

To: Members of the Cabinet

Date: 11 February 2015

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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, 17 FEBRUARY 2015** 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 7 - 14)

To receive the minutes of the Cabinet meeting held on 13 January 2015 [copy enclosed].

5 MODERNISING EDUCATION PROGRAMME - RUTHIN PRIMARY AREA - YSGOL LLANBEDR (Pages 15 - 30)

To consider a report by Councillor Eryl Williams, Lead Member for Education (copy enclosed) regarding the recent decision of the Minister for Education and Skills on the future of Ysgol Llanbedr.

6 IMPLEMENTATION OF THE HOUSING ACT WALES 2014 (Pages 31 - 38)

To consider a report by Councillor Hugh Irving, Lead Member for Customers and Communication (copy enclosed) regarding application of the “intentionally homeless” test following implementation of the Housing (Wales) Act 2014.

7 HOUSING RENT SETTING & HOUSING REVENUE AND CAPITAL BUDGETS 2015/16 (Pages 39 - 46)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance and Assets (copy enclosed) seeking approval for the proposed rent increase and the introduction of service charges and to approve the Housing Revenue Account Capital and Revenue Budgets for 2015/16.

8 RECOMMENDATIONS OF THE STRATEGIC INVESTMENT GROUP (Pages 47 - 54)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance and Assets (copy enclosed) seeking Cabinet’s support of projects identified for inclusion in the 2015/16 Capital Plan.

9 FINANCE REPORT (Pages 55 - 70)

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

10 CABINET FORWARD WORK PROGRAMME (Pages 71 - 74)

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

PART 2 - CONFIDENTIAL ITEMS

No Items.

MEMBERSHIP

Councillors

Hugh Evans
Julian Thompson-Hill
Eryl Williams
Bobby Feeley

Hugh Irving
Huw Jones
Barbara Smith
David Smith

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LOCAL GOVERNMENT ACT 2000

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'.

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CABINET

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 13 January 2015 at 10.00 am.

PRESENT

Councillors Hugh Evans, Leader and Lead Member for Economic Development; Bobby Feeley, Lead Member for Social Care, Adult and Children's Services; Hugh Irving, Lead Member for Customers and Communities; Huw Jones, Lead Member for Leisure, Youth, Tourism and Rural Development; 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, Bill Cowie, Meirick Davies, Richard Davies, Huw Hilditch-Roberts, Martyn Holland, Gwyneth Kensler and Huw Williams

ALSO PRESENT

Chief Executive (MM); Corporate Director Economic and Community Ambition (RM); Heads of Service: Legal, HR and Democratic Services (GW), Finance and Assets (PM); Customers and Education Support (JW); Education (KE); Revenues and Benefits (RU); Chief Accountant (RW); Economic and Business Development Manager (TB); Programme Manager Modernising Education (JC), and Committee Administrator (KEJ)

TRIBUTE - COUNCILLOR MARGARET MCCARROLL

The Leader paid tribute to Councillor Margaret McCarroll who sadly died on 4 January after a short illness. He referred to Councillor McCarroll's commitment and valuable contribution as a councillor representing Rhyl South West ward and conveyed the Council's condolences to her family, saying that she would be sadly missed by Denbighshire colleagues. Councillor Eryl Williams also offered condolences to the Leader who had recently lost his mother-in-law. Members and officers stood in silent tribute.

1 APOLOGIES

Councillor Barbara Smith, Lead Member for Modernising and Performance

2 DECLARATION OF INTERESTS

Councillor Bobby Feeley – Personal – Agenda Item 5 – Governor Rhos Street

Councillor David Smith – Personal – Agenda Item 5 – Grandchild in Penbarras

Councillor Huw Williams – Personal – Agenda Item 5 – Child in Penbarras

Councillor Huw Hilditch-Roberts – Personal – Agenda Item 5 – LEA Governor Penbarras / parent

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 16 December 2014 were submitted.

***RESOLVED** that the minutes of the meeting held on 16 December 2014 be approved as a correct record and signed by the Leader.*

5 MODERNISING EDUCATION PROGRAMME - RUTHIN PRIMARY AREA

Councillor Eryl Williams presented the report seeking Cabinet approval to commence consultation on school organisation proposals arising from the Ruthin area review and to recommend to Council approval of investment for three primary school projects in the area.

Cabinet members had familiarised themselves with all schools subject to the Ruthin area review and were fully aware of the needs and requirements of each of those schools. It was emphasised that no decision had been made regarding the proposals and approval was sought to start that consultation process. In terms of the financial commitment to school projects, Councillor Julian Thompson advised that following review of the business cases, the Strategic Investment Group had recommended approval. He clarified that the projects were not part of the 21st Century Schools funded projects but the Council had sufficient in-house capital to deliver them. Councillor Eryl Williams added that although there was no reliance on external funding he was hopeful 21st Century Schools funding could be secured.

The rationale behind the reorganisation of primary schools in Ruthin had been detailed within the report and Cabinet discussed with officers the report recommendations in order to progress the next stage of the school organisation proposals. Main discussion points on the recommendations included –

- **Consultation on the proposed closure of Ysgol Llanfair DC and Ysgol Pentrecelyn and opening of a new Category 2 Voluntary Controlled school**

Cabinet was advised of the general support for an area school to replace the two schools, particularly given the state of the existing buildings. The contentious issue in this proposal was the language categorisation of the new school but the intention was not to start debate at this time but to commence consultation and report back to a future meeting. It was noted that parents and other interested parties had already raised concerns and assurances were provided that all issues raised would be discussed and carefully considered during the consultation process before a decision was taken. The Leader had met with representatives from both schools and reported upon the strong feelings around the categorisation issue and different viewpoints held. He was keen for a new school to best benefit the children and area in the future. Reference was made to the review of the language categorisation of the county's schools and officers provided assurances that the categorisation of all schools was monitored through the Welsh in Education Strategic Group. Councillor Meirick Davies felt strongly that the consultation should involve the opening of a new Category 1 school as opposed to Category 2. Councillor Eryl Williams accepted that view but responded that the arguments in terms of

categorisation would be the same and all issues would be considered during the consultation process. Assurances were sought that pupils would not be disadvantaged by a subsequent change to the language categorisation and officers highlighted that Welsh Medium stream pupils in Category 2 schools were required to achieve the same outcomes as pupils in Category 1 schools.

- **Consultation on the proposed closure of Ysgol Rhewl with pupils transferring to Ysgol Penbarras or Rhos Street**

The rationale behind the proposal was reiterated based on the long term sustainability of Ysgol Rhewl. Some reservations were expressed over whether the proposed school at Glasdir could accommodate additional pupils given the proposed number of school places. Officers explained the calculations for pupil numbers together with other considerations including surplus capacity – there was flexibility within the process at this stage which would allow pupil projections to be revised depending upon other outcomes such as those relating to Ysgol Rhewl and Ysgol Llanbedr which would allow the school to be sized appropriately for the area. Councillor Huw Williams submitted apologies from Councillor Merfyn Parry and shared the views of Ysgol Rhewl Governors who would campaign against school closure. Officers advised that the Headteacher had been notified informally ahead of the Cabinet meeting and all other issues should be raised as part of the consultation process. In terms of surplus places it would not be appropriate to apply different criteria to school projects not subject to 21st century schools funding. Councillor Martyn Holland highlighted the importance of communication and officers reported upon the extent of the consultation in this regard in order to provide an open and transparent process.

- **To recommend to Council the approval of the business cases and capital allocation for three primary school projects in the Ruthin area**

Councillor Eryl Williams highlighted the importance of allocating specific funding at this stage in order to provide greater certainty and reflect the Council's commitment to the school building projects if the proposals were approved.

(i) Glasdir Site (relocation of Rhos Street/Ysgol Penbarras) – Officers clarified the proposal for two schools on a shared site at Glasdir and reported upon discussions with school representatives regarding their requirements which would be accommodated as far as possible given the project's financial constraints and addressed as part of the detailed design stage. Local Members welcomed the proposals for the two schools at the Glasdir site but raised a number of issues requiring consideration, predominately around the use of shared facilities and traffic management, highlighting that input from school representatives was paramount when considering their future requirements. Officers acknowledged that the correct building design was crucial, reporting on work undertaken to manage the schools' expectations and requirements to deliver efficiencies to benefit both schools within the financial and time constraints for the project. Any capital receipts generated upon completion of the school projects would be retained corporately. Further assurances were provided that the number of school places would be appropriately revised following the outcomes of other reviews relating to Ysgol Rhewl and Ysgol

Llanbedr. It was also accepted that planning permission for the Glasdir site had lapsed but officers were in touch with Planning Officers and confident that with the right design securing planning permission would not be an issue.

(ii) Ysgol Carreg Emlyn – Members were advised that the report contained indicative timescales for the proposed new school building but it was likely that the project could commence at an earlier stage if approved because there was no requirement to submit statutory notice of the proposal.

(iii) Llanfair and Pentrecleyn Area School – The proposal for a new school building for the Llanfair and Pentrecleyn area had been discussed as part of the first recommendation.

In moving the recommendations Councillor Eryl Williams thanked members for their contributions to debate.

RESOLVED that Cabinet –

- (a) *approve proceeding to formal consultation for the proposed closure of Ysgol Llanfair DC and Ysgol Pentrecleyn as of the 31 August 2016 and to open a new Category 2 Voluntary Controlled school based on the existing sites on the 1 September 2016;*
- (b) *approve proceeding to formal consultation for the proposed closure of Ysgol Rhewl as of 31 August 2017 with pupils transferring to either Ysgol Penbarras or Rhos Street to coincide with the opening of the new school buildings, and*
- (c) *recommend to Council the approval of the business cases and capital allocation for*
 - 1. *the replacement of the existing Rhos Street/Ysgol Penbarras provision at the Glasdir Site*
 - 2. *a new school building for Ysgol Carreg Emlyn*
 - 3. *a new school building for the Llanfair and Pentrecleyn area school, subject to the outcome of the school organisation proposals.*

At this juncture (11.30 a.m.) the meeting adjourned for a refreshment break.

6 BUDGET 2015/16 (FINAL PROPOSALS - PHASE 3)

Councillor Julian Thompson-Hill presented the final phase of a programme of budget savings and other measures for recommendation to Council in order to deliver the revenue budget for 2015/16. The report also included a proposed level of increase to Council Tax and use of general balances.

Councillor Thompson-Hill referred to the outcomes of the budget workshops which had informed the budget proposals and he outlined the latest budget position. He elaborated on the proposals for 2015/16 and resulting 2.75% average increase in the level of Council Tax together with the rationale behind the proposal to use

general balances to fund the budget over the next three years. In light of members' commitment to delivering the Corporate Plan it was also recommended that this take priority in future budget setting rounds.

During consideration of the report the following issues were discussed –

- Councillor Eryl Williams felt there was a strong possibility that 21st Century Schools funding could be secured for the proposed school building projects in the Ruthin area which would release funding to deal with other budget pressures
- the outcome of the consultation on the future of in-house social care services would not affect the 2015/16 budget but savings from that process were due in 2016/17 – the spend profile for extra care projects for future years had been detailed in the Corporate Plan summary (Appendix 4 to the report)
- reference was made to the work of the Caravan Sites Strategy Working Group in terms of the potential to raise council tax revenue for future years
- Councillor Eryl Williams felt that indicative figures for capital receipts arising from completed school projects should be included within the Corporate Plan, particularly in terms of transparency – the difficulty of this approach was explained in terms of the amounts and availability of those receipts and there was little merit in pre-allocating receipts which had caused problems in the past
- Councillor David Smith reiterated his previous concerns that significantly less was being spent on highway maintenance which may not be enough to maintain the quality of the county's roads or achieve the Corporate Plan outcome for highways. Members shared those concerns and discussed the cuts to the highway budget and loss of external funding and whether highways should be given priority for funding in the event of slippage in the Corporate Plan or availability of capital receipts. Councillor Eryl Williams referred to the Cabinet resolution 10(c) of the last meeting and asked that responses from Assembly Members be included in the Budget report to Council
- reference was made to historical reasons why Denbighshire's council tax level was one of the highest in Wales and it was agreed that the Budget report to Council would include a comparison of council tax levels to show Denbighshire's ranking overall – the different methods of aligning council tax levels between Denbighshire and Conwy if a merger was to proceed was also explained.

The Leader referred to the open and transparent budget process and advised that education and social services had been protected despite the difficult financial climate and reaffirmed his commitment to delivery of the Corporate Plan. He also felt it was important to consider the impact of the budget cuts on the Council's performance.

RESOLVED that Cabinet –

- supports the budget proposals for 2015/16 as shown in Appendix 1 to the report and recommends accordingly to full Council;*
- recommends to Council the resulting Council Tax increase of an average of 2.75% in 2015/16;*

- (c) *recommends to Council that £500k of general balances are used to support the revenue budget for the next three financial years;*
- (d) *recommends to Council that the delivery of the Corporate Plan takes priority in future budget setting rounds, and*
- (e) *reference to the responses from Assembly Members in North Wales regarding their position on the reduction in highway funding for Denbighshire and the allocation of funding for the M4 improvements be included in the Budget 2015/16 report to Council.*

7 TOWN AND AREA PLANS

Councillor Hugh Evans presented a joint report with Councillor Huw Jones detailing actions taken since the review of Town and Area Plans (TAPs) and the way forward. He was pleased the review had supported the principle of TAPs and accepted the review findings, highlighting the need for an operational framework and alignment of TAPs with other strategies and plans. Details of the work of the TAPs Champion Working Group had been included within the report and Councillor Evans elaborated upon the current funding position and the proposed approach for future funding allocations. Councillor Huw Jones reported upon his role as a TAP Champion and the approach he had taken in the Dee Valley Area and he offered to help other TAP Champions replicate that approach to support the TAPs process.

Cabinet noted the conclusions of the review and subsequent actions in response, including the reassessment of projects which had resulted in a recommendation to de-commit funding. Members took the opportunity to comment on the development and delivery of TAPs in their particular areas and also considered the proposed approach for future funding allocations, including the project assessment criteria.

During debate the following issues were raised –

- reservations were expressed regarding the lack of weighting between the different categories of assessment criteria, particularly with regard to future revenue implications – it was mostly agreed that the criteria be revised to ensure that only revenue neutral projects should proceed
- whilst support was expressed for the new process the need to ensure delivery of those projects already approved was highlighted and officers confirmed that to help expedite that process projects would be embedded into the relevant service business plans
- assurances were sought regarding the monitoring process of match funding elements of particular projects and their likelihood of success and it was suggested that this element could be reflected in the assessment criteria – officers reported upon measures to maximise external funding but acknowledged some subjectivity in scoring that project element, however assurances were provided that projects remained under constant review; it was also agreed that the TAP Champions Group would undertake a six monthly review of projects and if there was no confidence that the project would be delivered the funding would be de-committed and made available for other TAPs projects

- the need for greater interaction between TAP Champions, Member Area Groups (MAGs) and Town/Community Councils and fostering a holistic approach to delivering the TAPs was highlighted – the Leader referred to the best practice approach taken by Councillor Huw Jones as a TAP Champion which could be replicated across other areas and his expectation that TAPs was a standing agenda item at meetings of MAGs and Town/Community Councils with TAPs Champions providing an update at each meeting
- Councillor Meirick Davies reported upon his concerns over the de-committing of funding for two projects in his ward area and the need for improved communication in that regard, he also felt that a specific form should be provided for project funding applications – officers confirmed a form was being prepared for this purpose which would be circulated as soon as possible.

RESOLVED that Cabinet –

- approve the Town and Area Plans Policy Statement;*
- endorse the Town and Area Plans Champions Group’s assessment of projects formally approved by Cabinet but not yet started;*
- de-commit the funding allocation to those projects assessed as not meeting the criteria;*
- endorse the preparation of revised list of Town and Area Plan priority projects and the proposed process for allocating funding to these projects as detailed within the report, and*
- that the projects assessment criteria set out in Appendix 3 to the report, should for future projects, ensure that only projects which are revenue neutral should proceed.*

Councillor Eryl Williams voted against resolution (e) above.

8 CORPORATE DEBT POLICY

Councillor Julian Thompson-Hill presented the Corporate Debt Policy to Cabinet for approval.

The rationale behind the new policy was explained in order to achieve the best chance of recouping the Council’s debts by providing a holistic approach to dealing with customers who owed multiple debt types. An initial three month pilot had been suggested to assess the policy’s effectiveness before full rollout. Officers confirmed that if the policy was approved it would continue to be operated when the commercial partnership was formed to deliver the Revenues and Benefits Service.

RESOLVED that Cabinet approve the Corporate Debt Policy as shown in Appendix A to the report.

9 FINANCE REPORT

Councillor Julian Thompson-Hill presented the report detailing the latest financial position and progress against the agreed budget strategy. He provided a summary of the Council's financial position as follows –

- a net under spend on the revenue budget of £309k was forecast for service and corporate budgets
- savings of £7.1m were agreed as part of the budget and at this stage 90% had been achieved with 10% in progress
- highlighted other key variances from budgets or savings targets relating to individual service areas, and
- a general update on the Housing Revenue Account, Housing Capital Plan and the Capital Plan (including the Corporate Plan element).

RESOLVED that Cabinet notes the budgets set for 2014/15 and progress against the agreed budget strategy.

10 CABINET FORWARD WORK PROGRAMME

Councillor Hugh Evans presented the Cabinet Forward Work Programme for consideration. Members noted that the consultation responses to the proposed change of designation of Ysgol Esgob Morgan and the Ruthin area review proposals would be submitted to the March and May meetings respectively.

RESOLVED that Cabinet's Forward Work Programme be noted.

EXCLUSION OF PRESS AND PUBLIC

RESOLVED that under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting for the following items of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A of the Local Government Act 1972

11 HOUSING BENEFIT AND COUNCIL TAX REDUCTION SCHEME RISK BASED VERIFICATION POLICY

Councillor Julian Thompson-Hill presented the revised Risk Based Verification Policy for approval.

Members noted the amendments needed to the current policy in respect of new claims and changes in circumstances for Housing Benefit and Council Tax Reduction and it was –

RESOLVED that Cabinet approve the revised 'Risk Based Verification' Policy as shown in Appendix A to the report.

The meeting concluded at 1.35 p.m.

Report To:	Cabinet
Date of Meeting:	17th February 2015
Lead Member / Officer:	Councillor Eryl Williams, Lead Member for Education
Report Author:	Head of Customers and Education Support
Title:	Modernising Education Programme – Ruthin Primary Area – Ysgol Llanbedr

1. What is the report about?

This report is to brief Cabinet about the recent decision of the Minister for Education and Skills regarding the future of Ysgol Llanbedr.

2. What is the reason for making this report?

This report provides information for Members regarding the Minister's decision in respect of Ysgol Llanbedr.

3. What are the Recommendations?

3.1 Cabinet notes the contents of the Ministerial letter attached as Appendix 1.

3.2. Cabinet agrees for officers to commence consultation with the Church in Wales on the proposal to close Ysgol Llanbedr and report back to Members.

4. Decision of the Minister for Education and Skills

4.1 The Cabinet in March 2014 approved a proposal to close Ysgol Llanbedr as of the 31st August 2014. This decision was referred to the Minister for Education and Skills by the Diocese of St Asaph in April 2014 and the Minister rejected the proposal in January 2015.

4.2 In noting the merits of the proposal the Minister concluded that there are a number of arguments in favour of his approving the proposal, and he is generally satisfied that it would:

- maintain the standard of education provision and ensure the delivery of a broad and balanced curriculum
- allow pupils who attend Ysgol Llanbedr access to education at an alternative English medium Church in Wales school which is within a reasonable distance and which is more sustainable for the future.
- provide a choice of other schools should parents prefer a smaller school
- deliver education more equitably and more cost effectively
- make savings that will be retained in the education budget
- reduce surplus places by 54 places

- 4.3 However the Minister in his later dated 27th January stated that he “feels he has no alternative other than to reject this proposal, notwithstanding the educational merits of the proposal. The Minister has concluded that the consultation was flawed and the flaws were significant.” The extent of these flaws in his view meant that he could not support the proposal based on the formal consultation document.
- 4.4 At the end of the letter the Minister comments that he “is concerned about the future of Ysgol Llanbedr in the light of the relatively low number of children on roll, and the temporary nature of current leadership. He expects the local authority to consider the future of the school carefully and if it decides that it should be retained, believes that it should be provided with support. If the local authority decides, on the other hand, that other arrangements would be in the educational interests of all pupils in the area, the Minister expects it to carefully comply with the mandatory requirements of the School Organisation Code in respect of any changes it proposes.”
- 4.5 To address these concerns of the Minister, Officers from Denbighshire will commence consultation with the Church in Wales Diocese to consider the future of the school and is minded to recommend re-commencing the formal consultation process to enable the school to be closed as of 31st August 2016. Following the outcome of these discussions with the Diocese a paper will be presented for consideration by Cabinet in April / May.

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

- 5.1 The proposal will support the corporate priority of “improving performance in education and the quality of our school buildings”.

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

- 6.1 At this stage there are no significant additional costs arising from this report. At this stage the costs are officer time in drafting any proposals emerging and attending meetings.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.

At this stage no decision has been made therefore an EqIA template has not been completed.

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

An initial briefing has been scheduled with officers from the St Asaph Diocese and with the Chair of Governors and Headteacher of Ysgol Llanbedr. Full consultation will take place regarding the proposal in accordance with the Welsh Government’s School Organisation Code.

9. Chief Finance Officer Statement

9.1 Not applicable at this stage.

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

10.1 There are a number of risks currently being managed at a programme level by the Modernising Education Programme Board. All individual projects will include risk management procedures.

11. Power to make the Decision

The proposals are in accordance with the Modernising Education Policy Framework.

The School Standards and Organisation (Wales) Act 2013 provides the legislative requirement for local authorities to review school proposals and to progress proposals to reconfigure school provision.

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Reverend Philip Chew
Chair of the Governing Body
Llanbedr Church in Wales Voluntary Controlled Primary School
Llanbedr Duffryn Clwyd
Ruthin
Denbighshire
LL15 1SU

Rosalind Williams
Director of Education and Lifelong Learning
Diocesan Office
Diocese of St Asaph
High Street
St Asaph
LL17 ORD

Our Ref: qA1132619

27 January 2015

Dear Reverend Chew and Mrs Williams

SCHOOL STANDARDS AND ORGANISATION (WALES) ACT 2013 – PROPOSAL TO DISCONTINUE YSGOL LLANBEDR VOLUNTARY CONTROLLED CHURCH IN WALES PRIMARY SCHOOL

1. Huw Lewis AM, Minister for Education and Skills, one of the Welsh Ministers, has considered Denbighshire County Council's (the Local Authority) proposal to discontinue Llanbedr Church in Wales Voluntary Controlled Primary School (Ysgol Llanbedr) with effect from 31 August 2014. The decision of the Local Authority to approve the proposal has been referred to Welsh Ministers by the Governing Body of Ysgol Llanbedr and the Church in Wales Diocese of St Asaph (the appropriate religious body) under Section 54 of the School Standards and Organisation Act 2013. The Welsh Ministers exercise their school reorganisation functions in accordance with the School Standards and Organisation (Wales) Act 2013 and the School Organisation Code ("the Code") made under it. The Welsh Ministers must consider proposals referred to them under this section afresh. Where proposals require their consideration the Welsh Ministers must decide to approve, reject or approve the proposals with modifications.
2. I am directed by the Minister to say that he has considered the evidence provided by the Governing Body of Ysgol Llanbedr and the Diocese of St Asaph in support of their referral, the consultation document, the consultation report, the statutory



objections, the objection report, the decision report, advice from Estyn, and additional information provided by the local authority for the purposes of consideration of the relevant factors set out in the School Organisation Code.

3. In exercise of his powers under Section 50 of the 2013 Act the Minister has decided that although he can reasonably conclude, on educational and strategic grounds, that the proposal could be approved, he must nonetheless reject the proposal because the consultation undertaken by the local authority was flawed in an important respect.
4. Paragraphs 1.3 to 1.14 of the Code set out the factors which should be taken into account by the Welsh Ministers when exercising their functions of determining school organisation proposals.
5. The relevant factors are set out below and are followed by an analysis of how far the Minister believes the factors have been “satisfied”. Where appropriate, the extent to which the proposals have/have not satisfied the factors is judged with reference to the objections raised, including those raised in the referral by the relevant parties and the local authority’s response thereto.

Quality and standards in education Outcomes (Standards and Wellbeing)

6. The Minister noted that the Governing Body and the Diocese argue that Ysgol Llanbedr provides a good standard of education and should not close. They also consider that the alternative school, Ysgol Borthyn, does not provide an equivalent or a better standard of education.
7. However, the Minister believes that the evidence supports the initial conclusion drawn by Estyn during the consultation process, that the proposal would be likely to at least maintain standards of provision. Although the subsequent inspection report on Ysgol Borthyn that was published in June 2014 did not appear particularly favourable, the further analysis provided by Estyn in their updated comments requested by the Minister, concludes that the outcomes at both schools involved in the proposal are comparable, and that there is an improving picture at both. Without a further inspection report for Ysgol Llanbedr, there is no evidence to persuade the Minister that pupils would not be provided with at least equivalent education in the alternative school. While he recognises that there is a challenge to comparing the performance of schools when numbers in cohorts are low, on the basis of Estyn’s advice and a consideration of the statutory assessment outcomes at both schools, including the most recent, he is largely satisfied that Ysgol Borthyn would enable children to achieve similar outcomes at all phases.
8. The Minister notes that the inspection report of Ysgol Borthyn identified good performance in respect of well being and in support and guidance for learners, and he considers that there is no reason to believe that pupils with special needs would receive inferior support to that provided at Llanbedr.
9. Other schools in the area also perform well at Key Stage 2 and on the basis of their most recently published inspection reports, the Minister believes that parents in the

general area of Ruthin have a choice of a number of schools providing a good standard of education.

Provision

10. The Minister is satisfied that the Local Authority has a coherent educational case for the closure of Ysgol Llanbedr and the transfer of pupils to Ysgol Borthyn. He agrees with the Local Authority that when, as in the case of Ysgol Llanbedr, pupil numbers fall below thirty, there are consequences for education provision. Opportunities for pupils to interact with other pupils of their own age are limited and planning for the wide age range and diverse ability in a class of several year groups is more difficult. The Minister believes that schools of this size may find it a challenge to provide a full, progressive and balanced curriculum whereas larger schools with more teaching staff, such as Ysgol Borthyn, can provide a greater range of expertise in a wider variety of curriculum areas. In turn there are also more opportunities for teaching staff of larger schools to share good practice and develop leadership skills. Although objectors claim that the buildings and grounds at Ysgol Llanbedr are superior to those at Borthyn, the Minister has found no firm evidence that this is the case, and the Estyn report undertaken recently identified a good learning environment at the latter.

Leadership and management

11. It is apparent to the Minister that the significant and frequent changes in leadership at Ysgol Llanbedr have been difficult for the school. Whilst the Governing Body has expressed concern about the Local Authority's handling of the departure and recruitment of individual headteachers, the Minister considers that these are events that took place some years ago and are not relevant to the consideration of whether the school should close in the near future. It is very unfortunate that there was a prolonged period of uncertainty at the school which seems to have led to the rapid decline in pupil numbers, but it also illustrates the potential vulnerability of small schools when key members of staff leave. The Minister believes that staff remaining at Ysgol Llanbedr have done well to maintain standards in the face of these difficulties, but this does not mean that pupils would not perform equally well at other schools. The Minister is aware of the recent departure of another acting head teacher and that this could lead to further challenge, particularly whilst numbers on roll remain fairly low, which would be the case for the foreseeable future. In these situations, the Minister notes that attracting a permanent head could be difficult. The Minister is aware that the recent inspection of leadership at Ysgol Borthyn found this to be adequate. The Minister believes that the recommendations in the report should lead to improvements in distributed leadership at Ysgol Borthyn, which has recruited a number of newly qualified teachers recently. The Minister notes that the school is being monitored by Estyn and he anticipates that both the Education Achievement Service and Diocesan Authority will assist it in making the necessary progress to remove it from this category.

12. Overall, in terms of quality and standards, the Minister sees no reason why Ysgol Borthyn cannot deliver the curriculum as well as Ysgol Llanbedr, and the sustainable size of the former, and the support it will receive, should assist in the maintenance of standards and improvements in the areas found to need this as a result of the recent inspection. Taking account of benchmarked Key Stage 2 outcomes, Estyn reports and advice from Estyn, the Minister concludes that the alternative provision offered by the Local Authority would deliver outcomes and offer provision of broadly equivalent quality to that which is currently available to learners at Ysgol Llanbedr.

Need for places and the impact on accessibility of schools

13. The Minister notes that one of the reasons given by the Governing Body of Ysgol Llanbedr and the Diocese of St Asaph for not closing Ysgol Llanbedr is that the school is needed to meet demand from parents who have expressed a preference for a school with a religious character. They also suggested that because the school was fairly full in previous years, the removal of places would cause a deficit in provision. The Minister takes the view, however, that since pupils who departed from the school when the difficulties arose will have transferred to other schools, according to parental preference, and there remains a margin of surplus at virtually every school in the area, it seems unlikely that a shortage will materialise.

14. Whilst objectors claim that there is insufficient capacity in schools of a religious character, given that numbers on roll are expected to recover at Llanbedr, this does not seem to the Minister to be a likely scenario, as there would be sufficient places at Ysgol Borthyn alone to accommodate the combined projected numbers on roll, although the margin of surplus would then be small. The Minister is aware that there is a further school with a religious character in the area, which also provides English medium provision (and Welsh medium provision) and has some spare places. An examination of the capacity assessment of Ysgol Borthyn and information from the Local Authority indicates to the Minister that the school's flexible accommodation would add some 20 further places if the need for them were to arise. The Minister is satisfied that the accommodation is at least of equivalent quality. As the Minister understands that were Ysgol Llanbedr to close, parents might not in fact choose a school with a religious character, he has noted that there is ample capacity in other primary schools in the area, and projections indicate that this will remain the case in the foreseeable future. Furthermore the Local Authority has identified a decrease in live births in the area, supporting the view that a shortage of provision is unlikely.

15. The Minister is satisfied that the Local Authority has provided evidence to show that there is sufficient capacity at Ysgol Borthyn to accommodate all of the full time pupils currently attending Ysgol Llanbedr, and that there is a sufficient choice of other places.

16. Whilst some parents expressed concern that Ysgol Borthyn would be overcrowded, the Minister does not believe that this would be the case although the majority of Ysgol Borthyn's classrooms are fairly small. The number of pupils in each age group attending Ysgol Llanbedr is small and he considers that if Ysgol Llanbedr were to close, it would be possible to accommodate them mainly in the appropriate year group without overcrowding. While the Governing Body and the Diocese

argue that Ysgol Llanbedr should be retained to meet demand for places at an English medium Church in Wales primary school there are surplus places at all 3 schools with a religious character which suggests that there is currently an excess of provision. Although the Governing Body and the Diocese consider that the pupil numbers will recover to past levels, the Minister cannot see that this would change the quantum of pupils in the general area, which is served by several English medium schools, 2 of which would be schools of a religious character, were Ysgol Llanbedr to close. After considering the updated projections for the relevant schools, the Minister notes that there is currently sufficient capacity in schools with a religious character in the absence of Ysgol Llanbedr. The Minister understands that if necessary the capacity of Ysgol Borthyn could be increased to around 200 full time places by the addition of a small extension.

17. The Minister notes that objectors did not make strong representations about school journeys apart from access to the school site, and he was satisfied with the local authority's response to the objections on these grounds. The Minister understands that whilst the feasibility study noted that further parking would not be available on the road, there is a local authority owned car park without restrictions and a pedestrian crossing to the school. Were Ysgol Llanbedr to close, the Minister believes that some children would be eligible for transport, which would not add to car journeys, and others would be within walking distance of Borthyn were they to attend it in future.

Resourcing of education, and other financial implications

18. The Minister was satisfied that the proposal would ensure a fairer and more equitable distribution of funding between mainstream schools within the Local Authority's area, as in 2013/14 the cost per pupil at Ysgol Llanbedr was significantly higher than Ysgol Borthyn and the average for the Local Authority area. Whilst objectors rightly point out that the cost per pupil would fall were Llanbedr to grow, it would remain a small school and therefore relatively less cost effective than larger units.

19. The Minister considers that the proposal would contribute to the delivery of sustainable schools for the 21st Century and to the better strategic management of the school estate. He notes that it is the view of the Local Authority that while Ysgol Llanbedr is not in a poor condition it would require investment to enable it to provide a learning environment fit for purpose to meet the requirements of the 21st Century Schools Programme. The school lacks a hall, the catering facilities need investment and any significant increase in pupils would reduce dining space.

20. The Minister notes that the Local Authority has stated that there would be annual savings of £68,000 resulting from this proposal which will be retained in the education budget. Although Ysgol Llanbedr has been faced with budget challenges in recent years, there does not appear to be a danger of it suffering a deficit in the near future.

21. The Local Authority estimate that the proposal would result in additional school transport costs of £26,600; this has already been accounted for in producing the savings above, and contrary to the view of objectors, the savings are considered by the Minister, sufficient to be worthwhile.

22. The Minister noted that there was no capital cost associated with the proposal. The school site is the subject of a trust and in the event of the school closing in future, the site reverts to the beneficiaries of the original donor. Therefore the proposal, or any future proposal would not provide a capital receipt for the Local Authority.
23. The Minister is aware that the Governing Body and the Diocese consider that there is a link between the closure of Ysgol Llanbedr and the consequent reduction of surplus places, and the ability of the Local Authority to access Welsh Government funding from the 21st Century Schools capital programme but he does not agree that this is the case. Local authorities are expected to show strategic planning when seeking funding, but this does not necessarily call for the closure of any, or a particular school.

Other general factors

24. Whilst the Local Authority did not specifically refer to this issue, it does not appear that the proposal would have any impact on educational attainment among children from economically deprived backgrounds. The proportion of pupils entitled to free school meals at Llanbedr is consistently low, but is also fairly low in the schools which might accept additional pupils (though it is more variable at Ysgol Borthyn). It does not appear either that there are any equalities issues as the Local Authority intends to maintain sufficient places in schools of a religious character to meet anticipated demand. Both schools named in the proposal have made arrangements for people with disabilities.

Specific factors in the consideration of school closures Community

25. The Minister is satisfied that the Local Authority carried out equality, community and Welsh language impact assessments. Although the school hosts a number of after school clubs and Munchkins childcare provision, the school is located outside the village of Llanbedr Duffryn Clwyd which has its own community hall. The community hall appears to the Minister, to be very well used by a variety of community groups, and in the event of the school closing, the community hall would continue to provide facilities for the community of Llanbedr Duffryn Clwyd.
26. The Minister recognises that wrap around care provided at the school is a significant benefit, not only to parents associated with the school but to others in the area. It is apparent to the Minister that the Local Authority suggested a number of options in an attempt to ensure the continuation of childcare. Ysgol Borthyn, the named alternative school, does not currently have equivalent child care arrangements but the Local Authority has indicated that the school is looking, as part of its development plan, to extend current playgroup activities so that it provides out of hours childcare. The Local Authority has identified potential accommodation for this purpose which would be convenient to the school.

Alternatives

27. Although objectors claim that the Local Authority did not consider alternatives, the Minister does not agree. The consultation document clearly set out the alternatives considered and the scoring system applied, and this evidences consideration. In light of the proximity of the alternative school of the same character, the Local

Authority's conclusion that closure was the most appropriate option seemed to the Minister to be reasonable on strategic grounds. The Local Authority is clearly open to alternatives as it has pursued federations in other cases.

Additional Factors to be taken into account in approving/determining school organisation proposals

Whether there are any other related proposals

28. The Minister is satisfied that there were no other related proposals to consider. Although the Governing Body and the Diocese argue that the Local Authority should not have brought forward, and determined the proposal to close Ysgol Llanbedr before other proposals to reorganise primary schools in Ruthin, the Minister considers the Local Authority's approach to reorganisation of primary school provision on a phased basis to be reasonable.

Whether consultation has been conducted in accordance with the Code

29. When approving or determining proposals, the School Organisation Code states that relevant bodies must ensure that the statutory consultation has been conducted in accordance with this Code. The decision maker must consider the consultation document and the consultation report.

30. The Minister is satisfied with the circulation given to the consultation document and that there was sufficient time for interested parties to respond.

31. The Minister notes that the Governing Body and the Diocese have raised concerns that the consultation conducted by the Local Authority did not comply with the requirements of the Code.

32. The Minister notes that pupils at Ysgol Llanbedr were not involved in a specific consultation meeting, which would normally be expected in compliance with the Code. However the Minister concluded that whilst this could be perceived as a failing on the part of the local authority, the governing body of the school also neglected to comply with the Code by refusing to allow the local authority to meet pupils to discuss the proposal. The local authority produced a specific document for children, which enabled them to engage in the consultation process.

33. The School Organisation Code sets out, in the case of all proposals, that consultation documents must contain certain information, including the following: *the likely impact of the proposals on the quality of the following (reference to relevant Estyn Key Questions are included in brackets):*

- a) *Outcomes (standards and wellbeing) ;*
- b) *Provision (learning experiences, teaching, care support and guidance, and learning environment);*
- c) *Leadership and management (leadership, improving quality, partnership working and resource management);*

at the school or schools which are the subject of the proposals and at any other school or educational institution which is likely to be affected.

information from the most recent Estyn reports for each school likely to be affected;

the likely impact of the proposals on the ability of school or schools which are the subject of the proposals or any other school which is likely to be affected, to deliver the full curriculum at the foundation phase and each key stage of education.

34. The Minister takes the view that whilst the consultation document was reasonably comprehensive, some particularly important mandatory content was not present. The Minister is satisfied that the consultation did not provide the following:

any information about the quality of the accommodation at Ysgol Borthyn.

any evaluation of the likely impact of the proposal on the quality of outcomes, provision, and leadership and management at Ysgol Borthyn.

information from the most recent Estyn report for Ysgol Borthyn.

any information on the likely impact of the proposal on the ability of Ysgol Borthyn to deliver the full curriculum at the foundation phase and each key stage of education.

a specific comparison of the quality and standard of education provided at the Ysgol Llanbedr, and that provided at Ysgol Borthyn. Nor did it provide an outline of any steps necessary in order to ensure that any identified shortcomings in the latter were addressed.

provide a comparison of the quality of accommodation at Ysgol Llanbedr and that at Ysgol Borthyn. Nor did it provide an outline of any steps necessary in order to ensure that any identified shortcomings in the latter were addressed.

35. Some of the above missing information was available elsewhere – on Estyn’s website, the My Local School website and survey information about the building provision. However, important information was not available elsewhere, in particular the comparison between Llanbedr and the alternative schools. The Minister therefore has concluded that the consultation was flawed.

36. The Minister is aware that a procedural non-compliance is not always fatal but a decision taken after a flawed consultation exercise will only stand if the Minister is satisfied that the outcome would inevitably have been the same had the consultation exercise not been flawed.

37. The Minister is not satisfied to the requisite high degree that he would inevitably have reached the same decision on the proposal had the information been included in the consultation document. This is particularly the case where the failure in the consultation exercise related to one of the most important issues, if not the most important issue, that required consideration.

38. The purpose behind the missing information being included in the consultation document is to enable parents and those interested to consider the potential quality of the alternative school(s). Interested parties were not provided with an explanation as to how the proposal would at least maintain standards of provision. This information is of particular importance to parents who are being asked to consider whether alternative arrangements that are being proposed for their children’s schooling are acceptable or not.

39. The Code identifies that relevant bodies should place the interests of learners above all others, and the Minister believes that it is important that consultation documents should evidence the consideration that has been given to this matter. The document, in the Minister’s view, made generalisations about challenges

facing small schools, and the benefits of larger schools but recognised the good standard of provision at Ysgol Llanbedr without providing a readily understandable comparison of standards at Ysgol Borthyn. In addition, no readily understood comparison was provided for any of the other alternative schools, apart from a table showing outcomes at Key Stage 2, with a minimum amount of contextualisation other than a statement that it was difficult to compare outcomes at schools with very small cohorts. The Code also provides that content must include information from the most recent Estyn reports for each school likely to be affected, but this was only provided for Ysgol Llanbedr. No information was provided, as required by the Code, on the condition of school buildings apart from the condition at Ysgol Llanbedr, an additional omission that would have been of relevance to interested parties when considering the comparability of schools.

40. The Local Authority might consider that given the low number of pupils on roll at Ysgol Llanbedr currently, the impact on any other school would be minimal. However it is clear that relevant information should at the very least have been provided about Ysgol Borthyn, in order to properly inform parents about the alternative school offered in the specific proposal.
41. The Minister takes the view that it is important not just to focus on the amount of information that was omitted from the Council's consultation document, but also the nature of that information. In his view, the effect of the Council's failure to comply with the Code was that consultees were provided with no proper explanation as to why the Council considered that the proposal to discontinue the School would at least maintain quality and standards in education as they were provided with virtually no information on that issue. The omission of a reasoned argument about standards would not have assisted interested participants. The Minister has concluded that as a result, consultees were not properly informed about one of the most important issues (if not the most important issue) that arises for consideration in the context of a proposal to discontinue a school. The ability to compare standards at schools is of significant importance when parents are considering how to respond to a proposal that their school should be closed. This information is required to enable parents to come to a fully informed view as to whether alternatives provide at least equivalent standards of provision. In the Minister's view, its omission was therefore important in that it did not provide consultees with the full picture. Some consultees did draw their own conclusions on the suitability of the alternatives, based on the information they were able to obtain. However, that in itself does not rectify that failure.
42. The Minister takes the view that information that the local authority brought to the fore following the end of the consultation period, which contextualised performance data would have assisted interested parties in forming their response. However, this was produced after the consultation had been completed.
43. The Minister has not been able to satisfy himself that he has had all the information that might have been available to him had the local authority provided more detailed information to interested parties about standards and quality during the consultation period. For example, the local authority provided further information to decision makers about Ysgol Borthyn, as part of the objection report, covering such matters as the proportion of pupils with SEN at the schools, which might have assisted parents in making a comparison between the schools, but the Minister does not have interested parties' views on this matter. Whilst it seems very unlikely

that the Minister would have received views that would have persuaded him that Ysgol Borthyn was not a suitable alternative school in terms of standards, he cannot be certain that his view would remain unchanged as he cannot know what might have been said had further information on, for example, standards and quality, been provided. In other words, the Minister is not satisfied that if the consultation had been undertaken properly, nothing could have been said that would affect his decision.

44. The Minister would like to make it clear that had there been a lack of coverage about matters of lesser importance in the consideration of school organisation proposals, then a flaw might not be considered sufficiently serious to necessitate the position he is taking in respect of this proposal. He expects those who are bringing forward proposals for change to provide more comprehensible information about the likely impact that the change will have on quality and standards in education than that which was provided in the consultation documentation in this case.
45. There were other issues of concern to objectors that the Minister did not agree with. For example, in spite of allegations to the contrary, he considers that the local authority was generally open and fair in the way that it developed the proposal. The Minister recognised that the local authority developed two quite different proposals for formal consultation in the Ruthin area, and he considers that this was reasonable and was a response to different circumstances, having regard to the differing locations, and distance from the main centres of population, and not because of prejudice. The Minister is satisfied that the local authority has an ongoing commitment to retaining schools with a religious character and is aware of proposals it is making to increase the number of schools with a religious character at another location.
46. The Minister feels he has no alternative other than to reject this proposal, notwithstanding the educational merits of the proposal. The Minister has concluded that the consultation was flawed and the flaws were significant. The Minister considers that because of the limited coverage of standards and quality in the consultation document, he cannot satisfy himself to the requisite high degree that he would inevitably have approved the proposal as a more comprehensive document in this respect could have elicited a different response from that which ensued.
47. The Minister however recognises that there are a number of arguments in favour of his approving the proposal, and he is generally satisfied that it would:
- maintain the standard of education provision and ensure the delivery of a broad and balanced curriculum
 - allow pupils who attend Ysgol Llanbedr access to education at an alternative English medium Church in Wales school which is within a reasonable distance and which is more sustainable for the future.
 - provide a choice of other schools should parents prefer a smaller school
 - deliver education more equitably and more cost effectively.
 - make savings that will be retained in the education budget.
 - reduce surplus places by 54 places

48. The Minister is concerned about the future of Ysgol Llanbedr in the light of the relatively low number of children on roll, and the temporary nature of current leadership. He expects the local authority to consider the future of the school carefully and if it decides that it should be retained, believes that it should be provided with support. If the local authority decides, on the other hand, that other arrangements would be in the educational interests of all pupils in the area, the Minister expects it to carefully comply with the mandatory requirements of the School Organisation Code in respect of any changes it proposes.

49. I am sending a copy of this letter to the Chief Executive of Denbighshire County Council.

50. On this occasion, a copy of this letter is also being sent to Assembly Members who have objected, and David Jones MP, who has taken an interest in the proposal.

Yours sincerely

A handwritten signature in cursive script that reads "Steve Vincent".

STEVE VINCENT
DEPUTY DIRECTOR: SCHOOLS MANAGEMENT AND EFFECTIVENESS DIVISION

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Report To:	Cabinet
Date of Meeting:	17th February 2015
Lead Member / Officer:	Cllr Hugh Irving / Phil Gilroy
Report Author:	John Sweeney / Stephen Convill
Title:	Implementation of Housing Act Wales 2014

1. What is the report about?

This report is about a requirement placed upon the Council by Welsh Government to determine to which groups of homeless persons it will apply the test of “intentionally homeless”, following implementation of the Housing (Wales) Act 2014 in April 2015.

The definition of intentional homelessness under the Housing (Wales) Act 2014 is effectively the same as that contained within current legislation (Homelessness Act 2002); which states

“a person becomes homeless intentionally or threatened with homelessness intentionally if:

- *the person does or fails to do anything in consequence of which the person ceases to occupy accommodation (or the likely result of which is that the person will be forced to leave accommodation)*
- *the accommodation is available for the person’s occupation; and it would have been reasonable for the person to continue to occupy the accommodation”*

However, an act or omission made in good faith made by someone who was unaware of any relevant fact must not be treated as deliberate.

2. What is the reason for making this report?

To request that Cabinet makes a decision within the prescribed timeframe (Appendix 1) on whom Denbighshire County Council will apply the test of “intentionality”.

The households to whom the “intentionality test” can be applied are where the household;

- Includes dependent children or a pregnant woman
- Is vulnerable due to old age
- Is vulnerable to physical disabilities or mental illness / learning disability
- Is vulnerable due to being a care leaver / or a young person at particular risk of sexual or financial exploitation (18-20 year olds)
- Is vulnerable due to being a 16 or 17 year old
- Is vulnerable due to fleeing domestic violence / abuse or threatened violence
- Is vulnerable due to leaving the armed forces

3. What are the Recommendations?

That Members agree that Denbighshire County Council does not exclude any of the groups named under section 2 of this report, but rather continues to apply the “intentionality test” to all of them and publishes its intent to do so in accordance with Welsh Government direction (Appendix 1).

Note: failure to make a decision and to publicise this within the prescribed time frame (Appendix 1) will mean that the Council will cease to have any discretion over the application of the “intentionality test” under the Housing (Wales) Act 2014 i.e. it will not be able to apply the “test” and this could be a significant risk factor, as will be outlined in this report.

4. Report details.

- 4.1 The Welsh Government had considered excluding from the Housing (Wales) Act 2014 the test of “intentionality”. The reasoning behind this thinking being that many households who are determined to be intentionally homeless often have significant unmet support needs and not providing them with settled accommodation and effectively addressing these needs can significantly impact on the household and the public purse in areas such as social services, the criminal justice system (including police and probation), health services and voluntary organisations.
- 4.2 In the longer term the Welsh Government has pledged to remove the intentionality test for all families. It is envisaged this will be happen from April 2019. As Officers of the Council with responsibility for this area of work, we are supportive of the longer term commitment to remove the “test”. However, our considered opinion is that for practical reasons it would not be timely or appropriate to remove it from any individual grouping presenting as homeless to DCC, post April 2015, at this point in time.
- 4.3 By not removing the “intentionality test” at this point in time we are not advocating taking a legalistic and punitive approach to homeless households who have been deemed to be “intentionally homeless”; turning them away with nothing more than basic advice. Rather we are advocating an interim position between now and the future removal of the “intentionality test” by Welsh Government, whereby the “intentionality test” is used in a positive way to lever, where appropriate, cooperation from “intentionally homeless” households to work in collaboration with the Council to recognise and address underpinning causal issues to their homelessness or threatened with homelessness state. By declaring a household “intentionally homeless” we are stating that we do not have any statutory duty to provide an offer of a tenancy; but this can be the start of an honest discussion about causal factors and entering into a formal Personal Housing Plan to address them in return for the Council using its powers to enable them to secure accommodation in the private rented sector.

(Note; under our proposals to replace the current Housing Options and Homelessness Service with a Housing Solutions Service, we will be working much more closely with private landlords to help mitigate the business risk to them in accommodating homeless households).

- 4.4 The interim period between the Housing (Wales) Act 2014 being implemented in April 2015 and April 2019, the date the Welsh Government has committed to work towards to remove the “intentionality test” from the legislation, will be used by DCC to build on the positive work it will be doing with “intentionally homeless” households, as outlined above, by working with partner agencies – in particular Supporting People service commissioners, Supporting People provider services, Adult and Children’s social services including “Team Around The Family”, to develop a truly joined up multi agency framework for homeless households with unmet support needs.
- 4.5 The Housing Solutions Team will have considerable extra new responsibilities from the implementation date of the new “Act”, which will take a considerable time to bed down. Removing either in full or part the “intentionality test” before an appropriate framework is in place would leave the Council duty bound to secure accommodation for homeless households with high unmet support needs, but without any mechanism to secure commitment from the households to address causal factors to their homeless or threatened with homelessness state. This would increase business risk for landlords, increase the likelihood of tenancy breakdown and repetition of the cycle of homelessness with further cost to the public purse.

5. How does the decision contribute to the Corporate Priorities

The decision contributes to the following priorities in the Corporate Plan:

- Vulnerable People are protected and are able to live as independently as possible;
- Ensuring access to good quality housing.

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

There will be no additional costs; but the proposed way of working with “intentionally homeless” households should take pressure off other Council services – in particular Adult and Children’s Services.

The recommended decision is about retaining the status quo regarding “intentional homelessness” and any costs involved in enabling an “intentionally homeless” household to access a private tenancy will be contained within the budget for the Housing Solutions Team.

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

The recommendation is to make no change to the existing policy, therefore no Equality Impact Assessment is required.

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

Advice from Democratic Services is that consultation with Scrutiny is not required.

9. Chief Finance Officer Statement

There are no obvious significant financial implications arising from the report

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

Accepting the recommended decision does not present any risk.

11. Power to make the Decision

Housing (Wales) Act 2014: Part 2 Homelessness: s 78. Deciding to have regard to Intentionality.

Local Government Act 1972: s 111

**Investigating Intentionality following the
Implementation of the Housing (Wales) Act 2014**

1) Purpose of this Paper

The purpose of this paper to highlight the changes in legislation, relating to 'intentional homelessness', following the implementation of the Housing (Wales) Act in April 2015. It also highlights to Welsh local authorities the steps they will need to take in the run up to implementation.

2) The Act

The Housing (Wales) Act 2014 states;

“A person is intentionally homeless ifthe person deliberately does or fails to do anything in consequence of which the person ceases to occupy accommodation which is available for the person’s occupation and which it would have been reasonable for the person to continue to occupy”

If an intentional homeless decision is taken the local authorities housing duties to that household are significantly reduced. It is worth noting that intentionality decisions are rare. Over 2014 they represented approximately 5% of all decisions taken.

This definition is no different to that which we work with now. However, some changes have been introduced on how it is applied. From April 2015 Councils will have to decide which households they will apply this definition to.

In the longer term the Welsh Government has pledged to remove the intentionality test for all families. It is envisaged this will be introduced from April 2019. This is for the longer term, but there are steps each authority will need to take over the next few months.

3) Applying the Test

In order to allow local authorities to make the decision on whether to apply intentionality, the Welsh Government has split households into the priority need groups. They expect Councils to notify them and the public which groups each local authority are going to apply the 'intentionality test' to.

These groups are where the household;

- Includes dependent children or a pregnant woman
- Is vulnerable due to old age
- Is vulnerable to physical disabilities or mental illness / learning disability
- Is vulnerable due to being a care leaver / or a young person at particular risk of sexual or financial exploitation (18-20 year olds)
- Is vulnerable due to being a 16 or 17 year old

- Is vulnerable due to fleeing domestic violence / abuse or threatened violence
- Is vulnerable due to leaving the armed forces
- Is vulnerable due to other reasons

The Council therefore needs to decide which of these groups they intend to continue to apply the test to. This decision will need to involve portfolio holder / Members. Once the decision is made the authority will need to inform the Welsh Government and publicise their decision on their local website and through any other means deemed necessary.

4) Checklist on what LA's will need to do in run up to implementation

The following offers a list of tasks each local authority will need to complete in the run up to the implementation of the Act.

Task	Timescale
Inform Members / Cabinet member of changes in the way the intentionality test can be applied	Jan 15
Receive political / portfolio holder agreement on which of the priority need groups the authority will continue to apply the intentionality test	By end of February 15
Agree where this will be publicised, e.g. website, newsletters, literature, local offices, etc. and action	Through Feb & March 2015
Write to Welsh Government to inform them of your intentions	By end of March (at the latest)
Make staff and partners aware of intended policy	By end of March (at latest)

5) Reflections

In discussions with officers it appears that most would favour, (at least in the short term), retaining the 'intentionality test' for all those groups for which they currently apply it. The rationale for this being that there are a lot of changes

ahead and they would prefer for these to 'bed in' and develop an understanding of their impact, before changing policy around intentionality.

As the implications of the Act are better understood, it could well be that they will re-assess the necessity to apply the test for certain groups.

However, it is ultimately a political decision and officers will need to discuss the changes and possible implications with relevant politicians for them decide on the way forward.

6) Conclusions

Due to changes introduced through the Housing (Wales) Act how the intentionally homeless test is to be applied will change from April 2015. This short paper has explained the changes and discussed the steps local authorities will need to take as the implementation of the act approaches.

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Report To: Cabinet

Date of Meeting: 17 February 2015

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

Report Author: Richard Weigh, Chief Accountant

Title: Housing Rent Setting & Housing Revenue and Capital Budgets 2015/16

1. What is the report about?

To seek approval from Cabinet for the proposed rent increase and the introduction of service charges and to approve the Housing Revenue Account Capital and Revenue Budgets for 2015/16.

2. What is the reason for making this report?

It is a statutory requirement to set budgets and rent levels before the start of the new financial year and the budget must be consistent with the assumptions within the Housing Stock Business Plan (HSBP) which has been designed to maintain Welsh Housing Quality Standard throughout the 30 year business plan.

3. What are the Recommendations?

That the Housing Revenue Account Budget for 2015/16 (Appendix 1) and the Housing Stock Business Plan (Appendix 2) be adopted.

That rents for Council dwellings be increased in accordance with the Housing (Wales) Act 2014 to an average weekly rent of £74.93 with effect from Monday 6th April 2015.

That rents for Council garages be increased in line with the increase in rents for Council dwellings.

That fixed average service charges of £1.99 per week are introduced where applicable in line with the Housing (Wales) Act 2014.

4. Report details.

The latest forecast outturn for 2014/15 is detailed in Appendix 1, in line with the monthly monitoring report. Balances, at year end, are forecast to be £1,322,000.

The proposed budget for 2015/16 is also detailed in Appendix 1. The budget

has been calculated on the following basis:

- Adoption of the new Rent Policy as stated in the Housing (Wales) Act 2014;
- Service charges are de-pooled from the average weekly rent for 2014/15 of £73.00. This means that the average service charge of £1.99 is taken away from this figure and then the recommended uplift of 2.7% plus £2 applied to the remainder. This is shown in more detail in the table below. The average rent increase is 2.64%
- Introduction of fixed service charge of £1.99 per week where applicable
- Two Right to Buy (RTB) Sales have been made to date in 2014/15. One RTB sale per annum has been forecast for subsequent years however this will be reviewed each year as part of the business planning process.
- A programme of new build has been assumed in the HSBP for planning purposes until specific schemes are developed.

Part 5 of the Housing (Wales) Act 2015 allows for the HRAS system to be abolished, which will mean that the current guideline rent system will also end. Welsh Government developed a new policy for social housing rents that will be applied consistently by all social landlords and reflect the type, size, location and quality of the Landlord's properties. The policy was implemented by housing associations in April 2014 and will be adopted by the local housing authorities following exit from the HRAS system in April 2015.

The mechanism for uplifting rents is now based on the following:

- Between 2015/16 and 2018/19, the annual uplift is CPI plus 1.5%, plus £2 per week for individual tenants, where a landlord is seeking to bring its average weekly rent within the 'target rent band' – target rent is the Government's calculation of what average rents for housing association and council tenants should be
- The only exception to this will be where CPI falls outside a range of between 0% and 4%. Where this occurs, a Ministerial decision will be required on the level of rent increase to be applied in that year
- The rent policy allows the council to apply a 'higher, mid or lower end' target rent level depending on the overall condition and energy rating of the stock. Target rent has been kept at the low end throughout the 30 year Plan and it remains financially viable. Assuming target rent increases by 3.5% per annum, the council's rents would converge in 2017/18.

Comparative rent levels are detailed below along with the Council's target rent bands:

	2014/15	2015/16
Average Weekly rent (from the previous year)	£69.80	£73.00
Less: Service charge de-pooled	-	£1.99
Adjusted Average Weekly rent	£69.80	£71.01
Plus: Uplift (CPI + 1.5%)	£3.20	£1.92
Adjusted Average Weekly rent	£73.00	£72.93
Plus: £2 uplift if below Target rent	-	£2.00
Average Weekly Rent	£73.00	£74.93
Average weekly service charge	-	£1.99
Total weekly Payment	£73.00	£76.92

	Target Rent 2014/15	Target Rent 2015/16
Low End	£75.09	£76.60
Mid Point	£79.05	£80.63
High End	£83.00	£84.86

Housing Stock Business Plan (HSBP)

As part of the budget process it is necessary to review the Housing Stock Business Plan and this is achieved through a due diligence exercise on an annual basis to review the assumptions used and to validate the robustness of the financial model. In addition the review undertakes a sensitivity analysis.

A new HSBP has been developed to incorporate the removal of the HRAS system, the new rent policy and the introduction of fixed service charges. A loan of £39m to fund the Council's settlement figure (to buy itself out of the HRAS system) has been included in the HSBP. The Business Plan remains both viable and robust and the assumptions made are prudent.

Garages

Rents for garages shall increase in line with increases in rents on Council dwellings for the business plan. A review of garage sites will be undertaken in 2015/16 as part of the asset management strategy. Garage rents for tenants will therefore increase from £6.42 to £6.59.

Heating Charges

Energy prices generally remain low with no immediate signs of upward movement, and to date expenditure on gas is being fully recovered from tenants, therefore it is recommended that heating costs do not increase in 2015/16. Charges in previous years have not recovered the full cost and this is reflected in the flat position this year. This will be reviewed during the course of the year in line with the latest position on energy prices.

Welsh Housing Quality Standard

The Council achieved the Welsh Housing Quality Standard to all the Housing Stock in September 2014. Capital spend has been included in the HSBP which maintains this standard over the 30 year plan.

The stock condition survey has identified repairs, maintenance and improvement costs for the next 30 years which have subsequently been built

into the business plan and shall inform the developing asset management plan.

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

The provision of good quality housing is a Corporate Priority and the 5 year capital program will provide a boost to the local economy by maximizing the local employment, training and supply chain opportunities for local people and businesses.

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

The Housing Revenue Account is ring fenced and costs of implementation are covered by the increased income through rents and service charges.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision What consultations have been carried out?

The EqIA has highlighted the need to ensure tenants have access to appropriate advice and assistance to maximize take up of entitlements. This is being done.

8. What consultations have been carried out?

The HRAS Steering Group was consulted on the introduction of service charges in 2014/15. Tenant 'drop in' sessions around the County were held in August and September 2014. In addition details regarding the introduction of service charges have been included in the Tenants newsletter 'Housing News'.

9. Chief Finance Officer Statement

A recent review of the Housing Stock Business Plan (HSBP) shows that the Plan remains robust and financially viable. There are sufficient resources to meet the investment needs of the stock. The exit from the HRAS and an estimated £39m settlement figure has been assumed in the HSBP based on original WG estimates. The settlement figure and associated interest rates are still being negotiated.

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

Failure to follow the Housing Stock Business Plan and to set budgets could lead to financial problems and potential intervention by Welsh Government.

11. Power to make the Decision

Rent policy is determined by the Housing (Wales) Act 2014. The Housing Revenue Account is ring-fenced by statute.

APPENDIX ONE

Housing Revenue Account ~ 2015/16 Budget				
2013/14		2014/15		2015/16
Final		Budget	Forecast	Proposed
Outturn	<u>Latest Forecast 2014/15</u>		Out-turn	Budget
£	<u>EXPENDITURE</u>	£	£	£
2,099,443	Supervision & Management - General	2,121,945	2,191,132	2,189,631
273,393	Supervision & Management - Communal	293,665	312,579	303,032
162,397	Welfare Services	90,048	90,048	93,673
2,913,748	Repairs and Maintenance	3,035,640	3,230,069	3,133,177
5,448,981	Total Housing Management	5,541,298	5,823,828	5,719,513
2,920,312	Capital Financing Costs	3,173,010	3,205,032	4,915,905
890,201	Capital Funded from Revenue	943,193	743,193	2,672,541
3,121,177	Subsidy	3,306,944	3,139,974	0
129,861	Provision for Bad Debts	132,725	132,723	132,905
12,510,532	Total Expenditure	13,097,170	13,044,750	13,440,864
	<u>INCOME</u>			
12,588,989	Rents (net of voids)	13,089,944	12,911,944	13,188,855
157,588	Garages	166,745	164,724	171,987
0	Service Charges	0	0	236,874
4,656	Interest on Balances & Other Income	3,600	3,600	10,955
12,751,233	Total Income	13,260,289	13,080,268	13,608,671
	Surplus / Deficit (-) for the Year:			
1,130,902	General Balances	1,106,312	778,711	2,840,348
1,046,322	Balance as at start of year ~ General	1,287,023	1,287,023	1,322,541
-890,201	Earmarked Balances	-943,193	-743,193	-2,672,541
1,287,023	Balance as at end of year ~ General	1,450,142	1,322,541	1,490,348

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APPENDIX TWO		HOUSING STOCK BUSINESS PLAN				
SUMMARY	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	
CAPITAL EXPENDITURE						
Planned Improvements	£5,232,571	£6,159,620	£5,604,837	£5,917,307	£6,686,657	
New Build		£1,153,415	£3,549,258	£3,645,699	£3,744,823	
IT Investment	£150,000	£0				
Slippage (Previous Years)		£569,804				
	£5,382,571	£7,882,839	£9,154,095	£9,563,006	£10,431,480	
CAPITAL FUNDING						
Major Repairs Allowance	£2,400,000	£2,400,000	£2,400,000	£2,400,000	£2,400,000	
Usable Capital Receipts	£42,475	£21,994	£22,774	£23,577	£24,405	
CERA	£593,193	£2,522,541	£1,990,348	£2,196,164	£2,278,649	
Efficiency Savings - IT investment	£150,000	£150,000	£150,000	£150,000	£150,000	
Prudential Borrowing	£2,196,903	£2,788,304	£4,590,973	£4,793,265	£5,578,426	
	£5,382,571	£7,882,839	£9,154,095	£9,563,006	£10,431,480	
REVENUE EXPENDITURE						
Management ~ General	£2,503,711	£2,492,663	£2,581,611	£2,673,652	£2,768,892	
Special & Welfare Costs	£90,048	£93,673	£99,339	£105,260	£111,447	
Repairs & Maintenance	£3,230,069	£3,133,177	£3,247,158	£3,365,159	£3,487,318	
HRA Subsidy Payment	£3,139,974	£0	£0	£0	£0	
Rent Rebate Subsidy Limitation	£0	£0	£0	£0	£0	
CERA	£743,193	£2,672,541	£2,140,348	£2,346,164	£2,428,649	
Provision for Bad Debts	£132,723	£132,905	£134,662	£136,014	£137,263	
Capital Financing Costs	£3,205,032	£4,915,905	£6,013,621	£6,322,948	£6,654,558	
	£13,044,750	£13,440,864	£14,216,739	£14,949,197	£15,588,127	
REVENUE INCOME						
Rental Income	£12,911,944	£13,188,855	£13,981,271	£14,620,826	£15,229,487	
Garage Income	£164,724	£171,987	£181,221	£188,345	£194,937	
Service Charges	£0	£236,874	£247,978	£259,484	£271,408	
Interest on Balances	£3,600	£10,955	£12,084	£13,025	£13,585	
	£13,080,268	£13,608,671	£14,422,554	£15,081,680	£15,709,417	
BALANCES						
Balance brought forward	£1,287,023	£1,322,541	£1,490,348	£1,696,163	£1,828,646	
Surplus / Deficit (-) For Year	£35,518	£167,807	£205,815	£132,483	£121,290	
Balance carried forward	£1,322,541	£1,490,348	£1,696,163	£1,828,646	£1,949,936	
Estimated Average Actual Rent	£73.00	£74.93	£78.95	£82.06	£84.93	
Estimated Target Rent		£76.60	£79.28	£82.06	£84.93	
Year End Outstanding Debt £000	£29,759	£69,054	£70,837	£72,593	£74,896	

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Report To: Cabinet

Date of Meeting: 17 February 2015

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

Report Author: Paul McGrady

Title: Recommendations of the Strategic Investment Group

1. What is the report about?

Capital Bids received for inclusion in the 2015/16 Capital Plan.

2. What is the reason for making this report?

- 2.1 The Strategic Investment Group, which includes representatives from the three scrutiny committees, has met on a number of occasions to consider bids prepared by each department.

3. What are the Recommendations?

That Cabinet supports the projects shown in appendix 1 for inclusion in the 2015/16 capital plan, and recommends accordingly to full Council.

4. Report details

- 4.1 The Welsh Government's capital settlement for 2015/16 is in line with that for 2014/15 and continues the recent poor capital settlements.
- 4.2 With the continued lack of capital investment from the Welsh Government, the Council has no choice but to rely on its own resources to invest in key projects. This means either selling assets to generate receipts or using Prudential Borrowing.
- 4.3 The Council is aiming to dispose of a number of sites over the next three years. The total available funding in 2015/16 includes £590k from assets that are currently proceeding to disposal, and are anticipated to be completed by March 2015 and £1.615m in relation to the sale of commercial sites which are anticipated to be completed during 2015/16. The allocation of these funds to schemes is provisional until the funds are received from disposals.

4.4 The available funding for 2015/16 is shown below:

Source	Amount £000
General Capital Grant	1,834
Unhypothecated Supported Borrowing	3,013
Prudential Borrowing - Highways	2,085
Capital Receipts	280
Future Capital Receipts – Disposal of assets on-going	2,205
Unspent Contingency b/f/ Other	293
Total Funds Available 2015/16	9,710

4.5 The Capital Plan spends money on two types of project. Firstly there are one-off projects such as a new school or refurbishment of a leisure centre, the second type of expenditure is a 'block allocation'. These are ongoing programmes of work that stretch over several years (and may never be complete) e.g. schools maintenance. Elements of this work may be paid for from repair and maintenance budgets but a significant part is funded through the capital plan.

Recommendations of the Strategic Investment Group

4.6 The Strategic Investment Group decided to invite bids in line with previously agreed block allocations from departments. The Strategic Investment Group has reviewed 12 bids over a number of meetings.

4.7 Each bid was submitted with approval of the relevant head of service.

- It is proposed to allocate £1.5m in support of Private Sector Housing Assistance. The funding will be used in the main on the provision of Disabled Facilities Grants.
- An allocation of £220k is recommended for Minor Adaptations, Community Equipment and Telecare. This funding is targeted at enabling the elderly and disabled to remain in their own homes.
- It is proposed to allocate £140k to the Agricultural Estate to support the rationalisation of the estate and address Health and Safety issues. This allocation is provisional, subject to disposal of assets.
- Both the school and non-school capital maintenance bids include provision for essential maintenance such as Asbestos Removal, Fire Risk Assessment Work, DDA etc. It is recommended that £2.075m be allocated to Schools Capital Maintenance Works. Of this, £275k will be provisional, subject to disposal of assets. It is also proposed to allocate £450k to Non schools capital maintenance work. Of this, £50k will be provisional, subject to disposal of assets. It is further recommended

that the appropriate Heads of Service determine the precise allocations to the specific works required, in order of priority.

- Highways have received £100k to support prudential borrowing as part of the revenue budget for 2015/16. This will allow approximately £1.75m of capital expenditure. In addition to this, it is proposed to allocate £1m block allocation for structural and other repairs including highway maintenance, street lighting and bridges. Of this, £125k will be provisional, subject to disposal of assets. In addition to this, it is proposed to allocate £125k as match funding to support a grant submission for £375k to the Welsh Government in relation to coastal flood risk improvement works at East Rhyl.
 - The Strategic Investment Group considered a proposal for the replacement of all the street lighting lanterns within Denbighshire with new LED lanterns. The proposed programme will cost £2m in total over six years and provide significant savings on energy costs and on-going maintenance costs. The scheme would be funded through the Government Salix funding initiative which provides interest free loans for energy efficient projects and will be repaid using the savings generated. The costings within the bid have been agreed with central finance. Applications for Salix funding are required on an annual basis, and the Strategic Investment Group recommends the submission of an application to take out a Salix loan for year one costs of £335k repayable over 6 years.
 - The Strategic Investment Group considered a proposal for funding to deliver a programme of urban regeneration through the supply of modern business accommodation. It is recommended to allocate £1.615m to this initiative, but this will be provisional subject to disposal of commercial sites, anticipated during 2015/16.
 - The Strategic Investment Group recommends maintaining the allocation set aside for any contingencies at £0.5m, in line with 2014/15.
- 4.8 Appendix 1 shows the projects listed with recommended funding for each. Each project that is being recommended for approval is shown under a different column in the appendix:
- PB Highways – £2.085m. This is £1.75m prudential borrowing to be supported from the revenue budget as approved by Council on 3rd February 2015, together with proposed £335k application for Salix funding.
 - Council Funds – These are funds such as general grants, capital receipts, and unspent contingency. This funding is for one year only.
- 4.9 The membership of the Strategic Investment Group is as follows:
- Cabinet Member – Finance & Assets

- Cabinet Member – Economic Development
- Cabinet Member – Modernising and Performance
- Representative from each Scrutiny Committee
- Corporate Director – Economic and Community Ambition
- Head of Finance & Assets
- Manager – Corporate Programme office

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

Projects have been reviewed to ensure that they satisfy the Council's corporate objectives.

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

6.1 Cost Implications

The costs of the schemes are shown in Appendix 1. The Prudential Borrowing costs will be met through the 2015/16 revenue budget.

6.2 Staffing/IT/Accommodation Implications

Each new project is required to complete a Project Proposal or Business Case form and any specific implications are discussed at that stage.

6.3 Assessment of Impact on Climate Change – Mitigation and Adaptation:

New capital projects are subject to scrutiny by the Strategic Investment Group. Each business case will show, where relevant carbon tonne emission pre and post project, thus identifying whether the project is carbon emission positive, negative or neutral. In addition, it is necessary to ensure new capital projects are future proof and able to adapt to climate change.

Increases/decreases in the usage of IT equipment will impact on electricity costs and carbon cost.

7. What are the main conclusions of the Equality Impact Assessment undertaken on the decision?

The allocations proposed for each project will be reassessed before commencement to confirm there is no significant impact. The EqIA process is being integrated into all future bids for capital projects.

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

Heads of Service approved the submission of the bids. Representatives of Cabinet and Scrutiny committees have been involved in the process.

All members have been informed of the bids, with hard copies of bids available to view within the Members room, County Hall, Ruthin and project bids available to view on Mod.Gov

9. Chief Finance Officer Statement

The Council must continue to invest appropriately in its assets. With the continuing reduction in the real value of Welsh Government funds, the Council is forced to rely on its own resources more and more.

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

10.1 Risks associated with not agreeing the recommendations

Possible risks would include schemes not progressing, loss of grant and disruptions to services. The condition of assets would continue to deteriorate if investment is not made, and this may lead to the loss of important services.

10.2 Risk associated with agreeing the recommendations

No capital project is without risk. However all schemes are reviewed by the Strategic Investment Group and are also subject to on-going monthly monitoring and reporting.

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.

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2015/16 Capital Bids - Proposed Allocations										APPENDIX 1
Ref	Project Name	HOS	Total Project Cost	Capital Plan Requirement 2015/16	P B Highways	Council Funds	Subject to Capital Receipts 14/15	Subject to Capital Receipts 15/16	TOTAL 2015/16	Brief Description
			£000	£000	£000	£000	£000	£000	£000	
901	Private Sector Housing Assistance	Graham Boase	2,372	1,700		1,500			1,500	Housing Improvement works to private sector dwellings
902	Minor Adaptations: Community Equipment, Telecare	Phil Gilroy	240	240		220			220	Minor Adaptations and Equipment
903	Agricultural Estate Capital Works	Paul McGrady	1,060	605			140		140	Improvement works for the estate
904	Schools Capital Maintenance Works	Paul McGrady	5,229	5,229		1,800	275		2,075	Works to a range of work streams in schools
905	Non School Public Buildings Capital Maintenance Works	Paul McGrady	11,772	4,272		400	50		450	Works to a range of work streams for Public Buildings
906/907/908/909	Highways works	Steve Parker	3,165	2,924	1,750	875	125		2,750	Improvements to roads and bridges, Street Lighting and Road Safety
910	Sustainable LED Lighting (Salix)	Steve Parker	2,011	335	335 Note 1				335	Application for loan to Salix to replace street lighting lanterns
911	Coastal Flood Risk Improvements	Steve Parker	500	125		125			125	Coastal flood risk improvement works at East Rhyll
912	Strategic Development Sites	Paul McGrady	3,925	1,615				1,615	1,615	Provision of modern business accommodation
	Capital Contingency					500			500	
	TOTALS		30,274	17,045	2,085	5,420	590	1,615	9,710	
	For Information Only:									
Note 1	Sustainable LED Lighting (Salix) - Application for loan from Government funded Salix initiative									

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Report To: Cabinet

Date of Meeting: 17th January 2015

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

Report Author: Richard Weigh, Chief Accountant

Title: Finance Report

1. What is the report about?

The report gives details of the council's revenue budget and savings as agreed for 2014/15. The report also provides a summary update of the Housing Revenue Account and Housing Capital Plan.

2. What is the reason for making this report?

The purpose of the report is to provide an update on the council's current financial position.

3. What are the Recommendations?

Members note the budgets set for 2014/15 and progress against the agreed budget strategy.

Members approve the transfer of £100k funding to a reserve to fund school broadband enhancements in 2015/16.

4. Report details

The report provides a summary of the council's revenue budget for 2014/15 detailed in **(Appendix 1)**. The council's net revenue budget is £188m (£192m in 13/14). The position on service and corporate budgets is a forecast under spend of £639k (£309k under last month). Further narrative is outlined below. Savings of £7.1m were agreed as part of the budget and are detailed as **Appendix 2**. The appendix shows that 90% are classed as achieved with 10% in progress.

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?

Relevant service narrative is shown in the following paragraphs.

Communications, Marketing & Leisure (CML) - the current forecast shows a potential under spend of £23k but due to the volatility of some of the income budgets, particularly in leisure services, this position could fluctuate before the financial year end. Demand on membership numbers continues to show a positive effect and a business plan for the further development of the Denbigh fitness suite will be submitted shortly to enable the venue to meet the current high level of demand at the site.

The Foryd Harbour continues to develop and as previously agreed any funding shortfall will be met corporately in 14/15 (currently the requirement is forecast to be £48k).

The Library Service is due to transfer from CML to Customers and Education Support as part of the recent restructuring of the Council's Senior Leadership team and the budgets will be amended in 2015/16 to reflect this change. Similarly, whilst the Procurement Section has now moved to CML from Finance & Assets, the actual transfer of budgets will only take place with effect from the new financial year.

School Improvement & Inclusion – The service is currently projected to under spend by £224k (£240k last month) due to expenditure being lower than planned on Early Years placements for 3 year olds (approx. £50k less than budget) and vacancy savings, relating to a secondment to Welsh Government and partly due to the restructures within the service in response to the Freedoms and Flexibilities exercise. The movement this month relates to the full impact of the in-year grant reduction of the Minority Ethnic Achievement Grant.

Business Improvement and Modernisation – The service is currently projected to under spend by £146k due to:

- £46k relates to a delay in planned expenditure on the Digitisation Project as CyMAL are currently funding a related project looking at the Digitisation of the Archives. Their report is now not expected until the end of February therefore the majority of the council funded work will now take place next financial year. The service therefore requests that this under spend is carried forward into next year to fund this activity.
- £100k relates to a Welsh Government grant relating to the revenue costs of installing broadband in Denbighshire Schools. The grant is claimed against actual revenue expenditure for which there is base budget. However the grant conditions require that the resultant under spend is invested in 'added value' schools broadband projects. It is recommended therefore that these funds are placed in a specific reserve in order to ensure that the investment is planned and executed properly. The funds will be fully utilised in 2015/16.

Legal, HR & Democratic Services – the under spend is as a result of a vacant post and external income from a successful prosecution.

Finance & Assets – is forecast to under spend by £75k. The movement is a result of a slight increase in income from the industrial estates portfolio in Property alongside a reduction in projected Repairs and Maintenance expenditure. It is requested that the additional under spend be carried forward to fund the R&M programme in 2015/16. Vacancy savings in Finance account for £20k of the under spend which is earmarked to fund restructure costs in April 2015.

Highways & Environment Services – As indicated in previous reports the service is facing a number of pressures and risks in 2014/15. An over spend of £319k (£438k last month) is currently projected relating to the following areas:

The over spend within the School Transport Service has reduced to £182k (£221k last month). The reduction relates to changes to a number of contracts, including the maximisation of the usage of service buses where available.

The reduction in income from parking that was seen during 2013/14 has continued along with a continued reduction in Penalty Charge Notice (PCN) income. Management action around the PCN income has now reduced the projected overspend to £200k. The service will continue to try and mitigate the over spend through:

- Better performance management of the enforcement staff to increase PCN income (£10k improvement achieved this month).
- Operational costs are currently being reviewed to try and further offset the effect of the reduction in income.
- Pricing tariffs for the car parks will be reviewed as part of the ongoing traffic and parking review.

There is now a projected underachievement of income of £192k (£116k last month) due to a continuing trend of the reduction in the number of jobs received from North and Mid Wales Trunk Road Agency. The service is looking to reduce costs in order to limit the impact of this change however the fee income budget is £221k so reductions in expenditure can only partly rectify the problem.

As indicated in last month's report, the service has started to review their specific reserves in order to identify any amounts that might prudently be released in order to help fund this year's overspend. However it needs to be noted that the areas of overspend are as a result of ongoing issues and any funds from reserves will, by their nature, be one-off cash sums which do not permanently resolve the underlying issues.

As part of this review the service has released £110k from the Waste Reserve which has helped to contribute to the reduction in the overall overspend for Environment and Highways.

Planning & Public Protection - currently reporting a break-even position but this includes significant one-off incurred as part of restructuring the service.

Any final overspend is to be offset centrally and repaid over the next two years as agreed by the Head of Finance & Assets.

Community Support Services (Adult & Business Services) - the current forecast for 2014/15 is for a small non-recurring under spend of £81k (£41k reported last month). The under spend is due entirely to staffing costs that would normally be charged to the revenue budget being allocated against the one-off Intermediate Care Fund grant for 14/15.

The forecast under spend may reduce as temporary additional social work support is being provided to undertake the consultation process for the future delivery of provider services.

The Cefndy Healthcare and Manufacturing Unit is forecast to under spend its budget by £6k at year end but a degree of caution needs to be taken as the majority of the trading income is subject to the competitive external market and could fluctuate between now and the year end.

Economic Business Development - it is assumed that any under spend on Town & Area Plan budgets will be carried forward as agreed as part of the 2015/16 budget savings proposal. Latest indications are that this under spend will be approximately £150k depending on actual spend between now and the financial year end. In addition £45k was carried forward from the 13/14 budget to fund costs in respect of coastal facilities support and it now seems likely that only £25k will be spent this financial year. However the balance will need to be rolled forward to fund the remaining costs in 15/16.

Also the Economic Community Ambition (ECA) function originally had £152k revenue budget for 14/15, of which £50k was transferred to Property Services to fund the Strategic Commercial Development team. Of the budget remaining £56k has been spent to date and it seems likely that there might be circa £30k remaining which needs to be ring-fenced and allocated to projects agreed by the ECA Board.

Children & Family Services – the current forecast is for a net under spend of £227k (unchanged from last month). The overall under spend is due to several of the agreed budget savings proposals for 15/16 having already been fully implemented this year together with a projected under spend on the specialist placements budget.

The Council agreed to set aside £250k of last year's budget to fund the costs of enhancing foster carer's properties. So far, three foster carers have agreed to take part in the project. Property Services have been assessing the likely cost implications of carrying out the works to the 3 properties and this is projected to be in the order of £145k in total. Detailed plans are currently being prepared and once these are finalised formal planning applications will be submitted. Further work is also being undertaken to see whether there are any further foster carers willing to take part in the project as there is potentially significant cost savings that can be realised from this initiative in the longer term.

In 2013/14, a reserve of £250k was established to fund initiatives for children with disabilities. To date £113k has been spent. The remaining sum is all committed but might run into the new financial year. A separate report will be prepared in due course to detail the expenditure and the positive outcomes achieved to date.

Schools - At the end of January the projection for school balances is £3.078m, which is a reduction of £0.814m on the balances brought forward from 2013/14 (£3.892m). The non-delegated budget is currently projected to under spend by £23k.

Corporate budgets are forecast to be under spent by £170k. It is assumed that any corporate under spends will contribute to the funding of the Corporate Plan. **Corporate Plan** cash reserves at the beginning of 2014/15 were £14.4m. Allowing for projected funding and expenditure during the year, the Corporate Plan balance at the end of the year is estimated to be £15.6m.

Housing Revenue Account (HRA). The latest revenue position assumes an increase in balances at year end of £35k compared to a budgeted increase of £163k. HRA balances are forecast to be £1.322m at the end of the year. The Housing Capital Plan forecast expenditure is £5.3m.

Treasury Management - At the end of January, the council's borrowing totalled £148.546m at an average rate of 5.45%. Investment balances were £37.4m at an average rate of 0.59%

Expenditure on the council's **Capital Plan** was £19.5m against a Plan of £36.1m at the end of January. The Capital Plan includes an estimated £11.8m expenditure on the Corporate Plan. A summary of the Plan is included as **Appendix 3** and an update on the major projects is included as **Appendix 4**.

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

A summary EqIA was submitted to Council to support the savings in this year's budget.

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

Prior to approval by County Council, the savings were agreed with Heads of Service and Lead Members, presented to member budget workshops and circulated to staff. The proposals to balance the budget were discussed in detail at member workshops and members were given the opportunity to raise issues prior to the final report going to Council. The Corporate Governance Committee was provided with regular updates as it has an oversight role in respect of the budget process.

9. Chief Finance Officer Statement

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, particularly given the scale of budget reductions required over the coming two or three years.

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 the agreed budget strategy will put further pressure on services in the current and future financial years. Effective budget monitoring and control will help ensure that the financial strategy is achieved.

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

DENBIGHSHIRE COUNTY COUNCIL REVENUE BUDGET MONITORING REPORT 2014/15

Jan-15	Net Budget	Budget 2014/15			Projected Outturn							Variance
	2013/14	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net	Net	Previous Report £'000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
Communication, Marketing & Leisure	5,958	11,857	-6,130	5,727	12,258	-6,554	5,704	401	-424	-23	-0.40%	0
Customers & Education Support	2,004	2,969	-515	2,454	2,956	-502	2,454	-13	13	0	0.00%	0
School Improvement & Inclusion	4,873	13,307	-8,752	4,555	13,513	-9,182	4,331	206	-430	-224	-4.92%	-240
Business Improvement & Modernisation	3,733	4,958	-1,224	3,734	5,015	-1,426	3,589	57	-202	-145	-3.88%	0
Legal, HR & Democratic Services	2,445	3,502	-1,108	2,394	3,619	-1,238	2,381	117	-130	-13	-0.54%	-27
Finance & Assets	6,733	13,969	-5,615	8,354	14,368	-6,089	8,279	399	-474	-75	-0.90%	-40
Highways & Environmental Services	19,866	36,082	-17,252	18,830	36,460	-17,311	19,149	378	-59	319	1.69%	438
Planning & Public Protection	2,540	4,229	-1,750	2,479	4,742	-2,263	2,479	513	-513	0	0.00%	0
Community Support Services	33,505	46,573	-14,303	32,270	47,352	-15,163	32,189	779	-860	-81	-0.25%	-43
Economic & Business Development	1,879	1,585	-164	1,421	1,673	-252	1,421	88	-88	0	0.00%	0
Children's Services	8,779	10,739	-2,320	8,419	10,626	-2,434	8,192	-113	-114	-227	-2.70%	-227
Total Services	92,315	149,770	-59,133	90,637	152,582	-62,414	90,168	2,812	-3,281	-469	-0.52%	-139
Corporate	17,593	45,137	-28,995	16,142	44,967	-28,995	15,972	-170	0	-170	-1.05%	-170
Precepts & Levies	4,593	4,342	0	4,342	4,342	0	4,342	0	0	0	0.00%	0
Capital Financing	13,230	13,330	0	13,330	13,330	0	13,330	0	0	0	0.00%	0
Total Corporate	35,416	62,809	-28,995	33,814	62,639	-28,995	33,644	-170	0	-170	-0.50%	-170
Council Services & Corporate Budget	127,731	212,579	-88,128	124,451	215,221	-91,409	123,812	2,642	-3,281	-639	-0.51%	-309
Schools & Non-delegated School Budgets	63,840	73,855	-10,124	63,731	73,895	-9,373	64,522	40	751	791	1.24%	1,267
Total Council Budget	191,571	286,434	-98,252	188,182	289,116	-100,782	188,334	2,682	-2,530	152	0.08%	958
Housing Revenue Account	-102	13,097	-13,260	-163	13,045	-13,080	-35	-52	180	128		263

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APPENDIX 2 SAVINGS AGREED 2014/15			Status	Savings
Service Area	Description			
<u>CORPORATE EFFICIENCIES</u>				
Reduce Contingency for balances and impact of Recession	Phase out budget provision over 3 years	Achieved		£k 600
Pension Costs	Introduction of 50/50 Scheme	Achieved		300
Workforce Efficiencies	Includes Removal of Essential Car User Allowance	In Progress		363
Modernising the Council	Agreed target per 2013/14 Budget only - further projects being developed and will be included within Service targets	In Progress		300
Removal of one-off funds	Social Care Additional Funds in 12/13	Achieved		905
Carbon Reduction Commitment	Dropping out of payment scheme	Achieved		150
Capital Financing Budget	Repayment of loans to generate ongoing revenue saving	Achieved		250
Single Status	Scheme now fully implemented, no additional budget needed	Achieved		315
Property Running Costs	Energy efficiency, NNDR reductions	Achieved		120
Insurance Premiums	Negotiated reductions in some premiums	Achieved		20
Inflation Budget	Balance of 2013/14 allocation	Achieved		142
LDP contribution	Reduce Corporate contribution to LDP from £25k p.a to £15k p.a	Achieved		10
				3,475
<u>SERVICE EFFICIENCIES</u>				
<u>Communication, Marketing & Leisure</u>				
Modernise Library Service Provision	Better use of space eg Gallery, Museum, TIC, location and suitability of some buildings etc	Achieved		30
Scala	Reduced Council subsidy	Achieved		12
Clwyd Leisure	Reduced Council subsidy	Achieved		50
ECTARC	Reduced Council subsidy	Achieved		30
Ruthin Craft Centre	Reduce Council's financial support	Achieved		20
Llangollen Pavilion	Reduce Council's financial support	Achieved		25
Youth Services	Reconfiguration of elements of the service	Achieved		40
				207
<u>Highways & Environmental Services</u>				
Renegotiate recycle and disposal contracts	Contracts currently being tendered - increased competition likely to drive down prices	Achieved		27
Environmental Services	Other Small savings	Achieved		10
WAG Waste Target Pressures	Increase in Landfill Tax, costs of collection etc	Achieved		-50
Reduced subsidy of School Meal Service	Increased take up of meals	Achieved		50
Management Restructure	Integration of Environment & Highways into one structure	Achieved		400
Emergency Planning	Savings arising from joint service with Flintshire	Achieved		30
Waste Management	Efficiencies from investment in transfer station and reduced contribution to Sustainable Waste Management Grant reserve	Achieved		200
Fleet Efficiencies	Reduction in vehicle numbers	Achieved		80
Building Cleaning	Renegotiation of Contracts	Achieved		100
				847
<u>Planning and Public Protection</u>				
Review Pest Control	Only carry out statutory part of function	Achieved		20
Review of Planning Policy Service	Reduce LDP contribution	Achieved		20
Review of CCTV service	Reduction of overtime costs and collaborative project	Achieved		65
Review of Management	Management Restructure	Achieved		30
				135
<u>Adults & Business Services</u>				
Cefndy Healthcare	Planned reduction in Council subsidy	Achieved		31
Impact of investment in reablement	Reduced need for care services as more people are able to live independently for longer	Achieved		75
Residential Care - Impact of Extra Care	Less people needing residential care due to preventative services and more independent living opportunities	Achieved		150
Reablement Intervention	Reduce need for care services through targeted intervention	Achieved		13
Telecare	Regional partnership will reduce running costs	Achieved		10
Systems Thinking and Vacancy Control	Process improvements to reduce admin and other costs	Achieved		90
Social Care Regional Board - Procurement Hub	Better commissioning of high cost placements	Achieved		18
Service Managers	Streamline Management structure	Achieved		60
Day & Work Opportunities	Modernise Day & Work Opportunities (Learning Disability)	Achieved		50
Mental Health Services	Reduce management commitment within service	Achieved		46
Welfare Rights Service/CAB Grant	Channel Shift	Achieved		50
Community Development	Refocus service delivery	Achieved		25
				618
<u>School Improvement & Inclusion</u>				
Special Education	Review of Recoupment and Out of County Placements	Achieved		200
Pupil Support	University related fees	Achieved		8
ABA	Specific budget no longer required	Achieved		25
Training	20% reduction in budget	Achieved		6
Outreach	Budget Re-alignment	Achieved		5
Music & Arts	Review of Service Provision	Achieved		52
				296
<u>Customers & Education Support</u>				
Supplies & Services	Targeted reduction in spend	Achieved		30
				30

APPENDIX 2 SAVINGS AGREED 2014/15			Status	Savings
Service Area	Description			
Children's Services				
Budget used to fund external placements for looked after Children to reflect revised demand	Currently exceptionally high due to type of placements. These will change as certain individuals become adults	Achieved		64
West Rhyl Young Peoples Project	Reduce / remove grant funding	Achieved		41
Social Care Regional Board - Procurement Hub	Better commissioning of high cost placements	Achieved		17
Outcome Agreement	Funding no longer needed in CS	Achieved		69
Tir Na Nog	Reconfigure service provision	Achieved		64
Staffing Budgets	Adjust budgets to account for staff turnover	Achieved		195
				450
Housing & Community Development				
Review of Economic & Business Development	Review of Management Structure	Achieved		50
Non HRA	Review of commissioning	Achieved		10
				60
Finance & Assets				
Property Services	Management Restructure and review of process / admin	Achieved		100
Finance	Includes not replacing vacant posts and reduction in hours	Achieved		75
Internal Audit	Not replacing vacant post and reduction in hours	Achieved		25
				200
HR				
Training	Re provision of service	Achieved		10
Occupational Health	Review of service	Achieved		3
Lead Business Partner	Efficiency saving	Achieved		3
Capital Financing	Investment repaid following 2010 Restructure	Achieved		12
				28
Legal & Democratic Services				
Registration of Electors	Capacity within the budget for canvassers fees	Achieved		30
Registrar	Improved efficiencies within the service	Achieved		20
Civics	Reduction in resource available for civic events	Achieved		5
Legal Library	Reduce expenditure on publications	Achieved		8
Administration	Review administration provision	Achieved		20
				83
Business Planning & Performance				
Improvement Team	Delete Vacant Manager Post	Achieved		81
Partnership & Communities Team	Delete Performance Officer Post	Achieved		45
Programme Office	Reduce Core Funding	Achieved		13
Partnership & Communities Team	Restructure Phase 2 (net savings)	Achieved		68
				207
Schools				
School Reorganisation	Non-pupil related elements of budget (Area 2)	Achieved		150
School Reorganisation	Saving related to Formula Review for Middle Schools	Achieved		80
Schools	Release of Non-delegated contingency fund	Achieved		200
School Reorganisation	Non-pupil related elements of budget (Area 1)	In Progress		88
				518
				3,679
Total Service Savings				
				7,154
Total Council Savings				

Summary:	£'000	%
Savings Achieved/Replaced or Pressures Confirmed	6,403	90
Savings In Progress/Being Reviewed	751	10
Savings Not Achieved or Deferred and not replaced	0	0
Total	7,154	

General Capital Plan

Capital Expenditure

Total Estimated Payments - General
Total Estimated Payments - Corporate Plan
Contingency
Total

	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s
Total Estimated Payments - General	23,770	8,669	100	100
Total Estimated Payments - Corporate Plan	11,857	18,656	2,418	394
Contingency	481	1,000	1,000	1,000
Total	36,108	28,325	3,518	1,494
	19,335	12,163	5,021	4,605
	5,150	7,524	562	61
	11,623	12,485	1,540	433
	0	(3,847)	(3,605)	(3,605)
Total Capital Financing	36,108	28,325	3,518	1,494

Capital Financing

- 1 External Funding
- 2 Receipts and Reserves
- 3 Prudential Borrowing
- 5 Unallocated Funding

Total Capital Financing

Corporate Plan

Approved Capital Expenditure included in above plan

Cefndy Healthcare Investment
 Highways Maintenance and bridges
 Feasibility Study - New Ruthin School
 Rhyl High School
 Ysgol Bro Dyfrdwy - Dee Valley West Review
 Bodnant Community School
 Ysgol Glan Clwyd
 Faith Based Secondary

Estimated Capital Expenditure

Total Estimated Payments

	£000s	£000s	£000s	£000s
Cefndy Healthcare Investment	100	341		
Highways Maintenance and bridges	5,373			
Feasibility Study - New Ruthin School	60			
Rhyl High School	5,103	16,216	1,856	333
Ysgol Bro Dyfrdwy - Dee Valley West Review	119			
Bodnant Community School	620	2,099	562	61
Ysgol Glan Clwyd	465			
Faith Based Secondary	17			
Estimated Capital Expenditure	0	13,876	30,140	28,222
Total Estimated Payments	11,857	32,532	32,558	28,616
External Funding	5,667	8,099	416	
Receipts and Reserves	2,448	7,209	562	61
Prudential Borrowing	3,742	3,348	1,440	333
Estimated Capital Funding	0	6,522	11,384	16,920
External Funding		6,522	11,384	16,920
Receipts and Reserves	0	4,531	2,701	3,831
Prudential Borrowing		2,823	16,055	7,471
Total Estimated Funding	11,857	32,532	32,558	28,616

Approved Capital Funding included in above plan

External Funding
 Receipts and Reserves
 Prudential Borrowing

Estimated Capital Funding

External Funding
 Receipts and Reserves
 Prudential Borrowing

Total Estimated Funding

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Appendix 4 - Major Capital Projects Update

Rhyl Harbour Development

Total Budget	£10.648m
Expenditure to date	£10.401m
Estimated remaining spend in 2014/15	£ 0.134m
Future Years estimated spend	£ 0.113m
Funding	WG £2.613m; WEFO £6.165m; Sustrans £0.700m; RWE £155k; WREN £69k and DCC £0.946m
Comments	<p>Programme</p> <p>The replacement barrier at the entrance to the harbour has been manufactured and now needs to be fitted.</p> <p>The contract for the WREN works in the dunes is now in place and the works will commence by mid-February.</p> <p>Work will shortly commence to rectify any remaining defects.</p> <p>The project is being audited by the European Funds Audit Team (EFAT).</p>
Forecast In Year Expenditure 14/15	£0.265m

Rhyl Going Forward

Total Budget	£14.319m
Expenditure to date	£12.646m
Estimated remaining spend in 14/15	£ 1.673m
Future Years estimated spend	£ Nil
Funding	WG £14.319m
Comments	<p>Former Honey Club Site</p> <p>This project is no longer under the control of the Council, but officers continue to monitor progress to ensure compliance with the Development Agreement.</p> <p>The tenants of the development are confirmed as Premier Inn, operating a 70 bed hotel with Brewers Fayre at ground floor. There will also be a small retail outlet.</p> <p>The agreement between the developer – Chesham Estates and Premier Inn was signed on Friday 12th December 2014. Start on site is anticipated during the second quarter of 2015. Construction is likely to take 12 months.</p> <p>West Rhyl Housing Improvement Project</p>

	<p>Green Space Construction Drainage issues with Welsh Water/Dwr Cymru have now been resolved. The above issue has resulted in a delay to the completion date and handover is now scheduled for 23rd March 2015.</p> <p>The project remains within budget.</p> <p>A community planting day is planned and will be arranged in partnership with the Council's Countryside Services.</p> <p>Housing Development Gronant Street/Abbey Street Demolition of properties on Gronant Street is 100% complete and demolition on Abbey Street has commenced. Completion is scheduled for 13th March 2015 with construction to follow in April/May 2015.</p>
Forecast In Year Expenditure 14/15	£3.305m

21st Century Schools Programme – Bodnant Community School Extension and Refurbishment

Total Budget	£3.441m
Expenditure to date	£0.308m
Estimated remaining spend in 14/15	£0.381m
Future Years estimated spend	£2.752m
Funding	WG £1.687m, DCC £1.754
Comments	<p>Bodnant Community School This scheme is one of five projects within the Band A proposals for 21st Century Schools Programme.</p> <p>The project will build 7 classrooms, a new school hall and supporting facilities on the current Juniors site. This will allow the Infants pupils to move to the Juniors site and the school to operate on a single site. The Infants site will then become surplus to requirements.</p> <p>The contract for the works has recently been awarded to Read Construction, and work is due to start on site on 16 February 2015. The contract period of 70 weeks should see the extension and refurbishment work completed by mid-June 2016.</p> <p>The project should be delivered in readiness for the start of the new school year in September 2016.</p>
Forecast In Year Expenditure 14/15	£0.620m

21st Century Schools Programme - Rhyl New School

Total Budget	£24.586m
Expenditure to date	£3.252m
Estimated remaining spend in 14/15	£2.927m
Future Years estimated spend	£18.407m
Funding	DCC £12.293m; WG £12.293m
Comments	<p>The project will provide a new school building for Rhyl High School to serve up to 1,200 pupils in mainstream education whilst also housing approximately 45 pupils from Ysgol Tir Morfa, the community special school in Rhyl.</p> <p>Construction works are progressing as planned; work is now underway on the foundations, and the installation of the drains and services.</p> <p>The erection of the steel frame for the building is due to commence in February.</p> <p>Works to replace the existing boundary fence with the new permanent fence will take place over the next two months.</p> <p>The scope of the works to the Leisure Centre is currently being reviewed and costs calculated.</p> <p>The new school is programmed to complete in February/March 2016, at which point the pupils will transfer to the new school, and the existing school buildings will be demolished and the grounds re-instated to school playing fields.</p> <p>The anticipated completion date of the project is August 2016.</p> <p>There is ongoing consultation with key stakeholders which includes the neighbours.</p>
Forecast In Year Expenditure 14/15	£5.103m

Nova Development

Total Budget	£4.424m
Expenditure to date	£0.011m
Estimated remaining spend in 14/15	£0.989m
Future Years estimated spend	£3.424m
Funding	DCC £4.380m; Other contributions £0.044m
Comments	The refurbishment of Prestatyn Nova Centre commenced on 5 th January 2015. This scheme includes

	<p>external environmental improvements to improve the look of the building as well as the creation of a new entrance , reception, 60 station fitness suite, café, retail units, three storey soft play structure, multi-purpose studios and refurbishment of associated toilets and changing areas throughout the complex. The scheme has also been extended to include the complete refurbishment of the public toilet block to the East of the property together with improvements to the promenade area.</p> <p>ISG, the principal building contractor is in the process of carrying out a range of internal and external demolition activities as well as removing redundant plant.</p> <p>The design and layout of both the fitness suite and soft play area have now been agreed. Work is progressing on finalising the staffing structure and recruitment plan. A marketing plan for the site is currently being developed.</p> <p>The project is on schedule to be complete by 3rd August 2015.</p>
Forecast In Year Expenditure 14/15	£1.0m

West Rhyl Coastal Development Ph 3

Total Budget	£4.469m
Expenditure to date	£0.326m
Estimated remaining spend in 14/15	£2.562m
Future Years estimated spend	£1.581m
Funding	DCC £0.520m; WG/WEFO £3.949m
Comments	<p>This coastal defence scheme is the final phase of works designed to protect 2,700 properties from coastal flooding.</p> <p>A funding package has been agreed with Welsh Government and works are anticipated to take five months. The works compound has now been established and is operational. Dawnus, the contractor have started piling and the first deliveries of redi-rock (concrete blocks) have arrived on site.</p> <p>Funding for amenity/betterment is still unresolved, but a number of avenues are being followed.</p>
Forecast In Year Expenditure 14/15	£2.722m

Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
24 March	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Paul McGrady
	2	Affordable Housing Task and Finish Group	To consider the findings of the Affordable Housing Task and Finish Group	Tbc	Cllr David Smith / Graham Boase
	3	Business Rates Write Offs	To seek approval for uncollectible Business Rates Debts to be written off	Yes	Cllr Julian Thompson-Hill / Rod Urquhart
	4	HB/CTRS Telephone Recording Policy	Tbc	Tbc	Cllr Julian Thompson_hill / Rod Urquhart
	5	Council Tax/Business Rates Telephone Recording Policy	Tbc	Tbc	Cllr Julian Thompson_hill / Rod Urquhart
	6	Discretionary Housing Payments (DHP) Policy 2015/16 onwards	Tbc	Tbc	Cllr Julian Thompson_hill / Rod Urquhart
	7	Ysgol Esgob Morgan - School Organisation Proposal	To consider any objections received following the publication of the statutory notice and to consider	Yes	Cllr Eryl Williams / Jackie Walley

Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
			whether to approve the implementation of the proposal.		
	8	Ysgol Glan Clwyd - 21st Century Schools Project	To support the Final Business Case for the Ysgol Glan Clwyd extension and refurbishment project as part of the 21st Century Schools and to consider recommending its approval to Council	Yes	Councillor Eryl Williams / Jackie Walley
	9	GwE Governance Arrangements	To consider a report recommending changes to the membership of the GwE Joint Committee in response to the adoption of the National Model for Regional Joint Working	Yes	Cllr Eryl Williams / Karen Evans
	10	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
28 April	1	Finance Report	To update Cabinet on the current financial position of	Tbc	Councillor Julian Thompson-Hill / Paul

Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
			the Council		McGrady
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
26 May	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Paul McGrady
	2	Ruthin Primary Proposals	To consider the formal consultation reports following the publication of proposals for the amalgamation of Ysgol Llanfair DC and Ysgol Pentrecelyn and the closure of Ysgol Rhewl and to consider whether to publish the relevant statutory notices.	Yes	Councillor Eryl Williams / Jackie Walley
	3	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Paul McGrady
	2	Future of In-house Care	To consider the results of the	Yes	Councillor Bobby

Cabinet Forward Work Plan

Meeting	Item (description / title)	Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
	Services	consultation with existing users of in-house care services		Feeley / Phil Gilroy
	3 Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator

Note for officers – Cabinet Report Deadlines

Meeting	Deadline	Meeting	Deadline	Meeting	Deadline
March	10 March	April	14 April	May	12 May

Updated 05/02/15 - KEJ

Cabinet Forward Work Programme.doc