

To: Members of the County Council

Date: 26 January 2015

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Dear Councillor

You are invited to attend a meeting of the **COUNTY COUNCIL** to be held at **10.00 am** on **TUESDAY, 3 FEBRUARY 2015** in **COUNCIL CHAMBER, COUNTY HALL, RUTHIN LL15 1YN**.

Yours sincerely

G Williams  
Head of Legal, HR and Democratic Services

## **AGENDA**

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

#### **1 APOLOGIES**

#### **2 DECLARATIONS OF INTEREST (Pages 5 - 6)**

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

#### **3 URGENT MATTERS AS AGREED BY THE CHAIR**

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 CHAIRMAN'S DIARY (Pages 7 - 10)**

To note the civic engagements undertaken by the Chairman of the Council (copy attached).

## **5 MINUTES (Pages 11 - 26)**

To receive the minutes of the meeting of County Council held on:-

- (i) 17<sup>th</sup> November, 2014 (copy attached).
- (ii) 9<sup>th</sup> December, 2014 (copy attached).

## **6 BUDGET FOR 2015/16 (Pages 27 - 40)**

To consider a report by the Head of Finance and Assets (copy attached) providing an update on the budget setting process and detailing proposals to be approved by County Council to set the Council's revenue budget for 2015/16.

## **7 COUNTY COUNCIL FORWARD WORK PROGRAMME (Pages 41 - 42)**

To consider the Council's forward work programme (copy attached).

## **MEMBERSHIP**

### **Councillors**

Councillor Brian Blakeley (Chair)

Ian Armstrong  
Raymond Bartley  
Joan Butterfield  
Jeanette Chamberlain-Jones  
Bill Cowie  
Ann Davies  
James Davies  
Meirick Davies  
Richard Davies  
Stuart Davies  
Peter Duffy  
Hugh Evans  
Peter Evans  
Bobby Feeley  
Carys Guy  
Huw Hilditch-Roberts  
Martyn Holland  
Colin Hughes  
Rhys Hughes  
Hugh Irving  
Alice Jones  
Huw Jones

Councillor Gwyneth Kensler (Vice-Chair)

Pat Jones  
Geraint Lloyd-Williams  
Jason McLellan  
Barry Mellor  
Win Mullen-James  
Bob Murray  
Peter Owen  
Dewi Owens  
Merfyn Parry  
Paul Penlington  
Arwel Roberts  
Gareth Sandilands  
David Simmons  
Barbara Smith  
David Smith  
Bill Tasker  
Julian Thompson-Hill  
Joe Welch  
Cefyn Williams  
Cheryl Williams  
Eryl Williams  
Huw Williams

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DEDDF LLYWODRAETH LEOL 2000

Cod Ymddygiad Aelodau

## DATGELU A CHOFRESTRU BUDDIANNAU

Rwyf i,  
(enw)

\*Aelod /Aelod cyfetholedig o  
(\*dileuer un)

Cyngor Sir Ddinbych

**YN CADARNHAU** fy mod wedi datgan buddiant **\*personol / personol a sy'n rhagfarnu** nas datgelwyd eisoes yn ôl darpariaeth Rhan III cod ymddygiad y Cyngor Sir i Aelodau am y canlynol:-  
(\*dileuer un)

Dyddiad Datgelu:

Pwyllgor (nodwch):

Agenda eitem

Pwnc:

Natur y Buddiant:

(Gweler y nodyn isod)\*

Llofnod

Dyddiad

Noder: Rhowch ddigon o fanylion os gwelwch yn dda, e.e. 'Fi yw perchennog y tir sy'n gyfagos i'r cais ar gyfer caniatâd cynllunio a wnaed gan Mr Jones', neu 'Mae fy ngŵr / ngwraig yn un o weithwyr y cwmni sydd wedi gwneud cais am gymorth ariannol'.

**Code of Conduct for Members**

**DISCLOSURE AND REGISTRATION OF INTERESTS**

I, *(name)*

a \*member/co-opted member of  
*(\*please delete as appropriate)*

**Denbighshire County Council**

**CONFIRM** that I have declared a **\*personal / personal and prejudicial** interest not previously declared in accordance with the provisions of Part III of the Council's Code of Conduct for Members, in respect of the following:-

*(\*please delete as appropriate)*

Date of Disclosure:

Committee *(please specify)*:

Agenda Item No.

Subject Matter:

Nature of Interest:

*(See the note below)\**

Signed

Date

\*Note: Please provide sufficient detail e.g. 'I am the owner of land adjacent to the application for planning permission made by Mr Jones', or 'My husband / wife is an employee of the company which has made an application for financial assistance'.

# Agenda Item 4

## Digwyddiadau wedi eu mynychu gan y Cadeirydd / Events attended by Chairman

29.11.14 – 25.01.15

<b>Dyddiad / Date</b>	<b>Digwyddiad / Event</b>	<b>Lleoliad / Location</b>
01.12.14	Sesiwn tynnu lluniau, Tai Cymru a'r Gorllewin, Ffordd Cefndy Wales and West Housing Photoshoot, Cefndy Road	Y Rhyl/Rhyl
02.12.14	Pencampwriaeth Byd Bowlio Dan Do dan 25 Canolfan Bowls Dan Do Gogledd Cymru World Under 25 Indoor Bowls Championship North Wales Indoor Bowls Centre	Prestatyn
04.12.14	Ymweliad gan Gyngor 2 Ysgol Gynradd Visit from 2 Primary School Councils	Rhuthun Ruthin
04.12.14	Parti Nadolig Plant a Phobl Ifanc Gwesty'r Traethau Children and Young Peoples' Christmas Party, The Beaches Hotel	Prestatyn
05.12.14	Digwyddiad Dathlu Menter Darllen Reading Mentor Initiative Celebration Event	Rhuthun Ruthin
07.12.14	Pops Nadolig, Eglwys St. Thomas ' Christmas Pops, St. Thomas' Church	Y Rhyl/Rhyl
08.12.14	Ymweliad â Ysgol Caer Drewyn ac Ysgol Carrog Visit to Ysgol Caer Drewyn and Ysgol Carrog	Corwen
09.12.14	Gwasanaeth Carolau Dathlu'r Nadolig, Eglwys St. Thomas ' Christmas Celebration Carol Service, St. Thomas' Church	Y Rhyl/ Rhyl
10.12.14	Cyflwyno Tystysgrif Mentor Darllen, Ysgol Esgob Morgan Presentation of Reading Mentor Certificate Ysgol Esgob Morgan	Llanelwy St. Asaph
12.12.14	Pantomeim – Snow White & the Seven Dwarves Pafiliwn YRhyl Snow White & the Seven Dwarves Pantomime, Rhyl Pavilion	Y Rhyl/ Rhyl

14.12.14	Penblwydd 100 oed Mrs Olive Andrews, Dolwen 100 <sup>th</sup> Birthday of Mrs Olive Andrews, Dolwen	Dinbych Denbigh
14.12.14	Gŵyl o 9 Wers a Charolau ar gyfer y Nadolig, Eglwys St. Thomas ' Festival of 9 Lessons and Carols for Christmas, St. Thomas' Church	Y Rhyl/ Rhyl
15.12.14	Ymweliad â Swyddfa Ddosbarthu y Post Brenhinol Visit to Royal Mail Delivery Office	Y Rhyl/Rhyl
16.12.14	Fforwm Nadolig Maethu Sir Ddinbych, Pafiliwn Y Rhyl Denbighshire Fostering Christmas Forum, Rhyl Pavilion	Y Rhyl/Rhyl
18.12.14	Penblwydd Priodas Ddiemwnt Anne ac Iorwerth Hughes yn Stapletons Diamond Wedding Anniversary of Anne and Iorwerth Hughes at Stapletons	Rhuddlan
19.12.14	Dadorchuddio Cofeb Bedd heb ei farcio, Mynwent Tref Y Rhyl Rhyl Town Cemetery Unmarked Grave Memorial Unveiling	Y Rhyl/Rhyl
05.01.15	Ymweliad gan Carl Sargeant AC, i Garford Road a Gorllewin Y Rhyl Visit by Carl Sargeant AM, to Garford Road and West Rhyl	Y Rhyl/Rhyl
15.01.15	Lansiad Sir Ddinbych o'r cynllun Pob Plentyn yn Aelod Llyfrgell , Llyfrgell Prestatyn Denbighshire launch of the Every Child a Library Member scheme, Prestatyn Library	Prestatyn
15.01.15	Ymweliad gan Gyngor Ysgol Gynradd Visit from Primary School Council	Rhuthun Ruthin
15.01.15	Seremoni Dinasyddiaeth Citizenship Ceremony	Rhuthun Ruthin
17.01.15	Cynllun Cerdded Troedio Clwyd Parc Gwledig Loggerheads Troedio Clwyd Lets Walk Scheme, Loggerheads Country Park	Loggerheads
19.01.15	Angladd y Cyngorydd Margaret McCarroll Funeral of Councillor Margaret McCarroll	Y Rhyl/Rhyl



23.01.15	Croeso/Debyniad Pencampwriaeth Bowlio Canolfan Bowlio Bowling Championship Welcome Reception, Bowls Centre	Prestatyn
24-25.01.15	Pencampwriaeth Bowlio Dan Do Wales Indoor Bowls Championship	Prestatyn

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## COUNTY COUNCIL

Minutes of a meeting of the County Council held in Council Chamber, County Hall, Ruthin LL15 1YN on Monday, 17 November 2014 at 2.00 pm.

### PRESENT

Councillors Ian Armstrong, Raymond Bartley, Brian Blakeley (Chair), Joan Butterfield, Jeanette Chamberlain-Jones, Bill Cowie, Ann Davies, James Davies, Richard Davies, Stuart Davies, Hugh Evans, Bobby Feeley, Huw Hilditch-Roberts, Martyn Holland, Colin Hughes, Rhys Hughes, Hugh Irving, Huw Jones, Pat Jones, Gwyneth Kensler (Vice-Chair), Geraint Lloyd-Williams, Jason McLellan, Barry Mellor, Win Mullen-James, Bob Murray, Peter Owen, Dewi Owens, Arwel Roberts, David Simmons, Barbara Smith, David Smith, Bill Tasker and Julian Thompson-Hill

### ALSO PRESENT

Chief Executive (MM), Corporate Director: Economic and Community Ambition (RM), Director of Social; Services (NS), Head of Legal, HR and Democratic Services and Monitoring Officer (RGW), Head of Finance and Assets (PM), Corporate Improvement Officer (NK), Democratic Services Manager (SP) and Committee Administrator (CIW).

### 1 APOLOGIES

Apologies for absence were received from Councillors Meirick Davies, Peter Evans, Carys Guy, Alice Jones, Margaret McCarroll, Merfyn Parry, Paul Penlington and Gareth Sandilands.

### 2 DECLARATIONS OF INTEREST

The following interests were identified in business items to be considered at the meeting.

Agenda Item 4:- Voluntary Merger between Conwy County Borough Council and Denbighshire County Council. Personal interests were declared by all Councillors present. The reason for the declarations was that the respective implications for County Councillors if their terms of officers were extended as a result of a merger.

Councillors S.A. Davies, H. Hilditch-Roberts and D.I. Smith declared an additional personal interest in Agenda Item 4 because their partners were employees of the Council.

### 3 URGENT MATTERS AS AGREED BY THE CHAIR

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

#### **4 VOLUNTARY MERGER BETWEEN CONWY COUNTY BOROUGH COUNCIL AND DENBIGHSHIRE COUNTY COUNCIL - EXPRESSION OF INTEREST**

A copy of a report by the Chief Executive (CE), which provided an update on the work done on the voluntary merger option since the Council meeting of the 9<sup>th</sup> September, 2014 and recommended that the Council agrees to submit the attached Expression of Interest (EOI), Appendix 2, to the Welsh Government (WG) by the end of November 2014, had been circulated prior to the meeting.

The CE introduced the report, and provided a detailed summary of the following key areas of the PowerPoint presentation circulated with the report:-

- *Denbighshire County Councils position.*
- *Progress since the 9<sup>th</sup> September, 2014.*
- *Details pertaining to the Expression of Interest (EOI).*
- *EOI: The Case for Merger (1) and (2).*
- *Options for Council Tax harmonisation.*
- *Staff Pay and Grading.*
- *Advantages of Voluntary Merger.*
- *Risks and Conclusions.*
- *Road Map to Voluntary Merger and the Next Steps.*
- *Recommendations.*

A summary of important developments since the Council meeting in September was provided and included:-

- Conwy Council having passed a similar motion, agreeing to investigate the option of voluntarily merging with Denbighshire, on 18 September 2014.
- WG had published its 'Prospectus' for voluntary merges: "Invitation to Principal Local Authorities in Wales to Submit Proposals for Voluntary Merger"
- Denbighshire and Conwy had agreed to commission CIPFA to carry out a savings and costs exercise, Appendix 1, and to proceed to drafting a joint EOI for Members of both Councils to be considered at their Council meetings on 17 November.
- The Group Leaders in Denbighshire and a cross-party group in Conwy had been established to oversee the merger developments.
- Discussions had been held with WG officials and a high-level meeting held with the Minister for Public Services on 12 November 2014.

A summary of the report by CIPFA, Appendix 1, on the Strategic Implications of a Voluntary Early Merger between Conwy and Denbighshire Councils was provided by the CE. The report advised on the following matters:-

- The likely costs of voluntary merger;
- Any additional costs associated with being an early adopter or pathfinder;

- Likely ongoing financial benefits of merger;
- Advantages and disadvantages of early voluntary merger.

It was emphasised by the CE that the EOI set out the Case for voluntary merger, but was not the Business Case for merger. He responded to concerns expressed by some Members and advised not to commit to voluntary merger until a full Business Case had been developed and carefully considered, following which a Statement of Intent could be submitted. The CE highlighted the four important reasons for submitting an EOI and proceeding to develop a full Business Case. These included:-

- (i) Similarities between the Local Authority areas and Local Authorities, EOI detailed in Appendix 2.)
- (ii) The costs and savings exercise done by CIPFA, detailed in Appendix 1.
- (iii) Encouraging early support from WG.
- (iv) Advantages of voluntary merger over compulsory merger.

On the 18<sup>th</sup> September WG published its “Prospectus” for voluntary mergers: “Invitation to Principal Local Authorities in Wales to submit proposals for voluntary merger”. The document had been vague about the financial support available to voluntary mergers. However, it stated encouragingly:-

“We intend to make resources available, distinct and separate from the Revenue Support Grant, in order to support voluntary mergers.” P3.

Less encouragingly it stated that “Given the severe financial pressures we face, it is unrealistic to expect the WG to provide large injections of cash to support a process of merger.” P5. Since publication dialogue had taken place with senior WG Officials about the proposals, and WG’s acknowledgement of the cost and capacities issues associated with the merger had been included in the report.

Councillor H.H. Evans explained that on the 12<sup>th</sup> November the Leaders and Chief Executives of Denbighshire and Conwy met with the Minister for Public Services. The meeting had been proactive with recognition that there would be costs, and a verbal commitment had been forthcoming that substantial support could be available. He felt that the presentation by the CE had provided clarity regarding the proposed merger process.

If Local Authority mergers were inevitable, then volunteering to merge earlier rather than waiting to be merged later would be beneficial for several reasons:-

- Additional support from WG: ‘Prospectus +’
- Shorter period of planning blight and uncertainty
- Earlier release of efficiency savings and integration of planning processes
- Sets a positive tone and culture for the new council
- One fewer set of elections
- Clear sense of direction for staff

A summary of the risks had been included in the report, together with details of possible 'Deal Breakers' which included:-

- Funding the costs of the merger
- Capacity to manage both the cuts and the merger projects at the same time
- Agreement on decision-making by 'Shadow Authority'
- Council Tax harmonisation

Other Risks included:-

- Impact on performance and standards
- Superannuation arrangements
- Political will to drive the savings
- Potential for serious disagreement between key parties
- Uncertain national support post May 2016
- Harmonising different service levels
- Lots that we haven't identified yet

It was explained by the CE that there was a strong case for submitting the EOI and, if accepted by the WG, to start work on a full Business Case. However, there were several risks involved in progressing with the voluntary merger process, most significant being the possible 'deal breakers' set out in section 6 of the report. He confirmed it would be necessary to resolve these during the full Business Case process.

The CE responded to concerns expressed by Members and confirmed that the submission of an EOI would not commit the Council to proceeding to merger and had no cost implications. Proceeding beyond that point would be a major step, and Appendix 1 highlighted the financial costs and benefits. At this stage all figures would need to be treated with caution given the timescales available to produce them. It would be appropriate to seek full Council's endorsement as the implications of the proposals would affect every Elected Member and the future of the Council. The CE assured Members that he would be unable to recommend that the merger process proceed unless the full Business Case, which could be assessed and reviewed at each stage, was robust and of a sound basis.

The need to consider the implications for members of staff was highlighted, with the suggestion that low morale could possibly lead to a poor standard of performance. The CE concurred with the views expressed that it would be important to keep staff and the respective Unions fully informed, and he made reference in the presentation to the provision of a clear sense of direction for staff.

The following responses were provided to questions and issues raised by Members:-

- It was explained that issues pertaining to the respective Authorities PFI agreements, reserves, contracts and legal proceedings would be examined in detail in a systematic manner.

- The CE stressed the importance of a robust and viable Business Case if the merger process was to proceed. Reference was made to the four deal breakers outlined in the presentation and it was confirmed that unless there were clear details in relation to funding provision he would be unable to recommend or support a merger.
- WG had not provided details of the financial support available, but had provided an assurance that staff and financial resources had been identified to assist with the merger process. The cost implications would be one off while savings would be ongoing.
- In response to questions regarding any future change of direction by Government with regard to LGR, reference was made to the importance of examining the current environment and the alternative options available during the present and future financial climate. The CE felt that a larger Authority would be better equipped to address the financial climate and its long-term implications.
- An outline of the timescales was provided, together with, details of the establishment of the appropriate legal framework.
- In reply to reference being made to future political uncertainty regarding LGR, the CE explained that he was not aware of any political party having expressed opposition, and if Denbighshire and Conwy were to progress at this stage the legislative framework would then be established to proceed at a future date.
- The CE endorsed the views expressed regarding the need to articulate the advantages for residents in the full Business Case, and he agreed to address this matter.
- Concerns were expressed that some of the rural areas and communities in Denbighshire had been alienated in the past under previous larger Authorities, and that the proposed pairings might be altered. The CE explained that the current boundaries could not be split and pairings could not be implemented which resulted in single isolated Authorities, therefore geographically the pairing of Denbighshire and Conwy would be the only realistic viable option and this would influence and shape the destiny of other Authorities.
- Issues such as the name and location of the headquarters of the new Authority would be matters for deliberation by the new Authority.

Following further discussion, and on being put to the vote the recommendation in the report was agreed:-

30 votes for, 5 votes against and 0 abstentions.

**RESOLVED** – that Council:-

(a) agrees to submit the Expression of Interest (Appendix 2 to the report) to the Welsh Government by the end of November, 2014, and

*(b) subject to the Welsh Government's response to the Expression of Interest, expected by 5<sup>th</sup> January, 2015, to start the process of preparing the full Business Case for merger, to be presented to full Council in June/July 2015.*

***Meeting ended at 16.15 p.m.***



## COUNTY COUNCIL

Minutes of a meeting of the County Council held in Council Chamber, County Hall, Ruthin LL15 1YN on Tuesday, 9 December 2014 at 10.00 am.

### PRESENT

Councillors Ian Armstrong, Raymond Bartley, Brian Blakeley (Chair), Jeanette Chamberlain-Jones, Bill Cowie, James Davies, Meirick Davies, Stuart Davies, Peter Duffy, Hugh Evans, Peter Evans, Bobby Feeley, Carys Guy, Huw Hilditch-Roberts, Martyn Holland, Colin Hughes, Rhys Hughes, Hugh Irving, Alice Jones, Huw Jones, Pat Jones, Gwyneth Kensler (Vice-Chair), Geraint Lloyd-Williams, Jason McLellan, Barry Mellor, Win Mullen-James, Bob Murray, Peter Owen, Dewi Owens, Merfyn Parry, Paul Penlington, Arwel Roberts, Gareth Sandilands, David Simmons, Barbara Smith, David Smith, Bill Tasker, Julian Thompson-Hill, Joe Welch, Cefyn Williams, Cheryl Williams, Eryl Williams and Huw Williams

### ALSO PRESENT

Chief Executive (MM), Director of Social Services (NS), Head of Education (KE), Head of Marketing, Communication and Leisure (JG), Head of Finance and Assets (PM), Head of Customers and Education Support (JW), Head of Legal, HR and Democratic Services (GW), Democratic Services Manager (SP) and Corporate Improvement Officer (IM)

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#### 1 APOLOGIES

Apologies for absence were received from Councillors Joan Butterfield, Ann Davies, Richard Davies and Margaret McCarroll.

#### 2 DECLARATIONS OF INTEREST

Councillor Colin Hughes declared a prejudicial interest, as his partner worked with the Welfare Rights Team, in item 6 - the Notice of Motion submitted on behalf of the Labour Group.

Councillors Stuart Davies, Meirick Lloyd-Davies, Huw Hilditch-Roberts, Paul Penlington, Arwel Roberts, David Simmons and Cefyn Williams all declared a personal interest in agenda item 7 – Budget 2015/16 & 2016/17 (partners/relatives worked for the Authority).

Councillor Raymond Bartley, Colin Hughes, Huw Jones, Martyn Holland, Gwyneth Kensler, Jason McLellan, Julian Thompson-Hill and Huw Williams, declared a personal interest in agenda item 9 – Polling Places Review (links with Community Centres).

Councillor Cheryl Williams declared a personal interest in item 13 – Voluntary Agreement to Exit the Housing Revenue Account Subsidy System (Council Tenant).

### **3 URGENT MATTERS AS AGREED BY THE CHAIR**

No Urgent Matters were raised.

### **4 CHAIRMAN'S DIARY**

A list of civic engagements undertaken for the Council by the Chair and Vice-Chair, for the period 28 October 2014 to 28 November 2014 had been circulated prior to the meeting.

The Chair informed Members that it had been a busy month and referred them to his online blog for more information and photographs of the events attended last month.

### **5 MINUTES**

The minutes of the Council meeting held on 4<sup>th</sup> November 2014 were submitted. There were no matters arising.

**RESOLVED** that the minutes of 4<sup>th</sup> November 2014 be confirmed as a true record.

### **6 NOTICE OF MOTION**

As Vice-Chair Councillor Gwyneth Kensler took the Chair for this item as Councillor Blakely had been a signatory on the Notice of Motion.

Councillor Colin Hughes having declared a prejudicial interest left the meeting at this juncture.

Councillor Jason McLellan moved the Notice of Motion submitted by the Labour Group :-

“That the decision made by full Council on 9<sup>th</sup> September 2014 under agenda item 12 – Budget 2015/15 2016/17 – in particular the savings proposals relating to Welfare Rights in Appendix 1 be set aside.”

Councillor McLellan confirmed that the motion was concerned with the setting aside proposals so far as they apply to the Welfare Rights Team (WRT) only.

Councillor McLellan informed Council that:

- the WRT provided a vital service to residents of Denbighshire whom had for various reasons fallen on hard times. The WRT generated over £5 million of additional income to its clients and subsequently the local economy in the previous year. Furthermore hundreds of families have been brought out of poverty – particularly fuel poverty (defined as more than 10% of household income spent on energy costs) – as a result of advice received from the WRT.
- A recent report produced by The Citizens advice Bureau (CAB), who work in partnership with the WRT, identified Denbighshire as the biggest debt

hotspot in the UK. The CAB currently undertake all the debt advice. The expectation is that the CAB will take on all welfare advice if Denbighshire cease to provide the service by the WRT, leading to an increased risk of pressure on the CAB.

- With reference to the information provided to Members in budget workshop meetings over the summer regarding the potential £200k savings in Welfare Rights. The option debated at the meeting was the potential outsourcing of the service. It later transpired that there were alternative options that could provide savings that were not presented at the meeting.
- Consideration should be given to the risks that the cessation of the WRT service could incur, including the potential reduction in funding from Welsh Government's Outcome Agreement - which is partially calculated on lifting people out of poverty. It was proposed that Council reconsider the Welfare Rights Team's potential efficiency savings taking into account all the options available with a view to agreeing and less risky delivery model.

Council Leader, Hugh Evans asked how the motion could be considered by Council given that it did not appear to follow the accepted protocol, whereby alternative funding methods should be proposed where decisions could not be agreed.

The Head of Legal, HR and Democratic Services (HL&DS) advised that the Council's Constitution provides, under section 13.1 of the Standing Orders, that a motion can be moved to amend or rescind a previous decision if it is signed by at least 10 members. Furthermore the HL&DS clarified that the protocol for proposing amendments to budget recommendations should include alternative funding options (to increase its chance of favourable consideration by Council) but not having alternatives would not prevent Members proposing amendments.

Councillor McLellan conceded that although the protocol had been agreed by Council he had not voted for it and had raised concerns with the process at Corporate Governance.

There followed a discussion regarding the origins of the financial difficulties facing Local Authorities, cuts from their allocated funding and the requirements to become more efficient in their spending and service provision.

The protocol for budget proposal decision making was debated at length. Several members felt that plenty of opportunity was given to discuss the proposals, request more information or challenge decisions if they weren't happy with the proposals put in front of them. Those Members agreed that as difficult as these decisions were they had to be made. It was felt that particularly where an alternative provider was available risk attributed to the proposed cut could be minimised.

Returning to the Motion Councillor McLellan - having sought advice from the HL&DS - proposed an amendment:

“That the decision made by full Council on 9<sup>th</sup> September 2014 under agenda item 12 – Budget – insofar as it relates to savings proposals to Welfare Rights in appendix 1 be set aside. In respect of all other savings proposals set out in that appendix the decision taken on 9<sup>th</sup> September 2014 is confirmed by Council.”

A recorded vote was requested and supported by the requisite 1/6<sup>th</sup> of members present.

In favour of the motion were Councillors:

Armstrong, I.W.; Blakely, B.; Chamberlain-Jones, J; Guy, C.L.; Jones, P.M.; Lloyd-Williams, G.; McLellan, J.M.; Mellor, B.; Mullen-James, W.M.; Murray, R.M.; Penlington, P.; Sandilands, G; Simmons, D; Tasker, W.N. and Williams, C.H.

Against the motion were Councillors:

Bartley, J.R.; Cowie, W.L.; Davies, J.M.; Davies, M.LI; Davies, S.A.; Duffy, P.C.; Evans, H.H.; Evans, P.A.; Feeley, R.L.; Holland, M.L.; Hilditch-Roberts, H.; Hughes, T.R.; Irving, H.C.; Jones, E.A.; Jones, H.L; .Kensler, G.M; Owen, P.W.; Owens, D.; Parry, T.M.; Roberts, A.; Smith, B.A.; Smith, D.I.; Thompson-Hill, J.; Welch, J.S.; Williams, C.L.; Williams, E.W. and Williams, H.O.

**RESOLVED** that the motion as amended not be supported.

## **7 BUDGET 2015/16 - 2016/17**

The Head of Finance and Assets presented the report (previously circulated) recommending the Phase 2 budget savings for approval. The report outlined the current budget position and detailed the latest raft of saving proposals totalling £3.6m in 2015/16 and £1.8m in 2016/17. Council was reminded that there was a legal duty to set and deliver the budget.

The Lead Member for Finance and Assets chronicled the progress of the proposed savings listed in appendix 1. The process began in April 2014 with a series of 17 Service budget meetings looking to identify potential savings. Areas identified in those meetings were submitted to budget workshops – 9 in total so far - for Members to consider the proposals presented. At those workshops Members were given 3 options:

1. adopt – proposal brought to next full Council for approval;
2. develop – more information requested and brought back to another budget workshop in October and if accepted full Council later;
3. defer – not to be progressed at that time.

There were 3 key decisions points; full Council in September, today's meeting and the formal setting of the budget in February 2015. This would allow for the transition period needed to ensure that the savings can be implemented from 1<sup>st</sup> April 2015.

Impact Assessments have been formulated from consultations including:

- Scrutiny committee meetings evaluating proposals in appendix 1 (CCTV and Provider Services).
- The Welsh Audit Office have reviewed the financial planning process and given the all clear.
- A public engagement exercise called “Cutting the Cloth” was launched in October to assess impact of cuts on the community.
- Town and Community Councils liaised with to discuss the possibility of their funding some services.
- Local Service Board, DVSC and other partners have been involved in discussions where changes may impact on them.
- Trade Unions and employees.

Details of the cumulative impact of all proposed savings were shown in appendix 6. If all proposals were agreed then protection could continue to be given to schools, social services and priority areas in the Corporate Plan.

The Head of Communications, Marketing and Leisure described the methods of communication used to engage with the public regarding the proposed savings. They included posting on the Denbighshire’s website and social media; local press briefings; positioning of exhibition panels and paper copies of proposals in all reception, civic and front line areas and issued front line staff briefings on a regular basis to engage with the residents.

From feedback received the top 5 concerns were:

1. Fly tipping
2. Reducing funds for children with disabilities
3. Highway maintenance / deterioration of road conditions
4. Changes to education psychology / counselling provision
5. Ceasing funding for the William Mathias Music

Suggestions received included:

1. Stop funding external organisations
2. Liaise with private business for use of public conveniences
3. Town and Community Councils to take over responsibility of play areas
4. Reduce streetlighting service
5. Replace paid school crossing patrol with Pelican Crossings or volunteers.

The Communications team were programming a range of communication activities to support the implementation of the proposals - including formal consultations for those required e.g. passenger transport and day care service provision etc.

The Corporate Improvement Officer explained the overall impact of the proposals set out in detail in appendix 6. The paper focuses on the worst and most likely case scenarios of the implementation of the savings programme. It was noted that

considerable effort had been put in by Services to reduce / mitigate the amount of projects having a negative impact on the areas assessed.

Council reflected on the austerity cuts imposed by central government and speculated that they would continue regardless of the outcome of the general election. It was suggested that Members contact their AMs and MPs to ask for fairer funding in Wales.

The following responses were given to questions raised by Council:

- The Town & Area Plans budget had acquired a significant underspend. Therefore it had been agreed to stop adding to those funds. Funds would continue to be allocated to T&C Plans until they were depleted.
- The Authorities use of consultants was subject to scrutiny on a regular basis and information should be readily available.
- Professional fees / training was allocated at service level and will have been considered under their freedom and flexibility exercises.
- Savings acquired under the Education Psychology Service arose from the retirement of the Principal Education Psychologist. This had not impacted on the service which continued to be delivered.
- Education social work service was being reviewed to ensure that the focus is on the statutory core function - attendance - and that safeguarding and protection was the responsibility of the correct partnership with schools.
- The education counselling service would be retaining the statutory requirement of monitoring. Given that school budgets had largely been protected from cuts they would be required to employ counsellors directly for any additional service.
- The William Mathias music funding proposal would not affect core music lessons which would continue in all schools. Peripatetic sessions and ensembles however would need to be funded directly by schools or alternative provision sourced.
- There would be no disproportionate effect on the Welsh language.
- The potential merger with Conwy was not being considered as part of this year's budget setting process.

Concerns and questions raised by Members:

- Appendix 6 did not address the impact of these cuts on lower income residents, loss of school uniform grant, schools trips and local bus services for the elderly.
- What would happen if Town/Community Councils or schools could not fund services that the County withdraws from?
- Less than 1% of Denbighshire's residents responded to the Cutting the Cloth exercise.
- Lack of clarity of where the cuts in Countryside Services would fall.
- Town and Community Councils did not have the information needed to set the precepts next month if expected to fund services.

The Chief Executive reiterated that these difficult decisions were needed through no fault of the Council but in response to the funding cuts to the Council. He credited Officers and Members for being able to protect schools, social services, libraries, leisure centres and youth provision and affirmed that they would endeavour to deliver the Corporate Plan.

Councillor David Smith requested a recorded vote which was supported by the requisite number of Members.

In favour of approval of the phase 2 savings proposals were Councillors:

Bartley, J.R.; Cowie, W.L.; Davies, J.M.; Davies, M.Ll.; Davies, S.A.; Duffy, P.C.; Evans, H.H.; Evans, P.A.; Feeley, R.L.; Holland, M.L.; Hilditch-Roberts, H.; Hughes, T.R.; Irving, H.C.; Jones, E.A.; Jones, H.L.; Owen, P.W.; Owens, D.; Parry, T.M.; Roberts, A.; Smith, B.A.; Smith, D.I.; Thompson-Hill, J.; Welch, J.S.; Williams, C.L.; Williams, E.W. and Williams, H.O.

Against approval of the phase 2 savings were Councillors:

Armstrong, I.W.; Chamberlain-Jones, J; Jones, P.M.; Lloyd-Williams, G; McLellan, J.M.; Mellor, B; Mullen-James, W.M.; Murray, R.M.; Penlington, P.; Sandilands, G; Simmons, D and Tasker, W.N.

Councillors Blakely and Kensler abstained from voting.

**RESOLVED** *that the phase 2 savings proposals be approved.*

## **8 CONTRACT PROCEDURE RULES**

The Lead Member for Finance and Assets apologised for not bringing the reviewed Contract Procedure Rules (CPR) document to Council sooner but it was a complex technical document that had to be fit for purpose. A summary of amendments to the policy was shown in appendix 2. The purpose of the CPR is to protect Denbighshire's interest and make dealings as easy as possible for providers.

Significant amendments to the existing policy included:

- Section 10.3 Tender Exemptions, new levels in the approval process where the Lead Member could approve values between £1million and £2million. Values greater than £2million needed approval by Cabinet.
- Section 11 Approved Lists, Only contracts up to £25k for goods and services or £245k for works would be included. Approved lists would be phased out by April 2016
- Section 15 Sustainable Procurement, all contracts over £2million would have to consider community benefit clauses.
- Section 16 – 20 Levels of Contract issued; Values up to £10k as a single quotation, £10k to £25k would need 3 quotation and over £25k by public advert.
- Section 27 Tenders over £100k would be based on price and quality.

- Section 29 Tender Awards similar to tender exemptions approval requirement where the Lead Member could approve values between £1million and £2million. Values greater than £2million need approval by Cabinet .

In the discussion that followed some members conveyed the frustration expressed by some small business owners in their wards who were having difficulty getting onto the approved contractors list and the bureaucracy / paperwork involved in competing for business. It was suggested that where local businesses could provide goods and/or services at the right price they should be awarded in County wherever possible.

Council were informed that the way that the approved list worked currently meant that there were numerous companies on the list which meant individual companies weren't getting much work. The intention of the new framework was to hold a smaller pool of businesses who can then plan accordingly.

The Authority couldn't discriminate against businesses outside the County but could stipulate in service level agreements that a response time of 1 hour is required.

The Head of Finance and Assets described the transition to framework agreements where a framework would be advertised for 3 years e.g. for minor works. Anyone who wanted to be on that framework could bid at that point. Local business would be encouraged to nominate themselves. Then when tenders were invited the businesses on the framework would compete between themselves.

These frameworks would be held on an IT system that would automatically notify the businesses when there was an opportunity to tender on. The IT framework simplified the process for suppliers and negated the requirement for excessive paperwork. Suppliers could also engage with the Authority electronically, find out where their payments were up to etc. The system could also be used to manage supplier's performance.

***RESOLVED*** that the revised Contract Procedure Rules be accepted and used by all departments of the Council.

## **9 REVIEW ON POLLING DISTRICTS AND PLACES**

The Democratic Services Manager introduced the report (previously circulated) regarding the statutory requirement to review polling places every 4 years.

A consultation notice was published on Denbighshire's website and distributed to interested parties. No comments were received on the structure of current polling districts. With one exception the comments were supportive of the current arrangements for the polling stations themselves (all comments documented in appendix 2 to the report). The Returning Officers for the 3 parliamentary constituencies covered by Denbighshire had confirmed that they were happy with the current arrangements.



Denbigh Town Council had requested a closer polling station in the Central Ward for residents for those in the lower part of the division in the Townsend Vale Street area. The proposal was considered carefully but it was deduced that this would require the splitting of the central district division into 2 polling districts. Having reviewed the turnout and postal ballots for previous elections (appendix 3) it was concluded that the location of the current polling station at Eirianfa was not a detrimental factor and that the proposal would not be viable in terms of practicalities or cost. Otherwise the comments received were in favour of maintaining existing arrangements.

**RESOLVED** that existing arrangements for polling districts and polling places be agreed.

## **10 APPOINTMENT TO THE STANDARDS COMMITTEE**

The Head of Legal, HR and Democratic Services presented a report in respect of vacancies on the Standards Committee. There were two positions to fill – one to the Council's Standards Committee and one to the Standards Committee Special Appointments Panel.

**RESOLVED** that Councillor Barry Mellor be appointed to the Council's Standards Committee and to the Standards Committee Special Appointments Panel.

## **11 COUNTY COUNCIL FORWARD WORK PROGRAMME**

The Council's Forward Work Programme was submitted for consideration.

Members noted that –

- There would be a planning briefing prior to the Budget Workshop on 12<sup>th</sup> December.
- Council Briefing on 19<sup>th</sup> January would be a formal Council meeting initially in order to agree the Council Tax Reduction Scheme for 2015/16.

**RESOLVED** that, subject to the above, Council's Forward Work Programme be noted.

## **12 REVENUES AND BENEFITS COMMERCIAL PARTNERSHIP**

### **PART 2 ITEM**

**RESOLVED** that 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 items of business because it is likely that exempt information as defined in paragraph 14 of Part 4 of Schedule 12A of the Act would be disclosed.

The Head of Finance and Assets presented the confidential report (Previously circulated) regarding proposals to form a commercial partnership with a private company – Civica - to deliver the Council's Revenues and Benefits Service.

During a detailed discussion Council considered the options analysis provided for the service and the reasoning behind the proposals to enter into a commercial partnership including its advantages over the alternative options, particularly in terms of savings and opportunity for growth.

Representatives of Civica made a presentation to Council and responded to members' questions regarding the proposed model and future plans should the partnership proceed, providing assurances regarding their commitment to Denbighshire in terms of staffing and location; Welsh Language provision and adherence to existing policies and procedures.

**RESOLVED** that Council agree the proposed partnership and delegate authority to the Lead Member and Head of Finance and Assets to negotiate the final terms of the contract.

### **13 VOLUNTARY AGREEMENT TO EXIT THE HOUSING REVENUE ACCOUNT SUBSIDY (HRAS) SYSTEM**

The Head of Finance and Assets presented the confidential report (previously circulated) requesting Council approve the voluntary agreement exit the HRAS.

The report outlined the key milestones for exiting the HRAS system and provided an overview of the voluntary agreement to be signed between the eleven stock retention authorities and the Welsh Government to enable the exit to take place.

Members familiarised themselves with the collaborative agreement and welcomed the benefits of the proposed new system and financial advantages for Denbighshire. Officers responded to questions raised regarding the financial implications of the buy-out together with potential future investment in affordable housing stock.

**RESOLVED** that Council –

- (a) approves the voluntary agreement to exit the HRAS system, and
- (b) delegates authority to the Lead Member for Finance and Assets and Head of Finance and Assets to finalise the detail of the agreement in discussion with the Welsh Local Government Association, Welsh Government and the ten other stock retention authorities in Wales.

**Report To: Council**

**Date of Meeting: 3<sup>rd</sup> February 2015**

**Lead Member / Officer: Councillor Julian Thompson-Hill /Paul McGrady**

**Report Author: Richard Weigh, Chief Accountant**

**Title: Budget 2015/16 (Final Proposals - Phase 3)**

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**1. What is the report about?**

The report outlines the latest budget position and presents the final phase of a programme of budget savings and other measures in order to deliver the revenue budget for 2015/16. The report includes a proposed level of increase to Council Tax and use of general balances.

**2. What is the reason for making this report?**

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

To formalise a proposal that emerged from a budget workshop held on 12<sup>th</sup> December that the delivery of the Corporate Plan takes priority in future budget setting rounds.

**3. What are the Recommendations?**

That Council approves the budget proposals for 2015/16 as shown in Appendix 1.

Council approves the resulting Council Tax increase of an average of 2.75% in 2015/16.

Council approves the use of £500k of general balances to support the revenue budget for the next three financial years.

To approve the recommendation that the delivery of the Corporate Plan takes priority in future budget setting rounds.

**4. Report details**

Analysis of Draft Local Government Settlement and the consequences for the council indicated that savings of £8.3m would be required in 2015/16. The saving target included a reduction to the Revenue Support Grant of £5.3m and unavoidable cost pressures of approximately £3m.

The first two phases of the budget process have identified savings of £7.3m for 2015/16 leaving a gap of £1m. This is detailed in Appendix 1. The Final Settlement was received on 10<sup>th</sup> December and was broadly similar to the Draft but this and a number of other changes impact upon the funding gap and these are:

- The reduction to the Final Settlement is 0.016% lower than the Draft, equating to a benefit of £23k
- Expected reductions to specific grants (PFI and Council Tax Administration Grant) have been confirmed in the Final Settlement and will be pass-ported totalling £63k
- The Council Tax Base for all councils is reassessed using more recent data between the Draft and the Final Settlement. The impact of this reassessment is that the rise in the Base is around 0.65% higher than the forecast which equates to approximately £282k
- The increase to the Fire Service Levy is £51k less than the forecast presented to Council by the Fire Service in September. The Fire Service has made savings and used reserves to limit the increase passed to councils

The four items above contribute £419k to saving requirement for 2015/16.

The local government pay award has recently been agreed as a deal effective from January 2015 to March 2016. The headline increase is 2.2% over the period but staff on grades below Grade 11 will receive a higher increase. The cost of implementing the pay award in 2014/15 is less than had been forecast overall, although it is slightly higher than forecast in 2015/16. Over the two years, calculations to estimate the budgetary impact of funding the pay award mean that it is possible to reduce the overall cost pressure by £54k and this reduction can contribute to lessening the budget gap in 2015/16.

Final budget proposals and the level of Council Tax for 2014/15 will have to be agreed by County Council in February 2015. However, at the tenth budget workshop held on 12<sup>th</sup> December, those members present expressed views informally that supported an average rise in Council Tax of 2.75%. This is the base planning figure used in the Medium Term Financial Plan.

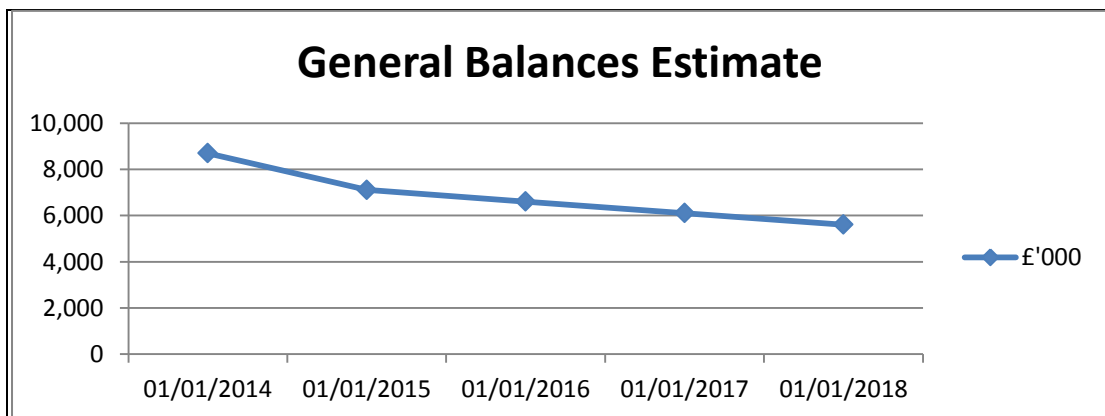
At 2.75%, there is no change to the savings requirement for 2015/16 and with the other proposals in this report, will balance the budget. An increase below 2.75% will result in a further savings requirement and an increase above it will generate additional funding. As the council has to fund the Council Tax Reduction Scheme, approximately 25% of any increase in Council Tax is foregone in reductions provided under the Scheme.

The options and implications were presented at the December workshop in detail and are summarised in Appendix 2. A further analysis showing Denbighshire's average Council Tax position relative to others is included as Appendix 3.

A further analysis highlighting the impact of this proposal over a range of property bands and income levels is included as Appendix 4.

As part of the 2014/15 budget, it was agreed as a one-off measure to use general balances of £500k to meet the gap in the council's funding requirement. To do this as a one-off would mean that a permanent saving of £500k would have to be found in 2015/16 to bridge this gap. At the December budget workshop, members were presented with an analysis of the council's general balances and a proposal to continue to use £500k to fund the budget for the next three years.

The importance of appropriate levels of balances has been highlighted in recent years with severe weather events as well as an unexpected historic claim from our previous insurance company. In each case the council has been able to respond appropriately in the knowledge that funds are available to pay for any response and subsequent works. With these risks and uncertainties around the future of local government and likely continued reductions to public sector funding, reducing balances further is not the most desirable course of action. However, an assessment of balances in the context of the council's overall revenue budget means that a managed reduction over the next three years is an acceptable approach. The chart below shows the planned reduction in general balances over the next three financial years.



The budget for 2015/16 does not allow for any service specific cost pressures. Inflation has been built into the budget assumptions corporately to include items such as energy, pay and additional employer's pension costs.

Investment in the Corporate Plan is proposed at a level of £500k. The proposed allocation of investment funding for 2015/16 is required to support prudential borrowing and is split as follows:

- Modernising Education/21<sup>st</sup> Century Schools £400k
- Highways – Road Improvements £100k

The delivery of the Corporate Plan is dependent on both budget and cash resources to facilitate Prudential Borrowing. The current Plan is affordable as

long as the resources identified to fund it are available. At the December budget workshop, those members in attendance reiterated a view first expressed when the Corporate Plan was presented at the budget workshop held on 22<sup>nd</sup> September that the majority present wished to secure delivery of the Plan. The outcome from the December workshop strengthened this view with a proposal to include a commitment to prioritise the delivery of the Corporate Plan in future budget rounds. In response to this, a formal recommendation is included in this report.

A summary of the Corporate Plan is attached as Appendix 5.

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

Effective management of the council's budgets and delivery of the agreed budget strategy underpins activity in all areas, including corporate priorities. The budget proposals contain £500k funding for schools and highways in line with the Corporate Plan and a further proposal to protect the funding required to deliver the Plan.

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

The council may need to deliver savings of approximately £17.1m over the next two financial years. The budget gap for 2015/16 is £8.259m. Savings of £7.286m have been agreed and further proposals in this report total £0.473m. The remainder, £0.5m, will be met from general balances.

**7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?**

An impact assessment exercise, including EqIA was completed for each of the budget saving proposals and was presented to council in September and December. An overall impact assessment was also presented to Council in December.

**8. What consultations have been carried out with Scrutiny and others?**

There has been significant consultation around the budget process and it has been considered by CET, SLT, Cabinet Briefing and Council Briefing meetings. There have been ten all-day budget workshops with elected members. Scrutiny committees have reviewed two savings proposals (CCTV and provider services). The Corporate Governance Committee has an oversight role and has received reports to each of its meetings since April. In November, the committee requested further details about two proposals to seek assurance on the transparency of the process.

The report to Council on 9<sup>th</sup> December outlined in detail the consultation supporting the budget process. This included a detailed analysis of responses to the public engagement exercise. The report also highlighted the following

conclusions from the Wales Audit Office following a review of the council's financial planning arrangements:

- The Council has a good track record of delivering identified savings within year against the planned actions that it approved
- The Council's future plans and arrangements to deliver savings are fit for purpose and are being effectively managed
- There are no proposals for improvement or recommendations arising from this review.

In addition to the public engagement exercise, the council had informed all Town and Community councils about the proposed cuts and hosted a meeting for all the councils to discuss and debate the proposals. There are ongoing discussions between some of the county council's services and some Town councils about the impact of the proposals and whether or not the Town councils would consider funding some of the activities if the cuts are made. These discussions are continuing.

The council has consulted its partners, through the joint Local Service Board, and, where requested, attended meetings to clarify the detail behind any of the proposals.

All members of staff have been kept informed about the budget setting process and where proposals become decisions the affected staff will be fully consulted, in accordance with the council's HR policies and procedures.

At the cabinet meeting held on 16th December, it was resolved that:

*the Council write to all Assembly Members in North Wales to ask for their position on the reduction in highway funding for Denbighshire and the allocation of funding for the M4 improvements.*

This was in response to the ending of the Welsh Government's Local Government Borrowing Initiative funding for highways improvements. Correspondence was sent to all local Assembly Members on 20<sup>th</sup> January 2015 requesting that they respond to the Lead Member for Public Realm. Responses received will be reported to Council verbally by the Lead Member for Public Realm.

Trade Unions have been consulted through Local Joint Consultative Committee. A process for engaging with staff and their TU representatives was agreed at LJCC in September and is being adhered to. The same process also offered the Trade Unions an opportunity to make formal comment on budget proposals before they were considered by Council.

At the LJCC meeting held in January 2015, trade union representatives requested that their continuing opposition on a point of principle to the outsourcing of services be noted in this report to Council. The trade unions also however recognise that the council has further cuts to make in 2016/17 and the formal liaison arrangements and protocol will continue. The trade

union representatives expressed their appreciation of the proposals to use balances and increase Council Tax to meet the budget gap.

**9. Chief Finance Officer Statement**

This continues to be an extremely challenging process with some tough decisions having to be taken. Approval of the proposals in this report will balance the budget for 2015/16 which is a significant achievement. However, work to develop budget proposals for 2016/17 must continue to ensure the estimated savings target of £8.8m is achieved. The budget process has so far identified proposals totalling £2.7m for 2016/17 so there is a significant gap still to fill. Budget workshops have been arranged in February and March to continue the process. The continued engagement and support of elected members and services in the process is crucial.

**10. 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 an effective budget strategy will put further pressure on services in future financial years.

**11. 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 Phase 3 Budget Proposals 2015/16**  
**Council February 2015**

**Proposal to Finalise Revenue Budget 2015/16**

	<u>£'000</u>	<u>£'000</u>
<b>Saving Target 2015/16 (Draft Settlement)</b>		<b>-8,259</b>
Phase 1 Savings		3,715
Phase 2 Savings		3,571
<b>Sub Total</b>		<b>-973</b>
<b>Final Settlement &amp; Other Adjustments:</b>		
1. RSG movement +0.016%	23	
2. Increase to Council Tax Base	282	
3. Passport Reductions to PFI and Council Tax Reduction Scheme Grants	63	
4. Fire Service Levy	51	
		<b>419</b>
<b>Sub Total</b>		<b>-554</b>
Pay Award Provision (2014/15)		54
<b>Sub Total</b>		<b>-500</b>
<b>Total of Phase 3 Proposals</b>		<b>473</b>
Use of Council's General Balances		500
<b>Budget Shortfall 2015/16</b>		<b>0</b>

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**Appendix 2**

**Council Tax Analysis**

**Notes**

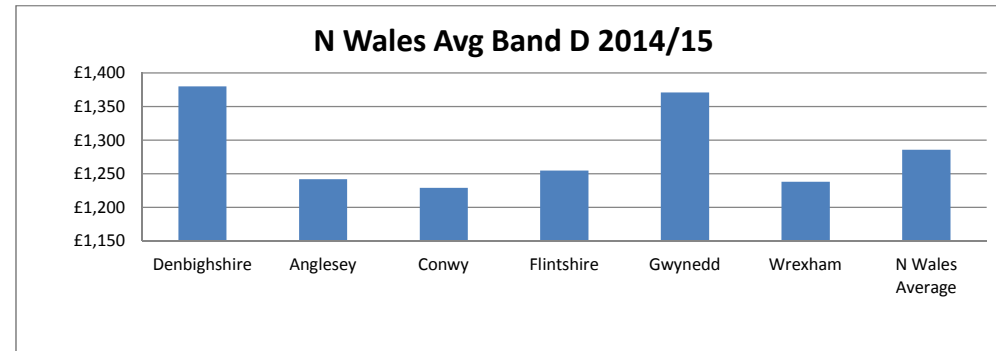
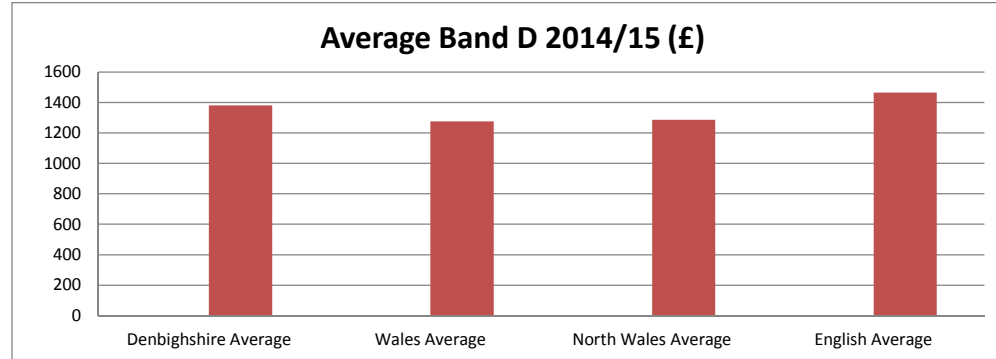
1. The analysis below shows the additional income that would be raised over a range of Council Tax increases.
2. The 'Base Case' shown is the current planning assumption. Rates below the base will mean more savings will have to be identified.
3. The references to Average Band D and Average Dwelling refer to the total council tax bill including police and community council precepts. The county council element in 2014/15 is £1,112 which represents 81% of the total bill.
4. The average per dwelling gives an indication of the average amount actually paid per dwelling.
5. Denbighshire's Council Tax was the highest in north Wales and sixth highest in Wales in 2014/15.
6. The county council element of the Council Tax bill in Denbighshire is approximately 15% higher than in Conwy.
7. If current planning assumptions for Tax rises are implemented, it is likely Gwynedd's average level of Council Tax at Band D will be higher than Denbighshire's next year.

		<b>£'000</b>				<b>£1,380</b>		<b>£1,240</b>	
<b>Yeild 2014/15</b>		<b>42,513</b>							
<b>Increase</b>	<b>Gross</b>	<b>C/Tax</b>	<b>Net</b>	<b>Additional</b>	<b>Avg Band D</b>	<b>Avg Dwelling</b>			
<b>%</b>	<b>Increase</b>	<b>Benefit</b>	<b>Increase</b>	<b>Income</b>	<b>Annual</b>	<b>Annual</b>			
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>Impact</b>	<b>Impact</b>			
0.00%	0	0	0	-876.83	0	0			
2.00%	850.26	-212.57	637.70	-239.14	£27.60	£24.80			
2.50%	1,062.83	-265.71	797.12	-79.71	£34.50	£31.00			
<b>Base Case</b>	<b>2.75%</b>	<b>1,169.11</b>	<b>-292.28</b>	<b>876.83</b>	<b>0.00</b>	£37.95	£34.10		
	3.00%	1,275.39	-318.85	956.54	79.71	£41.40	£37.20		
	3.50%	1,487.96	-371.99	1,115.97	239.14	£48.30	£43.40		
	4.00%	1,700.52	-425.13	1,275.39	398.56	£55.20	£49.60		
	4.50%	1,913.09	-478.27	1,434.81	557.98	£62.10	£55.80		
	5.00%	2,125.65	-531.41	1,594.24	717.41	£69.00	£62.00		

**Appendix 3 Council February 2015**

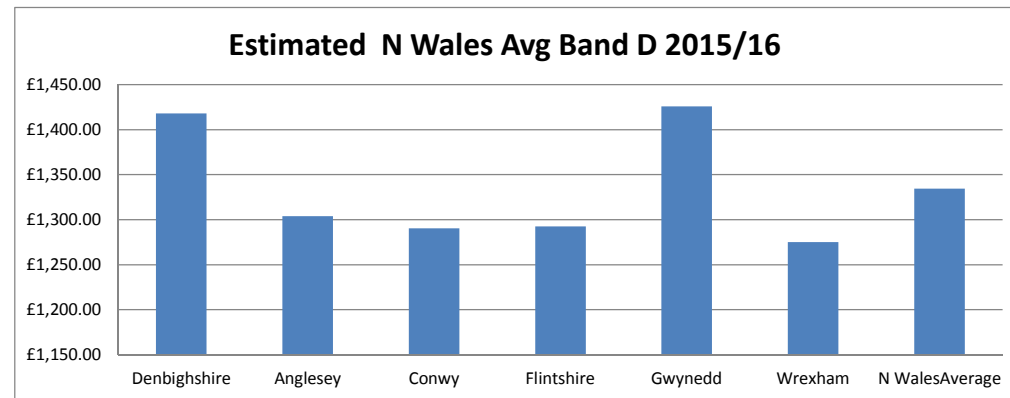
**Band D Analysis 2014/15 and 2015/16**

Denbighshire Average	£1,380
Wales Average	£1,276
North Wales Average	£1,286
English Average	£1,464
Denbighshire	£1,380
Anglesey	£1,242
Conwy	£1,229
Flintshire	£1,255
Gwynedd	£1,371
Wrexham	£1,238
N Wales Average	£1,286



**Band D Analysis Estimated 2015/16**

Denbighshire	£1,417.95
Anglesey	£1,304.10
Conwy	£1,290.45
Flintshire	£1,292.65
Gwynedd	£1,425.84
Wrexham	£1,275.14
N WalesAverage	£1,334.36



**Appendix 4 - Council Tax Rise Illustrative Examples**

	Band A				Band B				Band C				Band D			
	Weekly charge	CTR	Ctax to pay	Increase	Weekly charge	CTR	Ctax to pay	Increase	Weekly charge	CTR	Ctax to pay	Increase	Weekly charge	CTR	Ctax to pay	Increase
Single aged 23 16 hrs min wage	£13.61	£5.43	£8.18	£0.22	£15.88	£7.70	£8.18	£0.22	£18.15	£9.97	£8.18	£0.22	£20.42	£12.24	£8.18	£0.22
Single over 25 20 hours min wage	£13.61	£3.23	£10.38	£0.14	£15.88	£5.50	£10.38	£0.14	£18.15	£7.77	£10.38	£0.14	£20.42	£10.04	£10.38	£0.14
Lone Parent 1 child WTC 16 hours 126.23 per week	£13.61	£0.58	£13.03	-£0.27	£15.88	£2.85	£13.03	-£0.27	£18.15	£5.12	£13.03	-£0.27	£20.42	£7.39	£13.03	-£0.27
Pensioner SC	£13.61	£12.36	£1.25	£0.15	£15.88	£14.63	£1.25	£0.15	£18.15	£16.90	£1.25	£0.15	£20.42	£19.17	£1.25	£0.15
Pensioner Severely disabled	£13.61	£0.82	£12.79	-£0.01	£15.88	£3.09	£12.79	-£0.01	£18.15	£5.36	£12.79	-£0.01	£20.42	£7.63	£12.79	-£0.01

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Appendix 5

1 Corporate Plan Summary

Projects	2012/13 ACTUAL £k	2013/14 ACTUAL £k	2014/15 ESTIMATES £k	2015/16 ESTIMATES £k	2016/17 ESTIMATES £k	2017/18 ESTIMATES £k	2018/19 ESTIMATES £k	Total £k
<b>21st Century Community Schools (50/50 Split)</b>								
Rhyl High School / Ysgol Tir Morfa	25	1,053	5,245	16,074	1,856	333	0	24,586
Ysgol Glan Clwyd	0	5	465	4,978	9,146	1,068	238	15,900
Bodnant Community School	0	69	620	2,099	562	61	0	3,411
Ysgol Bro Dyfrdwy	81	1,209	119	0	0	0	0	1,413
<b>Total 21st Century Community Schools</b>	<b>106</b>	<b>2,336</b>	<b>6,449</b>	<b>23,151</b>	<b>11,564</b>	<b>1,462</b>	<b>238</b>	<b>45,310</b>
<b>21st Century Schools - Faith Schools (85/15 Split)</b>	<b>0</b>	<b>13</b>	<b>97</b>	<b>42</b>	<b>5,104</b>	<b>11,653</b>	<b>6,905</b>	<b>23,814</b>
<b>Corporate Plan Potential Projects</b>								
Ruthin Town School	0	0	54	619	5,150	3,063	0	8,886
Clocaenog / Cyffylliog Area School - Ysgol Carreg Emlyn	0	0	8	380	1,066	1,338	0	2,792
Llanfair / Pentrecelyn Area School	0	0	11	487	1,096	1,877	0	3,471
Ysgol Pendref	0	0	0	156	1,167	435	0	1,758
<b>Total Potential Projects</b>	<b>0</b>	<b>0</b>	<b>73</b>	<b>1,642</b>	<b>8,479</b>	<b>6,713</b>	<b>0</b>	<b>16,907</b>
<b>Total Schools Projects</b>	<b>106</b>	<b>2,349</b>	<b>6,619</b>	<b>24,835</b>	<b>25,147</b>	<b>19,828</b>	<b>7,143</b>	<b>86,031</b>
<b>Extra Care</b>				<b>1,000</b>	<b>7,500</b>	<b>6,700</b>	<b>5,800</b>	<b>21,000</b>
<b>Cefndy Health Care Investment</b>		<b>59</b>	<b>441</b>					<b>500</b>
<b>Highways</b>		<b>2,843</b>	<b>5,373</b>	<b>1,650</b>	<b>1,650</b>			<b>11,516</b>
<b>TOTAL CORPORATE PLAN PROJECTS</b>	<b>106</b>	<b>5,251</b>	<b>12,433</b>	<b>27,485</b>	<b>34,297</b>	<b>26,528</b>	<b>12,943</b>	<b>119,047</b>

Funding	2012/13 ACTUAL £k	2013/14 ACTUAL £k	2014/15 ESTIMATES £k	2015/16 ESTIMATES £k	2016/17 ESTIMATES £k	2017/18 ESTIMATES £k	2018/19 ESTIMATES £k	Total £k
<b>Schools funding</b>								
WG - LGBI and Grant		1,170	3,877	12,252	6,801	11,922	6,875	42,897
Cash Reserves		739	2,599	10,677	3,658	1,735		19,408
Prudential Borrowing				1,890	14,688	5,933	268	22,779
Capital Receipts - planned					0	238		238
Capital Receipts - received		376						376
Other funding used	106	64	143	16				333
<b>Total Schools Funding</b>	<b>106</b>	<b>2,349</b>	<b>6,619</b>	<b>24,835</b>	<b>25,147</b>	<b>19,828</b>	<b>7,143</b>	<b>86,031</b>
<b>Extra Care</b>								
Contributions (development partner)				0	4,000	5,000	5,000	14,000
Prudential Borrowing				0	3,000	440	400	3,840
Cash Reserves				1,000	500	655	400	2,555
Capital Receipts						250		250
Other - Grants						355		355
<b>Total Extra Care Funding</b>				<b>1,000</b>	<b>7,500</b>	<b>6,700</b>	<b>5,800</b>	<b>21,000</b>
<b>Cefndy Health Care Investment</b>								
Cash Reserves		59	441					500
<b>Highways</b>								
WG - LGBI		2,458	2,458					4,916
Prudential Borrowing		385	2,915	1,650	1,650			6,600
<b>TOTAL FUNDING REQUIRED</b>	<b>106</b>	<b>5,251</b>	<b>12,433</b>	<b>27,485</b>	<b>34,297</b>	<b>26,528</b>	<b>12,943</b>	<b>119,047</b>
<b>DCC FUNDING ELEMENT</b>	<b>106</b>	<b>1,623</b>	<b>6,098</b>	<b>15,233</b>	<b>23,496</b>	<b>9,606</b>	<b>1,068</b>	<b>57,234</b>

2 Revenue Budget Allocations - Actual and Planned

Programme	2012/13 £k	2013/14 £k	2014/15 £k	Total £k	Balance Remaining £k	Priorities 2015/16 £k	Priorities 2016/17 £k
21 Century Schools (Priorities Budget Allocation)	200	200	611	1,011	1,011	400	150
Contribution from School Modernisation Programme		157		157	157		
Highways (Priorities Budget Allocation)	100	100	100	300	0	100	100
Extra Care Housing (Priorities Budget Allocation)		400		400	400	0	0
<b>Total</b>	<b>300</b>	<b>857</b>	<b>711</b>	<b>1,868</b>	<b>1,568</b>	<b>500</b>	<b>250</b>

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COUNCIL FORWARD WORK PROGRAMME

Meeting	Item (Description / Title)	Purpose of Report	Council Decision Required (yes/no)	Lead member and Contact Officer	
<b>24 February 2014</b>	1	Council Tax Setting	To set the Council Tax for 2015/16	Yes	CLlr Julian Thompson-Hill / Paul McGrady
	2	Capital Plan 2015/16	To approve the Council's Capital Plan for 2015/16	Yes	CLlr Julian Thompson-Hill / Paul McGrady
	3	Committee Timetable	To confirm the timetable for committee meetings.	Yes	CLlr Barbara Smith / Steve Price
	4	Treasury Management Strategy Statement 2015/16	To approve the Statement	Yes	CLlr Julian Thompson-Hill / Paul McGrady
<b>Council Briefing 16 March 2015</b>	1	Dementia Workshop	A presentation for members on dementia	N/A	CLlr Bobby Feeley / Nicola Stubbins
	2	BCUHB Revenue and Capital Budget Strategy	Trevor Purt (BCUHB) to attend	N/A	CLlr Bobby Feely / Nicola Stubbins
	3	Supporting Independence in Denbighshire	A presentation from Adult Services	N/A	CLlr Bobby Feeley / Phil Gilroy
<b>14 April 2015</b>	1	Redevelopment of Ysgol Glan Clwyd	To consider the full business case for the scheme.	Yes	CLlr Eryl Williams / Peter Clayton
	2	Pay Policy	To approve the Pay Policy	Yes	CLlr Barbara Smith / Catrin E. Roberts
	3	Corporate Governance Annual Report	To receive the Corporate Governance Annual Report		CLlr Jason McLellan / Gary Williams
<b>12 May 2015</b>	1	Annual Report of the Council's	To consider the Annual Report	No	Scrutiny Chairs & Vice Chairs

COUNCIL FORWARD WORK PROGRAMME

<b>Annual Meeting</b>		Scrutiny Committees			Group / Steve Price / Rhian Evans
	2	Local Housing Strategy	To agree the Local Housing Strategy	Yes	CLlr Hugh Irving / Graham Boase / Sue Lewis
	3	Annual Delivery Document for the Corporate Plan	Members to approve the final version of the Delivery Document.	Yes	CLlr Barbara Smith / Alan Smith

Future Issues for 2015/ 2016 Timetable

Meeting	Item (Description / Title)		Purpose of Report	Council Decision Required (yes/no)	Lead member and Contact Officer
	1	Looked After Children	A presentation from Children's Services	N/A	CLlr Bobby Feeley / Rhiain Morlle / Liz Griffin
	2	Spectrwm	Cefyn Campbell (Spectrwm) to attend	N/A	CLlr Huw Jones

**Note for Officers – Full Council Report Deadlines**

<i>Meeting</i>	<i>Deadline</i>	<i>Meeting</i>	<i>Deadline</i>	<i>Meeting</i>	<i>Deadline</i>
<b>3 February</b>	<b>19 January</b>	<b>24 February</b>	<b>9 February</b>	<b>April</b>	<b>27 March</b>

Updated 20/01/2015 SLW

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