

To: Members of the Cabinet

Date: 15 November 2017

Direct Dial: 01824712568

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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, 21 NOVEMBER 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 5 - 14)

To receive the minutes of the Cabinet meeting held on 26 September 2017 (copy enclosed).

5 DENBIGHSHIRE LEARNING DISABILITY COMMUNITY LIVING SCHEMES - EXTENSIONS TO EXISTING CONTRACTS (Pages 15 - 24)

To consider a report, **including a confidential appendix**, by Councillor Bobby Feeley, Lead Member for Well-being and Independence (copy enclosed) seeking approval for the extension of 18 Learning Disability Community Living Contracts for a period of two years pending approval of future procurement arrangements for those services.

6 FINANCE REPORT (Pages 25 - 62)

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.

7 CABINET FORWARD WORK PROGRAMME (Pages 63 - 66)

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

MEMBERSHIP

Councillors

Hugh Evans
Bobby Feeley
Huw Hilditch-Roberts
Richard Mainon

Tony Thomas
Julian Thompson-Hill
Brian Jones
Mark Young

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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, 26 September 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 Meirick Davies, Martyn Holland, Huw Jones, Arwel Roberts, Rhys Thomas and Emrys Wynne

ALSO PRESENT

Chief Executive (MM); Corporate Directors: Economy and Public Realm (RM) and Communities (NS); Heads of Service: Legal, HR and Democratic Services (GW), Finance/S.151 Officer (RW), Business Improvement and Modernisation (AS); Strategic Planning Team Manager (NK) and Committee Administrator (KEJ)

POINT OF NOTICE

The Leader reported that Rebecca Maxwell, Corporate Director was attending her last Cabinet meeting and conveyed his appreciation for the valuable work she had undertaken during her time with the authority and wished her all the best for the future. Ms. Maxwell advised that he had enjoyed her time with the authority immensely and that Denbighshire was a great place to work and live. She thanked everyone for their support over the last five years and reflected on the authority's achievements and plans for the future.

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

No declarations of interest had been raised.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 18 July 2017 were submitted.

Page 10, Item 7: Appointment of Members to Outside Bodies – Councillor Bobby Feeley highlighted that most of the appointed representatives had been male and asked that this be taken into account when considering future appointments with a view to increasing the number of female representatives on outside bodies. The Leader asked members to consider this point when approving future appointments.

RESOLVED that the minutes of the meeting held on 18 July 2017 be approved as a correct record and signed by the Leader.

5 NORTH WALES ECONOMIC GROWTH DEAL BID - PROGRESS REPORT

Councillor Hugh Evans presented the report updating Cabinet on progress with the development of a Growth Deal Bid for the region, advised as to the next steps within the process and sought approval of authorisations for the work going forward.

Cabinet was reminded that the Growth Vision for the Economy of North Wales had been adopted by all six Cabinets and other partner organisations and they had been invited to develop that vision into a 'Growth Bid' for national investment and the conferment of powers from UK and Welsh Governments. The Leader was confident that Denbighshire would benefit from the deal and highlighted the need to work regionally with partners to provide a thriving economy for North Wales.

The Corporate Director Economy and Public Realm provided some further background and outlined development work already undertaken under the 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. She also advised of the expected timescales for future progression and elaborated upon the report recommendations. Early stage negotiations needed to start with both Welsh and UK Governments and approval was sought to establish a 'Shadow' Joint Committee and authorise the Leader to represent Denbighshire on it and in the first stage negotiations pending formal establishment of the full Joint Committee. A similar report was being presented to all six Cabinets.

During a lengthy debate the main issues focused on the following matters –

- questions were raised regarding Denbighshire's relationship and interaction with other economic alliances given the growth deal bid and officers explained the role of the Mersey Dee Alliance who continued to work alongside the region; referred to close working with Cheshire and Warrington Local Economic Partnership on a cross border basis; and contributions made to the wider strategy of the Northern Powerhouse network. Further reference was made to the regional work running parallel to other growth bids in selected regions of England and in South Wales and recognised links with West Midlands in particular and the need to work with the Midlands Engine for Growth. It was also noted that the role of the North Wales Economic Ambition Board would need to change as a result of the new governance arrangements
- the importance of ensuring Denbighshire was well placed to benefit from the regional working and would not be disadvantaged as a result was emphasised.

Officers were keen to stress the potentially strong benefits for Denbighshire, who was very well placed being central in the region, and there were proposals already in the growth deal bid which would benefit the county. A lot of investment lobbying was being undertaken with a view to improving connectivity (both physical and digital) which would make it easier for residents to travel, and employment opportunities that may be created both further afield and in the county with St. Asaph Business Park having been identified as a key employment location. The Leader would be responsible for promoting and safeguarding Denbighshire's interests through the Joint Committee and this work had also been identified as a core priority for the new Corporate Director

- officers elaborated on the proposed governance model and constitutional arrangements advising that membership would consist of the Leader of each of the six Councils with the option to co-opt non-voting advisors from three key partner organisations. A host authority would be required to support the Joint Committee and provide legal, secretarial and administrative support. Work was currently ongoing to develop an Inter Authority Agreement (IAA) setting out how the Joint Committee would be governed; how decisions would be made (including reserved matters for individual authorities); how financial contributions would be apportioned and indemnities. The IAA would also set out how a local authority could leave that agreement. Reference was made to different models for partnership arrangements and assurances were provided that the Joint Committee was the most appropriate model in this case. The proposed model and its functions were consistent with the model proposed by Welsh Government for regional governance. Different structures would need to be set up under the Joint Committee in order to oversee individual projects. It was noted that further debate was required around financial proportionality and contributions for particular schemes to ensure Denbighshire had value for money and the need for a clear financial governance structure was also highlighted. Individual business cases for elements of particular bids would need to be approved both in financial terms and content
- scrutiny of the Joint Committee would be a matter for the six local authorities to agree and include in the IAA and there may be an option to consider joint scrutiny arrangements – in the interim Partnerships Scrutiny Committee would be reviewing the arrangements for the growth deal bid as it developed
- it was clarified that there would be no lead authority and no local authority would have any greater influence over another. The host authority would provide legal, secretarial and administrative support and would not offer an advantage
- in terms of leading on particular areas of work going forward the report referred to what was required to develop those proposals into business cases which would be a matter for the Shadow Joint Committee to consider. It had been suggested that a team of potentially seconded officers could work together to develop the proposals for the region
- some discussion focused on the physical connectivity of the region including the importance of Holyhead Port; projects including electrification, and other specific transport links within the region. Road and rail infrastructure and connectivity and wider transport planning were central to the North Wales Growth Strategy and the Growth Track 360 Plan made the case for cross-border rail investment. In terms of regional working the proposal was for a Joint Committee around economic development but given the importance of transport infrastructure it was expected that a specialist Transport Sub-Committee would be required.

Transport Lead Members had been in discussions regarding a more regional approach to enable greater control and management of transport issues which may be achieved by having a regional transport authority

- it was clarified that the growth bid was to both UK and Welsh Governments who would agree jointly whether or not they would fund it and the need for careful consideration of the final governance model and the way any future financial contributions or commitments were approved had been highlighted in the report. There were no direct additional resource implications at this stage beyond making a revenue contribution of £50k from 2017/18 budgets which had already been accounted for. Future costs would be considered in future budget rounds.

RESOLVED that Cabinet –

- notes and supports the progress of the development of a competitive Growth Deal Bid for the region;*
- 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;*
- authorises the Leader to act as Denbighshire's member of a 'Shadow' Joint Committee in the interim period;*
- authorises the Leader, together with the Leaders of the other 5 partners 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, and*
- confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 3 to the report) as part of its consideration.*

6 DENBIGHSHIRE COUNTY COUNCIL'S CORPORATE PLAN 2017-2022

Councillor Julian Thompson-Hill presented the draft Corporate Plan for consideration by Cabinet prior to its submission to Council on 17 October 2017.

The last Council had largely delivered a very ambitious Corporate Plan demonstrating its ambition and commitment to delivering on its priorities. The priorities in the draft Corporate Plan covered Housing; Younger People: Connected Communities; Resilient Communities and the Environment and had been identified following a comprehensive process of evidence-gathering and analysis and in-depth consultation with communities (County Conversation), partners and elected members. If the Plan was adopted it should be possible to deliver most of the actions subject to the availability of funding for particular projects and a supporting Financial Plan would be included as part of the Corporate Plan document submitted to Council. Cabinet's attention was also drawn to the key principles within the Plan covering Equalities and Welsh Language together with governance arrangements going forward including scrutiny and monitoring. Finally Councillor Thompson-Hill

reminded members of his offer to meet with political groups to further discuss the Corporate Plan and provided assurances that important issues raised by members during the consultation process which had not been specifically included within the Plan would have been captured elsewhere within service business plans.

The Leader referred to the consultation process and outcomes within the Corporate Plan which demonstrated that the Council had listened and responded to the issues raised. He welcomed and supported the Plan as a means of delivering on residents' expectations of a local authority and making a difference in communities. He was satisfied that important issues not included as specific priorities in the Plan would still be addressed highlighting the economic strategy as a prime example.

Members discussed the report further with the Lead Member and the Head of Business Improvement and Modernising as follows –

- Cabinet had been pleased to note the open and transparent consultation process resulting in a Plan which would make a real difference to residents and agreed the draft Corporate Plan maintained the Council's ambitions but was also realistic. It was suggested that reference to the County Conversation be made at the beginning of the document to set the context and show that residents' views had been valued and taken into account in formulating the Plan
- Councillor Huw Hilditch-Roberts highlighted that bold decisions needed to be made in order to deliver the Plan, using decisions relating to housing developments as a prime example, and he asked that all elected members be made fully aware of their role within the process and the commitment required to ensure successful delivery of the Plan
- Councillor Bobby Feeley particularly welcomed the inclusion and remit of Environment as a priority and officers advised that it had been a key theme from young people during the County Conversation
- there was some discussion about how to express what the Council hoped to achieve with particular reference to the Plan's wording "we will" given that actions to meet particular achievements were outside of the Council's control and the responsibility of other organisations. It was accepted that there were some areas which were not solely within the Council's control, however the Council could influence and be a driver to ensure outcomes were achieved and it was hoped the wording would reflect the Council's intention and will to achieve a particular outcome despite there being no guarantee
- reference was made to the key principle to work to ensure the Welsh Language thrived in Denbighshire and the need to further drive this forward and officers advised that the Plan reflected the Council's position and strategies and ambition to improvement in that area. The Leader referred to the establishment of a Welsh Language Steering Committee to take matters forward and highlighted the need for inclusion and development of the Welsh Language with non-Welsh speakers as part of that process. Councillor Huw Hilditch-Roberts was pleased the Welsh Language had been recognised within the Plan and highlighted the need to change the culture and ethos to ensure that Welsh Language was embedded in everyday life. In response to calls from Councillor Arwel Roberts for new schools to be bilingual, Councillor Hilditch-Roberts indicated his support for bilingual schools and reported upon requests to the

Welsh Government to clarify language categorisations given the confusion in that regard

- in response to a request to further engage with Town/City/Community Councils, Councillor Richard Mainon advised that he was looking at how Town/City/Community Councils could be brought into the process and help aid with delivery of the Corporate Plan
- members also made reference to individual achievements highlighted within the Plan and officers provided an explanation as to their inclusion and likelihood of them being delivered including references to affordable housing; bringing back empty homes into use; reducing the number of properties at risk of flooding and increasing the number of trees in Rhyl and Denbigh. It was also clarified that the development of cycling routes would be considered under the Connected Communities theme and sustainable travel.

RESOLVED that Cabinet –

- approves the near final draft Corporate Plan for submission to County Council on 17 October 2017 and recommends its adoption subject to (1) final refinement of wording, and (2) inclusion of a supporting financial plan, and*
- confirms it has read, understood and taken account of the Well-being Impact Assessment (Appendix B to the report) as part of its consideration.*

At this juncture 11.35 a.m. the meeting adjourned for a refreshment break.

7 CORPORATE POLICY: INCOME, FEES AND CHARGES

Councillor Julian Thompson-Hill presented the report seeking Cabinet approval of the Corporate Policy: Income, Fees and Charges setting out the Council's approach to income generation and charging for services.

The Council raised approximately £48m annually in various fees and charges. Whilst procedures and responsibilities for the management of income were clearly set out in Financial Regulations, a corporate policy with strategic principles would strengthen the Council's approach and be beneficial to budget planning. Councillor Thompson-Hill briefly outlined the policy highlighting particular areas within the document including the scope of the policy; key charging principles and concessions. He particularly highlighted the key principle that the assumption going forward would be to legally charge for a service unless there was a specific reason for not doing so, and that the charge would rise annually in line with inflation.

Cabinet noted that the creation of a corporate policy relating to fees and charges had been raised in by the Wales Audit Office in previous Annual Improvement Reports with a view to strengthening its approach to income generation. It was recognised that the policy was predominantly about bringing all the elements together in a corporate document for transparency and to ensure that all services were working to the same basic principles. In terms of the introduction of new charges, such as for social care services, it was considered vital that an appropriate public engagement strategy was employed and to be sensitive to the needs of the public. Some discussion focused on the need to benchmark the level of charges

against other service sectors to ensure they reflected the current market value and it was confirmed that this element had already been written in to the policy.

Councillor Meirick Davies raised concerns about additional charges imposed by the Council when paying in cash for services. The Head of Finance advised that it generally cost less to collect payments via direct debit and therefore electronic payments were encouraged. He agreed to look further into the matter and report back to Councillor Davies directly thereon.

RESOLVED that Cabinet approves the 'Corporate Policy: Income Fees and Charges' document attached as an appendix to the report.

8 REVISED MINIMUM REVENUE PROVISION (MRP) POLICY 2017/18

Councillor Julian Thompson-Hill presented a report seeking Cabinet approval and recommendation of revisions to the MRP Policy for 2017/18 to County Council.

A review of the Council's current MRP Policy had identified that by changing the method for making the MRP a significant saving opportunity would be delivered. The proposed change also introduced a more equitable method for apportioning the costs associated with the capital programme. Cabinet was guided through the technical information including different methodologies which could be adopted and reasoning behind the proposed revisions and conclusion that the most appropriate methodology would be to move to the asset life straight line which was essentially a repayment of assessed debt over 50 years. The proposed change would release £1.861m cash saving in 2017/18 and an ongoing budget reduction of £1.861m. The Head of Finance added that the revisions would impact better on future generations because the debt would be paid off. It was a prudent method of dealing with MRP and had been based on a firm assessment of relevant assets.

The Lead Member and Head of Finance responded to specific issues as follows –

- assurances were sought that future borrowing would not be constrained from 2033 when higher repayments were required. It was explained that the debt was being spread over a longer period but would eventually be paid off and there would be peaks and troughs over that period but officers were confident that they were manageable in the overall scheme. Further assurances were given that the methodology would not impact on the Council's capacity in the future and the biggest risk to the authority was overall funding rather than reasonably marginal differences in the cost of servicing some of the historic debt
- it was clarified that there would be an annual recurring budget saving and there would also be an in year cash saving in the current financial year by implementing the revisions at this point
- with regard to the buyout of the County Hall PFI agreement it was explained that given the low borrowing rates it had cost the Council significantly less to buy themselves out of the agreement than to continue with it; a further saving had been made on the building's upkeep and maintenance costs.

Cabinet welcomed the policy change as a means of cost saving in a way which did not negatively impact on services whilst also setting a prudent MRP policy as evidenced within the technical information.

RESOLVED that Cabinet –

- (a) *approve and recommend to County Council the revisions to the MRP policy for 2017/18 –*
- *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*
 - *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*
 - *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,*
- (b) *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 –*
- *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*
 - *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.*

9 ANNUAL TREASURY MANAGEMENT REPORT 2016/17

Councillor Julian Thompson-Hill presented the report updating members on the performance of the treasury management function and demonstrating compliance with treasury limits and Prudential Indicators during 2016/17.

In summarising the report Councillor Thompson-Hill highlighted the importance of treasury management and the main points for members in terms of borrowing and investment activity. He also confirmed compliance with all prudential indicators set and guided members through those indicators as detailed in Annex B to the report confirming appropriate ratios of financing costs and borrowing levels. In terms of ongoing commitments to the Corporate Plan the Head of Finance confirmed that some school funding projects had taken longer to come to fruition and funding had been identified to proceed with those projects providing all requirements were met.

RESOLVED that Cabinet –

- (a) 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 Treasury Management Report 2016/17 (Appendix 1 to the report), and
- (b) confirms it has read, understood and taken account of the Well-being Impact Assessment (Appendix 2 to the report) as part of its consideration.

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 £0.002m 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
- highlighted current risks and variances relating to individual service areas with particular emphasis on the overspend in Children's Services given the volatility in placement costs for which a reserve had been set up to mitigate, and
- provided a general update on the Housing Revenue Account, Housing Capital Plan and the Capital Plan (including the Corporate Plan element).

Reference was also made the changes in MRP provision approved by Cabinet and use of the £1.861m saving to help mitigate future budget reductions.

The following matters were raised during debate –

- Rhos Street School and Ysgol Penbarras – Councillor Bobby Feeley advised that one of the safe routes to schools had been rejected for government funding and she sought assurances that alternative funding would be secured. Councillor Huw Hilditch-Roberts confirmed that the matter was being addressed and reported upon work ongoing with a view to securing funding for that route
- School Deficits – previous concerns had been raised regarding the number of schools in financial deficit and meetings between Lead Members and Finance Officers had taken place and assurances had been provided regarding the methodologies in place to deal with those deficits. Assurances were also given that financial recovery plans included a clear timeline and fixed end date and would be subject to close monitoring and review.

RESOLVED that Cabinet notes the budgets set for 2017/18 and progress against the agreed strategy.

11 CABINET FORWARD WORK PROGRAMME

The Cabinet Forward Work Programme was presented for consideration and members noted an item to be added to the work programme for October regarding Denbighshire Learning Disability Community Living contracts.

RESOLVED that Cabinet's Forward Work Programme be noted.

EXCLUSION OF PRESS AND PUBLIC

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

12 RHYL WATERPARK: CONTRACTS AWARD

Councillor Hugh Evans presented the confidential report informing Cabinet of the contract award regarding the development of the Rhyl Waterpark.

Cabinet was provided with some background information leading up to the Council's decision to develop a new Waterpark in Rhyl as part of the Rhyl Regeneration and Waterfront development programme together with progress to date. In order to meet the construction programme and secure cost certainty it had been necessary to award the contract in early September. Given those time constraints the decision to award the contract had been made under the Council's scheme of delegation. Any delay would have resulted in additional costs being incurred and risks to the project timetable and the Head of Legal, HR and Democratic Services confirmed that he was satisfied that it was an appropriate decision made under delegated powers.

RESOLVED that the report be received and noted.

The meeting concluded at 12.50 p.m.

Report To: **Cabinet**

Date of Meeting: 21 November 2017

Lead Member / Officer: **Bobby Feeley / Phil Gilroy**

Report Author: **Katie Newe / Alison Heaton, Community Support Services**

Title: **DENBIGHSHIRE LEARNING DISABILITY COMMUNITY LIVING SCHEMES – Extensions to existing contracts.**

1. What is the report about?

This report provides Cabinet with information regarding the contractual arrangements for supporting individuals with learning disabilities in supported living services, including a request that current contracts can be extended pending the regional exercise to tender across North Wales.

2. What is the reason for making this report?

A decision is required on the extension of 18 Learning Disability Community Living Contracts for a period of two years as required by the Council's Financial Guidelines (Contract Procedure Rules), pending the approval of future procurement arrangements for these services. Please see appendix 1 for the detail of each contract.

3. What are the Recommendations?

That Cabinet approves 2 year extensions for each of these services,

4. Report details

- 4.1 In line with national guidelines, Community Living is well established as Denbighshire's preferred way of meeting the needs of people with a Learning Disability who are no longer able to live with their Carers. The procurement of such services must be in accordance with the Council's Contract Procedure Rules (CPRs) and compliant with the domestic and EU law, namely the Public Contracts Regulations 2015.
- 4.2 Community Support Services (CSS) have been looking at alternative ways to procure Learning Disability Community Living Support. Currently, when contracts are due to expire, the approved procedure would be to extend the contract with the current Provider in line with current CPRs and subject to satisfactory performance. If this is not an option, a full tender exercise would be undertaken in line with the Public Contracts Regulations and CPRs.
- 4.3 Future commissioning plans consist of two ongoing work streams. Locally we are looking at the option of offering Support Budgets to enable Citizens to directly procure

support from their preferred Provider and, regionally, CSS are working with the other 5 North Wales Local Authorities and Betsi Cadwaladr University Health Board (BCUHB) and are about to start the process of tendering for a Regional Framework for the provision of Domiciliary Care amongst other Services.

- 4.4 The tendering will consist of three Phases. Phase 1 will be for the provision of standard domiciliary care, Phase 2 will be for the provision of enhanced domiciliary care and Phase 3 will be the provision of services into supported living settings. The contracts referred to in this report fall within Phase 3 and will be subject to an OJEU process.
- 4.5 There is a requirement to extend the existing contracts to allow sufficient time to prepare fully to engage with the market under the procurement process as set out above. The reason for extending the current contracts rather than re-procuring at this time is based upon the cost impact of undertaking 2 different tenders for the same Service provision and the inherent possibility of confusing the market providers. The proposed Framework will create efficiencies in terms of the amount of staff time involved in tendering for services, whilst ensuring quality and value for money when awarding contracts.
- 4.6 The current estimated time frame for Phase 3 is between 18 months to 2 years and on that basis the Contracts would need to be extended for a period of 2 years to 31st March 2020. This will also allow for any unforeseen delays. Should the process be completed earlier, the contracts can be terminated earlier. We are confident that a robust and transparent process is currently being developed in the procurement of this Framework, phase 3 is due to go to the Market in mid 2019, enabling us to use the Framework, once in place, to procure these services for a period of 7 years from the date of the Framework.

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

The provision of supported living services for individuals with learning disabilities supports the current corporate priority that vulnerable people are protected and are able to live as independently as possible.

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

Ongoing funding for these schemes is contained within the budget. No additional costs other than required uplifts to ensure providers can meet their legal requirements in relation to National Living Wage, etc will be incurred by agreeing to the extensions.

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

A Well-being Impact Assessment is not required for this report. However attached as appendix 2 is the Assessment that was submitted with the report relating to the North Wales Regional Domiciliary Agreement for the purchasing of domiciliary (homecare) services for adults and children and families from external providers. This is the Agreement that this report refers to.

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

- 8.1 Consultation has taken place on a Regional basis, during discussion around collaborating to develop a common procurement process across the six North Wales Local Authorities and BCUHB. Consultation has also been undertaken with DCC staff, Providers, representatives from Legal and Procurement Departments, colleagues from BCHUB, Citizens and their representatives/advocates.
- 8.2 Consideration was given regionally to running a mini tender exercise alongside the procurement of phase one. However the consensus of opinion was that this could potentially duplicate work for officers and providers as well as unsettling individuals who rely on a consistent service provision.
- 8.3 As part of the procurement process, individuals who use the services will be involved in decisions about suitable providers.

9. Chief Finance Officer Statement

It seems sensible to extend these contracts to fit with the timescales for a new regional framework. The costs of the contracts are an existing financial commitment.

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

- 10.1 The Authority would be in a vulnerable position if it were to procure services from a Provider without a contract in place.
- 10.2 There are procurement risks associated with this extension but these are mitigated upon the issuing of the OJEU notice on the Sell 2 Wales website and the Proactis Portal which will include notification to the market that a competitive procurement is being undertaken. It will also show to the market the time line within which the procurement is to take place and give the market and Service providers sufficient time to respond appropriately to the invitation to tender.
- 10.3 In terms of going ahead with a tender within such a limited time frame, there are risks associated with client choice and continuity of care. Detailed and meaningful consultation will need to be carried out with all users of the services and their families/advocates.

11. Power to make the Decision

Community Living Schemes are supported by the County under the Social Services and Well-being (Wales), Act 2014.

Denbighshire County Council's Financial Regulations and Contract Procedure Rules.

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

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Appendix 2: Well-being Impact Assessment

**Regional Domiciliary Care Tender 2017
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:	126
Brief description:	A dynamic framework tender for domiciliary care services led by Denbighshire on behalf of Ynys Mon, Gwynedd, Conwy, Flintshire, Wrexham Councils and Betsi Cadwaladr university Health Board (North Wales Social Care & Wellbeing Services Improvement Collaborative).
Date completed:	09/12/2016 16:40:34 Version: 1
Completed by:	Maria Bell
Responsible Service:	Community Support Services
Localities affected by the proposal:	Whole County

IMPACT ASSESSMENT SUMMARY AND CONCLUSION

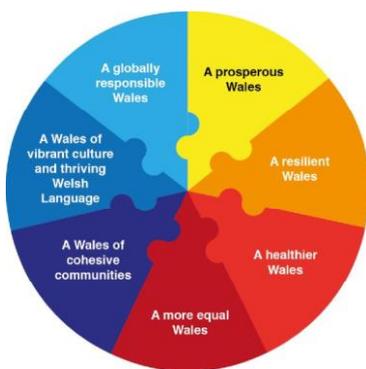
Before we look in detail at the contribution and impact of the proposal, it is important to consider how the proposal is applying the sustainable development principle. This means that we must act “in a manner which seeks to ensure that the needs of the present are met without compromising the ability 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 Positive
- A globally responsible Denbighshire

Main conclusions

Overall, this project (tender) is expected to deliver a positive impact on the wellbeing of North Wales citizens, in particular - the people receiving care & support at home ('service users') - the workforce delivering the care & support, As this contract (agreement) is only for 6 years (4 + 2 years) it is not possible to quantify the benefits to 2050 This project takes into account the Population Needs Assessment undertaken as a requirement of the Social Services & Wellbeing (Wales) Act 2014. The project has taken account (where possible) of:
- the Regulation & Inspection of Social care (Wales) Act 2016 and its planned implementation during the life of this agreement - The national review of domiciliary care in Wales (by the Care & Social Services Inspectorate for Wales) - Above & Beyond 2016.

THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

A prosperous Denbighshire

Overall Impact	Positive
Justification for impact	The selection criteria for domiciliary care agencies to be offered an agreement (contract) for delivery is based on most economically advantageous criteria – related to social value / impact and cost of delivery.

Positive consequences identified:

We are aiming to reduce unnecessary travel as a result of current commissioning practice. Our project aims to ensure financially sustainable provision of this essential front line services (care and support for people in their own home).

Our project is seeking to improve workforce terms and conditions, reduce staff turnover and deliver more continuity of care for the people supported. We are asking potential suppliers to demonstrate how they will offer additional social value, collaborating with others to provide more jobs and support people who are NEET or claiming welfare benefits to obtain work in the social care sector. We have worked with the North Wales Economic Ambitions Board to identify the Health & Social Care sector as a growth sector for future employment across North Wales.

Our project is seeking to improve workforce terms and conditions, reduce staff turnover and deliver more continuity of care for the people supported. The Regional Commissioning & Workforce Boards (Health & Social Care partners) will work with employers and colleges to develop skills and promote qualifications for Care & Support Workers.

The tender documents will include quality delivery requirements and key performance indicators.

Employers are invited to identify how they could offer additional social value / support to their workforce, including support with childcare

Unintended negative consequences identified:

Mitigating actions: A resilient Denbighshire

Overall Impact	Positive
Justification for impact	Partners are seeking to ensure most efficient travel / transport options in their procurement of domiciliary care; this will reduce unnecessary cost and maximise capacity when we are expecting unprecedented future demand (due to ageing profile of our communities) with reducing workforce availability.

Positive consequences identified:

Partners are seeking to ensure most efficient travel / transport options in their procurement of domiciliary care; this will reduce unnecessary cost and maximise capacity when we are expecting unprecedented future demand (due to ageing profile of our communities) with reducing workforce availability.

Unintended negative consequences identified:

Mitigating actions:

A healthier Denbighshire

Overall Impact	Positive
Justification for impact	The main focus of the care & support at home service is to promote and enhance (where possible) the wellbeing and independence of North

	Wales citizens by delivering 'what matters' to them and preventing where possible unnecessary admissions to care homes / hospitals.
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Positive consequences identified:

The main focus of the care & support art home service is to promote and enhance (where possible) the wellbeing and independence of North Wales citizens; including physical and social aspects of wellbeing

The main focus of the care & support art home service is to promote and enhance (where possible) the wellbeing and independence of North Wales citizens including social and leisure aspects of wellbeing

The main focus of the care & support art home service is to promote and enhance (where possible) the wellbeing and independence of North Wales citizens; including emotional and mental aspects of wellbeing

This is a project which includes the commissioning of care & support at home to meet people's health care needs. Some of the services purchased under this project would be under the direction of a qualified and registered health practitioner, such as a nurse.

Unintended negative consequences identified:

Mitigating actions:

A more equal Denbighshire

Overall Impact	Positive
Justification for impact	The main focus of the care & support at home service is to promote and enhance (where possible) the wellbeing and independence of North Wales citizens.

Positive consequences identified:

Tenderers / providers will need to demonstrate their policy & practice in relation to the Equalities Act 2010 and the Welsh Language Standards of the commissioning partners; including how they will train their staff and ensure on-going compliance.

The main focus of the care & support art home service is to promote and enhance (where possible) the wellbeing and independence of North Wales citizens. Tenderers / providers will need to demonstrate their ability to assess when to provide information or refer / signpost citizens for additional Information Advice, Advocacy or Guidance.

Tenderers / providers will need to demonstrate their ability to assess when to provide information or refer / signpost citizens for additional Information Advice, Advocacy or Guidance.

Unintended negative consequences identified:

Mitigating actions:

A Denbighshire of cohesive communities

Overall Impact	Positive
Justification for impact	The main focus of the care & support at home service is to promote and enhance (where possible) the wellbeing and independence of North Wales citizens.

Positive consequences identified:

Tenderers / providers will need to demonstrate their experience & knowledge of safeguarding people at risk (adults / children at risk)

The main focus of the care & support art home service is to promote and enhance (where possible) the wellbeing and independence of North Wales citizens; including maintaining / developing social relationship and community participation of people they support

Unintended negative consequences identified:

Mitigating actions:

A Denbighshire of vibrant culture and thriving Welsh language

Overall Impact	Positive
Justification for impact	Tenderers / providers will need to demonstrate: - Their policy & practice in relation to the Welsh Language Standards of the commissioning partners – How they intend to meet the cultural and linguistic needs of the local population(s) (each County): the tender makes specific needs to understanding of the Welsh language, culture and heritage.

Positive consequences identified:

Tenderers / providers will need to demonstrate their policy & practice in relation to the Welsh Language Standards of the commissioning partners; including providing initial and annual information about their staff skills in welsh language and how they will provide training to promote the welsh language

Tenderers / providers will need to demonstrate their policy & practice in relation to the Welsh Language Standards of the commissioning partners; including providing initial and annual information about their staff skills in welsh language and how they will provide training to promote the welsh language

Tenderers / providers will need to demonstrate how they intend to meet the cultural and linguistic needs of the local populations/s (each County); the tender makes specific needs to understanding of the Welsh language, culture and heritage

Unintended negative consequences identified:

Mitigating actions:

A globally responsible Denbighshire

Overall Impact	
Justification for impact	

Positive consequences identified:

Unintended negative consequences identified:

Mitigating actions:

Report To: Cabinet

Date of Meeting: 21st November 2017

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

Report Author: Steve Gadd, Chief Accountant

Title: **Finance Report (October 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?

The following actions are recommended:

- 3.1 Cabinet Members note the budgets set for 2017/18 and progress against the agreed strategy.
- 3.2 Cabinet Members approve the transfer of the £35k underspend within the Business Improvement and Modernisation service to the EDRMS Reserve in order to help extend the digitisation project.
- 3.3 Cabinet Members support the submission of a Full Business Case for Ysgol Llanfair new school building and facilities to the Welsh Government (see Appendix 4).

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 overspend of £0.002m (overspend of £0.002m as at the end of August). 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 £125k (£106k when last reported in September). The pressure is largely due to higher than anticipated relief costs and additional IT costs. The increase in the overspend relates mainly to an increase in costs associated with the St Asaph Library refurbishment. The service continues to work to identify cost savings in order to reduce the current overspend.

Business Improvement and Modernisation is now projected to underspend by £35k (break-even in the last report). The underspend is partially due to vacancy savings and also a higher than anticipated income for the Project Management Team. It is recommended that the underspend is placed in the EDRMS Reserve in order to help extend the digitisation project.

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 £1.1m 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 £566k (£196k overspend reported to September Cabinet). As indicated in the last report a number of cases were being assessed and it was highlighted that the overspend was likely to increase as those were settled. Children's Services continues to be 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 currently £1,265k overspent (£968k in September's Report), however as in previous reports 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 £177k for a particularly expensive and sensitive case. The pressure in this area is also being discussed as part of the 2018/19 budget process.

Legal, HR and Democratic Services is showing an underspend of £29k due to a number of small variances and vacancy savings across the service (£8k underspend reported at last Cabinet meeting).

Highways and Environment is currently projected to overspend by £231k (overspend of £162k at the last Cabinet meeting).

The majority of overspend (£164k – an increase of £17k from that reported in September) 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 re-imburement 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, it has always been accepted that the effects of the implementation of the new

policy would need to be monitored carefully throughout the year. The School Transport budget is currently projected to overspend by £40k following a full review of the contracts agreed for the new school year which started in September.

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 an unbudgeted contribution from the base level of Balances.

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 £900k which is £585k 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 £1.647m at the end of the year. The Capital Budget of £10.15m is allocated between planned improvements to existing housings stock (£6m) and acquisitions and new build developments (£4m).

Treasury Management – At the end of October, the council's borrowing totalled £198.959m at an average rate of 4.59%. Investment balances were £4m 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 £41.4m with expenditure to date of £18.8m. Also included within Appendix 2 is the proposed expenditure of £16.8m on the Corporate Plan. **Appendix 3** provides an update on the major projects included in the overall Capital Plan.

In January 2017, Cabinet supported the recommendation for the submission of a combined Strategic Outline Case/Outline Business Case for a replacement building and facilities for Ysgol Llanfair to the Welsh Government. This was considered by the Welsh Government in September 2017 and permission to submit the Full Business Case was received in October 2017. The proposed scheme would see the development of a new school to accommodate 126 full time pupils and 18 part time pupils. The latest estimated cost is £5.4m. The Strategic Investment Group reviewed the full business case on 24th October 2017 and have recommended that Cabinet

supports the submission of a Full Business Case for Ysgol Llanfair new school building and facilities to the Welsh Government. The Full Business Case is included as **Appendix 4**.

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 are currently being 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

Oct-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	3,168	-338	2,830	3,375	-420	2,955	207	-82	125	4.42%	106
Education and Children's Service	14,126	26,909	-13,955	12,954	28,795	-15,275	13,520	1,886	-1,320	566	4.37%	196
Business Improvement and Modernisation	4,572	5,413	-785	4,628	5,567	-974	4,593	154	-189	-35	-0.76%	0
Legal, HR and Democratic Services	2,396	3,949	-1,325	2,624	4,071	-1,476	2,595	122	-151	-29	-1.11%	-8
Facilities, Assets and Housing	6,965	22,697	-15,089	7,608	23,114	-15,506	7,608	417	-417	0	0.00%	0
Finance	2,888	5,260	-2,346	2,914	5,216	-2,302	2,914	-44	44	0	0.00%	0
Highways and Environmental Services	17,065	33,301	-15,912	17,389	33,666	-16,046	17,620	365	-134	231	1.33%	162
Planning and Public Protection	2,941	5,958	-2,969	2,989	6,261	-3,272	2,989	303	-303	0	0.00%	-8
Community Support Services	31,218	46,899	-14,537	32,362	49,485	-17,123	32,362	2,586	-2,586	0	0.00%	0
Total Services	84,867	153,554	-67,256	86,298	159,550	-72,394	87,156	5,996	-5,138	858	0.99%	448
Corporate	18,178	55,481	-36,532	18,949	54,623	-36,532	18,091	-858	0	-858	-4.53%	-448
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	72,971	-36,532	36,439	72,113	-36,532	35,581	-858	0	-858	-2.35%	-448
Council Services & Corporate Budget	120,623	226,525	-103,788	122,737	231,663	-108,926	122,737	5,138	-5,138	0	0.00%	0
Schools & Non-delegated School Budgets	64,439	75,296	-8,781	66,515	75,344	-8,827	66,517	48	-46	2	0.00%	2
Total Council Budget	185,062	301,821	-112,569	189,252	307,007	-117,753	189,254	5,186	-5,184	2	0.00%	2
Housing Revenue Account	-257	15,179	-14,864	315	15,578	-14,678	900	399	186	585		617

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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	23,961	12,536	171	200
	Total Estimated Payments - Corporate Plan Contingency	16,808	1,179	0	0
		658	500	500	500
	Total	41,427	14,215	671	700
Capital Financing					
1	External Funding	16,940	9,767	4,869	4,869
2	Receipts and Reserves	11,206	211		
3	Prudential Borrowing	13,281	8,606	171	200
5	Unallocated Funding	0	(4,369)	(4,369)	(4,369)
	Total Capital Financing	41,427	14,215	671	700

Corporate Plan

Revised February 2016

		£000s	£000s	£000s	£000s
Approved Capital Expenditure included in above plan					
	Cefndy Healthcare Investment	103			
	Extra Care	94			
	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	3,221	274		
	Faith Based Secondary	735	669		
	Estimated Capital Expenditure	7,024	25,384	9,422	0
	Total Estimated Payments	23,832	26,563	9,422	0
Approved Capital Funding included in above plan					
	External Funding	8,062	30		
	Receipts and Reserves	4,127	206		
	Prudential Borrowing	4,619	943		
	Estimated Capital Funding	2,170	12,898	592	4
	External Funding	2,170	12,898	592	4
	Receipts and Reserves	1,505	3,438		
	Prudential Borrowing	3,349	9,048	8,826	
	Total Estimated Funding	23,832	26,563	9,422	0

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Appendix 3 - Major Capital Projects Update - October 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
Narrative:	
<p>Now that the bridge has been operational for a few years, it is apparent that the maintenance schedule needs to be revised to ensure that the bridge is properly maintained for the longer term. The Corporate Executive Team have considered a report regarding the maintenance regime and have agreed in-principle to amend the maintenance schedule, although decisions about the long term funding of this have still to be finalised. 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	£23.408m
Estimated remaining spend in 17/18	£ 0.414m
Future Years estimated spend	£ 0.000m
Funding	DCC £10.133m; WG £13.689m
Narrative:	
<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 now just a few remaining snags and defects to be completed through the contract, and it is hoped that the majority of these can be closed out during the October half term.</p> <p>A meeting has been arranged with the Contractor week commencing 13th November to discuss the outstanding issues. The full retention fee has been withheld by the Council, subject to the satisfactory completion of the project defects.</p>	
Forecast In Year Expenditure 17/18	£0.437m

21st Century Schools Programme – Ysgol Glan Clwyd

Total Budget	£16.710m
Expenditure to date	£15.952m
Estimated remaining spend in 17/18	£ 0.484m
Future Years estimated spend	£ 0.274m
Funding	DCC £5.249m; WG £11.461m
<p>Narrative:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Remaining internal works to create the new Leisure Centre facility and the final three rooms for the school were completed and handed over on 13th October 2017; at the same time the new Car Park and Coach Area and remaining external landscaping were also completed and handed over.</p> <p>Since 13th October 2017 the final activities have seen the old Tennis Courts resurfaced and fenced to create a Multi-Use Games Area and clearance of the Contractors Site Offices and compound with a final contract completion date of Friday 10th November 2017.</p> <p>There is ongoing consultation with all key stakeholders including all users of the site. In addition, regular updates via newsletters are distributed locally.</p> <p>The project team are working with the school and wider community to engage with them to develop and deliver a number of community benefits.</p>	
Forecast In Year Expenditure 17/18	£3.221m

21st Century Schools Programme – Ruthin Primary Schools

Total Budget	£12.186m
Expenditure to date	£ 8.927m
Estimated remaining spend in 17/18	£ 3.024m
Future Years estimated spend	£ 0.235m
Funding	DCC £6.900m WG £5.285m
<p>Narrative:</p> <p>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.</p> <p>Rhos Street School and Ysgol Penbarras</p> <p>This project will deliver a new shared school building site for Rhos Street School and Ysgol Penbarras at Glasdir, Ruthin.</p> <p>The mechanical and electrical 2nd fix and external render on the Rhos Street section of the building is ongoing but the plaster boarding and stonework is complete. The plaster boarding and mechanical and electrical 1st fix is ongoing on the Pen Barras section but the stonework is complete. The car park has been base coursed and drainage works are ongoing.</p> <p>Up and coming works include extending the 2nd fix on the Pen Barras section and starting the internal finishes including flooring and decoration on the Rhos Street section.</p> <p>Ysgol Carreg Emllyn</p> <p>Ongoing negotiations with the land owners on an agreement for the land purchase have resulted in extended timescales for the project.</p> <p>The tender for the design and build has been awarded to Wynne Construction and will be issued as a two part contract – initially the detailed design and then the construction period.</p> <p>Due to the extended timescales, start on site will now realistically commence in the Spring of 2018.</p> <p>Llanfair New School</p> <p>The Strategic Investment Group have approved the Full Business Case, and their recommendation will be included within the Finance Report on this agenda. The final draft of the Full Business Case will be submitted to the Welsh Government for approval at their December panel meeting.</p> <p>The Planning Application was validated in early October and is currently at the consultation phase, with issues arising currently being addressed.</p> <p>The tender has now been evaluated and a preferred contractor has been identified. It is anticipated that the contract will be issued as a two part contract – initially the detailed design, which may be in parallel with the planning application and then the construction period.</p> <p>Subject to planning approval and land purchase, work is expected to commence on site in the Spring of 2018.</p>	
Forecast In Year Expenditure 17/18	£8.935m

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	£0.735m
Future Years estimated spend	£0.669m
Funding	DCC £1.5.m
<p>Narrative:</p> <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>The design for the new 3-16 school is now available and comments invited during the pre-planning consultation stage which started on the 23rd October 2017 and will finish on 25th November 2017.</p> <p>Two public drop-in sessions have taken place at Blessed Edward Jones (on 7th November 2017) and Ysgol Mair (on 9th November 2017)</p> <p>The combined Strategic Outline Case/Outline Business Case has been submitted to the Welsh Government and is due to be considered during November. The Full Business Case is currently being drafted and will be submitted to the Strategic Investment Group for consideration.</p>	
Forecast In Year Expenditure 17/18	£0.735m

Rhyl Waterfront and Waterpark	
Total Budget	£20.357m
Expenditure to date	£5.795m
Estimated remaining spend in 17/18	£4.361m
Future Years estimated spend	£10.201m
Funding	WG £4.236m; DCC£13.936m; Rhyl Town Council £2.000m
<p>Narrative: Work on the Pavilion Theatre is nearing completion with the creation of a new bar and restaurant which will open on 1st December 2017. The recruitment process is now complete and the remaining staff will take up their posts on 13th and 20th November.</p> <p>The external recladding is now complete and other minor refurbishments will be completed prior to the opening.</p> <p>The East Car Park has now been handed over and the pay & display machines have been installed. The signage is due to be erected by the middle of November.</p> <p>The Sky Tower improvements are complete and the graphics have now been installed on the new hoarding.</p> <p>Work on the new Waterpark development has now started on site with completion scheduled for early 2019.</p> <p>There is a current funding gap of £185k on the Waterfront and Waterpark development. This is manageable in 2017-18, and there are avenues to explore in 2018-19 to bring the development cost back in line with the budget.</p> <p>The development of the Travelodge and Marstons bar and restaurant on the site of the East Parade car park is hoped to commence late November 2017, with opening anticipated for November 2018.</p>	
Forecast In Year Expenditure 17/18	£6.610m

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Draft Full Business Case

Replacement Building and Facilities for Ysgol Llanfair Dyffryn Clwyd



Version Control

Author: Joseph Griffiths, Project Manager

Date: 16/10/2017

Version	Date Issued	Brief Summary of Change	Owner's Name
V.1	12.10.17	First Draft	Joseph Griffiths
V.2	17/10/2017	Draft to SIG	Joseph Griffiths

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1. Executive Summary

- 1.1. This Full Business Case presents a proposal to build a new school building, on a new site, in the village of Llanfair Dyffryn Clwyd to replace the existing Ysgol Llanfair Dyffryn Clwyd (Ysgol Llanfair DC).
- 1.2. The initial proposal as detailed within the Ruthin Primary Area Strategic Outline Case (presented in November 2015) was for the amalgamation of Ysgol Llanfair DC and Ysgol Pentrecelyn followed by the building of a new 3-11 area school to serve Llanfair and Pentrecelyn on a new site for 140 learners. Following completion of the school organisation process and publishing of the statutory notice, a Cabinet meeting in October 2015 approved a recommendation to close Ysgol Llanfair DC and Ysgol Pentrecelyn and open a new dual-stream Category 2 Church in Wales primary school. However, in June 2016 that decision was challenged via Judicial Review and quashed on procedural grounds in August 2016. The Court had not criticised the merits of the proposal and suggested that a similar decision would be possible following a further consultation exercise. However, there was a need to consider afresh any future proposal based on the wider impact and current circumstances with due regard to community cohesion and learners.
- 1.3. After discussions with both school communities it was clear there was no appetite to revisit the same proposal and pursuing that option would risk further community divisions and legal challenges. It was also clear that the status quo for Ysgol Llanfair could not continue and there was a need for a sustainable Category 2 school in the area. In light of those considerations it was recommended not to consult afresh on the original proposal. Instead, in November 2016, Cabinet agreed to take no further action over the future of Ysgol Pentrecelyn, which would remain a Category 1 school, and to consider proposals to re-build Ysgol Llanfair on a new site (for which the case is presented within the Full Business Case).
- 1.4. Ysgol Llanfair DC is a Category 2 (bilingual) Voluntary Controlled school providing education for pupils aged 3-11 years old aligned with the Church in Wales in the Diocese of St Asaph.
- 1.5. The condition of the school was assessed as 'C' (poor-exhibits major defects) in 2012. The suitability of the school was assessed in 2014 as 'B/C' with deficiencies identified in terms of car parking, staff areas, public areas and accessibility.
- 1.6. The school currently have two mobile classrooms which provide accommodation for years 5 and 6, with year 4 accommodated in a first floor area which is accessed via a narrow staircase. There are currently no separate hall or dining facilities, with classrooms in the main building doubling up as dining area and assembly areas. At present the school use the community hall

for events and the church for services; unfortunately these are both located on the opposite side of the A525 resulting in pupils and staff having to cross a busy road to access these facilities.

- 1.7. A major concern for the current site is the arrangement for parking and the lack of suitable drop off/ pick up and pedestrian facilities. Currently, there is an agreement with the village hall and the local authority that for a small charge per day staff are able to park at the church hall- this cost is met by the local authority. There is also limited parking for deliveries.
- 1.8. The toilet provision is also a major concern at the school as it is below the statutory minimum for current pupil numbers. Furthermore, a significant maintenance backlog exists of £70,343.16 (assessed in 2012). This cost is estimated to increase to £87,776 by 2019 (based on an uplift calculation for 1Q 2019).
- 1.9. The capacity of the current school (including mobile accommodation) is for 113 full time learners. As of January 2017, 92 pupils were recorded on roll at Ysgol Llanfair, however an application for a proposed new development of 63 dwellings within the village (which was approved by Denbighshire planning officers in June 2017) has been estimated to generate an additional 15 pupils for the school. If this increase in pupil numbers became a reality this could increase projected pupil numbers to 114 by 2020 which would result in the school being at full capacity with a deficit of 1 place (based on their current maximum capacity of 113FTE). The prospect of having no surplus places by 2020 could bring into question the sustainability of a school capacity of 113 FTE as the school would be unable to accommodate any additional pupils which are likely to be attracted by the new school.
- 1.10. As detailed within the Strategic Case the scheme would therefore deliver the following benefits:
 - Provision of sufficient school places - *A new school with a capacity of 126 FTE places would provide enough space to accommodate all current pupils (thereby negating the need for the two mobile classrooms currently in place) along with enough surplus places to accommodate future projected pupil numbers.*
 - Removal of temporary accommodation – *resulting in an annual revenue saving of £18,000 (note since the drafting of the OBC/SOC one of the mobiles has been purchased by Denbighshire reducing the revenue saving to £15,000)*
 - Improved access to school facilities - *The new building would also include school hall/dining/gym facilities which would therefore remove the need to cross a busy road to utilise the community hall for events. The new site would provide greater opportunities to deliver an innovative 21st century curriculum along with sufficient parking spaces and a drop off/pick up area, which would improve safety and reduce*

revenue costs due to no longer having to fund access to parking at the village hall.

- *Improved condition and suitability of the learning environment - The condition and suitability of the building would be increased from a Category C and Category B/C respectively to a Category A. The investment would also provide the school with buildings and facilities in line with the Welsh Government's 21st Century Schools standard which should therefore ensure high quality educational provision.*

- 1.11. The Economic Case provides detailed information on cost, benefit and risk appraisals undertaken to confirm a preferred option as a way forward to address the critical success factors for the project and make these a reality. The Economic Case concludes that the preferred solution is a new build in Llanfair on a new site with a capacity of 126 full time pupils and 18 part time pupils.
- 1.12. The procurement for the project has been progressed through a traditional route. Given that the estimated construction value of the project is £3.7m it has fallen below the Lot 1 threshold for the North Wales Construction Framework and therefore was procured via the Sell 2 Wales portal.
- 1.13. This project forms part of Denbighshire County Council's Strategic Outline Programme for 21st Century Schools funding. The cost of the preferred option is to be £5.4 million of which we are seeking approval for a contribution of £1,379,847 from Welsh Government (as per the overall programme matrix for DCC submitted in March 2017).
- 1.14. When the project was initially proposed in 2015 the Strategic Outline Case estimated the total project costs to be around £3.5 million. However, based on the initial feasibility works which highlighted the requirements for additional external works and the need to meet the additional land purchase costs a provisional allowance within the Council's Corporate Plan of £5.234 million for the project was made. Following this allowance a report was presented to Denbighshire's Strategic Investment Group in January 2017 which highlighted a need to increase this allocation to around £5.4 million in order to take account of higher utility provision costs including electricity substations and sewerage treatment along with tender price inflation. However no additional funding has been requested from the Welsh Government as part of the revision of costs. For more information please see the Financial Case.
- 1.15. In terms of the management of the project, the Council is in the process of amending its Programme Management arrangements. A number of Board's are being disbanded including the Council's Modernising Education Programme Board, and their remit will be replaced by 2 Boards. The progress of the Modernising Education agenda will fall within the remit of the Young People and Housing Programme and this will provide the strategic leadership

for the overall programme moving forward. The project has an identified Project Sponsor and Project Manager to ensure clear leadership and direction throughout the lifecycle of the project. Details of the project management structure are contained within the Management Case.

2. Strategic Case

Strategic Fit

- 2.1. The SOC/OBC was considered and approved in September 2017. Due to the close proximity very little has changed in terms of the strategic fit. The main changes relate to the potential size of the school and the reviewed delivery mechanism for the corporate priorities.

Business Strategies

- 2.2. The project was identified by the Council during the delivery of its Corporate Plan for the period 2012-2017. This identified 7 priority areas for Council activity and action and contextualises national and regional policy developments for Denbighshire. Specifically within this plan there is a priority work stream for:-

- Improving performance in education and the quality of our school buildings

This priority includes the following intended outcomes:-

- We will invest significantly to improve school buildings and facilities and provide improved learning environments for pupils
- We will continue to review school provision across the county to ensure that we provide the right number of school places, of the right type, in the right location.

- 2.3. Following the approval of the Council's New Corporate Plan for the period 2017-2022, the Councils' Modernising Education strategy will be governed via the Younger People and Housing Programme Board. This board has responsibility to oversee strategic delivery of the Corporate Plan and the key projects therein.

Planning

- 2.4. A planning application (20/2017/0819) has been submitted and is currently in the consultation period. The purchase of the land has been agreed with the transaction to be completed should planning approval be received.

Welsh in Education Strategic Plan –

- 2.5. The Council recognises the importance of bilingualism in 21st Century Wales and has adopted a long term aspiration that all children and young people in the County will leave full-time education being competent and confident in using both Welsh and English languages. The Council recognises that this is a long term aspirational aim that will not be achieved for a number of years.
- 2.6. The objectives of the new Welsh in Education Strategic Plan 2017-20 includes ensuring and developing sufficient Welsh Medium school places and increasing the proportion of learners studying Welsh as a 1st language. The aim is to ensure that through the 21st Century Schools programme there is sufficient capacity to ensure Welsh medium education is accessible throughout the County.
- 2.7. The current Ysgol Llanfair DC is a Category 2 (bilingual) school and has developed an excellent track record in terms of the number of pupils entering the school as part of the English medium stream and later choosing to transfer to the Welsh medium stream.
- 2.8. As the preferred option for this project is to maintain the Category 2 status of Ysgol Llanfair DC and to develop a new school building on a new site within the village, with an increased capacity of 126 full time pupils and 18 part time pupils, then this would be fully aligned with the aims of the Welsh in Education Strategic Plan.
- 2.9. Discussions during the submission of the OBC / SOC highlighted queries over pre-school provision. The exact use of the community room will be carefully considered by the school and governors to ensure that the risk of duplication of services is minimised within the village and that the facility is seen as a useful resource by the community. The arrangements for use, associated charges and administration of the community facilities will be the responsibility of the school and governors to finalise. The community room is currently designed as a multi-functional space and as such has not been specifically designed to meet the CSSIW requirements, however we would be open to discussions around integrating this into the future design or modifications at a later stage.
- 2.10. Higher level discussions were undertaken with Mudiad Meithrin in August 2016 around the overview of provision as part of the programme. Links were also provided to ensure the continued engagement of Mudiad Meithrin with the progress of the various projects.

Current demand for places

2.11. Including both the current school building (62 places) and mobile accommodation (51 places) Ysgol Llanfair DC has a maximum capacity of 113 pupils.

2.12. The table below shows the pupil number over the past 6 years and the current demand for places at Ysgol Llanfair DC:

Full Time pupil numbers – January PLASC						
2011	2012	2013	2014	2015	2016	2017
96	93	90	84	94	89	92

Pupil projections

2.13. The table below shows the projected pupil numbers for Ysgol Llanfair DC for the next 5 years:

Full Time pupil numbers – Projections				
2018	2019	2020	2021	2022
96	95	99	99	99

2.14. Planning has been granted by Denbighshire's planning committee for the development of 63 dwellings within the village (20/2016/1137). If the development is undertaken this will increase pupil numbers by 15 based on new development calculations for the likely demand. This could increase projected pupil numbers to 114 by 2020 which would result in the school being at full capacity with a deficit of 1 place based on their current maximum capacity of 113FTE.

2.15. As such a new school was proposed with a capacity of 126FTE pupils would provide sufficient capacity for current and projected pupil numbers thereby meeting demand for school places. Following queries at the SOC/OBC stage the option of a smaller school has been discussed with the Head teacher, Chair of governors and diocese of St Asaph. Further guidance is awaited from Welsh Government before the FBC is finally submitted to Welsh Government.

Issues from SOC / OBC Stage

2.16. The discussions between DCC and WG clarified the following strategic issues during the approval process:-

Childcare arrangements

- It is the intention that childcare arrangements will continue as they are at the current school in that Breakfast club is available daily from 8am and an after school club is offered for KS2 pupils every Tuesday from 3:15pm-4:15pm. The nursery places proposed are part time.

- The Childcare sufficiency audit published and conducted by Denbighshire's childcare team in March this year confirmed that no deficiencies have been identified in this area in terms of the provision of childcare.
- Furthermore, the Cylch meithrin which already exists in the nearby village of Pwllglas have expressed a desire to remain in their current location. We would therefore be mindful around putting in place any additional childcare provision within the new school as this would risk causing competition for and duplication of existing provision and could weaken provision in the long term.

Sports Provision

- A grass pitch which will be sized to Welsh FA U12 size with gradients to be in accordance with Sport England guidelines. The proposed design for the new school includes an access point to the football pitch from the car park thus facilitating community use. A general games court is also provided adjacent to the hard play areas incorporating ball stop fencing. The surface is proposed as Macadam paving suitable for pedestrian/playground use. The exact arrangements for community use, associated charges and administration of the school facilities will be the responsibility of the school and governors to finalise.

Investment Need

- 2.17. The investment needs have been reviewed and the investment needs remain based on the key issues within the current school the following priorities for investment remain:

Minimum Scope

- *Addressing maintenance backlog*

Intermediate Scope

- *Addressing maintenance backlog*
- *Removal of mobile accommodation*
- *Increased capacity to accommodate pupils previously accommodated in mobile classrooms*

Maximum Scope

- *Addressing maintenance backlog*
- *Improved parking/pick up/drop off area*
- *Removal of mobile accommodation*
- *Increased capacity to accommodate increased pupil numbers due to housing development*
- *Safer access to dining/hall facilities*
- *All facilities made fully accessible*

Project Impacts

- 2.18. This project is anticipated to primarily benefit Ysgol Llanfair DC pupils via the provision of sufficient school places and improved educational environment and access to facilities. Conversely, the project is anticipated to have a minimal impact on nearby schools.

3. Economic Case

- 3.1. In accordance with the 21st century schools and education funding programme business case guidance document and the requirements of HM Treasury's Green Book, this section of the business case documents the range of options that have been considered in response to the potential scope identified within the SOC. This FBC seeks approval for the identified 'preferred' option to deliver a replacement Building and Facilities for Ysgol Llanfair Dyffryn Clwyd.
- 3.2. The SOC/OBC was considered and approved in September 2017. Due to the close proximity very little has changed in terms of the Economic Case.
- 3.3. The critical success factors as outlined in the SOC/OBC remain valid and are displayed in the table below;

Reference	Critical Success Factors
CSF1	Improvement in educational attainment and achievement
CSF2	Removal of mobile classrooms and detached teaching areas and resource areas
CSF3	Reduce the ever growing maintenance backlog
CSF4	Meet demand for school places
CSF5	Increase the efficiency and effectiveness of the school estate
CSF6	Improve the learning environment to meet 21 st century school standards and allow for the delivery of a fluid and innovative 21 st century curriculum

- 3.4. These key drivers and critical success factors have been used to assess the options for progression for the Ysgol Llanfair DC project.

Revisited Options – January 2017

- 3.5. The identified options submitted at SOC/OBC are summarised below:

Option 1 - Retain the Status Quo (Do Nothing)

- The school would be retained as it is with no changes or improvements to existing facilities.

Option 2 - Clear Maintenance Backlog - Remedial Repair (Do minimum)

- Complete any remedial repairs to the current school buildings. This option would address the maintenance backlog at the site.

Option 3 - Refurbishment of the Existing Building

- This would mean retaining the current school site. The existing school site would be refurbished and a small extension would be built to accommodate a standalone hall and to provide additional classrooms to allow for the removal of the mobile classrooms.

Option 4 – New build in Llanfair on a new site with a capacity of 126 full time pupils and 18 part time pupils

- A new school would be built in the village of Llanfair with a capacity of 126 full time pupils and 18 part time pupils, on a new site with suitable facilities. The existing site would then be declared surplus. This option would address the condition of the existing buildings, reduce the maintenance backlog, improve facilities and would provide a 21st century learning environment.

Option 5 - New 180 FTE build in Llanfair on a new site (Do Maximum)

- A new school would be built in the village of Llanfair with a capacity of 180 full time pupils, on a new site with suitable facilities. The existing sites would then be declared surplus. This option would address the condition of the existing buildings, reduce the maintenance backlog, improve facilities and would provide a 21st century learning environment.

Preferred Option

- 3.6. The analysis of the advantages and disadvantages of each of the identified options along with review of the project investment objectives and critical success factors within the SOC/OBC identified option 4 the new build in Llanfair on a new site with a capacity of 126 full time pupils and 18 part time pupils as the preferred option.

4. Commercial Case

Procurement

- 4.1. Procurement for the preferred option is a Design and Build route. However, given the somewhat complex nature of the project (particularly in relation to land acquisition, drainage and highways considerations etc.), initial design works up to RIBA Stage 3 have been undertaken 'in-house' with an outline design summarising the general working principles that should be carried through the detailed design stage.
- 4.2. Given the anticipated project construction value of £3.7m, the scheme fell outside Lot 1 for the North Wales Construction Framework and as such was issued via the Sell 2 Wales portal. The tender exercise was based on a 70% Quality / 30% price ratio. Currently the project is at tender evaluation stage and a preferred contractor has been identified. Once the preferred contractor is appointed the outline design used to develop the detailed design (see proposed design in Figure 4).



Figure 4 – Proposed design for the new 126 FTE pupil capacity school for Ysgol Llanfair DC.

Evaluation

- 4.3. An explicit and clear evaluation criteria document was issued to the Contractors to accompany the tender to ensure the evaluation process was clear and transparent. The tender submissions were returned on the 27th of September 2017. The tender is currently at tender evaluation stage and were scored by an evaluation panel according to the guidance in the evaluation criteria issued.
- 4.4. The required products and services in relation to the preferred way forward have been defined briefly as follows;
- Appointment of a lead contractor with;
 - A successful recent track record of designing and constructing innovative primary schools;
 - Experience of using 'partnering ethos' arrangements;
 - Ability to provide and lead a team of appropriate technical specialists (education consultants, ICT, energy et al);
 - Understanding of emerging education and economic trends both in a local and national context;
 - A sound reputation for maximising use of local suppliers within the construction supply chain;
 - A history of delivering significant community benefits through their construction ventures;
 - Technical ability to lead a design and build project

Proposed Contractual Arrangements

- 4.5. As set out above, the project will use the JCT Design and Build Contract 2016 and will be procured on a fixed price lump sum basis in accordance with the Councils Financial Regulations. The final decision to enter into a formal contract will be taken by Denbighshire's Cabinet in accordance with the Councils Financial Regulations. The decision will be made following an assessment of the submitted works information by the Contractor.

Financial Implications of Proposed Deal

- 4.6. Under the proposed contractual arrangements and procurement approach the Contractor will be appointed on a lump sum basis to deliver the design and construction for a fixed price contract sum.

Risk Transfer Arrangements

- 4.7. The general principle to be adopted is that risks should be passed to 'the party best able to manage them', subject to value for money considerations. The final allocation of risk within the project will be determined as part of the negotiation with the successful contractor as the project develops. This will involve discussions via dedicated Risk Workshops between Denbighshire and the appointed contractor whereby project risks are allocated to the party best able to manage them and allocation of risk sums to deal with any residual risks

remaining. The risk register will remain a 'live' document as the project develops, risks will be under constant review, with the ownership, likelihood, impact and potential cost associated reviewed; it is anticipated that the level of risk will reduce as the design process progresses.

Community Benefits

- 4.8. The delivery of community benefits is a key component in the framework approach for the region. Although the project is below the framework threshold the same principles will be applied in seeking targets to be applied in respect of community benefits. The priorities, as set out below, have been approved by the 6 North Wales authorities Cabinets (December 2012 through February 2013). The community benefits approach is core (we will evaluate the targeted recruitment and training element) with a target of 78 week apprenticeships/training/work experience/ or employment of disadvantaged person per £1m contract spend) this will vary between projects but it is the overall target for the framework.
- 4.9. The project will include an assessment of community benefits as part of the tender award process. There is expected to be Core and Non-Core elements with all Contractors being expected to use the Value Wales measurement tool to assess the impact of the project.
- 4.10. As part of the tender process the commitment of the contractor to community benefits will be rigorously examined. In particular the contractors will be presented with a summary of the project specific community benefit targets and will be required to outline how they would maximise potential community benefits as part of this project in order to achieve these targets. This will be finalised once the preferred contractor is appointed.
- 4.11. The procurement route and contractual arrangements for the project will set out the community benefits strategy. The progression of the agreed community benefits will be measured during the lifecycle of the project in accordance with the Welsh Government toolkit and reported on quarterly to the Welsh Government.

5. Financial Case

- 5.1. The total estimated cost for the preferred option is £5.4 million which would be jointly funded through the Welsh Government's 21st century school programme (contributing £1,379,847) combined with a contribution from Denbighshire County Council. Denbighshire's contribution of £3,989,704 was approved by the Strategic Investment Group in January 2017.
- 5.2. When the costs were reviewed at this stage it was clear that the initial indicative budget of £3,471,052 within the revised SOP would not be sufficient to deliver this project and as such an indicative revised budget of £5,239,994 was put forward, subject to further detailed scrutiny. In January 2016 a paper was presented to the Strategic Investment Group which attributed the increase in cost for the Llanfair/Pentrecelyn project to two main factors. There was a significant increase in the indicative purchase costs for the land – this was attributable to the fact that the likely preferred sites for planning purposes were designated as residential within the Local Development Plan and therefore a higher cost would be attributable to the sites most likely for the school to be based upon. In addition the initial estimate did not include external works (as the preferred site had not been identified at this stage and as such the extent of external works required was not easily predicted) and adequate construction contingencies had not been included to cover these costs. At the initial stage in December 2014 a wide range of sites had been identified for potential inclusion and therefore due to the uncertainty of site specific costs this was not included at this stage. The identification of a smaller number of sites enabled an assessment of potential costs to be identified for the external works. These two factors represented an increase in approx. £1.7m, taking into account resultant pro-rata increases in design fees and construction contingency allowance.
- 5.3. The preferred site for the new area school had been identified as a piece of land known locally as the Glebe site which was in the ownership of the Representative Body of the Church in Wales. Following a period of negotiations during 2016 an agreed purchase price was arrived at which reflected the residential status of the land (as it is allocated for housing within the LDP and as such has an associated high residential value). As mentioned previously, as the Glebe land site is held on provincial trust there is a requirement to achieve best value, hence the requirement for the Representative Body of the Church in Wales to sell the site at residential market value regardless of the intended future purpose of that site (i.e. to build a new Church in Wales school).
- 5.4. Following the last estimate in January 2016 of £5,239,994 a review of the estimated costs was undertaken again in July 2017. This was based on the preferred site as identified above. Detailed surveys undertaken on the site identified a number of abnormal costs contained within the Substructure, Externals and Design Costs as follows:
 - Sloping site requiring cut/fill and retaining structures
 - Highway improvement works including bus drop-off point
 - Requirement for foul pumping station

- Contribution to upgrading public sewer
- Electric sub-station

Furthermore, due to the proposed school being located adjacent to a main highway there was also a requirement to provide sufficient parking and pick up and drop off facilities to minimise any spill over onto the highway during the busy drop off and pick up periods. In addition the costs have been uplifted to take account of tender price inflation. The net impact of this lead to an overall cost increase in the region of £129,557 and therefore a revised estimate of £5,369,551 against the figure included in the Corporate Plan last February of £5,239,944.

Summary of cost changes

	Initial Estimate 2014	Update January 2016	Update July 2017
Construction	£2,172,720	£2,093,026	£2,447,415
Construction Contingency	£271,590	£351,028	£400,408
External Works		£715,000	£755,846
Design Fees	£293,319	£347,517	£450,459
Client Contingency	£15,108	£15,108	£15,108
Project Management Costs	£75,000	£75,000	£107,000
ICT Allowance	£173,817	£173,817	£173,817
Furniture Costs	£119,498	£119,498	£119,498
Land Purchase Costs	£350,000	£1,350,000	£900,000
Others			
Total	£3,471,052	£5,239,994	£5,369,551

- 5.5. The revised figure of circa £5.2m has been used in all returns to the Welsh Government since early 2016 to update on the progress of the Programme. The funding for the increase in costs for projects for Denbighshire has been met from resources identified by Denbighshire through the area

review process and no additional resources have been requested from the Welsh Government.

- 5.6. The indicative financial implication of the proposed 'preferred option' at the tender issue stage was as follows:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Capital	£19,663	£47,433	£53,473	£1,496,338	£3,666,066	£86,578	£5,369,551
Revenue	<i>Revenue implications of preferred option will be resolved via the standard School Budget Forum & Process</i>						
Total	£19,663	£47,433	£53,473	£1,496,338	£3,666,066	£86,578	£5,369,551

- 5.7. The project cost template for the preferred option as referenced at SOC/OBC is still valid. This will be updated following completion of appointment of the main contractor. All tender proposals are currently within budget.

Standardised Costs

- 5.8. The table below shows how indicative costs were allocated to a number of key areas within the SOC/OBC. The table also shows the comparison of these indicative costs to those calculated based on the Welsh Government's standardised cost model for a school with a proposed size of 1070m².

Cost allocation	Indicative project costs for 'Preferred Option'	Calculated Standardised Cost for <u>2016</u> <i>(based on proposed school size of 1070m² for 126 FTE & 18 part time pupils (135 FTE))</i>	Calculated Standardised Cost for <u>2019</u> <i>(based on proposed school size of 1070m² for 126 FTE pupils & 18 part time pupils (135 FTE))</i>
Construction	£3,603,669	£2,675,000	£2,969,250
Design Costs	£450,459	<i>(1070 x £2,500)</i>	<i>(1070 x £2,775)</i>
IT & Furniture	£293,315	£216,000	£239,760
Land purchase	£900,000	<i>(135 x £1,600)</i>	<i>(135 x £1,776)</i>
Project management	£107,000		
Contingency	£15,108		
Total	£5,369,551		

BREEAM Rating

- 5.9. Costs have been calculated based on the aim of achieving a BREEAM 'Excellent' rating. Based on an initial assessment by the BREEAM assessor the

achievement of BREEAM 'Excellent' may be feasible. In addition Tender proposals have also been positive on achieving a BREEAM 'Excellent'. However a review may need to be undertaken in terms of the costs associated with achieving some of the more challenging points, which are primarily due to the location of the site, once the contractor is appointed.

Land Ownership

- 5.10. Discussions are underway with the Church in Wales to agree arrangements for ownership of the land and building following project completion.
- 5.11. The Glebe land, which is proposed site for the new school, is in the ownership of the Representative body of the Church in Wales. This land is held on provincial trust and as a charity they are required to achieve best value, hence the requirement to sell the site at residential market value (as it is allocated as residential land within the Denbighshire's LDP).
- 5.12. The existing school site extends to a total of approximately 1.45 acres to include the school building, the school yard and the school playing field which is land designated in the LDP as BSC11 Recreation and Open Space. The site has two temporary classrooms, one located on the school yard and another on the school playing field. Denbighshire County Councils ownership extends to approximately 1.33 acres with the remainder of the site being within the ownership of the Diocese of St Asaph.
- 5.13. The Diocese of St Asaph own the main part of the school building extending to approximately 2,427 sq ft / 225.47 sq m (ground floor building footprint only) and Denbighshire County Council own the Old School House extending to approximately 658 sq ft / 61.13 sq m (ground floor building footprint only) located to the west side of the building.
- 5.14. If the preferred option were to be agreed, and the new Church in Wales school built on the Glebe Land site, an agreement has been made in principal that the Diocese of St Asaph would transfer the ownership of their elements of the current school site to Denbighshire County Council which would enable to authority to sell the land as a single block. In return DCC would transfer ownership of the new school building to the Diocese of St Asaph but would maintain ownership of the surrounding land. This agreement is in the process of being formalised.
- 5.15. As the current school playing field is allocated within the current LDP as BSC11 Recreation and Open space, and the proposed new school site is currently allocated within the LDP as BSC1 Housing Allocation, brief discussions have been undertaken with DCC's policy team around the possibility of exchanging the allocations within the LDP (i.e. the recreation and open space allocation would be transferred from the current site to the new school site and the housing allocation would be transferred from the Glebe land site the existing school site). Planning have stated that in principle this would be possible but would be

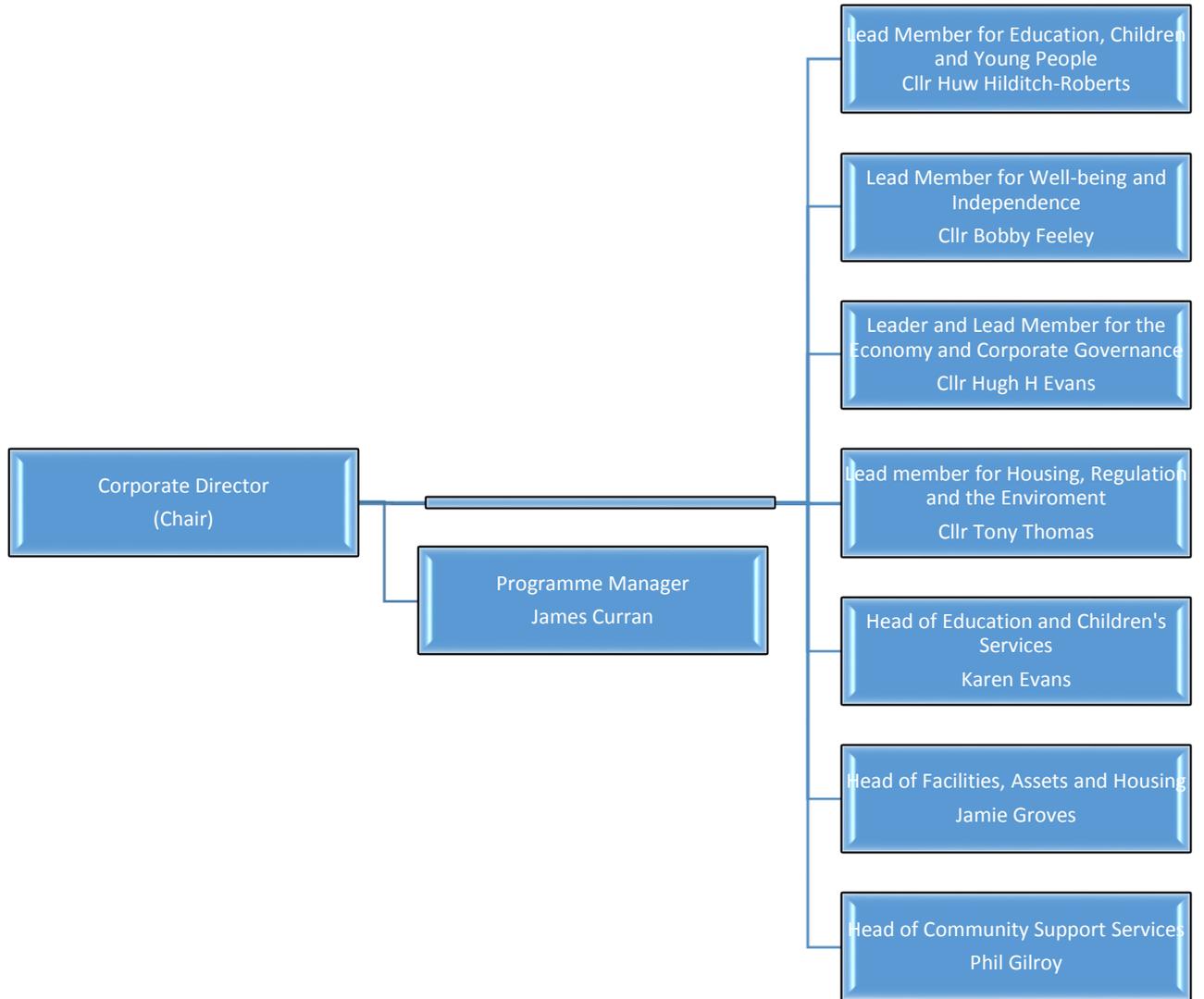
subject to consultation and further consideration. If agreed this would enable the existing school site to be sold for residential value.

6. Management Case

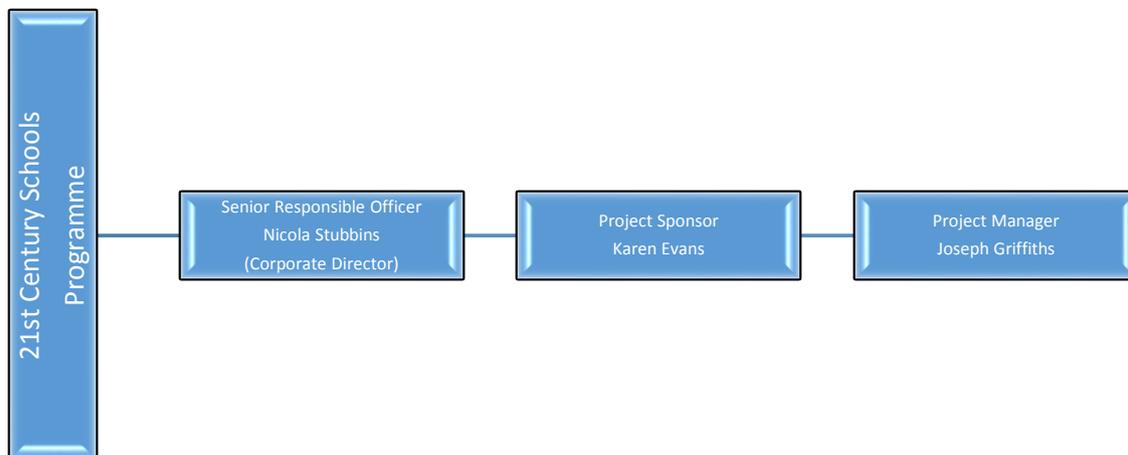
Programme Management

- 6.1. This scheme is an integral part of the Denbighshire's 21st Century Schools Programme which comprises a portfolio of projects through which Denbighshire will deliver the necessary changes to ensure that the strategic aims of the Welsh Government's 21st Century Schools Programme are fully met. Denbighshire's Strategic Outline Programme (SOP) was agreed by the Welsh Government in December 2011. This SOP was reviewed in 2015 to take into account additional investment from Welsh Government and Denbighshire County Council which increased the value and scope of the Programme. This project is part of that additional scope.
- 6.2. The project management arrangements sit within the context of Corporate Programme Management. DCC's Programme Management Strategy ensures that all project development and delivery is undertaken in concert with the Council's strategic vision and politically supported aspirations and priorities. The key principles of DCC's approach to Programme Management includes;
- Programme ownership at corporate executive level by a nominated Senior Responsible Owner;
 - A programme board with clearly defined Terms of Reference defining its purpose, scope, remit, membership and tenure;
 - Programme board membership comprising relevant Cabinet members, executive officers and service heads;
 - A clear focus at strategic, corporate level on (and ultimate responsibility for) the realisation of identified programme outcomes and the Council's vision and priorities.

6.3. Following the approval of the Council’s New Corporate Plan for the period 2017-2022, the Councils’ Modernising Education strategy will be governed via the Younger People and Housing Programme Board. This board has responsibility to oversee strategic delivery of the Corporate Plan and the key projects therein. The proposed reporting responsibilities and membership at the Younger People and Housing Board level are shown below:

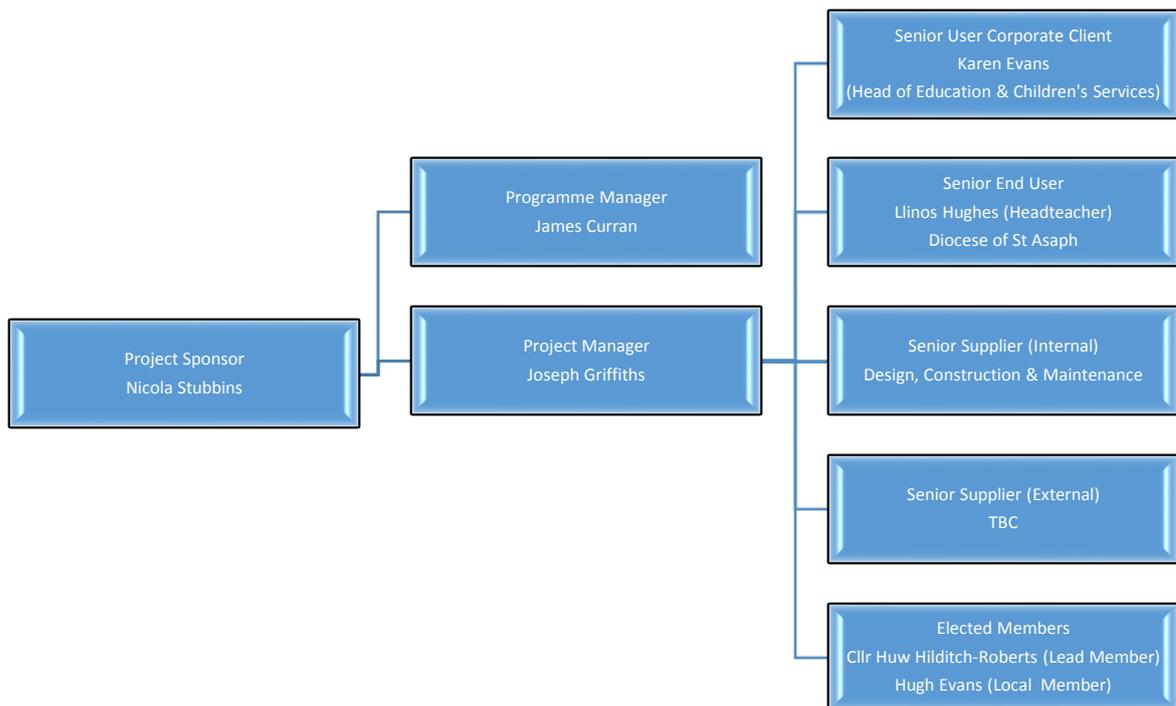


- 6.4. The operational link between Programmes and Projects is made by Executive Officers / Heads of Service / Programme Manager from the Programme Board being nominated Project Sponsors. The actual operational (service) programme reporting responsibilities for projects and strand activity are:



Project Management Arrangements

- 6.5. Denbighshire County Council has developed and implemented a corporate project management methodology, based on Prince 2 methodology, which ensures that projects are properly led, planned, resourced, monitored and controlled. The methodology has a prescribed structure of governance, structure and reporting for projects tailored according to magnitude, scope and complexity to enable successful and efficient project delivery.
- 6.6. A Project Team has been established to oversee the development and progress of the project. The Project Team is responsible for the development, planning and delivery of the project. The membership of the team is dynamic and evolves over time with some roles increasing or diminishing in profile as the project progresses through its sequential stages. The team is led and coordinated by the Project Manager. The Project manager who drafted the SOC/OBC is on maternity leave and a different project manager has taken over responsibility for the project.
- 6.7. Similarly to the programme board, the Project Team is supported as appropriate by advisers in key areas. Where external advisers are to work on projects consideration will be given to the role of the local authority managers to supervise such work and provide line management as appropriate. The outline reporting arrangements for the project are as indicated below:



- 6.8. It is the intention of the Project Team to meet at key milestones during the project development and delivery where consultation on key stages of the project is required. Additional meetings will be called as and when required. The school will be represented by Mrs Llinos Hughes (Head teacher, Ysgol Llanfair DC) and Mr Geraint Jones (Chair of Governors, Llanfair DC). Representation will also be present from the Diocese of St Asaph, Denbighshire’s Principle Education Support Manager and Project Manager. Further specialist roles and advice will be provided by DCC internal design, construction and maintenance department covering areas including design advice, CDMC, QS and contract administration. Local political representation will be via Councillor Hugh Evans, local member for Llanfair Dyffryn Clwyd/Gwyddelwern. The external senior supplier, as described in the Commercial Case, will be appointed following the appropriate procurement process. The appointed contractor will play a role in the Project Team arrangements as required. There is also included the option for Welsh Government representation at the Project Team as deemed appropriate.
- 6.9. Although the Project Team will be consulted throughout the project development process they will not be responsible for the making of final decisions in relation to the project. Any decisions required in relation to the financing of the project will be the responsibility of the Strategic Investment Group. Membership of the Strategic Investment Group includes:
- Lead cabinet member responsible for Finance (Chair)
 - Leader of the Council
 - Cabinet Member
 - Representative from each scrutiny committee

- Corporate Director
- Head of Finance (S.151 Officer)
- Head of Facilities, Assets & Housing (County Landlord)
- Business Information Team Manager

6.10. Furthermore it will be the responsibility of the Senior User Corporate Client (Karen Evans) to make key project decisions and sign off of the project at key stages before progress is permitted to the next stage, this will include at design stage and pre-contract.

Risk Management

6.11. The strategy, framework and plans for dealing with the management of risk is defined within the overall Programme documentation for the Modernising Education Programme. At a programme level the risks for the overall programme are regularly reviewed. At the project level individual risk registers are managed by the Project Manager via the VERTO system. In addition, as referred to in the Commercial Case, a risk profile will be developed with the appointed contractor that allocates specific risks, and the associated risk value, to the party best able to deal with the risk.

6.12. These risk registers and management plan detail which party is responsible for the management of each risk and the required counter measures as required. All of these documents will be reviewed and updated as the design develops and specific risks are retired or mitigated.

Gateway Review

6.13. For individual projects within Denbighshire a stage review process has been established for all projects. This process allows for relevant professional views to emerge on individual projects prior to moving forward to the next formal stage. A stage review, via the Strategic Investment Group for this project was undertaken prior to submission of this document. Further gateway reviews linked to project board approval are planned for key stages in the development of the design and pre-contract stage. The Council will discuss further proposed engagement with the Welsh Government Programme and Project Management Team regarding securing external gateway reviews of the project as appropriate.

Contingency Plans

6.14. In the event that this project fails, the County will have to maintain the service within the existing facility however it will not meet the aspirations of both the County and WG to provide facilities fit for purpose and suitable in which to deliver a 21st century curriculum.

Post Occupancy Evaluation

6.15. Post Occupancy Evaluation provides a structured review of the process of delivering a capital project as well as a review of operational, functional and

strategic performance of the building following occupation. This is a recognised way of providing feedback on the performance of the project through a buildings lifecycle from the initial concept to occupation and beyond. It is envisaged that both pre and post occupancy evaluations will occur. The pre-occupancy evaluation will enable detail on the issues around the performance of the existing site to be captured and fed into and influence the design process. The post occupancy evaluation will be conducted with staff and pupils at years 1, 2 and 5, in line with the latest WG guidance. This evaluation will capture feedback from all users on how the new set-up is functioning and measure the actual outcomes against the objectives.

Signed: 

Printed: Karen Evans

Position in the organisation: Head of Education and Children's Services (Project Sponsor)

Date: 17/10/17

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	Employment Policies	To consider a number of employment policies for adoption	Yes	Councillor Mark Young / Catrin Roberts
	4	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Richard Weigh
	5	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
23 Jan	1	Housing Rent Increase / Housing Revenue Account Business Plan	To seek approval for the proposed rent increase for council housing and to approve the Housing Revenue Account Capital and Revenue Budgets for 2018/19	Yes	Councillor Julian Thompson-Hill / Richard Weigh / Geoff Davies
	2	CPO of the Former North Wales	To seek a decision regarding	Yes	Councillor Brian Jones /

Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
		Hospital, Denbigh	the CPO		Gareth Roberts
	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
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
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	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
			Cabinet's attention		
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

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>November</i>	7 November	<i>December</i>	28 November	<i>January</i>	9 January

Updated 08/11/17 - KEJ

Cabinet Forward Work Programme.doc

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