



To: Chair and Members of the Cabinet Date: 15 October 2012
Direct Dial: 01824712589
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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, 23 OCTOBER 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 - 12)

To receive the minutes of the Cabinet meeting held on Tuesday, 25th September, 2012 [copy attached].

5 CONWY AND DENBIGHSHIRE HIGHWAYS AND INFRASTRUCTURE COLLABORATION (Pages 13 - 106)

To consider a report by the Project Manager (copy attached) updating members on progress and outlining recommendations for Cabinet on the future direction of the collaboration.

6 FINANCIAL UPDATE REPORT (Pages 107 - 124)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance and Assets (copy attached), detailing the latest financial position and progress against the agreed budget strategy.

7 REEMA PROPERTIES, MELIDEN - BUILDING OPTION AND FUNDING MODEL (Pages 125 - 140)

To consider a report by Councillor Hugh Irving, Lead Member for Customers and Communities (copy attached) for Cabinet to make a decision regarding the REEMA properties in Meliden, possible demolition and decanting priority.

8 APPOINTMENTS OF COUNCILLORS TO OUTSIDE BODIES (Pages 141 - 144)

To consider a report by Councillor Hugh Evans, Leader of the Council (copy attached. Appendix 1 copy to follow) for Cabinet to determine which outside bodies the Council are to appoint members to as representatives of Denbighshire County Council and also to approve appointments to the organisations.

9 CABINET FORWARD WORK PROGRAMME (Pages 145 - 146)

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

PART 2 - CONFIDENTIAL ITEMS

EXCLUSION OF PRESS AND PUBLIC

It is recommended in accordance with Section 100A(4) of the Local Government Act 1972, that the Press and Public be excluded from the meeting during consideration of the following item of business because it is likely that exempt information (as defined in Paragraphs 13 and 14 of Part 4 of Schedule 12A of the Act) would be disclosed.

10 CONTRACT 8 - HOUSING IMPROVEMENT PROGRAMME (Pages 147 - 152)

To consider a report by Councillor Hugh Irving, Lead Member for Customers and Committees (copy attached) for Cabinets approval to formally award Contract 8 of the Housing Improvement Programme following completion of the tendering process through the current framework agreement.

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 a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 25 September 2012 at 10.00 am.

PRESENT

Councillors Hugh Evans, Leader and Lead Member for Economic Development; Bobby Feeley, Lead Member for Social Care and Children's Services; Hugh Irving, Lead Member for Customers and Communities; 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, Deputy Leader and Lead Member for Education

Observers: Councillors Ray Bartley, William Cowie, Gwyneth Kensler, Dewi Owens and Huw Williams

ALSO PRESENT

Chief Executive (MM); Corporate Directors: Economic and Community Ambition (RM), Customers (HW), Modernising and Wellbeing (SE); Head of Legal and Democratic Services (RGW); Head of Finance and Assets (PM); Head of Children and Family Services (LR); Section Manager: Passenger Transport (PD), and Committee Administrator (KEJ)

WELCOME

The Leader, Councillor Hugh Evans welcomed everyone to the meeting and extended a particularly warm welcome to the newly appointed Corporate Director Rebecca Maxwell who was attending her first Cabinet meeting.

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

No declaration of personal or prejudicial interest had been raised.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 4 September 2012 were submitted.

Matters Arising –

Page 6 – Item No. 3: Urgent Matters – In response to a question from Councillor Eryl Williams, the Head of Legal and Democratic Services indicated that he would write to members of the previous Council acknowledging the work they had undertaken and their contribution to the authority's continued improvement and achievement as a high performing council.

Page 7/8 – Item No. 5: Financial Update Report – Councillor Julian Thompson-Hill updated members on the latest position concerning demolition of the Honey Club, Rhyl. He advised that a letter from the Welsh Government (in response to a reminder from the Chief Executive) had been circulated to councillors indicating that a decision on the application for demolition was expected within two weeks. The Leader added that he had raised the issue at a recent meeting with the Minister for Housing, Regeneration and Heritage and Cabinet agreed with the Leader's suggestion to e-mail the Minister with further details.

Page 12 – Item No. 9: Changes to Supporting People Programme – Councillor Bobby Feeley reported upon the first meeting of the Regional Collaborative Committee which would continue to meet monthly over the next six months. The Corporate Director Modernising and Wellbeing confirmed that Communities Scrutiny Committee would be scrutinising the impact of the new supporting people arrangements on the delivery and funding of those services in Denbighshire.

RESOLVED that the minutes of the meeting held on 4 September 2012 be approved as a correct record and signed by the Leader.

5 BUS SERVICES AND REDUCTIONS

Councillor David Smith presented the report informing Cabinet of the implications of Welsh Government (WG) funding reductions, the subsequent consultation on bus service reductions and proposed cuts in bus services in 2012/13 and 2013/14.

Members were advised of the background to the current proposals arising from cuts in grant funding paid towards local bus services together with the potential impact of a ministerial review on how future grants would be managed. Communities Scrutiny Committee initiated a consultation process with passengers and communities on a series of possible cuts which were subsequently reviewed by the Bus Service Reductions Working Group (Appendix 1 to the report). The Working Group's proposals for 2012/13 had been detailed within the report together with proposals for 2013/14 (Appendix 2 to the report). An equalities impact assessment regarding the potential reductions had also been included (Appendix 3 to the report). Councillor Smith was keen to highlight the hard work and effort undertaken in order to reach the recommendations contained within the report.

Councillor Huw Jones referred to a number of routes and sought clarification on potential future proposals for those areas given that there was a need to ensure that the timetabling of services did not finish too early and that as many people as possible were accommodated if changes were to be made. The Section Manager: Passenger Transport (SM:PT) assured Cabinet that a number of timetabling changes had been considered in order to achieve the best possible solution taking

into account the need for savings. In terms of the specific services referred to by Councillor Jones, the SM:PT advised that –

- X5 Service (Corwen – Ruthin/Denbigh) – a number of consultation responses were being considered. The service did not perform well and both 1640 and 1740 were being examined. The 1640 was busier but 1740 was the last bus so a possible outcome could be to change the time of the service to 1710 to accommodate as many passengers as possible
- proposed adjustments to services 70/77 (Betws/Clawdd/Cyffylliog/Llanelidan to Ruthin) had been detailed at Appendix 4 to the report. Proposed adjustments had also been made to services 91/95 (Betws/Carrog to Llangollen or Wrexham) which would result in some modest savings but consultation on the proposals with local members was required before wider circulation.

Members sought clarification on the proposed recommendation relating to patient transport to Abergele Hospital. The SM:PM explained that discussions were ongoing with Betsi Cadwaladr University Health Board (BCUHB) to fund a pilot to accommodate passenger requests to the transferred eye clinic (from St. Asaph to Abergele). However, if the pilot proved unsuccessful it was proposed that the Council introduce some basic transport provision for patients. Councillor Bobby Feeley felt that BCUHB should bear responsibility for patient transport arising from changes to patient services which they had introduced. Councillor Eryl Williams agreed adding that the Council had its own responsibilities to meet in terms of transport provision and that if the Council were to take on the extra responsibility it would be at the expense of other important services. Cabinet discussed this issue at length stressing that transport was a significant issue for BCUHB to consider in terms of changes to the location of patient services which was inevitable under the proposals arising from the NHS Service Reviews and assurances needed to be sought that the Health Board would be taking on that responsibility. Councillor Smith reminded members that he had highlighted the need for BCUHB to draw up a Transport Strategy to address the new pattern of services proposed at the last County Council meeting. The Corporate Director Modernising and Wellbeing confirmed that the transport issue would be included within the Council's formal response to BCUHB Service Reviews. Councillor Barbara Smith queried the number of patients who were affected by the transfer of the eye clinic to Abergele Hospital and the SM:PT explained that there was no specific data on usage for passenger transport but the failure rate of appointments not being met was known and he was aware it was an issue for a number of patients. Whilst some patients could utilise transport from the Welsh Ambulance Service Trust and Dial a Ride, those services were not generally available to the public.

The Leader was pleased to note the significant public consultation on the proposals and the input of the Rural Transport Group within the process and applauded the hard work of all those involved. However he raised concerns regarding the findings of the ministerial review and impact for local authorities and TAITH (regional transport consortia). Councillor Smith advised that he had asked TAITH's Executive Officer, Mr. Iwan Prys Jones to deliver a presentation to County Council once the outcome of the ministerial review was known.

RESOLVED that –

- (a) *the reductions for 2012/13 as proposed in paragraph 4.6 to the report be made as soon as possible;*
- (b) *subject to ministerial review and any new arrangements in administering grants for bus services in 2013/14, the reductions identified in paragraph 4.7 to the report and Appendix 2 to the report be made on and from Monday 1 April 2013;*
- (c) *if the Abergele Hospital pilot funding was unsuccessful, that representations be made to Betsi Cadwaladr University Health Board to fund a community car service in order to transport patients to the eye clinic at Abergele, and*
- (d) *should there be a marginal balancing reduction that this be delegated to the Joint Head of Highways and Infrastructure in consultation with the Lead Member for Public Realm.*

6 BRYN Y WAL CHILDREN'S HOME CONTRACT

Councillor Bobby Feeley presented the report seeking Cabinet's agreement to proposals in respect of contractual arrangements relating to a four/five bedded Residential Children's Home in Rhuddlan post April 2013 and the alternative use of resources.

The report focused on a contractual arrangement with Action for Children who owned and ran Bryn y Wal Children's Home. Due to limited demand the Council had not used the facility to its full capacity. Accordingly discussions had been ongoing to ascertain whether there could be a shared use of resources and costs with two or three other local authorities. If that was not possible the contract would be allowed to lapse at the end of March 2013. Both options would achieve a budget saving and would enable a reinvestment in priority areas and detailed costs of the proposals had been contained within the report. The proposals focused on the following –

- that a proportion of the existing Bryn y Wal budget (£215k) be retained to purchase a share in the revised residential resource if that was agreed, or alternative placement arrangements if not; it would also fund the additional costs involved in providing emergency foster care arrangements, and
- the balance would then be utilised to facilitate two developments (1) Supported Foster Care, and (2) strengthening Family Support Services, both of which would be targeted at reducing the number needing to be accommodated or reducing the need to use residential care.

During consideration of the proposed options for future arrangements Councillor Feeley added that no response had been received from neighbouring authorities as yet in terms of sharing facilities. The Head of Children and Family Services (H:C&FS) elaborated upon the investment in fostering based provision to deal with

a range of different needs. Whilst Bryn y Wal provided a particular type of provision it would not be viable to maintain the contract under current arrangements. Cabinet discussed the reinvestment in priority areas with the officers and noted that only a small number of children accessed residential care in Denbighshire with a greater need for specialised provision which Bryn y Wal did not cater for. Spot purchasing arrangements for specific children at specific times would continue and some children were placed out of county in order to meet their particular needs. Reference was also made to the risks associated with the arrangements and measures to reduce them. The Corporate Director Modernising and Wellbeing reported upon some regional work being undertaken to assess the range of residential provision and facilities in North Wales in order to meet the needs of children.

Councillor Dewi Owens felt the resource should only be retained as a shared facility if it was fully utilised and queried the usage of neighbouring authorities. The H:C&FS reported Wrexham County Borough Council had consistently used a bed for two children as a spot purchase without involvement in the contract.

Cabinet agreed that it would not be appropriate to continue wholly funding a resource that was not fully utilised. However, members were in favour of a collaborative approach with neighbouring authorities in order to retain the facility within the county and hoped that efforts in that regard proved successful.

RESOLVED that Cabinet agree –

- (a) *the proposed contractual arrangements post April 2013 as detailed within the report;*
- (b) *the development of a seven day waking hours family support service as detailed within the report, and*
- (c) *the development of support foster care as detailed within the report.*

7 ANNUAL TREASURY MANAGEMENT REPORT 2011/12

Councillor Julian Thompson-Hill presented the report which provided details of the Council's treasury management activities and an overview of the economic background for the year. It also reported upon the risk implications of treasury decisions and transactions and confirmed compliance with treasury limits and Prudential Indicators.

In summarising the report Councillor Thompson-Hill explained that it was a historic document and he highlighted the main points for members in terms of borrowing and investment activity over 2011/12 and also elaborated upon a number of key prudential indicators. The Head of Finance and Assets (H:F&A) added that Corporate Governance Committee had discussed the report at length; a recent Internal Audit review had provided a high assurance rating on treasury management activities, and the Wales Audit Office were also content with the service. Accordingly Cabinet could take further reassurance from those assessments.

Members took the opportunity to ask questions and discuss a number of issues with the Lead Member and H:F&A arising from the report who responded as follows –

- the Council's borrowing limits were set annually by Full Council
- elaborated upon the use of Internal Borrowing where the Council's own reserves and balances were used to fund capital expenditure as a more cost effective means of borrowing in light of low investment income
- provided an example of typical borrowing rates and amounts payable over a ten year term together with historic data to reflect how interest rates had fallen to the current lows from up to 10% in the 1980s/1990s
- reported upon the Council's inherited debt from previous authorities together with the debt maturity profile particularly debt maturing during the lifetime of the current Council releasing savings of approximately £700k
- confirmed Full Council had agreed an exception for operational reasons to allow continued use of the Council's own bank, Natwest despite it being one of the banks affected by the downgrade of credit rating in autumn 2011.

Councillor Eryl Williams felt that where other committees had considered business items prior to Cabinet it would be useful for Cabinet to be provided with some feedback thereon. Councillor Gwyneth Kensler, Vice Chair of the Corporate Governance Committee confirmed they had only recently considered treasury management issues and the minutes were not yet available. However Cabinet members were welcome to attend meetings when such matters were being discussed. Cabinet noted that Corporate Governance Committee had been happy with the contents of the report and treasury management performance.

In view of the current economic climate Councillor Bobby Feeley felt that the Council could take advantage of the low interest rates payable for borrowing to invest in capital projects which would also benefit the local economy and communities. Due to the low investment income Councillor David Smith felt there might be merit in utilising surplus funding to improve building capacity rather than for investment purposes. The H:F&A explained that similar views had been expressed by councillors during discussions at the recent session on financing the Corporate Plan when a significant investment programme had been agreed. The limiting factor was the cost of repaying the debt from the revenue budget. Work was also ongoing to examine whether balances could be used more effectively and risk assessments would be carried out with a report back to Council on the findings. Accordingly it was –

RESOLVED that the Annual Treasury Management Report for 2011/12 be noted.

8 CABINET FORWARD WORK PROGRAMME

Councillor Hugh Evans presented the Cabinet Forward Work Programme for consideration. The Head of Legal and Democratic Services reported upon a number of amendments as follows –

- reports on the review of Faith Based Education Provision and Ruthin Schools would be delayed from October to November

- a report on Dog Fouling would be submitted to the November meeting
- the possibility of the report on Marine Lake, Rhyl being deferred from October to November.

Councillor Julian Thompson-Hill advised that a report on the budget recommendations should be scheduled for January. The Corporate Director Customers also raised the possibility of a report on Community Funding being submitted to the next Cabinet meeting in October.

RESOLVED that, subject to the above amendments and comments, Cabinet's Forward Work Programme be noted.

The meeting concluded at 11.05 a.m.

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Report to:	Cabinet
Date of Meeting:	23 October 2012
Lead Member / Officer:	Lead Member for Public Realm Corporate Director: Customers
Report Author:	Project Manager
Title:	Conwy & Denbighshire Highways and Infrastructure Collaboration

1. What is the report about?

The progress Conwy and Denbighshire Local Authorities are making towards collaboration within the Highways and Infrastructure Services.

2. What is the reason for making this report?

To present the recommendations of the Conwy and Denbighshire Highways and Infrastructure Collaboration Programme Board following the consideration of the '*Conwy CBC and Denbighshire CC Joint Highways and Infrastructure Fully Integrated Service: Report on the Draft Service Design (September 2012)*' on the 12th September 2012.

3. What are the Recommendations?

The *Conwy and Denbighshire Highways and Infrastructure Collaboration Programme Board* (supported by both Corporate Executive Teams) recommends to Cabinet that;

- (i) Because the Business Case does not make a clear case for a fully integrated Highways and Infrastructure Service, Conwy and Denbighshire do not proceed with this option; and
- (ii) Conwy and Denbighshire continue to look for further opportunities to rationalise management, reduce costs and improve services to our residents by:
 - strengthening those areas of sub-service that are under single management,
 - exploring the Highways and Infrastructure sub-service areas where collaboration might bring benefits to our residents,
 - exploring local (Authority specific) opportunities for collaboration and joint management arrangements between existing services,
 - maintaining and developing our commitment to the regional developments on transport which, if delivered well, may secure additional benefits. Decisions will need to be based

on a sound business case for change for in respect of such elements,

and;

- (iii) the Corporate Directors report back to Cabinet in November 2012 on the work inherent in Recommendation 2.

4. Report details.

A full copy of the '*Conwy CBC and Denbighshire CC Joint Highways and Infrastructure Fully Integrated Service :Report on the Draft Service Design (September 2012)*' is available in Appendix 1.

Background

Conwy and Denbighshire are committed to developing collaborative ways of working where there is a business case to do so. Our authorities have a strong track record on collaboration and we want this to continue over the lifetime of our new administrations.

Our collaboration on Highways and Infrastructure is delivering benefits to our residents and both councils are committed to strengthening joint working wherever there is a clear financial or service case. Three years ago Conwy and Denbighshire were the first in Wales to appoint a joint head of Highways and Infrastructure Services in order to deliver service improvements and drive out financial savings. Over the past three years our Highways and Infrastructure collaboration has delivered £300k of savings which allowed both councils to invest in other priorities or prevent cuts to services. We have also appointed joint management in important areas: school passenger transport and street lighting.

These achievements and our commitment to collaboration in this area had led us to consider fully integrating all the sub-services within the Highways and Infrastructure Service under a single fully integrated management structure. In early 2012 the Authorities commissioned a detailed study into whether or not there is a business case for doing this. That study has now been completed and is attached to this report. The detailed study shows that the costs of fully integrating the service would be prohibitive. In addition the perceived advantages appear not to outweigh the considerable disruption and possible dip in service that would be involved. For these reasons the recommendation from the Conwy and Denbighshire Joint Collaboration Board, supported by both Corporate Executive Teams, is not to proceed with the fully integrated model.

The Way Forward

Our two authorities remain committed to pursuing other ways of strengthening our collaboration. We will look for further opportunities to rationalise management, reduce costs and improve services to our residents. This will include the following:

- We will strengthen those areas of sub-service that are under single management.
- We will explore the Highways and Infrastructure sub-service areas where collaboration might bring benefits to our residents.

- We will explore local (Authority specific) opportunities for collaboration and joint management arrangements between existing services.
- We will maintain and develop our commitment to the regional developments on transport which, if delivered well, may secure additional benefits. Decisions will need to be based on a sound business case for change for in respect of such elements.

In the light of the recommendation not to fully integrate, it is now necessary to consider whether or not the current model of service delivery is the best model for the future. The two chief executives have commissioned a working group to consider the available options, consisting of two corporate directors Sasha Davies from Conwy and Hywyn Williams from Denbighshire, supported by; Danielle Edwards (Project Manager) who led the study and has significant knowledge of the area, the S151 Officers, and the HR Heads of Service. The brief given to the corporate directors is that the options must consider the following:

- deliver financial savings for both councils without loss of important services to residents;
- strengthen the collaborations that the two authorities have committed themselves to at a sub-service level, i.e., school transport and street lighting;
- consider inter-authority as well as intra-authority options for models of service delivery;
- ensure that options for consideration are consistent with regional developments.

Corporate directors have been asked to report to their Chief Executives by the end of October. This will lead to a report to Cabinets in November recommending the way forward.

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

This decision contributes to the overarching statement made by Denbighshire County Council, namely to be an Excellent Council, Close to the Community. The new Corporate Plan had identified seven priorities and undertaking this work relates directly to the priorities for 'Improving our Roads', 'Modernising the Council to deliver efficiencies and improve services to customers', 'Clean Streets and Tidy Towns', together with 'Developing a vibrant, healthy and strong local economy.'

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

The detailed study (see Appendix 1, Section 10) shows that the costs of fully integrating the service would be prohibitive. In addition, the perceived advantages appear not to outweigh the considerable disruption and possible dip in service that would be involved.

As part of the option appraisal on the way forward, there will be consideration of the costs, HR and the impact on other services.

7. What consultations have been carried out?

Since April 2012, the Project Manager has worked with the Project Team and the H&I Communication Officers to engage with internal stakeholders (inc. Unions) throughout the project by way of; the Development Teams, Quality Assurance Teams, Workshops (Visioning and Service Design), Newsletters and Meetings. Feedback has been recorded where it has been received, most noticeably in informing the Vision, Benefits, Risks, and the Service Design.

No formal consultation has taken place since April 2012.

In order to ensure that our stakeholders remain fully informed before, during and after the democratic process, a *Communication Plan* (Appendix 2) has been developed, underpinned by the Highways and Infrastructure Communication Strategy. The key dates for communication are as follows:

Communication Activity	Date
1. Letter to the Minister	20/09/2012
2. Briefing Meeting with the CCBC & DCC H&I Service and Sub-service Managers, inc. the HOS for those sub-services not aligned.	25/09/2012
3. Sharing with the Collaboration Officers Group	25/09/2012
4. Informing the Unions	03/10/2012
5. Newsletter to Staff and Members	04/10/2012
6. Scrutiny and Cabinet Meetings	
6.1 DCC Partnership Scrutiny	11/10/2012
6.2 CCBC Partnership Scrutiny	16/10/2012
6.3 DCC Cabinet	23/10/2012
6.4 CCBC Cabinet	23/10/2012
7. Notification of the Executive Decision from CCBC and DCC Cabinets	24/10/2012

8. Chief Finance Officer Statement

One of the key drivers of entering into collaborations is cost saving. If no case can be made for savings, or as a minimum improved service at no extra cost then the project should not continue as proposed. The collaboration has produced successful joint services such as street lighting and there is no reason why these should not continue.

The Council should not continue to pursue the project in its current format but should continue to explore ways of delivering savings from joint working in this area.

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

A full project risk register for the fully integrated service is included within the full report (Appendix 1)

A separate risk assessment will be undertaken as part of the options appraisal for the way forward.

10. Power to make the Decision

S111 Local Government Act 1972

Local Authorities (Executive Arrangements) (Discharge of Functions) (Wales) Regulations 2002

Article 6.3.2 of the Council's Constitution

Contact Officer:

Regional Project Manager

Tel: 01492 575588

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Conwy CBC and Denbighshire CC Joint Highways and Infrastructure Fully Integrated Service

Report on the Draft Service Design (September 2012)

Author: Danielle Edwards
Position: Project Manager
Version: v3
Date: 30/08/2012

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1. Purpose

The purpose of this report in relation to a fully integrated joint Highways & Infrastructure Service is to:

- outline the current position within both Conwy and Denbighshire;
- share the draft service design;
- make a recommendation with regards to Governance arrangements;
- provide initial costs in relation to Human Resources(HR), Information Communication & Technology(ICT) and Accommodation;
- consider if delivering a joint fully integrated service is likely to result in a *better service* that will *cost less*.

It is not the intention of this report to:

- consider costs and benefits related to *not* proceeding with a fully integrated joint service – options for proceeding with an alternative approach would be explored as part of an exit strategy should one, or both Cabinets withdraw from a fully integrated approach;
- provide the depth of detail expected from a Full Business Case – should both Cabinets resolve to proceed with a fully integrated approach based on the draft service design outlined in this report, the project will reconsider the assumptions made thus far to provide the detail and robustness expected from a Full Business Case;
- identify the full extent of benefits and potential savings that could be realised within the sub-service areas – this work will be undertaken in Phase 2 of the project (see section 10.2).

1.1 Scope

In scope are the *office based staff* working within the following aligned service and sub-service areas (as per the current structure within Conwy and Denbighshire):

- | | |
|---|-------------------------------|
| ▪ Business Quality & Customer Management | ▪ Harbour Management |
| ▪ Maritime Service | ▪ Public Rights of Way |
| ▪ Major Projects | ▪ Trunk Road Bridges |
| ▪ County Road Bridges | ▪ Education Transport Service |
| ▪ Transportation Policy | ▪ Asset Management |
| ▪ Streetworks | ▪ Parking |
| ▪ Parking Processes (W3P) | ▪ Traffic |
| ▪ Road Safety | ▪ Accident Investigation |
| ▪ Highway Development Control | ▪ Policy (TAITH) |
| ▪ Highway Maintenance | ▪ Street Lighting |
| ▪ Conwy & Denbighshire Works Unit & Trunk Road Management | |

Out of scope are the depots and the non-aligned services (as per the current structure within Conwy and Denbighshire) (the exception to this is with regards to accommodation and the potential relocation of staff working within the non-aligned service from either the Heath or Caledfryn):

- | | |
|------------------------------|---|
| ▪ Emergency Planning | ▪ Fleet Management & Maintenance |
| ▪ Financial Management | ▪ Countryside Services |
| ▪ Flood & Coastal Protection | ▪ Public Transport (rail, bus, policy, information) |

2. Context & Drivers

2.1 Background

The Cabinets of both Conwy(CCBC) and Denbighshire(DCC) councils took the decision in their April 2008 meetings to collaborate on the appointment of a joint Head of Service for Highways and Infrastructure. A subsequent report setting out further details on how this proposal should be moved forward was submitted to Scrutiny, and agreed at Cabinets in June/July 2008.

The Joint Head of Service has been in post since January 2009.

Since April 2011, significant work has been underway in the areas of HR, Finance, Accommodation, Culture, IT, Support Services and Governance. This work was presented in a feasibility report '*Report on the Development of a Fully Integrated Service*' to Cabinets in December 2011, and a set of 23 actions were agreed.

In addition to the recommendations, CCBC's Cabinet also requested a Gateway Review of the project to establish the projects' ability to deliver its aims and objectives.

In April 2012, the CCBC and DCC Project Leads seconded a CCBC employee as part-time Project Manager to; undertake a review of the project, establish formal project management arrangements, and develop the Full Business Case.

As the formal project management arrangements were developed, it became clear within the project plan that there were a number of key stages that would need to be undertaken prior to proceeding to a Full Business Case. It was the decision of the Highways and Infrastructure Collaboration Board in April 2012 to wait for the draft service design in September 2012, before making a recommendation to Cabinets as to whether they should proceed with the project to a Full Business Case. It was further agreed that any commitment by the Cabinets to proceed would be subject to a Gateway Review at that time.

Whilst this project refers to and takes note of the actions following the feasibility report in December 2011, it is recognised that the approach taken since April has superseded this initial report, its findings and recommendations.

2.2 Project Arrangements

2.2.1 Project Governance

A clear governance model allows contributors to understand how they should engage with the project, what is expected of them and what protections are provided to ensure that their contributions will always be available to them. In addition, it describes the quality control processes that help to assure the viability of the project.

The governance arrangement for the H&I Project is set out in *Appendix 1*, and has been communicated to all internal stakeholders

2.2.2 Project Objectives

Should the project proceed to the Full Business Case, the Collaboration Board will **measure the success of the project** by the following objectives:

Objective 1

That the findings of the Gateway Review support the continuation of the project.

Objective 2

That based on the Full Business Case for a 'Conwy and Denbighshire Highways and Infrastructure Fully Integrated Service – Phase 1: Joint Management Structure', each Local Authority Cabinet resolves that:

- (i) CCBC and DCC will operate under one Management Structure;
- (ii) all staff working within the 'in-scope' Service Areas will transfer to the Host LA; and
- (iii) Phase 2, delivering the programme of projects to join the CCBC and DCC 'in-scope' sub-service areas, can proceed under the agreed (project and Joint Committee) governance arrangements.

2.2.3 Key Outcomes for the Project

The project outcomes align with the 2012/13 Joint Service Business Planning outcomes, developed through consultation with CCBC & DCC H&I service staff and council Members:

Outcome 1 - Residents and visitors to Conwy and Denbighshire have access to a safe and well managed road network.

Outcome 2 - Properties in Denbighshire will have a reduced risk of flooding.

Outcome 3 - Residents and visitors to Conwy and Denbighshire have access to high quality maritime facilities and a well managed natural environment.

Outcome 4 - The Highways and Infrastructure Service is efficient and well managed.

2.2.4 Project Benefits

In April 2012, a 'Visioning' workshop was held with JH&I Service Area Managers and a representation of staff from across the Support Services, with one of the outcomes from the workshop being the development of six clear project benefits.

Anticipated Project Benefits	
1	Increased customer satisfaction (<i>improved engagement through Relationship Role, standard customer engagement, approaches and skills, better resolution of problems, better managed expectation</i>)
2	The whole Service is recognised as a high performing service (<i>sharing of best practice, service consistency, process improvements / systems, shared learning, using the integration to change the way we work as well as merging</i>)
3	Improved development and career opportunities for new and existing employees (<i>succession planning / development opportunities, career opportunities, ability to take on apprenticeships, sharing knowledge, making the best use of staff skill sets, opportunities for young people (grow your own), succession planning and talent management</i>)

4	Increased flexibility in and efficient use of limited resources (<i>Shared expertise, Asset sharing, Capacity / share staff / flexibility, Offer specialist services, increased capacity, expertise, experience and skills</i>)
5	More robust legal compliance (<i>policy alignment, reduced 3rd party claims</i>)
6	Improved contribution to strategic agendas (<i>Capacity to link into other strategic agendas e.g. tourism, business development, employment routes – releases capacity from operational to strategic, Links into other services / processes e.g. planning</i>)

3. Current Service Arrangements

3.1 Current Structure

The Highways and Infrastructure Service operates from 23 locations throughout Conwy (CCBC) and Denbighshire (DCC), and employs in the region of 530 staff across the two authorities.

There are in the region of 91 FTE '*office based staff*' in scope working within CCBC and in the region of 94 FTE in DCC, with two main administration bases; CCBC being the Heath in Llanfairfechan, and DCC being Caledfryn in Denbigh. Arrangements for which sub-service staff are based in the main administration offices differ in each LA, and not all staff are office based all of the time.

The *Joint Head of Service* works across both CCBC and DCC, with bases in both the Heath and Caledfryn. This post is supported by a *Joint Programme Manager*, based mainly in the Heath. Below this post the structure divorces into a separate CCBC and DCC structure, each with a *Head of Operations*.

Within each structure, whilst the majority of sub-service areas align, the following do not:

- *Emergency Planning* - currently a sub-service area within the H&I Service in DCC, and within the Corporate Civil Contingencies Unit in CCBC (although a responsible officer has been identified within Conwy H&I – namely the Service Improvement Manager)
- *Financial Management* - currently a sub-service area within the H&I Service in CCBC, and part of the Corporate Finance Team in DCC
- *Flood & Coastal Protection* - currently a sub-service area within the H&I Service in DCC, and within the Environment & Technical Service in CCBC
- *Fleet Management & Maintenance* - currently a sub-service area within the H&I Service in DCC, and within the Environment & Technical Service in CCBC
- *Countryside Services* - currently a sub-service area within the H&I Service in CCBC, and within the Environment & Technical Service in DCC
- *Public Transport (rail, bus, policy, information)* - currently a sub-service area within the H&I Service in DCC, and within the Community Development Service in Conwy

Across the two LA structures there are sub-service areas that formally share a Manager; these are:

- *Street Lighting* – The CCBC & DCC budgets are separate. Staff are still employed by their respective LAs. CCBC & DCC staff work in three separate locations within their respective LA. A common Call Record Management System is being used. A common data management system is being implemented across the two LAs. Further work is ongoing to align working practices.
- *Passenger Transport* – The CCBC & DCC budgets are separate. Staff are still employed by their respective LAs. CCBC & DCC staff work from one location in Caledfryn. Working practices are operating as one.

There are also a number of sub-services where the Manager post is vacant and as an interim arrangement (until this project reaches its conclusion) in most cases, a Manager in one LA is being provided with an honorarium to manage the sub-service in the other LA.

3.2 Current Financial Position

The financial information relates to the 2011/12 revenue accounts. All capital expenditure is excluded. The services within CCBC and DCC do not fully align but there are similarities between each of the divisions. The financial information presented attempts to align the services so that comparisons can be made.

One of the major differences between the financial information is that the accounting treatment for year end balances differs between both authorities. In CCBC any year end surplus is reported to the Chief Finance Officer, and if the department knows of a specific future budget pressure then it can request that the surplus is kept as an earmarked reserve. The request for the earmarked reserve then goes through the democratic process for approval. The Chief Finance Officer reviews the earmarked reserves throughout the year. In DCC any year end surplus is reported to the Chief Finance Officer and requested to be carried forward within the revenue accounts. The request goes through the democratic process and if the carried forward balance is agreed, the Head of Service and Operations Manager will decide where best to utilise the surplus.

In financial year 2011/12, Denbighshire's Highways and Infrastructure Service ended the year with an underspend of £222k, and Conwy with an overspend of 105k.

Denbighshire County Council

Table 1

Summary	Budget	Actual	Variance
Employee	5,898,366	5,810,844	(87,522)
Premises	448,647	530,579	81,932
Transport	4,521,469	4,714,695	193,226
Supplies and Services	2,432,015	2,382,803	(49,212)
Third Party Payments	2,816,153	2,965,341	149,188
Transfer Payments	200,656	192,081	(8,575)
Support Services	11,455	11,056	(399)
Works	4,227,009	4,401,409	174,400
Total Expenditure	20,555,770	21,008,808	453,038
Bal B/Fwd		(198,500)	(198,500)
Fees & Charges	(2,088,494)	(2,477,478)	(388,984)
Grant Income	(2,169,705)	(2,333,172)	(163,467)
Recharges	(5,637,081)	(5,560,870)	76,211
Total Income	(9,895,280)	(10,570,021)	(674,741)
Net Total	10,660,490	10,438,787	(221,703)

Summary	Budget	Actual	Variance
Employee	6,338,129	6,045,307	(292,822)
Premises	334,066	311,974	(22,092)
Transport	912,693	552,303	(360,390)
Supplies and Services	2,898,202	2,468,318	(429,885)
Third Party Payments	3,753,827	4,105,376	351,549
Below the Line	0	40,976	40,976
Works	5,053,397	4,936,110	(117,287)
Total Expenditure	19,290,314	18,460,363	(829,951)
Other Income	(7,658,406)	(6,624,841)	1,033,565
Grant Income	(517,840)	(616,548)	(98,708)
Total Income	(8,176,246)	(7,241,390)	934,856
Net Total	11,114,068	11,218,973	104,905

3.3 Collaboration Savings (outside of this project)

The following summary details the collaboration savings to date that have been reported by the Head of Service to each LA.

Please note that the Project Team has not investigated these savings and they are therefore taken as provided for this report.

Based on the information received for the 2010/11 and 2011/12 financial years, DCC has declared collaboration savings in the region of £25k, and CCBC £168k. Both LAs are aiming to make further collaboration savings (not directly attributed to this project) for 2012/13 of £65k in DCC and £35k in CCBC.

This is an expected total reported 'cashable savings' from collaboration (not directly attributed to this project) of £293k across both Authorities.

Table 3

Collaboration Savings to date (excluding those within the integrated staff structure)

Authority	Saving Initiatives	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
DCC	Parking Cash Collection Review	0	15	0	15
DCC	Winter Maintenance (Review of Gritting Routes etc)	0	10	65	75
DCC Total		0	25	65	90
CCBC	Street Lighting (Electrician & Vehicle)	39	39	0	78
CCBC	Street Lighting (Technician & Vehicle)	0	38	0	38
CCBC	Parking Cash Collection Review	0	52	0	52
CCBC	Winter Maintenance (Review of Gritting Routes)	0	0	35	35
CCBC Total		39	129	35	203
Total for both DCC & CCBC		39	154	100	293

Note 2012/13 savings are yet to be realised

4. Shared Vision for a Conwy & Denbighshire Integrated Highways & Infrastructure Service

The Joint Vision was developed as part of the April Visioning Workshop with Highways & Infrastructure Managers and support staff from across Conwy and Denbighshire, and was subsequently consulted upon with unions and all Highways and Infrastructure staff.

Conwy and Denbighshire Local Authorities will aspire to deliver the following outcomes:

- Outcome 1 - Residents and visitors to Conwy and Denbighshire have access to a safe and well managed road network
- Outcome 2 - Properties in Denbighshire will have a reduced risk of flooding
- Outcome 3 - Residents and visitors to Conwy and Denbighshire have access to high quality maritime facilities and a well managed natural environment
- Outcome 4 - The Highways and Infrastructure Service is efficient and well managed

When established, the Conwy and Denbighshire Highways and Infrastructure Service will increase the pace of meeting the aspirations that:

Our customers will feel:

- better informed;
- that they can travel with less disruption;
- safer;
- they have access to high quality highways, footways, cycle ways and parking across the two counties; and
- they get an excellent service at a reasonable cost.

Our staff will feel:

- involved,
- supported; and
- motivated to become one of the top quartile performers in Wales.

Our Local Authorities will feel proud that they are delivering a service that is:

- customer focussed;
- high performing;
- modern; and
- striving for continuous improvement.

5. Governance Model

5.1 Governance Option Appraisal

In October 2011, work was carried out by Legal colleagues in both Conwy (CCBC) and Denbighshire (DCC) to ascertain the most appropriate governance arrangements for a Highways and Infrastructure integrated joint service. Five models of integration were explored:

Option	Model
1	Host Authority – Secondment
2	Host Authority – Delegation
3	Contract for Services – Commercial
4	New Organisation – Corporate Model
5	Mix of employment – Collaborative Model

In order to establish which model is the most appropriate, an option appraisal exercise was developed and carried out with each model being assessed against ten criteria:

- The pace/complexity at which we would be able to achieve equal pay and conditions for the staff of the integrated service
- The impact of the model on the loyalty of the employee and how they view their employer
- The balance of risk between the two councils
- The complexity of the governance arrangements
- The return on investment/or the cost of the model including further maintenance costs of the chosen approach
- The impact and benefit for other services including whether the model would be adaptable for other services
- Perception of influence
- Impact on service delivery and savings targets
- The ability of the model to allow agility and responsiveness in service delivery and a culture of creativity and innovation
- Stakeholder acceptability

These criteria were independently weighted by the Conwy and Denbighshire Collaboration Board, before the option appraisal was undertaken with Council Members.

The findings of the option appraisal were presented in the December 2011 'Report on the Development of a Fully Integrated Service'. Recommendation 2 of that report states:

'The option appraisal has demonstrated that the preferred model of integration is Option 2 Host Authority – Delegation, it is therefore this option which is recommended to both councils as the model which should be adopted for the full integration of Highways and Infrastructure services for Conwy and Denbighshire.'

Under formal Project Management arrangements from April 2012, the development of the draft Service Design has proceeded in keeping with this recommendation.

Under this model, one authority will delegate its function to the other who will then act as the Host Authority.

The governance will be undertaken through a Joint Committee which would be set up by, and have equal representation from both authorities. This will manage and regulate the collaboration.

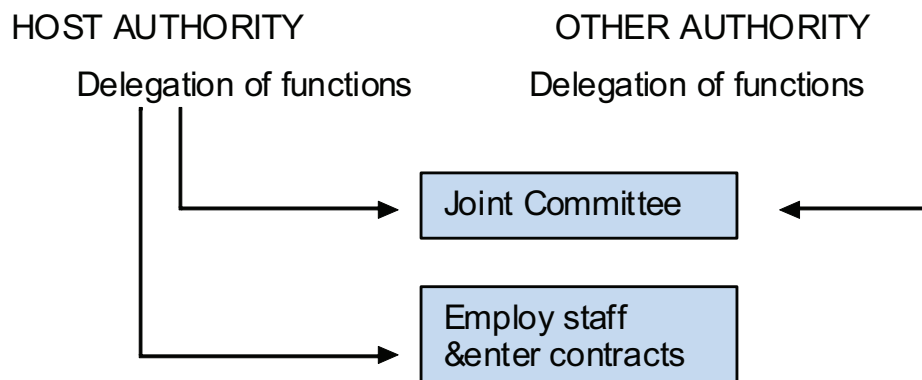
Each Cabinet will delegate specific functions to the Joint Committee, which will have the powers for the strategic management of the service. It will then delegate the day to day activity to the Head of Service.

The Host Authority will employ the staff, with a formal arrangement between the authorities to cover the costs. Funds and the staff will be transferred to the Host Authority.

The Joint Committee, which acts as a sub-committee of a Local Authority, will be scrutinised by both authorities until the Local Government measure changes to allow joint scrutiny.

This will allow for the provision of services to other public bodies, but not the private sector.

Fig. 1



CCBC and DCC Legal Officers have prepared a draft Terms of Reference for the Joint Committee, which will receive further consideration if the project continues to the Full Business Case(FBC) stage.

5.2 Identifying a Host Authority

In April 2012, the H&I Collaboration Programme Board resolved that the decision on a Host Authority will not take place until after a FBC has been adopted by both CCBC and DCC Authorities.

In order to formalise the process for agreeing the Host Authority, and to confirm the Local Authorities' commitment to the role, it is recommended that at the appropriate time, all applicants (Local Authorities) complete and submit the 'Host Authority Application Form' (template available).

The process requires the interested party to answer five key questions:

1. Why do you think your organisation should be chosen to host the JH&I Service? (*no more than 500 words*).
2. Please describe the arrangements that you would have in place to host this Service (*no more than 500 words*).

3. What regional collaborative projects is your authority currently hosting for services within other departments of your authority?
4. Please state whether your authority has any major inspections due during the key implementation phase for the JH&I Service, i.e. between [date] and [date].
5. Please include your projected annual costs for the following if you were hosting the JH&I Service (*costs are related to the delivery of the service areas, and the necessary support functions*)

The application requires agreement (signature) from the Chief Executive, S151 Officer, Head of Legal, Head of HR and Head of IT.

Following submission, all applications will be considered by the Conwy & Denbighshire Collaboration Board, who will make a recommendation to the Cabinets in both CCBC and DCC Authorities.

6. Conwy & Denbighshire Integrated (Draft) Service Design

6.1 Developing the Draft Service Design

In April 2012, work began to map out the functions that were currently being delivered in the sub-service areas within both Conwy (CCBC) and Denbighshire (DCC), including information relating to; workforce, accommodation, and ICT. The JH&I Project Team analysed the functions data, isolating the sub-services areas that don't align, and then working to match the functions across the two authorities where sub-service areas do align.

In July 2012, a *Service Design Workshop* was held with the Conwy and Denbighshire Highways and Infrastructure Management Team to consider the Service Design focusing on; (i) the Service Structure for the joint service (including the arrangement of the sub-service areas), (ii) the functions that will be delivered by the sub-service areas, and (iii) the opportunities to deliver a better service through the re-structuring.

Over the course of a full day, the attendees were asked to:

- review the current structure and functions;
- transfer the functions to the sub-service areas under the existing proposed Service Structure (as set out in the December 2011 report to Cabinets), considering (i) are the functions under the appropriate/best sub-service area, and (ii) are the sub-service areas under the appropriate/best Service Area; and
- consider the opportunities for a better service (revisiting the above activity as required).

The CCBC and DCC Highways and Infrastructure Portfolio Members were invited to join the workshop at the end of the day to review the draft Service Design and make any recommendations.

The exercise enabled the Senior H&I Management Team to deconstruct the existing service structures in the two authorities. This provided an opportunity to rebuild a revised structure and consider connections between sub-service areas, addressing any weaknesses in the current structure.

A second workshop was then held that same week with the Sub-service Managers from across both Conwy and Denbighshire to consult on the draft Service Design as developed by the Senior H&I Management Team. Following a briefing on the general project approach and a rationale for the revised Service Structure, the group was asked to consider; what they think will work, what they think will not work, and what could work with some changes.

The group were given the opportunity to provide further feedback over the course of the following week, which was logged and used to inform the design.

6.1.2 Sharing the Draft Service Design

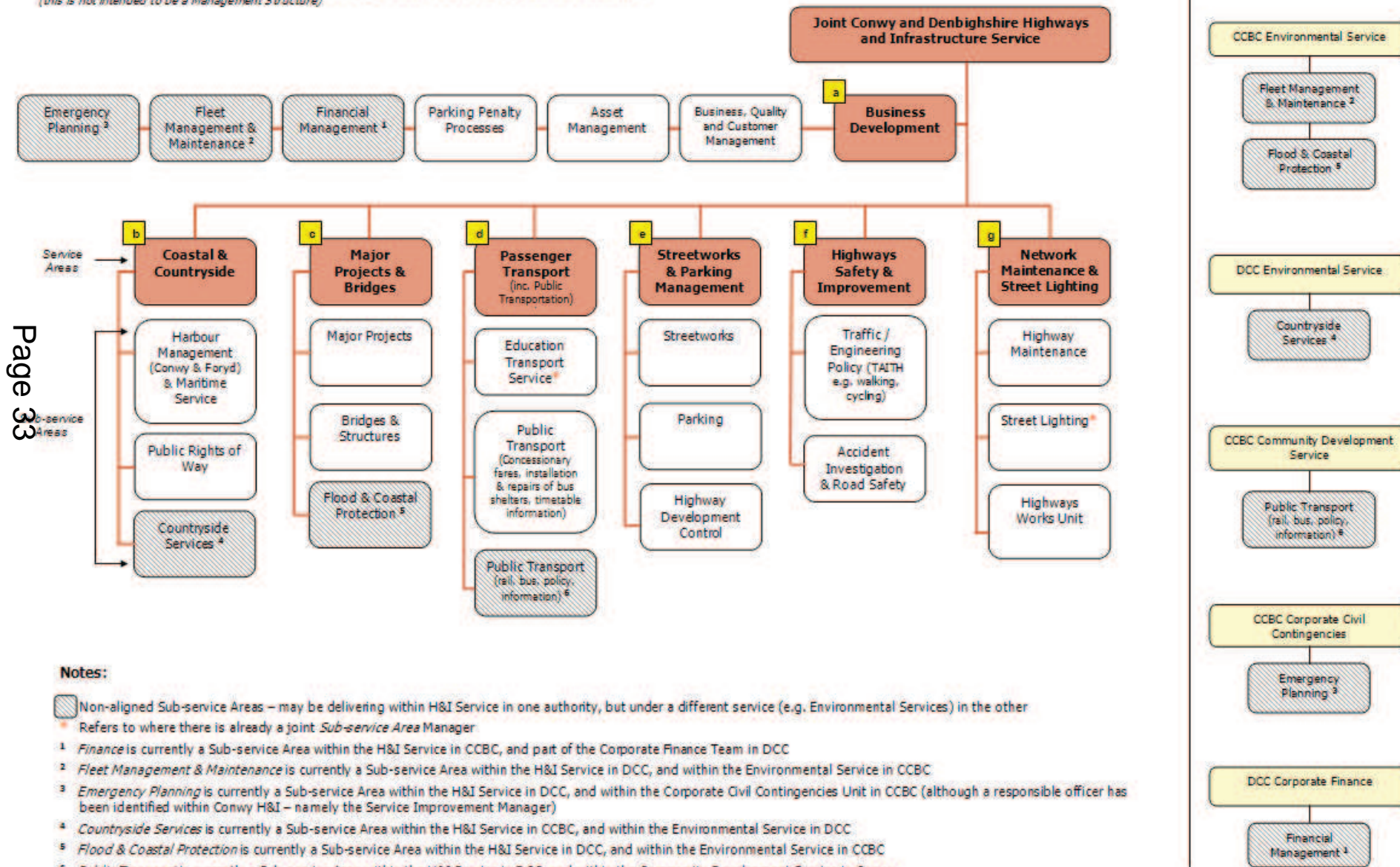
The draft service design and the detail of where the functions would be delivered within the new joint service structure was shared with staff, council Members and union representatives across both Authorities through the project Newsletter (see *Appendix 2*).

6.2 Draft Service Design

Joint Conwy and Denbighshire Highways and Infrastructure Proposed New Service Structure

(this is not intended to be a Management Structure)

DRAFT



6.3 Rationale for Change

The following rationale from the Highways and Infrastructure Joint Head of Service for Conwy and Denbighshire sets out the reasoning behind, and the expected improvements from, the changes to the current structure through a fully integrated approach (linked to *Appendix 2*).

(a) Business Development

Asset Management has been brought into the core of the service to:

- ensure the most effective deployment of resources and drive the decision making across the service;
- determine the activities across many parts of the service; and
- ensure the principles of whole life cost are utilised to best effect.

The combined team will have a greater capacity to support the development of asset management, which will include the deployment of handheld technology and more efficient paperless systems.

Centralising the management of *3rd Party Claims and Recharges* will:

- ensure we have clear, effective management of the processes;
- enable robust approaches for defence of claims and recovery of money against 3rd Parties; and
- ensure that weaknesses are monitored and procedures and policies are revised where weaknesses are identified, helping to maximise cost recovery and minimise exposure to claims.

Quality and Health & Safety approaches will be strengthened from a central management at the core of the service, which will:

- ensure that we have consistently robust processes for the whole service; and
- minimise duplication.

Customer Management is a priority for both authorities. The new structure provides an opportunity to strengthen our customer management approaches through better communication and information management. By combining the staff and bringing together the best practices of both authorities, the integrated service will be able to develop one consistent approach for customer standards and management. Best practice needs to be at the core of the service and will be driven and overseen from this team.

The proposal is for a *Quality and Innovation Manager* post to be created, which would harvest best practice from the public and private sector. This is a really important element of establishing the new service to ensure that there is a culture of continuous improvement and challenge.

The *Parking Penalty* process is a discrete process being provided for a number of authorities, and it needs to be managed as a business to ensure that partnership working is maintained and developed.

(b) Coastal and Countryside Service

There are procurement advantages from a combined *Harbour Management and Maritime Service* in terms of combined contracts e.g. dredging and maintenance of moorings. A combined service would encourage skill sharing across both authorities, as well as greater resilience of the service. This provides significant benefits with the development and management of coastal and harbour facilities. An example of this is the development of Foryd Harbour, which is on the border of the authorities and benefits the economies of both.

Common licensing and charging approaches have already been developed to provide consistency for maritime users. The opportunity is to continue to develop single policies and procedures for the whole service.

(c) Major Projects and Bridges

Establishing a *single 'consultancy' team* will enable much greater knowledge and sharing of expertise, which will:

- strengthen our capability, capacity and control to manage capital projects for the authority and external clients;
- strengthen the intelligent client capability for both authorities;
- ensure a continued service with local knowledge for the delivery of schemes, and pride and passion for the staff who live and work in the areas they are improving; and
- realise opportunities to deliver a greater level of work on the trunk roads through establishing a single team and recruiting to the appropriate level.

The main client NMWTRA are keen to reduce the number of contact points and are promoting consistent practices from authorities.

(d) Passenger Transport

A fully integrated *Passenger Transport* team provides greater capacity to deal with the peak periods experienced in home to school transport.

Service resilience and succession planning is crucial in this area as the service is specialised, and service failure would be catastrophic. This was highlighted with the departure of the two key officers from Conwy, which led to the collaboration of the Service across CCBC and DCC.

A combined team ensures that:

- robust, frequent and transparent tendering processes are undertaken to ensure best value and maintain a good supplier base; and
- we have a clear direction and clear priorities on our transportation policy, which gives us a strong voice in TAITH and in national transport forums.

(e) Streetworks and Parking Management (and Highway Development Control)

A combined *Parking Management* team would:

- increase the level of support and direction which could be provided to the teams;
- provide flexibility in the deployment of staff to tackle problem areas, and support major events and other peaks in workload;
- strengthen the skill and knowledge so that we optimise network improvements from developments, whilst minimising the negative impacts; and
- strengthen the resilience and succession planning.

Streetworks is a vital area of activity to protect traffic flows and minimise future maintenance liabilities. We have already experienced benefits from knowledge sharing between the teams in both authorities and the proposals would take this a stage further.

A combined Streetworks team would have increased capability and capacity to develop effective strategies for events management.

(f) Highway Safety and Improvement

The *traffic teams* of both authorities are under significant pressure due to the high number of customer requests, and there is a very clear opportunity to combine the teams and processes to improve capacity and capability.

The *Accident Investigation & Road Safety* work undertaken in both authorities has significant synergies and there is already collaboration which has significantly reduced duplication. There is also some exploratory work being carried out at a regional level to look at collaboration in road safety, and this indicates a sub-regional pairing for delivery of road safety functions. Accident investigation is a specialised activity which is carried out by small teams in both authorities. A combined team would have greater capacity and capability to develop this important area of work.

The current capacity of managers makes it difficult to give sufficient focus to the *transport policy* function in both authorities. The structure proposals are designed to give more capacity to the development of thinking in terms of transport needs. This will enable the service to respond strongly to the regional and national transport agenda through TAITH. This would ensure that the potential for external funding sources are optimised to tackle the priorities of both authorities.

(g) Network Maintenance and Street Lighting

The joint service in *Street Lighting* has been very successful in reducing the overall staffing levels, whilst undertaking a greater volume of work. Benefits and improvements already realised include:

- the teams are involved with a wider variety of work which was previously carried out by external consultants and contractors;
- the team has developed a three way contract (Conwy/Denbighshire/Arva energy company) to reduce costs on the connections to new lighting columns;
- the team are quoting for more work and they will be undertaking additional festive lighting schemes for other public sector clients; and
- the collaboration has enabled Conwy and Denbighshire to have combined material specifications to harness economies - this is being further enhanced with the development of an all Wales (and beyond) framework contract, which is being driven by the Street Lighting (joint) Manager.

Collaboration within *Network Maintenance* is progressing:

- contracts have been prepared and let jointly for a variety of maintenance works providing better economies of scale and reducing the time and effort required to produce tenders (one tender rather than two) - the opportunity is to extend this activity with one team;
- reviewing the winter maintenance free running over the border has enabled a reduction in the combined number of gritting routes from 23 to 21, whilst still treating the same length of network. This reduces the number of gritting vehicles (which cost in the regions of £75k each to purchase) and man hours required to carry out winter maintenance;
- sharing best practices are reducing the costs of providing services e.g. the need for double manning on gritting operations was reviewed as practices differed between both authorities, this has reduced the cost of delivering the service.

There are further collaborative opportunities to

- optimise the potential of shared plant, materials and labour across both authorities and beyond (where appropriate);
- the current teams are investigating the possibility of a shared depot facility in the South of the counties to replace the sub-standard facilities in Cerrigdrudion and Corwen - this would enable us to share the investment

costs of developing depot facilities and a salt storage facility in this part of the county;

- increase the services offered to NMWTRA from a larger joint team which could help offset the cost of the labour, plant and equipment to the authorities.

Community Relationship role

Within the new structure there is an opportunity to develop a community relationship role for each of the senior managers in the joint service. The role will act as a key contact in areas for Members, community groups and community councils. It is important that a strong area presence and knowledge is maintained and enhanced to provide a high quality service. This is particularly important in the highway maintenance and traffic activities, as they have a very high community interest. The integration proposals will not dilute this area knowledge and presence.

6.3.1 Non-aligned Sub-Services

The project clearly identifies those sub-service areas that do not align across the Highways and Infrastructure Services in both Conwy and Denbighshire, and are therefore not in scope, as:

- *Finance* - currently a sub-service area within the H&I Service in CCBC, and part of the Corporate Finance Team in DCC
- *Fleet Management & Maintenance* - currently a sub-service area within the H&I Service in DCC, and within the Environmental Service in CCBC
- *Emergency Planning* - currently a sub-service area within the H&I Service in DCC, and within the Corporate Civil Contingencies Unit in CCBC (although a responsible officer has been identified within Conwy H&I – namely the Service Improvement Manager)
- *Countryside Services* - currently a sub-service area within the H&I Service in CCBC, and within the Environmental Service in DCC
- *Flood & Coastal Protection* - currently a sub-service area within the H&I Service in DCC, and within the Environmental Service in CCBC
- *Public Transport* - currently a sub-service area within the H&I Service in DCC, and within the Community Development Service in Conwy

Due diligence will need to be given to the impact of proceeding with a fully integrated service for the Full Business Case. A decision will need to be taken as to whether this activity would proceed under this project, or as interdependent project(s) for all or each of these service areas.

7. Staffing the New (Draft) Service Structure

In July 2012, the Project Team met with the Senior H&I Management Team to consider how the new Service Structure would need to be staffed to deliver a high quality and cost effective service; that would both meet the project benefits and deliver against the joint outcomes.

The current workforce in both Conwy (CCBC) and Denbighshire (DCC) was reflected within the new service structure to allow a comparison to be made against the new staffing requirements. This identified where there would need to be a reduction in posts and where it would be necessary to invest in new posts. This analysis provides the basis for the costs of staffing the new structure in 7.2 and 7.3 below.

7.1 Assumptions

The staff in-scope for this project are the office based staff working within the aligned sub-service areas of Highways and Infrastructure for both CCBC and DCC. Grant funded posts are not in scope.

In order to ensure a balance between providing enough information to arrive at a reasonable conclusion, and not spending an excessive amount of time and resources at this draft design stage, the following assumptions have been used with the approval of both HR and Finance colleagues:

- Salaries are based on the top of the scale for current and new posts
- FTE salary is worked out as 'salary x FTE'
- The salary for posts under the new structure are an average of the existing two posts (where appropriate)(due to CCBC/DCC differing grades and potential JE impacts), including where the HOS has specified a grade
- On-costs will be added at 30% to the final total salary costs (DCC is currently 30% and CCBC 28%)
- Grant funded posts are not in scope
- Posts within the new structure have not been through a Job Evaluation process, therefore a JE contingency of 4% will be added to cost of the new service design
- A pay structure has not been agreed as it will be dependent on the appointment of the Host Authority
- The savings total for staffing the new service design contains 2x administration posts, which individual LAs have not yet realised, and are therefore not as a direct result of collaboration

7.2 Impact on Existing Staff

The total number of (office based) FTEs included in this exercise is 184.78. Based on the new Service Design, 18.59 FTE posts would be removed from the staffing structure, and 9 new FTE posts would be created.

After removing vacant posts, posts in line for redundancy have been considered as a match for the new posts (desk top exercise). This results in a possible 8.59 FTE redundancies, just under 5% of the total staff included in this exercise.

The total value (with 30% on-costs) of the 18.59 posts removed is £626k, and the new posts would cost £236k, resulting in a net saving of £390k (before consideration of additional costs, see 7.3).

7.2.1 Redundancy Costs & Pensions Deficit

Redundancy Costs

In order to determine the estimated cost of the remaining 8.59 FTE redundancies, the staff in-scope for *each redundant post* have been profiled for redundancy and pension strain costs, with the highest total costs taken. The pensions strain (different to the pensions deficit) is also known as the '*earliness cost*' and may apply to people over the age of 55 who are in the pension scheme and made redundant. The calculation considers the employee's age, length of service and salary to produce the amount in pension costs that will need to be made by the authority to the relevant Pension Scheme.

Anticipated redundancy costs are in the region of £334k, and will contribute to the overall *transitional* costs detailed in *Section 10 – Financial Model*.

Pensions Deficit

A transfer of staff from one local authority to the other would give rise, where applicable, to staff having to transfer local government pension membership from one Fund to the other.

In early 2012, Finance Officers from both Conwy & Denbighshire met with an actuary representing the Flintshire scheme (DCC employees) and the pension manager from Gwynedd (CCBC employees). Assurance was provided that a transfer would not create an additional cost. The issue is about the accounting treatment of existing deficits.

If a group of staff transfer from *council A* to *council B*, the existing pension deficit for *council A* will not change. However, there would be fewer employees contributing to the deficit funding in *council A*. *Council B* on the other hand could have significantly increased contributions as a result of the transfer and would, in effect, over-recover employer's costs (which include an element of deficit funding).

The actuary advised that there would need to be an agreement between the councils to ensure that neither council is better, or worse off as a result of the pension transfer.

7.3 Cost of Staffing the New (Draft) Structure

A full breakdown of costs by Service and sub-service area is available in *Appendix 3*.

For the purpose of this financial analysis work, all contracted staff were included i.e. *School Escorts* and *Road Workers*, with *Relief School Escorts* and *School Crossing Patrols* excluded.

When taking into account (i) the savings from the posts removed, (ii) the cost of the new posts, (iii) the additional costs associated with the Parking Penalty Process, and (iv) the 4% grade differential to protect against JE claims and Host LA pay differences - the anticipated annual staff cost savings are in the region of £3,700.

The following summary of staffing costs are based on the approach detailed at the start of this section and will contribute to the overall *running* and *transitional* costs detailed in *Section 10 – Financial Model*.

Table 4

Staffing the New Structure

Service/Sub-Service Area	Current Structure		New Structure	No. Posts Removed	New Posts	Saving	Cost
	CCBC	DCC					
Sub-Totals pre on-costs	£3,592,195	£3,199,208	£6,487,838	18.59	9	(481,577)	£181,597
1 On costs @30%	£1,077,659	£959,762	£1,946,351			(144,473)	£54,479
2 Totals	£4,669,854	£4,158,970	£8,434,189			(626,050)	£236,076
3 Parking Penalty Processes & Parking							£48,913
4 4% grade differential to protect against potential JE claims & Host LA pay differences							£337,368
5 Total savings from the new structure						(626,050)	
6 Total costs of staffing the new structure							£622,357
7 Total						(3,693)	

Notes:

- 1 On-costs added at 30% to the final total salary costs (DCC is currently 30% and CCBC 28%)
- 2 Net saving (389,974) before additional costs
- 3 Costs identified from the impact of Conwy joining the WPPP scheme
- 4 Mitigation against costs of staff transferring to the Host LA when factoring in JE
- 5 savings made through the removal of posts within the new structure
- 6 Total cost of, new posts identified within the new service structure, Conwy joining the WPPP, and the 4% JE mitigation
- 7 Total balance is a saving of £3,687

8. Accommodation

The following three options were considered:

- Option 1: Re-location of Heath based office staff to the Caledfryn site
- Option 2: Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-service Areas where appropriate
- Option 3: Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)

8.1 Assumptions and Limitations

Assumptions are as follows:

- A1. The option for a new build has been discounted on the grounds of affordability
- A2. The option to move all staff from Caledfryn to the Heath has been discounted on the grounds of capacity
- A3. (Option 1) If the Heath is vacated, Conwy will utilise the building as office space
- A4. (Option 1) If non-H&I staff vacate Caledfryn, DCC will incur running costs for these staff at an alternative location
- A5. (Option 2) Half the staff across the two sites (Heath and Caledfryn) will potentially be subject to re-location
- A6. (Options 1 & 3) Based on current staff figures a floor area of 1,880m² would be required – potentially Caledfryn has 1,873m² and the St Asaph site 1,395 m². Whilst in both cases the floor area is less than the anticipate need, it is recognised that the Heath site layout is unsuitable for office accommodation with areas of floor unable to be utilised due to the shape of the rooms. As Caledfryn and St Asaph are relatively new sites the floor wastage would be minimal mitigating this concern.
- A7. (Option 3) All staff will require desk space using their existing ICT equipment (see also C1)
- A8. (all Options) The associated ICT report on these three options will initial only consider the costs of joining the services together using the existing hardware and systems. Innovation, opportunities for flexible space utilisation through improved technologies, and future proofing would require investment and will therefore not be a costed consideration for this report (it may be that this will be considered in more detail for the FBC) (see C3 and C6 below)

Considerations and Limitations are as follows:

- C1. (Option 1) There needs to be a recognition that as a result of this option there is a potential lost opportunity of releasing assets identified in the DCC Corporate Accommodation Strategy - additional running costs of approximately £90,000pa, Capital costs of £50,000 to get the building suitable for use, and a loss of capital receipts in the region of £650,000
- C2. (Option 2) It needs to be recognised that the intention to relocate small numbers of staff to have full teams working from one site, invariably results in a larger number of staff needing to be relocated (maybe within their current location) to allow this to occur
- C3. (Option 3) Without considering an innovative approach to ICT that would provide opportunities for flexible space utilisation through improved technologies, the St Asaph site would be restricted, with little room for expansion and restrictions with regards to large equipment, storage, etc. An invested approach would aim for an 80% desk provision utilising new and mobile technologies, providing more flexible use of the accommodation now and in the future

- C4.(Option 3) The St Asaph building could be let to another organisation during the life of the project
- C5.(Option 3) The St Asaph site is the only suitable location within Conwy and Denbighshire that has the appropriate capacity and is along the A55 corridor
- C6.(all Options) With the lack of initial investment to back an accommodation solution for a fully integrated service, there is the danger that the building will dictate the business need
- C7. (all Options) Disturbance Costs – work has not begun profiling the disturbance costs that may be incurred with the relocation of staff for each option. This work would be required to ascertain these costs for the FBC e.g. in CCBC’s Disturbance Policy, *‘CCBC will pay the difference between home to old workplace, and home to new workplace (shortest route) less five miles per day. Mileage will be paid at 20 pence per mile, and is subject to tax/NI deductions. It will be paid for 2 years. Part-time staff will receive the allowance on a pro-rata basis, depending on the number of home/work trips made’*

8.2 Option Appraisal

The purpose of the accommodation option appraisal is to consider the options in relation to the location of office based staff within a Joint Conwy and Denbighshire Highways & Infrastructure Service.

The following stakeholders were involved in this option appraisal:

- JH&I Project Team
- Property and Asset Management Officers from both Conwy & Denbighshire
- Conwy & Denbighshire Collaboration Officers Group
- Quality Assurance Team 1
- Project Sponsors

The Option Appraisal template is a recognised approach of the WLGA, having been tested for use within the public sector.

The Option Appraisal is split into two key areas, *non-financial benefits* and *costs*. The non-financial benefits criteria measures against; the majority of the project benefits, the impact on H&I and whole authority service delivery, and the likelihood of the option receiving staff and political buy in.

The exercise of weighting the criteria was undertaken by the Project Sponsors.

To assist with the exercise, considerations were detailed against the non-financial benefits which include the aforementioned considerations and limitations.

The following sequence of activities was undertaken:

- the initial draft was developed by the JH&I Project Team and Conwy & Denbighshire Property & Asset Management Officer, including identifying transitional and running costs against each option;
- the draft was then shared for comment with the Conwy & Denbighshire Collaboration Officers Group;
- the Quality Assurance Team (QAT) were asked to score the options against the non-financial benefits;
- the Project sponsors were asked to score the options against the non-financial benefits (without seeing the scores assigned by the QAT);

- the average of the two scores were taken and multiplied by the weightings.

The results against the non-financial benefits were:

Table 5

	Option 1 Re-location of Heath based office staff to the Caledfryn site	Option 2 Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-service Areas where appropriate	Option 3 Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)
Totals (weighted score)	270	265	280

A copy of the full option appraisal is available in *Appendix 4*.

8.3 Accommodation Costs

Year 1 includes the transitional costs. All costs will contribute to the overall *transitional and running costs* detailed in *Section 10 – Financial Model*.

Table 6

Accommodation Option 1: Relocation of Heath based staff to the Caledfryn site
Accommodation Option 2: Retain Caledfryn & Heath sites, reorganising the staff according to Service / Sub-service areas where appropriate
Accommodation Option 3: Staff from the Heath & Caledfryn to be relocated in a building formally used as office space (St Asaph business Park)

	Option 1	Option 2	Option 3
1 Disturbance Costs	£0	£0	£0
2 Transitional Costs (one off)	£250,000	£100,000	£200,000
3 Lease Costs (per annum)	£0	£0	£105,000
4 Running Costs (per annum)	£155,000	£243,777	£80,000
5 Corporate Costs (per annum)	Year 1 - £109,500 Year 2 - £117,250	£0	Year 1 - £174,500 Year 2 - £182,250
6 Additional Cost of the Option	£270,723 (Year 1)	£100,000 (Year 1)	£315,723 (Year 1)
	£28,473 (Year 2)	£0 (Year 2)	£123,473 (Year 2)

Notes:

- Staff profiling work would be required to ascertain these costs for the FBC
- Option 1: 100 Heath staff to Caledfryn & 150 non-H&I DCC staff relocation (at £1,000 pp)
Option 2: based on apx. 100 staff transferring (at £1,000 pp)
Option 3: all 200 Heath and Caledfryn staff to St Asaph (at £1,000 pp)
- Lease costs for a building of similar size and structure to the St Asaph site
- Option 1: Running Costs for Caledfryn
Option 2: Running Costs for Caledfryn £155,000 and the Heath £88,777
Option 3: Running costs based on a building similar in size and construction
- Option 1: Heath Mothballed (£19,500 in yr 1 and £27,250 yr 2) & re-located DCC staff funded from the released portion of rent from Caledfryn
Option 3: Heath Mothballed (£19,500 in yr 1 and £27,250 yr 2) & other DCC staff would be moved into Caledfryn
- Compared against the current running costs at the Caledfryn and Heath at £243,777 (Caledfryn £155,000 and the Heath £88,777)

Option 1 - if we consider year two, the cost of the option is as per the current costs, plus the additional £90,000 DCC costs, off-set by the CCBC contribution of £61,527 (current costs of £88,777 minus the mothballing cost of £27,250). In year one, we incur additional transitional costs, however the cost of mothballing the Heath in that first year are reduced.

Option 2 - costs remains the same with just the additional transitional costs required in Year 1

Option 3 – if we consider year two costs, the cost of the option is the additional new building at £185,000 (£105,000 lease costs plus the £80,000 running costs of the new site) less the CCBC contribution of £61,527 (current costs of £88,777 minus the mothballing cost of £27,250). In year one, we incur additional transitional costs, however the cost of mothballing the Heath in that first year are reduced.

8.4 Conclusions to the Option Appraisal

Table 7

	Option 1 Re-location of Heath based office staff to the Caledfryn site	Option 2 Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-service Areas where appropriate	Option 3 Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)
Totals (weighted score)	270	265	280
Additional Costs Year 1	£270,723	£100,000	£315,723
Additional Costs Year 2 (onwards)	£28,473	£0	£123,473

8.4.1 Overall it was felt that **having the staff located in one site (Options 1 & 3), was most likely to realise the benefits of:**

- **increased customer satisfaction;**
- **the whole service being recognised as a high performing service;**
- **improved development and career opportunities for new and existing employees; and**
- **increased flexibility in and efficient use of limited resources.**

It was concluded that cultural alignment is a key factor in ensuring that an integrated service can deliver its benefits, and this is most likely to be achieved from having the staff in one location. Risks associated with a single location appearing more remote for customers, can be mitigated by developing a high quality Customer Services Strategy, and implementing new ways of working to monitor and improve, the tracking and accuracy of, and response to, customer enquiries. Teams working within one location will have more opportunities to develop and maintain best practices and common, consistent working approaches. All options should provide better opportunities for skill sharing and staff development, and it was felt that this would be realised more fully by having staff in one single location. However it was recognised that a single location may restrict the viability of opportunities for some staff due to greater journey times and distances.

When considering the benefits of:

- minor disruption to the delivery of the Highways and Infrastructure Service (inc. employees); and
- minor disruption to the delivery of other council services (inc. employees),

the scoring reflects the views that whilst there is likely to be an initial negative impact on service delivery with all options, **the whole service move required for Option 3 will result in the most disruption.**

Option 2, was considered most likely to receive political and staff buy-in (including overcoming staff opposition), as not all staff would be required to move location, and both authorities would retain a main based within their County.

9. ICT

Conwy and Denbighshire ICT departments produced two joint reports for the Conwy and Denbighshire Officer Group (CDOG) in July 2011 and November 2011 outlining proposals and estimated costs for IT service delivery to the integrated service. Further to these reports, CDOG have requested more detail on the current and estimated future costs for ICT systems and applications utilised by the service.

This report provides an update of the estimated *additional* Capital and Revenue costs required to support *existing* systems under the following options:

- Option 1 - Re-location of Heath based staff to the Caledfryn site
- Option 2 - Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-service Areas where appropriate
- Option 3 - Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)

9.1 Assumptions and Limitations

It must be noted, that

- (i) the following costs are in addition to the existing costs of the delivery of IT services to the current H&I services, and
- (ii) the transitional and additional running costs are in the main attributed to the transfer of staff, ICT systems and Infrastructure to a Host LA, rather than the physical relocation.

General Assumptions:

1. Capital and revenue costs for the implementation of completely new systems or technologies aimed at delivering transformation and efficiencies within the Joint Integrated Highways Service (e.g. EDRMS, Sharepoint, IPADs) cannot be included in this report without a clear specification of Service requirements. However, there may be opportunities for efficiencies through investment in these technologies but they are out of scope for this project. Additional capacity for *new* work would be costed separately.
2. Where possible staff will move their existing pc/laptop/tablet/printer and telephony hardware/software licenses in to the new integrated service. The hardware is of an appropriate specification and condition to be supported in the new joint service.
3. The cost to migrate data and licenses will need to be investigated with the individual application owners once the decision has been made regarding which applications will be used by the joint H&I service and which of the LAs will act as the host (See Appendix 3). Without this information at a specific application level it is difficult to make an assumption on any savings or additional costs that may be incurred in relation to systems usage. Additional hardware and specialist consultancy charges are also likely to be incurred to accommodate any systems migrations from one authority to another.
4. The systems used by both DCC and CCBC are detailed the joint ICT report (*Appendix 5*).
5. The 200 Highways and Infrastructure (H&I) staff number is apportioned on a 50/50 ratio with 100 staff currently CCBC employees and 100 currently DCC employees. Therefore, each ICT service will be taking on an additional 100 staff to support.

6. The merger of existing systems or implementation of replacements for the Joint Highways and Infrastructure Service will carry a substantial additional overhead on both ICT Services as the migration work is undertaken and consequential network or server infrastructure improvements are introduced. Consultancy costs from existing and new ICT providers are likely to be high but Conwy and Denbighshire can provide specialists in technology areas such as Networks, Telephony, Virtualisation, SAN, Citrix, AD, SQL, Desktops and Security to help limit the requirement for external expertise.
7. An estimated additional cost of £75k has been put forward as a reasonable, 'transitional' charge to allow a contribution towards resourcing the extensive additional workloads brought about in managing this merger for the hosting ICT service. Resource could not be freed up from the non-hosting Council as officers are not purely dedicated to Highways work and instead deliver IT support and management services across the Council. This transitional fund should be put in place for an initial period of 2 years with an agreement to review at the end of this term.
8. Each ICT service will work in partnership to support transfer of skills wherever possible to enable officers in the host service to support systems and technologies operated by the integrated H&I service. This will help alleviate some of the demand and costs associated with training/3rd party consultancy.
9. Where systems are common across Conwy and Denbighshire, all licences transfer at no additional cost.

9.2 ICT Costs

The following summary of additional ICT costs will contribute to the overall *running* and *transitional* costs detailed in *Section 10 – Financial Model*.

Table 8

	Option 1 Re-location of Heath based staff to the Caledfryn site	Option 2 Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-service Areas where appropriate	Option 3 Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)
Transitional Costs	£211k	£222k	£272k
Annual Costs	£61k	£52k	£72k

The table reflects the highest costs and is based on general ICT and (H&I and Corporate) software specific costs. It excluded costs associated with common software across the two LAs.

It is important to note that where systems are common across Conwy and Denbighshire, an assumption has been made that all licences will transfer at no additional cost (see assumption 9 above) and therefore these are excluded from the totals above and the full Financial Model. The total liability has the potential (worst case scenario) to reach an additional estimated £292k in set up costs and £162k annual costs.

A full breakdown of ICT costs is available in *Appendix 5*.

10. Financial Model

It is not the intention to compare this financial model against the current H&I budgets. The purpose is to provide an indication of the potential costs/savings to each council for integrating the service. Therefore, this model will include both service and corporate costs/savings.

It is also important to note that whilst on-costs at 30% have been added to the costs of staffing the new structure, this will not cover the full costs of the Host LA providing support services. It is the assumption at this time that the host LA will charge no more than the costs currently incurred by the delegating LA.

The following costs are additional revenue and transitions costs attributed to (i) staffing the new structure, (ii) accommodation options and (iii) ICT.

All aforementioned assumptions and limitations apply.

Table 9

Additional Costs of the New Integrated Service Design

Accommodation Option 1: Relocation of Heath based staff to the Caledfryn site

Accommodation Option 2: Retain Caledfryn & Heath sites, reorganising the staff according to Service / Sub-service areas where appropriate

Accommodation Option 3: Staff from the Heath & Caledfryn to be relocated in a building formally used as office space (St Asaph Business Park)

* based on the assumption that all staff transfer and move accommodation in Year 1

	Option 1			Option 2			Option 3		
	Year 1*	Year 2	Year 3	Year 1*	Year 2	Year 3	Year 1*	Year 2	Year 3
Running Costs									
1 Staffing the Structure	(389,974)	(389,974)	(389,974)	(389,974)	(389,974)	(389,974)	(389,974)	(389,974)	(389,974)
2 Parking Penalty Processes & Parking	£48,913	£38,913	£38,913	£48,913	£38,913	£38,913	£48,913	£38,913	£38,913
ICT	£61,000	£61,000	£61,000	£52,000	£52,000	£52,000	£72,000	£72,000	£72,000
Accommodation	£20,723	£28,473	£28,473	£0	£0	£0	£115,723	£123,473	£123,473
4% JE Contingency	£337,368	£337,368	£337,368	£337,368	£337,368	£337,368	£337,368	£337,368	£337,368
Total Additional Running Costs	£78,030	£75,780	£75,780	£48,307	£38,307	£38,307	£184,030	£181,780	£181,780
Transitional Costs									
Redundancy	£334,263	£0	£0	£334,263	£0	£0	£334,263	£0	£0
ICT	£211,000	£0	£0	£222,000	£0	£0	£272,000	£0	£0
Accommodation	£250,000	£0	£0	£100,000	£0	£0	£200,000	£0	£0
Total Transitional Costs	£795,263	£0	£0	£656,263	£0	£0	£806,263	£0	£0
Total Additional Costs	£873,293	£75,780	£75,780	£704,570	£38,307	£38,307	£990,293	£181,780	£181,780

Notes:

- 1 Net savings from staffing the new structure before additional costs are applied
- 2 Year 1 includes one off joining fees of £10k
- 3 Total Transitional and Running Costs by year (excluding the Pensions Deficit estimate)

10.1 Financial Analysis

It is the finding of this project that proceeding with an Integrated Highways and Infrastructure Service across Conwy and Denbighshire will not deliver any cashable savings in (at least) the first three years.

Option 1 - Relocation of Heath based staff to the Caledfryn site

Additional running cost are anticipated for the first year in the region of £78k, reducing to an estimated £76k in years two and three. Transitional costs would be required in the region of £800k.

Option 2 - Retain Caledfryn & Heath sites, reorganising the staff according to Service / Sub-service areas where appropriate

As the least expensive option, additional running costs are anticipated for the first three years in the region of £48k, reducing to an estimated £38k in years two and three. Transitional costs would be required in the region of £656k.

Option 3 - Retain Caledfryn & Heath sites, reorganising the staff according to Service / Sub-service areas where appropriate

As the most expensive option, additional running costs are anticipated for the first three years in the region of £184k, reducing to an estimated £182k in years two and three. Transitional costs would be required in the region of £806k.

10.2 Potential for Future Savings

There are already aspects of the Highways and Infrastructure Service across Conwy and Denbighshire that are collaborating with a Joint Service Manager appointed; namely Street Lighting and Passenger Transport. Any savings realised from these areas of integration over the last three years are set out as received from the Head of Service in Section 3.3 of this report.

There may be potential for further savings through the integration of sub-service areas in Phase two, however, it is not the purpose of this report to identify the full extent of any such benefits and potential savings – this work will be undertaken in Phase 2 of the project.

What can be reported is that the expectation for sub-service full integration is in meeting the Project Benefits, rather than yielding significant financial savings. There may be savings to be made by reviewing processes and procedures (e.g. tendering for contracts), but we need to question if these can be achieved through ‘soft’ collaboration (sharing good practice), rather than being reliant on full integration. We need to be ever mindful that financial savings through full integration are more commonly and initially achieved through redundancies, which can have significant transitional costs attached.

10.3 Charging Methodologies

In October 2011, a H&I Integrated Service ‘Financial Implications’ report was submitted to the Collaboration Officers Group which states:

“The distribution formula ought to be as straightforward as possible so it is easily understood. Service level Indicator Based Assessments (IBAs) are an independent, pre-existing proxy for need. They are a key element used to calculate SSA and ultimately drive out the RSG formula. The basic components and proportions would be as follows:

	Denbighshire £'000	Conwy £'000	Indicators
School Transport	3,192	3,602	Population aged 3-15 Area
Road Maintenance	6,412	6,814	Population Weighted Road Length Traffic Flow
Street Lighting	958	1,219	Street Light Units
Public Transport	589	847	Settlement Threshold Population
Concessionary Fares	367	451	Population
Road Safety	197	318	Urban Road Length Population
Total IBA	11,715	13,251	
% IBA Distribution	46.92%	53.08%	

It would be preferable if the above could be used as the basis to apportion all savings in future but it may transpire, as the service structure emerges, that a second tier service level agreement may have to be devised if the IBA approach doesn't lend itself effectively to some areas. That said, to determine a mechanism that is more detailed and therefore complicated, would probably involve a considerable effort and achieve broadly the same result. It also means more discretion may have to be introduced which may be subject to challenge politically. Therefore the IBA based allocation should be the 'norm' with other arrangements being exceptional. The theory would dictate that as service areas are pooled and service delivery plans for each council established, all net savings arising as a result of collaboration are apportioned on the basis above, regardless of where the saving originated. This type of formulaic distribution of savings would have to be assessed over the entire collaboration programme and therefore over a three or four year period rather than focussing on individual element in any one year."

11. HR Model

It will be necessary to consult with unions on the process for managing the change with staff (a number of meetings to consult on the project approach and the draft service design have already taken place). It will also be necessary to agree a detailed timetable for consultation, recruitment, redeployment, redundancy activity with all employing organisations and the unions.

There have been a number of pieces of work already undertaken on the alignment of culture and induction to a new organisation, which will form the basis of the HR approach. In addition, further discussion is required to identify opportunities to align culture and build the new team ethos within the service.

Key areas for consideration include:

- Responsiveness and Culture;
- Perceptions of influence including employer/employee perception to ensure a unified approach to the delivery of a Joint Highways & Infrastructure Service; and
- Resourcing the HR issues so they do not excessively delay the implementation of the new service.

A comprehensive review of existing job descriptions will have to be undertaken to ensure that they are 'fit for purpose' and meet the requirements of the joint service. In addition, a number of new job descriptions will have to be developed, agreed and evaluated to support the new roles within the proposed structure.

11.1 TUPE Arrangements

Members of staff who are currently engaged in delivering the Highways & Infrastructure 'in-scope' functions through their individual organisations, may have a right to transfer to the new structure, which will be providing that function on a shared service basis. This transfer would be subject to TUPE regulations. Under these regulations, members of staff will transfer with at least their existing statutory employment rights and contractual entitlements.

Any resulting redundancies would be the responsibility of the host authority.

11.2 Salary Ranges

Both Authorities use the GLPC job evaluation scheme, however how this is applied across the two authorities does vary due to the development of local conventions.

Once a host authority has been agreed, all future job evaluations should be undertaken in accordance with the host authority evaluation schemes.

11.3 Policies & Procedures

A complete review of policies and procedural differences across the two authorities will need to be undertaken. This will need to be carried out by the host authority to ensure that correct policies, procedures and terms and conditions are applied to the employee. There will also need to be a commitment by the new employer to agree a pay, terms and conditions harmonisation strategy within 3-5yrs of the new structure formation, in order to address any equal pay issues in line with legislation.

However for managing the transfer process, there needs to be a common process and policies for:

- **Redeployment** (the process not entitlements such as pay protection);
- **Applications for Premature retirements** (the process not the entitlements);

- **Job matching;**
- **Recruitment and Selection to the new posts;**
- **Redundancy Management** (however in terms of redundancy entitlements the employees current terms and conditions will apply and so consultation will not be required on this aspect);
- The **Sickness Absence Policy;** and
- **Flexi time** arrangements.

12. Risk Management

The process for identifying, assessing, managing and monitoring risk is an integral part of project management. The continual identification and assessment of risk is key to the successful delivery of our objectives.

The changing external environment and the decisions made in the course of delivering the project, will continuously alter the status of risks identified and new risks emerging. The risk assessment process should support this ongoing and forward-looking identification and assessment of risk as part of the project.

The risk register for this project was developed during the Visioning Workshop (April 2012), in a session that looked at; *'what could possibly go wrong?'* and *'what is already, or could act as a poison to prevent the collaboration reaching a successful conclusion?'*

The participants were asked to consider:

Internal factors e.g. the partners in the collaboration; shared vision; direction and momentum; management of stakeholders; appropriate consultation; of commitment; key calendar dates etc

External factors e.g. Political, Economic, Sociological, Technological, Legal & Environmental factors

Highways and Infrastructure staff were informed of the risk register in the May 2012 Newsletter and invited to share any risks throughout the duration of the project.

The Project Manager will actively manage project risks, and put in place a mechanism to ensure those allocated responsibility for mitigating risks, are proactively working to ensure the mitigation. In order to facilitate this, the owners of risks are required to provide an update at regular intervals at the request of the project manager. The Risk Register is formally reviewed bi-monthly.

The full project risk register (as at July 2012) is attached as *Appendix 6*.

13. Summary of Findings

Section 1 of this report states that one of the purposes of this document is to ‘consider if delivering a joint (fully integrated Conwy and Denbighshire Highways and Infrastructure) service is likely to result in a better service that costs less’.

This report reviews the costs and benefits in relation to a new service design, under three accommodation options:

- Option 1: Re-location of Heath based office staff to the Caledfryn site
- Option 2: Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-Service Areas where appropriate
- Option 3: Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)

The financial model in Section 10 uses the highest costs associated with:

- HR - staffing the new service, JE contingencies and redundancy (section 7);
- Accommodation – moving, lease, running and corporate costs (section 8); and
- ICT - based on using the existing equipment and software (section 9);

Whilst it is not the purpose of this report to identify any savings at a sub-service level, it is recognised that there may be savings to be made from integration further down the structure (e.g. tendering for contracts, reviewing processes and working practices), however, we need to question if these can be achieved through ‘soft’ collaboration (sharing good practice, partnerships), rather than being reliant on full integration?

Table 11

	Option 1			Option 2			Option 3		
	Year 1*	Year 2	Year 3	Year 1*	Year 2	Year 3	Year 1*	Year 2	Year 3
Total Additional Running Costs	£78,030	£75,780	£75,780	£48,307	£38,307	£38,307	£184,030	£181,780	£181,780
Total Transitional Costs	£795,263	£0	£0	£656,263	£0	£0	£806,263	£0	£0
Total Additional Costs	£873,293	£75,780	£75,780	£704,570	£38,307	£38,307	£990,293	£181,780	£181,780

It is the finding of this report that full integration of the service, under any of the above three accommodation options, will require additional annual revenue (cost more), and will incur significant transitional costs.

The second question ‘will full integration between Conwy and Denbighshire result in a better service?’ is more difficult to measure in the absence of robust working examples. We can however, start by considering the expected improvements from full integration outlined in this report (section 6.3), against the expected project benefits.

Here we will again need to question if the following expected improvements can also be achieved through ‘soft’ collaboration (sharing good practice, partnerships), rather than being reliant on full integration?

	Anticipated Project Benefits	Expected Improvements
1	Increased customer satisfaction	By combining the staff and bringing together the best practices of both authorities, the integrated service will be able to develop one consistent approach for customer standards and management. Within the new structure there is an opportunity to

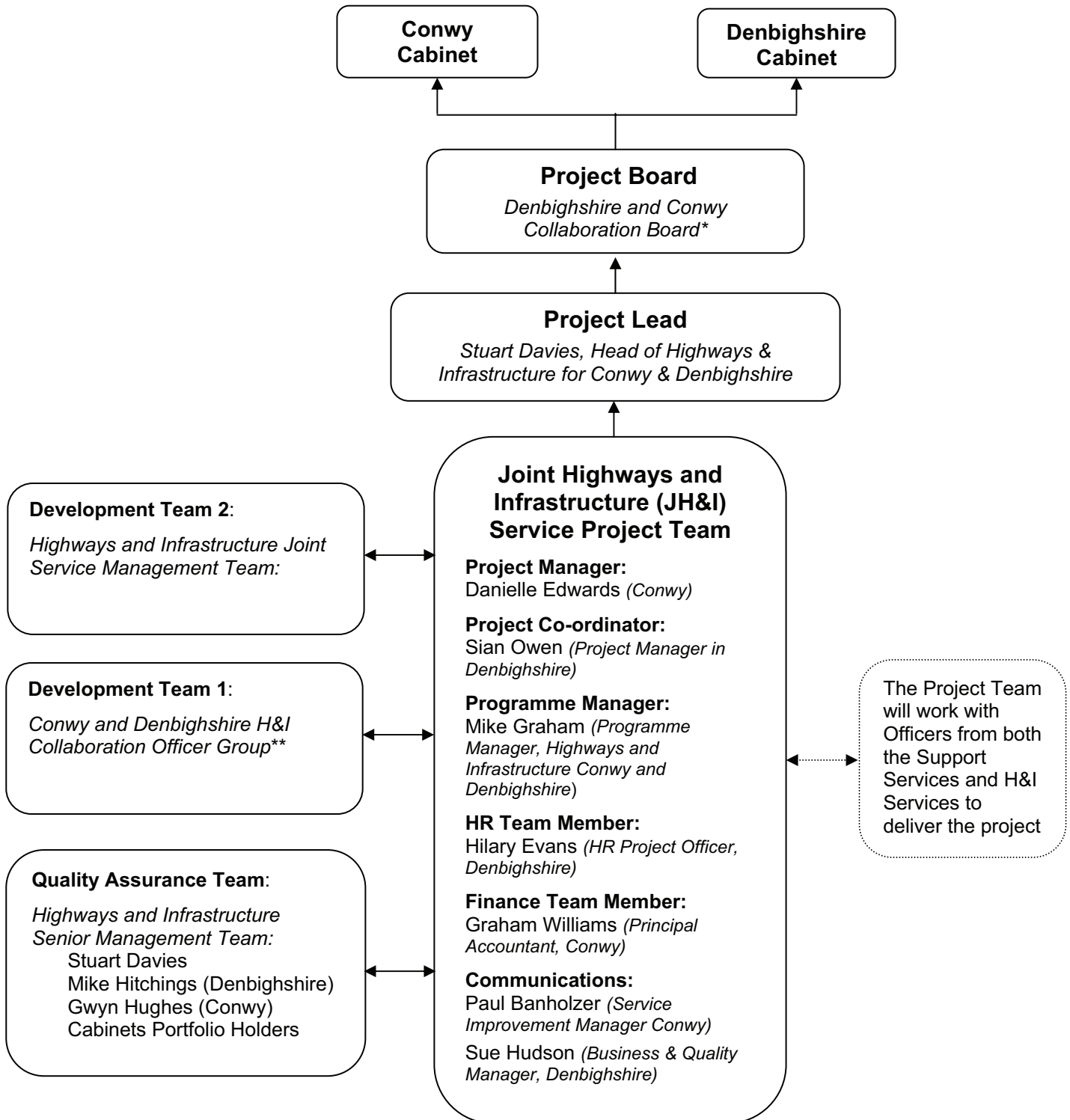
		<p>develop a 'community relationship' role for each of the senior managers in the joint service. The role will act as a key contact in areas for Members, community groups and community councils. It is important that a strong area presence and knowledge is maintained and enhanced to provide a high quality service.</p> <p>A fully integrated team provides greater capacity to deal with the peak periods experienced by customers (e.g. home to school transport).</p>
2	The whole service is recognised as a high performing service	<p>Through Asset Management being brought into the core of the service (under Business Development), it will drive the decision making across the service, and determine the activities across many parts of the service.</p> <p>The proposal is for a Quality and Innovation Manager post to be created, which would harvest best practice from the public and private sector. This is a really important element of establishing the new service to ensure that there is a culture of continuous improvement and challenge.</p> <p>Across the whole service there will be consistently robust processes and minimal duplication.</p> <p>Combined teams will ensure we have a clear direction and clear priorities on our policies, which gives us a strong voice in TAIH and in national transport forums.</p>
3	Improved development and career opportunities for new and existing employees	<p>There will be better opportunities for skill sharing and development, given the benefits that will arise by combining both Authorities' Highways knowledge and skills.</p> <p>Staff co-located in same service or sub-service teams, will have shared access to new opportunities.</p>
4	Increased flexibility in and efficient use of limited resources	<p>Through Asset Management being brought into the core of the service (under Business Development), it will ensure the most effective deployment of resources, and ensure principles of whole life cost are utilised to best effect.</p> <p>Economies of scale for procurement can be achieved across the service by only needing to prepare tender documents once, which requires less officer time and effort. In addition, tenders which have a greater value of work will often attract more competitive rates.</p> <p>Across the service there will be extra capacity, resilience, and flexibility to be able to; manage peaks in workload; target problem areas, deal with staff changes through absence and turnover, and strengthen succession planning.</p> <p>The combined teams will release capacity to develop strategies that will meet regional and national agendas, and ensure that the potential for external funding sources are optimised.</p> <p>There are opportunities to share the cost of developing depot facilities, and increase the services offered to NMWTRA from a larger joint team which could help offset the cost of the labour, plant and equipment to the</p>

		authorities.
5	More robust legal compliance	<p>Centralising 3rd Party Claims and recharges will enable robust approaches for defence of claims and recovery of money against 3rd parties. It will ensure weaknesses are monitored and procedures and policies revised, helping to maximise cost recovery and minimise exposure to claims.</p> <p>Across the whole service there will be consistently robust processes and minimal duplication.</p>
6	Improved contribution to strategic agendas	<p>Combined teams would have increased capacity and capability to direct resources to strategic priority areas, and to develop strategies that will meet regional and national agendas and ensure that the potential for external funding sources are optimised to tackle the priorities of both authorities.</p>

**Joint Highways and Infrastructure Fully Integrated Service:
Project Governance Structure**

* Representation across the two LAs from; Chief Executives, Corporate Directors, Council Leaders, Portfolio holders, Scrutiny committees.

**Representation across operational and support services for Highways and Infrastructure in Conwy and Denbighshire.



Breakdown of Functions under the New Joint Service Structure

Where a function has been moved from one sub-service area to another, it will state '(Moved from.....)'.
 Opportunities for a better service have also been included under the sub-service areas.

Opportunities for a better service have also been included under the sub-service areas.

1. Aligned Sub-Service Areas

Service Area & Sub-service Areas	Functions
Business Development	
Business, Quality & Customer Management	<ul style="list-style-type: none"> ▪ Performance Management, Risk Management, Business Planning, Crisis Mgt and Service Continuity ▪ Collation of information relating to insurance claims against the Council ▪ PA duties to HOS ▪ Welsh Language, Equalities ▪ Sustainability and Communications ▪ Maintenance and improvement of the ISO 9001 Quality Management System ▪ Service delivery improvements through the development of codes of practice and standards ▪ Web information and publications ▪ Monitoring and Co-ordination of responses to Complaints and Queries ▪ Full administrative support to whole service ▪ Freedom of Information / Data Protection Issues ▪ Premises Administration - Co-ordination of repairs and maintenance to building ▪ Carrying out co-ordination duties to ensure the quality and availability of ICT & office equipment provision ▪ (Moved from various sub-sections) Third party claims administration ▪ (Moved from various sub-sections) Liaison and management of third party insurance claim defence <p>Opportunity1: Identify innovation through development – a specific role Opportunity2: Co-ordinate on Health and Safety across the service Opportunity3: Align, maintain and develop Quality Assurance across the Service Opportunity4: Coordinate the Customer Relationship role (as part of each Service Area Managers responsibility) Opportunity5: Rechargeable works costs – Finance or Business function?</p>
Asset Management	<ul style="list-style-type: none"> ▪ Maintaining databases of Highways assets and inspections ▪ Keep and update the Register of highways together with the administration of Local Land Searches ▪ Determine asset valuation data ▪ Manage the asset management system & PDA devices and support departmental users ▪ Keep and update the Local Street Gazetteer (Conwy only) ▪ Procure and process highway condition data (UKPMS) <p>Opportunity1: Traffic data fed into asset management Opportunity2: Potentially providing this service to other authorities (income generation)</p>
Parking Penalty Processes	<ul style="list-style-type: none"> ▪ Penalty Charge Notice (PCN) processing
Coastal & Countryside	
Harbour Management (Conwy & Foryd) & Maritime Service	<ul style="list-style-type: none"> ▪ Management and operation of Foryd Harbour functions, including navigation, moorings, berthing, maintenance, inspections, issuing of moorings, navigational aids ▪ Development of operating systems for Harbour and Maritime functions ▪ Operation & Management of the Foryd Boat Park, boat lifting and movement operations, collection of fees and charges, maintenance of equipment (in CCBC and Harbour car parks) ▪ Conwy Harbour ▪ Rhos on Sea ▪ Management of Slipways, Beaches, Foreshores ▪ Beach Award applications
Public Rights of Way	<ul style="list-style-type: none"> ▪ Rights of Way maintenance

	<ul style="list-style-type: none"> Compliance with ROWIP Definitive map and public path orders Enforcement Facilitating the 'Access Forum' (statutory requirement)
Major Projects and Bridges	
Major Projects	<ul style="list-style-type: none"> (Moved from Bridges and Structures) Project Management of Regeneration led construction projects Design, procurement, cost consultancy, construction management and CDM-C services Project management support for infrastructure and highways schemes, urban regeneration, coastal works and transport related schemes Highways design Consultancy services for North and Mid Wales Trunk Road Agent Design function for highways and civil engineering projects county projects <p>Opportunity1: Section 278 Agreements – offer full package of design, tender, and site supervision. Fees to be made. Must consider costs benefits and risks.</p> <p>Opportunity2: Strong commercial focus resulting from combined Major Projects functions.</p>
Bridges & Structures	<ul style="list-style-type: none"> Maintaining, replacing and providing new footbridges on Public Rights Of Way Liaising with other highway bridge owners, such as Network Rail Dealing with CADW on works to highway structures designated as Ancient Monuments or Listed buildings Routine/cyclic maintenance and programmed works supervision for internal and NWMTRA clients Undertaking General, Principal and Special Inspections and assessments for internal and NWMTRA clients Implementation of the requirements of the Code of Practice for Highway Structures Managing proposals by statutory undertakers to lay apparatus (ducts, pipes, etc) on or near highway structures Managing design consultants and specialist consultants/ contractors (Preliminary investigations, detailed design, preparation of contract documents and site supervision) for Bridge Works Technical Approval of all new or altered structures on or adjacent to the highway and all structures on or adjacent to highways to be adopted Writing briefs for the procurement of specialist consultants/contractors to carry out Bridge Works <p>Opportunity1: Need County Bridges Manager and small team. Knowledge of assets required for quick response. Call on pool of engineers for design, principal inspections.</p>
Passenger Transport (inc. Public Transportation)	
Education Transport Service	<ul style="list-style-type: none"> Administer school and college contracts for Conwy and Denbighshire Operate the DCC yellow school bus (DCC Only)
Public Transport (Concessionary fares, installation & repairs of bus shelters, timetable information)	<ul style="list-style-type: none"> Administer the free concessionary travel system for both Conwy & Denbighshire, assessing eligibility, making payments to operators and producing travel passes Produce and install roadside publicity for Denbighshire and install (only)for Conwy Undertake bus service infrastructure installations and repairs for both Conwy & Denbighshire Administer bus service contracts and agreements for Denbighshire (DCC Only) Rail policy liaison (DCC Only) Community TPT (DCC Only) Assess network for socially necessary bus services
Streetworks & Parking Management	
Streetworks	<ul style="list-style-type: none"> (Moved from Bridges and Structures) Review and manage route notifications from hauliers in respect of the movement of abnormal loads Assessment of proposals by statutory undertakers to carry out works to maintain their assets on the highway Amending Statutory undertakers proposals (timings and locations of works) using New roads and street works Act 1991 Undertaking Network Management duty, relating to the Traffic Management Act

	<p>2004</p> <ul style="list-style-type: none"> ▪ Maintain and up keep of the Street works register ▪ Co-ordinate all works on the highway ▪ Fixed penalty notices as permitted under legislation ▪ Temporary traffic orders on the highway ▪ Inspections of works on the Highway, issuing defects notices as set out in New roads and street works Act 1991 as required ▪ Licence activities on the highway ▪ Approval and inspection of temporary traffic management ▪ Management of events on the Highway ▪ Licence Skips, Scaffolds/Hoardings, containers and cherry pickers on the highway ▪ To provide all of the street Works functions above to NMWTRA . with the exception of Temporary Traffic orders
Parking	<ul style="list-style-type: none"> ▪ Management of Marine Drive (CCBC Only) ▪ Civil parking enforcement ▪ Car park management, cash collection ▪ Car park permit issue/control (e.g. residential schemes) ▪ Penalty charge notice processing (deals with most aspects of the processing of PCNs up to the traffic penalty tribunal stage)- elements relating to write-offs and debt recovery
Highways Safety & Improvement	
Traffic / Engineering Policy (TAITH e.g. walking, cycling)	<ul style="list-style-type: none"> ▪ General highways infrastructure improvements to increase traffic flow and capacity ▪ Representation at TAITH Regional Transport Consortium ▪ Traffic Regulation and Control - Speed limits, one way streets, parking restrictions etc ▪ Safer Routes in Communities initiative ▪ Collection and analysis of traffic data - traffic flows, traffic speeds and accident data ▪ Transport planning - forward planning of improvements to the highway network ▪ Design, procurement and installation of road safety engineering measures ▪ Infrastructure provision to assist pedestrians ▪ Investigation and provision of cycling facilities ▪ Function of being involved in all aspects of 'Aids to Movement' incorporating provision of road signing, road markings and the management of traffic movements through traffic regulation orders ▪ Management, inspection and maintenance of traffic signal installations* (*DCC ONLY) ▪ (Moved from Street Lighting) New traffic signals ▪ Creation of new cycle routes
Accident Investigation & Road Safety	<ul style="list-style-type: none"> ▪ Running the School Crossing Patrol Service ▪ Road safety education, training and publicity ▪ Road traffic accident investigation and remedial schemes ▪ Informal traffic safety inspections ▪ Road safety audit ▪ Informal safety checks (small schemes)
Highway Development Control	<ul style="list-style-type: none"> ▪ Review pre-Planning and Planning applications that will have an affect on the highway network or individual portions of it, recommending alterations or acceptance of developers' proposals ▪ Contributing to the Local Development Plan ▪ (Moved from Streetworks) Private street works code administration, private streets urgent repairs, advanced payment code, observations on development proposals
Network Maintenance & Street Lighting	
Highway Maintenance	<ul style="list-style-type: none"> ▪ Undertake routine and detailed safety inspections to provide statutory defence under Section 41 Highways Act 1980 ▪ (C) Complaints investigation - Public, Town & Community Councils, Elected Members MP's & AM's ▪ Enforcement issues under Highways Act 1980 - Service of notices under appropriate legislation

	<ul style="list-style-type: none"> ▪ Supervision of Planned, Reactive and Cyclic maintenance works in accordance with Code of Practice ▪ Winter Maintenance function <i>and extended ARGY contractors</i> ▪ Maintenance of cycle routes (<i>DCC Only, ETS in Conwy</i>) ▪ <i>(Moved from Streetworks)</i> Both Section 38 and Section 278 (Highways Act 1980) Agreements (<i>adoption of Highways</i>) ▪ Identify rechargeable works following damage to highway assets (income recovery) ▪ Provision of emergency out of hours service ▪ Deal with highway flooding and other emergency events/situations ▪ <i>(Moved from Parking Services)</i> Maintenance of Marine Drive (scenic Conwy drive around Great Orme's Head) ▪ <i>(Moved from Traffic)</i> Management inspection and maintenance of traffic signs, road markings, street name plates, pedestrian guardrail, high friction surfacing (CCBC Only) ▪ <i>(Moved from Parking Services)</i> Car Parks maintenance (e.g. Surface, white lines and barriers) <p>Opportunity1: Inspection and maintenance of multi story and underground car parks (<i>Comment1: Good – better skills to carry out inspections than Parking staff</i>)</p> <p>Opportunity2: Inspections undertaken on PMAS behalf (i.e. un-adapted areas of Highways) – possible income generation</p>
Street Lighting	<ul style="list-style-type: none"> ▪ Undertaking routine and detailed inspections and assessments ▪ <i>(Moved from Network Maintenance)</i> Identify rechargeable works following damage to highway assets (income recovery) ▪ Routine/cyclic maintenance and programmed works and supervision ▪ Raising of routine maintenance schemes of work for revenue and capital works instructions ▪ Deliver emergency and planned maintenance works inclusive of County and Trunk Road Cyclic and Minor works. ▪ Oversee, review and approve Section 38 and 278 applications. ▪ Routine and reactive maintenance for NWTRA. ▪ Provision of emergency out of hours cover. ▪ Management, design, inspection and maintenance of all illuminated street furniture. ▪ Management, design, inspection and maintenance of all traffic signals (CCBC only). ▪ Design, procurement and installation of Street Lighting replacement schemes.
Highway Works Unit	<ul style="list-style-type: none"> ▪ <i>(Moved from Major Projects)</i> Routine and reactive operation and maintenance activities for North & Mid Wales Trunk Roads Agency ▪ <i>(Moved from Network Maintenance)</i> Service provider for Trunk Road Maintenance ▪ <i>(Moved from Civils / Highway Operations)</i> Carriageway Surface Dressing ▪ <i>(Moved from Civils / Highway Operations)</i> Winter Maintenance Provision ▪ Deliver planned maintenance works – (cyclic and) minor improvements, carriageway and footway patching, horticulture, drainage on County and Trunk Roads. ▪ Deliver Cyclic Maintenance functions on County and Trunk Roads including gully emptying. ▪ Deliver emergency highway maintenance activities on County and Trunk Road Network e.g. Category 1 defects. ▪ Provide an emergency response service inside and outside normal working hours on County and Trunk Roads. ▪ Recharging NMWTRA works through the Schedule of Rates

Additional Opportunities for consideration:

- In order to maximise efficiency, an evaluation of the client and contractor roles will need to be undertaken to include a process mapping session to determine which process currently in place within CCBC or DCC would be most beneficial in terms of service delivery whilst also providing the scope for achieving financial savings. There is a significant amount of duplication at present and taking a 'twin hatted' approach thus

removing the client and contract roles is the way forward as we have found within Street Lighting.

- As mentioned during the meeting, there is a considerable amount of duplication in some of the operational functions which are undertaken in several sub service functions such as the approval of Section 38 and 278 applications, processing third party rechargeable claims and design works. I believe that there may be an opportunity to align some these functions under one section.
- The use of internal expertise as opposed to external consultants

2. Non Aligned Sub-Service Areas

Service Area & Sub-service Areas	Functions
Business Development	
Finance	<ul style="list-style-type: none"> ▪ Provide a full range of professional accountancy services to Senior Managers of the Highways and Infrastructure Service. ▪ To be responsible for the budget preparation, monitoring and control of all divisional budgets, in accordance with the policies and procedures established by the Authority ▪ Provide financial information, advice and support to Senior Managers of the Highways Department responding promptly to service pressures and taking appropriate corrective action ▪ Completion of financial and non-financial returns for the National Assembly and other agencies including Revenue Outturn (RO's) and Revenue Account (RA's) forms, CIPFA statistics and the preparation of various Grant Claims for submission to the National Assembly Trunk Road partnership and the District Auditor in accordance with established timescales ▪ Manage the day to day maintenance and control of the stores service, taking particular responsibility for the ongoing review of stock lines and levels, as well as receipting, issuing, security and control of stock <p>Opportunity1: Finance section in CCBC Highways but centralised in DCC (external to DCC Highways). Explore opportunities to re-align.</p>
Fleet Management & Maintenance	<ul style="list-style-type: none"> ▪ Operators License ▪ Vehicle maintenance external customers ▪ Vehicle Maintenance internal departments ▪ Tachograph fitment and calibration ▪ Section 19 Permits ▪ Vehicle/Plant, spare parts, general hire etc tendering to E.U. requirements ▪ HGV - PSV - Class 4,5,7 MOT testing ▪ Fuel Management ▪ Vehicle Tracking ▪ Accident management ▪ LOLER inspections ▪ Vehicle Hire ▪ E.U. and Domestic Drivers Hours ▪ Vehicle Cleaning ▪ Taxi and Private Hire Compliance testing <p>Opportunity1: Fleet Management & Maintenance is currently a sub-service area within the H&I Service in DCC, and within the Environmental Service in CCBC - explore opportunities to re-align to either H&I or Environmental Services</p>
Emergency Planning	<ul style="list-style-type: none"> ▪ Emergency Response in DCC <p>Opportunity1: Emergency Planning is currently a sub-service area within the H&I Service in DCC, and within the Corporate Civil Contingencies Unit in CCBC (although a responsible officer has been identified within Conwy H&I – namely the Service Improvement Manager). Explore opportunities to re-align.</p>
Coastal & Countryside	
Countryside Services	<ul style="list-style-type: none"> ▪ Biodiversity (<i>statutory and discretionary elements</i>) ▪ Nature Reserve Management (<i>statutory and discretionary elements</i>) ▪ Countryside Access promotion ▪ Coed Cymru <p>Opportunity1: Countryside Services is currently a sub-service area within the H&I Service in CCBC, and within the Environmental Service in DCC - explore opportunities to</p>

	re-align to either H&I or Environmental Services
Major Projects & Bridges	
Flood & Coastal Protection (inc. Drainage for DCC only)	<ul style="list-style-type: none"> ▪ Obtaining Welsh Government grant aid for Capital Works on Flood Alleviation Schemes ▪ Writing briefs for the procurement of specialist consultants/contractors ▪ Managing design consultants and specialist consultants/ contractors (Preliminary investigations, detailed design, preparation of contract documents and site supervision) in connection with flood alleviation schemes ▪ New duties currently being defined as a result of the new Flood & Water Management Act. Including consenting of works to ordinary watercourses and the investigation of flooding ▪ Maintaining a databases of flood defence infrastructure ▪ Development and review of Local Flood Risk Management Strategy ▪ Maintaining a database of coastal flood defence infrastructure ▪ Monitor the coastline, including photographic survey. Consider remedial actions to be taken. ▪ Participating in wider coastal monitoring issues with neighbouring authorities and organisations ▪ Responding to correspondence from the public, students, local associations, various coastal institutions. ▪ Preparing contracts to employ Consultants for specialist advice. ▪ Obtaining grant aid from the Welsh Assembly Government for Capital Projects. ▪ Responding to internal consultations on development within the coastal area. ▪ Representing DCC on bodies such as LBCG, Gronant Dunes Advisory Group etc. ▪ Liaison with CCW, EA including protecting environmental habitats ▪ Project Management of Construction Projects ▪ Identifying and prioritising necessary maintenance and repair works to the coastline and procuring and supervising the works ▪ Managing the culvert systems ▪ Investigating local flood problems ▪ Surface water drainage <p>Opportunity1: <i>Flood & Coastal Protection</i> is currently a sub-service area within the H&I Service in DCC, and within the Environmental Service in CCBC - explore opportunities to re-align to either H&I or Environmental Services</p>
Passenger Transport (inc. Public Transportation)	
Public Transport (rail, bus, policy, information)	<ul style="list-style-type: none"> ▪ Maximise the opportunities for access for all to services across Conwy, including people without a car ▪ Promote sustainable tourism as part of the destination management for Conwy (working with partners, including bus/rail operators, other authorities, the regional consortium and WAG) ▪ Where the market cannot provide services commercially and they are socially necessary, intervene by inviting tenders to provide contracted services, or by working with community transport operators.

Staffing the Structure Costs (assumptions on following page)

Service/Sub-Service Area	Current Structure		New Structure	No. Posts Removed	New Posts	Saving	Cost	Comments
	CCBC	DCC						
Business Development	£53,125	£50,387	£51,756	1	0	(51,756)		
Business, Quality & Customer Management	£141,830	£146,907	£265,598	3.59	3	(23,139)		
Asset Management	£76,231	£67,070	£146,719	0	0		3,418	
Parking Penalty Processes*	£0	£155,362	£155,390	0	0	(28)		Administered currently by staff in Parking (also see *Parking Penalty Processes & Parking below
Coastal & Countryside	£43,333		£44,325	0	0		992	
Harbour Management & Maritime Services	£150,879	£52,344	£203,223	0	0			The Harbour & Maritime report reported anticipated collaboration savings on seasonal staff in the region of £12.5k
Public Rights of Way	£164,180	£135,398	£273,743	1	0	(25,835)		
Major Project & Bridges			£48,903	0	1			New post 100% funded from Trunk Road Grant
Bridges & Structures	£141,190	£111,567	£217,643	1	0	(35,114)		Potential for increase of income levels
Major Projects			All employment funded by Capital based on the Capital Projects					
Passenger Transport		£41,616	£44,325	0	0		2,709	Already working as one tea with staff in one location
Education Transport Service	£396,507	£414,716	£794,138	0	1	(17,085)		Excludes relief school escorts & school crossing patrols
Public Transport	£0	£59,188	£59,188	0	0			
Streetworks & Parking			£44,325	0	1		44,325	
Streetworks	£109,829	£102,473	£183,555	1	0	(28,747)		Opportunity to maximise income through enhancing monitoring & inspection activity
Parking*	£292,177	£248,022	£487,602	2	0	(52,597)		see *Parking Penalty Processes & Parking below
Highway Development Control	£123,168	£86,915	£213,677	1	1		3,594	
Highways Safety & Improvement			£44,325	0	1		44,325	
Traffic / Engineering Policy	£202,862	£208,486	£271,710	2	0	(139,638)		3 Technicians would work across here and Accident Investigation & Road Safety. 2x posts moved to AI&RS.
Accident Investigation & Road Safety	£32,800	£93,460	£159,591	1	0		33,331	CCBC & DCC grant funded posts not included
Network Maintenance & Street Lighting			£48,903		1		48,903	
Highway Maintenance	£337,832	£270,132	£543,271	2	0	(64,693)		
Street Lighting	£275,847	£278,327	£511,229	1	0	(42,945)		Already gone through a re-structuring with the appointment of the shared Street Lighting Manager
Highways Works Unit	£1,050,405	£676,838	£1,674,699	2	0	0		Cannot release the £89k savings as the reduction in staff is reflected in the maintenance works account
Sub-Totals pre on-costs	£3,592,195	£3,199,208	£6,487,838	18.59	9	(481,577)	£181,597	
On costs @30%	£1,077,659	£959,762	£1,946,351			(144,473)	£54,479	
Totals	£4,669,854	£4,158,970	£8,434,189			(626,050)	£236,076	net saving (389,974) before additional costs
Additional costs:								
*Parking Penalty Processes & Parking (see Table 2 for breakdown)							£48,913	DCC already acts as a Host LA for a 7 LA partnership arrangement which CCBC would joint under integration
4% grade differential to protect against potential JE claims & Host LA pay differences							£337,368	This calculation is based on previous JE work and the profile of the existing jobs to the new jobs

Table 2

Penalty Parking Processes & Parking Breakdown*

	CCBC
WP3- Annual Membership Charge	38,913
Initial Payment	10,000
Total Additional Cost	48,913

Assumptions

- Salaries are based on the top of the scale for current and new posts (to mitigate against changes as we progress)
- FTE salary is worked out (salary x FTE)
- The salary for posts under the new structure are an average of the existing two posts (where appropriate) (due to CCBC/DCC differing grade structures) inc. where the HOS has specified a grade
- On-costs have been added at 30% to the final total salary costs
- Grant funded posts are not in-scope
- Posts within the new structure have not been through a Job Evaluation process therefore a JE contingency of 4% has been added to costs
- A pay structure has not been agreed as it will be dependent on the appointment of the Host Authority
- The savings amount contain 2x administration posts which individual LAs have not yet realised and are not as a direct result of collaboration

Table 3

Total Staff Savings

Total savings from staffing the new structure	(626,050)	
Total costs of staffing the new structure	£622,357	(236,076+ 48,913+337,374)
Total	(3,693)	Saving from the new structure

Assumptions

- 1 Salaries are based on the top of the scale for current and new posts (to mitigate against changes as we progress)
- 2 FTE salary is worked out (salary x FTE)
- 3 The salary for posts under the new structure are an average of the existing two posts (where appropriate) (due to CCBC/DCC differing grade structures) inc. where the HOS has specified
- 4 On-costs have been added at 30% to the final total salary costs
- 5 Grant funded posts are not in-scope
- 6 Posts within the new structure have not been through a Job Evaluation process therefore a JE contingency of 4% has been added to costs
- 7 A pay structure has not been agreed as it will be dependent on the appointment of the Host Authority
- 8 The savings amount contain 2x administration posts which individual LAs have not yet realised and are not as a direct result of collaboration

JH&I Accommodation Option Appraisal: Scoring the Option

Transfer the weightings into the 'Agree Weightings' column.
 Give each option a score of between 1 and 5 and enter in the column 'Raw Score'.
 Multiply the 'Raw Score' by the 'Agreed Weightings' score to give the weighted score.

5 – Strongly Agree / Improvement
 4 – Agree / Some Improvement
 3 – Neither Agree nor Disagree / No change
 2 – Disagree / Slightly Worse
 1 – Strongly Disagree / Worse

Non-Financial Benefits Criteria		Agreed Weighting	Option 1		Option 2		Option 3	
			Raw	Weighted	Raw	Weighted	Raw	Weighted
a	Increased customer satisfaction	15	3	45	2	30	3	45
b	The whole Service is recognised as a high performing service	10	4	40	1	10	4	40
c	Improved development and career opportunities for new and existing employees	10	4	40	2	20	4	40
d	Increased flexibility in and efficient use of limited resources	15	5	75	4	60	5	75
e	Minor disruption to the delivery of the Highways and Infrastructure Service (inc. employees)	10	2	20	2	20	1	10
f	Minor disruption to the delivery of other council services (inc. employees)	10	2	20	2	20	1	10
g	Must be likely to receive political buy-in	15	1	15	3	45	2	30
h	Must have staff buy-in or the potential to overcome staff opposition	15	1	15	4	60	2	30
Total Option Score			22	270	20	265	22	280

	Option 1	Option 2	Option 3
Disturbance Costs	<i>Staff profiling work would be required to ascertain these costs for the FBC</i>		
Transitional Costs (one off)	£250,000 (100 Heath staff to Caledfryn) & (150 DCC staff relocation)	£100,000 based on apx. 100 staff transferring	£200,000 all 200 Heath and Caledfryn staff to St Asaph
Lease Costs (per annum)	£0	£0	£105,000
Running Costs (per annum)	£155,000 (Caledfryn)	£243,777 (Caledfryn £155,000 – running costs / 100 staff) + (Heath £88,777)	£80,000 Based on a building similar in size and construction
Corporate Costs (per annum)	Year 1 £109,500 Year 2 £117,250 (Heath Mothballed apx. £19,500 yr 1 & £27,250 yr 2) & (re-located DCC staff £90,000)	£0	Year 1 £174,500 Year 2 £182,250 (Heath Mothballed apx. £19,500 yr 1 & £27,250 yr 2) & (Caledfryn cost remains at £155,000)
Total	Year 1 £514,500 Year 2 £272,250	Year 1 £343,777 Year 2 £243,777	Year 1 £559,500 Year 2 £367,250
Additional Cost of the Option Compared against the current running costs at the Caledfryn and Heath at £243,777 (Caledfryn £155,000 + Heath 88,777)	Year 1 £270,723 Year 2 £28,473	Year 1 £100,000 Year 2 £0	Year 1 £315,723 Year 2 £123,473

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Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
a	Increased customer satisfaction	15	3	2	3	<p>(All Options) The project provides an opportunity to develop a community relationship role for each of the 'Service managers' in the new structure. It is important that a strong presence and up to date knowledge is maintained to provide a high quality service. There will be cultural change. This is dependent on: (see the next two factors).</p> <p>(All Options) Overcoming the challenges and Impact of each Accommodation option on the 'Service Manager' roles given the additional travel required across the region to attend meetings/customers etc. More travel/downtime means less capacity to deal with 'detail', and responsibilities potentially needing to be</p>

Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
						<p>delegated to Job Descriptions at lower grades in the organisation structure. There is a risk of a slower and lesser quality response. This requires the establishment of a Customer Services Strategy and the encouragement of Highways officers to own problems and service requests through to resolution. Timely responses and updates will be provided to the customers of the Highways service.</p> <p>(All Options) Officers that are employed by either authority pre-integration may not have the personal knowledge of either Denbighshire or Conwy territory/Assets, or know-how that will be necessary for a future integrated service to function better compared to now. This can be accelerated by developing a robust Asset Management database including all CCBC and DCC Highways assets and ensuring officers have access and have responsibility to apply it to solutions.</p> <p>(All Options) There is an opportunity to align and improve processes and practices, providing a better service for the customer. Again, whilst this can be achieved by all three options, changes will be adopted and managed more effectively from a single location.</p> <p>(All Options) Use of a Call centre/CRM tools by internal/external customers. Access to quality timely information will be crucial to ensure a one service approach. As well as the use of common technology this will require complementary workflow, scripts and officer training.</p> <p>(Options 1&3) the cultural alignment is a key factor in ensuring that an integrated service can deliver its benefits. This is most likely to be achieved when all staff are working from one location.</p> <p>(Option 1 & 3) A single location could be perceived as being more remote and/or less available to Conwy or</p>

Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
						<p>Denbighshire customers with a greater risk of lower satisfaction. This can be countered by developing a high quality customer service regime, devising a Customer Services Strategy and implementing new ways of working to monitor and improve the tracking, accuracy and quality of enquires received and responses provided to customers. This should lead to a Highways culture that is more customer focused.</p> <p>(Option 1 & 3) Consideration for the ease of access for customers making physical visits to H&I.</p> <p>(Option 2) Excellence in communication within the single service (across one or two buildings) is going to be paramount including keeping the internal or external customer up to date on progress of their issue.</p>
b	The whole Service is recognised as a high performing service	10	4	1	4	<p>(All Options) Removal of duplication – ‘once not twice’. This is a natural progression by having one service rather than two. Staff co-located in same service or sub-service teams have opportunity to develop best practices and common and consistent working approaches, remove bad practices. This may be better achieved through one single location.</p> <p>(All Options) It will take time for the service performance to stabilise following any manager / staff moves. Performance may well dip for a period before it is feasible for the integrated service to attain any planned higher service level(s). Working practice changes must be planned, ahead and driven forward by the new management structure on behalf of Member(s) as staff re-locate.</p> <p>(All Options) Excellence in communication is paramount throughout a period of ‘change’ otherwise there is the risk of misperception as to the actual service</p>

Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
						<p>activities underway and the service level(s) being achieved or planned.</p> <p>(All Options) With the lack of initial investment to back an accommodation solution to a fully integrated service, there is the danger that the building will dictate the business need.</p>
c	Improved development and career opportunities for new and existing employees	10	4	2	4	<p>(All Options) There will be better opportunities for skill sharing and development, given the benefits that will arise by combining both Authorities' Highways knowledge and skills, section by section. This is likely to be best achieved through accommodation in one single location.</p> <p>(All Options) Staff co-located in same service or sub-service teams will have shared access to new opportunities. The number and frequency of such opportunities will be dependent on service need; also changes in capital works etc.</p> <p>(All Options) Staff will need support to overcome their personal challenges when faced with 'Change', especially if working in a new location and also within a new team potentially (especially if outside previous county working boundaries as in Options 1&3).</p> <p>(Options 1&3) The single location may restrict the viability of opportunities for some staff due to greater journey times and distance; this is a greater risk for Option 1.</p>
d	Increased flexibility in and efficient use of limited resources	15	5	4	5	<p>(All Options) Resources can be shared by multiple staff and teams. It is likely that the greatest efficiencies will arise from all H&I staff being located in the same location (single building) with a lesser benefit possible when sub-services are co-located in one of two</p>

Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
						<p>buildings.</p> <p>(All Options) Economies of scale for procurement can be achieved by only needing to prepare tender documents once, which requires less officer time and effort. In addition, tenders which have a greater value of work will often attract more competitive rates.</p> <p>(All Options) Extra capacity and resilience which is better able to manage peaks in workload, and better able to deal with staff changes through absence and turnover. Flexible working practices, review of divisional/inspection areas, supervisor roles, shift patterns, stand by arrangements (the identification of such improvements in the use of Asset and detailed working practices are outside the scope of this project).</p> <p>(Option 1) There needs to be a recognition that as a result of this option there is a potential lost opportunity of releasing assets identified in the DCC Corporate Accommodation Strategy.</p> <p>(Option 3) Without considering an innovative approach to ICT that would provide opportunities for flexible space utilisation through improved technologies, the St Asaph site would be restricted, with little room for expansion and restrictions with regards to large equipment, storage, etc. An invested approach would aim for an 80% desk provision utilising new and mobile technologies, providing more flexible use of the accommodation now and in the future (the identification of such improvements in the use of Asset and detailed working practices are outside the scope of this project).</p>

Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
e	Minor disruption to the delivery of the Highways and Infrastructure Service (inc. employees)	10	2	2	1	<p>(Option 1&3) A full scale move into either St Asaph or Caledfryn will take time to settle. Performance may well dip for a period before reaching any planned higher service level(s). Practice changes must be planned and driven forward by the new management structure on behalf of Member(s).</p> <p>(Option 2) It needs to be recognised that the intention to relocate small numbers of staff to larger teams working from one site, invariably results in a larger number of staff needing to be relocated (although this may be within their current location) to allow this to occur.</p>
f	Minor disruption to the delivery of other council services (inc. employees)	10	2	2	1	<p>(Option 2) It needs to be recognised that the intention to relocate small numbers of staff to larger teams working from one site, invariably results in a larger number of staff needing to be relocated (although this may be within their current location) to allow this to occur.</p> <p>(Option 1) DCC staff working for other services (not H&I) will need to be relocated resulting in a potential knock on effect for many of DCC services and their staff.</p> <p>(Option 1&3) Relationships between Highways and other services will change- at each of CCBC and DCC - including the Corporate Centre(s), Planning, Environment and Technical Services.</p>
g	Must be likely to receive political buy-in	15	1	3	2	<p>(Option 1) There needs to be a recognition that as a result of this option there is a potential lost opportunity of releasing assets identified in the DCC Corporate Accommodation Strategy.</p>

Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
						<p>(Option 1&3) Perception of Members at both CCBC and DCC is important given the risk that a single building may be seen as creating a 'remote' and impersonal service for both CCBC and DCC customers compared to current local contact(s) ongoing.</p>
h	Must have staff buy-in or the potential to overcome staff opposition	15	1	4	2	<p>(All Options) Staff may leave due to increase requirements to travel to their new place of work, a particular risk for Options 1&3).</p> <p>(All Options) There will be better opportunities for skill sharing and development, harnessing the benefits of combined knowledge and skills. This may be better achieved through one single location.</p> <p>(All Options) Staff co-located in same service or sub-service teams will have common access to new opportunities. The number and frequency of such opportunities will be dependent on staff resources in post compared to demand i.e. service need; also changes in capital works etc.</p> <p>(All Options) Staff will need support to overcome their personal challenges if working in a new location and a new team potentially (especially if outside previous county working boundaries as in Options 1&3).</p> <p>(Options 1&3) The single location may restrict the viability of opportunities for some staff due to distance; this is a greater risk for Option 1.</p> <p>(Option 2) It needs to be recognised that the intention to relocate small numbers of staff to have full teams working from one site, invariably results in a larger number of staff needing to be relocated (maybe within</p>

Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
						their current location) to allow this to occur.
		Raw Totals	22	20	22	

PROPOSAL FOR: Highways and Integration / Conwy and Denbighshire
Officer Group
FROM: Denbighshire and Conwy's ICT departments
DATE: 15th August 2012

1. BACKGROUND

Conwy and Denbighshire ICT departments produced two joint reports for the Conwy and Denbighshire Officer Group (CDOG) in July 2011 and November 2011 outlining proposals and estimated costs for IT service delivery to the integrated service. Further to these reports, CDOG have requested more detail on the current and estimated future costs for ICT systems and applications utilised by the service.

This report provides an update of the estimated *additional* Capital and Revenue costs required to support *existing* systems under the following options:

- Option 1 - Re-location of Heath based staff to the Caledfryn site
- Option 2 - Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-Service Areas where appropriate
- Option 3 - Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)

2. A FULLY INTEGRATED H&I SERVICE SUPPORTED BY DENBIGHSHIRE ICT OR CONWY ICT AS HOST AUTHORITY.

Assumptions and Points to Note

- The costs detailed in this report are in addition to the existing costs of the delivery of IT services to the H&I service
- The transitional and additional running costs are in the main attributed to the transfer of H&I staff, ICT systems and Infrastructure to a Host LA, rather than the physical relocation.
- Capital and revenue costs for the implementation of completely new systems or technologies aimed at delivering transformation and efficiencies within the Joint Integrated Highways Service (e.g. EDRMS, Sharepoint, IPADs) cannot be included in this report without a clear specification of Service requirements. However, there may be opportunities for efficiencies through investment in these technologies but they are out of scope for this project. Additional capacity for *new* work would be costed separately.
- Where possible staff will move their existing pc/laptop/tablet/printer and telephony hardware/software licenses in to the new integrated service. The hardware is of an appropriate specification and condition to be supported in the new joint service.
- The cost to migrate data and licenses will need to be investigated with the individual application owners once the decision has been made which applications will be used by the joint H&I service and which of the LAs will act as the host (See Appendix 3). Without this information at a specific application level it is difficult to make an assumption on any savings or additional costs that may

be incurred in relation to systems usage. Additional hardware and specialist consultancy charges are also likely to be incurred to accommodate any systems migrations from one authority to another.

- The systems used by both DCC and CCBC are detailed in section 3.13 and 3.14 of the joint report produced in July 2011.
- The 200 Highways and Infrastructure staff number is apportioned on a 50/50 ratio with 100 staff currently CCBC employees and 100 currently DCC employees. Therefore, each ICT service will be taking on an additional 100 staff to support.
- The merger of existing systems or implementation of replacements for the Joint Highways and Infrastructure Service will carry a substantial additional overhead on both ICT Services as the migration work is undertaken and consequential network or server infrastructure improvements are introduced. Consultancy costs from existing and new ICT providers are likely to be high but Conwy and Denbighshire can provide specialists in technology areas such as Networks, Telephony, Virtualisation, SAN, Citrix, AD, SQL, Desktops and Security to help limit the requirement for external expertise.
- An estimated additional cost of £75k has been put forward as a reasonable, 'transitional' charge to allow a contribution towards resourcing the extensive additional workloads brought about in managing this merger for the hosting ICT service. Resource could not be freed up from the non-hosting Council as officers are not purely dedicated to Highways work and instead deliver IT support and management services across the Council. This transitional fund should be put in place for an initial period of 2 years with an agreement to review at the end of this term.
- Each ICT service will work in partnership to support transfer of skills wherever possible to enable officers in the host service to support systems and technologies operated by the integrated H&I service. This will help alleviate some of the demand and costs associated with training/3rd party consultancy.
- Where systems are common across Conwy and Denbighshire, all licences transfer at no additional cost (*as this is not a guarantee that all licence ownership rights can be transferred to one authority or another, section 3 and appendix 3, will highlight separately the potential costs that could be incurred if all licence ownerships are not transferred*).

3. SUMMARY OF SET UP AND ANNUAL COSTS

USING DCC SYSTEMS

	Option 1 Re-location of Heath based staff to the Caledfryn site	Option 2 Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-Service Areas where appropriate	Option 3 Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)
Set Up Costs (includes costs from Appendix 1 & 3)	£211k	£222k	£272k
Annual Costs (Includes costs from Appendix 2 & 3)	£61k	£52k	£72k

USING CCBC SYSTEMS

	Option 1 Re-location of Heath based staff to the Caledfryn site	Option 2 Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-Service Areas where appropriate	Option 3 Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)
Set Up Costs (includes costs from Appendix 1 & 3)	£196k	£207k	£257k
Annual Costs (Includes costs from Appendix 2 & 3)	£34k	£25k	£45k

Appendix 1 - Set Up Costs

	Option 1 Re-location of Heath based staff to the Caledfryn site	Option 2 Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-Service Areas where appropriate	Option 3 Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)	Comments
ASSUMPTIONS	<ul style="list-style-type: none"> Staff will bring their own desktops (PCs/laptops), printers and plotters. 100 DCC employees will vacate Caledfryn to make room for the 100 CCBC staff members. Costs for relocating these staff that have not been factored within this proposal Existing wireless coverage in current locations will be used 	<ul style="list-style-type: none"> All 200 staff will stay in their existing locations and will use their existing desktops (PCs/ laptops), printers and plotters Existing wireless coverage in current locations will be used. 	<ul style="list-style-type: none"> Staff will bring their existing desktops (PCs/laptops), printers and plotters. The existing cabling will be used in the building 	
Servers, Storage, Backup and UPS	£35,000 <i>(host LA will increase numbers on servers)</i>	£35,000 <i>(host LA will increase numbers on servers)</i>	£35,000 <i>(host LA will increase numbers on servers)</i>	
Local Area Network	n/a	n/a	£25,000 <i>(cabling, switches, internally)</i>	
Wide Area Network Link	n/a	n/a	£5,500 <i>(cabling, switches to external host)</i>	
Telephony Services including Call Centre Technology.	n/a	n/a	£16,000 <i>(infrastructure)</i>	With regards to Option 1, we are relying on 100 current users moving out .Rental charge is £250 per extension
PC software licensing for 3 to 5 years. (Anti Virus, Active Directory, USB control, asset management, desktop management, e-mail, power management, Office standard, client access licenses)	£40,000 <i>(the two LAs use different products, not ability to transfer licences – cannot recoup on existing licences in none host LA)</i>	£40,000 <i>(the two LAs use different products, not ability to transfer licences – cannot recoup on existing licences in none host LA)</i>	£40,000 <i>(the two LAs use different products, not ability to transfer licences – cannot recoup on existing licences in none host LA)</i>	An additional £18 per user will need to be included for laptops for encryption software.

Application Licensing e.g. mapping, AutoCAD	<i>Please see Appendix 3</i>	<i>Please see Appendix 3</i>	<i>Please see Appendix 3</i>	Dependant on the Host LA in some cases. A more detailed costing exercise will need to be undertaken for full business case
URL filtering and proxy software	£2,000 <i>(stops use of unofficial sites)</i>	£2,000 <i>(stops use of unofficial sites)</i>	£2,000 <i>(stops use of unofficial sites)</i>	Websense is £20 per user for 3 year contract
Remote Access	£11,550 <i>(assumption that more flexible working will be required)</i>	£11,550 <i>(assumption that more flexible working will be required)</i>	£11,550 <i>(assumption that more flexible working will be required)</i>	DCC - £231 per license, assuming 50 remote users required. Conwy do not raise a charge upfront but charge higher annual rates (£132).
Citrix presentation over shared services VRF	n/a	£11,550 <i>(staff working in one LA needing access to the host LA)</i>	n/a	For 50 users (assuming that the remaining 50 are already paying for remote access as above)
Mobile Phones & Blackberries	£0	£0	£0	Based on 100 users using a 'free' contract device and £15 rental that is covered below. There may be decommissioning costs for mobiles if mobiles are still in contract.
User training	£20,000	£20,000	£20,000 <i>(staff training)</i>	Nominal figure of 40 days @ £500 per day
ICT Staff Training in different technologies.	£10,000	£10,000	£10,000 <i>(Host LA training)</i>	Based on £1000 per day.
Wireless coverage in meeting rooms and hot desk areas	n/a	n/a	£15,000	No guest access provided
Resource to support 100 additional users	£75,349.00 <i>(2year costs initially)</i>	£75,349.00 <i>(2year costs initially)</i>	£75,349.00 <i>(2year costs initially)</i>	This resource is across a number of staff due to the specialist skills required.
TOTAL SETUP COSTS	£193,899	£205,449	£255,399	

Appendix 2 – Annual Costs

	Option 1 Re-location of Heath based staff to the Caledfryn site	Option 2 Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-Service Areas where appropriate	Option 3 Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)	Comments
Annual maintenance for Servers, Storage, Backup and UPS	£2,000 <i>(based on charges paying now)</i>	£2,000 <i>(based on charges paying now)</i>	£2,000 <i>(based on charges paying now)</i>	
Local Area Network	n/a	n/a	£1,500 <i>(cabling, switches, internally)</i>	
Wide Area Network Link	n/a	n/a	£8,000 <i>(cabling, switches to external host)</i>	
Telephony	£15,000	n/a	£6,500 £15,000 <i>(dependant on the host decision)</i>	£150 per extension plus £6,500 maintenance for new system for Option 3. (H&I will be paying for extension costs now?)
PC software licensing (Anti Virus, Active Directory, USB control, asset management, desktop management, e-mail, power management, Office standard)	£8,000 <i>(annual support & maintenance charges)</i>	£8,000 <i>(annual support & maintenance charges)</i>	£8,000 <i>(annual support & maintenance charges)</i>	
Application Licensing e.g. mapping, AutoCAD	<i>Please see Appendix 3</i>	<i>Please see Appendix 3</i>	<i>Please see Appendix 3</i>	Dependant on the Host LA in some cases. A more detailed costing exercise will need to be undertaken for full business case.
Annual maintenance for URL filtering software	£0	£0	£0	£20 per user will be paid in year 4
Annual maintenance for Remote Access	£3,000	£3,000	£3,000	Assuming 50 remote users required. Based on CCBC charge of £132 per user with no upfront charge.

				DCC charge £60 per user, with an additional upfront charge.
Annual maintenance for Citrix presentation over shared services VRF	n/a	£6,600	n/a	For 50 users (assuming that the remaining 50 are already paying for remote access as above)
Annual costs for Mobile Phones & Blackberries	£0	£0	£0	Based on 100 users using a 'free' contract device and £15 per month rental (H&I are possibly paying now?)
Annual maintenance for Wireless coverage in meeting rooms and hot desk areas	n/a	n/a	£2,000	
Additional Annual Revenue	£28,000	£19,600	39,500	

Appendix 3 – Detail of Departmental Specific Systems

Please Note:

- (i) The following analysis is based on information supplied by the Service and is therefore an estimate of the current and future positions. Should the project proceed to a FBC, detailed written costs would need to be provided by suppliers.
- (ii) That where systems are common across Conwy and Denbighshire (highlighted in grey), an assumption has been made that all licences will transfer at no additional cost, and whilst the potential liability is detailed, they are not included in the totals. The total liability has the potential to reach an *additional* estimated £292k in set up costs and £161,851 annual costs.

Assumptions:

- For purposes of calculation, it is assumed the requirements for licensing for each system / device will double.
- Migration of existing systems will incur significant additional costs for data transfer, migration, upgrades and new / replacement hosting hardware.
- Consultancy and IT infrastructure charges for systems that are not currently implemented e.g. CRM, Sharepoint are not included.
- Assumed an additional 20 MS Project licences
- All figures above with £0 value doesn't necessarily mean that there won't be a cost - it means that costs were unknown at the time of producing the report.
- The additional estimated annual costs should be discounted due to current spend, therefore we have halved the 'real' cost above to accommodate a transitional stage in the project whereby negotiation of contracts and parallel running of systems will take place.
- There are other systems not costed as they are not currently implemented into to Highways & infrastructure but may be in future e.g. EDRMS, Sharepoint

Denbighshire Summary of Software Costs for Systems in Use within Highways & Infrastructure Services

		Current Licenses Owned / Users	Current Estimate Annual Costs to H&I	Estimate Additional Costs to Double Users	Estimate Annual Costs to Double Users
				Set Up	Annual
Corporate Systems	Product Details				
GIS	Corp Mapping Product	70	£2,520	£0	£2,520
Reporting from Ledger	M-Power	NA	£0	£0	£0
Creditors	Unidata SB	NA	£0	£0	£0
Collaborative Planning (Budgets)	CP	NA	£0	£0	£0
Debtors	Proforma	NA	£0	£0	£0
Cash Management	Spectrum	NA	£0	£0	£0
HR / payroll	Midland Trent / i-Trent	Payslips	£0	£0	£0
Online Ordering	Proactis	NA	£0	£0	£0
Clocking software	Visiontime	100	£0	£6,000	£0
Project Management	MS Project	20	£0	£1,364	£0
Integrated Service Systems					
H&I Asset Management	Symology Insight	26	£35,567	£50,960	£10,192
CAD	AutoCAD Map 3D & Civil 3D	12	£7,900	£58,500	£7,900
	AutoCAD LT	6	£1,230	£7,500	£1,230
Mapping / GIS	Mapinfo professional	19	£4,883	£0	£4,883
	Mapinfo Plan View	10	£520	£0	£520
					£0
	Dmaps	NA	£8080	£0	
Trimble GPS Devices		21	£2,940	£12,600	£2,940

Business Development					
Land Charges / Searches for Conwy	Swift Land Charges	2	£0	£0	£0
Asset Surveys	YOTTA Survey Data	1	£0	£0	£0
Civil Parking Enforcement	Spur Si-Dem	0	£6,251	£0	£12,502
	Spur Si-Log (handheld devices)	0	£2,244	£0	£4,488
Coastal & Countryside					
Harbour Management	Star Computing Havenstar	2	£1,380	£0	£1,380
Manage vessel launching	In-House	0	£0	£0	£0
Digicard Pre-pay utility software		0	£0	£0	£0
Harbour lettings and licenses	Paxton net	0	£1,648	£0	£3,296
Major Projects & Bridges					
Time Management	Profess	NA	£878	£0	£0
Design software	MX	2	£2,580	£2,580	£5,160
Highways Sign software	KeySign	1	£0	£0	£0
Road Marking Software	KeyLines	1	£0	£0	£0
Software for traffic management layouts	KeyRoadworks	4	£1,800	£1,800	£3,600
Mapping	Dmaps	0	£0	£0	£0
Drainage design software	WinDes	1	£1,614	£1,614	£3,228
AutoTrack		0	£328	£0	£656
Passenger Transport					
School Transport System	Capita ONE Transport & Route Mgt	4	£7,239	£4	£7,239
Bus Pass Cube System	Bus Pass Printing Systems				
School Transport Incident Reporting	STIR	0	£0	£0	£0
Trapeze Publicity Systems		0	£0	£0	£0

Streetworks & Parking Management					
Streetworks System	In-House	8	£0	£0	£0
Highways Safety & Improvement					
Accident Plotting & Monitoring	Key Accident (AM for up to 2)	2	£690	£3,600	£0
Line Plotting & Monitoring	Key Lines (AM for up to 2)	1	£210	£0	£420
Sign Plotting & Monitoring	Key Sign (AM for up to 2)	1	£210	£0	£420
Remote Monitoring System	Siemems Remote Monitoring	1	£2,700	£0	£5,400
Traffic light Modelling	Linsig	1	£295	£0	£590
Parking restrictions	Parkmap	1	946	£0	£1,892
Vehicle Activated Signs	AGD	0	£0	£0	£0
Micromatch	micromatch	1	£316	£0	£632
AutoTrack	Share with Major Projects	0	£0	£0	£0
Network Maintenance & Street Lighting					
Streetlighting System	Hilight Horizon	7	£1,031		£800
Gritter Tracking & Mgt	Track U	14	£3,998	£13,914	£3,998
Street Lighting	SLiMs	5	£2,151	£0	£4,302
	lighting reality design software	4	£70	£0	£1,580
Time management	Profess	NA	£878	£0	£0
Totals (including common systems in DCC & CBBC)				£160,440	£146,973
TOTALS (excl. common systems in DCC & CBBC)				£16,958	£32,856

Conwy Summary of Software Costs for Systems in Use within Highways & Infrastructure Services

		Current Licenses Owned / Users	Current Estimate Annual Costs to H&I	Estimate Additional Costs to Double Users	Estimate Annual Costs to Double Users
				Set Up	Annual
Corporate Systems	Product Details				
Internet & Intranet CMS	Webstructure CMS		£0	£0	£0
GIS	Corp Mapping Product	70	£2,520	£0	£2,520
Ledger	CA Masterpiece	NA	£0	£0	£0
Creditors	CA Masterpiece	NA	£0	£0	£0
Finance Reporting	MRC reporting tool	NA	£0	£0	£0
Debtors	In-House - AS400	NA	£0	£0	£0
Cash Management	In-House - AS400	NA	£0	£0	£0
HR / payroll	Midland Trent / i-Trent	Payslips	£0	£0	£0
Contractors System	Contractor Plus	8	£30,000	£0	£0
Online/Automated Payments	Civica Web Pay		£0	£0	£0
Integrated Service Systems					
H&I Asset Management	Symology Insight	26	£35,567	£50,960	£10,192
CAD	AutoCAD Map 3D & Civil 3D	12	£7,900	£58,500	£7,900
CAD	AutoCAD LT	6	£1,230	£7,500	£1,230
Mapping / GIS	Mapinfo professional	19	£4,883	£0	£4,883
Mapping / GIS	Mapinfo Plan View	10	£520	£0	£520
Time Recording	Accutime	Unlimited	£700	£0	£0
Trimble GPS Devices	Handheld GPS PDAs	21	£2,940	£12,600	£2,940
Business Development					

Land Charges / Searches for Conwy	Swift Land Charges	2	£0	£0	£0
Asset Surveys	YOTTA Survey Data	1	£0	£0	£0
Parking Enforcement & Permits	Si-Dem	20000 Tkts	£3,486	£0	£3,486
Costal & Countryside					
Harbour Management	Star Computing Havenstar	2	£1,380	£0	£1,380
Tide Plotting	Belfield Tide Plotter	1	£7	£0	£7
Navigation Aids	PANAR Software	1	£0	£0	£0
Major Projects & Bridges					
Time Management	Profess	25	£1,756	£0	£0
Finite Element Analysis	Superstress	1	£3,000	£1	£3,000
Passanger Transport					
School Transport System	Capita ONE Transport & Route Mgt	4	£7,239	£4	£7,239
Bus Pass Cube System	Bus Pass Printing Systems	0	£0		
Streetworks & Parking Management					
Streetworks System (Permits & Licensing)	In-House - MS Access	8	£0	£0	£0
Highways Safety & Improvement					
Accident Plotting & Monitoring	Key Accident (AM for up to 2)	1	£690	£3,600	£0
Line Plotting & Monitoring	Key Lines (Am for up to 2)	1	£420	£1,890	£0
Sign Plotting & Monitoring	Key Sign (AM for up to 2)	1	£400	£2,295	£0
Vehicle Sweep Path Analysis	Auto Turn	1	£289	£1,640	£289
Road Traffic Safety Modelling	TAITH	1	£0	£0	£0

Network Maintenance & Street Lighting					
Streetlighting System	Hilight Horizon	7	£1,031	£0	£800
Gritter Tracking & Mgt	Track U	14	£3,998	£13,914	£3,998
Totals (including common systems in DCC & CBBC)			£109,956	£152,908	£53,545
TOTALS (excl. common systems in DCC & CBBC)				£1,641	£5,816

Project Risk Register

Created : April 2012
 Last Update: July 2012

LIKELIHOOD	Event is almost certain to occur in most circumstances	>70%	Almost Certain	A					
	Event likely to occur in most circumstances	30-70%	Likely	B					
	Event will possibly occur at some time	10-30%	Possible	C					
	Event unlikely and may occur at some time	1-10%	Unlikely	D					
	Event rare and may occur only in exceptional circumstances	<1%	Rare	E					
						5	4	3	2
					Very Low	Low	Medium	High	Very High
	Service Performance	Minor errors or disruption	Some disruption to activities/customers	Disruption to core activities/ customers	Significant disruption to core activities. Key targets missed	Unable to delivery core activities. Strategic aims compromised			
	Reputation	Trust recoverable with little effort or cost	Trust recoverable at modest cost with resource allocation within budgets	Trust recovery demands cost authorisation beyond existing budgets	Trust recoverable at considerable cost and management attention	Trust severely damaged and full recovery questionable and costly			
	Financial	Cost (£)	<£50k	£50k - £350k	£350k - £1 m	£1 m - £5 m	>£5m		
IMPACT									

Note: This Risk Register was created using the engagement from the Visioning Workshop

Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
JH&PR1 (01/05/12)	That there is not enough clear information to inform the Accommodation Strategy.	<ul style="list-style-type: none"> Unable to commit to an outline service design. Cannot plan for the staffing compliment. Unable to undertake financial modelling for the FBC. Members will not support the FBC forcing the collaboration to be reconsidered. 	A3	A review of Review of Office & Depot Accommodation is underway. Initial options are: <ul style="list-style-type: none"> Do nothing; Rationalise existing staff into the two main office buildings currently utilised; Relocate all office staff to one central location, either through a currently owned site or a new one. July 2012 Update: Accommodation meeting has taken place and a work package prepared. The draft Service Design has been developed and is being shared with staff. Further work is underway to staff the model.	A3 (May 12) C3 (Jul 12)	Prepare the Option Appraisal document in readiness for the completion of the Service Design and Staffing	Project Lead/ Project Manager	July 2012

Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
JH&I_R2 (01/05/12)	That the changing Political landscape will reverse the collaboration process.	<ul style="list-style-type: none"> ▪ Will not meet the commitments of the Compact ▪ Missed opportunity to realise benefits and capitalise on the integration work to date within Service Areas. ▪ Members ability to collaborate lacks credibility. ▪ Negative impact on the moral and motivation of employees. 	C1	<p>Members from across the two authorities have been engaged over the last 3 years in workshops to support and drive the development of a Joint H&I Service. The feasibility study* presented to Cabinet in December was supported with caveats.</p> <p>Elections will take place in May which may result in a new administration and new portfolio holders for this Service (or aspects of it).</p> <p><u>July 2012 Update:</u> The Portfolio Cabinet Members have been briefed on the project, and have agreed to join QAT1 with regular opportunities to meet to discuss and input to the developments.</p>	C1 (May 12) C1 (Jul 12)	Engage with the cabinets at the end of Stage 2 (see Project Plan)	Project Lead/Project Manager	Aug/Sept 2012
JH&I_R3 (01/05/12)	That there will be a loss of identity.	<ul style="list-style-type: none"> ▪ Employees do not know where they belong. ▪ Skilled and valued employees leave. 	C2	<p>The feasibility study* outlines proposals for employees to transfer from their existing employer to a Host LA (Governance : Host LA – Delegation)</p> <p>However, until the Service Areas Design (outline) is clear, it will be impossible to create the right identity.</p> <p><u>July 2012 Update:</u> The draft Service Design has been</p>	C2 (May 12) C2 (Jul 12)	Develop the Service Areas Design with H&I Management Team and H&I Service Area Managers.	Project Manager	TBC

Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
				developed and is being shared with staff. Further work is underway to staff the model.				
JH&I_R4 (01/05/12)	That there are unrealistic or insufficient financial benefits and that it may in fact cost more.	<ul style="list-style-type: none"> Increased costs to the customer. Draws funding away from other key priorities. Unable to meet service efficiency targets. Lack of confidence in engaging in future collaborative ventures. 	C1	The feasibility study* identified potential cost avoidances / savings based on assumptions in the region of £1.3m.	C1 (May 12) C1 (Jul 12)	These figures will be reviewed and adjusted as we progress through Stage 2 of this project, with firm estimated cost avoidances / savings being developed for the FBC. Undertake a Gateway Review	Project Manager / Finance Team Member Senior Responsible Officer (SRO)	Sept 2012 Sept 2012
JH&I_R5 (01/05/12)	That the 'rumour mill' is more powerful than formal communication channels.	<ul style="list-style-type: none"> Negative impact on the moral and motivation of employees. Slows the pace of the project. Can result impact on the quality of the service delivered now and in the future. Skilled and valued employees leave. Exacerbates risk JH&I_R7 	A3	<p>ROOT1 Newsletter has been used to share some information with staff, however the frequency and timing of these releases needs to be considered.</p> <p>The JH&I Project Team will take responsibility for the ROOT1 publication until the FBC is produced. The intention is to make the publication more meaningful by using it to keep employees up to date in real time and as a vehicle for consultation and feedback.</p> <p><u>July 2012 Update:</u></p>	C3 (May 12) D3 (Jul 12)	Finalise the Communication Plan. Continue to inform staff via the newsletter and line Managers Continue with regular meetings with union representatives.	Project Manager	Sept 2012

Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
				Two version of the newsletter have been shared with staff at key points in the project. The business managers for Conwy and Denbs H&I have been identified as Communication Officers and are developing the Communication Plan. Service Design workshop has been held with Managers, who are better informed to engage with their staff on the Project. The 1 st union meeting has been held with positive feedback. Further meetings are planned.				
JH&I_R6 (01/09/12) Page 91	That the lack of unequivocal political and corporate support will undermine the 'project'.	<ul style="list-style-type: none"> ▪ Weakens the partnership. ▪ Negative impact on the moral and motivation of employees. ▪ Project is not led from the front and cannot succeed. ▪ Exacerbates risk JH&I_R7 	B1	<p>Members from across the two authorities have been engaged over the last 3 years in workshops to support and drive the development of a Joint H&I Service. The feasibility study* presented to Cabinet in December was supported with caveats.</p> <p>Elections will take place in May which may result in a new administration and new portfolio holders for this Service (or aspects of it).</p> <p><u>July 2012 Update:</u> The Portfolio Cabinet Members have been briefed on the project, and have agreed to join QAT1 with regular</p>	B1 (May 12) B1 (Jul 12)	<p>Engage with the cabinets at the end of Stage 2 (see Project Plan)</p> <p>Undertake a Gateway Review</p>	<p>Project Lead/Project Manager</p> <p>Senior Responsible Officer (SRO)</p>	<p>Aug/Sept 2012</p> <p>Sept 2012</p>

Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
				opportunities to meet to discuss and input to the developments. This risk has been exacerbated by the H2S Transport Cabinet Report				
JH&I_R7 (01/05/12)	That a lack of engagement and resistance to change will undermine the 'project'.	<ul style="list-style-type: none"> ▪ Negative impact on the moral and motivation of employees. ▪ Slows the pace of the project. ▪ Can negatively impact on the quality of the service delivered now and in the future. ▪ Skilled and valued employees leave. 	B2	<p>Following the appointment of a Project Manager in April 2012, a workshop was held with staff to consider the vision, opportunities, benefits and risks. Delegates contributed well to the sessions. The PM assured delegates that (i) the analysis from the day would inform the Vision, Project Documentation, Gateway Review and FBC, (ii) all participants would approve the final analysis, and (iii) all employees would get an opportunity to consult on the Vision, Benefits, and raise risks. Workshop analysis has been distributed and feedback requested.</p> <p>The JH&I Project Team will take responsibility for 1ROOT until the FBC is produced. The intention is to make the publication more meaningful by using it to keep employees up to date in real time and as a vehicle for consultation and feedback.</p> <p>July 2012 Update:</p> <p>Two version of the newsletter have been shared with staff at key points in</p>	B2 (May 12) C2 (Jul 12)	<p>Finalise the Communication Plan.</p> <p>Continue to inform staff via the newsletter and line Managers</p> <p>Continue with regular meetings with union representatives.</p>	Project Manager	Sept 2012

Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
				the project. The business managers for Conwy and Denbs H&I have been identified as Communication Officers and are developing the Communication Plan. Service Design workshop has been held with Managers, who are better informed to engage with their staff on the Project. The 1 st union meeting has been held with positive feedback. Further meetings are planned.				
JH&I_R8 (01/05/12)	That conflicting local priorities will undermine the 'project'	<ul style="list-style-type: none"> ▪ Missed opportunity to realise benefits and capitalise on the integration work to date within Service Areas. ▪ Project loses direction with success unlikely. 	B2	<p>The existing H&I Collaboration Officers Group and the H&I Collaboration Board meet throughout the year with membership across the two groups covering Members, Chief Executives, Corporate Directors, and Officers. These groups are a key part of the Project Structure.</p> <p><u>July 2012 Update:</u></p> <p>The Portfolio Cabinet Members have been briefed on the project, and have agreed to join QAT1 with regular opportunities to meet to discuss and input to the developments.</p>	C2 (May 12) C2 (Jul 12)	<p>Continue to meet with the Portfolio Holders</p> <p>Distribute the staff newsletters to the Members</p>	Project Lead	Sept 2012
JH&I_R9 (01/05/12)	That the lack of a <i>Vision will lead to misconception</i>	<ul style="list-style-type: none"> ▪ The project lacks ownership and credence. ▪ Project has no clear 	A2	Following the appointment of a Project Manager in April 2012, a workshop has been held with staff to consider the vision, opportunities,	B2	Consult with Employees on the Vision (part of publication).	Project Lead / Project Manager	ASAP

Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
		<p>direction with success unlikely.</p> <ul style="list-style-type: none"> Unrealistic expectations. 		<p>benefits and risks.</p> <p>From this a draft Vision has been developed ready for consultation with Stakeholders.</p> <p>Remove: Vision has been developed through the Visioning Workshop and has been adopted</p>				
JH&I_R10 (01/05/12)	External (Regional / National) collaboration agendas for whole service or service areas, may impact or overtake the H&I Collaboration Agenda	<ul style="list-style-type: none"> Fragmented Service Wasted time and resources progressing the H&I Collaboration Agenda Disruption to employees 	C3	The Senior Management Teams and HOS are monitoring the regional and national developments.	C3 (May 12) C3 (Jul 12)	HOS (Project Lead) to map out (<i>service area, size of collaboration, timing</i>) the risk areas for the project in relation to any regional or national developments	Project Lead	Aug 2012 (revised date)
JH&I_R11 (01/05/12)	The risk that ICT changes are too complex and costly to implement	<ul style="list-style-type: none"> Systems will not be running as one Data integrity compromised Service difficult to deliver as one Negative impacts on customer service and 	B2	Conwy and Denbighshire ICT Departments produced a joint report for the Conwy and Den Officers Group in July 2011. Further to that report, a second report was written estimating costs to support Highways and Infrastructure Service in a	B2	Provide ICT staff with the relevant information as completed	Project Manager	Aug 2012

Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
Page 95		<p>performance management</p> <ul style="list-style-type: none"> ▪ Increasing costs to run an alternative solution, and/or rectify issues. 		<p>number of scenarios based around the location of the staff under the joint service.</p> <p>These costs will need to be revisited once the Accommodation Strategy is in place and the Service Areas Design, including the staffing structure (number of staff) is clearer.</p> <p><u>July 2012 Update:</u> ICT meeting has taken place and a work package prepared. The draft Service Design has been developed and is being shared with staff. Further work is underway to staff the model and undertake the accommodation option appraisal</p>				

* Conwy CBC and Denbighshire CC Joint Highways and Infrastructure: Report on the Development of a Fully Integrated Service (Dec 2012)

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Communication Plan

Conwy(CBC) & Denbighshire(CC) Collaboration

Conwy & Denbighshire Highways and Infrastructure Services have in place a **Communication Strategy** (Aug 2012) to ensure that; consistent and clear messages are promptly exchanged between CCBC and DCC H&I Management and stakeholders, and to enable best practice to be adopted. The Strategy (see *Appendix 1*) was developed by the H&I Communications Officers; Paul Banholzer for Conwy, and Sue Hudson for Denbighshire.

The purpose of this **Communication Plan** is to detail the approach to sharing information on how Conwy and Denbighshire will be proceeding with collaboration, following the detailed study on the viability of proceeding with a fully integrated service. The plan works to the principles, aims and methods of the overarching H&I Communication Strategy.

1	<p>Representative group/s <i>Identification of stakeholders includes consideration of-</i></p> <ul style="list-style-type: none"> - who is affected; - who is interested; - who is important; - whether there are any other government agencies that hold an interest in the matter on which consultation is required 	<p>Stakeholders:</p> <ul style="list-style-type: none"> ▪ Welsh Government ▪ LA Scrutiny & Cabinet Members ▪ CCBC & DCC Collaboration Officers Group ▪ H&I Employees ▪ Non-aligned H&I Services ▪ Support Services for H&I ▪ LA Employees ▪ Unions ▪ Local Press <p><i>Indicate below the stakeholders to which the communication is most relevant:</i></p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> H&I Employees <input checked="" type="checkbox"/> LA Scrutiny & Cabinets <input checked="" type="checkbox"/> Welsh Government
2	Managing Officer	Stuart Davies, Head of Highways & Infrastructure for Conwy & Denbighshire
3	Target Start Date	25 th September 2012
4	Target End Date	31 st October 2012
5	<p>Background/History</p> <ul style="list-style-type: none"> - Where did the project or matter being consulted on emanate? - Does information already exist on the matter? - Are there any background issues that need to be monitored? - Is it part of a larger project or process? - What is the current situation? 	<p>Conwy and Denbighshire are committed to developing collaborative ways of working where there is a business case to do so. Our authorities have a strong track record on collaboration and we want this to continue over the lifetime of our new administrations.</p> <p>Our collaboration on Highways and Infrastructure is delivering benefits to our residents and both councils are committed to strengthening joint working wherever there is a clear financial or service case. Three years ago Conwy and Denbighshire were the first in Wales to appoint a joint head of Highways and Infrastructure Services in order to deliver service improvements and drive out financial savings. Over the past three years our Highways and Infrastructure collaboration has delivered £300k of savings which allowed both councils to invest in other priorities or prevent cuts to services. We have also appointed joint management in important areas: school passenger transport and street lighting.</p> <p>These achievements and our commitment to collaboration in this area had led us to consider fully integrating all the sub-services within the Highways and Infrastructure Service under a single fully integrated management structure. In early 2012 the</p>

		<p>Authorities commissioned a detailed study into whether or not there is a business case for doing this. That study has now been completed and is attached to this report. The detailed study shows that the costs of fully integrating the service would be prohibitive. In addition the perceived advantages appear not to outweigh the considerable disruption and possible dip in service that would be involved. For these reasons the recommendation from the Conwy and Denbighshire Joint Collaboration Board, supported by both Corporate Executive Teams, is not to proceed with the fully integrated model.</p> <p><i>The Way Forward</i></p> <p>Our two authorities remain committed to pursuing other ways of strengthening our collaboration. We will look for further opportunities to rationalise management, reduce costs and improve services to our residents. This will include the following:</p> <ul style="list-style-type: none"> ▪ We will strengthen those areas of sub-service that are under single management. ▪ We will explore the Highways and Infrastructure sub-service areas where collaboration might bring benefits to our residents. ▪ We will explore local (Authority specific) opportunities for collaboration and joint management arrangements between existing services. ▪ We will maintain and develop our commitment to the regional developments on transport which, if delivered well, may secure additional benefits. Decisions will need to be based on a sound business case for change for in respect of such elements. <p>In the light of the recommendation not to fully integrate, it is now necessary to consider whether or not the current model of service delivery is the best model for the future. The two chief executives have commissioned a working group to consider the available options, consisting of two corporate directors Sasha Davies from Conwy and Hywyn Williams from Denbighshire, supported by; Danielle Edwards (Project Manager) who led the study and has significant knowledge of the area, the S151 Officers, and the HR Heads of Service. The brief given to the corporate directors is that the options must consider the following:</p> <ul style="list-style-type: none"> ▪ deliver financial savings for both councils without loss of important services to residents; ▪ strengthen the collaborations that the two authorities have committed themselves to at a sub-service level, i.e., school transport and street lighting; ▪ consider inter-authority as well as intra-authority options for models of service delivery; ▪ ensure that options for consideration are consistent with regional developments. <p>Corporate directors have been asked to report to their Chief Executives by the end of October. This will lead to a report to Cabinets in November recommending the way forward.</p>
6	<p>Relevant Statutory provision <i>Are there any statutory or non-statutory needs or requirements that apply to this provision?</i></p>	<p><i>Links to:</i></p> <p>Welsh Government COMPACT for change (March 2011) – Highway Engineering Service</p> <p>Commitment:</p> <ul style="list-style-type: none"> ▪ Local Government and Welsh Government to review the interface between the Trunk Road Agencies and the Regional Transport Consortia's constituent authorities and joint working between highway engineering services to support the planning, management and delivery of strategic highways services (June 2012). ▪ Local Government with support of Welsh Government to identify and implement quick wins by Regional Transport Consortia (March 2013). ▪ To develop a business case and implement change (March 2013–March 2014).

		<p>TAITH - North Wales Regional Passenger Transport Management</p> <p>Working to transform and modernise transport services in North Wales to create an efficient, effective 21st century service.</p>
7	<p>Purpose / objectives / scope</p> <p><i>Why is the communication being undertaken?</i></p> <p><i>What is the policy, plan or strategy you are communicating about?</i></p> <p><i>What matters need to be decided?</i></p> <p><i>Is there an expected outcome of this communication?</i></p> <p><i>What is the preferred outcome of the communication?</i></p> <p><i>What is hoped to be achieved from the communication?</i></p> <p><i>Why is the communication taking place at this time?</i></p>	<p>The purpose of this communication is to detail the approach to sharing information on how Conwy and Denbighshire will be proceeding with collaboration, following the detailed study on the viability of proceeding with a fully integrated service.</p> <p>The outcome of this communication is that all stakeholders feel they have received information that is honest, open and accurate, at a time that is relevant and current (as per the principles of the Communication Strategy). Staff working within Highways and Infrastructure for both CCBC and DCC have been consulted and communicated with leading up to, and during the life of this project. This has spanned a period of around 3 years, and staff are keen to be told what the future holds for their Service and themselves.</p> <p>One of the key aims is to ensure that staff in both authorities are aware of, and understand the reasons behind the message we will be taking to Scrutiny and Cabinets in October.</p> <p>Any feedback from staff regarding this communication can be evaluated, monitored and reviewed through the 'Communication Cycle' - section 8 of the H&I Communication Strategy (<i>Appendix 1</i>)</p>
8	<p>Method</p> <p><i>What kind of communication is most suited to the issue?</i></p> <ul style="list-style-type: none"> - Letter to key body/bodies - Face to face meeting - Mail-out feedback forms - Public forums - Website feedback - Advisory committees - Anonymous survey - Discussion groups 	<p>1. Letter to the Minister</p> <p>A joint letter from the Leaders of Conwy and Denbighshire Councils is sent to the Minister for Local Government and Communities, Carl Sergeant AM by the 20th September 2012, advising him of the direction of travel of both Councils in relation to integration and collaboration, and inviting him to discuss the issue further.</p> <p>2. Briefing Meeting with the CCBC & DCC H&I Service and Sub-service Managers</p> <p><i>Date:</i> 25th September 2012 <i>Time:</i> 2pm to 4pm <i>Location:</i> Caledfryn, Denbigh</p> <p><i>Purpose:</i></p> <p>The purpose of the meeting is to (i) share with managers prior to the Scrutiny and Cabinet meetings, how Conwy and Denbighshire will be proceeding with collaboration, and (ii) to ask managers to plan time between the 4th October and the 10th October 2012 to disseminate this information to all staff within their teams. To support the meetings, a Newsletter will be sent to all staff on the 4th October, with copies printed for those staff that do not have access to a PC.</p> <p>The briefing meeting invitation will be extended to the Heads of Service for those sub-service that do not align (<i>CCBC & DCC Environmental Services, CCBC Community Development Services, CCBC Corporate Civil Contingencies, and DCC Corporate Finance</i>).</p> <p>3. Sharing with the Collaboration Officers Group</p> <p>As key contributors to the report, this group (on which sits representation from the support services) will receive a copy of the Newsletter on the 25th September to ensure they are informed at the same time as the JH&I Service Managers.</p> <p>4. Informing the Unions</p> <p>The JH&I Project Unions Group will receive advance notification of the Newsletter on the 3rd October 2012, explaining that it will be distributed to staff the next day.</p> <p>5. Newsletter to Staff and Members</p> <p>To support the meetings, on the <i>4th October 2012</i> a Newsletter will be distributed to</p> <ul style="list-style-type: none"> ▪ all CCBC & DCC H&I Staff (with copies printed for those staff that do not have access to a PC); ▪ all CCBC & DCC Members

The Newsletter will:

- (i) reflect the message to the Minister (Method 1 above);
- (ii) provide the dates for Scrutiny and Cabinet meetings in both CCBC and DCC;
- (iii) explain that these will be open meetings and that both the covering report and the 'Report on the Draft Service Design' will be available on the Intranet no later than the 5th October in DCC, and the 10th October 2012 in Conwy; and
- (iv) provide a link to relevant pages on the Internet:

<http://modgoveng.conwy.gov.uk/ieListDocuments.aspx?CId=450&MId=3476&Ver=4> for CCBC (English)

<http://modgovcym.conwy.gov.uk/ieListDocuments.aspx?CId=450&MId=3476&Ver=4> for CCBC (Welsh)

<https://moderngov.denbighshire.gov.uk/ieListDocuments.aspx?CId=268&MId=4630&Ver=4&LLL=0>

for DCC (English)

<https://moderngov.denbighshire.gov.uk/ieListDocuments.aspx?CId=268&MId=4630&Ver=4&LLL=1>

for DCC (Welsh)

6. **Scrutiny and Cabinet Meetings**

The dates for Partnership Scrutiny and Cabinet in both LAs are:

	Partnership Scrutiny	Cabinet
DCC	11 th Oct 2012	23 rd Oct 2012 (am)
CCBC	16 th Oct 2012	23 rd Oct 2012 (pm)

The report will reflect the message to the Minister (Method 1 above) and provide recommendations from the Collaboration Board for progressing collaboration both across CCBC and DCC, and internally within their LAs.

7. **Notification of the Executive Decision from CCBC and DCC Cabinets**

An e-mail will be distributed on the 24th October 2012 sharing the executive decisions from both the CCBC and the DCC cabinets, and informing staff of the content of the press release to:

- all CCBC & DCC H&I Staff;
- all CCBC & DCC Members; and
- the members of the Collaboration Officers Group (on which sits representation from the support service)

In order to reach those staff without access to a PC, the Managers will be required to cascade the message through their teams with the support of the H&I Communications Officers.

8. **Statement to the Press**

The covering report and attached full report will be in the public domain from the 5th October. Advice from the Press Office is to have a press release prepared sharing the dates that Scrutiny and Cabinet will be considering the paper, what they will be considering, and how decisions will be made. The release will be based on the letter to the Minister.

9	Timeline for the Communication Plan	<table border="1"> <thead> <tr> <th data-bbox="568 241 1262 277">Communication Activity</th> <th data-bbox="1262 241 1437 277">Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="568 277 1262 315">1. Letter to the Minister</td> <td data-bbox="1262 277 1437 315">20/09/2012</td> </tr> <tr> <td data-bbox="568 315 1262 405">2. Briefing Meeting with the CCBC & DCC H&I Service and Sub-service Managers, inc. the HOS for those sub-services not aligned.</td> <td data-bbox="1262 315 1437 405">25/09/2012</td> </tr> <tr> <td data-bbox="568 405 1262 443">3. Sharing with the Collaboration Officers Group</td> <td data-bbox="1262 405 1437 443">25/09/2012</td> </tr> <tr> <td data-bbox="568 443 1262 481">4. Informing the Unions</td> <td data-bbox="1262 443 1437 481">03/10/2012</td> </tr> <tr> <td data-bbox="568 481 1262 519">5. Newsletter to Staff and Members</td> <td data-bbox="1262 481 1437 519">04/10/2012</td> </tr> <tr> <td data-bbox="568 519 1262 557">6. Scrutiny and Cabinet Meetings</td> <td data-bbox="1262 519 1437 557"></td> </tr> <tr> <td data-bbox="568 557 1262 595">6.1 DCC Partnership Scrutiny</td> <td data-bbox="1262 557 1437 595">11/10/2012</td> </tr> <tr> <td data-bbox="568 595 1262 633">6.2 CCBC Partnership Scrutiny</td> <td data-bbox="1262 595 1437 633">16/10/2012</td> </tr> <tr> <td data-bbox="568 633 1262 672">6.3 DCC Cabinet</td> <td data-bbox="1262 633 1437 672">23/10/2012</td> </tr> <tr> <td data-bbox="568 672 1262 710">6.4 CCBC Cabinet</td> <td data-bbox="1262 672 1437 710">23/10/2012</td> </tr> <tr> <td data-bbox="568 710 1262 779">7. Notification of the Executive Decision from CCBC and DCC Cabinets</td> <td data-bbox="1262 710 1437 779">24/10/2012</td> </tr> </tbody> </table>	Communication Activity	Date	1. Letter to the Minister	20/09/2012	2. Briefing Meeting with the CCBC & DCC H&I Service and Sub-service Managers, inc. the HOS for those sub-services not aligned.	25/09/2012	3. Sharing with the Collaboration Officers Group	25/09/2012	4. Informing the Unions	03/10/2012	5. Newsletter to Staff and Members	04/10/2012	6. Scrutiny and Cabinet Meetings		6.1 DCC Partnership Scrutiny	11/10/2012	6.2 CCBC Partnership Scrutiny	16/10/2012	6.3 DCC Cabinet	23/10/2012	6.4 CCBC Cabinet	23/10/2012	7. Notification of the Executive Decision from CCBC and DCC Cabinets	24/10/2012
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10	Information provision <ul style="list-style-type: none"> - <i>What information is being provided to stakeholders to inform their input/feedback?</i> - <i>Does the information articulate clearly the purposes, objectives and methods of the communication process?</i> - <i>Is the information written/published in a way that is easily understood?</i> 	<ul style="list-style-type: none"> - The Newsletter will be distributed electronically and will be provided as a hard copy for those without access to a PC. - The newsletter will clearly articulate the reason for this communication (see 8.4, above) - The covering report and 'Report on the Draft Service Design' will be available to view on each LAs website prior to the Scrutiny and Cabinet meetings. - The Newsletter will strive to meet the principles of the H&I Communication Strategy by ensuring the information within is honest, open and accurate. 																								
11	Resources/advice (inc. purchase of advice) <ul style="list-style-type: none"> - <i>Resources may be available internally from other areas within LAs, other agencies, or available for purchase.</i> - <i>Have you consulted other areas of expertise?</i> - <i>Are there provisions for the purchase of advice / support/research if required?</i> - <i>Also consider material resources. e.g. are meeting rooms required?</i> 	<p>This Communication Plan has been considered and agreed by the Joint Conwy and Denbighshire Highways and Infrastructure Collaboration Board, and has been quality assured by the Conwy and Denbighshire H&I Communication Officers.</p> <p>Specialist support and advice has informed the 'Report on the Draft Service Design' from areas such as; Legal, HR, ICT, Property, Finance, and Business.</p> <p>In order to facilitate the Communication Activities, the Project has a modest budget which will be used to fund (in the main) translation costs. All rooms booked for this communication have been free of charge.</p>																								

**Conwy County Borough Council / Denbighshire
County Council**

Highways and Infrastructure Services

Communication Strategy

August 2012

Documentation Control	
Organisation	CCBC & DCC – H&IS
Work Group	Communication Officers
Status	Final Draft
Version	1.0
Last update	SH/PB 9 th August, 2012
Review Date	N/A at this time

1. Introduction

The Highways and Infrastructure Services of both Conwy County Borough Council (CCBC) and Denbighshire County Council (DCC) are undergoing major review to establish the viability and potential benefits of a joint, fully integrated service. A good communication strategy is required to ensure that consistent and clear messages are promptly exchanged between CCBC and DCC Highways & Infrastructure Service (H&IS) Management and stakeholders (see section 4) and will enable best practice to be adopted.

2. Principles of Good Communication

The following principles apply to all communication undertaken by CCBC and DCC H&IS:

- All communication is honest, open and accurate
- Communication is accessible to all, giving due consideration to our Welsh Language Schemes and Equalities Policies
- Communication will be clear, using plain language and user friendly approaches
- Communication will be timely, relevant and current
- Communication will be cost effective

All communication will reflect the values and shared vision of CCBC and DCC H&IS.

3. Aims of this Strategy

To ensure that:

- Highways & Infrastructure managers and officers are involved and engaged in the work of the service and any changes planned or required, so they have sufficient knowledge to confidently represent and champion the Service.
- We communicate on all project activity relating to the Joint Highways & Infrastructure Fully Integrated Service to all stakeholders via appropriate channels and in a timely manner.
- The Principles of Good Communication extend to all stakeholders.
- The Service's reputation is promoted, managed and enhanced.

4. Our Stakeholders

A Stakeholder is a person, group, organisation, member or system who affects or can be affected by the Service or Project actions. Stakeholders for the H&I Service are:

- The Project Management personnel (Internal)
- Council Members (Internal)
- LA Executive Management Teams (Internal)
- Employees (Internal)
- The customer (individual or organisation) (External)
- Suppliers of material or other resources (External)
- Unions (External)
- Community or other geographic region (External)
- Professional organisations (External)

Communication with our stakeholders is required for the two key strands of the H&I Service:

- (i) H&IS Routine Operational Communication
- (ii) Communication Specific to the Joint H&I Fully Integrated Service Project

5. Communication Tools

We need to adopt a proactive approach to communication, regularly reviewing methods to ensure effectiveness. Current communication tools used are:

- Induction
- One to One meetings inc. PDRs
- E-Mails
- Notice Boards
- Printed materials - 1Root, periodic Road Safety Newsletters
- Team Meetings
- Team Briefs
- Use of the Intranet
- Staff Surveys
- Staff Council

In addition to these tools, a Consultation Plan will be prepared and approved prior to any *formal* consultation with any of the stakeholder groups (see appendix 1).

6. Method of Delivery of this Communication Strategy

A Communication Officer has been appointed in both CCBC and DCC Highways & Infrastructure Services. The role of the Communication Officers will be to:

- (i) act as the first point of contact for any changes in policy, initiatives or approaches; and
- (ii) to prepare and facilitate delivery of the communication of key messages to stakeholders.

Key Activities For all H&IS Routine Operational Communication:

- To disseminate core service messages to H&IS managers for cascade to staff
- To actively encourage staff engagement and feedback on core service messages
- To act as “knowledge managers” and be first points of contact for communication of any new initiatives and key developments proposed within the service
- To bring to the attention of H&IS managers any important developments or trends noted through customer contact systems
- To prepare for and facilitate any consultation with other internal stakeholders
- To assist in any consultation with external stakeholders, if appropriate

For Communication Specific to the Joint H&I Fully Integrated Service Project:

- To disseminate core project messages to H&IS managers for cascade to staff
- To actively encourage staff engagement and feedback on core project messages
- To bring to the attention of the Project Management Team any important developments or trends noted through staff feedback

- To prepare for and facilitate any consultation with other internal stakeholders
- To assist in any consultation with external stakeholders, if appropriate

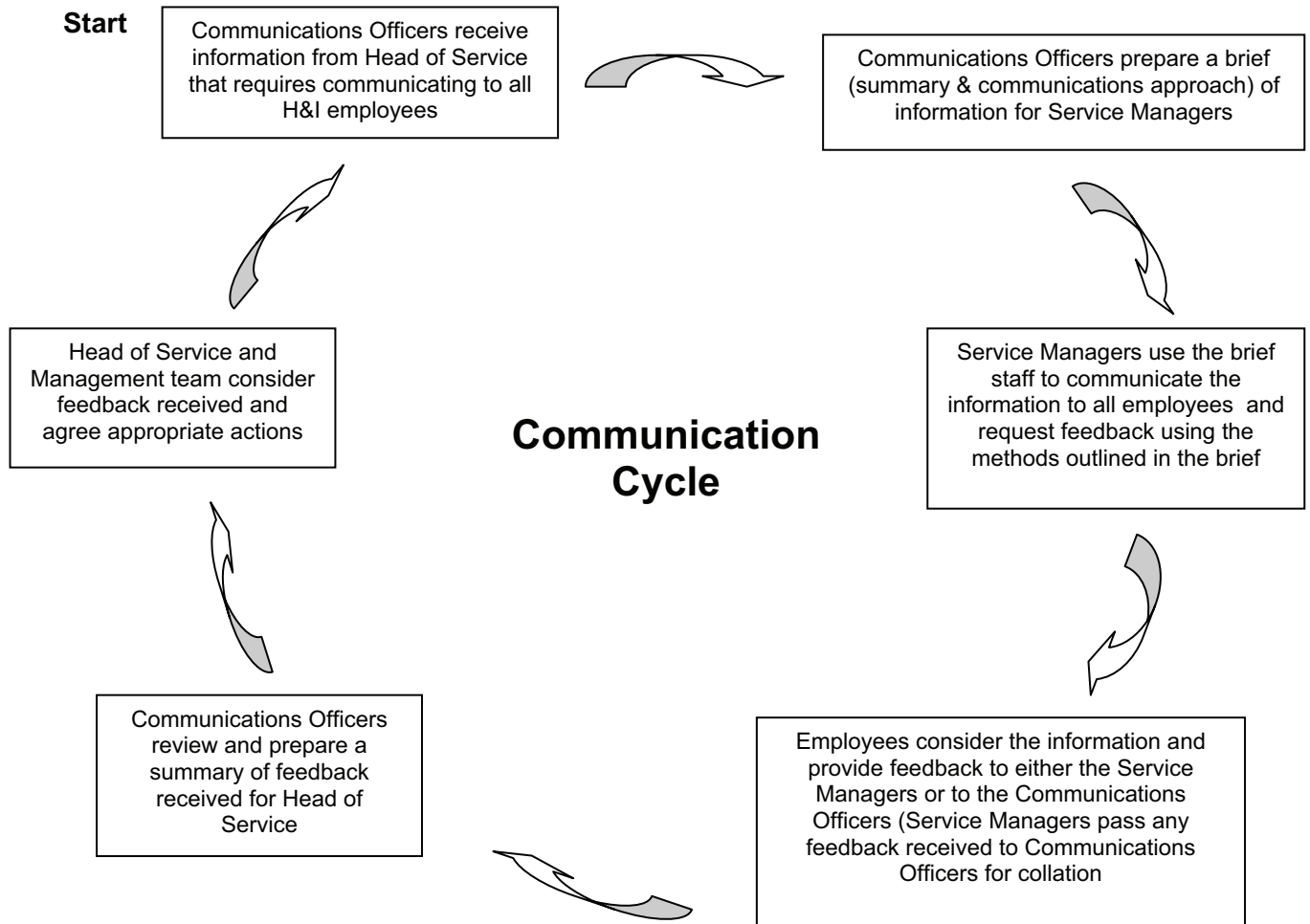
7. Primary Outcomes of the Communication Strategy:

- All H&IS Managers receive core service and/or project messages using a method that abides with the Principles of Good Communication (section 2)
- H&IS Staff understanding of the core service and/or project messages as a result of effective promotion and proactive feedback mechanisms
- H&IS Staff & Project Management Team are aware of feedback/developments and any potential effect on service or project outcomes
- All other internal and external stakeholders are informed of relevant feedback and developments relating to service provision.

8. Evaluation and Monitoring and Review

We will endeavour to carry out regular reviews as to the effectiveness of our Communication Strategy and plans in order to improve the method of delivery, the ease of understanding and the engagement of staff. This will be achieved through:

- collating and evaluating feedback from stakeholders following both informal communication and formal consultation activity
- review of Staff survey results and development of action plans
- review of response to requests for action from stakeholders



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Agenda Item 6

AGENDA ITEM NO:

Report To: CABINET

Date of Meeting: 23rd October 2012

Lead Cabinet Member: Councillor Julian Thompson-Hill

Lead Officer: Paul McGrady, Head of Finance & Assets

Title: Finance Report

1 What is the report about?

The report gives details of the council's revenue budget and savings as agreed for 2012/13 as at the end of September 2012. The report also gives a summary update of the Capital Plan, the Housing Revenue Account and Housing Capital Plan.

2 What is the reason for making this report?

To update members on the current financial position of the Council

3 What are the Recommendations?

Members note the budgets and savings targets for the year and progress against the agreed budget strategy.

4 Report details

The latest revenue budget forecast is presented as **Appendix 1** and shows a small under spend across all services, including schools.

The Housing Revenue Account summary is also included in Appendix 1 for information but this is a separate fund and not part of the council's main revenue budget.

Appendix 2 to this report gives 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 were agreed and £2.153m (63%) have been achieved with £1.290m (37%) classed as in progress. Although items are still classed as 'in progress' none of the savings listed are thought to be unachievable. The corporate saving target around the conversion of some essential car users to casual user status and the impact of changing the disregard rules applicable to home to work business travel will be achieved and the figure confirmed next month.

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

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

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

This section of the report is used to highlight any key variances from budget or savings targets, risks or potential additional savings that may arise throughout the year and to give a more general update on the Capital Plan and the Housing Revenue Account. The position to the end of September shows that most services expect to achieve a balanced budget. Detailed below are areas that require further explanation.

At the end of 2011/12, revenue balances totalling £1.3m were carried forward by services. Included in the following section this month are details of the balances carried forward and an update of the latest assumptions and progress in relation to use of revenue balances carried forward.

Service Budgets

Business Planning & Performance carried an under spend forward of £182k. Of this, £78k has been spent or committed to funding a number of initiatives, including Prince2 training and a participatory budget initiative.

Legal & Democratic Services carried a balance forward of £28k and £10k has been used to fund in-year pressures.

Finance & Assets – a balance of £140k was carried forward and has been used to fund a number of additional costs such as a temporary post within Procurement and cost pressures within Internal Audit and Revenues & Benefits. In Property, costs associated with work completed at Rhyl Sun Centre and the Sky Tower have been funded.

Highways & Infrastructure - the balance carried forward was £261k. A number of one-off costs have been funded including changing coin mechanisms on parking meters, contributing to the cost of bus shelters as part of the Prestatyn Bus Station development, Olympic Torch events and replacing hand-held technology for parking enforcement. Other proposals have been put forward and are still being assessed.

Planning & Regulatory Services – a balance of £52k was carried forward and is being used to fund restructure costs in the current year.

Adult Services budgets are shown as balanced but at this stage assume that approximately £320k of the Supporting People Reserve will be used to fund the pressures within year. This was part of the strategy agreed at previous Service Challenge meetings and the specific reason for the original creation of the Reserve.

Strategic HR – carried a balance forward of £39k. Of this, £10k has been committed to funding in-year costs and the remainder was earmarked to contribute to the costs of restructuring the Health & Safety department.

Environment carried a balance forward of £89k. Of this, £69k has been used to fund a combination of restructure costs, land purchase (Loggerheads) and to fund the outcome of a backdated rent review in favour of Bodelwyddan Castle Trust.

School Improvement & Inclusion carried a balance forward of £321k. This is earmarked to fund costs associated with both the regional service and school reorganisation within Denbighshire. There may also be a need to provide some transitional protection to schools as the new funding formula is introduced.

Modernising Education & Customer Care budgets are currently projecting a small under spend of £45k. These are in year surpluses due to a staffing restructure which is currently being implemented. The Modernising Education element of the service carried a balance forward of £39k.

The Customer Services department as was (prior to the recent corporate restructure) carried a balance forward of £107k. Of this, £58k has been used to fund costs within ICT and Press & Public Relations, including intranet development and restructure costs.

Regeneration – the department was within Planning & Regulatory Services last year and carried a balance forward of £90k which has been used to offset pressures in the current year.

The position at this stage of the year in relation to balances carried forward is that £1.1m has been spent or committed meaning £220k of the total is currently uncommitted and potentially available for reallocation.

Schools - as at the end of September the projection for school balances is £1.876m. This is a positive movement of £75k from the balances of £1.801m brought forward from 2011/12. The council is currently working with two schools that are in financial difficulty with deficit balances totalling £439k. These schools have recovery plans in place and are actively working to the targets set out in these plans.

2012/13 Budget Assumptions

During the preparation of the 2012/13 budget a number of assumptions were made about pressures that the Council would face and appropriate budgets were put in place. Two major pressures were the likelihood of a pay rise for staff and significantly increasing energy costs. As such the Council budgeted around £1.5m to cover these costs.

The rise in energy prices was much smaller than had been anticipated and this, coupled with a significant reduction in consumption meant that the price rise could be contained within existing budgets. The price rise was not agreed

until after the budget had been set and therefore the additional budget was not required.

Similarly the Council budgeted for a pay rise for staff, but this did not happen. However the pay freeze was confirmed after the budget had been set and so the Council had a budget for a pay rise that would not now happen.

These unused budgets will be used to reduce the pressures on the Council's budget in future years and have been included in the Medium Term Financial Plan. However as the budgets will not be used this year they will generate about £1.7m of cash savings within the year. In line with Council's recent approval of the Corporate Plan and desire to set up a 'Strategic Investment Reserve', this amount is shown in appendix 1 as a transfer to reserves.

Capital Plan

Expenditure to the end of September is £9m against an agreed Plan of £33.3m. **Appendix 3** shows a summary of the current plan and how it is financed. An overview of major capital projects is shown as **Appendix 4**.

Housing Revenue Account (HRA)

The latest HRA forecast shows an in-year deficit of £77k. This compares to a budgeted in-year surplus of £71k. The budget and outturn however include a provision to fund capital expenditure from revenue. The latest assumption is that £431k will be used to fund capital expenditure. The Business Plan remains viable and based on the latest forecast, the HRA balance carried forward will be £794k, compared to a budgeted projection of £942k.

The Housing Capital Plan is forecast to spend £7.4m in 2012/13 which is part-funded by prudential borrowing (£4.6m). The achievement of Welsh Housing Quality Standard by the end of 2012/13 remains on target and a detailed stock condition survey has recently been completed. The results of the survey will be input into an updated Housing Stock Business Plan over the coming months and will help inform capital investment and business planning assumptions going forward.

A summary of the latest HRA position is shown in the table below.

Housing Revenue Account & Capital Plan Summary:

Housing Revenue Account Summary 2012/13	
September 2012	
Expenditure	£'000
Housing Management & Maintenance	5,814
Capital Charges	2,662
Subsidy	3,081
Provision for Bad Debts	29
Revenue Funding Capital Expenditure	431
Total Expenditure	12,017
Income	
Rents	11,777

Garages	158
Interest	5
Total Income	11,940
In Year Surplus /(Deficit)	(77)
HRA Balance Carried Forward	794

Housing Capital Plan	
September 2012	
	£,000
Planned Expenditure	7,437
Funded By:	
Major Repairs Allowance	2,400
Revenue Contribution	431
Capital Receipts	17
Prudential Borrowing	4,589
Total	7,437

7 What consultations have been carried out?

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

8 Chief Finance Officer Statement

This report highlights the revenue and capital budgets as agreed for 2012/13 and demonstrates how the council's finances will be reported to Cabinet throughout the year. Services are expected to deliver the savings agreed through the Service Challenges and budget setting processes and at this stage seem to be on target to achieve them. It is important that services continue to manage budgets prudently and that any in-year surpluses are considered in the context of the medium-term financial position.

Economic Commentary & Treasury Management Update

The financial markets remain extremely volatile and this continues to limit the number of institutions with which the council can invest and the length of investments the council can make. Both of these issues limit the returns the council can achieve. As the uncertainty in the markets continues, the council's

policy limits most new investments to overnight deposits. This strategy of making very short term investments is likely to continue for the medium term.

Total borrowing currently stands at £134.08m at an average rate of 5.76% and total investments are £18.0m at an average rate of 0.75%.

Annual Approval of the Council's Accounts 2011/12

On the 26th September, the Corporate Governance Committee formally approved the sign-off of the council's annual accounts and accepted the report of the external auditor (Wales Audit Office). The Statement of Accounts is a complex and technical document that requires significant effort from a number of finance and other staff to complete. It is a document that few people will read but it absolutely underpins the governance of the council and is a key measure of the effectiveness of financial stewardship. The complexity of the accounts and the way they have to be produced to comply with a vast array of technical standards and legislative requirements means it is a significant annual undertaking. But, once again, the council's accounts were approved without qualification and indeed the quality of the accounts and the process behind it drew praise from the external auditors.

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

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

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

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

10 Power to make the Decision

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

Appendix 1

DENBIGHSHIRE COUNTY COUNCIL REVENUE BUDGET MONITORING REPORT 2012/13

Forecast as at 30/09/2012	Budget			Projected Outturn			Variance			Variance Previous Report	
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
Business Planning & Performance	1,197	-224	973	1,197	-224	973	0	0	0	0.00%	0
Legal & Democratic Services	2,065	-553	1,512	2,065	-553	1,512	0	0	0	0.00%	0
Finance & Assets	14,270	-7,265	7,005	14,270	-7,265	7,005	0	0	0	0.00%	0
Highways & Infrastructure	20,112	-9,667	10,445	20,112	-9,667	10,445	0	0	0	0.00%	0
Planning, Regeneration & Public Protection	5,714	-1,936	3,778	5,714	-1,936	3,778	0	0	0	0.00%	50
Adult & Business Services	44,809	-12,959	31,850	44,809	-12,959	31,850	0	0	0	0.00%	0
Children & Family Services	9,799	-1,029	8,770	9,799	-1,029	8,770	0	0	0	0.00%	0
Housing Services	1,842	-1,461	381	1,842	-1,461	381	0	0	0	0.00%	0
Leisure, Libraries & Community Development	9,963	-4,661	5,302	9,963	-4,661	5,302	0	0	0	0.00%	0
Strategic HR	1,558	-470	1,088	1,558	-470	1,088	0	0	0	0.00%	0
Customer Services	4,092	-999	3,093	4,092	-999	3,093	0	0	0	0.00%	0
Environment	19,071	-8,304	10,767	19,071	-8,304	10,767	0	0	0	0.00%	0
Modernising Education	1,476	-321	1,155	1,431	-321	1,110	-45	0	-45	-3.90%	-45
School Improvement & Inclusion	10,811	-7,476	3,335	10,811	-7,476	3,335	0	0	0	0.00%	0
Total Services	146,779	-57,325	89,454	146,734	-57,325	89,409	-45	0	-45	-0.05%	5
Corporate	42,974	-36,670	6,304	42,974	-36,670	6,304	0	0	0	0.00%	0
Transfer to Reserves	1,700	0	1,700	1,700	0	1,700	0	0	0		
Precepts & Levies	4,569	0	4,569	4,569	0	4,569	0	0	0	0.00%	0
Capital Financing	12,656	0	12,656	12,656	0	12,656	0	0	0	0.00%	0
Total Corporate	61,899	-36,670	25,229	61,899	-36,670	25,229	0	0	0	0.00%	0
Council Services & Corporate Budget	208,678	-93,995	114,683	208,633	-93,995	114,638	-45	0	-45	-0.04%	5
Schools	70,460	-7,756	62,704	70,385	-7,756	62,629	-75	0	-75	-0.12%	44
Total Council Budget	279,138	-101,751	177,387	279,018	-101,751	177,267	-120	0	-120	-0.07%	49
Housing Revenue Account	11,841	-11,912	-71	12,017	-11,940	77	176	-28	148	-208.45%	225

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Appendix 2 Medium Term Financial Plan Update 2012/13

Update to 30/09/2012

<u>Ref</u>	<u>Action</u>	<u>Status</u>	<u>Saving £'000</u>	<u>Total £'000</u>
General				
A3	Convert Essential Car Users to Casual	In progress	200	
A7	Costs of Democracy	In progress	20	
				220
Support Services Review				
C1	HR Review - Ongoing Impact of Centralisation	In progress	45	
C3	Legal services - phase 1	Achieved	70	
C4	Democratic support	Achieved	28	
C5	ICT/IM Structure	In progress	60	
C6	ICT/IM Procurement	In progress	25	
C7	Finance & Assets	Achieved	300	
				528
Service Challenges				
Leisure, Libraries & Community Development				
Da1	Leisure Services-New Booking System	Achieved	30	
Da2	Back office co-located with Youth	Achieved	30	
Da3	Transfer Town Halls to Town Councils	Achieved	80	
Da5	Remove subsidy by increasing income	In progress	120	
				260
Environmental Services				
Db2	Renegotiate recycle and disposal contracts	Achieved	510	
Db3	Service Redesign (Refuse)	Achieved	200	
Db4	Regional Waste Procurement budget	Achieved	134	
Db7	Other Reorg Savings	Achieved	20	
Db9	Fleet Efficiency	In progress	138	
Db12	Public Conveniences	Achieved	10	
Db14	WAG Waste Target Pressures	Achieved	-366	
Db15	Free School Meals Cost Pressures	Achieved	-20	
Db16	Countryside staff reduction	Achieved	50	
Db17	Tourism Service Redesign	In progress	49	
Db18	Regeneration Service Redesign	Achieved	46	
				771
Planning and Public Protection				
Dc1	Review of Regeneration	In progress	10	
EC21	Review Pest Control	Achieved	20	
EC23	Review Building Control	In progress	20	
EC24	Review of Planning Policy Service	In progress	20	
EC25	Review of CCTV service	In progress	30	
EC27	Review of Trading Standards	Achieved	50	
EC28	Licensing	Achieved	20	
				170
Highways & Infrastructure				
EC12	Passenger Transport	In Progress	35	
EC13	Parking	In Progress	70	
EC15	Development Control	In Progress	18	
	NWTRA Fees	Achieved	100	
EC16	Winter Maintenance	In Progress	65	
				288
Adult Social Services				
Df1	Cefndy Healthcare,	Achieved	43	
Df2	Closer working of Fin assessments & Benefits	Achieved	30	
Other Adult Services				
Df4	Service Restructure	Achieved	130	
Older People				
Df5	Externalise elements of Home Care	Achieved	15	
Df6	Day care - review and rationalise	Achieved	30	
Df7	Review Meals on Wheels	In Progress	64	
Df8	Impact of investment in reablement	Achieved	75	
Df9	Residential Care - Impact of Extra Care	Achieved	100	
Mental Health				
Df11	Management Changes	Achieved	19	
Df12	Partnership Efficiency Savings	Achieved	26	

		<u>Status</u>	<u>Saving £,000</u>	<u>Total £'000</u>
Adult Social Services (con'd)				
Physical Disability & Impairment				
Df13	ISIL Scheme	In Progress	18	
Df14	Reablement Intervention	Achieved	26	
Df15	Telecare	Achieved	20	
Other Adult Services				
Df16	Administration Rationalisation	Achieved	67	
Df17	Systems Thinking and Vacancy Control	In Progress	40	
Business Support & Development				
Df18	PMDF Grant - Loss of funded posts	Achieved	152	
Df19	Workforce Development Review	Achieved	20	
				875
School Improvement & Inclusion				
Dh1	Service Restructure	In Progress	100	100
Children & Family Services				
Staffing				
Dj3	Other Staff Savings	Achieved	21	
Refocus on Core Business				
Dj5	Re-shaping Supervised Contact Service	In Progress	43	
Dj8	Reduction in Independent (external) Placement Provision	Achieved	48	
Decommissioning Services				
Dj11	Voluntary Organisation Grants	Achieved	37	
	Child Trust Funds	Achieved	2	
Dj12	Parenting Programme	Achieved	82	
Dj14	Rhyl Adventure Playground	Achieved	61	
Pressures				
Dj18	In-house Fostering	Achieved	-224	
Dj20	Legislative	Achieved	-28	
				42
Housing				
	Various Small savings	Achieved	7	7
REGIONAL WORKING/COLLABORATION				
ENW1	Education Regional Board	In Progress	25	
ENW2	Social Care Regional Board	In Progress	25	
				50
OUTSOURCING				
G2	Bodelwyddan Castle	Achieved	18	
G4	ECTARC	Achieved	10	
				28
Other Cultural/Heritage activities				
H1	Pavilion Theatre	In Progress	50	
H2	Ruthin Craft Centre	Achieved	20	
H3	Llangollen Pavilion	Achieved	25	
H4	Heritage facilities	Achieved	9	
				104
Total Savings 2012/13				3,443
Summary:			£'000	%
Savings Achieved/Replaced or Pressures Confirmed			2,153	63
Savings In Progress/Being Reviewed			1,290	37
Savings Not Achieved/Deferred			0	0
Total			3,443	

Denbighshire County Council - Capital Plan 2012/13 - 2015/16

APPENDIX 3

September 2012

		2012/13	2013/14	2014/15	2015/16
		£000s	£000s	£000s	£000s
Capital Funding:					
1	General Funding:				
	Unhypothecated Supported Borrowing	8,361	3,470	2,994	2,844
	General Capital Grant	3,251	1,931	1,931	1,931
	General Capital Receipts	768			
	Earmarked Capital Receipts	311	0	0	0
		12,691	5,401	4,925	4,775
2	Prudential Borrowing	9,015	3,734	550	0
3	Reserves and Cera	2,185	1,220	0	0
4	Specific Grants and Contributions	11,134	4,668	808	0
	Total Finance	35,025	15,023	6,283	4,775
	Total Estimated Payments	-33,312	-9,940	-1,358	-304
	Contingency	-1,713	-1,000	-1,000	-1,000
	Earmarked Contingency				
	Unallocated Reserve	0	0	0	0
	Funding available	0	4,083	3,925	3,471

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Appendix 4 Major Capital Projects Update

Rhyl Harbour Development

Budget	£10.552m (inc Revenue £413k)
Funding	WG, WEFO and Sustrans grants
Expenditure to Date	£3.399m
<i>Comments</i>	<p>Rhyl Harbour Cycle & Pedestrian Bridge The detailed design is complete other than the mechanical and electrical works, which are being progressed within the capped budget provision for this item.</p> <p>The piles for the bridge's central pier are in place. The fixtures for the pontoons have been installed.</p> <p>Quayside Units, Public Square & Extended Quay Wall The Planning conditions associated with the planning consents are being satisfactorily progressed.</p> <p>The extended quay wall is under construction and the procurement of the quayside building has commenced.</p> <p>Costs The projected expenditure includes the use of some of the capital contingency allocated to the project in 2011-12.</p> <p>SUSTRANS have confirmed in writing their offer of a further contribution of £250k to the project.</p> <p>Value engineering opportunities are still being considered, however it is likely that any savings will be fairly limited.</p> <p>Programme The onsite works related to the construction of the bridge and the enabling works contract commenced on 30th July.</p> <p>The bridge is currently four weeks behind programme, due to an issue with the piling and is now scheduled to complete early June 2013.</p> <p>The enabling works contract is on programme with no issues reported. The lighting design for the bridge has been agreed and ordered.</p> <p>A temporary Harbour Masters office together with a visitor centre is now located at Rhyl Harbour, and will remain for the duration of the works.</p> <p>The finishes to the square and the building will be subject to subsequent works contracts; these are still scheduled to complete in December 2013.</p>

	<p>Publicity & Marketing</p> <p>The Welsh Government Minister responsible for Housing, Regeneration and Heritage visited the Rhyl Harbour Project in September; this was a successful visit with good press coverage.</p>
Forecast Expenditure 12/13	£5.844m

Rhyl Coastal Defence

Budget	£8.246m Phases 1 - 2
Funding	WAG Grant
Expenditure to Date	£8.152m
Comments	<p>This coastal defence scheme will reduce the flood risk to over 2000 properties and 500 businesses in West Rhyl.</p> <p>Phases 1 & 2 for works to the inner harbour and river training wall are complete.</p> <p>Phase 3</p> <p>This phase is intended to address the coastal defences from Sydenham Avenue to the Drift Park.</p> <p>A meeting has been held with the Welsh Government to discuss the scheme and funding requirements. However, this phase is at an early stage and any proposals will need to be reviewed and approved by the Strategic Investment Group and Cabinet before proceeding.</p>
Forecast Expenditure 12/13	£0.597m

Highways Programme Works

Budget	£3.650m
Funding	£3.650m Prudential Borrowing
Expenditure to Date	£1.008m
Comments	The next detailed update on the use of this funding will be provided to all Councillors in early November.
Forecast Expenditure 12/13	£3.650m

Property Acquisition & Demolitions, Rhyl Going Forward

Budget	£3.863m
Funding	£2.618m SRA Grant ; £0.915m DCC Prudential Borrowing ; £0.176m PEG; £0.154 DCC
Expenditure to Date	£3.321m
Comments	<p>Honey Club</p> <p>Conservation Area Consent has now been received from the Welsh Government providing permission for the demolition of the Honey Club. However, the Council is required to allow for an appeal period</p>

	<p>of six weeks. The CPO for the adjoining burnt out building is underway, although an objection has been received from the building's owners.</p> <p>In the meantime, the Council's development partner has engaged demolition contractors and is continuing with designs for the replacement building.</p> <p>26 - 30 Abbey Street The properties have been demolished and the area will in future form part of an urban park, included within the West Rhyl Housing Improvement Project. All works will be complete by the end of October.</p> <p>West Rhyl Housing Improvement Project The West Rhyl Housing Improvement Project aims to transform an area within West Rhyl by reducing the number of houses adapted for multiple occupation and through the creation of an urban park. The project will acquire properties around the planned new green space and work with housing associations and private developers to remodel/refurbish existing houses and also build new homes.</p> <p>A project Application form has been submitted to the Welsh Government and confirmation of approved funding is awaited.</p> <p>12, 20 & 31 Gronant Street, Rhyl 20 John Street, Rhyl</p> <p>The acquisition of these properties forms part of the West Rhyl Housing Improvement Project.</p> <p>Funding approval has been received from the Welsh Government and the acquisitions have recently taken place.</p>
Forecast Expenditure 12/13	£0.657m Note: Excludes West Rhyl Housing Project

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Report To: Cabinet

Date of Meeting: 23rd October 2012

Lead Member / Officer: Cllr Hugh Irving

Author: Head of Housing and Community Development

Title: Options Appraisal - REEMA Properties, Meliden

1. What is the report about?

- 1.1 The council owns 22 three bedroom homes on Ffordd Ty Newydd and Rhodfa Hendre, Meliden. They are of a non-traditional construction known as REEMA properties which currently fail to meet Welsh Housing Quality Standard (WHQS).
- 1.2 The properties require significant investment in order to bring them up to the WHQS and therefore a consultation exercise and options appraisal has been undertaken with tenants in order to determine an agreed way forward.
- 1.3 The properties were due for refurbishments works in 2012 following the recommendations arising from a structural report from Adams Consulting Engineers in 2010. A further appraisal of investment costs and new build options was undertaken by Savills Consulting in March 2012 which was used to inform the consultation exercise with tenants. The two main options discussed with tenants were refurbishment or demolition and potential new build.
- 1.4 A report was considered by cabinet on 17th July 2012 which noted that the preferred option was for demolition and new build and delegated authority was provided to the Head of Housing and Community Development to develop and implement a local lettings policy. Cabinet also requested further discussion with Welsh Government to determine possible funding options to support new build development.

2. What is the reason for making this report?

- 2.1 To provide Cabinet with the final decant policy, as devised by the Head of Service under delegated powers, and update upon discussions with Welsh Government regarding funding options.
- 2.2 Given the above Cabinet will need to make a decision regarding the timing of the proposed demolition of the REEMA properties and the decanting priority to be given to tenants.
- 2.3 The standard of accommodation that tenants are residing in is neither acceptable nor sustainable and tenants have made it very clear that they expect cabinet to make a firm decision regarding the future of their homes as they feel their lives are presently "on hold" and want clarity and certainty regarding the future plans for their homes.

3. What are the Recommendations?

- That the Council agree to demolish the REEMA properties and secure the site pending redevelopment
- That the Council continues with its discussions with Welsh Government to explore the potential for housing subsidy to develop new build Council Housing on the site
- That the Council works with residents who may wish to return to a redeveloped site to ensure their needs are catered for as part of any new development.
- That the Council notes the provisions of the REEMA tenants Decant policy attached at appendix A

4. Report details.

The REEMA properties are comprised of non traditional “System Built” construction with a flat roof outrigger. The properties have a very poor “u” value and are expensive and inefficient to heat. They contain no wall insulation, internal walls are prone to cracking and spalling and suspended first floors have greater deflection than those of a traditionally built property. The flat roofed outrigger building is vulnerable to leaks and perishing from the affects of inclement weather.

Estimated costs for addressing the structural works and providing WHQS to the REEMA properties range from £50,855 per property to provide a brick rap around repair to £42,264 per property to provide insulation boarding and high quality thermally efficient render.

Both of these options significantly exceed the average costs for delivering WHQS (approximately £11,500 per dwelling) and whilst such investment would make the properties structurally sound and compliant with modern standards, such investment would not address wider design issues for example the houses are back to front in some instances, there is no designated off street car parking provision and the gradient is very steep all of which contribute to a lack of demand for this type of stock (presently 7 of the 22 properties are void).

New Build Options

In addition to appraising refurbishment options Savills also modelled a number of new build options. Savills utilised the Proval appraisal model utilising discounted cash flows based upon development costs, fees and interest set against income from sales and grants. The model is commonly used by Local Authorities and RSLs and is based upon the investment of an initial capital sum and grant subsidy to make the scheme stack up.

Options appraised ranged from the development of:

- 18 dwellings combining a mix of 2 and 3 bed properties, which would require up to £1,323,000 of subsidy to;
- a 27 unit scheme combining a range of apartments, 2 and 3 bedroom houses which would have required subsidy of £2,553,673.

The options appraised provided an overview of how the site could potentially be utilised to support redevelopment; make best use of the site; and provide the best product for residents.

It is important to note that the new build option would provide an opportunity to change the design and tenure balance of the site and to develop a mixed property portfolio. However in order to make a new build scheme stack up financially the Council would require subsidy from Welsh Government.

Welsh Government

Tenants have expressed a preference to remain with the Council if a new build option is chosen. The Council is presently not eligible for Social Housing Grant however Welsh Government in the recent Housing White Paper talked about supporting Councils new build ambitions.

This is an encouraging statement from Welsh Government and officers have been in detailed discussions with officials to determine how such support might be secured and to explore the potential of using the REEMA's as a pilot scheme for local authority new build.

Unfortunately whilst it is the ambition of Welsh Government to support local authority new build, the timing of this project does not lend itself to their current timescales. This is due to the fact that they are linking support for Local Authority new build into proposed wider changes to funding Housing Services through the dismantling of the Housing Revenue Account (HRA) subsidy system. There is presently no agreed timescale for dismantling the HRA and moving towards a "Self Financing" system which could potentially provide headroom within the Business Plan to support the development of new build Council Housing (as has been the case with some authorities in England). The retained authorities in Wales are in discussions with Welsh Government whom in turn are in discussions with HM Treasury regarding the deal that needs to be done to buy Wales out of the system (as happened in England in April 2012). These tri-partite discussions are complicated and contentious and it is therefore unlikely that a system of self financing shall be implemented before April 2014 at the very earliest.

In short, this means that the Councils ambitions for developing new build housing are not likely to be taken forward in the short term and it is imperative that the link between decanting tenants and developing new build housing is decoupled.

The Head of Housing and Community Development has had discussions with the REEMA tenants to inform them of the length of time it could possibly take for tenants whom may wish to return to any new build on the redeveloped site so that tenants shall be able to make an informed decision regarding decanting. The majority of tenants (11) only wish to move once so there are only 4 tenants whom may be affected by a delay in redeveloping the site.

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

The decision will ensure that the Council invests in stock which is sustainable and adopts a more robust approach to asset management and value for money approach. The new build option could generate local labour and supply chain opportunities to support wider economic development and regeneration.

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

Demolition costs are estimated to be approximately £44,000 and a statutory Homeless payment of £4,700 per tenancy would be payable in addition to disturbance and relocation costs estimated to be in the region of £500 per tenancy. This would equate to costs in the region of £78,000 for the decanting process based upon payments to 13 sole tenants and 2 joint tenants resulting in payments to 15 households.

The original Housing Stock Business Plan dated 2005/06 allowed for £1,230k to be spent on non traditional properties within the first 5 years of the plan. To date, circa £780k has been drawn down for the improvement of Airey Homes leaving £450k remaining within the Business Plan.

Demolition and decant costs can therefore be contained within the Business Plan. A fresh stock condition survey has recently been commissioned which is expected to publish its findings in the next few weeks. The information from the stock condition survey shall be used to inform and reprofile the Housing Stock Business Plan thus enabling intelligent asset management investment decisions going forward. Officers shall review potential headroom within the business plan to support new build development as part of the reprofiling exercise.

7. What consultations have been carried out?

Extensive consultation with residents has taken place and tenants were provided with an Independent Tenant Adviser to help them consider the options available and make an informed decision on their preferred outcome.

8. Chief Finance Officer Statement

There is scope within the HSBP to consider replacement options and the business cases will need to be assessed in more detail following the re-profiling of the Business Plan and a better understanding of the impact of dismantling of the Housing Revenue Account subsidy system and the establishment of a Self Financing system which could provide the headroom necessary to support the development of new build Council Housing on the site.

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

A number of the REEMA properties are empty and are attracting vandalism and anti social behaviour which in turn is causing stress and anxiety to residents.

The properties are not fit purpose and due to the proposed demolition it is recommended that the Council adopts a minimalist approach to improvement works whilst meeting its statutory duties in relation to repairs and maintenance.

The financial risks associated with the new build option shall be fully worked through following further discussions with Welsh Government.

10. Power to make the Decision

To date consultation with the Tenants has taken place as provided by Section 105

Housing Act, 1985. Thereafter, Section 265 Housing Act 1985 permits the demolition of dwellings in relation to hazards for the purposes of Section 5 Housing Act 2004

Thereafter, Part III Land Compensation Land Compensation Act 1973 provides for Home Loss payments (Section 29 – 33), Disturbance payments (Section 37 – 38) and Rehousing (39 – 43) The Home Loss Payment (Prescribed Amounts) (Wales) Regulations 2008/2845 confirms the current amount of the statutory minimum amount payable as being £4,700.

Before proceeding to demolition a 28 day site notice of proposed demolition under the Town and Country Planning (General Permitted Development) Order 1995 (as amended), must be served under delegate powers by the Council's Development Control department.

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**GWASANAETHAU TAI
HOUSING SERVICES**

Eich cartref, eich barn, ein amcan Your home, your say, our mission

DENBIGHSHIRE COUNTY COUNCIL HOUSING SERVICES DECANT POLICY: Council Properties

DRAFT

REF:	
STAFF AFFECTED:	Community Housing Management Property Services Housing Care and Support Team
APPROVED BY:	Peter McHugh Head of Housing & Community Development
LEAD OFFICER:	Stephen Convil
VERSION:	1
ISSUE DATE:	1 October 2012
REVIEW DATE:	1 October 2014



**CYNGOR
Sir Ddinbych
Denbighshire
COUNTY COUNCIL**

DRAFT DENBIGHSHIRE CC HOUSING DEPARTMENT DECANT POLICY: Council Properties

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1	Aim
2	Introduction
3	Underpinning Principles
4	Consultation
5	Assistance With Necessary Moves
6	Estate Based Improvements And Renovations
7	Demolition And Permanent Remodelling
8	Statutory Home Loss Payments
9	Notice of Seeking Possession
10	Temporary Decant Properties
11	Local Lettings Policies
12	Rehousing And The Waiting List
13	Legal Framework and Guidance
14	Equality and Diversity
15	Monitoring and Evaluation
16	Appendix 1: Meliden REEMA Properties
1	POLICY AIM
1.1	There will be occasions where the Council must ask tenants to move from their homes either temporarily or permanently so that improvement or demolition can take place. This is known as decanting. This policy is intended to set out the general approach which the Council will take when this happens.
2	INTRODUCTION
2.1	The Department is acutely aware that the physical dwellings it owns are the 'homes' of its tenants, created by considerable emotional investment over time in buildings, neighbourhoods and communities.
2.2	Denbighshire CC Housing Department is first and foremost a landlord, and owes a primary duty of care to its existing tenants. It must keep its property in good repair. On occasion, emergencies (fire, flood) will occur or the repair work required will be so substantial that no reasonable landlord would seek to proceed with certain repairs while the tenants continue to live in the property. In these circumstances a 'decant' move is required.
2.3	The Council is legally required to have an Allocations Scheme for those wishing to become tenants and owes duties for certain homeless households
3	UNDERPINNING PRINCIPLES
3.1	The principles of Denbighshire County Council's decant policy are to:
a	<ul style="list-style-type: none"> • Consult appropriately, keep residents informed and listen and act on their concerns
b	<ul style="list-style-type: none"> • provide residents with clear choices
c	<ul style="list-style-type: none"> • fairly compensation to residents
d	<ul style="list-style-type: none"> • respond to special needs

e	<ul style="list-style-type: none"> • minimise disruption to residents
f	<ul style="list-style-type: none"> • ensure effective property management, minimising repair costs and the time properties are unused
g	<ul style="list-style-type: none"> • provide good value for the money invested
4	CONSULTATION
4.1	Where decanting has been deemed necessary, all tenants will be consulted regarding the decant programme wherever possible up to 6 months or a minimum of 28 days before the work is to be carried out.
4.2	At this stage an occupancy survey will be completed. This will record the level of <i>actual</i> occupancy, including additional household members and will enable DCC to check that tenancy records are up to date.
4.3	A record will be made of the needs and lifestyle of those required to move and all reasonable efforts will be made to ensure that decant accommodation meets the needs of the household in terms of size and level of accommodation and does not adversely affect work/care arrangements/schooling/family support etc. DCC will aim to meet the specific needs of the tenant within reason and subject to financial constraints of the contracts.
5	ASSISTANCE WITH NECESSARY MOVES
5.1	Denbighshire realises that all decants are difficult and will provide staff to help support or where required to arrange necessary moves. This may include assistance with:
a	<ul style="list-style-type: none"> • Removals
b	<ul style="list-style-type: none"> • Storage
c	<ul style="list-style-type: none"> • Disconnection and reconnection of cookers and gas fires, telephones, washing machines and television aerials
d	<ul style="list-style-type: none"> • Carpeting: uplifting, refitting and/or replacement
e	<ul style="list-style-type: none"> • Curtains and blinds - refitting and/or replacement
f	<ul style="list-style-type: none"> • Redecoration - to approximately the same standard as the old - which may mean you will not get enough to fully redecorate your new home
g	<ul style="list-style-type: none"> • School uniforms (for a change of school)
h	<ul style="list-style-type: none"> • Loss of wages incurred in the removal
i	<ul style="list-style-type: none"> • Disability adaptations for special needs
j	<ul style="list-style-type: none"> • Phone disconnection and reconnection
k	<ul style="list-style-type: none"> • Redirection of post
l	<ul style="list-style-type: none"> • Satellite or TV aerial disconnection and reconnection
m	<ul style="list-style-type: none"> • Refitting of alarms
5.2	The above assistance should cancel out the need for any disturbance payments. If a household's unique circumstances mean that other necessary expenditure is incurred, they will be assisted to make a written application to the Head of Housing for an exceptional payment. The decision of the Head of Housing will be final.
6	ESTATE BASED IMPROVEMENTS AND RENOVATIONS
6.1	Where the Department is making general improvements to individual homes on an estate, to such an extent that tenants are required to move out on a temporary

	basis, normal practice would dictate that one or more empty/void properties on the estate would be renovated first and then used, (decanted to) in rotation, to temporarily house other tenants on the estate as their properties were systematically worked on.
6.2	At the completion of the works programme, the 'decant' properties, will be returned to the normal pool of void properties from which the Housing Department meets it's legal obligations to people in the 'reasonable preference' categories on the Waiting List.
6.3	The legal principle is that the tenant retains their original property as their main and principal home, but moves temporarily to another residence for the limited duration of works.
7	DEMOLITIONS AND PERMANENT REMODELLING
7.1	Complex situations arise when it becomes necessary to demolish a property or properties.
7.2	Given the financial costs and the upheaval to tenants involved, the decision to demolish is only taken, with the greatest care, when repair is not technically possible, or the cost cannot be justified.
7.3	The essential point is that although a particular property may disappear, the landlord and tenant relationship between the Council and the tenant (and their household) remains in place. The Council should prioritise the best interests of their tenants, while balancing the needs of the community.
7.4	The Council is required to provide a replacement home of a temporary or permanent nature to its tenant(s). This means that displaced tenants will have to be given priority within the Allocations scheme, in turn displacing applicants identified as having a high priority on the Waiting List.
7.5	The Council accepts that applicants will have to wait longer as vacancies are occupied by decanted tenants for whom the Council retains a contractual obligation.
7.6	In an ideal world, each demolished property would be replaced on a like for like basis, with tenants being housed temporarily elsewhere and then move back, as in a renovation programme (above). In reality this may not always be possible.
7.7	The economic and social realities which existed at the time of the construction of the demolished properties will have changed over the intervening generations. This means that the needs of the wider community will have changed and the design of the replacement homes on the same site will invariably be different.
7.8	The legislative and financial realities will have changed also. The Authority is obliged to gain the maximum social benefit from the replacement homes and major changes through welfare reform mean that the council will need to look at a wider range of house types for future developments which meet the social and economic needs of communities.
7.9	Essentially this means that it is not guaranteed that like for like replacement will take place, with identical properties replacing the former homes. Depending on the particular site fewer properties may be built, conversely better design and build

	may produce more homes.
7.10	Invariably not all tenants can cope with a prolonged period of uncertainty and will wish to move on permanently, as soon as possible, taking advantage of enhanced priority within the Allocations Scheme for a transfer. The Council understands this and will try and offer suitable alternative accommodation on a permanent basis, within, or as near to, existing properties, as far as resources allow.
7.11	A tenant's circumstances may have changed since they moved into the property which is scheduled for demolition and may prefer to move to a more appropriate type of property, e.g. a smaller or larger property may be required. The Council will do what it can to facilitate such a move, again within the locality
7.12	In both of the above cases, if the Council offers preferable accommodation these will become the Tenants new principal, permanent residence.
7.13	If tenants wish to return to the replacement properties on the general site of their former homes, they will be facilitated to do so, within certain limitations.
7.14	If the same numbers of a particular type of property, e.g. family homes do not exist in the new development, priority for allocation will be given to households who are the best fit, at the time of allocation.
7.15	If there are unallocated replacement properties, which are requested by decanted applicants, even if their household structure would not be allocated such a property within the Council's general Allocations Scheme, this will be permitted to decanted tenants.
7.16	If there are more applicants than available replacement properties, then priority will be given during allocation to the decanted tenants who have held tenancies of the demolished properties for the longest
7.17	Reasonable discretion will be utilised by the Council's Allocations Officers to give priority to decanted tenants for other replacement properties on the site of their former homes e.g. age limits for sheltered accommodation
7.18	All reasonable steps will be taken to rehouse all decanted tenants within their general geographical areas of preference.
7.19	It should be noted that Denbighshire Housing's annual turnover of properties is limited, particularly in certain locations.
8	STATUTORY HOME LOSS PAYMENTS
8.1	A Home Loss Payment is compensation for personal upset caused if a tenant is compulsorily moved out of their home. In cases of demolition, tenants will be entitled to Home Loss Payments. This amount is currently set nationally at £4,700.
8.2	To qualify for a Home Loss Payment the tenant must have lived in the property for more than one year, as their only or main residence, at the date of the appropriate demolition order being granted.
8.3	Rent arrears may be set off against any home loss payment prior to payment (of any residue).
8.4	To qualify for a Home Loss Payment the tenant must not be subject to an eviction

	order from the courts based on breach of tenancy, or subject to an anti-social behaviour order or contract.
9	NOTICE OF SEEKING POSSESSION
9.1	DCC will always seek to reach a voluntary agreement with all tenants. However in exceptional circumstances a Notice of Seeking Possession may be served to ensure timescales and costs associated with improvement works, demolition (and/or) new build are not disrupted.
9.2	The notice does not require a tenant to leave their home immediately and is a safeguard to protect DCC's interest in cases where negotiations on re-housing fail between the authority and the tenants.
9.3	In the vast majority of cases, legal proceedings will not progress beyond the issue of Notice. Only a possession order granted by a court can end a council tenancy by this process.
10	TEMPORARY DECANT PROPERTIES
10.1	Whereas the Council will endeavour, where possible, to match the size of the permanent replacement property with the original now demolished property, the same guarantee is not given for temporary decant property.
10.2	It should be noted that the Council has a very limited turnover of vacant properties, as well as limited sources of alternative suppliers of affordable accommodation (Housing Association or private landlords).
10.3	Where alternative accommodation is offered to meet the temporary needs of a decanted household, it will be on the basis of the size of a household at the time of decant, not the size of the property decanted from.
10.4	The Council shall make a reasonable offer of decant accommodation.
10.5	There will be a right of review by an independent senior officer.
10.6	Should any tenant refuse a reasonable offer of accommodation the Council can commence legal proceedings but would only do so as a last resort.
10.7	Where a tenant is being moved to and from accommodation, on a temporary basis, the Council will undertake the removal of household goods, or cover the costs.
11	LOCAL LETTINGS POLICY
11.1	It is established good practice when new properties come on stream to employ a local lettings policy, outside the standard Allocations Scheme, to attempt to create a balanced community.
11.2	Decanted tenants, who wish to return to replacement properties, will be given a high degree of priority within any Local Lettings Policy within Denbighshire.
12	REHOUSING and the WAITING LIST
12.1	The Council is also required by law to give priority within its Allocations scheme to those in the 'reasonable priority' categories.

12.2	These include those who are statutorily homeless, in hazardous housing, or have severe medical problems.
12.3	There are circumstances, however, such as when the Council is expanding or replacing it's stock, for the long term benefit of the entire community, where it must temporarily prioritise it's obligations to it's existing tenants over other groups placing them at the front of the queue for available accommodation.
12.4	Particularly when upgrading its properties, priority for rehousing will be given to local people wishing to stay in the area. The tenure and mix of redeveloped property should reflect the principle that existing tenants who wish to stay in the area should be able to continue to do so; in accommodation that meets their needs.
12.5	Existing tenants who are displaced from their homes, shall be given priority, within the Allocations Scheme, for any suitable accommodation which becomes available within the Council's stock, unless overridden by absolute emergencies (e.g. fire, flood, explosions or life threatening medical conditions or highly disproportionate delayed hospital discharges, or other emergency situations designated by the Head of Housing.) This will mean other applicants will have to wait longer.
13	LEGAL FRAMEWORK AND GUIDANCE
13.1	Housing Act 1985 Housing Act 2004 Land Compensation Act 1973 Home Loss Payments (Prescribed Amounts) (Wales) Regulations 2008 Housing Act 1996 Homelessness Act 2002
13.2	This policy was correct at the date of issue and is has been drafted according to current legislation. Any subsequent changes in legislation or best practice will be adhered to and included in future updates. The delivery of this policy is via a series of specific procedure notes, which are maintained by the owner department.
14	EQUALITY AND DIVERSITY
14.1	This policy is designed to comply with the Council's Equalities and Diversity Policy
14.2	Denbighshire County Council is committed to treating people with dignity and respect. This applies to colleagues, residents and members, all of whom undertake not to discriminate directly or indirectly or victimise because of age, gender, gender reassignment, disability, race, colour, ethnic/national origins, religion or belief, sexual orientation.
14.3	All information/ literature will be made available in Welsh, other formats, or translated, upon request.
14.4	Front line staff will signpost customers to external advice agencies providing additional help and support with regard to equalities, ensuring full use of available resources.
14.5	This draft policy will be subject to an equalities impact assessment.
15	MONITORING AND EVALUATION

15.1	Denbighshire County Council is committed to excellent services, and learning from the experiences of our tenants and service users. Consequently monitoring and evaluation will be carried out at a number of stages:
15.2	After the planning and consultation process but before moves to 'temporary' accommodation After moves to 'temporary' accommodation After moves to permanent accommodation
15.3	We will make every effort to learn and improve at every stage in the process
16	APPENDIX 1: Meliden REEMA Properties
16.1	The purpose of this Appendix is to set out special provisions for the tenants of Denbighshire County Council's REEMA system build properties, in and around Fford Ty Newydd, Meliden, Denbighshire.
16.2	Meliden REEMA tenants will be allocated maximum Management Points (50) within the Council's Allocation current Scheme. If another allocation scheme is adopted then equivalent highest priority will be allocated.
16.3	Maximum management points will inevitably put Meliden REEMA tenants at the forefront for consideration for any Council, or Housing Association nomination, vacancies in Meliden/Prestatyn, or any other allocation area within Denbighshire. Such priority will allow those tenants who wish to make only one permanent move to do so. The crucial limiting factor will be the availability of vacancies in Meliden/Prestatyn, which is historically very low.
16.4	Tenants who wish to return to the redeveloped Meliden REEMA site will be offered reasonable decant accommodation until this is possible.
16.5	There is no statutory right to return to a site that has been redeveloped, but we will offer this as an option to the original tenants whenever it is reasonably possible to do so. This promise will be included in any local nominations agreement made with any housing association or other body which tenants wish to work with to re-develop the site.
16.6	The plans to redevelop the site will be dependent upon securing funding from Welsh Government and other partners to build new housing stock. The Council shall work with residents to develop its plans for the site and where possible will agree with residents at the time of the decant the following considerations which shall be confirmed in writing before they move out:
a	<ul style="list-style-type: none"> Whether tenants intend to return to re-developed site
b	<ul style="list-style-type: none"> Tenants rights and entitlements
16.7	If Tenants make a second move in order to return to the original site:
a	<ul style="list-style-type: none"> Home loss compensation is paid only once, and will not be paid again for the second move.
b	<ul style="list-style-type: none"> Practical Assistance will again be provided to move out of decant property similar to assistance provided to move in
16.8	Households returning to the original site will have the first choice of the properties available, subject to the type and size of property they are eligible for being on that site. This includes any low cost home ownership options for those interested in, and eligible for, this. If more than one applicant requests the same rented property,

	the Council's Allocations Manager will make the decision as to who is offered it.
16.9	There will be a deadline set, by which time affected households will have to inform the Council in writing whether or not they want to return to the original site. This deadline will be decided on progress made by contractors on finishing the redevelopment project. All affected households will be advised in writing of this deadline, and who to advise of their choice.
16.10	Those returning to the original site will be nominated or allocated to their new home at the earliest possible stage. This will be as soon as there is a numbered plot to allocate to, and certainty on the type and size of property to go on it. This early action is both to ensure the allocation is clearly on record, and to help reassure those displaced by the decommissioning of their original home.
16.11	It is expected that the nominations of people from the original site to the new scheme will be accepted by any housing association if residents wish to work with an RSL to develop the site.
16.12	It is expected that these returning households will be involved in the design and finishes of their new home, and the overall scheme, where this is possible. It is also expected that the landlord of any new scheme of any size will assist in developing the new community moving into their new property.

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Report To:	Cabinet
Date of Meeting:	23 October 2012
Lead Member / Officer:	Councillor Hugh Evans – Leader of the Council Gary Williams – Head of Legal and Democratic Services
Report Author:	Rhys A Hughes – Democratic Services Officer
Title:	Member Appointments to Outside Bodies

1. What is the report about?

The report proposes nominations of Members to represent Denbighshire County Council on a number of outside bodies.

2. What is the reason for making this report?

A decision is required on which outside bodies Denbighshire County Council will nominate Members to serve as representatives of the Council, and who the Council's nominated representatives will be.

3. What are the Recommendations?

That Cabinet considers List 1 (outside bodies where Denbighshire representation is considered essential or corporately advantageous) and List 2 (other organisations that Council representatives could be appointed to), as appended to the report and:

- (a) Approves the recommended appointments shown in List 1;
- (b) Determines which organisations in List 2 should have Council representation; and
- (c) Appoints the relevant councillors to the organisations approved by Cabinet from List 2.

4. Report details.

- 4.1 Prior to the Council election in May 2012, an exercise was undertaken to compile a comprehensive list of all of the external organisations that Members had been appointed to as representatives of DCC. Members were asked to return details of all positions held on outside bodies, and these bodies were contacted to establish full details of each organisation's terms of reference and the role that Members held in their governance.

4.2 A list of the outside bodies to which Members had previously been appointed to was circulated to the Leader and the Senior Leadership Team for consultation;

i) asking for confirmation of any relevant bodies that DCC might have an interest in appointing Members to serve as representatives; and

ii) seeking observations on the continued relevance of appointing Members to represent DCC on each of the bodies listed.

A revised list was then circulated to members via the leaders of the four political groups, asking for further clarification of the continued relevance of appointing members as DCC representatives.

4.3 Political groups were also requested to propose nominations to represent DCC on any relevant outside bodies and a shortlist of recommended appointments has been put forward (attached as Appendix 1).

4.4 Appointments to external organisations are delegated to appropriate Lead Members under the Council's Constitution, but due to the number of appointments that are required across a broad range of portfolio areas, the Cabinet is asked to approve these appointments through a collective decision.

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

The appointments are to be made to a range of organisations whose works complement DCC's work towards the Corporate Priorities, particularly in respect of developing the local economy, improving school standards, improving roads, protecting vulnerable people and in the provision of good quality housing.

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

Members may be eligible to claim travel and subsistence expenses for attending meetings of outside bodies (see Schedule 2 of the Members' Scheme of Allowances in the Council's Constitution for details).

The organisations which charge a membership fee are the Mersey Dee Alliance (£6000 per year), the North Wales Economic Forum (£6000 per year) and Nuclear Free Local Authorities (£900).

7. What consultations have been carried out and has an Equality Impact Assessment Screening been undertaken?

The Leader of the Council, the Senior Leadership Team and Members of the Council, through the political group leaders, were consulted to establish which organisations DCC should nominate formal representatives to. The political groups were asked to submit expressions of interest from Members in representing the Council on any of the organisations listed, and officers who have worked with the outside bodies advised of appropriate Lead Members to take up positions.

8. Chief Finance Officer Statement

Costs in connection with this matter will need to be contained within the overall budget for members' expenses. Consideration should be given as to whether any fees attached to membership of an organisation provide value for money to the council.

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

It is important that Members of the Council are involved in the governance of appropriate outside bodies whose work relates closely with DDC or impacts upon local communities and so, if these appointments are not made, there is a risk that the interests of DCC and the residents of Denbighshire are not fully considered in their governance. Cabinet's consideration should result in an approved, updated list of DCC representatives on appropriate outside bodies.

10. Power to make the Decision

Under Part 9 of the Council's Constitution [9.1, 1. (A), (c)] Cabinet Members have delegated authority to make appointments to external bodies whose remit lies wholly within the Cabinet Member's portfolio, excluding joint committees with other local authorities, for which appointments must be made by the Leader of the Council.

Due to the number and breadth of external bodies requiring Member appointments, this report asks for the Cabinet to make a collective decision to appoint Members to the organisations listed in Appendix 1.

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Agenda Item 9

CABINET: FORWARD WORK PROGRAMME

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
Review of Faith Based Education Provision	Cllr Eryl Williams / Jackie Walley
Ruthin Schools Review	Cllr Eryl Williams / Jackie Walley
Dog Fouling	Cllr David Smith/Graham Boase
Cefndy Healthcare: Potential loss of DWP funding and site move	Cllr Bobby Feeley / Phil Gilroy / Deborah Holmes-Langstone
Items from Scrutiny Committees	Scrutiny Coordinator
Marine Lake, Rhyl: A Strategic Direction	Cllr Hugh Evans / Carol L. Evans
LDP Update	Cllr Hugh Evans/ Graham Boase
Ocean Plaza Update	Cllr Hugh Evans/Keith Bowler
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
Corwen Pavilion	Cllr Huw Jones / Jamie Groves
Highways & Infrastructure Collaboration	Cllr David Smith / Hywyn Williams / Stuart Davies / Danielle Edwards (CCBC)
Rhyl Front Projects (including Sky Tower)	Cllr Hugh Evans/ Tom Booty
15 JANUARY 2013	
Financial Update Report	Cllr Julian Thompson-Hill / Paul McGrady
Budget Proposals	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

Updated 10/10/2012 - SLW

By virtue of paragraph(s) 13 of Part 4 of Schedule 12A of the Local Government Act 1972.

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