

To: Members of the Cabinet

Date: 20 September 2017

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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, 26 SEPTEMBER 2017** in the **COUNCIL CHAMBER, COUNTY HALL, RUTHIN.**

Yours sincerely

G Williams
Head of Legal, HR and Democratic Services

AGENDA

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

1 APOLOGIES

2 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 18 July 2017 (copy enclosed).

5 NORTH WALES ECONOMIC GROWTH DEAL BID - PROGRESS REPORT
(Pages 15 - 42)

To consider a report by Councillor Hugh Evans, Leader and Lead Member for Economy and Corporate Governance (copy enclosed) updating Cabinet on progress with the development of a competitive Growth Deal Bid for the region and seeking approval of authorisations for the work going forward.

6 DENBIGHSHIRE COUNTY COUNCIL'S CORPORATE PLAN 2017-2022
(Pages 43 - 70)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Assets (copy enclosed) on the draft Corporate Plan prior to its submission to Council.

7 CORPORATE POLICY: INCOME, FEES AND CHARGES (Pages 71 - 80)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Assets (copy enclosed) seeking Cabinet approval of the Corporate Policy: Income, Fees and Charges.

8 REVISED MINIMUM REVENUE PROVISION (MRP) POLICY 2017/18
(Pages 81 - 102)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Assets (copy enclosed) seeking Cabinet approval and recommendation of revisions to the MRP Policy for 2017/18 to County Council.

9 ANNUAL TREASURY MANAGEMENT REPORT 2016/17 (Pages 103 - 130)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Assets (copy enclosed) updating members on the performance of the treasury management function and to demonstrate compliance with treasury limits and Prudential Indicators during 2016/17.

10 FINANCE REPORT (Pages 131 - 144)

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

11 CABINET FORWARD WORK PROGRAMME (Pages 145 - 148)

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

PART 2 - CONFIDENTIAL ITEMS

EXCLUSION OF PRESS AND PUBLIC

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

12 RHYL WATERPARK: CONTRACTS AWARD (Pages 149 - 152)

To consider a confidential report by Councillor Hugh Evans, Leader and Lead Member for Economy and Corporate Governance (copy enclosed) notifying Cabinet of the contract award regarding the development of the Rhyl Waterpark.

MEMBERSHIP

Councillors

Hugh Evans
Bobby Feeley
Huw Hilditch-Roberts
Richard Mainon

Tony Thomas
Julian Thompson-Hill
Brian Jones
Mark Young

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All Councillors for information
Press and Libraries
Town and Community Councils

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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 the Council Chamber, County Hall, Ruthin on Tuesday, 18 July 2017 at 10.00 am.

PRESENT

Councillors Hugh Evans, Leader and Lead Member for the Economy and Corporate Governance; Bobby Feeley, Lead Member for Well-being and Independence; Huw Hilditch-Roberts, Lead Member for Education, Children and Young People; Brian Jones, Lead Member for Highways, Planning and Sustainable Travel; Richard Mainon, Lead Member for Developing Community Infrastructure; Tony Thomas, Lead Member for Housing, Regulation and the Environment; Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets, and Mark Young, Lead Member for Corporate Standards

Observers: Councillors Jeanette Chamberlain-Jones, Martyn Holland, Gwyneth Kenlser, Glenn Swingler, Rhys Thomas, Huw Williams and Emrys Wynne

ALSO PRESENT

Chief Executive (MM); Corporate Director: Economy and Public Realm (RM); Heads of Service: Legal, HR and Democratic Services (GW), Finance/S.151 Officer (RW), Facilities, Asset and Housing (JG), Education and Children's Services (KE); Principal Education Support Manager (GD); Programme Manager Modernising Education (JC); Programme Manager Business Change (TB); Valuation and Estates Manager (GT) and Committee Administrator (KEJ)

POINTS OF NOTICE

The Leader –

- welcomed and introduced the two recently appointed Cabinet members – Councillor Brian Jones, Lead Member for Highways, Planning and Sustainable Travel and Councillor Mark Young, Lead Member for Corporate Standards, and
- reported upon the departure in September of Rebecca Maxwell, Corporate Director: Economy and Public Realm and paid tribute to her valuable work during her time at Denbighshire, particularly with regard to the economy and regeneration of Rhyl, and on behalf of Cabinet and the Council conveyed their best wishes for the future.

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

The following members declared a personal interest in agenda item 5 –

Councillor Martyn Holland – Governor Ysgol Bro Famau
Councillor Huw Hilditch-Roberts – LEA Governor and Parent
Councillor Tony Thomas – Governor St. Brigid’s School
Councillor Julian Thompson-Hill – Governor Ysgol Clawdd Offa
Councillor Emrys Wynne – Governor Ysgol Borthyn
Councillor Mark Young – Governor Denbigh High School

Councillor Richard Mainon declared a personal and prejudicial interest in agenda item 12 because members of his family were employed at Bodelwyddan Castle.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 6 June 2017 were submitted.

RESOLVED that the minutes of the meeting held on 6 June 2017 be approved as a correct record and signed by the Leader.

5 DENBIGHSHIRE LEARNER TRANSPORT POLICY

Councillor Huw Hilditch-Roberts presented the report detailing feedback following consultation on Denbighshire’s new Learner Transport Policy and recommending adoption of the new policy from 1 September 2018.

Some background history to the policy was provided which had been subject to the scrutiny process and consideration at County Council on 4 July when it was resolved to approve submission of the policy to Cabinet for adoption. Reference was also made to the consultation process and feedback which had been used to inform the final document. The new policy had been positively received and viewed as a significant improvement, providing a more balanced approach than the previous policy. Main changes included the two stage appeals process and use of discretionary powers in particular cases. The final policy would also be subject to some minor changes as recommended by scrutiny and at County Council.

Cabinet noted the comprehensive consultation process and detailed scrutiny of the new policy and was pleased to note the positive changes made to the provision of learner transport following input from both elected members and the public.

RESOLVED that Cabinet –

- (a) *confirms that the Well-being Impact Assessment (Appendix 5 to the report) has been read and understood, and*
- (b) *after consideration of the information contained within the report and the specific consultation process, approves adoption of Denbighshire’s new Learner Transport Policy from 1 September 2018 subject to minor amendments raised at scrutiny and full Council.*

6 21ST CENTURY SCHOOLS PROGRAMME - BAND B PROPOSALS

Councillor Huw Hilditch-Roberts presented the report seeking approval of the draft Strategic Outline Programme (Band B Proposals) for the 21st Century Schools and Education Programme for submission to Welsh Government (WG).

Cabinet's attention was drawn to the proposals for future capital investment in the next round of the funding programme based on priority review areas as follows –

- Review of Denbigh Provision including Ysgol Plas Brondyffryn (bid for £23.6m)
- Rhyl Primary Provision (bid for £5.15m)
- Centre to provide additional pastoral support for pupils (bid for £3.95m)
- Review of Llangollen Provision (bid for £11.9m)
- Extension at Ysgol y Faenol, Bodelwyddan (bid for £900k)

The proposals would be subject to WG approval and the availability of funding and there was no guarantee the projects would be undertaken. The overall submission would cost the Council £32m and no funding had been agreed to support the Council's contribution at this stage which would be subject to discussions in future budget rounds. Should investment in schools not be identified as a priority the scale of the programme would need to reduce significantly. Councillor Julian Thompson-Hill also highlighted the need to discuss the investment required in other schools which fell outside of the 21st Century Schools funding programme with especial reference to the situation at Prestatyn High School.

The Lead Member and officers responded to questions as follows –

- the proposals had been submitted based on the intervention rate of 50/50 for traditional capital projects and WG had indicated that the projects would be considered alongside those submitted by other local authorities given there was only a finite amount of funding available – the proposals had not been submitted in priority order and the results of discussions with WG would be reported back
- elaborated upon the two funding options (1) traditional capital route, and (2) Mutual Investment Model (MIM) which attracted a rate of 75% WG / 25% Local Authority. Proposals which would attract MIM funding had not been presented at this stage because the initial view was that it would not be a suitable funding option for Denbighshire. The MIM was similar to a Private Finance Initiative agreement, details of which were currently being tested to assess how it would meet Denbighshire's needs
- the criteria for this round of the funding programme did not focus directly on surplus places but it was an issue for consideration given the inefficiencies it created. Reference was made to a recent WG consultation document regarding small rural schools which could see a change in emphasis on that type of educational provision. Officers had continued the same approach as in Band A in terms of considering the whole area and context of condition and suitability of the building and where there were deficits in educational provision.

Cabinet agreed a sensible approach had been taken in formulating the proposals.

RESOLVED that –

- (a) *the draft Strategic Outline Programme for the 21st Century Schools and Education Programme be submitted to the Welsh Government, and*
- (b) *Cabinet confirms it has read, understood and taken account of the Well-being Impact Assessment (Appendix 3 to the report) as part of its consideration.*

7 APPOINTMENT OF MEMBERS TO OUTSIDE BODIES

Councillor Hugh Evans presented the report on the review and appointment of members to outside bodies which was required following the local government elections and formation of the new Council.

Councillor Evans referred to the review process undertaken in order to ensure suitable appointments to appropriate outside bodies and he proposed an amendment to the recommendation to approve the appointments detailed within the report save as to four organisations where appointments would be made via delegated decision following further consultation with members. The Head of Legal, HR and Democratic Services (HLHRDS) elaborated upon the consultation process undertaken with both outside bodies and elected members regarding appointments which indicated that further information was required before appointments to some outside bodies were confirmed. The appointments to outside bodies not contained within the report would be subject to future delegated decision reports or considered collectively at Cabinet if a larger number of appointments required approval at the same time. Members were encouraged to submit their views on any outstanding appointments which would be taken into account as part of the appointment process.

Members took the opportunity to discuss the report with the HLHRDS as follows –

- Clwyd Alyn Housing Association – as the Council’s former representative on that body Councillor Bobby Feeley advised that she was supportive of the recommended appointment of Councillor Emrys Wynne to that role
- Councillor Martyn Holland highlighted the need for more information to better enable councillors to input into the process. He also felt appropriate mechanisms should be developed for representatives to report back to Council. The HLHRDS responded that further information regarding those bodies for which the Council had yet to appoint representatives could be circulated to members once the relevant information had been received. He also reported that the requirements for particular appointments differed between organisations as did allowances/expenses payable. Where outside bodies had their own system of reimbursement it was used and in other cases a claim could be made via the Council’s allowance scheme. Training was provided covering members’ responsibilities on outside bodies and with regard to liabilities the Council had a protocol and guidance in respect of the different roles and indemnity offered which could be circulated. The issue of reporting mechanisms for those representatives would be considered by the Corporate Governance Committee

- Councillor Jeanette Chamberlain-Jones reported upon her experience as a member on the Adoption and Fostering Panels and highlighted discrepancies between allowances payable. She felt that there should be a greater awareness of those roles, particularly for new members, and that those meetings should be included in the members' calendar. The HLHRDS agreed to look into the practicalities of including those meetings in the members' calendar. He also elaborated upon the allowances payable in respect of different bodies, including discrepancies between some members on the Adoption Panel and the distinction between independent members and councillors.

RESOLVED that Cabinet approves the appointment of members to outside bodies as recommended in Appendix 1 to the report with the exception of the Clwydian Range AONB Partnership; Cadwyn Clwyd Denbighshire Local Action Group; St. Kentigern Hospice, St. Asaph (Trust), and Valuation Tribunal for Wales, appointments of which can be made by delegated decision following further consultation with members in respect of those appointments.

8 ASSET MANAGEMENT STRATEGY

Councillor Julian Thompson-Hill presented the Asset Management Strategy for approval and adoption.

The new Asset Management Strategy had been developed in response to tighter budgets and new duties under the Wellbeing of Future Generations (Wales) Act 2015 and clearly set out the Council's corporate approach to the management of its assets. The draft strategy had been subject to consultation and a summary analysis of the responses had been included in the report together with changes as a result and following discussions with the Wales Audit Office.

Councillor Thompson-Hill added that the new strategy strengthened the process and ensured a more holistic approach was undertaken which linked to other key documents. He also elaborated upon the four main outcomes in the strategy document itself together with actions underpinning those outcomes. The role of the Asset Management Group was highlighted which provided an appropriate level for decision making and meetings were open to all members to ensure greater transparency within the process. The Well-being Impact Assessment had demonstrated a generally positive impact.

The Leader highlighted the importance of the document to help the Council meet its objectives and priorities which included the potential for investment as well as disposal of assets which had caused some concern. Discussion focused on Outcome 4 – community capacity and resilience and members noted that this outcome had been added following consultation with Member Area Groups and that further work would be required to develop the outcome further. Cabinet was pleased to note its addition and highlighted the need to be aware of infrastructure challenges in the community and to take into account the impact on the community when considering disposal. Some discussion focused on the proposals for Ruthin Library and how the consultation process may be improved for future plans to share information and engage with stakeholders and the community at an early stage in the process regarding the merits of particular proposals to secure local support and

influence a positive outcome for all concerned. Officers referred to the process for engagement and consultation and it was noted that the strategy emphasised working with the community and City/Town/Community Councils when considering acquisitions and disposals. Cabinet added that some assets may prove difficult to dispose of and highlighted the need to guard against those assets standing empty.

It was noted that Asset Management had been highlighted within the Wales Audit Office (WAO) Annual Improvement Report as an area to address and WAO had been made fully aware of the strategy and were happy with its contents.

RESOLVED that Cabinet approves and adopts the Asset Management Strategy.

9 STRATEGIC INVESTMENT GROUP - TERMS OF REFERENCE

Councillor Julian Thompson-Hill presented the report seeking approval of the amended Terms of Reference for the Strategic Investment Group (SIG).

Some background history was provided leading to the establishment of the current SIG which was an elected member/officer group that appraised proposals for capital expenditure. Its terms of reference included delegated powers and therefore it was appropriate that it be reaffirmed by the current Cabinet and updated more generally to reflect current practices, and also now included reference to Housing Revenue Account Capital Expenditure. The updated terms of reference would ensure that SIG continued to provide an effective assessment and internal control function. Membership of SIG included both Cabinet and Scrutiny representatives.

RESOLVED that Cabinet approves the amended Terms of Reference for the Strategic Investment Group as detailed in Appendix 1 to the report.

10 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 underspend of £0.432m was forecast for service and corporate budgets
- service efficiencies worth £0.902m having already been agreed as part of the budget with the assumption that all would be delivered – any exceptions would be reported to Cabinet if required
- there were few variances to report at this stage in the financial year but a number of service pressures had been highlighted which required careful monitoring, and
- provided a general update on the Housing Revenue Account, Housing Capital Plan and the Capital Plan (including the Corporate Plan element).

Cabinet was also asked to approve the transfer of £653k from the Corporate underspend to the new Corporate Priorities Reserve in order to help the initial delivery of the new Corporate Priorities that were currently being developed.

The following matters were clarified during debate –

- Customers, Communications and Marketing – the projected overspend on IT costs represented the current projection for the end of the financial year, and the service was looking at mitigation measures with a view to reaching a breakeven position. Services were encouraged to flag up pressures at an early stage so that they could be addressed at the earliest opportunity
- School Transport – the cost of implementing the new policy was unknown at this stage and would be carefully monitored throughout the year
- Schools – financial recovery plans were in the process of being agreed with schools in deficit and would be continually monitored, any concerns in that regard would be brought before the Corporate Governance Committee
- Rhyl Harbour Development – discussions were ongoing with the constructors of the bridge to ensure a proper maintenance schedule was in place long term.

RESOLVED that Cabinet –

- (a) notes the budgets set for 2017/18 and progress against the agreed strategy, and
- (b) approves the transfer of £653k from the Corporate underspend to the new Corporate Priorities Reserve in order to help the initial delivery of the new Corporate Priorities that were currently being developed.

11 CABINET FORWARD WORK PROGRAMME

The Cabinet Forward Work Programme was presented for consideration and two additional items were added to the work programme for September regarding Corporate Income Generation/Fees and Charges and Debt Repayments.

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 item 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.

12 BODELWYDDAN CASTLE

[Having declared a personal and prejudicial interest Councillor Richard Mainon left the meeting during consideration of this item.]

Councillor Julian Thompson-Hill presented the confidential report regarding the future of Bodelwyddan Castle.

Cabinet was provided with some background information regarding acquisition of the Bodelwyddan Castle Estate by the former Clwyd County Council in 1984 together with the management of its operation to date. The report detailed proposals for the the freehold disposal of the Bodelwyddan Castle Hotel and part of

the estate whilst retaining other areas to be operated as a Country Park with public access. Details of the financial implications had been clearly set out within the report and officers responded to questions regarding those financial considerations and legalities of the proposals and provided assurances regarding future maintenance provision.

RESOLVED that –

- (a) *the Council pursue discussions with a named third party for the sale of the freehold interest with vacant possession;*
- (b) *to negotiate terms for the freehold disposal of The Bodelwyddan Castle Hotel (as shaded blue on the attached plan 2 to the report), to a named third party for the sum as set out within the report;*
- (c) *to negotiate terms for the freehold disposal to a named third party of part of Bodelwyddan Castle Estate, to include the Bodelwyddan Castle Trust (BCT) buildings, carpark, lawns, events arena and woodland (currently subject to a 125 year lease to BCT) for the sum as set out within the report;*
- (d) *the Council to retain the existing parkland, including WW1 trenches and grasscrete carpark together with a 125 year lease of the woodland. These areas will be run by Countryside Services as a Country Park with public access;*
- (e) *the Agricultural land to be retained as part of the Council's Agricultural Estate, and*
- (f) *Cabinet confirms that it has read, understood and taken account of the Well-being Impact Assessment attached to the report as part of its consideration.*

The meeting concluded at 11.30 a.m.

Report To: Cabinet

Date of Meeting: 26th September 2017

Lead Member / Officer: Leader

Report Author: Rebecca Maxwell, Corporate Director: Economy & Public Realm

Title: North Wales Economic Growth Deal Bid – Progress Report

1. What is the report about?

All 6 Cabinets across North Wales and other partner organisations (the North Wales Business Council and the Higher Education (HE) and Further Education (FE) institutions) adopted the *Growth Vision for the Economy of North Wales* in September 2016. The vision sets out a strategic ambition for North Wales for transport and infrastructure development, skills and employment and business innovation and growth. Following this, North Wales was formally invited to develop the vision into a 'Growth Bid' for national investment and the conferment of powers from UK and Welsh Governments. This report updates Cabinet on progress with development of that bid and outlines the next steps in the process.

2. What is the reason for making this report?

As the development work progresses, early stage negotiations now need to start with both Welsh and UK Governments. Currently there are no authorisations for this work to take place. This report, a version of which is being presented to all 6 Cabinets, seeks approval to establish a 'Shadow' Joint Committee and to authorise the Leader to represent Denbighshire on it and in the first stage negotiations needed pending formal establishment of the full Joint Committee.

3. What are the Recommendations?

3.1 That Cabinet:

1. Notes and supports the progress of the development of a competitive Growth Deal Bid for the region
2. Supports in principle, the preferred governance model of a statutory joint committee model for further development, with a full report on a recommended constitution and terms of reference, and Inter Authority Agreement, to follow later in the year
3. Authorises the Leader to act as Denbighshire's member of a 'Shadow' Joint Committee in the interim period
4. Authorises the Leader, together with the Leaders of the other 5 partner councils, to enter into collective first stage negotiations with both Governments over the scale and outline content of a Growth Deal Bid, noting that no financial or other commitments will be entered into at this first stage of negotiations.

3.2 That Cabinet confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 3) as part of its consideration.

4. Report details

Cabinet adopted the Growth Vision for the Economy of North Wales in September 2016. The vision set out a strategic ambition for North Wales for transport and infrastructure development, skills and employment and business innovation and growth. The cabinets of the other five councils, and other partner organisations (the North Wales Business Council and the Higher Education (HE) and Further Education (FE) institutions) similarly adopted the strategy at the same time.

The key aims of the strategy are to improve the competitiveness of the region, to increase the Gross Value Added (GVA) of the regional economy, reducing the gap between the region and the UK average, and to grow business to both create new and protect existing jobs.

North Wales has been formally invited to develop the strategy into a 'Growth Bid' for national investment and delegation of powers to the region by the UK and Welsh Governments. Our regional work is running in parallel to growth bids in selected regions of England and in South Wales. The commitment to support a North Wales bid has been restated recently by both UK and Welsh Governments. There is an expectation that significant progress is made towards closing a Bid within the current financial year. Our working deadline is to enter into negotiations with Governments from November 2017 to reach a 'heads of terms' agreement by March 2018.

Work is advanced on the content of a formal bid under the four inter-connected themes of (a) strategic employment and housing sites; (b) business growth and innovation; (c) transport infrastructure and services; and (d) skills, worklessness, and social reform. A unifying theme is also being considered.

A Growth Bid is a formal proposal for Government investment and the conferment of devolved powers. Bidding regions are required to have a legal, resilient and accountable governance model for the planning and implementation of their strategy. Regions are expected to invest in their own strategies, alongside Government(s), in capital allocations, sharing in capital borrowing, the use of land and assets, and in resourcing professional and project capacity. They are also expected to seek private sector support for their proposals, enabling and leveraging private sector investment as part of the Bid package. Each bid will have negotiated objectives and targets. For North Wales, the bidding process will involve both the UK and Welsh Governments.

Growth Deal Bids are developed in 4 phases:- (i) invitation to Bid; (ii) informal liaison between Government and the respective region over Bid direction and core contents; (iii) the first stage agreement known as Heads of Terms; (iv) final agreement and Bid 'sign-off', jointly by the partner authorities and the UK and Welsh Governments. The North Wales Bid is at the latter stages of phase (ii) with the objective to reaching Heads of Terms agreement by March 2018.

The region's Growth Vision and Strategy adopted by each Council in 2016 was developed in partnership with the private sector and other key partners. The Vision is much broader than the Growth Deal Bid. The Growth Bid is an initial step to secure funds and powers to implement the wider North Wales Growth Vision.

The Growth Deal Bid will be used to access funds for key projects which would not otherwise be funded by Governments e.g. preparatory works to unlock strategic employment and housing sites, and to add leverage for Governments to commit to major investments which are under consideration but not yet assured such as investments in rail infrastructure and franchised service, and trunk road schemes. The detailed contents of the Growth Deal Bid will be shared in full with all partner authorities, and other partners, for approval, before any agreement with the two Governments is reached at the Heads of Terms stage.

The region will have licence and opportunity to work beyond the Bid to secure its ambitions over time. The Joint Committee and the supporting officer groups set up to take forward the Growth Deal will also be able to exploit other opportunities to support and achieve the vision and strategy.

Preferred Governance Model

The negotiation of Growth Bids in England result in area specific deals, whose titles often include the term 'devolution'. The Devolution Deal model has at times been controversial, not least because there has been the requirement to agree to an elected mayor for the region as part of the package. This constitutional model is not required in Wales. The preferred regional governance model is a statutory joint committee. Interim arrangements are needed for the political management of the first stage of negotiations pending the formation of a joint committee. Therefore, a 'shadow' joint committee, without any formal decision-making powers, is proposed.

The statutory joint committee model is a known model, but does have limitations. An outline of the suggested terms of reference is set out in Appendix 2.

To support the joint committee a host authority will be needed to provide legal, secretarial and administrative support. One or more host authorities will also be needed to host the professional officers who will manage the programmes and projects to implement the growth bid. A host authority/authorities is yet to be agreed.

The joint committee will require a constitution, which will include the terms of reference for its functions, and will be underpinned by an Inter Authority Agreement (IAA). The IAA will set out how the joint committee will be governed, how decision will be made, including which decisions will be reserved for individual council approvals, the roles of host authorities, how financial contributions will be apportioned, and how risks and benefits will be shared.

The recommended membership of the joint committee is the Leader of each of the six councils. Each leader would have a nominated deputy, and the Committee would be advised by chief executives and other lead professionals.

There is the option for the Joint Committee to co-opt members from key partner organisations, principally:-

- The North Wales Business Council;
- Higher Education (Bangor and Wrexham-Glyndwr Universities); and
- Further Education (Coleg Cambria and Grwp Llandrillo Menai).

The representatives of partner organisations would be non-voting advisory members.

The recommended model and its functions are consistent with the model proposed by Welsh Government for regional governance. Therefore, the model is 'future-proofed' against expected Welsh Government legislation that is to come.

Given the centrality of transport infrastructure and services to the strategy the Joint Committee is expected to require a specialist Transport Sub-Committee. The membership of this Sub-Committee will be the transport portfolio cabinet members from the six authorities with partners invited as advisors as needed. It could have a separate host authority from that which will host the joint committee.

The role of the North Wales Economic Ambition Board (NWEAB) will need to adjust to accommodate the changing governance arrangements. The Ambition Board is supportive of change and the Economic Growth Deal Bid. There is a strong desire to retain the NWEAB Brand which has badged most regional economic development work, and also the Welsh Government funded North Wales Regional Learning and Skills Partnership, which it is proposed would come under the strategic direction of the Joint Committee in the proposed governance model.

Work on a revised constitution and terms of reference for the North Wales Economic Ambition Board is being undertaken, with consideration being given to a remit of:

- Regional assessments of need and opportunity to guide strategy;
- Development of project concepts for consideration; and
- A cross-sector review and evaluation of progress and impact at key stages of strategy implementation.

Consideration will also need to be given to the most effective and rewarding model for overview and scrutiny. At this stage local scrutiny will need to be relied upon to review the arrangements for a Growth Deal Bid as they develop. There will be the option to consider a regional model for overview and scrutiny, perhaps involving the six chairs of the respective local authority committees, at a later date.

Next Steps

Following agreement of Heads of Terms with Governments the projects within the Bid will need to meet the tests of the Government five-case business model for due diligence. This will be an intensive stage of project planning which must commence prior to the end of the calendar year in 2017 for which the region will not have the dedicated capacity without additional temporary resources.

The region has limited capacity to manage the next phase of Bid development and negotiation. Thus far development work has been managed collectively by the professional network supporting NWEAB, the Programme Management Group, with individual officers taking on lead roles on behalf of the Group. This collective effort has been supported by the small number of retained regional officers. The regional partners will be required to make an investment in a regional executive both to complete the Bid and to manage its implementation in the longer-term. Therefore, there is a recommendation for an annual revenue contribution to be made by all key regional partners.

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

Developing the Local Economy has been a corporate priority for the Council. While much work can be done on this at a local level, there is no doubt that strengthening the regional economy is also essential. The work to implement the agreed shared Vision for Economic Growth for North Wales is a core component.

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

There are no direct additional resource implications as a result of this report at this stage, beyond making a revenue contribution of £50k from 2017/18 budgets. This has already been allowed for in the revenue budget for the Economic & Business Development team. In the longer term, there will be ongoing revenue costs of serving a joint committee, and the more significant costs for programme and project management for the development and implementation of the strategy from April 2018.

Potential capital costs are being evaluated with detailed consideration being given as to how the partners can limit their liabilities and financial risk exposure as part of the Growth Deal Bid negotiations. Capital schemes will be progressed on a rigorous business case evaluation which will look to establish benefits to the economy that substantially exceed investment costs.

As part of a Growth Deal UK Government will be requested to repay the principal capital sum proportion of borrowing for approved proposals. To date, most deals have involved Treasury Borrowing Approvals and some devolution of existing UK Government revenue funding to be integrated with existing local funding to gain better value from integrated programmes. In Wales, local spending includes Welsh Government revenue funding for specific programmes.

Delegation of a proportion of Business Rate growth to local authorities would provide an investment stream.

Growth Deal Bids elsewhere, including the Swansea Bay Partnership which is a useful comparator, are setting precedents for funding.

The financial value of new funds to be set aside by Governments to support the Growth Deal Bid, based on the relative size of the regional population to the Cardiff City and Swansea Bay Regions, could be in the region of £240M. Access to other national funds, such as the UK Government's Innovation and Sector Funds, is possible through the Growth Deal Bid.

7. What are the main conclusions of the Well-being Impact Assessment?

A Wellbeing Impact Assessment was conducted when Cabinet considered the Growth proposals in February 2017. A copy has been attached at Appendix 3.

The main conclusions were a positive impact on North Wales generally and Denbighshire specifically. Main benefits come from the increased employment opportunities, economic activity, personal and business wealth and wellbeing its activities will create, leading to more vibrant and sustainable communities with reduced deprivation and worklessness, and a reduction in the inequalities arising from deprivation.

There are risks, however - both in terms of how inclusive the growth will be and the impact that growth could have on the region generally and Denbighshire specifically. Managing these risks will require deliberate actions by the North Wales Councils and their partners. Some mitigation measures are already in progress, others need to be developed.

The Programme Management Group has produced a briefing note on the Growth Bid and the Wellbeing of Future Generations. A copy is attached at Appendix 4.

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

Extensive prior consultation underpins the vision and strategy document as set out in the report. The development of the content of the Growth Deal Bid is an inclusive process with considerable participation across the public and business sectors.

Cabinet considered the Growth Vision in September 2016 and the proposal to establish a statutory Joint Committee in February 2017. Councillors have been provided with a briefing on the strategic intentions of the Growth Vision & Strategy.

9. Chief Finance Officer Statement

Careful consideration will need to be given to the final governance model and the way any future financial contributions or commitments are approved. The hosting and administration arrangements will also need to be considered to ensure the costs and scale are proportionate to the value of the bid and the potential funding programme. The immediate cost implications noted are to be contained within existing service resources.

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

A detailed risk management plan is being developed as part of the Growth Bid.

11. Power to make the Decision

s2 Local Government Act 2000
s101 Local Government Act 1972

Appendix 1: Bid Strategic Outline

The content of the developing Growth Deal Bid follows the vision and strategy adopted by regional partners in 2016. The **four core themes** of the Bid are: -

- Strategic sites for employment and housing;
- Transport infrastructure and services;
- Business innovation and growth; and
- Skills, workless-ness and social reform.

The Bid Team is working on a unifying theme and narrative for the presentation of the Bid to Ministers.

The Growth Deal Bid is **complementary to and will support**:-

- UK and Welsh Government economic and social policy;
- UK Government policy to develop the competitiveness of economy of the Union post BREXIT negotiations;
- Welsh Government policy for regional governance and devolution;
- the UK Government Industrial Strategy;
- the UK Government and Welsh Government Sector Plans specifically for nuclear, energy, manufacturing (Automotive and Aerospace) and digital;
- the Wales Infrastructure Plan; and
- Cross-border planning and connectivity e.g. Growth Track 360 and elements of the Cheshire and Warrington Local Enterprise Partnership Devolution Deal.

The **strategic outcomes** of the Growth Deal Bid might include:-

- Enhanced site values for strategic employment and housing sites;
- Strategic site readiness/development status;
- Transport access e.g. reduce travel times to strategic employment sites; Transport usage figures to demonstrate modal switch to public transport;
- Business investment; Business growth; Business performance;
- Employment figures by type/sector/value – new and protected;
- Skills figures – by type/sector/level – against the targets of the regional skills strategy;
- Reductions in workless-ness and benefits dependency;
- Average income rates including household income;
- Regional Gross Added value (GVA);
- Sustainable housing growth figures; and
- Alternative and renewable energy supply production and carbon reduction.

The **particular characteristics** which give strength to our regional Bid include: -

- Development of key sectors as part of the UK and global economy
 - Low Carbon Energy and Nuclear Energy,
 - Advanced Manufacturing
 - Digital and Creative
- Connectivity – both physical and digital – to the wider UK economy

- Support to sustained indigenous business growth
- Sustainable development of a region with unique characteristics
 - Growth which is inclusive and has benefits for all parts of society
 - Growth which promotes social reform in areas including workless-ness
- ‘Green Growth’ which promotes and enables
 - Sustainable planning including multi-modal public transport
 - Low carbon energy industries
 - The complementary growth of foundation economies including tourism and agriculture.

Work is on-going with the expert support of the Business School, Bangor University, to develop the set of **performance measures and outcome-based targets** drawing on econometric data and evidence. Measures and targets are likely to be set which are (1) shorter term (2) cumulative and medium-term and (3) longitudinal.

As part of the Bid the region will be asking for **devolved functions and powers** from both governments. This is work in progress and is a sensitive area of negotiations with both Governments. Examples include: -

- Transport commissioning and operational powers and functions;
- Management of regional support to business sectors for marketing, growth and exporting strategy;
- A retention of a share of national non-domestic rate (business rates) growth for investment in the strategy as part of the collective local government financial contribution; and
- A partnership role with the Department for Work and Pensions in managing back to work programmes.

The eventual recommended set of devolution ‘asks’ will be shared in full with the partner councils, and other partners, for formal approval prior to the Heads of Terms stage.

For North Wales, both Government expect that there is **close joint strategic planning** with the immediate North West of England and with the wider Northern Powerhouse network. Our vision and strategy builds on the strong alliances and joint planning both within the region, through the work of the North Wales Economic Ambition Board and the cross-border partnerships such as the Mersey Dee Alliance. The latter has facilitated joint working with the Cheshire and Warrington Local Enterprise Partnership, Merseytravel, and the wider Northern Powerhouse Network. The growth bids from North Wales and the Cheshire and Warrington LEP are being developed in parallel and there is a co-dependency for their success.

North Wales is also making contributions to the wider strategy of the **Northern Powerhouse** network, for example the nomination of prime strategic sites for business growth and inward investment. Road and rail infrastructure and connectivity, and wider transport planning, including bus routes, are central to the North Wales Growth Strategy. The Growth Track 360 plan makes the case for cross-border rail investment and is progressing through the Governmental case-making and decision-making stages.

Both the UK and Welsh Governments will seek the close involvement of the **private sector and Higher Education (HE) and Further Education (FE)** partners in the development of proposals. Proposals which can evidence the support of the private sector and leverage private sector investment are being encouraged by both governments. The North Wales Business Council is fully involved in the development of the Growth Deal Bid.

The UK Government will expect the Welsh Government to match its **investment** in North Wales. The two governments will negotiate their shares of investment in the North Wales Growth Deal.

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Appendix 2 – Outline Terms of Reference for the Joint Committee

Outline Terms of Reference of the Joint Committee

1. Functions
2. Strategy
3. Prioritisation
4. Representation
5. Performance
6. Accountability

Terms of Reference 1: Functions

- Economic growth strategy and planning
- Infrastructure prioritisation and planning
- Strategic land use planning and allocation
- Transport planning and commissioning
- Skills planning and commissioning strategy
- Others to be added as powers are devolved

Terms of Reference 2: Strategy

- Setting the direction of regional strategy
- On-going assessment of regional need & opportunity to underpin the strategy
- Setting of priorities and investment plans to deliver the strategy

Terms of Reference 3: Prioritisation

- Prioritisation of contributory schemes
- Business case development and case-making for prioritised schemes
- Investment profiling and prioritisation
- Securing investment agreements

Terms of Reference 4: Representation

- Engagement and relationship management with regional partners
- Engagement and relationship management with cross-border partners
- Advocacy & lobbying with Welsh and UK Governments, Ministers & political groups
- Public and media relations and profile

Terms of Reference 5: Performance

- Programme management of implementation of the strategy
- Oversight of performance against progress milestones & outcome measures
- Securing strategic, programme management, and project development and management resources to implement contributory schemes

Terms of Reference 6: Accountability

- Reporting to the six local authorities
- Reporting to regional partners on performance, investment performance and risk management
- Reporting to Welsh & UK Governments on performance & the effective use of their investments

Limitations of Decision-Making and Reserved Matters

Examples of decisions which will be reserved for individual council approvals are: -

- Agreement of functions to be given to the Joint Committee;
- Agreement of annual budget contributions for the Joint Committee and host authorities;
- Investment and borrowing commitments and risk exposure levels; and
- Allocation of land and other asset for pooling.

A detailed constitution is being developed and will be completed for review shortly.

A detailed Inter Authority Agreement is also being developed in parallel. This work is being led by the Heads of Legal Services from each of the six councils with input from the Finance Managers/Section 151 Officers, with external support from Pinsents Solicitors.

Membership

The recommended, formal and core membership of the joint committee is the Leader of each of the six councils. Each leader would have a nominated deputy, and the Committee would be advised by chief executives and other lead professionals.

There is the option for the Joint Committee to appoint advisors co-opt from key partner organisations principally:-

- The North Wales Business Council;
- Higher Education (Bangor and Wrexham-Glyndwr Universities); and
- Further Education (Coleg Cambria and Grwp Llandrillo Menai).

The representatives of partner organisations would join the Committee in a non-voting, advisory capacity.

Professional Support

Chief Executives or their nominees will act as advisors to the Joint Committee. The Programme Management Group (PMG), will be retained as the professional executive group which will support and advise the Joint Committee, and be responsible for professional programme management of the Bid once it is approved.

The PMG is the expert professional group of economic development leads and other officers from the six councils and key partners, which has both supported the Economic Ambition Board and has led the work on the Growth Deal Bid.

Close working relationships, with the Cheshire and Warrington Local Enterprise Partnership will be important and cross-border joint working will be maintained through the Mersey Dee Alliance and other partnership vehicles that exist such as the North Wales and Mersey Dee Rail Task Force, which is leading the Growth Track 360 Strategy.

North Wales Economic Growth Bid

Wellbeing Impact Assessment Report

This report summarises the likely impact of a proposal on the social, economic, environmental and cultural well-being of Denbighshire, Wales and the world.

Assessment Number:	184
Brief description:	The 6 North Wales Councils have developed and endorsed a vision for economic growth across the region. This proposal looks at the governance arrangements to support development of the strategy to deliver that economic growth. A further assessment will be carried out when the details of the Growth Strategy and bid are known.
Date Completed:	13/02/2017 10:27:29 Version: 1
Completed By:	Rebecca Maxwell
Responsible Service:	Planning & Public Protection
Localities affected by the proposal:	Whole County,

IMPACT ASSESSMENT SUMMARY AND CONCLUSION

Before we look in detail at the contribution and impact of the proposal, it is important to consider how the proposal is applying the sustainable development principle. This means that we must act "in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs."

Score for the sustainability of the approach

Could some small changes in your thinking produce a better result?

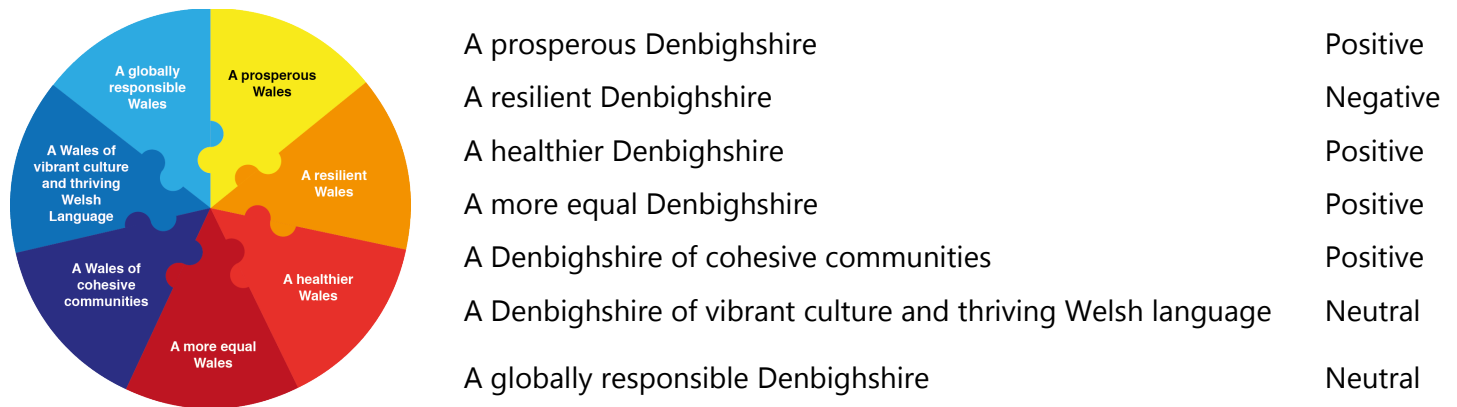
(3 out of 4 stars)



Actual score: 19/ 24.

Summary of impact

Wellbeing Goals



Main conclusions

On balance, the Growth Bid for North Wales is assessed as having a positive impact on North Wales generally and Denbighshire specifically. Its main benefits come from the increased employment opportunities, economic activity, personal and business wealth and wellbeing its activities will create, leading to more vibrant and sustainable communities with reduced deprivation and worklessness, and a reduction in the inequalities arising from deprivation.

There are risks, however - both in terms of how inclusive the growth will be and the impact that growth could have on the region generally and Denbighshire specifically.

Attention is already being paid to measures needed to ensure inclusive growth. Skills and Employment are a key feature of the Growth Bid proposal, with a specific focus on both skills for young people and also employability improvement for working age adults currently furthest from the workplace. Initiatives are also planned to ensure local supply chain and local businesses benefit from inward investment propositions and transformational projects, such as is already happening for HMP Berwyn and Wylfa Newydd.

Less well understood are the potential adverse impacts on natural environment, sustainability and Welsh Language and culture. Further work is needed on these to ensure potential adverse impacts are minimised and positive opportunities are captured.

what makes the region a good place to live currently.

There will also need to be careful and close working among all public services to ensure that any increase in population arising from the anticipated economic growth is managed and that services are planned and adequately resourced to deal with any increased demand.

THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

A prosperous Denbighshire

Overall Impact:	Positive
Justification for Impact:	The Growth Bid is specifically designed to grow the economy of North Wales, whilst at the same time safeguarding social, environmental and cultural well being. The Bid aims to support and retain young people in the region by creating new employment opportunities, increasing affordable housing options and creating a more vibrant lifestyle. The Bid is also intended to address worklessness and economic inactivity. Denbighshire is well positioned to benefit from an improved economy in North Wales as a whole. As well as having specific employment sites identified on which business growth can happen, the county's workforce will be able to travel easily to jobs outside the county, particularly to the East in the already strong economies of Flintshire, Wrexham and Chester where demand for workforce is already starting to outstrip supply.

Positive consequences identified:

The Growth Bid features Energy, particularly renewable energy, as one of its sectors for growth. An increase in locally accessible high quality jobs will reduce the need for commuting, reducing carbon impact. Improved public transport connectivity is a key feature of the Growth Bid. This has the potential to reduce reliance on private car travel and reduce carbon consumption.

The Growth Bid is intended to grow the economy of North Wales as a region significantly. It is also intended that this growth is spread across the region and not just clustered in one area.

Denbighshire is well positioned to benefit from economic growth, particularly in North East Wales and the immediate cross border area.

The Growth Bid envisages a growth of 120,000 new jobs over the next 20 years. By focusing on specific sectors of growth - energy and advanced manufacturing in particular - the expectation is that these will be high quality, high value employment opportunities. Denbighshire is well placed to benefit as it is located closest to the already strong economies of Flintshire, Wrexham and Chester and with improved employment opportunities and transport connectivity, it will be easier for Denbighshire residents to access the new jobs.

There are also 2 key strategic employment locations within the county - at St Asaph and Bodelwyddan. Growth in the region as a whole will make these attractive locations for businesses given their relative proximity to the North England economy and location on the strategic transport corridors of road and rail on the North Wales coast.

A core part of the Growth Bid is a Skills and Employment plan. Specific initiatives have been identified to ensure skills are developed among the regional workforce to complement the jobs being created.

The Growth Bid also highlights investment in communication and transport infrastructure as a key component in the economic growth envisaged. Broadband, mobile telecommunications and road/rail infrastructure are all specifically identified.

The need to invest in Housing delivery is also highlighted.

Unintended negative consequences identified:

There is a risk that improved connectivity encourages more commuting, particularly if new jobs are not spread across the region.

Increased business activity, particularly manufacturing, may increase carbon consumption through energy use, transport implications and use of raw materials.

There is a risk that growth is not spread and benefits are only felt by one part of the region.

There is a risk that growth is not spread and benefits are only felt by one part of the region. Local businesses may struggle to compete with new employers offering higher quality jobs. There is a risk that new jobs created will not benefit Denbighshire residents. Additional work will be required to ensure residents are well skilled, aware of the new employment opportunities and easily able to access them through improved transport infrastructure. Local businesses may struggle to compete with new employers offering higher quality jobs. If schools and colleges are not sufficiently engaged, skill development will not happen for the local resident workforce and new job opportunities will be filled by inward commuters. Without careful planning, there is a risk that housing growth may be more than local services are able to sustain. As noted above, increased economic growth may also lead to increased travel - both to and for work, and may increase road freight if investment in rail is insufficient. The Growth Bid does not specifically consider impact on childcare provision.

Mitigating actions:

The main potential for negative consequences arise from the risk that economic growth happens around Denbighshire and does not benefit the county. Officers are already working to minimise this risk through the Council's existing Economic & Community Ambition Strategy that seeks to support our indigenous business base to grow and develop, as well as creating an attractive environment for new businesses to set up and grow. Within the Growth Bid work, programmes have been identified to ensure region wide skills development for the benefit of existing residents, including retaining young people who have traditionally left the region for employment.

There is also a programme focusing on connecting existing local North Wales businesses into supply chain opportunities that may arise from wider economic growth. This is already underway for North Wales Prison and Wylfa Newydd. Locally, DCC officers have been working hard to make it easy for local businesses to enter the council's supply chain and to connect local businesses with wider regional opportunities.

The risk of increased travel for and to work will in part be addressed by a focus on improving public transport infrastructure and services. In particular, the North Wales Rail Modernisation programme (Growth Track 360) and the forthcoming work on the North Wales Metro concept, will seek to address current deficiencies.

Creation of local jobs close to/well connected to major centres of population in the region will also help to mitigate commuting risks. There is currently a substantial outward migration of workers to jobs outside North Wales and outside individual counties within North Wales.

Overall Impact:	Negative
Justification for Impact:	Increased energy consumption and most likely increased fuel consumption are inevitable consequences of increased economic activity. The Growth Bid has not considered explicitly environmental considerations at this stage. Implementation at individual project level will enable a closer analysis of issues, but is unlikely to remove entirely the potential for unintended negative consequences in this area.

Positive consequences identified:

A growth sector identified in the North Wales Growth Bid is renewable energy and clean technologies. This has the potential to impact positively.

Growth in advanced manufacturing and materials may increase the potential for reuse and recycling of materials, but nothing specific is planned.

Some potential for reduced fuel use if outward commuting can be reduced by creation of more jobs locally, or within closer distance.

Unintended negative consequences identified:

Development of employment sites may at times impact on issues of biodiversity or environment. It is expected that these will be managed through the Planning process.

An increase in both business activity and population risks having a negative impact on waste generated. North Wales councils have good levels of performance in recycling and waste avoidance. There is no reason to believe this will change.

Increased business activity will increase energy consumption in the county and across the region. Businesses themselves will be incentivised to keep this as low as possible (minimised costs) and will be likely to be seeking renewable sources.

Fuel consumption may increase if jobs are not evenly spread across the region (although there is significant outward migration already from the region for employment).

Travel for business (employees and goods/freight) may also increase leading to increased fuel use.

Mitigating actions:

Businesses will be encouraged to consider renewable energy sources

Employees (and businesses) will be encouraged to consider lower carbon modes of transport. Larger businesses will be expected - by the planning process - to demonstrate how they are encouraging Green travel among their workforce

Investment in public transport infrastructure will increase the likelihood of it being used in preference to private car.

All individual developments will be controlled for environmental and biodiversity impact through the planning process. The same will apply to flood risk management.

Growth in the renewable energy and clean technology sector as a result of the Growth Bid activity will increase Wales and the UK's ability to reduce consumption and reduce negative impacts on the environment.

A healthier Denbighshire

Overall Impact:	Positive
Justification for Impact:	Increased employment, economic activity and household income are all associated with higher levels of well being - or at least their lack is commonly associated with lower levels. By improving employment opportunities, Denbighshire and North Wales residents will be at less risk from the many various impacts of multiple deprivation.

Positive consequences identified:

Employment and economic activity has been shown to have a positive impact on health and wellbeing, and for deprivation to have a negative impact. The Growth Bid plans to increase employment opportunities, reduce worklessness and improve economic activity rates across the region.

In Denbighshire, the highest levels of unemployment, economic inactivity and low household income are in Rhyl. With its location on the main public transport network, and its proximity to major employment locations at St Asaph, Bodelwyddan and slightly further afield at Deeside, Rhyl is well positioned to offer its residents easy access to new job opportunities being created.

Employment and economic activity, together with higher household incomes, are associated with higher levels of emotional and mental well being.

Unintended negative consequences identified:

There is a risk that if population grows faster than the ability of health services to respond, access to healthcare may become harder.

Mitigating actions:

Careful planning will need to take place with BCUHB and other public services, including Councils' own services, to ensure that any population growth arising from the increased economic growth is planned for and that services can respond.

A more equal Denbighshire

Overall Impact:	Positive
Justification for Impact:	The main aim of the Growth Bid is to increase employment, reduce economic activity and bring higher levels of income to the region. This will address the economic inequality and deprivation that exists in many parts of the region. Rhyl is particularly well placed to benefit and has the highest levels of deprivation in the region.

Positive consequences identified:

Improved economic 'wealth' across the region has the potential to benefit all groups. Businesses will be required to consider their individual approaches to people with protected characteristics in their own employment policies. The Growth Bid specifically identifies a goal of improving the employment and retention of young people in the region.

Improved economic activity and reduced deprivation will have an impact on reducing health inequalities. The Growth Bid is specifically intended to improve levels of employment and address economic inactivity and worklessness. More people in employment and more higher value employment opportunities will increase household income across the region. There will be reduced reliance on benefits.

Unintended negative consequences identified:

There are no specific considerations given at Growth Bid level to the impact of economic growth on the well being of people with protected characteristics.

There is a risk that without additional focus on people already furthest from the workplace, the new employment opportunities will not benefit them.

There is a risk that without additional focus on people already furthest from the workplace, the new employment opportunities will not benefit them.

Mitigating actions:

The Growth Bid already envisages specific work with groups furthest from the work place - both young people and working age adults - through the Skills and Employment Plan to minimise the risk of excluding from economic growth. Work has already started in a number of locations, including Rhyl, with Dept for Work & Pensions to improve employment opportunities for local disadvantaged residents. Skills development work will also seek to minimise risk of exclusion.

As noted previously, Rhyl is particularly well located for its residents to have access to increased employment opportunities. This location, alongside the skills development work and investment in public transport infrastructure, will all help to minimise risks of exclusion/maximise potential for benefit.

A Denbighshire of cohesive communities

Overall Impact:	Positive
Justification for Impact:	It is anticipated that more economically active communities will be more resilient and feel safer. The Growth Bid is intended to deliver more economically active communities. On balance, it is expected that this growth will have a positive impact on cohesiveness of communities.

Positive consequences identified:

Increased employment/income and reduced deprivation may have a positive impact on community safety/may help to address issues of anti social behaviour (including drug and alcohol misuse) experienced in parts of the region at the moment.

More economically active communities may be more willing to participate and invest in their own resilience (fewer other things to worry about) - however, the evidence is not strong that this happens naturally.

Vibrant towns and communities are strongly associated with good levels of employment and household income. A more vibrant community is more likely also to be a more attractive place.

Unintended negative consequences identified:

There is a risk that communities become less rather than more connected.

There are some concerns that increased population resulting from inward migration, rather than retention of existing working age residents, may reduce community participation and identity.

There is a risk that increased economic activity leads to over development and/or urbanisation of the region and Denbighshire's natural environment, making it less attractive.

Mitigating actions:

Community development work will need to take place alongside the economic growth strategy to ensure that communities remain connected whilst growth is happening. Communities with a strong sense of identity will be better placed to absorb population growth without it impacting adversely.

The Planning system will be required to manage the potential for adverse impacts of new developments and to minimise these as far as possible through their planning decisions and conditions. Council's Local Development Plans will need to be clear about where employment and housing growth will and will not be allowed.

A Denbighshire of vibrant culture and thriving Welsh language

Overall Impact:	Neutral
Justification for Impact:	Economic growth in North Wales has great potential to offer employment opportunities to working age residents from the area, many of whom leave the region for work - either on a daily basis or permanently. In Denbighshire at least there is strong evidence that this section of the population is missing and increased employment may be a way of reversing this trend. Retention of existing residents is likely to have a positive impact on Welsh Language, culture and heritage through retaining language skills and personal history/affinity with local culture, traditions and heritage. There is a risk, however, that jobs will be filled by residents new to North Wales and that new businesses will not see the importance of Welsh Language and culture. This has the potential to reduce prominence of the Welsh Language and have an adverse impact on culture and heritage. On balance, the impact is likely to be neutral - with some jobs being successful in retaining existing residents who would otherwise have moved elsewhere for work and others being filled by new residents with less affinity for Welsh language, culture and heritage.

Positive consequences identified:

Research has suggested that increasing employment opportunities for young people in North Wales will help to retain that section of the population that is currently lost to the region. Given the quality of Welsh Language education within the school system, retention of more locally educated young people will have a positive impact on promotion and use of the Welsh language.

All Councils adhere to the Welsh Language Standards, which include a responsibility to promote use of the Welsh Language.

A higher profile for North Wales as a region has the potential to highlight the rich culture and heritage of the area. Tourism is acknowledged to be an important economic sector across the region and is likely to grow further as a result of more general economic growth.

Unintended negative consequences identified:

There are concerns that if new jobs are filled by people moving in to the region, there will be an adverse impact on use of the Welsh Language as the proportion of Welsh speakers is reduced.

Non Welsh companies moving to locate in North Wales may not have the same commitment to promotion and use of Welsh as indigenous businesses. This may dilute Councils' work to promote the language.

As noted above, if new jobs are filled by inward migration rather than existing residents retained, there is a risk that knowledge of local culture and heritage will be reduced without specific efforts to educate, inform and promote.

Mitigating actions:

All Councils need to be alert to the risk of adverse impact on Welsh language, culture and heritage. Welsh Language promotion and education will need to continue and perhaps be strengthened. Availability of Welsh language classes for new residents to the region could help to increase awareness and language skills.

Ensuring young people in particular are aware of the increased employment opportunities to encourage retention within the region will be important.

Availability of affordable housing for young families will also be important, close to new employment opportunities and providing good access to education, including in Welsh language.

The tourism sector should be encouraged to maximise the potential from local culture and heritage and to make sure it is prominent in their visitor offers. This can help to create a unique and attractive visitor brand as well as safeguarding and promoting the region's culture and heritage and the Welsh Language.

A globally responsible Denbighshire

Overall Impact:	Neutral
Justification for Impact:	It is difficult at this stage to assess the impact of the Growth Bid on global responsibility. The growth sectors identified (particularly energy and clean technologies, and advanced manufacturing) have the potential to increase global resilience but at strategic level it is impossible to assess this at present.

Positive consequences identified:

There is a specific strand of work within the Growth Bid proposals to ensure local supply chains are maximised in major inward investment propositions. Individual councils are likely to have social benefit clauses that incentivise use of local labour and supply chains. DCC has been successful in recent developments for ensuring local benefit for residents and businesses in this way.

Increased local/Welsh/UK business, particularly manufacturing and energy, may reduce reliance on imported goods and services.

The proposals are at too high a level to consider the impact on particular raw materials or supply chains.

Increased economic activity and wealth should have a positive impact on funding for local services, although increased population in itself may increase demand.

Unintended negative consequences identified:

There is a risk that if development is not carefully planned alongside service provision, that capacity to respond will be adversely affected

Mitigating actions:

As mentioned previously, growth needs to be carefully planned alongside other service providers to ensure that any growth in population does not cause an adverse impact on the ability of services to respond to population needs. It is generally expected that increased economic wealth will improve funding available for public services in the region but this is not guaranteed and will need to be carefully managed.

Appendix 4

The North Wales Growth Bid and the Well-Being of Future Generations

Purpose

The North Wales Growth Bid will launch North Wales on the road to become a model “future economy”, smart, connected and sustainable.

The Bid and the Well-Being Principles

The bid work has been conducted in accord with the well-being goals

Councils have worked together collectively and have also worked closely with representatives of the private sector, Universities and Further Education Colleges.

The Growth Bid takes forward priorities from the North Wales Growth Vision and is informed by long-term strategic thinking that is intended to secure a prosperous North Wales with a sustainable regional economy that can retain more talented young people in good jobs located in the region.

The Growth Vision and the supporting Growth Bid is designed to address deep-seated structural issues that affect the North Wales economy and show them themselves in low relative levels of productivity and competitiveness evidenced by a regional GVA of around 72.8% of the UK average in 2015.

The Growth Vision and the Growth Bid are evidence of the region working together to address this problem to improve the economy and prevent the problem getting worse.

The causes of the region’s economic issues stem from low wages, which relate to both skill levels and demand for labour. Much of the region suffers from geographic peripherality and there is also a degree of political peripherality arising from being relatively remote from the political centres in both Cardiff and London.

The Growth Bid therefore aims to reverse relative economic decline in the region compared to growth in the UK economy.

Bid Summary

The bid aims to: -

1. Develop land earmarked for employment and enable job creation. This will include improving digital connectivity.
2. Target growth in high value sectors, encouraging development land to be utilised for firms operating in the target, high value sectors of: -
 - Advanced Manufacturing

- Supporting low carbon energy production
- Creative and digital
- Professional Services

There will also be proposals to support high-end tourism.

3. Improve the targeting of skills development and seek to match the supply of young people to the best jobs available in the region
4. Improve support to business, both in terms of advice and enabling firms to access innovative types of production, e.g. additive manufacturing, marine engineering innovation, nuclear engineering innovation.

Proposals from Universities and Further Education colleges will be fundamental to delivering innovation to businesses based in the region and wishing to locate in North Wales.

The region will also seek greater influence over Welsh Government Services supporting business in the region.

5. The Bid's proposals will be linked to improved transport connectivity to be delivered by the Welsh and UK Government's independently of the Growth Bid: -
 - The short-term proposals of the North Wales and Mersey Dee Rail Task Force (Growth Track 360) for both improved services via the Wales and Borderlands Franchise and rail infrastructure improvements to enable more services from North Wales to Manchester, Liverpool and London.
 - Planned highways improvements by the Welsh Government, e.g. the 3rd Menai Crossing, the A494/A55 and Caernarfon/Bontnewydd By-pass.

These transport proposals will support development of the economy and link to improved bus services which will form part of the bid and link to integrated transport hubs around key railway stations potentially including new stations serving major employment centres.

6. There is an aspiration to develop proposals enabling the integration of DWP, Welsh Government and Local Authority Programmes seeking to help disadvantaged groups into employment.

How the Bid will Meet Well-Being Goals

The overall package aims to: -

Make North Wales more prosperous and resilient by: -

- Increasing GVA through job creation (20,000+ new jobs from the development of the property portfolio)
- Increasing wage levels and household income through creating more jobs and improving the level of jobs available in high value sectors (including high-end tourism)
- Increasing the percentage of people economically active in the region

- Improving transport enabling people to commute more easily in the region,
- Reducing the need for people to leave the region to find good employment
- Better aligning the supply of labour to demand, particularly of that of new entrants to the labour market.

Make North Wales More Cohesive and Equal

The bid is consciously seeking to ensure a distribution of benefits across the region, so employment development sites are located throughout North Wales

The aspiration to integrate schemes to reduce poverty (DWP and WG) and improve access to employment will enable those currently without work to begin earning again and improve equality and cohesion outcomes across the region.

Likewise transport developments will include schemes to reduce transport barriers to accessing employment.

The planned increase in regional GVA may make North Wales more equal with the rest of the UK's GVA per head.

Make North Wales Healthier

Improving employment opportunities and reducing worklessness is likely to improve health as there is a link between better health and employment.

Likewise, a more prosperous region is likely to improve health outcomes based on past linkages between good household income levels and good health.

Protect the Welsh Language and Culture

The Bid's proposals aim to be scaleable and sensitive to differential appetites for development and population growth across the region.

By improving access to good jobs across the region and improving the potential for commuting it is hoped that more people, particularly the young, will stay in the region with benefits for the maintenance of Welsh Culture and Language.

North Wales - Globally Responsible

The Bid will include proposals to: -

- Expand and develop low carbon energy production
- Encourage more people to travel by public transport rather than in the private car

The bid is also looking at the deployment of new technologies in buses and trains used in the region that will reduce carbon production compared to current practice.

These elements of the bid will help protect and improve the environment.

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Report To:	Cabinet
Date of Meeting:	26 September 2017
Lead Member / Officer:	Cllr Julian Thompson-Hill, Lead Member for Finance, Performance, and Strategic Assets / Alan Smith, Head of Business Improvement & Modernisation
Report Author:	Nicola Kneale, Strategic Planning Team Manager
Title:	Denbighshire County Council's Corporate Plan 2017-2022

1. **What is the report about?**
Denbighshire County Council's Corporate Plan 2017-2022
2. **What is the reason for making this report?**
To seek approval from Cabinet on this near-final draft (Appendix A) so that it can be submitted to, and recommended for adoption by, County Council on 17 October 2017.
3. **What are the Recommendations?**
That Cabinet approves this near-final draft so that it can be submitted to, and recommended for adoption by, County Council on 17 October 2017 subject to:
 - a. Final refinement of wording, and
 - b. Inclusion of a supporting financial plan.
- 3.1 That the Committee confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix B) as part of its consideration.
4. **Report details**
- 4.1 It is a statutory requirement that Local Authorities publish an Improvement Plan, and also Well-being Objectives. Denbighshire's Corporate Plan 2017-2022 serves both of these functions, but it's a vital document for us for a number of additional reasons:
 - a. Agreeing and articulating our vision and ambition in this way helps us communicate.
 - b. The corporate leadership that ensues as a result of having a Corporate Plan enables us to tackle cross-cutting goals, e.g. retaining young people.
- 4.2 The criteria for what makes a Priority is "something new that will make a significant difference to our residents". The key pledges we've committed to achieve in this plan are important because they either:
 - a. Require significant capital / revenue funding: e.g. roads and new schools (but not everything requires extra funding);

- b. Require significant cultural / organisational change: e.g. the way we engage with communities, and/or
- c. Will impact across the whole county: e.g. 1000+ extra homes.

4.3 All other activity will be covered in our Corporate Portfolio.

4.4 The priorities outlined in this Corporate Plan have been arrived at via a thorough and clear process of evidence-gathering and analysis (Well-being Assessment) and in-depth consultation with our communities (County Conversation).

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

This decision is a key step in establishing the Corporate Priorities for the Council term 2017-2022, as it recommends endorsement of this draft set of priorities.

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

The immediate and direct impact of this decision is - in itself - cost neutral, but a financial strategy for delivering the Corporate Plan will be developed for inclusion in the final document, and a governance structure will be established in order to drive and monitor progress against the priorities.

7. What are the main conclusions of the Well-being Impact Assessment? The completed Well-being Impact Assessment report can be downloaded from the [website](#) and should be attached as an appendix to the report

This impact assessment considers the impact of our approach and proposal to developing the next corporate plan. We have completed phases 1 and 2 of our county conversation and we have worked with the new Council to shape 5 priorities and the ambition for each.

Our Sustainable Development score tells us there is more scope to consider the relationship between the LDP (current and proposed, when it is developed) and the draft housing priority. We are confident the new corporate plan will deliver a plan for community resilience through, in part, maximising our assets. However, we feel that the focus of the draft priorities is over the medium term. We need to ensure communities and stakeholders have continued opportunity to be involved in the development of the plan, and indeed in its implementation.

The proposed priorities are focussed on community resilience and will prompt alternative approaches to prevent problems from occurring.

Overall the impact on the 7 well-being goals is largely positive. We need more information to determine the impact on a more equal Wales, and crucially, what we can do to maximise a positive impact for people with protected characteristics. There are potentially negative consequences on some protected characteristics and these could be addressed and managed to avoid them occurring. We have found there to be a neutral impact on Welsh language and culture, but note that the Welsh Language Strategy underpins all that we do.

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

- 8.1 Much consultation has been carried out in order to – initially - establish the priorities, and then to test whether our interpretation of people’s views on ‘what should be a priority’ was correct. Consultees included the general public, partners, staff, Members, and Town & Community Councillors.
- 8.2 Once priorities were drafted, a series of workshops were held with staff from Denbighshire County Council and relevant partner organisations to generate ideas for how the priorities should be addressed.
- 8.3 The ideas that were generated have been developed with a cross-party group of Members with the support of some officers too, in order to reach consensus that the pledges to which we’ve committed are sufficiently ambitious but also realistic.

9. Chief Finance Officer Statement

A supporting Financial Plan will be included as part of the Corporate Plan document itself once it’s submitted to Council.

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

There are no obvious risks that are anticipated if we are successful in delivering these priorities.

There will be risks that could jeopardise delivery, and these will be considered and managed at programme board level once the Plan moves to its delivery phase.

11. Power to make the Decision

Wales Programme for Government 2009
Well-being of Future Generations Act (Wales) 2015

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Denbighshire County Council

Corporate Plan 2017-2022

Working together for the future of Denbighshire

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This document is also available in Welsh, and maybe available in other formats on request.

Language Signpost

Os oes angen mwy o wybodaeth arnoch, gofynnwch i rywun yr ydych yn eu hadnabod sydd yn siarad Cymraeg neu Saesneg ffonio 01824 706291

If you need further information, please ask someone you know who speaks English or Welsh to telephone 01824 706291

Jeżeli potrzebują państwo dalszych informacji, proszę poprosić kogoś, kto mówi po angielsku lub walijsku żeby zadzwonił pod numer 01824 706291

آگر آپ کو مزید معلومات درکار ہوں تو برائے مہربانی انگریزی یا ویلش زبان جاننے والے اپنے کسی واقف کار سے کہیں کہ وہ آپ کی جانب سے فون نمبر 01824 706146 سے رابطہ کریں۔

আপনার যদি আরো তথ্যের প্রয়োজন হয়, তাহলে আপনার জানা ইংরেজী অথবা ওয়েলশ ভাষা বলতে পারেন এমন কাউকে অনুগ্রহ করে 01824 706146 নম্বরে টেলিফোন করতে বলুন

Se você precisar de nova informação, por favor pergunte alguém você sabe quem diz o galês o'r inglês para telefonar 01824 706291

إذا كنت بحاجة إلى مزيد من المعلومات ، يرجى الطلب من شخص ما تعرف من يتحدث الإنجليزية أو الويلزية الهاتف 01824706291

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Denbighshire County Council's Priorities for 2017-2022:

1

Everyone is supported to live in homes that meet their needs

2

Communities are connected and have access to goods and services locally, online or through good transport links

3

The Council works with people and communities to build independence and resilience

4

The environment is attractive and protected, supporting well-being and economic prosperity

5

Younger people want to live and work here, and have the skills to do so

Welcome to the Council's 2017-2022 Corporate Plan

When we published our last Corporate Plan we had promised that it would make a significant and lasting difference to the people and communities of Denbighshire. Over the lifetime of that Corporate Plan we delivered over £200m of investment in improving our schools, leisure and library facilities, roads and flood defences. We achieved this while maintaining our position as one of the highest performing councils in Wales and protecting front-line services from the cuts to local authority budgets. We are now ready to turn that track record of delivery to our new Corporate Plan: 'Working together for Denbighshire's future'.

The overall ambition of this Plan is to ensure that Denbighshire is a place where residents and businesses are well connected and resilient; where young people have opportunities for affordable housing and acquire skills and jobs to lead successful and fulfilling lives and where we all enjoy an attractive and protected environment. Like the last plan, this Corporate Plan contains specific actions that will be delivered over five years but, perhaps even more importantly, these actions are designed to have an impact beyond the next five years with future generations in mind.

Fully implementing this plan would require an additional £135m of investment. At a time of continuing reductions in budgets this is an ambitious amount, but we believe ambition is important. Our ability to attract funding, pool resources with partners and harness the capacity within our communities will give us a good chance of success.

We recognise that the council must work closely with our partners and wider community and that is why the priorities in this Corporate Plan have been directly derived from our County Conversation exercise and consultation with partners. Denbighshire strongly believes in developing a single public service culture, informed by strongly active communities. We will, therefore, actively look at regional and sub-regional solutions and establish a permanent 'Citizens Panel' which will play a key role in both monitoring and helping to steer the implementation of the plan.

Denbighshire, like all local authorities, will continue to face challenges, most notably reducing budgets. We will almost certainly have to take some difficult decisions, including possibly having to cut things that we would rather continue. But that will not stifle our vision of being an excellent council, working with our partners and communities to make a lasting difference for generations to come. This Corporate Plan aims to help achieve that ambition.



Hugh H Evans

Hugh H Evans, OBE
Leader of the Council



Dr Mohammed Mehmet

Dr Mohammed Mehmet
Chief Executive

FINANCE INFO**

Housing:

Everyone is supported to live in homes that meet their needs

It is recognised that there is a need to ensure housing is available to meet the needs of Denbighshire residents and that this is an important factor in retaining or attracting young people to live in the area. During the last Corporate Plan, we made a commitment to develop housing availability and we want to continue and expand on those successes over the course of this new Corporate Plan.

To achieve this we will:

- Support the development of 1000 more homes in Denbighshire by 2022:
 - 170 of these will be Council homes
 - 260 of these will be affordable homes provided by private developers and RSLs
- Provide more Extra Care housing in Denbigh and Ruthin.
- Deliver additional specialist housing to support people with learning disabilities and low level support needs.
- Support young people to access suitable homes they can afford.
- **TBC Over the lifetime of the plan we will bring back XX empty homes into use (i.e. on average XX per year).**

If we are successful we expect to see:

- A wide range of accommodation available to suit different needs.
- Fewer people in residential care homes.
- More people living in their own homes for longer (including people with support needs).
- More young people (up to the age of 35) able to afford housing in Denbighshire.
- More empty dwellings returned to occupation.



Connected Communities:

Communities are connected and have access to goods and services locally, online and through good transport links

Denbighshire understands that access to goods and services is key to maintaining people's independence. However, depending on where you live, this is not always easy. During the course of this new Corporate Plan Denbighshire will make it a priority to ensure that communities throughout the county are connected and have access to the goods and services they need.

To achieve this we will:

- Better enable people to travel to work, education and services.
- Invest in roads and bridges to maintain a viable, sustainable infrastructure.
- Make superfast broadband and mobile networks available to everyone.
- Ensure frequently-requested Council information and complex services that can be provided online will be easy to access.
- Target those most likely to be digitally excluded so they have the skills and means to use digital services.
- Improve infrastructure to make it easier to stage events.

If we are successful we expect to see:

- Improved travel connectivity across the county
- County-wide superfast broadband and mobile networks, including 4G.
- An increased proportion of Council transactions taking place online.
- All residents skilled and confident in accessing goods and services online.



Resilient Communities:

The Council works with people and communities to build independence and resilience



In Denbighshire we aim to promote people's health & well-being and encourage them to remain as independent as possible. In order to do this, we need to work with everyone in the community, to ensure that there are strong support networks in place and ensure people have more involvement in decisions affecting their future well-being. At the same time, we will continue to make sure that people at risk of abuse or exploitation are safeguarded.

To achieve this we will:

- Support people to plan and shape their communities.
- Provide information that supports people's independence and resilience that is easily accessible.
- Ensure people are involved in shaping and improving services.
- Act to reduce Domestic Abuse
- Ensure all carers in Denbighshire are well supported.
- Ensure adults and older people who need health and social care in Denbighshire will experience a seamless service.



If we are successful we expect to see:

- Thriving community groups.
- People will be more resilient and independent.
- Residents feeling informed and empowered to influence services.
- Everyone feeling safe in their community.
- People able to live in their own homes for longer.
- Vulnerable people being supported by their community.



Environment:

Attractive and protected, supporting well-being and economic prosperity

Denbighshire aims to ensure that the environment is both attractive and protected, but also supports community well-being and economic prosperity. To achieve this we will reduce our carbon impact and increase the use of renewables throughout the county. We also plan to increase the biodiversity value of the county by protecting vulnerable species & habitats for the benefit of both wildlife and people who live and visit Denbighshire. Alongside this, Denbighshire aims to raise the profile of the county as a place to hold outdoor events that capitalise on our unique environment.

To achieve this we will:

- Reduce carbon emissions from Council assets by at least 15% by 2022.
- Improve the energy efficiency of the Council's housing stock.
- Increase renewable energy provision across the county, and double the amount of energy that the Council uses from renewable sources.
- Increase the biodiversity quality of important habitats and species across the county.
- Reduce the number of properties at risk of flooding in Denbighshire.
- Raise the profile of the county as a location to visit, in order to capitalise on economic potential.

If we are successful we expect to see:

- Improvements in existing and acquired Council housing energy ratings, achieving an 'Excellent' energy rating for all new builds.
- Double the amount of energy we use in our council buildings that comes from renewable sources.
- Growing numbers of black grouse, little terns, adders, sand lizards & bees.
- 18,000 more trees across Rhyl and Denbigh.
- A reduction in the number of properties at risk of flooding in Denbighshire.
- An increase in the value of tourism spend in the county.



Young People:

A place where younger people will want to live and work and have the skills to do so

We want Denbighshire to be a place where young people can and want to flourish. To do this there must be excellent education provision working alongside a strong employment offer for all. We will work with our partners, schools and businesses to make this happen.

To achieve this we will:

- See that every child achieving the expected standard at the end of primary school (Level 4, Key Stage 2) will achieve 5 GCSEs A*-C (Level 2 Key Stage 4), including English or Welsh (1st language) and Maths, by the end of secondary school.
- Continue to modernise schools via the 21st Century Schools programme.
- Help young people to develop practical 'life skills' and behaviours that contribute to good health and well-being.
- Deliver support for parents that is appropriate and accessible to give our children the best start.
- Provide young people with effective career advice and mentoring.
- Offer young people the opportunity to develop skills for life and work through volunteering opportunities and meaningful work experience.
- Develop greater employment opportunities for younger people.

If we are successful we expect to see:

- All young people being supported to achieve their potential.
- Modern school facilities that further enhance pupils' learning.
- Young people are resilient and have the right skills to prosper.
- Parents can give their children the best start in life, to grow into independent and fulfilled adults.
- Young people make the right choices to prepare them for the work that they want to do, and feel confident and well-supported to enter employment.
- Quality mentoring and work opportunities to help them develop skills.
- An employment offer that appeals to young people and matches their skills.



Key principles in all that we do

Our Equalities Commitment

Our Corporate Plan adopts an approach that we believe will equip the council to deliver significant progress for all, by reducing current inequalities. The principles of equality are embedded throughout the council's functions and services.

During the lifetime of this plan and beyond, we will ensure that all new projects and areas of work will:

- Engage, where appropriate, with groups that represent people with protected characteristics.
- Consider limitations to physical access, in particular with new builds, but also in regards to access to information and services.
- Consider the appropriateness of the facilities that we have available within the council's estate for use by those people with protected characteristics.
- Engage, challenge and, where possible, remove barriers to opportunities (including work) for those with protected characteristics.
- Condemn hate related bullying and harassment.



Working to ensure that the Welsh Language thrives in Denbighshire

We have drawn up our vision for the Welsh Language:

- Denbighshire is a predominantly bilingual county with a rich culture and heritage. We are proud of this and want this pride to be reflected in our day to day interaction with communities, residents and with our staff.
- We are committed to ensuring that the principles of the Welsh Language Standards underpin the way we deliver services to the public; we want people to be able to access services through the language of their choice naturally, at all stages of their lives.
- We want to enhance the bilingual culture and ethos of the organisation, providing training and social opportunities for our staff to work in Welsh and increase their confidence in using the language in the workplace.
- We want to work with partners and the wider communities to ensure that Welsh is a thriving language in Denbighshire.
- We have an ambition to be sector leaders in the development of the Welsh Language in Wales



County Conversation

How the plan was developed

During the summer of 2016, Denbighshire County Council asked people about their long-term, future aspirations for their communities. This coupled with statistics enabled us to draft a list of what Denbighshire residents thought was important. At the end of 2016, we then asked people of Denbighshire to choose the level of importance for each aspiration, with over 1500 responses received. Following the feedback received over phase 1 and 2 of the County Conversation, we were then able to identify priorities for Denbighshire going forward.



Discussions then took place over summer 2017 with staff and colleagues from other organisations (including Health, North Wales Fire & Rescue, Natural Resources Wales) to generate actions under each priority, before presenting the new proposed priorities to the Elected Members of Denbighshire. These priorities and actions were then adopted by the Council and formed the basis of Denbighshire's 2017-2022 Corporate Plan.

Further Consultation & Monitoring

We will continue the County Conversation throughout the life time of this Corporate Plan through Annual Reporting and explaining what we expect to deliver during each year to support our priorities.

In order to contribute to the debate, make comments or suggestions, or to request further information, please feel free to contact the Strategic Planning & Performance Team:



Email: strategicplanningteam@denbighshire.gov.uk



Phone: 01824 706291 (Monday to Friday, 8.30am to 5pm)



Write to us: Strategic Planning & Performance Team, Denbighshire County Council, PO Box 62, Ruthin, LL15 9AZ



Online: [short url address??](#)



Denbighshire County Council

Corporate Plan 2017-2022

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Working together for the future of Denbighshire

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Development of new corporate plan and the PSB's Wellbeing Plan (WIA v4)

Wellbeing Impact Assessment Report

This report summarises the likely impact of a proposal on the social, economic, environmental and cultural well-being of Denbighshire, Wales and the world.

Assessment Number:	78
Brief description:	The Strategic Planning team is responsible for the development of the council's new corporate plan and the PSB's Well-being Plan. The expected publication date is October 2017. The development of the plans requires a collaborative approach with partners, and in particularly Conwy County Borough Council. The project also contains the following work streams: engagement and consultation, needs assessment, joint priority setting.
Date Completed:	15/09/2017 12:54:44 Version: 5
Completed by:	Nicola Kneale
Responsible Service:	Business Improvement & Modernisation
Localities affected by the proposal:	Whole County,

IMPACT ASSESSMENT SUMMARY AND CONCLUSION

Before we look in detail at the contribution and impact of the proposal, it is important to consider how the proposal is applying the sustainable development principle. This means that we must act "in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs."

Score for the sustainability of the approach

Could some small changes in your thinking produce a better result?

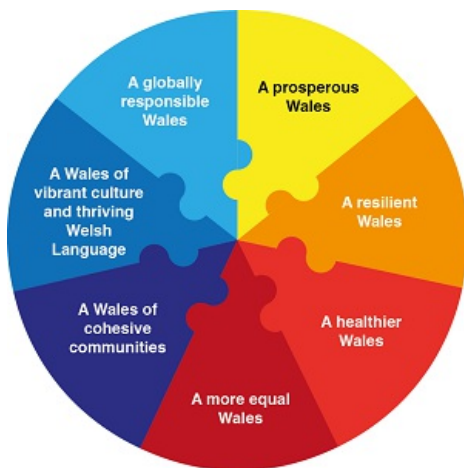


(3 out of 4 stars)

Actual score : 21 / 24.

Summary of impact

Wellbeing Goals



A prosperous Denbighshire	Positive
A resilient Denbighshire	Positive
A healthier Denbighshire	Positive
A more equal Denbighshire	Positive
A Denbighshire of cohesive communities	Positive
A Denbighshire of vibrant culture and thriving Welsh language	Neutral
A globally responsible Denbighshire	Positive

Main conclusions

This impact assessment considers the impact of our approach and proposal to developing the next corporate plan. We have completed phases 1 and 2 of our county conversation and we have worked with the new Council to shape 5 priorities and the ambition for each. Our Sustainable Development score tells us there is more scope to consider the relationship between the LDP (current and proposed, when it is developed) and the draft housing priority. We are confident the new corporate plan will deliver a plan for community resilience through, in part, maximising our assets. However, we feel that the focus of the draft priorities is over the medium term. We need to ensure communities and stakeholders have continued opportunity to be involved in the development of the plan, and indeed in its implementation. The proposed priorities are focussed on community resilience and will prompt alternative approaches to prevent problems from occurring. Overall the impact on the 7 well-being goals is largely positive. We need more information to determine the impact on a more equal Wales, and crucially, what we can do to maximise a positive impact for people with protected characteristics. There are potentially negative consequences on some protected characteristics and these could be addressed and managed to avoid them occurring. We have found there to be a neutral impact on Welsh language and culture, but note that the Welsh Language Strategy underpins all that we do. We have drafted an Equality Commitment, to bring together 'equality principles' that the work of officers could be held against: Our Equality Commitment In all new projects and areas of work the council will:

- Engage, where appropriate, with groups that represent people with protected characteristics.
- Consider limitations to physical access, in particular with new builds, but also in regards to access to information and services.
- Consider the appropriateness of the facilities that we have Page 62 within the council's estate for use by those

people with protected characteristics. • Engage, challenge and, where possible, remove barriers to opportunities (including work) for those with protected characteristics. • Condemn hate related bullying and harassment.

THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

A prosperous Denbighshire

Overall Impact	Positive
Justification for impact	There is plenty of scope to have significant positive impact on the prosperity of Denbighshire.

Positive consequences identified:

We've not got detail at the moment but our proposed set of priorities highlights green technology in support of carbon reduction. This was very important to the community (county conversation). The proposed priorities around connectivity (transport/digital), skills and environment (green technology, natural environment) will support our vision to be thriving county. Links to leisure, tourism, vibrant high streets and so on.

A priority to ensure that people in Denbighshire have skills to work and access jobs either in Denbighshire or surrounding areas in the region/NW England. A focus on the environment could result in green job opportunities.

The new priority around skills focuses on developing people's skills to support people to be ready to work (particularly young people). A stronger focus on community engagement could increase people's participation skills.

The draft priority around connectivity will be critical in ensuring the long term sustainability/resilience of communities (socially and economically).

Unintended negative consequences identified:

We would need to work with communities to understand their aspirations for our environment. Some solutions can be divisive, for instance wind turbines.

A focus on broader skills could result in a loss of focus on attainment. Also, there could be a focus on young people at the expense of other age groups.

The draft connected priority could raise expectations about what is possible. Some infrastructure developments may be outside of the council's control.

We are not clear how the proposed priorities will impact on childcare. If working patterns in Denbighshire change, our childcare provision locally may not meet the needs of parents and carers.

Mitigating actions:

Consider how we can manage expectations about and influence digital infrastructure, and consider implications on childcare (EBD support local businesses, including childcare settings).

A resilient Denbighshire

Overall Impact	Positive
Justification for impact	The overall impact is estimated to be positive. However, it's not clear if the priorities could result in a loss of habitat. It's not clear if the priorities could result in positive or detrimental impacts. Flooding is a risk area that could be linked to a number of the proposed priorities.

Positive consequences identified:

The current priorities reflect the strength of public feeling about our environment and the links to well-being.

There is a pledge to increase the level of green canopy in our urban areas, as per national guidelines. Reducing waste and recycling, and reusing is not featuring in the draft corporate plan - it is being regarded as business as usual.

Green technology for carbon reduction is highlighted in the current set of proposed priorities. Actions around active travel and car share/public transport will have a positive impact on reduced energy/fuel consumption.

Having a corporate priority around environmental issues could contribute to greater awareness and personal ownership of biodiversity and renewable technology.

The draft priority covers flood risk management, with support of Welsh Government.

Unintended negative consequences identified:

No negative consequences identified at the moment but we will re-evaluate this.

An opportunity to influence overall consumption may risk being missed.

Mitigating actions:

As work continues to clarify and confirm activity, we will re-evaluate impact on this goal and consider how it can be designed to remove negative impacts and maximise opportunities.

A healthier Denbighshire

Overall Impact	Positive
Justification for impact	The proposed priorities are focussed on personal and community well-being and resilience and this will contribute to improved health and well-being (physical and mental). There is the potential to maximise opportunities to tackle health inequality (see "a more equal Denbighshire").

Positive consequences identified:

The draft environment priority aims to link tourism and leisure to our environment more strongly. Connectivity is about creating the right environment for people to participate, socialise and lead fulfilled lives. A focus on community facilities is positive because they can support personal and community well-being. Health and well-being work in schools should have a positive impact on CYP's lives.

The draft plan is not proposing to increase access to good quality healthy food.

The draft environment priority is likely to encourage greater participation in leisure . The events priority would mean creating a supportive environment for communities to develop events and participate in events.

The priority around independent and fulfilled lives focuses on mental as well as physical well-being. Skills could involve support around learning life skills, eg managing money, which could reduce stress.

Opportunities to use technology to change the way health care is delivered will be explored under the Connected priority.

Unintended negative consequences identified:

There is no clear link between the draft plan and some of the health issues highlighted by our local assessment of well-being.

Mitigating actions:

Could be scope for greater community involvement in assets. There is no explicit reference to healthy diets and healthcare and this may need consideration. See also "a more equal Denbighshire". Increased use of our environment poses challenges in terms of safeguarding species. Connectivity relies on imaginative transport solutions, and this is a challenge. Need to ensure a joined-up approach to assets.

A more equal Denbighshire

Overall Impact	Positive
Justification for impact	The overall impact is positive, though we recognise there may be areas of inequality that are not directly addressed through DCC's plan. Wrexham CBC is undertaking engagement with 'hard to reach people'/people from people within protected characteristics on behalf of the north Wales PSB region. Digital inclusion/exclusion is complex and will need proper consideration, and to consider how that could affect people's financial well-being. We need to do some work to assess the impact of the activities within the plan on the people with protected characteristics, and this would happen as projects are developed.

Positive consequences identified:

The emerging priorities are addressing some known inequalities and issues in the county (eg housing and young people, digital exclusion....) and the intention is to have a positive impact on people with protected characteristics. We know that people from protected characteristics will be in need of housing. For instance, a new approach to housing could help support people experiencing domestic violence to move earlier and more easily. Housing could be adequate for disabled people. Taking services online can have recognised positive impacts for disabled people, transgender people A better range of stable jobs could result in better incomes and could lead to healthier lifestyles, and a reduction in ill-health (physical and mental). The emerging priorities intend to increase engagement/interaction with our natural environment; to support children and young people with life skills and resilience.

A better range of stable jobs could result in better incomes. Supporting younger people to be "work ready" could help

Unintended negative consequences identified:

A focus on young people's skills could be to the detriment of other age groups (for example, older people). Connectivity need to ensure it can be accessible to all by making use of different approaches and technologies. There is a risk that transport/digital initiatives do not take into account people's needs, and could have negative impacts if it if online services, for instance, are not designed to meet people's needs. If alternative service delivery models are developed, they would need to ensure there is understanding and inclusion of people with protected characteristics. We don't know if there could be a disproportionate negative impact on people with protected characteristics, other than age/disability.

There are serious health inequalities in Denbighshire and across North Wales. It is not clear how Denbighshire's priorities will contribute to tackling health inequality. However, the PSB 's emerging plans are looking at broader public-health type interventions.

We need to understand and maximise where possible, opportunities to tackle poverty.

Mitigating actions:

We have looked at each of the draft corporate priorities in relation to the public duty and the potential impact (negative and positive) on people with protected characteristics. Resilient Communities The Resilient Communities priority does much to tackle key equality concerns,

through user empowerment and involvement in the shaping services. The following elements of the existing corporate plan proposals can appropriately be included in our equality reporting.

1. Ensure people can access the right information first time however they contact the Council
2. Support Carers to help them sustain their roles as carers
3. Facilitate Community Development and Empowerment
4. Strengthen our approach to tackling domestic abuse

Equality Objectives for the purpose of meeting the legislative requirement

1. Ensure that any unjustifiable, unfair and unequal practices in relation to access to information are identified and eliminated.
2. Empower people from all protected groups by involving them in shaping the services they receive and plans for their community.
3. Support survivors and reduce the incidence of domestic abuse.

Connected Communities Digital access to services and Digital Exclusion There would appear to be an argument for further research into prevalence of digital exclusion as experience by different groups protected under the Equality Act. This could then inform the impact assessment of individual projects within this priority.

Transport In previous equality plans we have included work to ensure that busses were accessible to people with mobility impairments. It seems sensible to continue and extend this work to consider what accessibility requirements we would need in relation to tax, community mini-bus and car share schemes that may form part of this priority. In addition we should continue the practice of placing drop curbs on strategic routs as and when maintenance schedules mean that substantial works are carried out on each road.

Equality Objectives for the purpose of meeting the legislative requirement

1. Ensure that any unjustifiable, unfair and unequal practices in relation to access to digital services are identified and eliminated.
2. Ensure that any unjustifiable, unfair and unequal practices in relation to access to transport are identified and eliminated.
3. Ensure strategic routes are made accessible via the use of drop curbs and other adaptations.

Young People Attainment For some time, schools and local authorities have worked to reduce the gap between boy's and girl's attainment. A detailed discussion of this issue and detailed recommendations were produced by ESTYN in 2008. Closing the gap between boys" and girls" attainment in schools - March 2008 Subsequently the Welsh Government provided a response. In Wales the earliest comparable data we have relates to achievement at Key Stage 1 or age 7. Some groups are more likely than others to achieve level 2 in teacher assessments. Examples includes girls were more likely than boys, Chinese and white pupils are more likely than black or Asian pupils and pupils on the SEN (Statement of Educational Needs) register (46%) are significantly less likely than pupils not on the register (81%). The "How Fair is Wales?" document highlights the need to close the gap in attainment "between different socio-economic groups - including that of boys, black, Bangladeshi, and Pakistani pupils, and disabled children." It goes on to point out that, the largest gap is between the levels of attainment of pupils eligible for free school meals compared to those who are not eligible. We have developed equality monitoring as part of our general monitoring of attainment and there appears to be a strong case for continuing this.

Learning Environment The 21st Century schools programme continues to be a key part of our corporate plan. The key concerns in relation to the learning environment should be considered as part of impact assessments of individual projects. These are:

- Access – particularly for people with mobility impairments a range of planning guidance and building regulation can be considered.
- Gendered facilities – the provision of appropriate facilities for trans pupils has been an issue in the past within the county and needs to be considered
- Provision of facilities for Religious worship
- Life skills and Preparing for Work

Research prepared by the Corporate Research and Intelligence Team in 2012 examined disadvantage in engagement in economic opportunities. It found that the key concerns were

- The persistence of historic gender stereotypes around apprenticeship and vocational training
- Low levels of participation in post compulsory education among disabled people
- High levels unemployment among young people
- High level of economically inactive women wanting a job
- Low levels of self-employment among women
- Higher levels of unemployment among men
- Gender pay and earnings gaps
- Occupation and sectoral gender segregation
- Pay gaps for disabled workers and Pakistani and Bangladeshi workers

There is a strong case for reviewing and updating this work during the life of this corporate plan to ensure that any unjustifiable, unfair and unequal practices in relation to access to economic opportunities are identified. Equality Objectives for the purpose of meeting the legislative requirement

1. Ensure that any unjustifiable, unfair and unequal practices in relation to access to economic opportunities are identified and eliminated.

A Denbighshire of cohesive communities

Overall Impact	Positive
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Justification for impact	People being active in their communities and participating emerged as big themes for our communities. The attractiveness of the environment was important to some people as well. Safe communities for children to play and safe facilities/safe places to live emerged to a limited extent, and was more important to some areas than others. We cannot foresee any negative impacts but this needs to be revisited as the process develops.
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Positive consequences identified:

There is a draft priority to achieve cohesive communities, that are strong, caring, safe and resilient. This could be a preventative approach to addressing health issues, including an increased focus on delivering the domestic abuse strategy.

County Conversation is enabling a continual conversation with communities and we have a draft priority around this. We hope connecting young people with local businesses to secure better work experience will lead to greater community participation.

The county conversation initially led to the creation of a draft priority to value and maximise our environmental assets.

Unintended negative consequences identified:

None identified at the moment.

House building can divide opinion and WIAs will be needed as the proposals get underway.

Mitigating actions:

It can be difficult to gain participation from certain communities of interest or place. Denbighshire County Council's new plans around engagement and participation will give us an improved framework to ensuring community cohesion.

A Denbighshire of vibrant culture and thriving Welsh language

Overall Impact	Neutral
Justification for impact	Some older people were concerned about not being able to access services/support through the medium of Welsh. Many people said they valued Welsh language and culture as an asset. However, it is not clear how the current set of priorities will promote and protect the Welsh language hence the overall impact is neutral.

Positive consequences identified:

Support for the Welsh language is a principle that will underpin all the work that we do, and this is explicitly referred to in the Corporate Plan document itself.

Events have the potential to contribute.

Unintended negative consequences identified:

None identified.

Mitigating actions:

We have a Welsh Language Strategy and this strategy will lead on the protection and promotion of

Welsh language in Denbighshire (and will therefore not be a specific priority in its own right for the new corporate plan). However, we need to communicate this clearly. A Welsh Strategy Group and the Welsh in Education Group will consider all of this, including how we support schools to move along the Welsh language continuum. Any increases in affordable housing has the potential to risk or protect the Welsh language.

A globally responsible Denbighshire

Overall Impact	Positive
Justification for impact	Some people were interested in hub/satellite services and using assets so that they are multi-functional (eg a building could be a health clinic on a Monday, a court on a Tuesday), and using assets, like buses, when they are out of use during holidays. Our work to reduce carbon will have an impact on global plans to reduce carbon consumption and increase energy generation. Plans to improve digital connectivity will also contribute positively here.

Positive consequences identified:

We need to find out if there could be positive impacts for local/national/international supply chains. There could be potential as the priorities develop.

Potential positive impacts around employment practices and employer's responsibilities but these discussions are in their early stages.

A greater focus on well-being could impact on health services, housing, education, welfare, and environmental groups.

Unintended negative consequences identified:

None identified at the moment.

Mitigating actions:

We need to explore the issues and opportunities highlighted above as the process develops.

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Report To: Cabinet

Date of Meeting: 26th September 2017

Lead Member / Officer: Julian Thompson-Hill

Report Author: Richard Weigh, Head of Finance

Title: **Corporate Policy: Income, Fees & Charging**

1. What is the report about?

1.1 A policy that sets out the council's approach to income generation and charging for services.

2. What is the reason for making this report?

2.1 The council's approach to raising income should be considered alongside strategic principles and in conjunction with its priorities and key strategies, such as the Medium Term Financial Plan.

3. What are the Recommendations?

3.1 That Cabinet approve the attached document 'Corporate Policy: Income Fees & Charges' (Appendix 1).

4. Report details

4.1 The council budgets annually to raise approximately £48m in various fees and charges (excluding council Tax, business rates and council housing rents). Whilst the procedures and responsibilities for the management of income are clearly laid out in Financial Regulations and are considered as part of the budget process annually, it may be helpful to set out a more corporate position, with strategic principles included, to strengthen the council's approach.

4.2 Appendix 1 (attached) sets out this proposed policy.

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

5.1 A corporate policy on income generation will help inform future decisions affecting corporate priorities. The policy will also help inform Medium Term Financial Plan assumptions.

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

6.1 There are no direct cost implications associated with the approval of the Policy.

- 7. What are the main conclusions of the Well-being Impact Assessment? The completed Well-being Impact Assessment report can be downloaded from the [website](#) and should be attached as an appendix to the report**
- 7.1 This report considers the overarching policy. Individual charging decisions will have to properly consider the wellbeing implications. Section 12 of the Income, Fees & Charging policy states: “Heads of Service will need to ensure that a Wellbeing Impact Assessment has been completed when changes to charging policies or the introduction of new policies are being considered”.
- 8. What consultations have been carried out with Scrutiny and others?**
- 8.1 The Policy was considered by SLT on 7th September 2017. A copy of the Policy has been shared with the Wales Audit Office.
- 9. Chief Finance Officer Statement**
- 9.1 A corporate policy setting the principles to be followed with respect to income generation will strengthen the council’s approach and be beneficial to budget planning.
- 10. What risks are there and is there anything we can do to reduce them?**
- 10.1 Without an overall policy direction, decisions over fees and charges may be inconsistent with the council’s priorities and budget planning processes.
- 11. Powers to make the Decision**
A range of powers are applicable, including:
Local Government Act 2000 (S.93).
Local Government Act 2003
Local Authorities (Goods & Services) Act 1970
Local authorities are required under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs



CORPORATE POLICY:

INCOME GENERATION, FEES & CHARGING

September 2017

1. Policy Framework

This policy establishes guiding principles for income generation and charging for services provided by the council. It aims to embed the general principle that *income from fees and charges should be maximized wherever possible to recover cost, whilst avoiding adverse consequences on other services, corporate objectives and recognizing the value of services delivered to citizens and their ability to pay.*

This policy will help to support the Council's strategic priorities and help inform the assumptions in the Medium Term Financial Plan and revenue budget processes.

1.1 Purpose

The Policy has been developed to ensure that all fees, charges and any concessions for services are understood and are transparent.

It aims to apply all charges consistently across the county unless the Council has made a decision to the contrary based on a business case to do so. The Council is reliant upon income to undertake many of its services and it is therefore crucial that fees, charges and concessions are set, applied and reviewed consistently. All services must comply with this Policy when setting and reviewing fees, charges and concessions.

1.2 Scope

The scope of this policy includes:

- Income generated from fees and charges to the public, business and other organisations;
- Statutory and discretionary services where charging is permissible; and
- Council delivered services, internally and externally traded services, services externalised to a third party (e.g. outsourced or a shared service).

The following sources of income are out of scope:

- Revenue support from central government, including specific grants – the objective of this policy is to reduce the Council's dependence upon revenue support from central government. Grant income needs to be taken account of, however, when calculating cost recovery;
- Council Tax;
- Investment income – this is a specialist area and is dealt with through the Council's Treasury Management Strategy;
- One-off income, such as asset disposals, as these will only deliver an individual income receipt, and may erode existing income streams (e.g. rent, room hire);
- Housing rents and service charges; and
- Fees and charges where the amount is fixed by statute or otherwise outside the Council's control.

2. Background

In recent years, there have been a number of national policy drivers encouraging greater use of charging and more commercial activity within local government. The key pieces of legislation relating to charging and trading for local authorities are:

The Local Government Act 2003:

- Section 93 contains powers for all local authorities to charge for ‘discretionary services’, however the income from charges must not exceed the costs of provision.
- Welsh Government Guidance on the Act states: *‘Any over or under recovery that resulted in a surplus or deficit of income in relation to costs in one period should be addressed by an authority when setting charges for future periods so that over time income equated to costs’.*
- The total cost of provision is made up of all expenditure required to deliver the service including central overheads.
- The recipient of the service must have agreed to its provision and agrees to pay for it.
- Charges may be set differentially, so that different people are charged different amounts.
- However, Section 95 permits local authorities to engage in commercial trading activity for all services and to generate surpluses whereby a local authority’s power to trade is only exercisable through a company. It authorises *‘authorities to do for a commercial purpose anything which they are authorised to do for the purpose of carrying on any of their ordinary functions’.*

The Local Authorities (Goods and Services) Act 1970: allows Local Authorities to provide services for other Local Authorities and to make a profit. This should be used wherever possible.

3. Key Charging Principles

1. All income and charges should be linked to the strategic objectives of the Council.
2. Aim to provide a charge for all services where it is legal and appropriate to do so unless the Council has made a decision to the contrary.
3. Aim to apply all charges consistently across the County unless the Council has made a decision to the contrary, based on a business case to do so.
4. Services should only be subsidised when there is a clear case to do so based on equity and access to services or targeted at specific individuals, groups and/or households. The case will need to be made for all such circumstances in line with the Council’s strategic objectives and be regularly reviewed.
5. If introducing a new charge or making changes to existing charges the Council will engage and consult with relevant stakeholders in order to inform an impact assessment.
6. All charges are assumed to increase annually by the rate of inflation (usually CPI, to be

- determined by the Head of Finance) unless a business case dictates otherwise.
7. When providing services on a commercial basis, ensure the Council competes with market rate.
 8. Charges and methods of payment should be clearly communicated to all stakeholders.
 9. Ensure appropriate arrangements are in place within services to collect all income and manage debt in a timely manner, in line with the Council's Financial Regulations.
 10. Ensure the charging scheme is cost effective to operate with efficient and accessible payment methods available
 11. All service cost recovery should include central overheads (including interest and administrative costs where applicable).

4. Exceptions

The council will aim to provide a charge for all services where it is legal and appropriate to do. In so doing, the following factors should be considered:

- Is there a statutory reason preventing the setting of charges?
- Does the cost of collecting a charge outweigh the costs providing the service?
- Is there an impact or a cost introduced elsewhere due to the charging? For example, fly-tipping as a result of excessive levels of charging for Bulky Waste Collections.
- Is charging for a service linked to the strategic objectives of the Council?
- Has a specific exemption been agreed by the Cabinet or Head of Finance (depending on the scale) not to charge or to recover the full cost?

5. Level of Charge

Where a decision has been made to charge:

- The council will achieve full cost recovery unless there are legal, strategic or contractual reasons for not doing so and;
- The council will generate enough income so that the service meets its costs (including on-costs). If a service does not meet its costs this should be as a result of conscious decision.
- The level of charges should be compared with those of other public, private and third sector services to ensure they reflect current market value. If pricing decisions are made independently of current and future market conditions there is a risk of under or over supplying a service to the public.
- Full use of differential charging, discounting and other alternative pricing structures should be made to maximise commercial benefit and target service take-up amongst particular groups where appropriate.
- The impact of charges on specific groups of users and the wider population needs to be understood to ensure continued access to services and any wider social and

economic consequences

- When providing services on a commercial basis we must ensure that the Council responds in a timely manner to market changes.

6. Income Collection

The council will:

- Use cost effective methods of payment and collecting charges.
- Communicate charges and methods of payments clearly to all stakeholders.
- Ensure all appropriate avenues for making payments and generating income are developed.
- Develop online payment methods and accessibility of services to complement existing payment arrangements.
- Ensure appropriate arrangements are in place within services to collect all income and manage debt in line with Financial Regulations.
- Actively pursue non-payment of any charges and fees.

7. Subsidy

A decision to subsidise a service needs a clear rationale which is likely to include:

1. Providing a wider public benefit
2. Encouraging service take-up

The financial impact of subsidy decisions on the council needs to be identified, both individually and collectively and actively managed and reviewed.

In deciding whether to subsidise services which are also provided by other suppliers on a fully commercial basis, the potential distortion to competition (as set out in EU State Aid regulations) must be fully considered, and legal advice sought where appropriate.

8. Concessions

There are two types of concessions:

- Mandatory and determined by statute
- Discretionary which are wholly within the power of the council.

Discretionary concessions should only be granted if they:

- Charges should be based on ability to pay
- Ensure charges are targeted at specific individuals and/or households.

A business case is required if any new concession scheme is needed and will be approved by

the Head of Service, in consultation with the Head of Finance. This will assure that concession schemes are applied in a consistent and transparent approach across all council services.

The impact of concession schemes should be monitored, reviewed and evaluated.

9. Trading

Services with the ability to achieve full cost recovery on a consistent basis should be encouraged to operate more commercially in order to reduce dependence on revenue support.

This will be done by the preparation of a robust business case following the council's procedures for assessing alternative methods of service delivery.

The impact on current and future income should be fully considered when decisions to commission service provision outside of the council are being taken.

10. Procedure for Introducing or Changing Fees, Charges and Concessions

All new and existing income proposals need to be taken forward through a business case approach to include a clear rationale for charging, the development of charging options, modelling of net benefits, impact and risks.

Heads of Service are responsible for setting and reviewing charges in their respective service area and ensuring that the rates at which charges are consistent with the principles outlined in this policy.

Heads of Service are also responsible for ensuring there has been appropriate consultation with elected members and other stakeholders when reviewing or introducing new charges. It may be prudent to refer certain contentious decisions to elected members, even though the power is delegated to officers in the council's constitution.

Charging policies, including any concessions will be considered annually as part of the revenue budget process.

11. Monitoring and Reviewing

To enhance the income governance arrangements the following steps will be taken (these will enable the council to manage income transparently and make effective decisions):

- All fees and charges will be assumed to increase annually by the rate of inflation (with CPI being the default, to be confirmed annually by the Head of Finance) in the preparation of the budget unless a business case or previous decision dictates otherwise.

- Reviews of all fees and charges will be undertaken as an integral part of the budget process each year and evidenced.
- Maintaining a summary of service fees and charges as a central point of reference as part of the annual budget process.
- In year monitoring of income will continue as part of the monthly financial reporting process to Cabinet.
- Any deviation from applying the set fees and charges can only be done with formal approval (see point 3.6 and Section 10 above).

12. Impact on Equality & Wellbeing

Heads of Service will need to ensure that a Wellbeing Impact Assessment has been completed when changes to charging policies or the introduction of new policies are being considered.

13. Approval and Review of this Policy

This policy is subject to approval by the cabinet. The Policy will be reviewed periodically by the Head of Finance.

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Report To: Cabinet

Date of Meeting: 26th September 2017

Lead Member / Officer: Cllr Julian Thompson-Hill / Richard Weigh, Head of Finance

Report Author: Steve Gadd, Chief Accountant

Title: Revised Minimum Revenue Provision (MRP) Policy 2017/18

1. What is the report about?

Following a review of the Council's current MRP Policy it has been identified that by changing the method for making the MRP a significant saving opportunity would be delivered. The proposed change also introduces a more equitable method for apportioning the costs associated with the capital programme.

2. What is the reason for making this report?

The purpose of the report is to seek approval for a revision to the MRP Policy for 2017/18.

3. What are the Recommendations?

3.1 Members are requested to approve and recommend to County Council the revisions to the MRP policy for 2017/18:-

3.1.1 Policy for 2017/18 – Option 3 (Asset Life Method – straight line) to be used for calculating MRP on outstanding supported borrowing as at 31 March 2017. The calculation will be the 'straight line' method over 50 years. This represents a change from Option 1 (Regulatory Method) as approved by Council on 14 February 2017.

3.1.2 Policy for 2017/18 – Option 3 (Asset Life Method – straight line) to be used for calculating MRP on Supported borrowing incurred on or after 1 April 2017. The calculation will be the 'straight line' method over an appropriate number of years, dependent on the period of time that the capital expenditure is likely to generate benefits. This also represents a change from Option 1.

3.1.3 Policy for 2017/18 – Option 3 (Asset Life Method –straight line) to be used for calculating MRP on all capital expenditure funded from unsupported borrowing. This represents a continuation of the approved policy.

3.2 Members are requested to approve the use of the cash saving in 2017/18 and the recurring budget saving from 2018/19 as set out in the latest version of the Medium Term Financial Plan and summarised below:-

3.2.1 2017/18 Cash Saving – it is recommended that the cash saving of £1.861m is placed in the Budget Mitigation Reserve in order to help mitigate the effects of budget reductions in 2018/19.

3.2.2 Ongoing saving of from 2018/19 – it is recommended to reduce the capital financing budget by £1.861m as part of the strategy to balance the 2018/19 budget.

4. Report details

4.1 Local Authorities are required to set aside some of their revenue resources as provision for the repayment of debt annually. Regulations require an authority to make an amount of minimum revenue provision (MRP) each year which it considers to be prudent. Proper practice expects that the Council agrees a statement of its policy prior to the start of each financial year.

4.2 Members will be acutely aware of the continuing need to make budget reductions to close the annual resource shortfall to ensure that a balanced budget can be set each year.

4.3 Budget reductions generally take the form of efficiency savings made by services, cuts to services, or the raising of additional income through fees and charges. Many budget reductions impact on employment either directly through Council jobs (non-replacement of staff or redundancy), or indirectly through externally procured services. It is therefore very important to consider what other forms of budget reductions can be achieved which will protect both our services to the public and employment.

4.4 As part of the budget strategy for 2018/2019 officers have been critically reviewing the current MRP Policy. The Medium Term Financial Plan has included an estimate of savings from this review of £2m budget reduction from 2018/19 and £2m cash savings from implementing the policy in 2017/18. This has resulted in a reduction of the savings target for services of £4m for the current annual budget cycle to set the 2018/19 budget. The difference between the estimated saving and the actual saving will be covered by additional efficiencies identified within Corporately held budgets.

4.5 Appendices 1 and 2 to this report set out the technical information relevant to treasury management generally and MRP specifically and provides the information to support a change to our current Policy.

4.6 A large number of English authorities and a growing number of Welsh authorities have also reflected on the need to include a review of their MRP policies as a way by which significant budget reductions can be achieved without impacting on services.

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?

The proposed change will release £1.861m cash saving in 2017/18 and an ongoing budget reduction of £1.861m. As set out above, without these savings services would need to identify a further £3.722m worth of cuts and savings which would equate to 6.8% of unprotected service budgets.

7. What are the main conclusions of the Well-being Impact Assessment?

A Wellbeing Assessment is included at Appendix 3.

The Well-being of Future Generations (Wales) Act 2015, places a requirement to:-

‘act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs’.

It also requires that authorities take account of, amongst other things:

‘the importance of balancing short term needs with the need to safeguard the ability to meet long term need’.

The recommendation to change the MRP policy for supported capital expenditure from reducing balance to straight line ensures that the costs are spread more evenly amongst the taxpayers benefiting from the capital expenditure. This is not considered as compromising the ability of future generations to meet their own needs merely that future generations pay for assets from which they benefit.

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

8.1 The changes have been recommended following a review of the MRP policy by the Council’s treasury management advisors and senior Finance Officers.

8.2 The Joint Council for Wales have urged local authorities to look at their MRP policies as one form of mitigation for the pressures on local government funding.

8.3 Welsh Audit Office have issued a letter on 7 January 2016 confirming that as stated in the regulations “the responsibility for determining what is prudent MRP lies with the Authority. It is not the role of the external auditor to determine for the authority what is prudent.” However as our external auditors WAO will review our approach as part of the audit of the 2017/18 Statement of Accounts to ensure that we have complied with all our statutory duties. The local WAO team are being kept informed of progress.

9. Chief Finance Officer Statement

9.1 It is important that the Council maximise opportunities to save money in ways that do not negatively affect Council staff, service provision or charges to the public.

9.2 However it is equally important that the Council complies with its statutory duty to set a prudent MRP policy which is properly supported by adequate evidence and professional advice. Appendices 1 and 2 to this report sets out that evidence.

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

The decision to change MRP policy has long term effects that cannot be readily undone. There also remains a risk that WAO may challenge the approach during their audit of the 2017/18 Statement of Accounts.

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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1. BACKGROUND TO CAPITAL EXPENDITURE AND FINANCING

- 1.1 Capital expenditure is legally defined as 'expenditure to acquire, enhance or prolong the useful life of non-current assets' which is expenditure on assets which have a life expectancy of more than one year e.g. buildings, infrastructure improvements, vehicles, machinery etc. Section 16 of the Local Government Act 2003 provides a definition of capital expenditure and states that any form of capital expenditure must be in accordance with proper practice.

Capital expenditure is funded from a combination of capital receipts, revenue contributions, general capital grant, scheme specific grants, and debt in the form of borrowing or other long term financing arrangements such as leasing.

Borrowing can either be:

- Supported borrowing - funding is provided by Welsh Government (WG) through the Revenue Support Grant (RSG) to cover the revenue debt financing costs of interest and repayment costs, or
 - Unsupported borrowing (commonly referred to as prudential borrowing)
 - Councils have the freedom to determine the level of borrowing considered affordable in revenue debt financing costs with no support from WG.
- 1.2 The annual charge to the revenue account for repaying debt is known as the Minimum Revenue Provision (MRP). The following regulations refer to this charge:-
- Local Authorities are required each year, under the Capital Finance and Accounting Wales Amendment Regulations 2008, to set aside some of their revenue resources as provision for the repayment of debt.
 - Regulation 22 of the 2008 Regulations requires an authority to make an amount of MRP each year which it considers to be "prudent", although the Regulations themselves do not define "prudent provision".
 - Regulation 21(B) of the 2008 Regulations requires local authorities to have regard to guidance issued by Government.
- 1.3 Welsh Government has issued guidance for the setting of MRP policy. It states that the broad aim of prudent provision is to ensure that the debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by WG, reasonably commensurate with the period implicit in the determination of that grant.

The WG guidance provides 4 options for making "prudent provision" outlined below but states in its supporting commentary that:

“The options are those likely to be most relevant for the majority of authorities but other approaches are not meant to be ruled out, provided they are fully consistent with the statutory duty to make prudent revenue provision. Authorities must always have regard to the guidance, but having done so, may in some cases consider that a more individually designed MRP approach is justified.

The decision on what is prudent is for the Authority and it is not for the Welsh Government to say in particular cases whether any proposed arrangement is consistent with the statutory duty.”

1.4 In a recent letter to all local authorities the Auditor General for Wales concurred that it is for each authority to determine what a “prudent” policy is.

1.5 **Options for Prudent Provision within WG Guidance**

1.5.1 Option 1 - Regulatory Method

For capital expenditure funded from supported borrowing which is supported through funding in the RSG, authorities may continue to use the formula specified in the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (the regulations which preceded the 2008 Regulations).

1.5.2 Option 2 - Capital Financing Requirement (CFR) Method

For capital expenditure funded from supported borrowing which is supported through funding in the RSG, the MRP is calculated as 4% of the Capital Financing Requirement at the 1st of April in a year.

1.5.3 Option 3 - Asset Life Method

MRP is calculated using annual instalments over the estimated life of the asset.

This can be calculated using the “straight line” method or the “annuity” method. To illustrate the difference, as an example an asset which is purchased at a cost of £4m which has an estimated useful life of 50 years:

- Straight line method - equal annual MRP charge £4m / 50 years = £80,000.
- Annuity or inflation method – annual MRP charge that takes the time value of money in the form of inflation into consideration in respect of the above

Year 1 = £47k
Year 2 = £48k
Year 3 = £49k
Year 4 = £50k
Year 5 = £51k
etc.

1.5.4 Option 4 - Depreciation Method

Alternatively, provision is made in accordance with the standard rules for depreciation accounting. The method is similar to option 3 above.

WG guidance requires that either option 3 or 4 be used for all capital expenditure which is to be financed by unsupported borrowing or other long term liabilities. Options 1 and 2 are not permitted for this use.

1.6 Denbighshire's Current MRP Policy

The Council's current MRP policy is as follows:

- Capital expenditure funded by supported borrowing on the basis of Option 1 – Regulatory Method.
- Capital expenditure funded by unsupported (prudential) borrowing on the basis of Option 3 - Asset Life Method.
- MRP on housing assets funded through Prudential Borrowing is charged at 5% of the HRA'S CFR. MRP on all other items such as the buy-out and new builds are charged at 2% of the HRA CFR.

The table below shows the amount of outstanding capital expenditure which needs to be repaid as at the 31 March 2017:

TABLE 1

Item	£m
Outstanding capital expenditure funded by supported borrowing – Council Fund	101.295
Outstanding capital expenditure funded by unsupported (prudential) borrowing – Council Fund	71.542
Outstanding Capital Expenditure - HRA	68.017
Total outstanding capital expenditure – Capital Financing Requirement	240.854

1.7 Review of the Council's MRP Policy

1.7.1 WG recommend that before the start of the financial year a statement of the policy on making MRP in that financial year be approved by full council. Each year the policy is reviewed and this year given the current financial position consideration was given as to whether savings could be made on MRP whilst still complying with regulation.

A review of the policy was undertaken by the Council's treasury management advisors, Arlingclose, who have completed similar MRP reviews for other English and Welsh Councils.

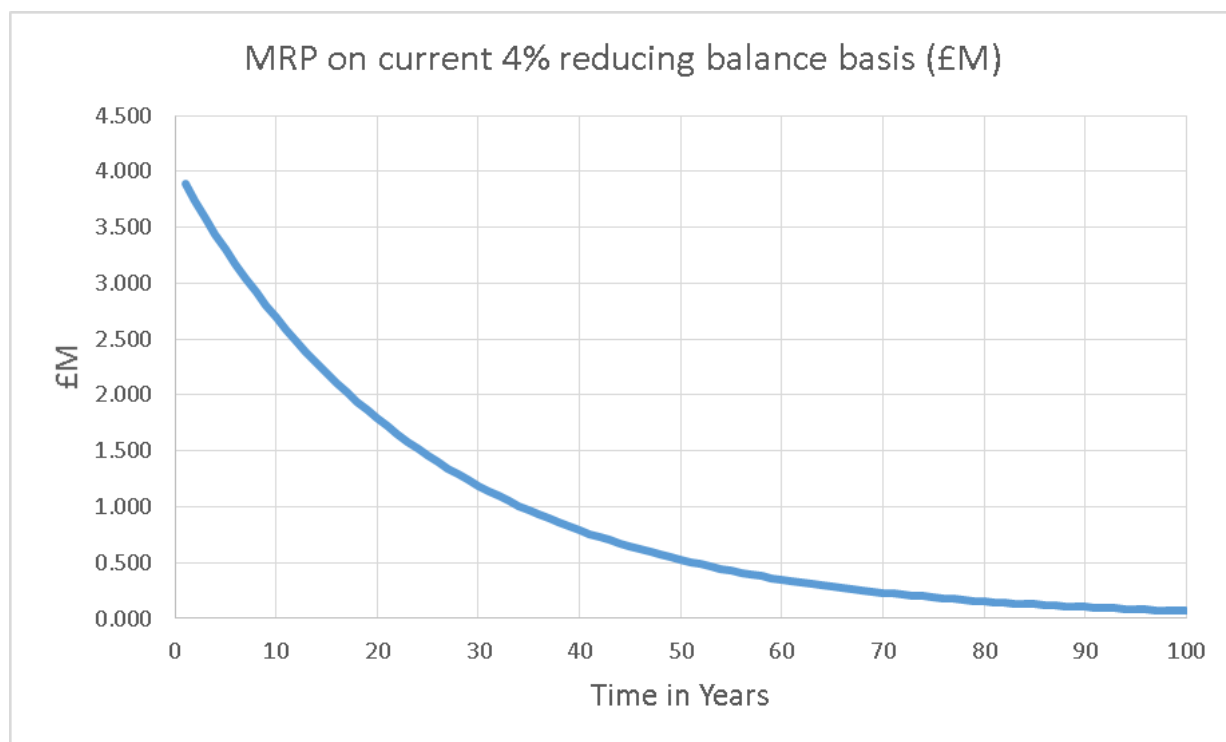
1.7.2 The current policy for unsupported (prudential) borrowing was reviewed and it was considered that the current Asset Life Method was appropriate and provided the most prudent approach so this will remain unchanged.

1.7.3 For supported borrowing a comparison of the options available was undertaken and included:

- 4% reducing balance (option 2),
- straight line – equal repayment (option 3), and
- annuity / inflationary method (option 3),

1.7.4 4% Reducing Balance Method

The method implies that borrowing will be repaid over a 25 year period (in that $100\% / 4\% = 25$), however as the calculation applies the 4% to the reducing balance it takes much more than 25 years to fully repay the borrowing.



The graph and Table 2 below shows the MRP repayment profile of the £101m (including £4m Adjustment A) capital expenditure funded by supported borrowing and outstanding as at 31 March 2017.

Table 2 below provides information relating to the first five years of the full analysis shown in Appendix 2.

TABLE 2

Year	Annual MRP £m	Outstanding Capital Expenditure £m
2017/18	3.887	93.288
2018/19	3.731	89.557
2019/20	3.582	85.975
2020/21	3.439	82.536
2021/22	3.302	79.234

In 50 years' time £13m of capital expenditure will still be outstanding, and in 100 years' time £1.6 will be outstanding. It would take 169 years before the balance is below £0.1m. Using Option 1, the regulatory method also means that there will always be £4.1m of capital expenditure outstanding, the equivalent of permanent Adjustment A. This supports the view that this method is not the most prudent option to take.

The method is commensurate with the methodology used in the RSG to allocate revenue funding from WG for supported borrowing. The 4% reducing balance method is used to allocate funding for the repayment of capital expenditure and it also includes funding to cover the notional interest costs on borrowing equal to the outstanding CFR on supported borrowing. However, Councils are responsible for determining their own levels of expenditure on services and no part of the RSG is earmarked for any particular service.

1.7.5 Straight Line Method

The method calculates an equal annual MRP charge to the revenue account over the useful estimated life of an asset.

For all new capital expenditure funded from supported borrowing the charge will be based on the asset life so will be straight forward.

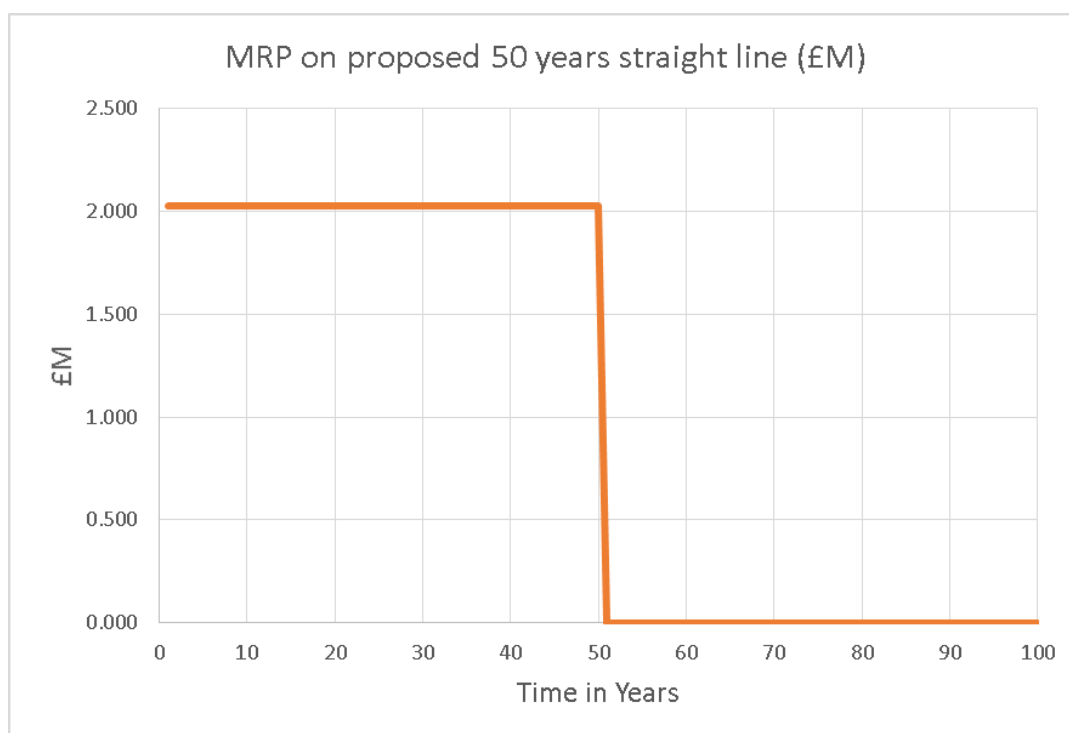
For historic capital expenditure the outstanding balance of £101m has built up over a long period of time and cannot be tied back directly to specific assets.

So for historic debt it has been necessary to identify a proxy for the average life of the assets represented by the outstanding balance.

The closest proxy to determine the average asset life are the assets currently held by the Council which are detailed on the asset register as at 31 March 2017. The category of assets most representative are operational Land and

Buildings and the calculation was based on the weighted average life with land being allocated a useful life of 125 years (land does not depreciate so is not allocated a life on the register). The calculation assessed an asset life of nearly 60 years. However, a prudent approach would be to use a lower asset life and one that is comparable with other Councils which is 50 years.

The repayment of the £101m historical capital expenditure funded by supported borrowing would be over 50 years, annual charge £2.026m. After 50 years the balance will have been fully repaid.



1.7.6 Annuity / Inflation Method

The method is similar to straight line in that MRP is charged to revenue over the assets useful life and fully repaid at the end of the useful life. An annuity rate is set for the period to reflect that over time the value of money decreases due to inflation. This produces a consistent and “real” charge to the tax payer of using the asset over its life, however, at today’s prices it is an increasing charge. 2% is the rate commonly used, being the Bank of England’s target rate of inflation. With this option the MRP rises over time.

1.8 Conclusions

1.8.2 The annuity/inflation method is not suitable from a budgetary perspective and as costs are weighted towards the latter part of the repayment period future generations will be paying more for assets that are being utilised today which does not meet the requirements of the Well Being of Future Generations Act. Therefore this method has been excluded.

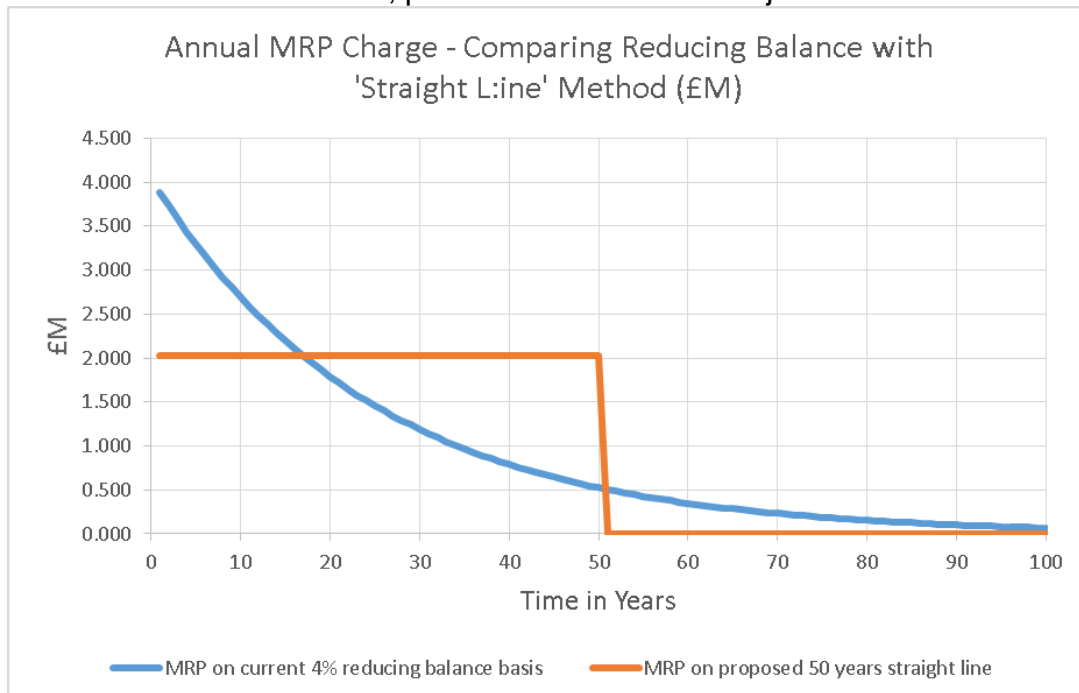
1.8.3 Under the 4% reducing balance method the costs are weighted towards the early part of the repayment period and future generations will still be paying in the

year 2186. This method does not represent a fair way to spread the costs for the use of the Council's assets. This method is prudent as more of the asset is repaid earlier but on a cost share basis it is not equitable.

- 1.8.4 The straight line method is more closely aligned to the life of the Council's assets and costs are spread more evenly among tax payers who will benefit from the assets. This method is prudent and more equitable on a cost share basis.
- 1.8.5 Based on the conclusions above the preferred method is the straight line method.
- 1.8.6 The recommendation is to change the repayment profile of the outstanding balance of supported borrowing of £101m as at 31 March 2017 to the straight line method repaid over 50 years.
- 1.8.7 New capital expenditure funded by supported borrowing incurred from 2017/18 onwards be repaid over the life of the asset.
- 1.8.8 This represents an in year change to the MRP policy from option 1 - Regulatory method to option 3 asset life method.

2. RESOURCE IMPLICATIONS

- 2.1 The base budget can reduce if Members support the recommendation, this would produce a recurring saving of £1.861m.
- 2.2 A full 100 year analysis comparing the 2 methods is shown in Appendix 2 and summarised in the Chart below. This shows that by changing to the straight line method there are savings compared to the existing method in years 1 – 16, additional costs in years 17 - 50 and further savings in years 51 – 100. It also shows that there would still be an outstanding balance of £1.6m by 2116/17 under the current method, plus £4m in relation to Adjustment A.



2.3 For capital expenditure incurred from 1 April 2016 onwards which is funded from supported borrowing, the MRP calculation will be based on asset life so could vary from 5 years to 50 years. The table below shows the differences in MRP charges for both methods and shows examples of varying asset lives, based on the 2017/18 supported borrowing allocation of £3.025m from WG:

TABLE 3

MRP Charge	4% Reducing Balance (£'000)	Straight Line - 25 year life (£'000)	Straight Line - 35 year life (£'000)	Straight Line - 50 year life (£'000)
2017/18	121	121	86	61
2018/19	116	121	86	61
2019/20	112	121	86	61
2020/21	107	121	86	61

Going forward an assessment will be made of the additional MRP pressure for the following financial years based on our capital spend and the allocated supported borrowing from Welsh Government. An appropriate revenue business case will therefore be submitted annually to reflect capital financing pressures arising from the capital programme.

2.4 There are no resource implications other than financial.

3. LIST OF ACCESSIBLE BACKGROUND DOCUMENTS

3.1 Various Welsh Government papers, including:

- Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003.
- Capital Finance and Accounting Wales Amendment Regulations 2008.
- Guidance on Minimum Revenue Provision.
- The Well-being of Future Generations (Wales) Act 2015.

4. GLOSSARY OF TERMS

Capital Expenditure: Expenditure on the acquisition of non-current assets or expenditure that extends the life or value of an existing asset

Capital Financing Requirement (CFR): A measure of the capital expenditure incurred that has yet to be financed from capital receipts, capital grants or revenue financing.

Minimum Revenue Provision (MRP): A charge made to revenue to repay outstanding capital expenditure. Authorities must determine their own prudent

MRP charge each year, taking into consideration statutory guidance issued by the Government.

Prudential Code: The code of practice drawn up by the Chartered Institute of Public Finance and Accountancy (CIPFA) to underpin the requirements of the Local Government Act 2003 in respect of an authority's duty to determine the affordability, prudence and sustainability of its capital investment needs.

Revenue Expenditure: All expenditure incurred by an authority that cannot be classified as capital expenditure

Revenue Support Grant (RSG): Is paid to each authority from the Welsh Government as a contribution towards the cost of providing services.

Unhypothecated Supported Borrowing (USB), commonly referred to as Supported Borrowing: Each year WG provides Councils with a Supported Borrowing allocation. WG then includes funding to cover the revenue costs associated with the supported borrowing for future years within the RSG. The Council decides how this funding is spent.

Prudential Borrowing and the Prudential Code. Authorities set their own policies on acceptable levels and types of borrowing with regard to the approved level of capital expenditure. The main objectives of the code are to ensure the strategy approved is prudent, affordable and sustainable.

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APPENDIX 2

MRP 100 YEAR ANALYSIS - 4% REDUCING BALANCE AND 50 YEAR STRAIGHT LINE

CFR @31/03/17 - Capital Expenditure (Council Fund) - revised
Adjustment A

£
101,295,089.22
(4,119,682.92)
97,175,406.30

YEAR		CFR	MRP on current 4% reducing balance basis	MRP on proposed 50 years straight line	Additional cost / (savings)
		£	£	£	£
1	2017/18	97,175,406.30	3,887,016.25	2,025,901.78	(1,861,114.47)
2	2018/19	93,288,390.05	3,731,535.60	2,025,901.78	(1,705,633.82)
3	2019/20	89,556,854.44	3,582,274.18	2,025,901.78	(1,556,372.39)
4	2020/21	85,974,580.27	3,438,983.21	2,025,901.78	(1,413,081.43)
5	2021/22	82,535,597.06	3,301,423.88	2,025,901.78	(1,275,522.10)
6	2022/23	79,234,173.17	3,169,366.93	2,025,901.78	(1,143,465.14)
7	2023/24	76,064,806.25	3,042,592.25	2,025,901.78	(1,016,690.47)
8	2024/25	73,022,214.00	2,920,888.56	2,025,901.78	(894,986.78)
9	2025/26	70,101,325.44	2,804,053.02	2,025,901.78	(778,151.23)
10	2026/27	67,297,272.42	2,691,890.90	2,025,901.78	(665,989.11)
11	2027/28	64,605,381.52	2,584,215.26	2,025,901.78	(558,313.48)
12	2028/29	62,021,166.26	2,480,846.65	2,025,901.78	(454,944.87)
13	2029/30	59,540,319.61	2,381,612.78	2,025,901.78	(355,711.00)
14	2030/31	57,158,706.83	2,286,348.27	2,025,901.78	(260,446.49)
15	2031/32	54,872,358.55	2,194,894.34	2,025,901.78	(168,992.56)
16	2032/33	52,677,464.21	2,107,098.57	2,025,901.78	(81,196.78)
17	2033/34	50,570,365.64	2,022,814.63	2,025,901.78	3,087.16
18	2034/35	48,547,551.02	1,941,902.04	2,025,901.78	83,999.74
19	2035/36	46,605,648.98	1,864,225.96	2,025,901.78	161,675.83
20	2036/37	44,741,423.02	1,789,656.92	2,025,901.78	236,244.86
21	2037/38	42,951,766.10	1,718,070.64	2,025,901.78	307,831.14
22	2038/39	41,233,695.45	1,649,347.82	2,025,901.78	376,553.97
23	2039/40	39,584,347.63	1,583,373.91	2,025,901.78	442,527.88
24	2040/41	38,000,973.73	1,520,038.95	2,025,901.78	505,862.84
25	2041/42	36,480,934.78	1,459,237.39	2,025,901.78	566,664.39
26	2042/43	35,021,697.39	1,400,867.90	2,025,901.78	625,033.89
27	2043/44	33,620,829.49	1,344,833.18	2,025,901.78	681,068.60
28	2044/45	32,275,996.31	1,291,039.85	2,025,901.78	734,861.93
29	2045/46	30,984,956.46	1,239,398.26	2,025,901.78	786,503.53
30	2046/47	29,745,558.20	1,189,822.33	2,025,901.78	836,079.46
31	2047/48	28,555,735.87	1,142,229.43	2,025,901.78	883,672.35
32	2048/49	27,413,506.44	1,096,540.26	2,025,901.78	929,361.53
33	2049/50	26,316,966.18	1,052,678.65	2,025,901.78	973,223.14
34	2050/51	25,264,287.53	1,010,571.50	2,025,901.78	1,015,330.28
35	2051/52	24,253,716.03	970,148.64	2,025,901.78	1,055,753.14
36	2052/53	23,283,567.39	931,342.70	2,025,901.78	1,094,559.09
37	2053/54	22,352,224.70	894,088.99	2,025,901.78	1,131,812.80
38	2054/55	21,458,135.71	858,325.43	2,025,901.78	1,167,576.36
39	2055/56	20,599,810.28	823,992.41	2,025,901.78	1,201,909.37
40	2056/57	19,775,817.87	791,032.71	2,025,901.78	1,234,869.07
41	2057/58	18,984,785.15	759,391.41	2,025,901.78	1,266,510.38
42	2058/59	18,225,393.75	729,015.75	2,025,901.78	1,296,886.03
43	2059/60	17,496,378.00	699,855.12	2,025,901.78	1,326,046.66
44	2060/61	16,796,522.88	671,860.92	2,025,901.78	1,354,040.87
45	2061/62	16,124,661.96	644,986.48	2,025,901.78	1,380,915.31
46	2062/63	15,479,675.48	619,187.02	2,025,901.78	1,406,714.76
47	2063/64	14,860,488.47	594,419.54	2,025,901.78	1,431,482.25
48	2064/65	14,266,068.93	570,642.76	2,025,901.78	1,455,259.03
49	2065/66	13,695,426.17	547,817.05	2,025,901.78	1,478,084.74
50	2066/67	13,147,609.12	525,904.36	2,025,901.78	1,499,997.42
51	2067/68	12,621,704.76	505,818.19	2,025,901.78	(504,868.19)

YEAR		CFR	MRP on current 4% reducing balance basis	MRP on proposed 50 years straight line	Additional cost / (savings)
52	2068/69	12,116,836.57	484,673.46		(484,673.46)
53	2069/70	11,632,163.10	465,286.52		(465,286.52)
54	2070/71	11,166,876.58	446,675.06		(446,675.06)
55	2071/72	10,720,201.52	428,808.06		(428,808.06)
56	2072/73	10,291,393.46	411,655.74		(411,655.74)
57	2073/74	9,879,737.72	395,189.51		(395,189.51)
58	2074/75	9,484,548.21	379,381.93		(379,381.93)
59	2075/76	9,105,166.28	364,206.65		(364,206.65)
60	2076/77	8,740,959.63	349,638.39		(349,638.39)
61	2077/78	8,391,321.24	335,652.85		(335,652.85)
62	2078/79	8,055,668.40	322,226.74		(322,226.74)
63	2079/80	7,733,441.66	309,337.67		(309,337.67)
64	2080/81	7,424,103.99	296,964.16		(296,964.16)
65	2081/82	7,127,139.83	285,085.59		(285,085.59)
66	2082/83	6,842,054.24	273,682.17		(273,682.17)
67	2083/84	6,568,372.07	262,734.88		(262,734.88)
68	2084/85	6,305,637.19	252,225.49		(252,225.49)
69	2085/86	6,053,411.70	242,136.47		(242,136.47)
70	2086/87	5,811,275.23	232,451.01		(232,451.01)
71	2087/88	5,578,824.22	223,152.97		(223,152.97)
72	2088/89	5,355,671.25	214,226.85		(214,226.85)
73	2089/90	5,141,444.40	205,657.78		(205,657.78)
74	2090/91	4,935,786.63	197,431.47		(197,431.47)
75	2091/92	4,738,355.16	189,534.21		(189,534.21)
76	2092/93	4,548,820.96	181,952.84		(181,952.84)
77	2093/94	4,366,868.12	174,674.72		(174,674.72)
78	2094/95	4,192,193.39	167,687.74		(167,687.74)
79	2095/96	4,024,505.66	160,980.23		(160,980.23)
80	2096/97	3,863,525.43	154,541.02		(154,541.02)
81	2097/98	3,708,984.41	148,359.38		(148,359.38)
82	2098/99	3,560,625.04	142,425.00		(142,425.00)
83	2099/00	3,418,200.04	136,728.00		(136,728.00)
84	2100/01	3,281,472.03	131,258.88		(131,258.88)
85	2101/02	3,150,213.15	126,008.53		(126,008.53)
86	2102/03	3,024,204.63	120,968.19		(120,968.19)
87	2103/04	2,903,236.44	116,129.46		(116,129.46)
88	2104/05	2,787,106.98	111,484.28		(111,484.28)
89	2105/06	2,675,622.70	107,024.91		(107,024.91)
90	2106/07	2,568,597.80	102,743.91		(102,743.91)
91	2107/08	2,465,853.88	98,634.16		(98,634.16)
92	2108/09	2,367,219.73	94,688.79		(94,688.79)
93	2109/10	2,272,530.94	90,901.24		(90,901.24)
94	2110/11	2,181,629.70	87,265.19		(87,265.19)
95	2111/12	2,094,364.51	83,774.58		(83,774.58)
96	2112/13	2,010,589.93	80,423.60		(80,423.60)
97	2113/14	1,930,166.34	77,206.65		(77,206.65)
98	2114/15	1,852,959.68	74,118.39		(74,118.39)
99	2115/16	1,778,841.30	71,153.65		(71,153.65)
100	2116/17	1,707,687.64	68,307.51		(68,307.51)
	CFR O/S	1,639,380.14	1,639,380.14		(1,639,380.14)
	ADJ A	4,119,682.92	4,119,682.92		(4,119,682.92)
			101,295,089.22	101,295,089.22	0.00

Review of Minimum Revenue Provisions Policy

Wellbeing Impact Assessment Report

This report summarises the likely impact of a proposal on the social, economic, environmental and cultural well-being of Denbighshire, Wales and the world.

Assessment Number:	290
Brief description:	Proposal to Cabinet to review the present MRP policy and proposing a new method that will deliver a significant saving opportunity.
Date Completed:	Version: 0
Completed by:	
Responsible Service:	Finance
Localities affected by the proposal:	Not Applicable,

IMPACT ASSESSMENT SUMMARY AND CONCLUSION

Before we look in detail at the contribution and impact of the proposal, it is important to consider how the proposal is applying the sustainable development principle. This means that we must act "in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs."

Score for the sustainability of the approach

Could some small changes in your thinking produce a better result?



(3 out of 4 stars)

Actual score : 20 / 24.

Summary of impact

Wellbeing Goals



A globally responsible Wales	A prosperous Denbighshire	Positive
A Wales of vibrant culture and thriving Welsh Language	A resilient Denbighshire	Positive
A Wales of cohesive communities	A healthier Denbighshire	Neutral
A more equal Wales	A more equal Denbighshire	Neutral
A healthier Wales	A Denbighshire of cohesive communities	Neutral
A resilient Wales	A Denbighshire of vibrant culture and thriving Welsh language	Neutral
A globally responsible Wales	A globally responsible Denbighshire	Positive

Main conclusions

THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

A prosperous Denbighshire

Overall Impact	Positive
Justification for impact	An effective Minimum Revenue Provision (MRP) Policy will contribute towards the Council's goal of maximising income and minimising costs which supports efficient service delivery.

Positive consequences identified:

The Council is required by regulations to make an annual charge to the revenue account for repaying debt and this is known as the Minimum revenue provision (MRP). The Council sets its policy prior to each financial year and the policy is approved by Council. The Welsh Government has issued guidance and DCC complies with the guidance which aims for a prudent provision and to ensure that the debt is repaid over a period. In line with Other Local Authorities, the Council has reviewed its policy with an objective to keep a prudent provision but to make savings. It is important that the Council maximise opportunities to save money in ways that do not negatively affect Council staff, service provision or charges to the public.

Savings that do not effect staffing levels help ensure and protect quality council jobs over the coming years.

Unintended negative consequences identified:

Mitigating actions:

A resilient Denbighshire

Overall Impact	Positive
Justification for impact	The new policy is still prudent and affordable but produces cash and budget savings.

Positive consequences identified:

The recommendation to change the MRP policy for supported capital expenditure from reducing balance to straight line ensures that the costs are spread more evenly amongst the taxpayers benefiting from the capital expenditure. This is not considered as compromising the ability of future generations to meet their own needs merely that future generations pay for assets from which they benefit.

Unintended negative consequences identified:

Mitigating actions:

A healthier Denbighshire

Overall Impact	Neutral
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Justification for impact	The Policy contributes to the overall financial health of Denbighshire and therefore supports the delivery of the annual budget which support the provision of front line services.
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Positive consequences identified:

The proposals have little or no direct impact on the vast majority of residents as the proposal involves changing the method of calculating the MRP.

Unintended negative consequences identified:

Mitigating actions:

A more equal Denbighshire

Overall Impact	Neutral
Justification for impact	A prudent MRP policy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority without impacting on residents.

Positive consequences identified:

An efficient MRP Policy contributes to the financial resilience of the Council and supports service delivery.

Unintended negative consequences identified:

Mitigating actions:

A Denbighshire of cohesive communities

Overall Impact	Neutral
Justification for impact	A prudent MRP policy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority without impacting on residents.

Positive consequences identified:

Unintended negative consequences identified:

Mitigating actions:

A Denbighshire of vibrant culture and thriving Welsh language

Overall Impact	Neutral
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Justification for impact	A prudent MRP policy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority without impacting on residents. It has no direct impact on the language and culture because MRP decisions are based on regulations and technical advice.
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Positive consequences identified:

Unintended negative consequences identified:

Mitigating actions:

A globally responsible Denbighshire

Overall Impact	Positive
Justification for impact	A prudent MRP policy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority.

Positive consequences identified:

As a consequence of the savings which result from the change in policy services have been protected from cuts which would effect the service received by the public.

Unintended negative consequences identified:

Mitigating actions:

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Report To:	Cabinet
Date of Meeting:	26 September 2017
Lead Member / Officer:	Cllr Julian Thompson-Hill
Report Author:	Richard Weigh, Head of Finance
Title:	Annual Treasury Management Report 2016/17 (Appendix 1)

1 What is the report about?

- 1.1 The report is about the Council's investment and borrowing activity during 2016/17. It also provides details of the economic climate during that time and shows how the Council complied with its Prudential Indicators.
- 1.2 The term 'treasury management' includes the management of the council's borrowing, investments and cash flow. Approximately £0.5bn passes through the council's bank accounts every year. The council's outstanding borrowing at 31 March 2017 was £184.73m at an average rate of 4.94% and the council held £1.2m in investments at an average rate of 0.14%.

2 What is the reason for making this report?

- 2.1 The main purpose of this report is to update members on the performance of the treasury management function and to demonstrate compliance with treasury limits and Prudential Indicators during 2016/17.

3 What are the Recommendations?

- 3.1 That members note the performance of the Council's Treasury Management function during 2016/17 and its compliance with the required Prudential Indicators as reported in the Annual TM Report 2016/17 (Appendix 1).
- 3.2 That the Cabinet confirms that it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix 2) as part of its consideration.

4 Report details

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

5 How does the decision contribute to the Corporate Priorities?

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

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

- 6.1 Not applicable.

7 What are the main conclusions of the Wellbeing Impact Assessment?

- 7.1 Financial planning and decision making should ensure that proper regard is given to the requirements of the Wellbeing of Future Generations Act and in particular, proper consideration of the long term impact of financial decisions, including the payback period and whole life costs of capital investment decisions, properly impact assessed budget proposals and long term debt and investment (treasury management) strategies. The principles of prudence, affordability and sustainability are already enshrined within the requirements of the Prudential Code and should underpin financial planning and decision making.
- 7.2 In the context of treasury management, the existing requirements to assess and report on the long term financial consequences of investment and borrowing decisions using prudential indicators and long-term debt planning support the sustainability goals of the Wellbeing Act.
- 7.3 The Wellbeing Impact Assessment report is included in Appendix 2 which shows how an efficient Treasury Management strategy promotes the wellbeing goals of the Act.

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

- 8.1 The Council has consulted with its treasury advisers, Arlingclose Ltd.
- 8.2 The Corporate Governance Committee has been updated on Treasury Management activities throughout the year and has reviewed this report before its submission to Cabinet.

9 Chief Finance Officer Statement

- 9.1 Treasury Management involves looking after significant sums of cash so it is a vital part of the Council's work. It requires a sound strategy and appropriate controls to safeguard the Council's money, to ensure that reasonable returns on investments are achieved and that debt is effectively and prudently managed.
- 9.2 The Council has ongoing commitments to the Corporate Plan approved in 2012. While the plan was expected to run for 5 years, some of the projects will finish in 2020/21 and it is expected that the Council will need to borrow to fund this investment.

9.3 The new Council appointed in May is consulting on the new priorities for the period from 2017 to 2022. Any new proposals will need to be considered in the TM strategy because it is vital that the Council has a robust and effective TM function underpinning this investment and all other activities.

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

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

11 Power to make the Decision

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

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Appendix 1

DENBIGHSHIRE COUNTY COUNCIL

ANNUAL TREASURY MANAGEMENT REPORT 2016/17

Richard Weigh
Head of Finance

CONTENTS

Section	Title
1	Background
2	Economic Background
3	Borrowing Activity
4	Investment Activity
5	Compliance with Prudential Indicators
6	Money Laundering Update
	Annex A - PWLB borrowing rates and UK Money Market rates
	Annex B – Compliance with Prudential Indicators 2016/17
	Annex C – Glossary

1. Background

- 1.1 The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities at least twice a year. Reports are made twice a year to the Corporate Governance Committee which is the committee with responsibility for the scrutiny of the Council's treasury policy, strategy and activity, as well as the annual report made to cabinet and the report to full council for approval of the annual treasury strategy.
- 1.2 Treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 1.3 The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.

2. Economic Background

- 2.1 Politically, 2016/17 was an extraordinary twelve month period which defied expectations when the UK voted to leave the European Union and Donald Trump was elected the 45th President of the USA. Uncertainty over the outcome of the US presidential election, the UK's future relationship with the EU and the slowdown witnessed in the Chinese economy in early 2016 all resulted in significant market volatility during the year. Article 50 of the Lisbon Treaty, which sets in motion the 2-year exit period from the EU, was triggered on 29th March 2017.
- 2.2 UK inflation had been subdued in the first half of 2016 as a consequence of weak global price pressures, past movements in sterling and restrained domestic price growth. However the sharp fall in the Sterling exchange rate following the referendum had an impact on import prices which, together with rising energy prices, resulted in CPI rising from 0.3% year/year in April 2016 to 2.3% year/year in March 2017.
- 2.3 In addition to the political fallout, the referendum's outcome also prompted a decline in household, business and investor sentiment. The repercussions on economic growth were judged by the Bank of England to be sufficiently severe to prompt its Monetary Policy Committee (MPC) to cut the Bank Rate to 0.25% in August and embark on further gilt and corporate bond purchases as well as provide cheap funding for banks via the Term Funding Scheme to maintain the supply of credit to the economy. Despite growth forecasts being

downgraded, economic activity was fairly buoyant and GDP grew 0.6%, 0.5% and 0.7% in the second, third and fourth calendar quarters of 2016 and the labour market also proved resilient.

3. Borrowing Activity

3.1 The table below shows the level of the Council's borrowing from the Public Works Loan Board (PWLB) at the start and the end of the year.

	Balance at 01/04/2016 £000	Maturing loans £000	Premature repayments £000	New Borrowing £000	Balance at 31/03/2017 £000
Fixed rate loans – Public Works Loan Board (PWLB)	190,165	5,439	0	0	184,726
Total borrowing	190,165	5,439	0	0	184,726

3.2 The Council's strategy in 2016/17 was to internally borrow to fund its borrowing requirement.

3.3 The Council has also been accessing temporary borrowing from other local authorities at very low rates to cover short-term cash flow requirements.

3.4 As a result of maturities during the year, the average rate on the Council's debt decreased from 4.95% at 1 April 2016 to 4.94% at 31 March 2017.

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

Abolition of the PWLB

3.6 In January 2015 the Department of Communities and Local Government (CLG) confirmed that HM Treasury (HMT) would be taking the necessary steps to abolish the PWLB. HMT confirmed however that its lending function will continue unaffected and local authorities will retain access to borrowing rates which offer good value for money. A consultation was launched in May 2016 and the government published a response in November 2016 that confirmed the intention to proceed with the transfer of the function to HMT. HMT and the PWLB will inform stakeholders once the timescales for implementation become known.

4. Investment Activity

4.1 The Council held cash balances of £1.2m at the end of 2016/17. These represent the Council's Balances and Reserves (after internal borrowing and working cash balances are accounted for) and also where money has been borrowed before capital expenditure is incurred.

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

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

	Balance at 01/04/2016 £000	Investments Raised £000	Investments Repaid £000	Balance at 31/03/2017 £000
Investments	12,000	275,500	286,300	1,200

4.4 The Council's investment income for the year was £0.032m compared to £0.108m in 2015/16 which meant that the low interest rates available in the market continued to have a significant impact on the investment return earned by the Council.

4.5 Security of capital remained the Council's main investment objective. This was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2016/17 which defined "high credit quality" organisations as those having a long-term credit rating of A- or higher if domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.

Unsecured Bank Deposits

4.6 Conventional bank deposits became riskier during 2016/17 because of a lower likelihood that the UK and other governments would support failing banks. As the Banking Reform Act 2014 was implemented in the UK from January 2015, banks were no longer able to rely on government bail-outs if they got into difficulty. They would be required instead to bail themselves out by taking a proportion of investors' deposits to build up their capital. This new risk has been termed 'bail-in' risk and is potentially a greater risk to investors than the 'bail-out' risk of the past.

4.7 As a result of the increased risks, the Council has been placing a far greater emphasis on investing with the UK Government's Debt Management Office and other local authorities in order to minimise these risks.

Secured Investment Options

4.8 The Council also included secured investment options within its investment strategy such as those described below with a view to using them during 2016/17.

Reverse Repurchase Agreements (REPOs)

- 4.9 These involve the purchase of a security (usually bonds, gilts or other government securities) tied to an agreement to sell it back later at a pre-determined date and price. REPOs provide protection through the ownership of collateral in the form of securities which is significantly more secure than investing in unsecured bank deposits. These are therefore secured investments with banks which are exempt from bail-in risk so they offer a safer alternative at similar rates to unsecured bank deposits.

Covered Bonds

- 4.10 These are also secured investments with banks which are exempt from bail-in risk and they offer a secure option for long term investments.

(The glossary in Annex C provides definitions of the various treasury terms used)

Credit Risk Management

- 4.11 Counterparty credit quality was assessed and monitored with reference to the following:
- credit ratings (minimum long-term counterparty rating of A- across rating agencies Fitch / S&P / Moody's);
 - analysis of funding structure and susceptibility to bail-in;
 - credit default swap prices;
 - financial statements;
 - information on potential government support;
 - share prices.

Liquidity Management

- 4.12 In keeping with the WG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of overnight deposits and instant access call accounts. The Authority uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed.

Yield

- 4.13 The Council sought to achieve the best return balanced against its objectives of security and liquidity. The UK Bank Rate was reduced from 0.5% to 0.25% on 4 August 2016. Short term money market rates also remained at very low levels which had a significant impact on investment income.

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

5. Compliance with Prudential Indicators

- 5.1 The Council can confirm that it has complied with its Prudential Indicators for 2016/17, which were set in February 2016 as part of the Council's Treasury Management Strategy Statement. Details can be found in Annex B.
- 5.2 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2016/17. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

6. Money Laundering Update

- 6.1 The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it maintains procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that relevant staff are properly trained.
- 6.2 The Head of Finance has been appointed as the Money Laundering Reporting Officer. There haven't been any cases of money laundering reported since the start of Denbighshire to date and the risk to the Council is considered to be minimal.

Interest Rates 2016/17

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

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

Start Date	Length of Loan		
	1yr %	19½-20 yrs %	49½-50 yrs %
01-Apr-16	1.32	3.23	3.14
30-Sep-16	1.03	2.38	2.30
31-Mar-17	1.03	2.74	2.54

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

Date	Bank Rate %	7-day Investment Rates %	1-month Investment Rates %	6-month Investment Rates %
01-Apr-16	0.50	0.36	0.39	0.61
30-Sep-16	0.25	0.12	0.14	0.41
31-Mar-17	0.25	0.11	0.13	0.37

Compliance with Prudential Indicators 2016/17

1 Estimated and Actual Capital Expenditure

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

Capital Expenditure	2016/17 Estimated February 2016 £000	2016/17 Revised February 2017 £000	2016/17 Outturn March 2017 £000
Non-HRA	9,860	24,375	16,610
Corporate Plan	29,933	20,045	18,373
HRA	11,768	11,184	7,981
Total	51,561	55,604	42,964

- NB The figures for the February estimate were produced early in January but due to the nature of capital expenditure, some of the major schemes have slipped and this expenditure will now be incurred in 2017/18.

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

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

Ratio of Financing Costs to Net Revenue Stream	2016/17 Estimated February 2016 £000	2016/17 Revised February 2017 £000	2016/17 Outturn March 2017 £000
Financing Costs	12,445	13,214	13,214
Net Revenue Stream	185,056	185,062	185,062
Non-HRA Ratio	6.73%	7.14%	7.14%
Financing Costs	6,016	5,982	5,759
Net Revenue Stream	13,620	14,129	14,129
HRA Ratio	44.17%	42.34%	40.76%

3 Capital Financing Requirement

- 3.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council ensures that net external borrowing does not, except in the short term, exceed the CFR in the preceding year plus the estimates of any additional

CFR for the current and next two financial years. This is demonstrated in the following table:

Capital Financing Requirement	31/03/2017 Estimated February 2016 £000	31/03/2017 Revised February 2017 £000	31/03/2017 Outturn March 2017 £000
Non-HRA	190,539	176,635	175,867
HRA	71,958	71,279	65,697
Total	262,497	247,914	241,564
Borrowing	201,059	194,725	184,726

NB The outturn figures are taken from the pre-audited Statement of Accounts 2016/17 so they may be subject to change.

4 Authorised Limit and Operational Boundary for External Debt

Summary Table:

2016/17	March 2017 £000
External Borrowing	184,726
Internal Borrowing	56,838
Operational Boundary	235,000
Authorised Limit	240,000

- 4.1 **Operational Boundary:** This limit is set to reflect the Council's best view of the most likely prudent (i.e. not worst case) levels of borrowing activity.
- 4.2 **Authorised Limit:** This is the maximum amount of external debt that can be outstanding at one time during the financial year. The limit, which is expressed gross of investments, is consistent with the Council's existing commitments, proposals for capital expenditure and financing and with its approved treasury policy and strategy and also provides headroom over and above for unusual cash movements.
- 4.3 The levels of debt are measured on an ongoing basis during the year for compliance with the Authorised Limit and the Operational Boundary. The Council maintained its total external borrowing and other long-term liabilities within both limits; at its peak this figure was £196.4m. In addition to external borrowing, the Council uses its own reserves and balances to fund capital expenditure and this is known as internal borrowing as shown in the table above.

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

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

	2016/17 Estimated %	2016/17 Actual Peak Exposure %
Upper Limit for Fixed Rate Exposure	100	100
Upper Limit for Variable Rate Exposure	40	0

6 Maturity Structure of Fixed Rate borrowing

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

Maturity structure of fixed rate borrowing	Upper limit %	Lower limit %	Actual Borrowing as at 31/03/2017 £000	Percentage of total as at 31/03/2017 %
under 12 months	30	0	4,533	2.45
12 months and within 24 months	30	0	4,390	2.38
24 months and within 5 years	30	0	13,763	7.45
5 years and within 10 years	30	0	13,776	7.46
10 years and above	100	50	148,264	80.26
Total			184,726	100.00

7 Total principal sums invested for periods longer than 364 days

- 7.1 This indicator is set in order to allow the Council to manage the risk inherent in investments longer than 364 days. For 2016/17 this limit was set at £10m. The Council did not have any investments which exceeded 364 days during 2016/17 because the policy was to limit investments to a shorter period than 1 year.

8 Adoption of the CIPFA Treasury Management Code

- 8.1 The Council confirms its adoption of the CIPFA Code of Treasury Management at its Council meeting on 26 March 2002. The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

GLOSSARY - Useful guide to Treasury Management Terms and Acronyms

BANK OF ENGLAND	UK's Central Bank
BANK RATE	Bank of England Interest Rate (also known as Base Rate)
CPI	Consumer Price Index – a measure of the increase in prices
RPI	Retail Price Index – a measure of the increase in prices
DMO	Debt Management Office – issuer of gilts on behalf of HM Treasury
FSA	Financial Services Authority - the UK financial watchdog
GDP	Gross Domestic Product – a measure of financial output of the UK
LIBID	London Interbank Bid Rate - International rate that banks lend to other banks
LIBOR	London Interbank Offer Rate – International rate that banks borrow from other banks (the most widely used benchmark or reference for short term interest rates)
PWLB	Public Works Loan Board – a Government department that lends money to Public Sector Organisations
MPC	Monetary Policy Committee - the committee of the Bank of England that sets the Bank Rate
LONG TERM RATES	More than 12 months duration
SHORT TERM RATES	Less than 12 months duration
BOND (GENERAL)	An investment in which an investor loans money to a public or private company that borrows the funds for a defined period of time at a fixed interest rate
GOVERNMENT BOND	A type of bond issued by a national government generally with a promise to pay periodic interest payments and to repay the face value on the maturity date
CORPORATE BOND	A type of bond issued by a corporation to raise money in order to expand its business

COVERED BOND

A corporate bond issued by a financial institution but with an extra layer of protection for investors whereby the investor has recourse to a pool of assets that secures or “covers” the bond if the financial institution becomes insolvent

GILT

A bond that is issued by the British government which is classed as a low risk investment as the capital investment is guaranteed by the government

REPO

A repurchase agreement involving the selling of a security (usually bonds or gilts) with the agreement to buy it back at a higher price at a specific future date
For the party selling the security (and agreeing to repurchase it in the future) it is a REPO
For the party on the other end of the transaction e.g. the local authority (buying the security and agreeing to sell in the future) it is a reverse REPO

FTSE 100

Financial Times Stock Exchange 100 - An index composed of the 100 largest companies listed on the London Stock Exchange which provides a good indication of the performance of major UK companies

Annual Treasury Management Report 2016/17

Wellbeing Impact Assessment Report

This report summarises the likely impact of a proposal on the social, economic, environmental and cultural well-being of Denbighshire, Wales and the world.

Assessment Number:	148
Brief description:	A review of the Treasury Management activities for 2016/17
Date Completed:	20/06/2017 10:58:18 Version: 2
Completed By:	Rhys Ifor Jones
Responsible Service:	Finance
Localities affected by the proposal:	Whole County,

IMPACT ASSESSMENT SUMMARY AND CONCLUSION

Before we look in detail at the contribution and impact of the proposal, it is important to consider how the proposal is applying the sustainable development principle. This means that we must act "in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs."

Score for the sustainability of the approach

Could you do more to make your approach more sustainable?

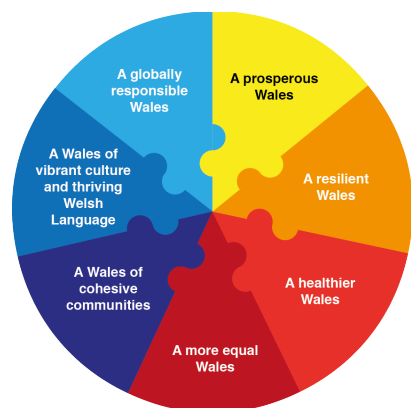
(2 out of 4 stars)



Actual score: 12/ 24.

Summary of impact

Wellbeing Goals



A prosperous Denbighshire	Positive
A resilient Denbighshire	Positive
A healthier Denbighshire	Neutral
A more equal Denbighshire	Neutral
A Denbighshire of cohesive communities	Neutral
A Denbighshire of vibrant culture and thriving Welsh language	Neutral
A globally responsible Denbighshire	Neutral

Main conclusions

An effective Treasury Management strategy ensures that the Council's investment and borrowing decisions will contribute towards the goal of maximising income and minimising costs which supports efficient service delivery.

THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

A prosperous Denbighshire

Overall Impact:	Positive
Justification for Impact:	An effective Treasury Management strategy ensures that the Council's investment and borrowing decisions will contribute towards the goal of maximising income and minimising costs which supports efficient service delivery.

Positive consequences identified:

The Treasury Management strategy and Prudential Indicators ensure that the Council's cash is safeguarded as much as possible by making investments in banks recommended in the annual strategy statement.

Sound investment and borrowing decisions relating to the Council's cash will maximise the Council's income within the guidelines set in the Treasury Management strategy.

The strategy ensures that the Council's borrowing is monitored and is within set limits and is affordable. It identifies current financing requirements for the Capital Plan and estimates the proposed capital requirements for the next three financial years.

Financial planning and decision making ensures that proper consideration of the long term impact of financial decisions is given, including the payback period and whole life costs of capital investment decisions, properly impact assessed budget proposals and long term debt and investment (treasury management) strategies.

The Prudential Indicators are a statutory requirement which demonstrate the affordability of our plans and contribute towards the overall financial wellbeing of Denbighshire.

Unintended negative consequences identified:

Mitigating actions:

A resilient Denbighshire

Overall Impact:	Positive
Justification for Impact:	A sound Treasury Management strategy ensures that the Council's cash is secure and new borrowing is affordable. It also enables the Council to react quickly to market volatility by continual monitoring of the financial institutions throughout the year.

Positive consequences identified:

Good investment decisions will help the Council to develop more efficient working practices which will use less resources.

The strategy is set at the start of the financial year but it is monitored carefully throughout the year to ensure that the Council reacts quickly to any market volatility and the impact on the banking institutions.

Unintended negative consequences identified:

Mitigating actions:

A healthier Denbighshire

Overall Impact:	Neutral
Justification for Impact:	Proposals have little or no direct impact on the vast majority of residents as the strategy involves managing the Council's investments and borrowing.

Positive consequences identified:

The strategy contributes to the overall financial health of Denbighshire and therefore supports the delivery of the annual budget.

Unintended negative consequences identified:

Mitigating actions:

A more equal Denbighshire

Overall Impact:	Neutral
Justification for Impact:	A good treasury management strategy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority without impacting on residents.

Positive consequences identified:

An efficient treasury management strategy contributes to the financial resilience of the Council and supports service delivery.

Unintended negative consequences identified:

Mitigating actions:

A Denbighshire of cohesive communities

Overall Impact:	Neutral
Justification for Impact:	A good treasury management strategy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority without impacting on residents.

Positive consequences identified:

Unintended negative consequences identified:

Mitigating actions:

A Denbighshire of vibrant culture and thriving Welsh language

Overall Impact:	Neutral
Justification for Impact:	A good treasury management strategy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority. It has no direct impact on the language and the culture because any treasury management decisions are based on the treasury strategy and advice from financial consultants.

Positive consequences identified:

Unintended negative consequences identified:

Mitigating actions:

A globally responsible Denbighshire

Overall Impact:	Neutral
Justification for Impact:	A good treasury management strategy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority. It has no direct impact on the local area.

Positive consequences identified:

All investments are undertaken from national institutions in line with the strategy and financial advice. The strategy determines the institutions with the minimum credit rating which the Authority is permitted to invest with.

All borrowing is undertaken from central Government as detailed in the strategy and in line with other local authorities.

Unintended negative consequences identified:

Mitigating actions:

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Report To: Cabinet

Date of Meeting: 26th September 2017

Lead Member / Officer: Cllr Julian Thompson-Hill / Richard Weigh, Head of Finance

Report Author: Steve Gadd, Chief Accountant

Title: **Finance Report (August 2017/18)**

1. What is the report about?

The report gives details of the council's revenue budget and savings as agreed for 2017/18. The report also provides a summary update of the Capital Plan as well as 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 and confirm the agreed service budgets for 2017/18.

3. What are the Recommendations?

It is recommended that Members note the budgets set for 2017/18 and progress against the agreed strategy.

4. Report details

The report provides a summary of the council's revenue budget for 2017/18 detailed in **Appendix 1**. The council's net revenue budget is £189.252m (£185.062m in 16/17). The position on service and corporate budgets is a forecast underspend of £0.002m (underspend of £0.432m as at the end of June). Narrative around the current risks and assumptions underlying this assessment are outlined in Section 6.

Service efficiencies of £0.902m were agreed as part of the budget. These efficiencies form part of 'business as usual' for services and therefore it is assumed that all efficiencies will be delivered. Any exceptions will be reported to Cabinet if required.

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?

Significant service narratives explaining variances and risks are shown in the following paragraphs.

Customers, Communications and Marketing is currently projected to overspend by £106k (£154k last month). The pressure is largely due to higher than anticipated relief costs and additional IT costs. The reduction in the overspend relates to active vacancy management by the service and the agreement of corporate budget contributions for

elements of the IT overspend that benefit the council as a whole. The service continues to work to identify cost savings in order to reduce the overspend further.

Community Support Services is still projected to break-even. However as indicated in previous reports this is after additional budget of £750k being allocated during the 17/18 budget process, £633k additional Welsh Government funding, £500k additional one-off income relating to deferred income and £1.5m use of service reserves. Overspends within the Mental Health Service and In-House Provider Services are greater than anticipated and remain an area of concern for 18/19 and beyond. These pressures are being considered as part of the 18/19 budget process.

Education and Children's Service is currently projected to overspend by £196k. Although a specific variance was not reported last month, Children's Services was highlighted as an area of high risk due to the volatility in case numbers and inflationary pressures on placement costs. Each individual placement can be extremely expensive so any increase in numbers can have a large effect on the budget. The total overspend against Children's Services base budget is £968k, however this is partly offset by a planned use of the Placement Reserve which was put aside from Corporate resources at year end last year (£522k) and a further cash contribution from Corporate Contingencies of £250k for a particularly expensive and sensitive case involving children in remand centres. The balance of £196k is now being recorded as an overspend. A number of cases are currently being assessed and it is likely that the overspend will increase. The pressure in this area is also being discussed as part of the 2018/19 budget process.

Legal, HR and Democratic Services is showing a small underspend of £8k due to a number of small variances (break-even position last month).

Highways and Environment is currently projected to overspend by £162k (break-even last month). The majority of overspend (£147k) relates to a projected shortfall in income for the Major Projects team. This has been issue over recent years (£45k overspend last year) but has been contained within the service's budget allocation. The main reason for the income shortfall relates to the amount of work and reimbursement coming from the North and Mid Wales Trunk Road Agency (NMWTRA). Although a pressure of £0.300m was included in the budget for School Transport for 2017/18, the effects of the implementation of the new policy will need to be monitored carefully throughout the year and will be reported on in future reports.

Corporate – It is currently estimated that corporate contingencies will be available to be released to fund the service overspends. This will mean that we don't have to use more than the level of Balances included in the budget. However it remains a possibility that further service overspends will require a contribution from the base level of Balances. Also a large underspend £1.8m is likely to be recorded over the coming months if the revised Minimum Revenue Position Policy is agreed for 2017/18 by Cabinet (on this meeting's agenda) and Council (due to go in October). However this underspend will be used to fund the Budget Mitigation Reserve to help decrease the savings that services need to make in 2018/19 and is already assumed in the 2018/19 budget proposals.

Schools – Although schools received protection of 1.85% (£1.173m) for 2016/17 they also had to find efficiency savings to fund inflationary pressures of approximately £2.5m. Schools had a net deficit balance of £1.056m last financial year which represented a reduction of £2.618m on the balances brought forward from 2015/16 (£1.562m). At the end of August the projection for school balances is a net deficit balance of £1.118m, which is a small reduction of £0.062m on the balances brought forward from 2016/17. Schools continue to work closely with Education Finance colleagues on detailed financial plans for the new academic year and over the following two years to deliver long term balanced budgets. Schools received total funding of £2.1m for 2017/18 which is more than both inflation and demographic growth and it is hoped the financial position for most schools will continue to be consolidated during 2017/18, however the position will be monitored closely and reported to Members. Non-delegated school budgets are currently underspending by approx. £60k due to the reduction in historic pension liabilities relating to the period of Clwyd County Council.

The Housing Revenue Account (HRA). The latest revenue position assumes a decrease in balances at year end of £932k which is £617k more than the budgeted decrease of £315k which is largely due to an increase in investment in Repairs and Maintenance. HRA balances are therefore forecast to be £1.615m at the end of the year. The Capital budget of £10.15m is allocated between planned improvements to existing housings stock (£6m) and new build developments (£4m).

Treasury Management – At the end of August, the council's borrowing totalled £195.287m at an average rate of 4.66%. Investment balances were £5.2m at an average rate of 0.1%.

A summary of the council's **Capital Plan** is enclosed as Appendix 2. The approved capital plan is £44.5m with expenditure to date of £11.5m. Also included within Appendix 2 is the proposed expenditure of £17.469m on the Corporate Plan. Appendix 3 provides an update on the major projects included in the overall Capital Plan.

7. What are the main conclusions of the Well-being Impact Assessment?

A Wellbeing Assessment was completed for the efficiency savings element of the budget proposals and was presented to Council on 31st January. The Assessment concluded that the efficiency proposals are either positive or neutral when assessed against the seven wellbeing goals.

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

In addition to regular reports to the Corporate Governance Committee, the budget process has been considered by CET, SLT, Cabinet Briefing and Council Briefing meetings. There were regular budget workshops held with elected members to examine service budgets and consider the budget proposals. All members of staff were kept informed about the budget setting process and affected staff have been or will be fully consulted, in accordance with the council's HR policies and procedures. Trade Unions have been consulted through Local Joint Consultative Committee.

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.

Specific pressures are evident in social care budgets (both Adults' and Children's) but due to the investment in service pressures and the re-imburement of service reserves at year end it is hoped that these pressures will be contained in the current year. The position for both service will be monitored carefully and further considered as part of the budget process for 2018/19.

Forecasts indicate the position with school balances will begin to stabilise however the position will be kept under close review. Not only are Education Finance working closely with schools to help develop robust plans, but chief and senior officers in Education and Finance meet regularly to review those plans and take remedial action if necessary.

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

This remains a challenging financial period 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 2017/18

Aug-17	Net Budget	Budget 2017/18			Projected Outturn							Variance
	2016/17 (Restated) £'000	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000	Net %	Previous Report £'000
Customers, Communications and Marketing	2,696	3,089	-338	2,751	3,287	-430	2,857	198	-92	106	3.85%	154
Education and Children's Service	14,126	26,909	-13,955	12,954	28,114	-14,964	13,150	1,205	-1,009	196	1.51%	0
Business Improvement and Modernisation	4,572	5,390	-785	4,605	5,544	-939	4,605	154	-154	0	0.00%	0
Legal, HR and Democratic Services	2,396	3,949	-1,325	2,624	3,932	-1,316	2,616	-17	9	-8	-0.30%	0
Facilities, Assets and Housing	6,965	22,681	-15,084	7,597	22,870	-15,273	7,597	189	-189	0	0.00%	0
Finance	2,888	5,260	-2,346	2,914	5,143	-2,229	2,914	-117	117	0	0.00%	0
Highways and Environmental Services	17,065	33,296	-15,912	17,384	33,379	-15,833	17,546	83	79	162	0.93%	0
Planning and Public Protection	2,941	5,961	-2,969	2,992	6,300	-3,316	2,984	339	-347	-8	-0.27%	0
Community Support Services	31,218	46,975	-14,537	32,438	49,555	-17,117	32,438	2,580	-2,580	0	0.00%	0
Total Services	84,867	153,510	-67,251	86,259	158,124	-71,417	86,707	4,614	-4,166	448	0.52%	154
Corporate	18,178	55,520	-36,532	18,988	55,072	-36,532	18,540	-448	0	-448	-2.36%	-807
Precepts & Levies	4,364	4,525	0	4,525	4,525	0	4,525	0	0	0	0.00%	0
Capital Financing	13,214	12,965	0	12,965	12,965	0	12,965	0	0	0	0.00%	0
Total Corporate	35,756	73,010	-36,532	36,478	72,562	-36,532	36,030	-448	0	-448	-1.23%	-807
Council Services & Corporate Budget	120,623	226,520	-103,783	122,737	230,686	-107,949	122,737	4,166	-4,166	0	0.00%	-653
Schools & Non-delegated School Budgets	64,439	75,296	-8,781	66,515	74,540	-8,023	66,517	-756	758	2	0.00%	221
Total Council Budget	185,062	301,816	-112,564	189,252	305,226	-115,972	189,254	3,410	-3,408	2	0.00%	-432
Housing Revenue Account	-257	15,179	-14,864	315	15,796	-14,864	932	617	0	617		0

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General Capital Plan

		2017/18	2018/19	2019/20	2020/21
		£000s	£000s	£000s	£000s
Capital Expenditure					
	Total Estimated Payments - General	26,403	8,231	171	200
	Total Estimated Payments - Corporate Plan	17,469	510	0	0
	Contingency	658	500	500	500
	Total	44,530	9,241	671	700
Capital Financing					
1	External Funding	17,353	7,699	4,869	4,869
2	Receipts and Reserves	11,455	206		
3	Prudential Borrowing	15,722	5,705	171	
5	Unallocated Funding	0	(4,369)	(4,369)	(4,169)
	Total Capital Financing	44,530	9,241	671	700

Corporate Plan

Revised February 2016

		£000s	£000s	£000s	£000s
Approved Capital Expenditure					
	Cefndy Healthcare Investment	103			
	Extra Care	94			
included in above plan					
	Highways Maintenance and bridges	3,179			
	New Ruthin School	8,467	236		
	Feasibility Study - Carreg Emlyn	131			
	Llanfair New School	339			
	Rhyl High School	437			
	Ysgol Bro Dyfrdwy - Dee Valley West Review	33			
	Bodnant Community School	69			
	Ysgol Glan Clwyd	3,213	274		
	Faith Based Secondary	1,404			
Estimated Capital Expenditure		7,024	25,384	9,422	
Total Estimated Payments		24,493	25,894	9,422	0
Approved Capital Funding					
included in above plan					
	External Funding	8,062	30		
	Receipts and Reserves	4,119	206		
	Prudential Borrowing	5,288	274		
Estimated Capital Funding					
	External Funding	2,170	12,898	592	
	Receipts and Reserves	1,505	3,438	4	
	Prudential Borrowing	3,349	9,048	8,826	
Total Estimated Funding		24,493	25,894	9,422	0

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Appendix 3 - Major Capital Projects Update - September 2017

Rhyl Harbour Development	
Total Budget	£10.654m
Expenditure to date	£10.579m
Estimated remaining spend in 2017/18	£ 0.075m
Future Years estimated spend	£ 0.000m
Funding	WG £2.545m; WEFO £5.899m; Sustrans £0.700m: RWE £155k; WREN/NRW £83k and DCC £1.272m
<p>Narrative:</p> <p>Now that the bridge has been operational for a few years, it is apparent that the maintenance schedule needs to be reviewed to ensure that the bridge is properly maintained for the longer term. When the revised bridge maintenance contract has been agreed with Dawnus Construction Ltd, the final account for the bridge will be negotiated and this will complete the project.</p>	
Forecast In Year Expenditure 17/18	£0.075m

21st Century Schools Programme - Rhyl New School	
Total Budget	£23.822m
Expenditure to date	£23.397m
Estimated remaining spend in 17/18	£ 0.425m
Future Years estimated spend	£ 0.000m
Funding	DCC £10.133m; WG £13.689m
<p>Narrative:</p> <p>The project has provided a new school building for Rhyl High School to accommodate 1,200 pupils in mainstream education and approximately 45 pupils from Ysgol Tir Morfa, the community special school in Rhyl. The works have also included some extensive refurbishment to the exterior of the Leisure Centre.</p> <p>There are some remaining snags and defects to be completed through the contract and minor works to the street lights on the Public Right of Way which still need to be undertaken.</p>	
Forecast In Year Expenditure 17/18	£0.437m

21st Century Schools Programme – Ysgol Glan Clwyd

Total Budget	£16.706m
Expenditure to date	£14.541m
Estimated remaining spend in 17/18	£ 1.892m
Future Years estimated spend	£ 0.273m
Funding	DCC £5.245m; WG £11.461m

Narrative:

This scheme is within the Band A proposals for 21st Century Schools Programme. The project will deliver an extended and refurbished Ysgol Glan Clwyd to accommodate a long term capacity of up to 1,250 pupils via a new three storey extension, partial demolition of existing buildings and refurbishment of the retained buildings.

The project will also see extensive landscaping, with creation of new outdoor hard & soft landscaped areas including a new sports field, extended and rationalised car park and coach parking area.

Phase 1, a new three storey extension was completed and handed over for occupation by the school from January 2017. Following handover of the old buildings that make up Phase 2 to the contractor in January 2017, asbestos has been removed, the buildings have been soft stripped and work to remodel and refurbish them has been underway since February 2017. Phase 2 is being handed back in sections to the school. The first two sections of the old buildings following remodelling and refurbishment, comprising Phases 2a and 2b were handed over on 9th May 2017 and 28th June 2017 respectively. Part of Phase 2b included the new Visitors Car Park and new Main Reception. The school were decanted into these areas on 29th June 2017.

Over the summer break the three mobile classrooms on site were removed/demolished and demolition of the old three storey block was completed. The final main section of remodelling and refurbishment of the old buildings, Phase 2c, was completed on 4th September 2017 and handed back to the school ready for the start of the new academic year.

Remaining internal works to complete the new Leisure Centre facility and an end gable of the school are ongoing and should be completed by 13th October 2017; at the same time the new Car Park and Coach Area and remaining external landscaping will also be completed. From 13th October 2017 to 10th November 2017, the final activities will see the old Tennis Courts resurfaced and fenced to create a Multi-Use Games Area and clearance of the Contractors Site Offices and compound.

There is ongoing consultation with all key stakeholders including all users of the site. In addition, regular updates via newsletters are distributed locally.

The project team are working with the school and wider community to engage with them to develop and deliver a number of community benefits.

Forecast In Year Expenditure 17/18	£3.217m
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21st Century Schools Programme – Ruthin Primary Schools

Total Budget	£12.185m
Expenditure to date	£ 6.771m
Estimated remaining spend in 17/18	£ 5.179m
Future Years estimated spend	£ 0.235m
Funding	DCC £6.900m WG £5.285m

Narrative:

Denbighshire received permission to extend the scope of the 21st Century Schools Programme to include the three Ruthin primary school projects in September 2015. In January 2016, the Strategic Outline Case for the three projects was approved by the Welsh Government. On-going work has enabled firm project costs, including contingency funding, to be established for the new Rhos Street / Penbarras schools. Cabinet have approved the submission of a business case for Ysgol Llanfair new school building to the Welsh Government. The estimated cost of this scheme is £5.369m.

Rhos Street School and Ysgol Penbarras

This project will deliver a new shared school building site for Rhos Street School and Ysgol Penbarras at Glasdir, Ruthin.

The structure of the building is now complete. The installation of the roof cladding is also complete and window installation near to completion.

Work has started on the mechanical and electrical first fix and the work to the car park is ongoing.

Ysgol Carreg Emlyn

This project will deliver a new school building comprising 4 classrooms, a new school hall and supporting facilities. This will allow pupils to move from the two existing sites onto a single site. Both existing sites will then become surplus to requirements.

Following the planning approval in June, the project has been out to tender and is currently at the tender evaluation stage. There has been a very good response to the tender with a number of contractors interested. Appointment of a contractor will be announced at the end of September.

Llanfair New School

The project is continuing to progress. Overall there has been a positive response to the pre-planning consultation which took place over June and July. Following feedback from the pre-planning consultation process, tweaks to the internal layout and highways proposals have been undertaken.

Following the completion of additional ecological surveys, the planning application will be considered for validation and then the formal consultation process will commence.

The joint Strategic Outline Case/Outline Business Case has been submitted to the Welsh Government and considered at their Business Case Scrutiny Group. Initial comments have been received and responses are in the process of being returned in time for consideration at their Capital Investment Panel on 19th September 2017.

The tender has now been successfully published on Sell2Wales and will remain open for submissions until late September. The appointed contractor will develop the detailed design for the building based on the planning submission.

Forecast In Year Expenditure 17/18	£8.951m
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21st Century Schools Programme – Rhyl 3-16 Faith School	
Total Budget	£1.500m (Feasibility and Design)
Expenditure to date	£0.096m
Estimated remaining spend in 17/18	£1.404m
Future Years estimated spend	£0.000m
Funding	DCC £1.5.m
Narrative:	
<p>Cabinet gave approval in January 2017 for a £1.5m allocation to allow the design stages for a new 3 -16 Catholic School to commence following the recommendation of the initial Business Case by the Strategic Investment Group.</p> <p>No objections were received in regard to the Statutory Notice which was published on the 20th June 2017 for the Council to close St. Mary’s Catholic Primary School (Ysgol Mair) and Blessed Edward Jones Catholic High School on the 31st August 2019; and the Diocese of Wrexham to establish a new 3 – 16 Catholic School on the existing site from 1st September 2019.</p> <p>In the absence of any objections, the Diocese of Wrexham and the Head of Education and Children’s Services at Denbighshire County Council determined the proposal on 11th September 2017. This decision will be subject to a 5 day call in from Members. All stakeholders will be informed of the decision during the week commencing 18th September 2017.</p> <p>Concept design of the new school has been presented to the project sponsor and an option approved to move into the detailed design stage. Pre-planning consultation is scheduled to begin at the end of September 2017.</p>	
Forecast In Year Expenditure 17/18	£1.404m

Rhyl Waterfront and Waterpark	
Total Budget	£20.396m
Expenditure to date	£4.669m
Estimated remaining spend in 17/18	£5.553m
Future Years estimated spend	£10.174m
Funding	WG £4.316m; DCC£14.080m; Rhyl Town Council £2.000m
Narrative:	
<p>Work on the Pavilion Theatre is progressing with the creation of a new bar and restaurant which will open on 1st December 2017. The external improvements will complete by 20th September 2017.</p> <p>The East car park has now been handed over and the pay & display machines and signage have been installed by Parking Services.</p> <p>The Sky Tower improvements are almost complete with the graphics being installed on the new hoarding week commencing 18th September 2017.</p> <p>Detailed Design for the new Waterpark is complete and planning permission received. Work will start on site with the erection of site fencing and creation of the site compound week commencing 25th September 2017. Disconnections/Demolition work will commence during early October.</p> <p>The development of the Travelodge and Marstons pub and restaurant on the site of the East Parade car park is due to commence mid October 2017.</p>	
Forecast In Year Expenditure 17/18	£6.510m

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Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
24 Oct	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Richard Weigh
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
21 Nov	1	Eisteddfod yr Urdd	To agree investment in the county's presence on the Eisteddfod Maes	Yes	Councillor Richard Mainon / Gareth Watson
	2	Rhyl Town Centre Masterplan	For Cabinet to agree the broad principles within the Masterplan as a means of bidding for WG Regeneration funding 2018/19 and beyond	Yes	Councillor Hugh Evans / Graham Boase
	3	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Richard Weigh
	4	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator

Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
12 Dec	1	DCC Homelessness Strategy 2017-21	To approve the Homelessness Strategy	Yes	Councillor Bobby Feeley / Liana Duffy
	2	Supporting People/Homelessness Prevention Plan 2018/19	To approve the annual plan.	Yes	Councillor Bobby Feeley / Liana Duffy
	3	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Richard Weigh
	4	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
23 Jan	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Richard Weigh
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
27 Feb	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Richard Weigh
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator

Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
20 Mar	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Richard Weigh
	2	Items from Scrutiny Committees		Tbc	Scrutiny Coordinator
24 Apr	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Richard Weigh
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
22 May	1	Rhyl and Prestatyn Business Improvement Districts	To consider the full business case relating to the establishment of business improvement districts	Yes	Councillor Hugh Evans / Mike Horrocks
	2	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Richard Weigh
	3	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator

Cabinet Forward Work Plan

Note for officers – Cabinet Report Deadlines

<i>Meeting</i>	<i>Deadline</i>	<i>Meeting</i>	<i>Deadline</i>	<i>Meeting</i>	<i>Deadline</i>
<i>October</i>	<i>10 October</i>	<i>November</i>	<i>7 November</i>	<i>December</i>	<i>28 November</i>

Updated 05/09/17 - KEJ

Cabinet Forward Work Programme.doc

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

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