighshire County Council.

The agreement being considered is that the overall cost of the resource is shared three / four ways, cost of unoccupied beds will be shared equally between parties, beds used will be funded by the Authority using them. If there is agreement to proceed in this way across the Authorities appropriate governance and agreements will be put in place with Action for Children in respect of each Authorities commitment to Bryn Y Wal.

In conclusion there are two options; our currently preferred one is the shared utilisation of the resource with two or three other local authorities. If that is not possible we would allow the contract to lapse at the end of March 2013.

Either of these options would achieve the budget saving identified. They would in addition enable a reinvestment in priority areas, in particular the following:-

1. To reduce the number of children needed to be accommodated by the development and resourcing of a Family Support Service which was available waking hours seven days a week
2. The development of Support Foster Carers to reduce the number of children who need to access residential care
3. The development of Emergency Foster Carers to manage short term urgent admissions

It is proposed therefore that a portion of the existing Bryn Y Wal budget, £215,000, is retained to purchase a share in the revised residential resource if that is agreed, or alternative placement arrangements if not; it would also fund the additional costs involved in providing emergency foster care arrangements.

The balance would then be utilised to facilitate two developments both of which will be targeted at reducing the numbers of children / young people who need to be accommodated or reducing our need to use residential care as the

accommodation response to their needs. It would in effect be an invest to improve and potentially an invest to save approach.

The first of these development is 'Supported Foster Care' which provides respite care for agreed periods for children at risk of local authority accommodation. Foster carers, in addition to providing respite, work with the child's family as part of a change intervention to enable the child to remain safely in their family. In order to take this forward we would seek to appoint one full time social worker to develop the scheme. The post would be located and managed by our existing Fostering Service.

The second aspect is to extend the range and availability of Family Support Services. We would seek to build off the existing Family Support Services so they can effectively respond to, seven days a week, waking hours. To achieve this and to appropriately supervise the activity the following staff are proposed:-

- 2 Senior Family Support Workers
- 2 Family Support Workers
- 2 Family Aides
- Activity Support Budget

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

The responsibilities as a Corporate Parent is an important part of Safeguarding Children. The proposed service developments detailed would also make a substantial contribution to the objectives in the BIG plan in respect of safeguarding vulnerable children.

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

The requirements for additional resources will be accommodated within the current cost of Bryn Y Wal and will generate the required efficiency saving,

The Placement Cost budget would be supplemented by £215,000 to either provide foster or residential care as detailed above.

The Supported Foster Care Service development; one additional Social Worker post £44,374 (Social Worker £39,374, Activity Support Budget £5,000).

The Family Support Service development; £191,636 (staffing £184,062, Activity Support Budget £6,900).

In that it relates to vulnerable children it will seek to enhance their life chances and opportunities.

7. What consultations have been carried out?

An Equalities Impact Assessment has been undertaken and recognises that the proposed steps seek to improve the circumstances of disadvantaged children and enable them to be given better opportunities to succeed.

8. Chief Finance Officer Statement

The above options have been considered during the Service Challenge process and a savings target of £109K is included in the Council's Medium Term Financial Plan (MTFP) for 2013/14. Failure to progress either of the options outlined in the paper are likely to impact negatively on the MTFP and will require alternative compensating savings to be delivered.

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

- No commitment from the partner authorities to block contracting and loss of Bryn y Wal as a resource – Option not to renew contract has already been identified as the second option with development of other services to support children and young people
- Failure to recruit emergency foster carers – Foster Carers already identified as potential emergency foster carers from current cohort
- Re negotiation of contracting arrangements in respect of Family Support Services – Involve HR/Union with existing staff when the final model is agreed.
- Delay in development of support foster care – proposal being developed and time scales attached to identify best way forward
- Unable to complete the tasks identified within available resources – proposals will be limited to available resources released
- Unable to find placement for existing young people in Bryn y Wal – Foster carers already identified for one young person, second young person due to leave shortly, need to identify the best options for third young person to enable move on.

10. Power to make the Decision

Duties and responsibilities in respect of this area are contained within the Children Act 1989 in particular Sections 17 and 23.

Agenda Item 7

Report To: Cabinet

Date of Meeting: 25 September 2012

Lead Member / Officer: Cllr Julian Thompson-Hill

Report Author: Head of Finance and Assets

Title: Annual Treasury Management Report 2011/12
(Appendix 1)

1 What is the report about?

- 1.1 The report is about the Council's investment and borrowing activity during 2011/12. It also provides details of the economic climate at that time and shows how the Council complied with its Prudential Indicators.

2 What is the reason for making this report?

- 2.1 The main purpose of this report is to update members on the performance of the treasury management function and to demonstrate compliance with treasury limits and Prudential Indicators during 2011/12.

3 What are the Recommendations?

- 3.1 Cabinet is asked to note the Annual Treasury Management Report for 2011/12.

4 Report details

- 4.1 The report gives details of the Council's treasury management activities and an overview of the economic background for the year. The report also reports on the risk implications of treasury decisions and transactions and confirms compliance with treasury limits and Prudential Indicators.

5 How does the decision contribute to the Corporate Priorities?

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

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

- 6.1 Not applicable.

7 What consultations have been carried out?

- 7.1 The Council has consulted with its treasury advisers, Arlingclose Ltd.

Chief Financial Officer Statement

7.2 Treasury Management involves looking after significant sums of cash so it is a vital part of the Council's work. It requires a sound strategy and appropriate controls to safeguard the Council's money, to ensure that reasonable returns on investments are achieved and that debt is effectively and prudently managed.

7.3 It is a requirement of the CIPFA Code of Practice on Treasury Management for the Council to prepare an annual report on treasury activity for the previous financial year. Cabinet is required to note the performance of the Council's Treasury Management function during 2011/12 and its compliance with the Prudential Indicators as reported in the Annual TM Report 2011/12

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

8.1 Treasury Management is inherently risky but the Council is monitoring and controlling these risks as outlined in the main report. However, it is impossible to eliminate these risks completely. The council's treasury management strategy and procedures are audited annually and the latest internal audit review was positive with no significant issues raised.

9 Power to make the Decision

9.1 The Local Authorities (Capital Finance and Accounting) (Wales) Regulations require local authorities to have regard to the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management which determines the requirement for the Cabinet to receive an annual report on treasury activities for the previous financial year.

Appendix 1

DENBIGHSHIRE COUNTY COUNCIL

***ANNUAL TREASURY MANAGEMENT
REPORT
2011/12***

**Paul McGrady
Head of Finance & Assets**

CONTENTS

Section	Title
1	Background
2	Economic Background
3	Borrowing Activity
4	Investment Activity
5	Compliance with Prudential Indicators
	Appendix A - PWLB borrowing rates and UK Money Market rates
	Appendix B – Compliance with Prudential Indicators 2011/12

1. Background

The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities at least twice a year. Reports are made twice a year to the Audit Committee which is the committee with responsibility for the scrutiny of the Council's treasury policy, strategy and activity, as well as the annual report made to cabinet and the report to full council for approval of the annual treasury strategy.

Treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Overall responsibility for treasury management remains with the Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the Council's treasury management objectives.

2. Economic Background

At the time of determining the 2011/12 strategy in Feb 2011, there were tentative signs that the UK was emerging from recession with the worst of the financial crisis behind it. Recovery in growth was expected to be slow and uneven as the austerity measures announced in the 2010 Comprehensive Spending Review were implemented in order to bring down the budget deficit and government borrowing and rebalance the economy and public sector finances. Inflation measured by the Consumer Price Index (CPI) had remained stubbornly above 3%. Unemployment was at a 16-year high at 2.5 million and was expected to rise further as the public and private sector contracted. There was also a high degree of uncertainty surrounding Eurozone sovereign debt sustainability.

It was not surprising that the Bank of England's Monetary Policy Committee maintained the status quo on the Bank Rate which has now been held at 0.5% since March 2009, but increased asset purchases by £75bn in October 2011 and another £50bn in February 2012 taking the Quantitative Easing (QE) total to £325bn.

The policy measures announced in the March 2012 Budget statement were judged to be neutral. The government stuck broadly to its austerity plans as the economy was rebalancing slowly. The opinion of independent Office for Budget Responsibility (OBR) was that the government was on track to meet its fiscal targets; the OBR identified oil price shocks and a further deterioration in Europe as the main risks to the outlook for growth and in meeting the fiscal target.

3. Borrowing Activity

The table below shows the level of the Council's PWLB borrowing at the start and the end of the year.

	Balance at 01/4/2011 £000	Maturing loans £000	Premature repayments £000	New Borrowing £000	Balance at 31/3/2012 £000
Fixed rate loans – Public Works Loan Board (PWLB)	131,280	1,390	0	5,000	134,890
Temporary Borrowing	0	10,500	0	10,500	0
Total borrowing	131,280	11,890	0	15,500	134,890

The strategy in 2011/12 was mainly to use internal resources instead of external borrowing as the most cost effective means of funding capital expenditure. The only exception to this was in August when the Council took advantage of low borrowing rates by taking out a new 10 year loan of £5m at 2.46%.

Whenever cash was required for short term cash flow purposes, the Council also undertook temporary loans through the market which was readily available at very low rates of approximately 0.3%.

As a result of new borrowing and maturities during the year, the average rate on the Council's debt decreased from 5.84% at 1 April 2011 to 5.74% at 31 March 2012 which will result in an annual saving of approximately £135k based on the level of borrowing at the end of 2011/12.

Appendix A shows how interest rates for borrowing have moved over the course of the year.

4. Investment Activity

The Council held average cash balances of £27m during the year. These represent the Council's Balances and Reserves, working cash balances and also where money has been borrowed before capital expenditure is incurred.

The Welsh Government's Investment Guidance requires local authorities to focus on security (keeping the money safe) and liquidity (making sure we never run out of cash) as the primary objectives of a prudent investment policy. The Council's aim was to achieve a return on investments in line with these principles. The return is important but is a secondary consideration and the priority is the security of the sums invested.

The table below shows the level of the Council's investments at the start and the end of the year.

	Balance at 01/4/2011 £000	Investments Raised £000	Investments Repaid £000	Balance at 31/3/2012 £000
Investments	22,000	194,900	195,900	21,000

The Council's investment income for the year was £0.408m compared to £0.398m in 10/11 which meant that the low interest rates available in the market continued to have a significant impact on the investment return earned by the Council.

Security of capital remained the Council's main investment objective. This was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2011/12. Investments during the year included:

- Deposits with the Debt Management Office
- Deposits with other Local Authorities
- Call accounts and deposits with Banks and Building Societies

Credit risk:

Counterparty credit quality was assessed and monitored with reference to the following:

- credit ratings (Council's minimum long-term counterparty rating of A+ across all three rating agencies, Fitch, S&P and Moody's);
- GDP of the country in which the institution operates;
- the country's net debt as a percentage of GDP;
- any potential support mechanisms;
- share price.

Downgrades in the autumn of 2011 to the long-term ratings of several counterparties resulted in their ratings falling below the Council's minimum threshold of A+. The downgrades were driven principally by the agencies' view of the extent of future government support rather than a deterioration in the institutions' creditworthiness. Further use of these counterparties was suspended until revised criteria were approved for use from 1st April 2012.

One of the banks affected was the Council's own bank, Natwest, so it was recommended in a report to Council that an exception was made in this case for operational purposes to allow the Council to place up to £4m in the Natwest instant access account and this was agreed.

Liquidity:

In keeping with the WG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of overnight deposits and instant access call accounts.

Yield:

The Council sought to achieve the best return balanced against its objectives of security (credit risk management) and liquidity. The UK Bank Rate was maintained at 0.5% through the year. Short term money market rates remained at very low levels which had a significant impact on investment income. The Council also had a level of core cash which was not required in the short-term and this was invested for periods of up to 12 months to achieve a higher rate of return.

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

5. Compliance with Prudential Indicators

The Council can confirm that it has complied with its Prudential Indicators for 2011/12, which were set in February 2011 as part of the Council's Treasury Management Strategy Statement. Details can be found in Appendix B.

In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2011/12. None of the Prudential Indicators has been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

Interest Rates 2011/12

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

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

Start Date		Length of Loan	
	1yr	19½-20 yrs	49½-50 yrs
01-Apr-11	1.93	5.33	5.28
30-Sep-11	1.51	4.35	4.69
31-Mar-12	1.28	4.17	4.36

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

Date	Bank Rate %	7-day Investment Rates %	1-month Investment Rates %	6-month Investment Rates %
01-Apr-11	0.50	0.54	0.54	1.12
30-Sep-11	0.50	0.60	0.54	1.21
31-Mar-12	0.50	0.55	0.61	1.33

Compliance with Prudential Indicators 2011/12

1 Estimated and Actual Capital Expenditure

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

Capital Expenditure	2011/12 Estimated Feb 11 £000	2011/12 Revised Feb 12 £000	2011/12 Outturn Mar 12 £000
Non-HRA	40,827	30,708	34,047
HRA	5,969	5,413	5,686
Total	46,796	36,121	39,733

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

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

Ratio of Financing Costs to Net Revenue Stream	2011/12 Estimated Feb 11 £000	2011/12 Revised Feb 12 £000	2011/12 Outturn Mar 12 £000
Financing Costs	11,663	11,585	12,104
Net Revenue Stream	174,985	175,145	175,145
Non-HRA Ratio	6.67%	6.61%	6.91%
Financing Costs	2,859	2,586	2,585
Net Revenue Stream	11,757	11,295	11,295
HRA Ratio	24.32%	22.90%	22.89%

3 Capital Financing Requirement

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

Capital Financing Requirement - Non-PFI Basis	31/3/12 Estimated Feb 11 £000	31/3/12 Revised Feb 12 £000	31/3/12 Outturn Mar 12 £000	31/3/13 Estimated Feb 12 £000	31/3/14 Estimated Feb 12 £000
Non-HRA	147,048	137,346	137,577	151,245	147,285
HRA	26,947	25,607	25,852	28,696	28,619
Total	173,995	162,953	163,429	179,941	175,904
Borrowing	151,353	134,890	134,890	158,197	161,258
PFI Liability	11,302	10,993	11,136	10,676	10,564

NB The outturn figures are taken from the pre-audited Statement of Accounts 2011/12 so they may be subject to change.

4 Authorised Limit and Operational Boundary for External Debt

Summary Table:

2011/12	£000
External Borrowing	134,890
Internal Borrowing	29,298
Operational Boundary	170,000
Authorised Limit	175,000

- 4.1 **Operational Boundary:** This limit is set to reflect the Council's best view of the most likely prudent (i.e. not worst case) levels of borrowing activity and was set at £170m for the financial year.
- 4.2 **Authorised Limit:** This is the maximum amount of external debt that can be outstanding at one time during the financial year. The limit, which is expressed gross of investments, is consistent with the Council's existing commitments, proposals for capital expenditure and financing and with its approved treasury policy and strategy and also provides headroom over and above for unusual cash movements. This limit was set at £175m for 2011/12.
- 4.3 The levels of debt are measured on an ongoing basis during the year for compliance with the Authorised Limit and the Operational Boundary. The Council maintained its total external borrowing and other long-term liabilities within both limits; at its peak this figure was £139.7m. In addition to external borrowing, the Council uses its own reserves and balances to fund capital expenditure and this is known as internal borrowing as shown in the table above.

5 Incremental Impact of Capital Investment Decisions

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

Incremental Impact of Capital Investment Decisions	2011/12 £
Increase in annual Band D Council tax	22.73
Increase in average weekly housing rents	1.76

There is no variation to council tax once it has been set prior to the commencement of the financial year.

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

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

	2011/12 Estimated %	2011/12 Actual Peak Exposure %
Upper Limit for Fixed Rate Exposure	100	100
Upper Limit for Variable Rate Exposure	40	0

7 Maturity Structure of Fixed Rate borrowing

- 7.1 This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.
- 7.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

Maturity structure of fixed rate borrowing	Upper limit	Lower limit	Actual Borrowing as at 31/3/2012 £000	Percentage of total as at 31/3/2012 %
	%	%		
under 12 months	5	0	1,621	1.20
12 months and within 24 months	5	0	1,621	1.20
24 months and within 5 years	10	0	12,189	9.04
5 years and within 10 years	25	0	12,702	9.42
10 years and above	100	50	106,757	79.14
Total			134,890	100

8 Total principal sums invested for periods longer than 364 days

This indicator is set in order to allow the Council to manage the risk inherent in investments longer than 364 days. For 2011/12 this limit was set at £6m. The Council did not have any investments which exceeded 364 days during 2011/12 because the policy was to limit investments to a shorter period than 1 year.

9 Adoption of the CIPFA Treasury Management Code

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

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

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Agenda Item 8

CABINET: FORWARD WORK PROGRAMME

23 OCTOBER 2012	
Review of Faith Based Education Provision	Cllr Eryl Williams / Jackie Walley
Ruthin Schools Reveiw	Cllr Eryl Williams / Jackie Walley
Financial Update Report	Cllr Julian Thompson-Hill / Paul McGrady
Part II report - Highways and Infrastructure Collaboration: Draft Service Design	Cllr David Smith / Stuart Davies / Danielle Edwards (CCBC)
Regional CCTV	Cllr David Smith / Graham Boase
Future of the Rhyl Sky Tower	Cllr Hugh Evans / Tom Booty
Marine lake, Rhyl: A Strategic Direction	Cllr Hugh Evans / Carol L. Evans
Ocean Plaza Update	Cllr Hugh Evans/Keith Bowler
Cefndy Healthcare: Potential loss of DWP funding and site move	Cllr Bobby Feeley / Phil Gilroy / Deborah Holmes-Langstone
Ruthin Schools Review	Cllr Eryl Williams / Jackie Walley
Appointments of Councillors to Outside Bodies	Gary Williams / Rhys Hughes
REEMA Properties, Meliden – Building Option and Funding Model	Cllr Hugh Irving / Peter McHugh
Items from Scrutiny Committees	Scrutiny Coordinator
20 NOVEMBER 2012	
Financial Update Report	Cllr Julian Thompson-Hill / Paul McGrady
Supporting People Strategy Update and Spend Plan	Cllr Bobby Feeley / Sally Ellis / Jenny Elliott
Items from Scrutiny Committees	Scrutiny Coordinator
18 DECEMBER 2012	
Welsh Housing Quality Standards	Cllr Hugh Irving / Peter McHugh
Financial Update Report	Cllr J Thompson-Hill / Paul McGrady
Items from Scrutiny Committees	Scrutiny Coordinator
15 JANUARY 2013	
Financial Update Report	Cllr Julian Thompson-Hill / Paul McGrady
Items from Scrutiny Committees	Scrutiny Coordinator

19 FEBRUARY 2013	
Financial Update Report	Cllr Julian Thompson-Hill / Paul McGrady
Items from Scrutiny Committees	Scrutiny Coordinator
19 MARCH 2013	
Financial Update Report	Cllr Julian Thompson-Hill / Paul McGrady
Items from Scrutiny Committees	Scrutiny Coordinator
16 APRIL 2013	
Financial Update Report	Cllr Julian Thompson-Hill / Paul McGrady
Items from Scrutiny Committees	Scrutiny Coordinator
14 MAY 2013	
Financial Update Report	Cllr Julian Thompson-Hill / Paul McGrady
Items from Scrutiny Committees	Scrutiny Coordinator