

To: Members of the Cabinet

Date: 17 January 2018

Direct Dial: 01824712568

e-mail: [democratic@denbighshire.gov.uk](mailto:democratic@denbighshire.gov.uk)

Dear Councillor

You are invited to attend a meeting of the **CABINET** to be held at **10.00 am** on **TUESDAY, 23 JANUARY 2018** in the **COUNCIL CHAMBER, COUNTY HALL, RUTHIN.**

Yours sincerely

G Williams  
Head of Legal, HR and Democratic Services

## **AGENDA**

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

#### **1 APOLOGIES**

#### **2 DECLARATION OF INTERESTS**

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

#### **3 URGENT MATTERS**

Notice of items which, in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act 1972.

#### **4 MINUTES (Pages 7 - 14)**

To receive the minutes of the Cabinet meeting held on 12 December 2017 (copy enclosed).

**5 PROPOSAL TO ESTABLISH A STRATEGIC PLANNING GROUP** (Pages 15 - 20)

To consider a report by Councillor Brian Jones, Lead Member for Highways, Planning and Sustainable Travel (copy enclosed) outlining proposals for the establishment of a Strategic Planning Group to lead on the development of a replacement Local Development Plan.

**6 DELIVERY OF BAND B - 21ST CENTURY SCHOOLS PROGRAMME** (Pages 21 - 32)

To consider a report by Councillor Huw Hilditch-Roberts, Lead Member for Education, Children and Young People (copy enclosed) on progress in respect of Band B of the 21st Century Schools Education Programme and the implications for delivery.

**7 HOUSING RENT SETTING & HOUSING REVENUE AND CAPITAL BUDGETS 2018/19** (Pages 33 - 46)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) seeking Cabinet approval for the Denbighshire Housing annual rent increase, the Housing Revenue Account Capital and Revenue Budgets for 2018/19 and Housing Stock Business Plan.

**8 RECOMMENDATIONS OF THE STRATEGIC INVESTMENT GROUP** (Pages 47 - 56)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) seeking Cabinet's support of projects identified for inclusion in the 2018/19 Capital Plan.

**9 BUDGET 2018/19 - FINAL PROPOSALS** (Pages 57 - 98)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) setting out the implications of the Local Government Settlement 2018/19 and proposals to finalise the budget for 2018/19.

**10 FINANCE REPORT** (Pages 99 - 110)

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

**11 CABINET FORWARD WORK PROGRAMME** (Pages 111 - 114)

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

## **PART 2 - CONFIDENTIAL ITEMS**

### **EXCLUSION OF PRESS AND PUBLIC**

It is recommended in accordance with Section 100A (4) of the Local Government Act 1972, that the Press and Public be excluded from the meeting during consideration of the following item of business because it is likely that exempt information as defined in paragraph 14 and 16 of Part 4 of Schedule 12A of the Act would be disclosed.

#### **12 FORMER NORTH WALES HOSPITAL DENBIGH - UPDATE ON COMPULSORY PURCHASE ORDER (CPO) PROCEDURE (Pages 115 - 130)**

To consider a confidential report by Councillor Hugh Evans, Leader and Lead Member for the Economy and Corporate Governance (copy enclosed) updating Cabinet on the CPO procedure.

## **MEMBERSHIP**

### **Councillors**

Hugh Evans  
Bobby Feeley  
Huw Hilditch-Roberts  
Richard Mainon

Tony Thomas  
Julian Thompson-Hill  
Brian Jones  
Mark Young

### **COPIES TO:**

All Councillors for information  
Press and Libraries  
Town and Community Councils

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## LOCAL GOVERNMENT ACT 2000

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### 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, 12 December 2017 at 10.00 am.

## **PRESENT**

Councillors Hugh Evans, Leader and Lead Member for the Economy and Corporate Governance; 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, Arwel Roberts, Glenn Swingler, Rhys Thomas and Emrys Wynne

## **ALSO PRESENT**

Chief Executive (MM); Corporate Director Economy and Public Realm (GB); Heads of Service: Community Support Services (PG), Highways and Environmental Services (TW) and Finance/S.151 Officer (RW); Legal Services Manager/Deputy Monitoring Officer (LJ); Commissioning and Tendering Officer (LD); Homelessness Prevention Team Manager (CO); Procurement Business Partner (MW); Passenger Transport Section Manager (PD) and Committee Administrator (KEJ)

## **POINTS OF NOTICE**

The Leader –

- (i) paid tribute to the work of the Council's staff, in various departments, over the last few days in responding to the extreme weather conditions within the county in challenging and difficult circumstances and conveyed his appreciation
- (ii) asked that non-Cabinet members refrain from making general comments and statements on particular items and to focus on asking relevant questions on the specific report and recommendations under consideration.

### **1 APOLOGIES**

Councillor Bobby Feeley, Lead Member for Well-being and Independence  
Nicola Stubbins, Corporate Director Communities

### **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 21 November 2017 were submitted.

**RESOLVED** that the minutes of the meeting held on 21 November 2017 be approved as a correct record and signed by the Leader.

#### 5 DENBIGHSHIRE HOMELESSNESS STRATEGY 2017-21

In the absence of Councillor Bobby Feeley, Councillor Tony Thomas introduced the report seeking Cabinet approval of the Homelessness Strategy 2017-21 prior to its submission to the Regional Collaborative Committee. The Strategy outlined the plans and actions of the Homelessness Prevention Team (and its partners) in tackling homelessness and its causes.

The Housing (Wales) Act 2014 required local authorities to carry out a review of homelessness in their area and develop a Homelessness Strategy based on the review findings. The Strategy detailed six strategic priorities over the next four years to tackle, and ultimately end, homelessness in Denbighshire with a strong commitment to early intervention and prevention. The Strategy had been developed following extensive consultation and had been considered at Partnerships Scrutiny Committee in November when it was recommended to Cabinet for adoption.

Cabinet discussed the report with officers and were keen to understand the impact of welfare reform on homelessness and how Denbighshire compared nationally given the growing pressures and high demand for services together with measures to tackle specific problems, including the impact on young people and families.

In response to questions officers –

- confirmed that in areas where universal credit had been rolled out there had been a big impact and the Homelessness Prevention Team, along with partners, were working to identify those groups affected in order to mitigate those changes as far as possible and provide advice and support at an early stage
- in terms of general demand it was difficult to compare figures given recent legislative changes but there remained a high demand which was difficult to meet in some cases
- elaborated upon the reduced use of bed and breakfast accommodation for young people following development of the Young People's Positive Pathway in favour of more suitable temporary accommodation and different options
- emphasised the importance of the private rented sector in meeting housing needs and the development of a landlord offer, including landlord incentives, to increase the provision of housing available to individuals and families who were homeless or threatened with homelessness
- discussed the challenges of communicating with the 'hidden homeless' and those who did not recognise their status or did not wish to engage with the service – much was being carried out through various outreach programmes



- and responding with flexible services led by the needs of individuals; web based self-help tools provided another avenue for those who did not wish to engage
- the increased costs following implementation of the Housing Act 2014 had been recognised by Welsh Government in the funding provision for the next year
  - the main basis of the Strategy was the homelessness review undertaken in 2016 which was very comprehensive and a key driver in what was required locally whilst at the same time meeting the legal requirements of the Act
  - elaborated upon the strong links between departments, particularly Planning and Public Protection, who had regulatory control of property standards and landlords and had driven up quality and expectations
  - acknowledged that early intervention was key and reported upon steps to engage with individuals and families at an early stage to prevent homelessness, which in future would include a physical presence on the doorstep
  - clearer reference to local connection criteria had been included in the Strategy at the request of Partnerships Scrutiny Committee and a copy of the SP Reconnection Guidance could be made available to members on request
  - confirmed that the lack of direct payments to landlords had resulted in some reluctance to provide accommodation hence the need to consider landlord incentives as part of future developments
  - as part of plans to prevent youth homelessness education work in schools and other youth provision would be commissioned to raise awareness of the available housing options and the reality and risks of homelessness and officers also provided an explanation of emergency respite accommodation available
  - in terms of future monitoring officers confirmed that a progress report on the implementation of the Strategy and delivery of the Prevention Action Plan would be submitted to Partnerships Scrutiny Committee in May 2018.

The Legal Services Manager advised that the report had cited some repealed legislation under the power to make the decision section and the correct power was Section 50 of the Housing (Wales) Act 2014.

**RESOLVED** that Cabinet approves the Homelessness Strategy, ahead of its submission to the Regional Collaborative Committee in January 2018, and implementation up to 2021.

## **6 DENBIGHSHIRE SUPPORTING PEOPLE/HOMELESSNESS PREVENTION PLAN 2018/19**

In the absence of Councillor Bobby Feeley, Councillor Tony Thomas introduced the report seeking Cabinet approval of the Denbighshire Supporting People/Homelessness Prevention Plan for 2018/19 prior to its submission to the Regional Collaborative Committee.

The Plan outlined the plans and actions of the Homelessness Prevention Team (and its partners) in tackling homelessness and its causes, with a particular emphasis on commissioned service development over the next year. The Plan was also a key part of delivering against the Homelessness Strategy (discussed under the previous item). Five strategic priorities had been identified for the Plan which would also include a full spend plan for the Supporting People Grant following confirmation of the budget by Welsh Government. The Plan had been developed

following extensive consultation and had been considered at Partnerships Scrutiny Committee when it was recommended to Cabinet for adoption.

In responding to questions regarding funding levels, officers advised that the Supporting People element of the funding was ring-fenced for those purposes by the Welsh Government for the next two years. A spend plan was developed annually alongside a contingency plan based on anticipated cuts given the late notification of the precise level of funding to individual local authorities from the Welsh Government. The Legal Services Manager clarified that the correction legislative provisions under the power to make the decision section of the report was Part 2 of the Housing (Wales) Act 2014.

**RESOLVED** that Cabinet approves the Denbighshire Supporting People/Homelessness Prevention Plan 2018/19, ahead of its submission to the Regional Collaborative Committee in January 2018, and implementation 2018/19.

## **7 INTEGRATED CARE FUND AGREEMENT 2017-2020**

In the absence of Councillor Bobby Feeley, Councillor Tony Thomas introduced the report seeking Cabinet approval to the Council entering into a legal agreement between Betsi Cadwaladr University Health Board and the six local authorities across North Wales in respect of the Integrated Care Fund (ICF) in order to formalise regional funding and governance arrangements.

The ICF was part of the wider collaboration of social care and health mandated by the Social Services and Well-being (Wales) Act 2014 and provided a regulated funding stream, through pooled budgets, to reduce pressures on the hospital and in the community, primarily covering hospital admissions and discharges on a regional basis. Existing arrangements were already in place and the legal agreement would formalise and regulate those specific activities and funding stream.

Councillor Julian Thompson-Hill supported the recommendations and transition to more formalised arrangements which could be used as a test case in order to manage tensions at an early stage prior to progression with the wider collaboration agenda between health and social care. In response to a query regarding the role of the rapid response team officers advised that home support was now managed within other projects with a number of services working alongside homecare services which also included reablement and clinical intervention.

Cabinet supported the formalisation of arrangements and work undertaken to deliver services on a regional basis and it was –

**RESOLVED** that Cabinet –

- (a) notes the contents of the report;
- (b) approves the Council entering into a legal agreement between Betsi Cadwaladr University Health Board and the six local authorities across North Wales, regulating the governance and processes surrounding expenditure and reporting requirements in respect of the ICT, and

- (c) *confirms that they have read, understood and taken account of the Well-being Impact Assessment attached at Appendix 1 to the report as part of their consideration.*

## **8 MANAGED SERVICE FOR THE PROVISION OF AGENCY WORKERS**

Councillor Julian Thompson-Hill presented the report seeking Cabinet approval to commence a collaborative procurement with Flintshire County Council and enter into a contract to appoint an agency to supply temporary staff for use by the Council.

The Council's existing agreement to supply agency staff expired in February 2018. Given the ongoing requirement for agency staff and taking into account legislative requirements it was proposed to undertake a competitive tendering process using the Mstar2 (Managed Services for Temporary Agency Staff) framework. The contract would be for three years with the option to extend it for a further year.

During the ensuing debate Cabinet sought clarity regarding the value for money aspect of the proposed contract, details of the contract specification, and whether alternative methods of provision had been considered. Members noted that savings of over £200k per year had been made utilising the existing framework and whilst it was accepted that the proposed new contract would also likely benefit the council financially, there was concern over the lack of detail provided in the report in order to give that value for money assurance, particularly given that the anticipated spend under the new contract would be in excess of £4m over four years, and Cabinet considered that the matter would benefit from further scrutiny. The timescales for the procurement process and expiration of the current agreement were discussed and given those tight timescales it was agreed to commence the procurement process but to ask the appropriate scrutiny committee to consider the collaborative procurement and alternative options based on best value as soon as possible with a view to Cabinet receiving a report back to consider whether to proceed with the process or withdraw in favour of a more advantageous option.

**RESOLVED** that Cabinet approves –

- (a) *commencement of the procurement using the ESPO MSTAR2 Framework Number 653F;*
- (b) *for Denbighshire County Council to work collaboratively with Flintshire County Council in leading and managing the procurement process;*
- (c) *that the appropriate scrutiny committee receive a report from the relevant officers in January 2018 in respect of the procurement exercise and the alternative options that could be available to the Council based on best value, and*
- (d) *that Cabinet receive a report to award to the most economically advantageous tenderer in February 2018.*

## 9 FINANCE REPORT

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

- service and corporate budgets were forecast to break-even due to the use of corporate contingencies
- 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, and
- provided a general update on the Housing Revenue Account, Housing Capital Plan and the Capital Plan (including the Corporate Plan element).

Cabinet was also asked to support the submission of a full business case for a new 3 – 16 Catholic school building and facilities to the Welsh Government.

In response to a question regarding how the adverse weather would impact on finances, Councillor Julian Thompson-Hill referred to the winter maintenance reserve which had been established to aid peaks and troughs in expenditure in the event of adverse weather conditions. It was noted that school transport had not been functioning in a number of areas which would provide a cost saving.

**RESOLVED** that Cabinet –

- (a) notes the budgets set for 2017/18 and progress against the agreed budget strategy, and
- (b) supports the submission of a Full Business Case for a new 3 – 16 Catholic school building and facilities to the Welsh Government (detailed in Appendix 4 to the report).

## 10 CABINET FORWARD WORK PROGRAMME

The Cabinet Forward Work Programme was presented for consideration.

A report on the managed service for the provision of agency workers would be scheduled for February 2018.

**RESOLVED** that Cabinet's Forward Work Programme be noted.

## EXCLUSION OF PRESS AND PUBLIC

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

## 11 LOCAL BUS SERVICE CONTRACT

Councillor Brian Jones presented the confidential report seeking Cabinet approval to award contracts for local bus services in accordance with Contract Procedures Rules to the most economically advantageous tenderers.

Officers had tendered a range of options and suppliers had been able to bid for individual contracts for two or more contracts in combination. There were a number of outstanding areas but Cabinet approval was required to enable officers to let contracts formally in accordance with relevant timescales. If suppliers were unable to accept what was offered to them at formal award stage subsequent changes would be managed within the budget available.

During a lengthy debate officers responded to questions regarding a range of issues including the evaluation process and ensuring best value for money, due diligence testing, fares and pricing, the specific operation of particular services in different areas of the county together with the viability of particular routes and services. There was some discussion about the potential for electric buses which was still under consideration and given the tight timescale to bid for funding in that regard it was agreed that the latest position be further considered by the Strategic Investment Group that afternoon. In terms of the available budget officers advised that the proposals were based on current budgets and assumptions and Cabinet expressed concern regarding the late notification of available funding from the Welsh Government and agreed that the matter be taken up with them directly.

***RESOLVED*** that Cabinet authorises the Head of Highways and Environmental Services in conjunction with the Lead Member for Highways, Planning and Sustainable Transport to award contracts up to the limit within the available budget in accordance with proposals attached in the appendix to the report. This may require some amendments to the detail of the plan following formal engagement with contractors and the position becoming clearer.

The meeting concluded at 12.20 p.m.

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Report To:	<b>Cabinet</b>
Date of Meeting:	<b>23<sup>rd</sup> January 2018</b>
Lead Member / Officer:	<b>Cllr. Brian Jones, Lead Member for Highways, Planning and Sustainable Travel</b>
Report Author:	<b>Angela Loftus, Strategic Planning &amp; Housing Manager</b>
Title:	<b>Proposal to establish a Strategic Planning Group</b>

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

- 1.1 The report outlines proposals to replace the Local Development Plan Steering Group with a new Strategic Planning Group. The intention is to set up a new group to provide corporate leadership and guidance in taking forward the replacement Local Development Plan through to formal adoption, and to focus on the delivery of the LDP strategy and policies. The Local Development Plan Members Steering Group was established in 2006 and its role and membership was subsequently revised in June 2013. The Group provided input and discussion on emerging LDP policies and helped to inform the development of the suite of supplementary planning guidance and development briefs to sit alongside the adopted LDP. However, concerns have been raised by Members and officers that the Steering Group has had a lack of 'ownership' by Members and has suffered from a lack of continuity in terms of Members attendance at meetings.
- 1.2 It is now proposed that the LDP Members Steering Group should be replaced with a more focussed Strategic Planning Group, establishing a more business-like approach.

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

To seek Cabinet approval of proposals to establish a Strategic Planning Group to replace the LDP Members Steering Group. The aim of the new Group would be to provide a clear lead on the development of a replacement LDP to ensure alignment with the Corporate Plan and input on planning proposals with strategic implications.

## 3. **What are the Recommendations?**

That Cabinet approve the establishment of the group, draft Terms of Reference and membership of the Strategic Planning Group (attached as **Appendix 1**).

## 4. **Report details**

- 4.1 The role and purpose of the Strategic Planning Group is set out in the draft Terms of Reference attached. In summary, its key roles will be to:
- Lead the delivery of the replacement LDP and champion the replacement LDP both through its development and following its adoption
  - Support the on-going implementation of the adopted LDP Strategy

- Oversee the revision of the suite of Supplementary Planning Guidance required to ensure that policies are implemented and community benefits achieved.
- Discuss and review major development proposals with wider strategic implications, to consider alignment with both the Corporate Plan priorities and the LDP Strategy.

The Group will have a non-executive, non-decision making role but will report back and make recommendations to Planning Committee, Cabinet and/or Council as appropriate.

- 4.2 The draft Terms of Reference attached as Appendix 1 sets out the proposed role and purpose of the Group together with arrangements for membership.
- 4.3 Membership of the Group will comprise 8 Members, to include the relevant Lead Member with responsibility for the LDP, the Chair of Planning Committee together with 1 member from each Member Area Group. Members will have responsibility for reporting back regularly to and providing input from their Member Area Group. Members will also be expected to provide input from and report back to their political group. The Group will be chaired by relevant Lead Member with responsibility for the LDP (currently the Lead Member for Highways, Planning and Sustainable Travel).
- 4.4 Agendas and papers for Group meetings, together with notes of meetings will be available to all Councillors. Regular workshops and briefing sessions will be held on a six-monthly basis for all Councillors to ensure ongoing involvement of the wider membership. There will also be opportunities for informal briefings with local members and LDP update reports will be included as an item on Member Area Group meeting agendas, when required. Key stages in the development of the LDP will be reported to Cabinet and/or Council as required by the relevant Regulations.

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

The replacement LDP will have a direct role to play in achieving the priorities of ‘Housing: Everyone is supported to live in homes that meet their needs’ and ‘Young People: A place where younger people will want to live and work and have the skills to do so’ through the policies and proposals within it, influencing development on the ground. The main role of the Strategic Planning Group will be overseeing the development of the replacement LDP, enabling the provision of housing, employment, community facilities and environmental protection throughout the County.

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

There would be no additional direct cost implications resulting from agreeing the Terms of Reference and membership of the Strategic Planning Group.

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

A Well-being Impact Assessment has not been carried out because the report does not seek a decision on a Council policy, strategy or programme.



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

None at this stage.

**9. Chief Finance Officer Statement**

There would be no additional direct cost implications resulting from agreeing the Terms of Reference and membership of the Strategic Planning Group. However if any additional costs arise these will need to be contained within existing revenue budgets of the service.

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

If the proposed arrangements for the establishment of the Strategic Planning Group are not agreed there is a risk of not providing the clear Member leadership required to deliver the replacement LDP and to develop the associated guidance required.

**11. Power to make the Decision**

Local Government Act 2000, Planning & Compulsory Purchase Act (2004), and associated regulations and guidance.

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**Draft Terms of Reference****Role and Purpose:**

- The prime role of the Strategic Planning Group is to lead the review of the LDP and delivery of the Replacement LDP through providing a Corporate steer and input to support its development.
- The Group will champion the Replacement LDP both through its development and following its adoption
- The Strategic Planning Group will over-see management of delivery of the Replacement LDP and the revision of the suite of Supplementary Planning Guidance required to ensure that policies are implemented and community benefits achieved.
- The Strategic Planning Group will have a non-executive role but will report back and make recommendations to Planning Committee, Cabinet and/or Council as appropriate. Regular update reports will be taken to Scrutiny as required.
- The Strategic Planning Group will also discuss and review major planning proposals with wider corporate and strategic implications
- The Group will meet every 2 months
- Papers will normally be forwarded to members of the Group one week prior to the meeting
- Members will be expected to report back to their political groups and Member Area Groups, to ensure information is shared. LDP update reports will be included as an item on Member Area Group Meeting Agendas, when required.
- Meeting notes will be produced for each Group meeting and will focus on actions to be taken. Notes and agenda will be available to all Councillors.

**Timescale:**

- A detailed work programme will be agreed with the Group to ensure that the replacement LDP is developed and delivered within the prescribed timescales.
- The Steering Group will oversee preparation of the Annual Monitoring Report before formal submission to Welsh Government in October of each year.

**Attendance:**

- To maintain continuity all Steering Group Members, or their nominated representatives, will be expected to attend all meetings;
- Regular briefing sessions will be held for all Members, on a 6 monthly basis and there will be opportunities for wider political involvement through Cabinet, Scrutiny and Member Area Groups.
- Members of the public will not be able to attend the meetings.

**Support:**

- Technical and administrative support for the group will be provided by the Planning and Public Protection Service.

**Distribution of Papers:**

- To be distributed to all Members/CET/Heads of Service

**Membership:**

- Membership of the Group will comprise 8 Members, to include the relevant Lead Member with responsibility for the LDP, the Chair of Planning Committee together with 1 member from each Member Area Group.
- Each Member Area Group should also nominate a substitute to attend in the absence of their representative.
- The Group will be chaired by the relevant Lead Member with responsibility for the LDP.

Meetings will also be attended by:

1. Corporate Director Economy & Public Realm
  2. Head of Planning and Public Protection Service
  3. Strategic Planning & Housing Manager
  4. Head of Legal, HR and Democratic Services
- (or their nominated representatives) & other officers as required

<b>Report To:</b>	Cabinet
<b>Date of Meeting:</b>	23 <sup>rd</sup> January 2018
<b>Lead Member / Officer:</b>	Councillor Huw Hilditch Roberts, Lead Member for Children, Education and Young People
<b>Report Author:</b>	Karen Evans, Head of Education and Children's Services
<b>Title:</b>	<b>Delivery of Band B – 21<sup>st</sup> Century Schools Programme</b>

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## 1. What is the report about?

To advise Cabinet of the approval of its Band B Programme submission for the 21<sup>st</sup> Century Schools and Education Programme and the implications for delivery for Denbighshire County Council.

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

To advise Cabinet of progress in respect of Band B of the 21<sup>st</sup> Century Schools and Education Programme and to make recommendations in respect to planning for the delivery of the Programme for Denbighshire County Council.

## 3. What are the Recommendations?

- 3.1 That Cabinet confirms its financial commitment to delivering Band B proposals in accordance with the Strategic Outline Programme as submitted to the Welsh Government to enable it to meet the priority included within the Corporate Plan 2017-2022.
- 3.2 That Cabinet confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1) as part of its consideration.

## 4. Report details

- 4.1 The Council over the last 4 years has made excellent progress in delivering the Band A proposals within the 21<sup>st</sup> Century Schools Programme, in partnership with the Welsh Government. By 2019 the Council will have invested over £90m in partnership with the Welsh Government to deliver 8 key projects. The Welsh Government invited local authorities to submit proposals for the next round of funding, Band B in May 2017 and the Cabinet approved a submission to the overall value of £80m in July 2017. This submission included reference to the ongoing work regarding the priorities for the Corporate Plan which was subsequently approved by Council in October 2017.
- 4.2 In November 2017 the Education Secretary for Wales announced that across Wales a further £2.3bn was to be earmarked for investment in education infrastructure across Wales via Band B of the 21<sup>st</sup> Century Schools Programme. The Council received confirmation in December 2017 from the Welsh Government of the approval in principal

of this second wave of investment, subject to the approval of individual project business cases. The approval letter also outlined the next steps for the delivery of Band B in partnership with individual local authorities and the need to develop the appropriate planning of financial resources.

- 4.3 In view of this announcement Cabinet is requested to clarify its financial commitment to the delivery of the Band B proposals. The overall Programme approved is of a value of £80.5 million, of which Denbighshire will be required to make a contribution of £32.8m to its community schools. The planning for the Corporate Plan has made an outline assumption of an annual revenue commitment to meet the aspirations of the plan but is clear that this is subject to the overall financial position of the Council.
- 4.4 The initial planning for the delivery of Band B suggests that should the Denbighshire contribution be delivered solely through prudential borrowing a commitment of £1.836m would be required to meet the planned spend across the proposed seven years of the Band B programme.
- 4.5 The delivery of the Band B proposals will be overseen by the new Corporate Programme Board for Housing and Young People with individual Project Proposals to be considered in due course by the Strategic Investment Group and Cabinet.

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

The support of this recommendation would enable the Council to move forward towards planning for the delivery of Band B and seek to secure a potential £80m investment in the school estate to ensure that the priority of continuing to modernise schools via the 21<sup>st</sup> Century Schools programme is implemented.

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

The delivery of Band B is estimated to cost Denbighshire £32.8m over the 7 year period for which Denbighshire's plans are based upon. This is based on a 50/50 contribution from the Welsh Government for Community School projects together with funding for a Voluntary Aided school which will be funded via a different 85/15 ratio. The revenue to support the delivery of the programme is expected to come from corporate savings to be re-invested to deliver the Corporate Priorities together with any savings which may arise from the delivery of the Modernising Education agenda.

Should the Programme be progressed the development of individual projects would continue to have workstreams for other teams within the Council, in particularly Design and Construction. The costs of these teams will be absorbed within the overall outline costs proposed.

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

The development of the Programme for investment for 21<sup>st</sup> Century Schools should have a positive impact on Denbighshire. The construction phase will lead to increased investment in local companies and improve employment prospects. Site selection may have a negative impact on a resilient Denbighshire and this will need

to be carefully considered. The provision of modern buildings should impact positively on a healthier and equal Denbighshire whilst providing an opportunity for a more cohesive community. The impact on Welsh Language will be guided where investment is made.

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

The initial long list of proposals was subject to consideration by elected members in December 2016 and the Strategic Outline Programme. The development of the projects within the programme will be subject to extensive consultation.

**9. Chief Finance Officer Statement**

The council's revenue budget requirement to fund the borrowing to support the Band B programme set out will be around £1.8m over the seven years of the programme. Until the end of 2022, this will be met from the proposed allocations in future years' budgets to support the current Corporate Plan priorities. It should be noted that the programme costs are based on estimates and may change as detailed proposals develop. Also, the borrowing costs assumed are also likely to change over the course of the seven years. Both factors, taken with the continuing reduction to council funding may affect future affordability. The programme may therefore have to be refined to reflect such changes in future years. Individual schemes will be subject to the council's usual approval processes, including review by the Strategic Investment Group.

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

The approach towards delivering the Modernising Education Programme includes clear procedures for the management and escalation of risks at both the Programme and Project level. Should the programme be progressed these procedures would continue. The risks associated with not progressing the programme would focus on the following key areas. By accepting the risk around maintaining poor or life expired buildings the costs around maintenance are expected to increase over time. For pupils in such buildings their learning opportunities may be impacted upon.

**11. Power to make the Decision**

Section 14 of the Education Act 1996 places a duty on local authorities to secure sufficient schools for providing primary and secondary education.

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# 21st Century Schools Programme Band B proposals

## 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:	268
Brief description:	The proposals for Band B of 21st Century Schools Programme which would be delivered in partnership with the Welsh Government
Date Completed:	09/01/2018 14:04:32 Version: 3
Completed by:	James Curran
Responsible Service:	Education & Children 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?

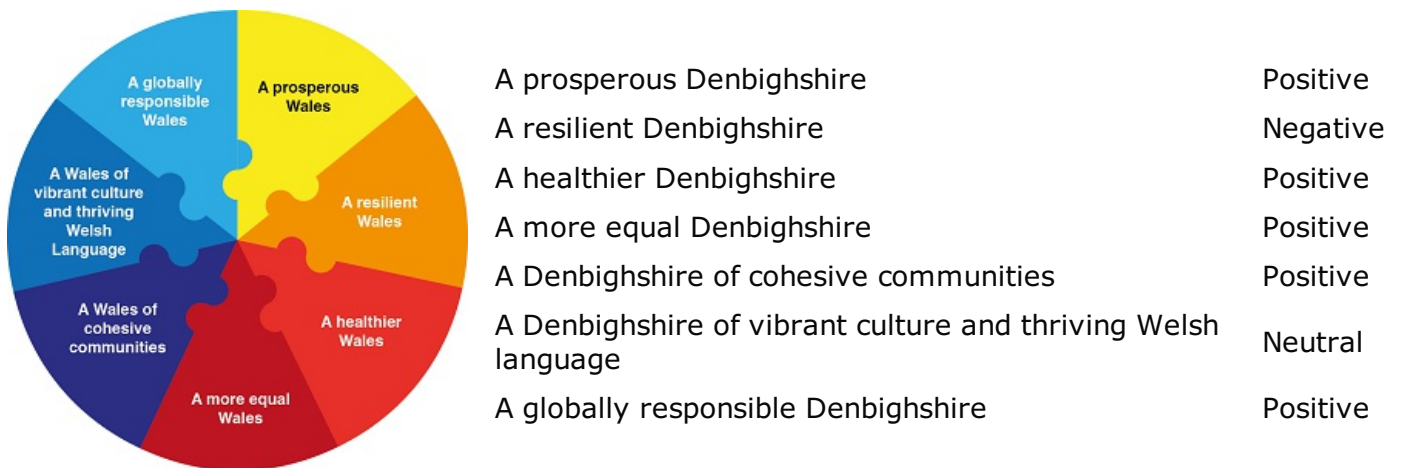


(3 out of 4 stars)

Actual score : 21 / 24.

## Summary of impact

Wellbeing Goals



## Main conclusions

The progression of the programme for investment for 21st Century Schools should have a positive impact on Denbighshire. The construction phase will lead to increased investment in local companies and improve employment prospects. Site selection may have a negative impact on a resilient Denbighshire and this will need to be carefully considered. The provision of modern buildings should impact positively on a healthier and equal Denbighshire whilst providing an opportunity for a more cohesive community. The impact on Welsh Language will be guided by where investment is made.

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

## A prosperous Denbighshire

Overall Impact	Positive
Justification for impact	The investment in 21st Century Schools will provide school buildings which are more energy efficient, provide economic regeneration during the construction phase and should increase the skill base of the local labour market.

### Positive consequences identified:

Any projects progressed for new or refurbished buildings are likely to see significant improvements towards energy efficiency in those buildings. The procurement of products will include indicators which encourage local sourcing of products where possible.

The projects will contribute towards economic regeneration via the indicators to secure local spend and employment as part of the contract. The securing of contracts for local suppliers and trades will boost economic conditions in the short term.

The main boost for quality jobs will be during the construction phase which will generally be between 12 - 24 months.

An emphasis will be placed on employment of apprentices and work experience opportunities. This will enhance the skill base of the local labour market and allow such apprentices to be seen to be more skilled for the future.

In many instances we will seek to redevelop existing sites thus minimising change and seeking to take advantage of existing infrastructure. The development of new sites may encourage neighbouring sites to become active assisting development opportunities. The provision of new sites could act as a catalyst for investment in super fast broadband etc.

The projects will seek to examine options for pre-school provision to be located with schools. This will be developed based on existing provision to ensure that a balance is achieved to ensure that existing providers remain viable.

### Unintended negative consequences identified:

The overall number of journeys within an area will be increased via the construction project. This will include delivery of materials and the travel of site workers. The re-location of schools may create additional journeys for pupils.

The short term nature of the construction industry may lead to scenarios where trained up apprentices are unable to secure long term employment.

The need for increased training opportunities through the community benefits requirements may lead to a number of skilled operatives unable to secure long term jobs.

### Mitigating actions:

The short term nature of construction projects may lead to jobs being available for a limited period. By working with the framework across North Wales to plan projects some of these issues may be overcome.

## A resilient Denbighshire

Overall Impact	Negative
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Justification for impact	The development of new sites or significant refurbishments could have an unintended negative consequence on the landscape of Denbighshire as the period of construction will lead to a disturbance of the natural environment.
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**Positive consequences identified:**

Within the external layout of school sites opportunities to preserve or enhance natural habitats will be maximised to allow such areas to be used to deliver the curriculum. Options will be explored for new buildings to have nesting / roosting areas elsewhere on the site should existing habitat's be disturbed in the provision of a new / refurbished building. Projects are encouraged to meet stringent recycling targets and minimise waste being taken off site. Where demolition takes place unused rubble is sought to be kept onsite for use as base materials for car parks etc. The improvement to buildings will lead to energy efficiency. Any rationalisation of buildings in poor condition will also have a positive impact on energy consumption. The development of projects will give the opportunity for pupils and the local community to become more aware of the existing habitat where a project is taking place. The selection of any site will consider land use policies and relevant WG guidance. Where any risk does arise the need to engineer a solution could lead to an overall reduction in flood risk.

**Unintended negative consequences identified:**

Development of new school buildings on green spaces is likely to have a negative impact on the natural environment. The refurbishment or demolition of existing properties is likely to lead to the disturbance of wildlife who may occupy such properties. In many instances the buildings may be in a condition where they need replacing rather refurbishment. This will require careful consideration to the treatment of the waste arising from the disused building. Should the number of school sites be reduced there is a risk that traffic patterns for parents / pupils may be amended with longer journeys required. Concerns may arise from the amendments to the local habitat leading to resistance to any individual project. There is a risk that the development of sites will reduce the extent of permeable land and increase risk of flood in extreme weather.

**Mitigating actions:**

Where possible design site layouts to ensure disruption is kept to a minimum and areas such as hedgerows be retained where possible. All projects will be required to consider diversity issues and undertake environmental impact assessments as part of the statutory planning process.

**A healthier Denbighshire**

Overall Impact	Positive
Justification for impact	The development of improved school buildings can have a positive impact on health by providing safer transport links with pedestrian and cycle access considered as part of the design.

**Positive consequences identified:**

Any project will consider as a matter of course issues around access for the community both in terms of physical accessibility to the site and also how the building and site can be better utilised by the community outside of core school hours.

Any improvements to schools will see consideration to the catering experience for schools. The investment in kitchen areas will enable improvements to the provision, and in recent projects there has been an increase in the number of pupils accessing school meals.

The development of school facilities, particularly at secondary level may see consideration to the improvement in leisure facilities.

Improved learning environment will improve staff, pupil and community morale. The design of classrooms to modern standards will produce a better emotional environment for pupils i.e. noise reduction in classrooms, light levels

**Unintended negative consequences identified:**

Improvements to school safeguarding may decrease access to school sites and informal play on school sites out of hours.

Any change in provision can lead to resistance from staff, pupils, parents etc.

**Mitigating actions:**

Such buildings are likely to be utilised more by the community and this needs to be considered very carefully in the design process. The change process can have a detrimental impact on people's emotional and mental well-being and the planning for transition needs to be considered sympathetically, and where appropriate individual plans may be required for pupils.

**A more equal Denbighshire**

Overall Impact	Positive
Justification for impact	The design of schools will be considered carefully to eliminate areas of concern which could be a barrier for people with protected characteristics.

**Positive consequences identified:**

All projects will consider accessibility as a key theme during the design stage to ensure that pupils with a disability are not denied access to the full learning experience. Consideration has been given to the provision of unisex toilets or non designation of toilet areas to ensure that transgender users are not discriminated against.

The provision of improved facilities in areas of socio-economic deprivation can lead to an improvement to the sense of value of individuals. This could be via improved access to learning to provide the route for children to escape existing inequalities.

By improving the educational offer through new school facilities the performance of pupils could improve increasing scope for gaining employment.

**Unintended negative consequences identified:**

**Mitigating actions:**

None

**A Denbighshire of cohesive communities**

Overall Impact	Positive
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Justification for impact	By careful and considered design improved facilities can provide a positive impact on cohesive communities by providing facilities which can draw together the local community.
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**Positive consequences identified:**

The design of any projects will ensure that careful consideration is given to site safety both during the construction phase and then when the site is fully occupied. Where possible improved surveillance will be sought in the design of buildings with passive supervision encouraged. Safeguarding will be considered with a clear demarcation between public and private zones both within the building and the overall site.

The design of the school with more community access could allow the scope for local groups to use the sites outside of school hours. Consideration should be given to the provision of other activities taking place at the site.

The design of the buildings should enhance any area and this will be considered at the planning stage and form part of the consultation.

**Unintended negative consequences identified:**

The construction phase will have an impact on the community via increased traffic and access to the site for employees and the delivery of building supplies. This could have an impact on individuals during this phase.

In considering community facilities there is a need to ensure that the overall provision is not saturated leading to existing providers becoming unviable.

The construction phase is likely to have a short term detrimental impact on the local community.

**Mitigating actions:**

The construction stage is likely to have a negative impact on the local community on a short term basis. The project team will need to work with the contractor and the local community to minimise risks and to ensure clear communication at key times.

**A Denbighshire of vibrant culture and thriving Welsh language**

Overall Impact	Neutral
Justification for impact	The impact will be dependent upon whether investment is made in schools / areas to promote Welsh Medium education. Without confirmation of projects it is difficult to confirm whether this is positive. As part of Band A the Council has invested significantly to increase access to Welsh Medium education so this will need to be considered carefully in determining which projects move forward and whether they will impact on the Welsh Language.

**Positive consequences identified:**

An increase in capacity for Welsh Medium education will be a key theme nationally within Band B of 21st Century Schools. An increase in the number of Welsh learners could increase the overall number of speakers within Denbighshire and Wales.

The building should be encouraged to deliver bilingual signage within the school should it be an English medium school. All public areas will be required to have bilingual signage. Communication with residents and the local community will be bilingual.

Consideration will be given in the design stage to the local heritage of an area so that any building is sympathetic to its neighbourhood.

### **Unintended negative consequences identified:**

The development of new facilities for English medium schools could see parents choose English medium schools rather than Welsh medium based on the quality of facilities rather than the offer available.

### **Mitigating actions:**

Ensure that overall the benefits for Welsh Medium education are understood by parents when making decisions regarding school choices.

## **A globally responsible Denbighshire**

Overall Impact	Positive
Justification for impact	The procurement of contractors and the subsequent construction periods should have a positive impact. Adherence to procurement regulations and statutory responsibilities around Health and Safety will ensure that the projects address such areas.

### **Positive consequences identified:**

The provision of new projects will include community benefits as a key part of the procurement process. This will ensure that the local supply chain can be involved in projects. Main contractors will be encouraged to hold meet the buyer events and provide opportunities for local suppliers to compete for work.

All contractors will be expected to have first class health and safety procedures in place and these will be rigorously examined during the delivery of the project. Workers employed during the process will be expected to be treated equitably.

The scoping of projects for Band B will consider co-location of services in areas to improve the overall quality of service for the community.

### **Unintended negative consequences identified:**

### **Mitigating actions:**

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<b>Report To:</b>	<b>Cabinet</b>
<b>Date of Meeting:</b>	<b>23<sup>rd</sup> January 2018</b>
<b>Lead Member / Officer:</b>	<b>Councillor Julian Thompson-Hill / Jamie Groves Head of Facilities, Assets &amp; Housing</b>
<b>Report Author:</b>	<b>Geoff Davies, Lead Officer – Community Housing / Richard Weigh, Head of Finance</b>
<b>Title:</b>	<b>Housing Rent Setting &amp; Housing Revenue and Capital Budgets 2018/19</b>

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

To seek approval from Cabinet for the Denbighshire Housing annual rent increase, the Housing Revenue Account Capital and Revenue Budgets for 2018/19 and Housing Stock Business Plan.

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

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

## **3. What are the Recommendations?**

That the Housing Revenue Account Budget for 2018/19 (Appendix 1) and the Housing Stock Business Plan (Appendix 2) be adopted.

That rents for Council dwellings be increased in accordance with the Welsh Government Policy for Social Housing Rents introduced in April 2015 to an average weekly rent of £87.63 with effect from Monday 2<sup>nd</sup> April 2018.

## **4. Report details.**

The latest forecast outturn for the HRA for 2017/18 is detailed in Appendix 1, in line with the monthly monitoring report. Balances, at year end, are forecast to be £1,630,000.

The proposed budget for 2018/19 is also detailed in Appendix 1. The budget has been calculated on the following basis:

- There have been 4 Right to Buy (RTB) Sales in 2017/18. Whilst the RTB has been suspended, pre-suspension applications have been completed and the Business Plan has been tested with the assumption of no sales in future and there is no detrimental effect on the plan.
- 2 former council homes have been purchased during the year.

- 25 properties have been removed from the stock and are being prepared for demolition and redevelopment.
- A programme of 170 new build homes has been incorporated within the HSBP.

### Welsh Government Rent Policy

Welsh Government developed a policy for social housing rents that will be applied consistently by all social landlords and reflect the type; size; location and quality of the Landlord's properties.

The mechanism for uplifting rents is based on the following:

- Between 2015/16 and 2018/19, the annual uplift is CPI plus 1.5%, plus up to £2 per week for individual tenants, where a landlord is seeking to bring its average weekly rent within the 'target rent band' (Target rent is the Government's calculation of what average rents for housing association and council tenants should be.)
- The only exception to this would be where CPI falls outside a range of between 0% and 4%. Where this occurs, a Ministerial decision will be required on the level of rent increase to be applied in that year

In December 2017 the Welsh Government confirmed the uplift as previously agreed. This means that the rent uplift is 4.5% (CPI + 1.5%) plus £2 (where applicable).

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

	2017/18	2018/19
Average Weekly rent (from the previous year)	£77.96	£82.00
Plus: Uplift (CPI + 1.5%)	£1.95	£3.69
Adjusted Average Weekly rent	£79.91	£85.69
Plus: £2 uplift if below Target rent	£1.86	£1.94
Average Weekly Rent	£81.77	£87.63

For information target rent levels are:

	Target Rent 2017/18	Target Rent 2018/19
Low End	£80.77	£86.42
Mid Point	£85.02	£90.96
High End	£89.27	£95.51

- 75% of homes will have the % uplift plus the maximum £2 charge as the weekly rent will be below target rent level.
- 25% of tenants will have the % uplift plus an additional uplift lower than the maximum £2 charge as this brings them up to target rent level.

## **Housing Stock Business Plan (HSBP)**

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

The current Housing Stock Business Plan assumes a balance of £1m is maintained over the mid-term to mitigate against any future risks.

Maintaining the balance at a manageable level reduces the need to extend the current level of borrowing with the resultant savings in annual capital financing costs. This strategy also allows for further scope in future years of the Plan to extend the borrowing requirement if needed but at the same time ensuring the Authority remains within the HRA Limit on Indebtedness as set by the Welsh Government.

## **Service Charges**

Service chargeable income collects actual costs for specific services and overall shows a slight increase over last year to £352,000. Individual properties may be subject to a varied charge. The average charge per property is £2.00 per week.

## **Garages**

Garages are not dealt with in this report as they are not subject to Welsh Government Rent Policy. The charges and use of garage sites will be reviewed by the Head of Facilities, Assets & Housing.

## **Heating Charges**

At 3 schemes with a communal heating boiler, the council collects charges for fuel usage. We are anticipating an increase in fuel costs in 2018 / 2019 however there is sufficient surplus on the accounts to be able to avoid an increase in the weekly charge which will mitigate the impact of the increase on customers.

## **Welsh Housing Quality Standard**

The Council achieved the Welsh Housing Quality Standard to all the Housing Stock in September 2014. Capital spend has been included in the HSBP which ensure sufficient resources are available to continue to maintain and exceed this standard over the 30 year plan. Denbighshire Housing is investing in our stock and our neighbourhoods going above WHQS where we think it is appropriate for the benefit of our customers and the longer term improvement of our housing stock.

The stock condition survey has identified repairs, maintenance and improvement costs for the next 30 years which have subsequently been built into the business plan and shall inform the developing asset management plan.

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

The provision of good quality housing is a Corporate Priority and the 5 year capital program will provide a boost to the local economy by maximizing the local employment, training and supply chain opportunities for local people and businesses. The Denbighshire Housing weekly rent average remains the lowest of all social landlords in the County and 8th lowest of the 11 stock retaining authorities in Wales.

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

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

**7. What are the main conclusions of the Well-Being Assessment undertaken on the decision?**

The Council appreciates that any increase in weekly rent could have an impact on some of our customers' ability to meet their weekly commitments.

The Income Collection service will continue to offer advice and support to all customers to ensure that customers can manage their finances effectively and maximise their income. Rent collection performance remains excellent and arrears are amongst the lowest in Wales.

**8. What consultations have been carried out?**

The Denbighshire Tenants and Residents Federation (DTARF) have been consulted and the reason for the rent increase and the impact on the HRA business plan has been fully explained to the group.

**9. Chief Finance Officer Statement**

A full review of the Housing Stock Business Plan (HSBP) has confirmed that the Plan remains robust and financially viable. There are sufficient resources to support the management and supervision of the housing service and the investment needs of the stock. Balances are at a prudent level while allowing the funding of new capital expenditure to be provided in the most cost effective way.

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

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

**11. Power to make the Decision**

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

APPENDIX 1

<b>Housing Revenue Account ~ 2018/19 Budget Setting</b>				
<b>2016/17</b>		<b>2017/18</b>		<b>2018/19</b>
<b>Final</b>		<b>Budget</b>	<b>Forecast</b>	<b>Proposed</b>
<b>Outturn</b>	<u><b>Latest Forecast 2017/18</b></u>		<b>Out-turn</b>	<b>Budget</b>
			<b>M8</b>	
<b>£</b>	<b>EXPENDITURE</b>	<b>£</b>	<b>£</b>	<b>£</b>
2,347,215	Supervision & Management - General	2,503,284	2,559,613	2,627,955
409,366	Supervision & Management - Service Charges	399,870	435,462	447,089
0	Welfare Services	0	0	0
3,922,927	Repairs and Maintenance	3,883,526	4,514,148	4,585,000
<b>6,679,508</b>	<b>Total Housing Management</b>	<b>6,786,680</b>	<b>7,509,223</b>	<b>7,660,044</b>
5,918,623	Item 8 Capital Charges	6,601,569	6,260,950	6,757,956
1,495,936	Capital Funded from Revenue	1,709,824	1,709,824	1,750,000
0	Subsidy	0	0	0
83,950	Provision for Bad Debts	80,888	80,888	141,000
<b>14,178,017</b>	<b>Total Expenditure</b>	<b>15,178,961</b>	<b>15,560,885</b>	<b>16,309,000</b>
	<b>INCOME</b>			
13,600,959	Rents (net of voids)	14,329,877	14,120,502	15,140,000
338,699	Service Charges	349,001	342,000	352,000
166,344	Garages	175,057	170,931	180,000
15,262	Interest on Balances & Other Income	10,355	10,355	7,000
<b>14,121,264</b>	<b>Total Income</b>	<b>14,864,290</b>	<b>14,643,788</b>	<b>15,679,000</b>
	<b>Surplus / Deficit (-) for the Year:</b>			
<b>1,439,183</b>	<b>General Balances</b>	<b>1,395,153</b>	<b>792,727</b>	<b>1,120,000</b>
2,603,850	Balance as at start of year ~ General	2,314,671	2,547,097	1,630,000
<b>-1,495,936</b>	<b>Earmarked Balances</b>	<b>-1,709,824</b>	<b>-1,709,824</b>	<b>-1,750,000</b>
2,547,097	Balance as at end of year ~ General	2,000,000	1,630,000	<b>1,000,000</b>

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APPENDIX TWO	HOUSING STOCK BUSINESS PLAN				
	0	1	2	3	4
SUMMARY	2017-18	2018-19	2019-20	2020-21	2021-22
	£'000	£'000	£'000	£'000	£'000
<b>CAPITAL EXPENDITURE</b>	<b>M8 Outturn</b>				
Planned Improvements	5,877	6,238	5,455	5,104	5,240
New Build Construction	0	3,506	6,008	7,733	6,995
Land Acquisition/Receipts	4,688	0	1,650	150	122
Other Improvements	480	489	770	785	743
	11,045	10,233	13,883	13,772	13,100
<b>CAPITAL FUNDING</b>					
Major Repairs Allowance	2,409	2,409	2,409	2,409	2,409
Usable Capital Receipts	126	0	0	0	0
Other Capital Receipts	0	300	1,100	0	0
Capital Funded From Revenue	1,710	1,750	1,436	884	586
Prudential Borrowing	6,800	5,774	8,938	10,479	10,105
	11,045	10,233	13,883	13,772	13,100
<b>REVENUE EXPENDITURE</b>					
Management	2,995	3,075	3,175	3,291	3,413
Repairs & Maintenance	4,514	4,585	4,677	4,857	5,047
Capital Funded From Revenue	1,710	1,750	1,436	884	586
Provision for Bad Debts	81	141	144	145	147
Capital Financing Costs	6,261	6,757	7,251	8,001	8,834
	15,561	16,308	16,683	17,178	18,027
<b>REVENUE INCOME</b>					
Rental Income: existing stock	14,427	15,468	16,478	16,965	17,811
Less voids	-306	-328	-347	-354	-368
Service Charges: existing stock	342	352	361	371	382
Garage Income	171	180	186	191	197
Interest on Balances	10	6	5	5	5
	14,644	15,678	16,683	17,178	18,027
<b>BALANCES</b>					
Balance brought forward	2,547	1,630	1,000	1,000	1,000
Surplus / Deficit (-) For Year	-917	-630	0	0	0
Balance carried forward	1,630	1,000	1,000	1,000	1,000

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# Council Housing Rent Increase 2018/19

## 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:	350
Brief description:	Increase in weekly council house rents
Date Completed:	21/12/2017 09:55:46 Version: 1
Completed by:	Geoff Davies
Responsible Service:	Facilities, Assets & Housing
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?

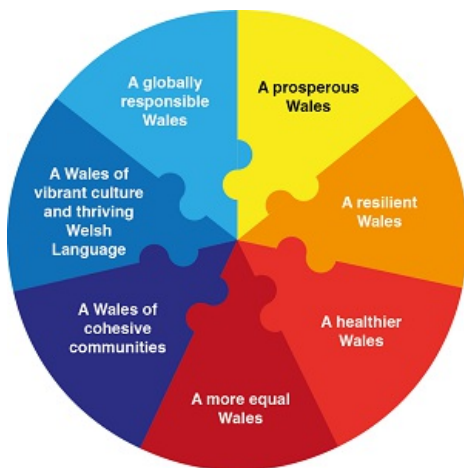


(3 out of 4 stars)

Actual score : 21 / 24.

## Summary of impact

Wellbeing Goals



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

## Main conclusions

Overall the provision of quality, social housing and the investment delivered by the HRA contributes significantly to the local economy, health and well being and safety of communities. The negative impact of increasing rents is the impact on individual households however the increase is in line with Welsh Government policy and CPI inflation. An increase in outgoings may trigger an increase in benefit entitlement and these are based on government calculations on what people need to live on. There was a strong view within the group that we should not reduce our income to mask affordability and poverty issues in society generally. Detailed work is being undertaken to support all household's to mitigate against financial exclusion issues and significant developments are underway to promote resilient communities well into the future. As our rents are below other social landlords on the county there is a fear that the poorer households would choose Denbighshire Housing as their landlord for this reason and we would have a disproportionate amount of poorer households seeking housing. The group considered other costs also increasing such as utility prices and council tax and the feeling was that these are out of our control and again we should not jeopardise our business plan and what investment we can make for our tenants because of other factors in society. A clear explanation of the use of HRA resources will be given to tenants with their rent increase notification.

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

## A prosperous Denbighshire

Overall Impact	Positive
Justification for impact	This will have a positive impact because a sustainable HRA will support the provision of quality social housing for people in Denbighshire into the long term. Whilst any increase in weekly out goings could have an impact on households failure to invest could jeopardise our future growth.

### Positive consequences identified:

Increasing our income will allow us to investigate and invest in better ways to provide homes  
A sustainable HRA business plan will support local businesses into the future.

Increasing our income will help us to meet staffing costs and develop future opportunities

This will enable us to continue to invest in skills through improvement works and community benefits.

This will enable us to continue to invest in areas we own

### Unintended negative consequences identified:

An increase in weekly rent could have an adverse effect on families weekly income and ability to manage their childcare and work balance

### Mitigating actions:

We have a Financial Inclusion Action Plan which will help mitigate the impact on households through a series of actions. The increased income will enable us to increase our investment in our stock, neighbourhoods and support services.

## A resilient Denbighshire

Overall Impact	
Justification for impact	A sustainable HRA will lead to investment and will enable us to develop more modern, innovative and resilient homes and neighbourhood environments.

### Positive consequences identified:

Investment in lower quality stock will enable us to demolish and replace homes and consider biodiversity in this process.

Investment in housing stock including new build will enable us to consider community benefits including these factors

Investment in housing stock including new build will enable us to consider community benefits including these factors

Investment in our existing housing stock and through new build will enable us to consider community benefits including these factors

Investment in housing stock including new build will enable us to consider community benefits including these factors

Investment in housing stock including new build will enable us to consider flood risk factors factors

## Unintended negative consequences identified:

### Mitigating actions:

Positives will be assessed through Community Benefit tool kits

## A healthier Denbighshire

Overall Impact	Positive
Justification for impact	We are able to invest in promoting healthier communities for our tenants and residents.

### Positive consequences identified:

This will allow us to continue to invest in health and well being including physical assets such as play areas and also working with our communities

We have staff resources to help our communities develop resilience and promote healthy lifestyles including projects to support healthy eating

This will allow us to continue to invest in health and well being including physical assets such as play areas and also working with our communities to enhance access to leisure activities. Being part of FAH is strengthening our joint working on increasing leisure opportunities for council tenants.

We have staff resources to help our communities develop resilience and promote health and well being. We have a Financial Inclusion action plan to tackle debt and financial exclusion issues which will support emotional well being.

Through having staff resources available we are supporting a Public Health Wales project on Tackling health inequality and can continue with similar work

## Unintended negative consequences identified:

### Mitigating actions:

We are able to invest in additional services such as community development staff to significantly increase our work to promote health and well being. The negative is increased could increase arrears / debt issues but our resources allow us to invest in projects to mitigate this and far reaching actions to tackle financial exclusion and debt.

## A more equal Denbighshire

Overall Impact	Positive
Justification for impact	Continued investment in line with inflation will support our business plan to able to continue to offer social housing and related services to those who are not served by the private housing market.

### Positive consequences identified:

Continued investment in line with inflation will support our business plan to able to continue to offer social housing and related services to those who are not served by the private housing market. A sustainable HRA will enable us to continue to provide quality housing and also invest in support initiatives that tackle poverty.

An increase in rent could have an adverse effect on households but the rise is on line with CPI inflation and will be offset by significant investment in support services in this area.

### **Unintended negative consequences identified:**

A rent increase could have a disproportionate effect on low income households or people reliant on benefits. In many cases benefits will cover any increase but actions are in place to support households.

### **Mitigating actions:**

We will mitigate the negatives of the rent increase, which could disproportionately effect households with the protected characteristics through investment in financial inclusion initiatives and support services which will also benefit wider tenant population.

## **A Denbighshire of cohesive communities**

Overall Impact	Positive
Justification for impact	A sustainable HRA business plan will enable us to maintain adequate resources to support communities.

### **Positive consequences identified:**

A sustainable HRA business plan will enable us to maintain adequate resources to promote safe communities and tackle issues and individuals. These resources can support partnership working to work together to take a strategic approach to promoting safe neighbourhood's and also joint working to tackle issues.

The Business Plan has enabled us to recruit 3 staff to focus on additional areas of work which will support community participation and resilience. We are developing this through a Community Investment strategy and related work plans.

We are able to invest significantly in improving the appearance of our neighbourhoods through the HRA

### **Unintended negative consequences identified:**

### **Mitigating actions:**

The Business Plan has enabled us to recruit 3 staff to focus on additional areas of work which will support community participation and resilience in the long term.

## **A Denbighshire of vibrant culture and thriving Welsh language**

Overall Impact	
Justification for impact	The service adheres to the Welsh language standards but a sustainable HRA will enable us to consider opportunities to further promote the Welsh Language

### **Positive consequences identified:**

The service adheres to the Welsh language standards but a sustainable HRA will enable us to consider opportunities to further promote the Welsh Language. This work can include providing community development activities through the Welsh language.

A sustainable HRA enables us to continue to promote the Welsh Language in our communities and will be integral with in our Community Development Strategy.

A sustainable HRA enables us to continue to promote the Welsh culture and heritage and support

organisations and projects in our communities

**Unintended negative consequences identified:**

**Mitigating actions:**

. This work can include providing community development activities through the Welsh language will be integral with in our Community Development Strategy.

**A globally responsible Denbighshire**

Overall Impact	Positive
Justification for impact	Good quality social housing is key to ensuring that the local economy can thrive in Denbighshire and North Wales. The continued growth of the business plan will support future provision to meet growing need. The service will be able to develop partnerships and support other organisations who are providing services to our tenants.

**Positive consequences identified:**

The HRA commits significant investment through stock and neighbourhood improvement programmes. In addition new build will add significantly to this. This supports the local economy. Community Benefits are integral to all contracts to ensure employment and training opportunities are mandatory and the impact is captured as evidence.

The HRA investment enables us to provide jobs and opportunities which promote excellent employment practices and working conditions.

Good quality social housing is key to ensuring that the local economy in Denbighshire and North Wales is sustainable and supports the economic activity of the area by providing affordable housing options in the area. In addition the provision of social housing with increasing stock numbers will support a number of services which seek to support households with settled and secure accommodation in safe neighbourhoods.

**Unintended negative consequences identified:**

**Mitigating actions:**

The service supports the Council's corporate objectives in addition to the more specific plans such as the FAH Service business plan, the Housing Strategy and Homelessness Prevention Strategy. Wider health & well being is promoted in addition to the investment in the local economy.

**Report To:** Cabinet

**Date of Meeting:** 23 January 2018

**Lead Member / Officer:** Julian Thompson-Hill/Richard Weigh

**Report Author:** Richard Weigh

**Title:** **Recommendations of the Strategic Investment Group**

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

Block Allocation capital bids received for inclusion in the 2018/19 Capital Plan.

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

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

**3. What are the Recommendations?**

That Cabinet supports the projects shown in Appendix 1 for inclusion in the 2018/19 capital plan, and recommends accordingly to full Council.

**4. Report details**

- 4.1 The Welsh Government's capital settlement for 2018/19 has seen a reduction of £31k on the 2017-18 settlement figure. This continues the recent poor capital settlements.
- 4.2 With the continued lack of growth in capital investment from the Welsh Government, the Council has no choice but to rely on its own resources to invest in key projects. This means either selling assets to generate receipts or using Prudential Borrowing.
- 4.3 The Council is aiming to dispose of a number of sites over the next three years. The total available funding in 2018/19 includes £300k from assets that are currently proceeding to disposal. The allocation of these funds to schemes is provisional until the funds are received from disposals.
- 4.4 The available funding for 2018/19 is shown below:

<b>Source</b>	<b>Amount £000</b>
General Capital Grant	1,829
Un-hypothecated Supported Borrowing	3,005
Prudential Borrowing - Highways	2,781
Capital Receipts	602

Future Capital Receipts – Disposal of assets on-going	300
Contribution from capital financing budget	1,053
Unspent Contingency b/f	500
<b>Total Funds Available 2018/19</b>	<b>10,070</b>

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

### **Recommendations of the Strategic Investment Group**

- 4.6 The Strategic Investment Group decided to invite bids in line with previously agreed block allocations from services. The Strategic Investment Group has reviewed 11 bids over a number of meetings.
- 4.7 Each bid was submitted with approval of the relevant Head of Service. The proposed allocations are detailed in Appendix 1 and in summary are as follows:
- It is proposed to allocate £1.2m in support of Private Sector Housing Assistance. The funding will be used in the main on the provision of Disabled Facilities Grants.
  - An allocation of £150k is recommended for Minor Adaptations, Community Equipment and Telecare. This funding is targeted at enabling the elderly and disabled to remain in their own homes.
  - It is proposed to allocate £50k to the Agricultural Estate to support the rationalisation of the estate and address Health & Safety issues including Asbestos surveys and removal.
  - Both the school and non-school capital maintenance bids include provision for essential maintenance such as Asbestos Removal, Fire Risk Assessment Work, Equalities etc. It is recommended that £2.8m be allocated to Schools Capital Maintenance Works. Of this, £150k will be provisional, subject to future disposal of assets. It is also proposed to allocate £1.4m to non-schools capital maintenance work. It is further recommended that the appropriate Heads of Service determine the precise allocations to works required, in order of priority.
  - Highways have received £50k to support prudential borrowing as approved by Council on 26<sup>th</sup> January 2016 and included within the Corporate Plan. In addition, Council on 30<sup>th</sup> January 2018 will be requested to approve £100k for Highways as part of the 2018/19 Corporate Plan priority bids. This will allow approximately £2.550m of capital expenditure.



- In addition to this, it is proposed to allocate £710k block allocation for structural and other repairs including highway maintenance, street lighting and bridges. Of this, £150k will be provisional, subject to future disposal of assets. Also included within this recommendation is a further £349k for repairs to bridge structures. This is second year of a proposed ten year Highways Structure Backlog Project.
  - An allocation of £130k is recommended to carry out road safety improvements.
  - The Strategic Investment Group considered a proposal for the continuation of a six year programme of replacement of all the street lighting lanterns within Denbighshire with new LED lanterns. The programme commenced in 2015/16 and will cost £1.5m in total, providing significant savings on energy costs and on-going maintenance costs. The scheme is funded through the Government Salix funding initiative which provides interest free loans for energy efficient projects and will be repaid using the savings generated. Applications for Salix funding are required on an annual basis, and the strategic Investment Group recommends the submission of an application to take out a Salix loan for year four costs of up to £231k repayable over 6 years.
  - The Strategic Investment Group recommends maintaining the allocation set aside for any contingencies at £0.5m, in line with 2017/18.
  - The Strategic Investment Group have considered a range of bids and have had to make recommendations within the funding available. Appendix 2 highlights areas where points, other than basic affordability, were raised in relation to specific elements of bids as part of SIGs recommendations.
- 4.8 Appendix 1 shows the projects listed with the recommended funding source for each highlighted in the appropriate column. For additional clarity, the following points should be noted:
- PB Highways column - £2.781m. This is £0.800m prudential borrowing to be supported from the revenue budget, as approved by Council on 26<sup>th</sup> January 2016 and a further £1.750m to be supported from the revenue budget, subject to Council approval on 30<sup>th</sup> January 2018. In addition, a proposed £231k application for Salix funding.
  - Council Funds column - these are funds such as general grants, capital receipts and unspent contingency.
- 4.9 The membership of the Strategic Investment Group is as follows:
- Cabinet Member – Lead Member for Finance, Performance and Strategic Assets (Chair)
  - Cabinet Member – Leader of the Council and Lead Member for the Economy and Corporate Governance
  - Cabinet Member – Lead Member for Developing Community Infrastructure

- Representative from each Scrutiny Committee
- Corporate Director – Economy and Public Realm
- Head of Finance/S.151 Officer
- Head of Facilities, Assets and Housing (County Landlord)
- Business Information Team Manager

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

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

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

### **6.1 Cost Implications**

The costs of the schemes are shown in Appendix 1. The Prudential Borrowing costs will be met through the 2018/19 revenue budget.

### **6.2 Staffing/ICT/Accommodation Implications**

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

### **6.3 Assessment of impact on Climate Change – Mitigation and Adaptation:**

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

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

A full Impact Assessment has been completed for each capital bid reviewed by the Strategic Investment Group. A copy of each individual Wellbeing Assessment is available in the members' library on the Modern.gov system.

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

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

This report has been shared with scrutiny committee chairs for comment.

## **9. Chief Finance Officer Statement**

The Council must continue to invest appropriately in its assets. Not to do so can incur more significant costs in the long term. With the continuing reduction in the real value of Welsh Government supported borrowing, the Council must rely on its own resources more and more.

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

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

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

**11. Power to make the Decision**

11.1 Local Authorities are required under section 151 of the Local Government Act (1972) to make arrangements for the proper administration of their financial affairs.

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## 2018/19 Capital Bids - Proposed Block Allocations

APPENDIX 1

Ref	Project Name	Head of Service	Total Project Cost £000	Capital Plan Requirement 2018/19 £000	P B Highways £000	Council Funds £000	Subject to Capital Receipts £000	TOTAL 2018/19 £000	Brief Description
C01	Private Sector Housing Assistance	Emlyn Jones	1,500	1,500		1,200		1,200	Housing Improvement works to private sector dwellings
C02	Minor Adaptations; Community Equipment, Telecare	Phil Gilroy	220	220		150		150	Minor Adaptations and Equipment
C03	Agricultural Estate Capital Works	Jamie Groves	285	285		50		50	H & S Asbestos surveys & removal
C04	Schools Capital Maintenance Works	Jamie Groves	9,215	9,215		2,650	150	2,800	Works to a range of work streams in schools.
C05	Non School Public Buildings Capital Maintenance Works	Jamie Groves	5,561	5,561		1,400		1,400	Works to a range of work streams for Public Buildings
C06	Traffic Works	Emlyn Jones	708	187		130		130	Road Safety Improvement Schemes.
C07/C08/C09/ C10	Highways works	Tony Ward	6,472	3,709	2,550	909	150	3,609	Improvements to roads and bridges and street lighting.
C11	Sustainable LED Lighting (Salix)	Tony Ward	694	231	231			231	Application for loan to Salix to replace street lighting lanterns - see Note 1
	Capital Contingency					500		500	
	<b>TOTALS</b>		<b>24,655</b>	<b>20,908</b>	<b>2,781</b>	<b>6,989</b>	<b>300</b>	<b>10,070</b>	

For Information Only:

Note 1 Sustainable LED Lighting (Salix) - Application for loan from Government funded Salix initiative

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## 2018/19 Capital Bids - Supporting information on Strategic Investment Group Recommendations

Appendix 2

Ref	Project Name	Head of Service	Detail of proposal	Total Bid £000	SIG Recommendation £000	Reason for Recommendation
C06	Traffic Works	Emlyn Jones	Prestatyn and Meliden Traffic Study	40	28	Affordability. Recommended funding will enable study to proceed
C06	Traffic Works	Emlyn Jones	Horseshoe Pass 40 mph speed limit	25	0	Affordability. Other sources of funding to be explored
C06	Traffic Works	Emlyn Jones	Coach Parking Feasibility Study	20	0	Affordability. Other sources of funding to be explored
C07	Highways Block	Tony Ward	Public Rights of Way	40	0	Road maintenance considered to be a greater priority. Other sources of funding to be explored.
C07	Highways Block	Tony Ward	Infrastructure Improvements to allow continuation of LED replacement programme	100	40	Affordability. Recommended funding will enable works to proceed
	<b>TOTALS</b>			<b>225</b>	<b>68</b>	

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Report To: Cabinet

Date of Meeting: 23<sup>rd</sup> January 2018

Lead Member / Officer: Julian Thompson-Hill/Richard Weigh

Report Author: Richard Weigh, Head of Finance

Title: Budget 2018/19 - Final Proposals

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## 1. What is the report about?

- 1.1 The report sets out the implications of the Local Government Settlement 2018/19 and proposals to finalise the budget for 2018/19.

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

- 2.1 The Council is legally required to set a balanced and deliverable budget before the start of each financial year and to set the resulting level of Council Tax to allow bills to be sent to residents.
- 2.2 To provide an overview of the budget process and the impact of the Local Government Settlement and to consider proposals for Cabinet to recommend to the full Council to set the budget for 2018/19, including the level of Council Tax.

## 3. What are the Recommendations?

- 3.1 To note the impact of the Local Government Settlement 2018/19.
- 3.2 That cabinet supports the proposals outlined in Appendix 1, which are in line with the assumptions presented to members at budget briefings held in November 2017, and accordingly recommends them to the full Council in order to finalise the 2018/19 budget.
- 3.3 To recommend to Council, that the average Council Tax rise required to support the budget is 4.75%, which recognises the increasing cost pressures in adults and children's social care by providing additional funding of £1.5m.

## 4. Report details

- 4.1 The Final Local Government Settlement for 2018/19 was received on 20<sup>th</sup> December and resulted in a cash reduction of -0.2% (the Welsh average being +0.2%). The Provisional Settlement received in October indicated a reduction of -0.9% (Wales average 0.5%). For the funding position to have been neutral in terms of *minimum* funding pressures in the Medium Term Financial Plan, the Settlement would have had to be at least +3.6%.
- 4.2 The change between the two reflects an additional £20m allocated to local government as part of the Welsh Government's final budget proposals. This follows additional funding allocated to Wales as a consequence of the UK Government budget in

November and mitigates the impact of the latest employers' pay offer, which was higher than planned and reflects a move away from the policy of a 1% pay cap.

Included in the Settlement are 'transfers in' (items previously funded by grant) of £2.9m. These are as follows:

- |   |       |
|---|-------|
| • Waste element of the Single Environment Grant | £1.2m |
| • Welsh Independent Living Grant                | £0.8m |
| • Social Care Workforce Grant                   | £0.6m |
| • Looked After Children                         | £0.2m |
| • Carers' Respite Care Grant                    | £0.1m |

4.4 It should be noted that the Single Environment Grant has been cut by 10% in total.

4.5 New responsibilities are also included in the Settlement and these will be transferred directly to the relevant service. These are:

- |  |         |
|--|---------|
| • Support for Homeless Prevention                        | £0.155m |
| • Increase in Capital Limit for Residential Care Charges | £0.251m |

4.6 The final proposals to balance the 2018/19 budget are shown in the extract from the Council's Medium Term Financial Plan (MTFP) in Appendix 1. The headlines are broadly as set out when presented to members in November, with the main changes being the cut to the Settlement being less but pay cost pressures have increased. The general points are:

- Reduction of 0.2% in cash terms to the Settlement (RSG - £276k)
- Pay, pension and National Living Wage pressures are funded (£1.6m)
- Price and energy inflation (£250k)
- 1% increase to the Fire Service Levy (£44k)
- Allowances for increases to the Council Tax Reduction Scheme costs, reduction in DWP Administration Grant and central contingencies (£740k)

4.7 In addition, the council continues to support schools by funding pay and related inflation and movement in pupil numbers. This amounts to a cash increase for schools of £1.792m (2.7% in total). The council's allocation will help continue the stabilisation of the position with school balances. However, Welsh Government have announced that the Education Improvement Grant will be cut by 11% and this will have an impact on school budgets.

4.8 The proposals for 2018/19 include additional revenue budget investment in Corporate Priorities of £500k. This is in addition to £1m of cash identified and agreed during 2017/18.

4.9 In order to fund the pressures identified, savings of £4.6m have had to be identified. These include:

- Changes to the Council's Minimum Revenue Provision policy (agreed by the full Council in September 2017) and generates ongoing savings of £2m and provides a cash buffer in 2018/19
- Corporate savings identified in 2017/18 (£1m)

- Service efficiency savings (£1.2m)
- Service savings (£0.4m)

- 4.10 The budget process for 2018/19 required all services except schools to identify 1% efficiency savings and for services other than Community Support Services and Education & Children's Services to identify further savings up to 2.8%. These targets were based on MTFP assumptions last April. A process was undertaken in the autumn to review all service proposals with CET, lead members and Finance. The process also involved a detailed analysis of service budgets, income and cash reserves. An outcome from this process was to confirm efficiency savings of £1.2m to be approved and implemented by the relevant Head of Service. Details of all of the efficiency savings were circulated to members and are recorded in the online members' library. A further £411k of savings were deemed to have a level of impact on service delivery or change in delivery method. These are listed in Appendix 2 and Wellbeing Impact Assessments for each proposal are attached.
- 4.11 The council's MTFP assumptions were reviewed in July and cost pressures reassessed. While the majority of MTFP assumptions have proved correct, the level of cost pressure in adult and child social care provision showed an increase compared to previous assessments. Both areas of provision have seen cost pressures rising in recent years but the council has managed to contain the pressure by using specific cash reserves in a managed way to smooth the impact. Costs of mental health and provision to younger adults has increased beyond expectations so far in 2017/18, meaning the cash available to smooth the pressure is reduced in future years. The same issue has arisen in specialist residential placements for children, where the number of placements has increased significantly in the last year.
- 4.12 As the nature of these pressures is ongoing, it is unsustainable to manage the pressures without permanently increasing the council's funding base. As financial support from Welsh Government reduces annually, the burden has to be met locally and therefore a higher than originally planned Council Tax rise is proposed.
- 4.13 Raising the Council Tax by 4.75% will raise an additional £945k compared to the original proposal of 2.75%. This additional amount will be used as part of the overall package, which includes an additional allocation to social care of £1.5m. The proposed increase would add £56.58 per year to the average Band D property charge (£1.08 per week) and is £23.82 per year (46p per week) higher than the original proposal. This is set out in Appendix 3.
- 4.14 The budget proposals continue to include an element of cash funding to support the overall position. This is never an ideal position and reflects the ongoing financially difficult position the council faces. The cash identified for 2018/19 has been generated from the MRP policy review and allows cash previously identified for 2018/19 to be rolled forward into 2019/20. This will help to smooth the impact of further funding reductions in 2019/20, where based on current assumptions, there will be a budget gap of £6.4m.
5. **How does the decision contribute to the Corporate Priorities?**

5.1 Effective management of the council's budgets and delivery of the agreed budget strategy underpins activity in all areas, including corporate priorities. The proposals include allocations to support the new priorities.

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

6.1 As set out above.

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

7.1 Wellbeing assessments for the savings proposals in Appendix 2 and the council Tax rise are attached. An assessment for the MRP policy change was included in the report to Council in September.

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

8.1 Members were briefed on the financial position in September and following the provisional settlement announcement in October. Two specific budget briefings were held in November. SLT have been part of the budget process.

**9. Chief Finance Officer Statement**

9.1 The aim of the budget process is to ensure that the council delivers a balanced budget. The uncertainty over the level financial settlements in recent years has made financial planning in already difficult circumstances even more challenging

It seems more certain now that significant real terms funding reductions to local authorities in Wales will continue in the medium term and while the council will always endeavour to be more efficient to save money, this in itself will not be sufficient in future years. The current MTFP extract shows a saving requirement of over £6m per year for the next two years. This will have a significant impact on the shape of the council and the services it delivers.

The budget proposed for 2018/19 allows the council time to develop a budget programme and proposals for the following two financial years. The MTFP will be updated early in 2019 and will underpin the budget process for the coming two years.

Social care pressures are an ongoing risk for this and all other councils. The proposals in 2018/19 help to mitigate the demand and cost pressure but it is not sufficient to fully fund all of the underlying pressures permanently. Cost pressures in other service areas are being contained but pose a risk to future years.

If the proposals in this report are not accepted, alternative proposals must be submitted to balance the budget.

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

10.1 The budget process itself is a risk management measure with the aim of identifying, assessing and agreeing budget proposals in a planned and timely way.

10.2 Failure to agree these proposals without viable alternatives will risk achieving a balanced budget for 2018/19.

11. **Powers to make the Decision**

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

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## Financial Projection - as at December 2017 - Final

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
<b>Funding</b>				
Revenue Support Grant & NNDR (RSG)	140,474	143,119	140,972	138,858
Council Tax	46,656	49,299	51,019	52,486
<b>SSA / Budget Requirement</b>	<b>187,130</b>	<b>192,418</b>	<b>191,992</b>	<b>191,343</b>
<b>Use of Balances</b>	2,122	2,000	1,378	
<b>Total Funding</b>	<b>189,252</b>	<b>194,418</b>	<b>193,370</b>	<b>191,343</b>
<b>Expenditure</b>				
<b>Base Budget</b>	<b>185,062</b>	<b>189,252</b>	<b>194,418</b>	<b>199,842</b>
<b>Inflation / Pressures:</b>				
Pay	519	1,611	1,587	519
Pensions	350		350	350
National Insurance	-		-	-
Living Wage	500			500
Price - targeted	125	100	100	100
Price - NSI Energy	395	150	150	150
CTRS / Contingency	350	740	350	350
Fire Levy	161	44	100	100
Social Services	750	750	500	500
Childrens Service		750		
Transport	300			
Apprenticeship Levy	500			
Schools Protection	1,246	1,502	1,000	1,000
Schools Demography Adjustment	656	290	787	787
Contingency				
<b>Other known items:</b>				
Investment in Priorities 1	200	500	500	500
Investment in Priorities 2				
Transfers into/out of Settlement	68	2,934		
New Responsibilities	327	406		
<b>EFFICIENCIES / SAVINGS:</b>				
Capital and Corporate Savings	(1,355)	(2,000)		
Other Corporate Savings		(1,000)		
Service Efficiency Target	(902)	(1,200)		
Service Savings Target		(411)		
<b>Total Expenditure</b>	<b>189,252</b>	<b>194,418</b>	<b>199,842</b>	<b>204,698</b>
<b>Funding Shortfall / (Available)</b>	<b>(0)</b>	<b>(0)</b>	<b>6,472</b>	<b>13,354</b>

Annual increase/(decrease) in shortfall	0	0	6,473	6,883
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Key Assumptions				
Settlement %	0.62%	-0.20%	-1.50%	-1.50%
Council Tax Increase % Band D	2.75%	4.75%	2.75%	2.75%
Schools Protection	1.93%	N/A	N/A	N/A

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## Appendix 2 Summary of Saving Proposals - December 2017

Ref	OLD REF	RAYG	Service	Saving Title	Category	Further Description	2018/19 £000
BIM SP001	BIM SP006	Yellow	Business Improvement and Modernisation	ICT - revisions to staffing structure	Efficiency - no negative effect on service levels but may impact on staffing	Reduction in capacity will have an impact on the delivery capability of the service	-52
HES SP001	HES SP001	Yellow	Highways and Environmental Services	Deliver Trade Waste service via external contractor	Efficiency - no negative effect on service levels but may impact on staffing	This service is at best breakeven and potentially loss making due to lack of volume. Building volume is a slow, costly process that runs at a loss in the short to medium term. Proposal is for DCC to retain the customers but outsource the service to the private sector to retain the recycling percentage.	-252
HES SP001	HES SP002	Yellow	Highways and Environmental Services	Deletion of Archaeologist post following retirement	Alternative commissioning / procurement / service delivery	This means that there will be no support for the Authority for Archaeology from April 2018 because the service will cease. Performance in this area will reduce. Archaeological advice and guidance is a county-wide function, so this reduction in service will have an impact on several services, including: Planning; Property; Highways; Tourism; and Heritage. Expertise will be lost, and we may have to bring in consultants in certain circumstances because the authority will need to ensure its Archaeology and Heritage responsibilities are given due consideration. CADW will expect important and protected sites are conserved and managed.	-42
LHD SP001	LHD SP001	Yellow	Legal, HR & Democratic Services	End additional funding for external events from Civic budget (£4.5k)	Service Reduction/withdrawal	The Civic budget, has, for several years, supported/sponsored an evening concert at Llangollen Eisteddfod (£3,500) and has also supported the annual North Wales International Musical Festival in St Asaph (£1,000) p.a. The tickets provided to us as part of the sponsorship package at Llangollen Eisteddfod are used mainly to invite civic dignitaries from the other North Wales authorities. Despite previous efforts, we have been unable to use the tickets to enhance business or tourism opportunities for DCC. Denbighshire County Council already provides substantial financial support to the Llangollen Eisteddfod via the Facilities Management Team who provide an array of services at the site (up to £65,000 - total amount to be confirmed)	-5
PPP SP001	PPP SP002	Green	Planning and Public Protection	Reduce Small Business Development Grant Budget	Alternative commissioning / procurement / service delivery	The Small Business Grant Scheme was introduced by the former Economic Ambition Board in 2015/16 to support the then Corporate Priority of developing the economy. £120k of revenue was annually committed to the grant. Given the need for further corporate savings and the adoption of new Priorities within the latest Corporate Plan retaining this grant is now difficult to justify. It is proposed to take £60k from the grant towards 18/19 savings. The remaining £60k will be reallocated to support similar, but new priorities in the Corporate Plan (e.g. assist young people to gain employment)	-60
<b>TOTAL</b>							<b>-411</b>

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Appendix 3

2018/19	Increase %	Increase in Band D £	Proposed Band D £	Total Funding £000	Inc/Dec in Funding £000
	0.00%	0.00	1,191.26	46,990	-1,296
	0.50%	5.96	1,197.22	47,226	-1,060
	1.00%	11.91	1,203.17	47,461	-825
	1.50%	17.87	1,209.13	47,697	-589
	1.75%	20.85	1,212.11	47,815	-471
	2.00%	23.83	1,215.09	47,933	-353
	2.25%	26.80	1,218.06	48,050	-236
	2.50%	29.78	1,221.04	48,168	-118
<b>Original Assumption in MTFP</b>	<b>2.75%</b>	<b>32.76</b>	<b>1,224.02</b>	<b>48,286</b>	<b>0</b>
	3.00%	35.74	1,227.00	48,404	118
	3.25%	38.72	1,229.98	48,522	236
	3.50%	41.69	1,232.95	48,639	353
	3.75%	44.67	1,235.93	48,757	471
	4.00%	47.65	1,238.91	48,875	589
	4.25%	50.63	1,241.89	48,993	707
	4.50%	53.61	1,244.87	49,111	825
<b>Revised Proposal November</b>	<b>4.75%</b>	<b>56.58</b>	<b>1,247.84</b>	<b>49,228</b>	<b>942</b>
	5.00%	59.56	1,250.82	49,346	1,060

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# Proposed 100% cut to Small Business Development Grant Scheme

## 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:	339
Brief description:	It is proposed that the current £120k Small Business Development Grant Scheme is removed from the range of services offered by the Council to support local business growth and employment creation
Date Completed:	Version: 0
Completed by:	
Responsible Service:	Planning & Public Protection
Localities affected by the proposal:	Whole County,

# IMPACT ASSESSMENT SUMMARY AND CONCLUSION

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

## Score for the sustainability of the approach

Does it need more thought?

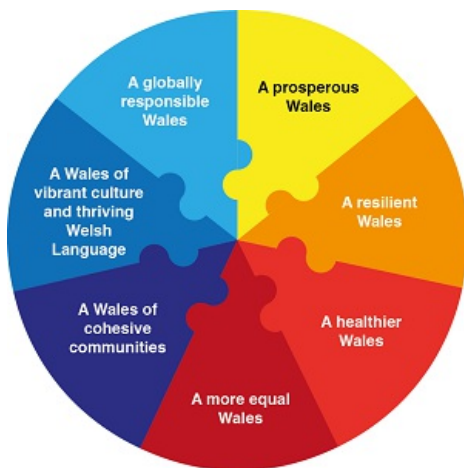


(1 out of 4 stars)

Actual score : 7 / 24.

## Summary of impact

Wellbeing Goals



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

## Main conclusions

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

## A prosperous Denbighshire

Overall Impact	Negative
Justification for impact	Grants Approved since 2016: 56 Local businesses supported Grants Paid: £147,264.62 Private Sector Investment levered into local economy: £189,028.44 Jobs Created to date: 31 local jobs Jobs to be created in next 6 months from grants approved but not yet claimed: 8 part time, 1 apprentice Average cost to the council per job created to date is £4,750.45. Average total cost of creating a job through the scheme has been £10,848.16 per job created. This is a significantly lower cost to the public purse than sustaining a local person on benefit. The impact will result in lost future potential to create similar economic / employment impact to that listed above

### Positive consequences identified:

lower business growth may mean less carbon produced locally in the manufacture / delivery of goods & services  
residents may seek better paid jobs in other counties / North West England  
fewer local businesses / reduced economic activity reduces vehicular traffic

### Unintended negative consequences identified:

businesses may not be supported to implement more efficient production methods which results in higher than necessary local carbon emissions  
fewer businesses start up locally fewer local businesses expand private sector investment is not levered local businesses unable to secure investment stagnate Welsh Government match funds not levered Business confidence is lowered Denbighshire loses its main current competitive advantage as a better place to do business than other counties because it does not offer financial incentives to investors Business Wales choose other counties as first port of call EBD Team receive fewer enquiries from businesses that reduce opportunities to cross promote support from other service areas e.g. Planning, Public Protection Negative response from wider business community  
fewer local job opportunities for local residents greater reliance on non-local sources of employment increases risk to families Potential increased benefit claims  
reduced investment in developing skills within local businesses local business skills stagnate local businesses do not achieve quality marks that enable them to win orders e.g. ISO9000/1  
fewer local jobs require more commuting to find work, increasing congestion  
loss of demand for childcare locally as parents travel further afield to find work fewer local jobs requires less local childcare provision

### Mitigating actions:

Promote other ways in which the council provides support to business / local employment creation  
Replace the scheme with a business loans scheme that recycles the investment Work closely with local business organisations (FSB, WCNWCC) to help them understand the financial pressures faced by the council and the alternatives to cutting business grant support

## A resilient Denbighshire

Overall Impact	Neutral
Justification for impact	Positives may balance out negatives

**Positive consequences identified:**

less locally produced product will result in less local waste  
 lower rates of economic activity will involve less consumption locally

**Unintended negative consequences identified:**

Businesses less likely to invest in higher risk / more efficient processing operations without assistance from grant monies  
 Local residents will travel further afield to find work Local businesses will continue to outsource supply of goods and services rather than expand into producing them locally, resulting in greater delivery miles

**Mitigating actions:**

Promote efficient business operations and links for local businesses to other support organisations that offer advice. Provide more information / case study examples of local businesses that have achieved a positive return on investment from waste / energy reduction initiatives.

**A healthier Denbighshire**

Overall Impact	Negative
Justification for impact	A number of local businesses have approached the scheme to date with significant business issues that we have been able to help them with - either by referring to more appropriate sources of help and advice or by working with them to develop proposals to grow the business to a point where it is sustainable. The proposal to cut business grant support will in these instances make it harder for local businesses to survive by removing a source of last resort funding.

**Positive consequences identified:**

**Unintended negative consequences identified:**

The majority of businesses in the county are micro businesses that have one owner who is responsible for all aspects of the business. Those supported by the Small Business Grants Scheme have already been denied other sources of financial support e.g. bank loans and the council is the funder of last resort. Removing support for businesses at this stage will reduce our opportunity to engage with and help - on a wider range of topics - small business owners under considerable pressure.

**Mitigating actions:**

Promote sources of mental health support for local business owners Encourage business owners to network, share experiences and develop supportive relationships with a wider range of business support providers



Overall Impact	Negative
Justification for impact	Jobs further afield are harder to obtain and financially less viable when travel is required. This is particularly so for low income families. Local employment supported by the Small Business Development Grant Scheme offers accessible local opportunity. When businesses apply to the scheme they are linked up with Employment Support Agencies in order to try and secure the jobs / apprenticeships created for people on low incomes / unemployed - this opportunity will be lost.

**Positive consequences identified:**

**Unintended negative consequences identified:**

Opportunity to access local employment as a route out of poverty is reduced.

**Mitigating actions:**

**A Denbighshire of cohesive communities**

Overall Impact	Negative
Justification for impact	Businesses facing significant change / competition will not be able to access match funding that supports them to adapt more rapidly or to take advantage of opportunities presented to them that may build their resilience e.g. local businesses have benefitted through the scheme from support to export their products in the face of dwindling local markets, enabling them to be more resilient.

**Positive consequences identified:**

**Unintended negative consequences identified:**

Businesses will be less resilient to change

**Mitigating actions:**

Signpost businesses looking to adapt to change towards other agencies for practical (though non financial) support

**A Denbighshire of vibrant culture and thriving Welsh language**

Overall Impact	Negative
Justification for impact	Grants are provided to enable Small Businesses to develop their use of Welsh in the business and as a sales and marketing tool e.g. bilingual signage, bilingual staff development, point of sale material, menus, bilingual website and social media operations etc. This offers people the opportunity to shop and work through the medium of Welsh. Because many businesses see the financial returns of investing in Welsh as too low the Business Development Grant Scheme has provided an incentive.

**Positive consequences identified:**

**Unintended negative consequences identified:**

Reduced council influence on opportunities for people to speak Welsh  
Reduced promotion of Welsh in business  
Reduced visibility of the Welsh language in town centres

**Mitigating actions:**

Reduce the level of the proposed cut from 100% to 90% in order to retain funds for incentivising the use of Welsh in Business

**A globally responsible Denbighshire**

Overall Impact	Negative
Justification for impact	The Small Business Grants Scheme is widely promoted and attracts a good level of enquiries from local businesses - it acts as an incentive to contact the council. These enquiries are in turn shared with Business Wales who provide a business planning support service that results in better, more viable business plans. Removing a major incentive to engage with the council will reduce business contact and the subsequent level of referrals to business Wales that enable other aspects of business support to be delivered to business in the county. Where Business Wales are able to access finance to support some small business ventures this must be match funded - reducing available match funding limits the extent to which WG money can be drawn down by local businesses.

**Positive consequences identified:**

**Unintended negative consequences identified:**

Reduced effectiveness of Business Wales in Denbighshire  
Reduced Welsh Government Investment in Denbighshire  
A less attractive region in which to do business

**Mitigating actions:**

# ICT Savings proposal 2018/19

## 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:	340
Brief description:	A proposal to reduce the staffing in ICT to deliver a financial saving
Date Completed:	30/11/2017 14:50:30 Version: 2
Completed by:	Alan Smith
Responsible Service:	Business Improvement & Modernisation
Localities affected by the proposal:	Whole County,

# IMPACT ASSESSMENT SUMMARY AND CONCLUSION

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

## Score for the sustainability of the approach

Does it need more thought?

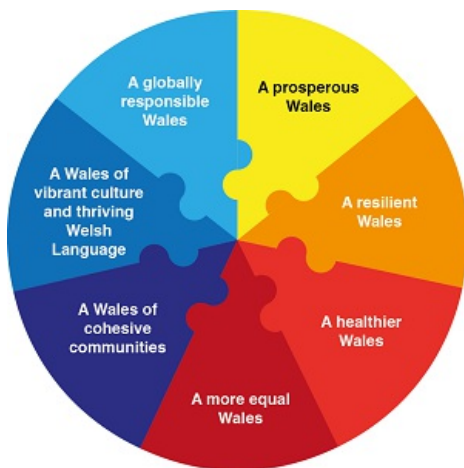


(1 out of 4 stars)

Actual score : 7 / 24.

## Summary of impact

Wellbeing Goals



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

## Main conclusions

This proposal is intended to create a financial saving for the Council, in order that other services can be sustained. It will mean a reduction in the capacity of ICT to deliver its service, which may impact the plans of other areas, but the service itself will not be fundamentally threatened. The proposal will entail a small reduction in job opportunities for Denbighshire residents.

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

## A prosperous Denbighshire

Overall Impact	Negative
Justification for impact	There will be a reduction in employment opportunities within DCC

### Positive consequences identified:

### Unintended negative consequences identified:

Will impact on jobs available at DCC  
Will reduce opportunities for skills development in DCC

### Mitigating actions:

## A resilient Denbighshire

Overall Impact	Neutral
Justification for impact	This change will have no real impact on the external environment

### Positive consequences identified:

### Unintended negative consequences identified:

### Mitigating actions:

## A healthier Denbighshire

Overall Impact	Neutral
Justification for impact	This change is likely to have no perceivable impact on the overall health of the community

### Positive consequences identified:

### Unintended negative consequences identified:

### Mitigating actions:

## A more equal Denbighshire

Overall Impact	Negative
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Justification for impact	There will, be fewer job opportunities for Denbighshire residents
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**Positive consequences identified:**

**Unintended negative consequences identified:**

Reduced employment opportunities in Denbighshire

**Mitigating actions:**

**A Denbighshire of cohesive communities**

Overall Impact	Neutral
Justification for impact	

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

**A Denbighshire of vibrant culture and thriving Welsh language**

Overall Impact	Neutral
Justification for impact	

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

**A globally responsible Denbighshire**

Overall Impact	Neutral
Justification for impact	

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

# Outsourcing Commercial Waste Operations

## 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:	329
Brief description:	Outsourcing operation of commercial waste collection (currently 2 members of staff perform this duty).
Date Completed:	21/11/2017 13:34:07 Version: 1
Completed by:	Jim Espley
Responsible Service:	Highways & Environmental 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

Does it need more thought?

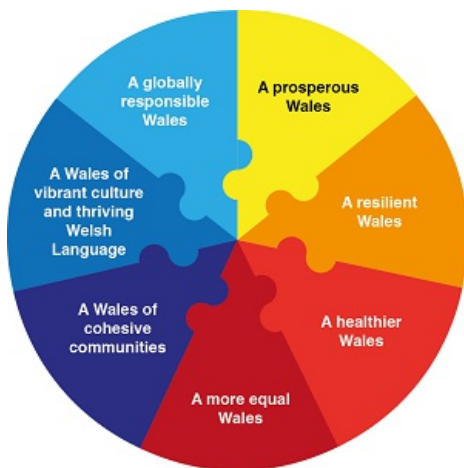


(1 out of 4 stars)

Actual score : 7 / 24.

## Summary of impact

Wellbeing Goals



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

## Main conclusions

The outsourcing of commercial waste operations has no material impacts on the wellbeing factors (the same operation will be undertaken, same waste will be collected, same amount of fuel will be used etc) - the procurement purely involves switching an operation from one provider to another,



# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

## **A prosperous Denbighshire**

Overall Impact	Neutral
Justification for impact	The procurement is to contract out the operation of the commercial waste collections. The carbon impact, jobs etc will be the same regardless of whether Denbighshire undertakes the service or it is contracted out

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

## **A resilient Denbighshire**

Overall Impact	Neutral
Justification for impact	The procurement is to contract out the operation of the commercial waste collections. The impact of the operation is the same regardless of whether Denbighshire undertakes the service or it is contracted out

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

## **A healthier Denbighshire**

Overall Impact	Neutral
Justification for impact	The procurement of outsourcing commercial waste operations does not relate to this category

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

## **A more equal Denbighshire**

Overall Impact	Neutral
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Justification for impact	The procurement of outsourcing commercial waste operations does not relate to this category
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**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

**A Denbighshire of cohesive communities**

Overall Impact	Neutral
Justification for impact	The procurement of outsourcing commercial waste operations does not relate to this category

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

**A Denbighshire of vibrant culture and thriving Welsh language**

Overall Impact	Neutral
Justification for impact	The procurement of outsourcing commercial waste operations does not relate to this category

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

**A globally responsible Denbighshire**

Overall Impact	Neutral
Justification for impact	The procurement of outsourcing commercial waste operations does not relate to this category

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

# Savings Proposal: Non-replacement of County Archaeologist following retirement

## 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:	330
Brief description:	The County Archaeologist is currently on flexible retirement and will be leaving the Authority on 31/03/2018. The salary has been put forward as a budget saving for 2018-19. This WIA will consider the impacts of this proposal.
Date Completed:	24/11/2017 09:34:05 Version: 2
Completed by:	Huw Rees
Responsible Service:	Highways & Environmental 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 you do more to make your approach more sustainable?

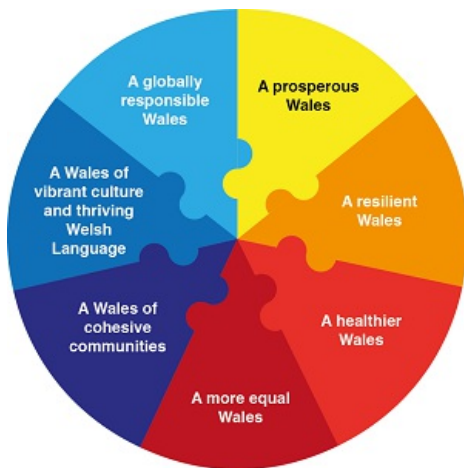


(2 out of 4 stars)

Actual score : 9 / 24.

## Summary of impact

Wellbeing Goals



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

## Main conclusions

This proposal would result in the loss of a post that has a specific role and represents wholly the authority's delivery of that role. Any analysis of this will inevitably produce a negative impact. It is a loss of service. However, it should be recognised that Denbighshire is one of only a few Local Authorities [LAs] in Wales that have a County Archaeologist [CA] and the only one in North Wales [Snowdonia National Park has a similar post]. This results in our historic landscape being well promoted, protected and embedded in our planning, countryside, economic and tourism activities. Some of this would still be present when the post is gone but inevitably the focus will not be as strong. Other LAs manage to protect their historic environment but not to the degree that Denbighshire has. The County has used it to bring in grants [Heritage Lottery Fund being the most notable], engage communities, support the success of the Clwydian Range and Dee Valley Area of Outstanding Natural Beauty [AONB] and Pontcysyllte Aqueduct and Llangollen Canal World Heritage Site and underpin tourism and economic regeneration, particularly in the rural areas. However, given the tough economic climate and the pressure for savings, there is a bigger picture. The retirement of the post holder provides an opportunity to make a saving and prevent the potential redundancy of other staff in the Countryside Service.

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

## A prosperous Denbighshire

Overall Impact	Negative
Justification for impact	The County Archaeologist role makes a positive contribution to the economic wellbeing of the County and the wider area, in terms of tourism, conservation of the historic and cultural environment and landscape projects. This expertise may be found elsewhere but will be less easy to access and probably cost more if it is removed from the Authority.

### Positive consequences identified:

The retirement of the CA provides an opportunity to make obligatory savings for the Countryside and Heritage Service. Taking this opportunity means that other staff may be protected from redundancy [for at least another year].

### Unintended negative consequences identified:

The CA is constantly aiming to improve the condition and knowledge of the County's Historic Environment. A better quality historic environment is intrinsically good, but also good for residents and tourists alike. Examples of projects which have achieved this are Castell Dinas Brân, Clive Engine House, Dyserth, Gop cairn (in the AONB), Jubilee Tower, Moel Famau, several of the areas hillforts in both public and private ownership. Following on from projects such as the Heather and Hillforts project, there have been a number of archaeological excavations in the area, particularly at Penycloddiau, Moel y Gaer Bodfari and on the slopes outside Moel Arthur. The historic environment is good for tourism and rural economic regeneration. Having that expertise in the Authority raises the profile and embeds it into the work of the Authority. The CA was strongly involved in the World Heritage Site in the Dee Valley.

This proposal involves a retirement and a loss of a service/role for the Authority. The expertise will be lost and over time the focus on archaeology that currently exists in the County will wane. As part of the role, the CA was involved with volunteers, school placements and university projects in the County.

### Mitigating actions:

Arrangements could be made with CPAT [Clwyd Powys Archaeological Trust] to provide some services as replacements. These would be under SLAs or specific project briefs and would, by their nature, be less flexible. Certainly planning application consultations will need to be undertaken as archaeology is a 'material consideration' in the planning process.

## A resilient Denbighshire

Overall Impact	Negative
Justification for impact	The CA is instrumental in maintaining a high profile for all aspects of the protection and enhancement of the historic environment. When the post is gone, there will be less of an emphasis on this work and resilience will be diminished.

### Positive consequences identified:

The saving from the retirement will protect other staff in the Service who also have a strong role in protecting and enhancing biodiversity.

### **Unintended negative consequences identified:**

Currently the CA is involved in the protection and enhancement of the historic landscape of Denbighshire - ruined castles [Dinas Bran] ,Iron Age Hillforts, parkland and caves for example. Any reduction in their protection will possibly result in a negative impact on biodiversity as a natural progression.

Historic buildings and structures are , by their nature, closely associated with wildlife and often provide ideal habitat for protected species. The CA is involved in the protection of these types of buildings and structures. This work, by default helps biodiversity and wildlife. The bats at Nant Clwyd y Dre is a good example and there have been many other incidents of this connection. If this type of work reduces there is likely to be a negative impact on biodiversity, habitats and species.

The role of County Archaeologist inputs into interpretation of the historic environment in the County and the AONB, leaflets about particular sites (Dinas Bran, Gop, Hillforts) as well as contributions to other more general information eg. Limestone Legacy leaflet, Community Miles, panels on sites like Hillforts, Dinas Bran soon to be OPL projects If this expertise is lost the information for interpretation material will take longer to find and potentially will be more generalised. The CA is involved in publicity for the historic environment, event organisation, walks, talks and written materials. This is likely to be 'light touch' in the future.

### **Mitigating actions:**

CPAT can be contracted to complete various aspects of the role and other ecological contractors can be engaged to undertake specific activities but this work will be infrequent and limited in its scope.

## **A healthier Denbighshire**

Overall Impact	Negative
Justification for impact	The proposal will inevitably reduce the opportunities for engagement with the historic landscape.

### **Positive consequences identified:**

### **Unintended negative consequences identified:**

Currently, in the county, the historic landscape is promoted and is relatively accessible for recreation. Walks and events are also held in the historic environment. This gives opportunities to encourage residents' health and wellbeing. Protection of the intrinsic value of the historic landscape has benefits for peoples' health/ wellbeing. The CA is involved in all this activity

As above in health and wellbeing. The CA organised archaeological 'digs' open to the public and volunteers as well as other walks and events. Archaeology is popular with older people and the events and walks are very well attended by that demographic.

There is a proven strong link between engagement with the outdoors and green environment and individuals' emotional and mental health- eco therapy. Opportunities to visit the historic environment of the county contributed to that agenda.

### **Mitigating actions:**

The countryside service can continue to offer opportunities to engage with the historic environment and landscape but it will not have quite the focus that it currently has.

Overall Impact	Negative
Justification for impact	The proposal may have a negative impact on access to green outdoor space and the natural environment and consequently reduce the opportunities for people with protected characteristics..

**Positive consequences identified:**

**Unintended negative consequences identified:**

The proposal may have a negative impact on access to green outdoor space and the natural environment.

**Mitigating actions:**

Ensure that any remaining or new opportunities for the public to engage with the historic environment are accessible to all as is reasonably possible.

**A Denbighshire of cohesive communities**

Overall Impact	Negative
Justification for impact	The CA is active in numerous communities throughout the County and local communities have an interest in their local history. This support and expertise will be reduced.

**Positive consequences identified:**

**Unintended negative consequences identified:**

The proposal reduces engagement and volunteering opportunities for residents and visitors. The CA is involved in the protection of the historic environment- landscape, houses, monuments etc. This improves the look and appearance of the County[ the work at Dinas Bran is a good example- led by the CA] and contributes to resilient communities and tourism.

**Mitigating actions:**

The Countryside Service will continue to work to improve the historic landscape of the County and engage communities to protect their local environment, through community volunteering and support.

**A Denbighshire of vibrant culture and thriving Welsh language**

Overall Impact	Negative
Justification for impact	As an important aspect of the culture and heritage of the County, the historic landscape will be less well considered as a result of this proposal.

**Positive consequences identified:**

**Unintended negative consequences identified:**

The Welsh language is synonymous with the landscape and protecting and enhancing the latter improves the former. History and culture are interwoven in place names and landscape descriptions. The CA's work helps the conservation of the Welsh language. The CA is primarily involved in conserving and enhancing culture and heritage - buildings of cultural or historical importance, special sites, monuments and landmarks.

**Mitigating actions:**

Countryside and Heritage services will endeavour to continue to protect and enhance the heritage of the county where it is able.

**A globally responsible Denbighshire**

Overall Impact	Negative
Justification for impact	The historic environment and landscape has intrinsic worth. Its protection benefits the County, Wales and contributes to global historic diversity. The proposal might reduce our ability to contribute to that diversity.

**Positive consequences identified:**

**Unintended negative consequences identified:**

Planning Services may be less able to find information about the historic landscape to help with planning decisions and to protect the historic environment. The AONB has objectives to protect and enhance the historic landscape of the protected area. These objectives might be more difficult to fulfil when the CA leaves.

**Mitigating actions:**

Develop a robust SLA with CPAT to deliver the Planning aspects of the CA's current work. This will help to protect the historic environment under threat from development.



# Civic Sponsorship

## 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:	361
Brief description:	Proposal to cease civic financial sponsorship of evening concert at Llangollen Eisteddfod and civic financial support to North Wales International Music Festival, St Asaph
Date Completed:	17/01/2018 14:52:32 Version: 2
Completed by:	Eleri Woolford
Responsible Service:	Legal, HR & Democratic Services
Localities affected by the proposal:	Elwy, Llangollen,

# 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

Does it need more thought?

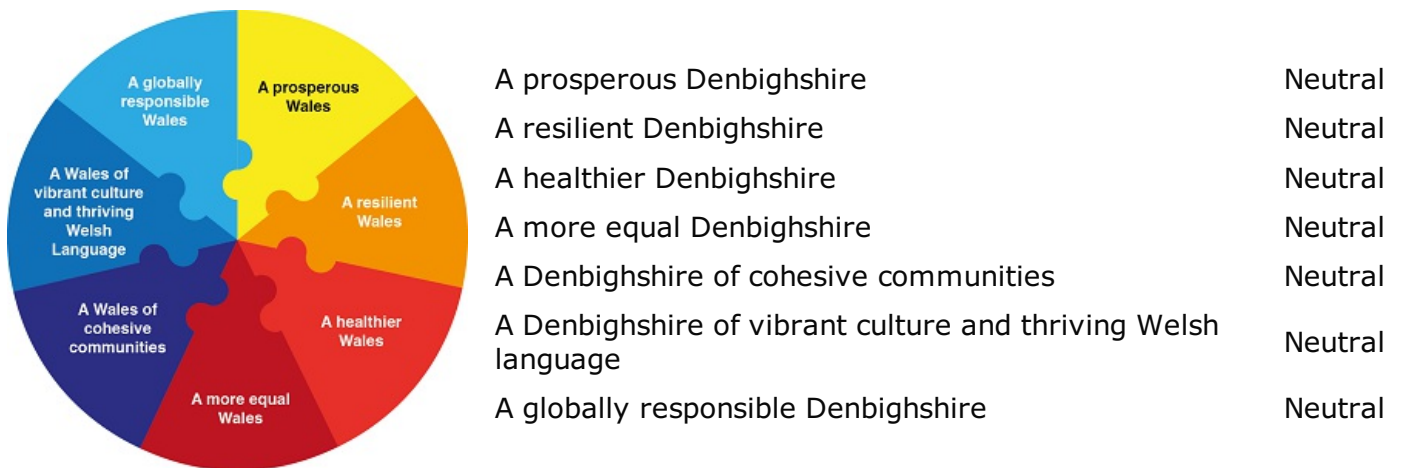


(1 out of 4 stars)

Actual score : 2 / 24.

## Summary of impact

Wellbeing Goals



## Main conclusions

There is no suggestion that the withdrawal of our financial contribution will prevent the continuation of those events.

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

## A prosperous Denbighshire

Overall Impact	Neutral
Justification for impact	No impact on proposal

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

## A resilient Denbighshire

Overall Impact	Neutral
Justification for impact	No impact on proposal

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

## A healthier Denbighshire

Overall Impact	Neutral
Justification for impact	No impact on proposal

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

## A more equal Denbighshire

Overall Impact	Neutral
Justification for impact	No impact on proposal

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

**A Denbighshire of cohesive communities**

Overall Impact	Neutral
Justification for impact	No impact on proposal

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

**A Denbighshire of vibrant culture and thriving Welsh language**

Overall Impact	Neutral
Justification for impact	There is no suggestion that the withdrawal of our financial contribution will prevent the continuation of those events.

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

**A globally responsible Denbighshire**

Overall Impact	Neutral
Justification for impact	No impact on proposal

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

# Council Tax 2018/19

## 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:	360
Brief description:	It is a proposed rise in Council Tax of 4.75% in order to support the 2018/19 budget.
Date Completed:	16/01/2018 12:39:14 Version: 1
Completed by:	Richard Weigh
Responsible Service:	Finance
Localities affected by the proposal:	Whole County,

# IMPACT ASSESSMENT SUMMARY AND CONCLUSION

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

## Score for the sustainability of the approach

Your Approach Is Excellent



(4 out of 4 stars)

Actual score : 24 / 24.

## Summary of impact

Wellbeing Goals



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

## Main conclusions

The impacts are broadly neutral. This is because the Council Tax rise proposed supports a budget that protects existing service levels and increases investment in social care, schools and in new priorities. Clearly the impact is the increased tax paid by residents. The main mitigation is that around 25% of tax payers receive financial support through the Council Tax Reduction Scheme. However, it is recognised that for some taxpayers, the proposed rise will create an additional financial burden, particularly for those with relatively fixed incomes or little disposable income.

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

## A prosperous Denbighshire

Overall Impact	Neutral
Justification for impact	Whilst the Council Tax rise will increase the amount paid, it also allows the council to increase funding to provision in key areas such as social care and schools and maintain service levels generally throughout other areas during 2018/19.

### Positive consequences identified:

Allows the council to continue existing financial provision in 2018/19.

### Unintended negative consequences identified:

### Mitigating actions:

Residents will pay more Council Tax - however there is support via the Council Tax reduction scheme for those who qualify for such support.

## A resilient Denbighshire

Overall Impact	Positive
Justification for impact	The Council Tax rise proposed supports a budget that includes investment in key areas highlighted such as biodiversity and flood risk management.

### Positive consequences identified:

The Council Tax rise supports a budget that includes new priorities, including enhancing biodiversity, the natural environment and flood risk management.

### Unintended negative consequences identified:

### Mitigating actions:

Residents will pay more Council Tax - however there is support via the Council Tax reduction scheme for those who qualify for such support.

## A healthier Denbighshire

Overall Impact	Neutral
Justification for impact	The proposal to raise Council Tax supports a budget that allows service levels to be maintained in 2018/19. Not implementing the proposed rise would inevitably lead to reductions in service provision. <b>Page 95</b>

**Positive consequences identified:**

The Council Tax proposal supports a budget that maintains activity and service levels in 2018/19 and provides increased funding for social care.

**Unintended negative consequences identified:****Mitigating actions:**

Residents will pay more Council Tax - however there is support via the Council Tax reduction scheme for those who qualify for such support.

### A more equal Denbighshire

Overall Impact	Neutral
Justification for impact	The proposal to raise Council Tax supports a budget that allows service levels to be maintained in 2018/19 without cutting important services.

**Positive consequences identified:**

The proposals allow for additional funding to be allocated to social care budgets.

**Unintended negative consequences identified:**

Residents will pay more Council Tax. Those who qualify will be supported by the Council Tax reduction scheme. There will be some residents who do not qualify and for whom the tax rise will be an additional burden.

**Mitigating actions:**

### A Denbighshire of cohesive communities

Overall Impact	Positive
Justification for impact	The proposal to raise Council Tax supports a budget that allows service levels to be maintained in 2018/19 and for investment in new priority areas to enhance community resilience.

**Positive consequences identified:**

The proposal allows for service levels to be maintained during 2018/19 and builds in priority investment in connecting communities and resilience as part of the priority funding for 2018/19.

**Unintended negative consequences identified:****Mitigating actions:**

Residents will pay more Council Tax - however there is support via the Council Tax reduction scheme for those who qualify for such support



## A Denbighshire of vibrant culture and thriving Welsh language

Overall Impact	Neutral
Justification for impact	The proposal to raise Council Tax supports a budget that allows service levels to be maintained in 2018/19.

**Positive consequences identified:**

**Unintended negative consequences identified:**

**Mitigating actions:**

## A globally responsible Denbighshire

Overall Impact	Neutral
Justification for impact	The proposal to raise Council Tax supports a budget that allows service levels to be maintained in 2018/19.

**Positive consequences identified:**

The proposal allows for service levels to be maintained during 2018/19.

**Unintended negative consequences identified:**

**Mitigating actions:**

Residents will pay more Council Tax - however there is support via the Council Tax reduction scheme for those who qualify for such support

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**Report To:** Cabinet

**Date of Meeting:** 23<sup>rd</sup> January 2018

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

**Report Author:** Steve Gadd, Chief Accountant

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

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

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

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

The purpose of the report is to provide an update on the council's current financial position and confirm the agreed service budgets for 2017/18.

**3. What are the Recommendations?**

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

**4. Report details**

The report provides a summary of the council's revenue budget for 2017/18 detailed in **Appendix 1**. The council's net revenue budget is £189.252m (£185.062m in 16/17). The position on service and corporate budgets is forecast to break-even due to the use of corporate contingencies. 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 £126k (£128k reported last month). The pressure is largely due to higher than anticipated relief costs and additional IT costs.

**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 have been considered as part of the 18/19 budget process and proposals to recognise these pressures are included in the budget report also on this agenda.

**Education and Children's Service** is currently projected to overspend by £570k (£559k overspend reported last month). The slight increase from last month relates to an increase in out of county placement costs due to previously unreported disputed invoices now being included in the outturn projection. 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. However the projected outturn includes all current out of county placements predicted to realistic timeframes. The total overspend against Children's Services base budget is currently £1,224k overspent (£1,213k in November'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 £132k for a particularly expensive and sensitive case involving children in remand centres. The pressures in this area have been considered as part of the 18/19 budget process and proposals to recognise these pressures are included in the budget report also on this agenda.

**Legal, HR and Democratic Services** is showing an underspend of £18k due to a number of small variances and vacancy savings across the service (£25k underspend last month).

**Highways and Environment** is currently projected to overspend by £247k (£239k at the last Cabinet meeting).

The majority of overspend (£154k) 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 £62k following a full review of the contracts agreed for the new school year which started in September.

It is currently projected that the effects of the recent winter weather on the winter maintenance budget can be contained within existing resources, although as ever this remains a volatile budget which will be monitored closely over the remaining months. Minor overspends across the service account for the residual variance.

**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 December the projection for school balances is a net deficit balance of £1.218m, which is a further reduction of £0.162m 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 additional 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 £63k 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 £935k which is £620k 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 £1.613m 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 December, the council's borrowing totalled £203.96m at an average rate of 4.49%. Investment balances were £6.4m at an average rate of 0.29%.

A summary of the council's **Capital Plan** is enclosed as **Appendix 2**. The approved capital plan is £39.2m with expenditure to date of £24.5m. 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.

**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 31<sup>st</sup> 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). However the effects of these in year pressure have been funded by the investment in service pressures during the 18/19 budget, the re-imbursment of service reserves at year end and the release of corporate contingencies to match any remaining overspend. The position for both services are being monitored carefully and have been considered as part of the budget process for 2018/19. Budget Workshops in the Autumn explained the position for these service to all DCC Members who attended and pressures are included in the budget proposals that form part of the Budget Reports also on this agenda.

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

Dec-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	3,181	-338	2,843	3,384	-415	2,969	203	-77	126	4.43%	128
Education and Children's Service	14,126	26,909	-13,955	12,954	28,913	-15,389	13,524	2,004	-1,434	570	4.40%	559
Business Improvement and Modernisation	4,572	5,400	-785	4,615	5,677	-1,062	4,615	277	-277	0	0.00%	0
Legal, HR and Democratic Services	2,396	3,949	-1,325	2,624	4,082	-1,476	2,606	133	-151	-18	-0.69%	-25
Facilities, Assets and Housing	6,965	22,689	-15,089	7,600	24,214	-16,614	7,600	1,525	-1,525	0	0.00%	0
Finance	2,888	5,260	-2,346	2,914	5,196	-2,282	2,914	-64	64	0	0.00%	0
Highways and Environmental Services	17,065	33,301	-15,912	17,389	33,831	-16,195	17,636	530	-283	247	1.42%	239
Planning and Public Protection	2,941	5,957	-2,970	2,987	6,228	-3,241	2,987	271	-271	0	0.00%	0
Community Support Services	31,218	46,790	-14,428	32,362	49,682	-17,320	32,362	2,892	-2,892	0	0.00%	0
<b>Total Services</b>	<b>84,867</b>	<b>153,436</b>	<b>-67,148</b>	<b>86,288</b>	<b>161,207</b>	<b>-73,994</b>	<b>87,213</b>	<b>7,771</b>	<b>-6,846</b>	<b>925</b>	<b>1.07%</b>	<b>901</b>
Corporate	18,178	55,548	-36,589	18,959	54,623	-36,589	18,034	-925	0	-925	-4.88%	-901
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
<b>Total Corporate</b>	<b>35,756</b>	<b>73,038</b>	<b>-36,589</b>	<b>36,449</b>	<b>72,113</b>	<b>-36,589</b>	<b>35,524</b>	<b>-925</b>	<b>0</b>	<b>-925</b>	<b>-2.54%</b>	<b>-901</b>
<b>Council Services &amp; Corporate Budget</b>	<b>120,623</b>	<b>226,474</b>	<b>-103,737</b>	<b>122,737</b>	<b>233,320</b>	<b>-110,583</b>	<b>122,737</b>	<b>6,846</b>	<b>-6,846</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>Schools &amp; Non-delegated School Budgets</b>	<b>64,439</b>	<b>75,296</b>	<b>-8,781</b>	<b>66,515</b>	<b>75,637</b>	<b>-9,023</b>	<b>66,614</b>	<b>341</b>	<b>-242</b>	<b>99</b>	<b>0.15%</b>	<b>99</b>
<b>Total Council Budget</b>	<b>185,062</b>	<b>301,770</b>	<b>-112,518</b>	<b>189,252</b>	<b>308,957</b>	<b>-119,606</b>	<b>189,351</b>	<b>7,187</b>	<b>-7,088</b>	<b>99</b>	<b>0.05%</b>	<b>99</b>
<b>Housing Revenue Account</b>	<b>-257</b>	<b>15,179</b>	<b>-14,864</b>	<b>315</b>	<b>15,601</b>	<b>-14,666</b>	<b>935</b>	<b>422</b>	<b>198</b>	<b>620</b>		<b>613</b>

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**General Capital Plan**

		2017/18	2018/19	2019/20	2020/21
		£000s	£000s	£000s	£000s
<b>Capital Expenditure</b>					
	Total Estimated Payments - General	21,778	15,333	171	200
	Total Estimated Payments - Corporate Plan Contingency	16,808	1,179	0	0
		658	500	500	500
	<b>Total</b>	<b>39,244</b>	<b>17,012</b>	<b>671</b>	<b>700</b>
<b>Capital Financing</b>					
1	External Funding	16,512	10,792	4,869	4,869
2	Receipts and Reserves	10,611	823		
3	Prudential Borrowing	12,121	9,766	171	200
5	Unallocated Funding	0	(4,369)	(4,369)	(4,369)
	<b>Total Capital Financing</b>	<b>39,244</b>	<b>17,012</b>	<b>671</b>	<b>700</b>

**Corporate Plan**

Revised February 2016

		£000s	£000s	£000s	£000s
<b>Approved Capital Expenditure included in above plan</b>					
	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		
	<b>Estimated Capital Expenditure</b>	<b>0</b>	<b>32,408</b>	<b>9,422</b>	<b>0</b>
	<b>Total Estimated Payments</b>	<b>16,808</b>	<b>33,587</b>	<b>9,422</b>	<b>0</b>
<b>Approved Capital Funding included in above plan</b>					
	External Funding	8,062	30		
	Receipts and Reserves	4,127	206		
	Prudential Borrowing	4,619	943		
	<b>Estimated Capital Funding</b>	<b>0</b>	<b>15,068</b>	<b>592</b>	<b>4</b>
	External Funding	0	15,068	592	4
	Receipts and Reserves	0	4,943		
	Prudential Borrowing	0	12,397	8,826	
	<b>Total Estimated Funding</b>	<b>16,808</b>	<b>33,587</b>	<b>9,422</b>	<b>0</b>

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### Appendix 3 - Major Capital Projects Update - December 2017

<b>Rhyl Harbour Development</b>	
Total Budget	£10.654m
Expenditure to date	£10.579m
Estimated remaining spend in 2017/18	£ 0.000m
Future Years estimated spend	£ 0.075m
Funding	WG £2.545m; WEFO £5.899m; Sustrans £0.700m: RWE £155k; WREN/NRW £83k and DCC £1.272m
<b>Narrative:</b>	
<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. In the meanwhile the necessary maintenance is being undertaken to keep the bridge in good working order.</p>	
Forecast In Year Expenditure 17/18	£0.000m

<b>21<sup>st</sup> Century Schools Programme - Rhyl New School</b>	
Total Budget	£23.822m
Expenditure to date	£23.427m
Estimated remaining spend in 17/18	£ 0.395m
Future Years estimated spend	£ 0.000m
Funding	DCC £10.133m; WG £13.689m
<b>Narrative:</b>	
<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>Further to a meeting with the contractor there are now just a small number of snags and defects to be completed and some amount of retention will be retained in respect of these items. It is expected that the majority of the remedial works will be completed during January, although the assessment period for the BREEAM excellent certification may delay this a little longer.</p>	
Forecast In Year Expenditure 17/18	£0.437m

## 21<sup>st</sup> Century Schools Programme – Ysgol Glan Clwyd

Total Budget	£16.710m
Expenditure to date	£16.385m
Estimated remaining spend in 17/18	£ 0.051m
Future Years estimated spend	£ 0.274m
Funding	DCC £5.249m; WG £11.461m

### **Narrative:**

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

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

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

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

Remaining internal works to create the new Leisure Centre facility and the final three rooms for the school were completed and handed over on 13<sup>th</sup> October 2017; at the same time the new Car Park and Coach Area and remaining external landscaping were also completed and handed over.

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; this work was completed and a final handover occurred on Friday 10<sup>th</sup> November 2017 and the Contractor has now left site and the School and Leisure Centre have returned to business as usual.

Moving forward, remaining tasks will be around dealing with any Defects in association with the 12 month Defects Periods for each of the Phase/Sub Phase sectional completions; this will continue to a completion by the end of 2018.

Forecast In Year Expenditure 17/18	£3.221m
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## 21<sup>st</sup> Century Schools Programme – Ruthin Primary Schools

Total Budget	£12.191m
Expenditure to date	£ 9.441m
Estimated remaining spend in 17/18	£ 2.513m
Future Years estimated spend	£ 0.237m
Funding	DCC £5.622m WG £6.569m

### **Narrative:**

Denbighshire received permission to extend the scope of the 21<sup>st</sup> 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.

### **Rhos Street School and Ysgol Penbarras**

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

The main structure of the building is complete and the focus is on the internal installations which are being progressed. These include the 2<sup>nd</sup> instalment of mechanical and electrical infrastructure, floor finishes, ceilings and painting.

In terms of external work, the drainage works have been completed and the car park has had a sub-course. The installation of equipment and landscaping will continue until the end of the construction phase.

### **Ysgol Carreg Emlyn**

The land purchase is now imminent and follows a period of negotiations for the land purchase of the site where the new Ysgol Carreg Emlyn will be located.

The contractor is progressing with the technical design stage. Regular meetings will take place with the school to review the design during this phase.

It is envisaged that construction will commence on site in the Spring.

### **Llanfair New School**

The Full Business Case has now been approved by the Welsh Government.

Planning has been approved by the Council's planning committee.

The appointed contractor is progressing with the technical design stage. Regular meetings will take place with the school to review the design during this phase.

The land purchase is ongoing, with heads of terms agreed and the purchase being passed to both parties' solicitors.

Construction is expected to commence on site in the Spring.

Forecast In Year Expenditure 17/18	£8.956m
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<b>21<sup>st</sup> Century Schools Programme – Rhyl 3-16 Faith School</b>	
Total Budget	£1.500m (Feasibility and Design)
Expenditure to date	£0.097m
Estimated remaining spend in 17/18	£0.734m
Future Years estimated spend	£0.669m
Funding	DCC £1.5.m
<b>Narrative:</b>	
<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 planning application was submitted at the beginning of December 2017. Some initial enabling works will commence towards the end of February 2018, these works are being discussed with both schools to minimise disruption.</p> <p>The Full Business Case was submitted to the Welsh Government just before Christmas, and a decision is expected towards the end of January 2018.</p>	
Forecast In Year Expenditure 17/18	£0.735m

<b>Rhyl Waterfront and Waterpark</b>	
Total Budget	£20.568m
Expenditure to date	£7.337m
Estimated remaining spend in 17/18	£2.750m
Future Years estimated spend	£10.481m
Funding	WG £4.237m; DCC£14.146m; Rhyl Town Council £2.000m
<b>Narrative:</b>	
<p>Work on the Pavilion Theatre is complete with the creation of a new bar and restaurant which opened in December 2017.</p> <p>The Sky Tower improvements and East Car Park are now complete.</p> <p>The Waterpark construction started on site in early October and is progressing well; the steelwork has started to be erected on the Leisure Box.</p> <p>Funding has been secured from the Welsh Government -Tourism Investment Support Scheme.</p> <p>The facility is still on course to open early 2019.</p> <p>A planning application for the skate park relocation was submitted before Christmas 2017.</p> <p>The Travelodge/Marstons development on the site of the East Parade Coach and Car Park started in December 2017 and is scheduled to complete in December 2018.</p> <p>Demolition of Unit C on the Children’s Village started on 8<sup>th</sup> January 2018 and will take two months to complete.</p>	
Forecast In Year Expenditure 17/18	£6.466m

## Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
<b>27 Feb</b>	1	Managed Service for the Provision of Agency Workers	To receive a report to award to the most economically advantageous tenderer	Yes	Councillor Julian Thompson-Hill / Gary Williams / Helen Makin
	2	Business Rates Write Offs	To consider writing off irrecoverable Business Rates	Yes	Councillor Julian Thompson-Hill / Richard Weigh / Paul Barnes
	3	Regional Regeneration - North Wales Regional Regeneration Plan and Welsh Government's Targeted Regeneration Investment Programme	To approve priorities in the Regional Regeneration Plan and the wider Draft Regional Plan and funding programme prior to submission to the Welsh Government	Yes	Graham Boase / Kim Waller
	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
<b>20 Mar</b>	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

## Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
<b>24 Apr</b>	1	Insurance Contract Award	Following a tender process to award the contract to the preferred bidder for insurance services	Yes	Councillor Julian Thompson-Hill / Richard Weigh
	2	CPO of the Former North Wales Hospital, Denbigh	To provide an update on the CPO process	Tbc	Councillor Brian Jones / 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
<b>22 May</b>	1	Rhyl and Prestatyn Business Improvement Districts	To consider the full business case relating to the establishment of business improvement districts	Yes	Councillor Hugh Evans / Mike Horrocks
	2	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Richard Weigh
	3	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator



## Cabinet Forward Work Plan

Meeting	Item (description / title)	Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer

*Note for officers – Cabinet Report Deadlines*

<i>Meeting</i>	<b><i>Deadline</i></b>	<i>Meeting</i>	<b><i>Deadline</i></b>	<i>Meeting</i>	<b><i>Deadline</i></b>
<i>February</i>	<b><i>13 February</i></b>	<i>March</i>	<b><i>6 March</i></b>	<i>April</i>	<b><i>10 April</i></b>

Updated 10/01/18 - KEJ

Cabinet Forward Work Programme.doc

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