

To: Members of the Cabinet

Date: 18 April 2018

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Dear Councillor

You are invited to attend a meeting of the **CABINET** to be held at **10.00 am** on **TUESDAY, 24 APRIL 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 - 12)

To receive the minutes of the Cabinet meeting held on 20 March 2018 (copy enclosed).

5 FINANCE REPORT (Pages 13 - 28)

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.

6 CABINET FORWARD WORK PROGRAMME (Pages 29 - 32)

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 items of business because it is likely that exempt information as defined in paragraphs 14 and 15 of Part 4 of Schedule 12A of the Act would be disclosed.

7 FORMER NORTH WALES HOSPITAL, DENBIGH (Pages 33 - 78)

To consider a report by Councillor Hugh Evans, Leader and Lead Member for the Economy and Corporate Governance (copy enclosed) seeking a decision on the preferred party to take ownership of the site once the Compulsory Purchase Order is completed.

8 IN HOUSE SERVICE UPDATE REPORT (Pages 79 - 104)

To consider a confidential report by Councillor Bobby Feeley, Lead Member for Wellbeing and Independence (copy enclosed) regarding the tender exercise in relation to the transfer of Hafan Deg Day Centre in Rhyl and seeking approval of the contract award to the preferred bidder.

9 PROPERTIES ON WEST PARADE AND SUSSEX STREET, RHYL (Pages 105 - 132)

To consider a confidential report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) seeking approval of the acquisition of Phase 1 buildings and taking of an option to acquire the Phase 2 buildings as detailed within the report.

10 GYSPY AND TRAVELLER SITES (Pages 133 - 204)

To consider a confidential report by Councillor Tony Thomas, Lead Member for Housing, Regulation and the Environment (copy enclosed) regarding proposals for the Council to meet the needs identified in the Denbighshire Gypsy and Traveller Accommodation Assessment.

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
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Town and Community Councils

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LOCAL GOVERNMENT ACT 2000

Code of Conduct for Members

DISCLOSURE AND REGISTRATION OF INTERESTS

I, *(name)*

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

Denbighshire County Council

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

Date of Disclosure:

Committee *(please specify)*:

Agenda Item No.

Subject Matter:

Nature of Interest:

*(See the note below)**

Signed

Date

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

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CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin on Tuesday, 20 March 2018 at 10.00 am.

PRESENT

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

Observers: Councillors Meirick Davies, Arwel Roberts, Glenn Swingler, Rhys Thomas and Emrys Wynne

ALSO PRESENT

Chief Executive (MM); Corporate Director Economy and Public Realm (GB); Heads of Service: Legal, HR and Democratic Services (GW), Finance/S.151 Officer (RW) and Facilities, Assets and Housing (JG); Project Manager – Business Information Team (RV) and Committee Administrator (KEJ)

POINT OF NOTICE

The Deputy Leader, Councillor Julian Thompson-Hill took the Chair for the first part of the meeting in the absence of the Leader, Councillor Hugh Evans who was engaged with the Minister for Local Government.

1 APOLOGIES

Councillor Hugh Evans had been delayed with the Minister for Local Government. Councillor Huw Hilditch-Roberts would be arriving late for the meeting.

2 DECLARATION OF INTERESTS

The following members declared a personal interest in agenda item 5 – Rhyl Underground Car Park Refurbishment –

Councillor Meirick Davies because he was Chair of the North Wales Fire Authority
Councillor Brian Jones because he was a Rhyl Town Councillor
Councillor Tony Thomas because he was a Rhyl Town Councillor

Councillor Arwel Roberts declared a personal interest in agenda item 7 – Finance Report because he was a School Governor (Ysgol Dewi Sant & Ysgol y Castell)

3 URGENT MATTERS

The Chair permitted a verbal report on the decisions made under the urgent decision making provisions in the Council's Constitution following cancellation of the last Cabinet meeting.

The Head of Legal, HR and Democratic Services reported that the last meeting of Cabinet scheduled for 27 February 2018 had been cancelled due to adverse weather conditions and there were two items on that agenda that could not be deferred until the next meeting. The items related to the following –

- (1) Response to Welsh Government invitation to prepare a joint Denbighshire and Conwy Local Development Plan – there was a deadline to respond to the Cabinet Secretary by 28 February 2018, and
- (2) Award of North Wales Domiciliary Care Agreement (confidential item) – that decision also needed to be taken before it was possible to hold a further Cabinet meeting in order that contracts could be let before the other contracts expired.

The Constitution provided for such circumstances under the Officers Scheme of Delegation which stated that Chief Executives and Directors were authorised to take, or authorised in consultation with the Chair and Vice-Chair of Cabinet, i.e. the Leader and Deputy Leader, any action on any matter within the terms of reference of the Cabinet which they considered to be of such urgency they cannot wait until the next Cabinet meeting provided that such action be reported to the next available meeting. In both cases in respect of those decisions all Cabinet members had been consulted by email and confirmed the decision could be taken and the Leader and Deputy Leader had authorised the taking of the decision. The letter to Welsh Government regarding the Local Development Plan had since been circulated to all members by Councillor Brian Jones.

4 MINUTES

The minutes of the Cabinet meeting held on 23 January 2018 were submitted.

Page 10 – Item 9: Budget 2018/19 – Final Proposals – Councillor Bobby Feeley queried whether an explanatory note had been included with council tax bills detailing how the increase would be spent, particularly with regard to social care. Cabinet was advised that, as part of efficiency measures, the 'Your Money' explanatory booklet was no longer posted out with council tax bills but residents were directed to that information which was available on the council's website.

RESOLVED that the minutes of the meeting held on 23 January 2018 be approved as a correct record and signed by the Leader.

5 RHYL UNDERGROUND CAR PARK REFURBISHMENT

Councillor Julian Thompson-Hill presented the report seeking approval to proceed with the refurbishment of the Rhyl underground car park and funding as recommended by the Strategic Investment Group (SIG).

Cabinet had approved the current regeneration programme for Rhyl in March 2016 which comprised of various projects referenced within the report. The underground car park was situated next to the new Waterpark facility and ensuring that it was fully operational and at full capacity was considered a key element in contributing to the future success of both the waterfront development and town centre. Shortcomings associated with the underground car park included poor lighting, ventilation and accessibility and it was significantly underutilised. SIG had approved a business case for the refurbishment at a cost of £2.126m with the capital costs being funded via a mix of prudential borrowing and Welsh Government Town Centre Loan. The finance required to repay the borrowing would be generated through the additional car parking revenue.

Cabinet supported the refurbishment of the car park as a key project in the wider regeneration of Rhyl and recognised its importance in providing appropriate and adequate car parking provision for the waterfront development, with links to the town centre. However questions were raised and assurances sought with regard to the risks involved with the project, particularly financial risks, together with any mitigation measures to alleviate those. Assurances were also sought with regard to traffic flow management and the provision of adequate signage prior to the opening of the new Waterpark facility and also consideration of public transport links.

The Lead Member for Finance, Performance and Strategic Assets and officers responded as follows –

- the risk that insufficient car parking revenue would be generated to repay borrowing had been acknowledged but prudent estimates had been used to calculate visitor numbers and income and reasonable assumptions had been made regarding additional use, particularly when considering the current limited use of the site against the completion of all year round visitor attractions, and known factors from the Nova refurbishment had also been taken into account. SIG was confident that the additional revenue generated should more than cover the repayment costs. In the event that insufficient income was generated, the debt would be considered a corporate pressure to be funded by the council
- confirmed that the Welsh Government Town Centre Loan had already been approved. The Town Centre Loan was used as a funding mechanism to provide interest free funding for regeneration schemes resulting in additional revenue – the funding was available for fifteen years before it had to be repaid and the funding could be used a number of times within that timeframe
- elaborated upon the proposed refurbishment works in order to effect improvements and ensure a safe and welcoming environment for users with appropriate management and security arrangements and links to other visitor attractions and the town centre – specific details of the refurbishment had been included within the report
- appropriate signage would be in place to navigate visitors through to Rhyl and the site and work was being undertaken with regard to increasing footfall from public transport links which would be in place prior to the opening of the Waterpark in January 2019; in terms of coach parking a temporary measure was being put in place for the current season with a view to including a permanent coach park for 2019 and future seasons to support and service other facilities

- reported upon a separate piece of work around traffic modelling for Rhyl as part of the wider regeneration programme in order to effectively manage the significant increase in traffic as a result of the additional visitor attractions, with future reports being presented to Cabinet on the outcome of the traffic surveys; whilst this work was unlikely to be implemented in time for the opening of the new Waterpark it would follow to facilitate future developments in the regeneration programme
- confirmed the car park would be marketed as a separate facility and would be incentivised as much as possible given its links to other attractions and outlets
- provided assurances regarding the refurbishment works in terms of due diligence to ensure robust mechanical and technical arrangements were in place with the removal of outdated mechanical engineering that would be replaced as appropriate. Building regulations would be complied with and any issues arising from the planning application process would also be addressed. The facility would be subject to the usual inspections and appropriate maintenance works.

Cabinet was satisfied with the assurances provided and fully supported the project.

RESOLVED that Cabinet –

- (a) *approve the recommendation of the Strategic Investment Group to proceed with the refurbishment of the Rhyl underground car park, and*
- (b) *instruct officers to progress with the implementation of the project.*

At this point the Leader, Councillor Hugh Evans, took the Chair for the remainder of the meeting.

6 NON-DOMESTIC RATES (NDR) WRITE-OFFS

Councillor Julian Thompson-Hill presented the report seeking Cabinet approval to write off irrecoverable NDR (business rates) in respect of Graval Alok UK Ltd (traded as Store 21, White Rose Centre, Rhyl) where recovery action could not continue due to insolvency action.

The company had been put into liquidation in April 2017 and wound up on 10 July 2017 with significant outstanding liabilities and limited assets to make payments against debts. Consequently all unsecured creditors, including the council, were advised that no dividend payment would be made. The total amount to be written off was £60,385.07 for the financial years 2016/17 and 2017/18.

Cabinet noted there was no prospect of recovering the business rates and that there would be no direct cost to the council for the debt written off which was met by the national pool. The council's role as collection agency for Welsh Government was also clarified. In response to questions Cabinet was advised that robust procedures were in place for recovery of debt from both businesses and residents and officers elaborated upon some of the similarities and differences between the two, with particular emphasis on the legalities around business insolvency and the administration process of debt recovery. In this particular case the bill had been paid in full up to the end of the previous financial year and within a few days of non-

payment the relevant recovery procedures had been implemented. However once a business had been put into administration the council was limited in terms of action that could be taken. Assurances were provided that a consistent and robust approach to debt recovery was taken in all cases with appropriate payment mechanisms in place.

RESOLVED that Cabinet agrees to write off the irrecoverable values as shown in Table 1 of the report.

7 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 be underspent by £239k
- 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 advised that the Welsh Government had announced an additional £484k for Denbighshire's schools to help with maintenance costs incurred during 2017/18 together with a capital grant of £1.2m for highway improvement.

The following matters were raised during debate –

- the additional funding recently announced by Welsh Government for schools and highways was welcomed but it was hoped that in future years any additional provision would be allocated earlier in the financial year in order to better aid financial planning
- Councillor Brian Jones reported that savings had been made through core funding and management costs to reduce the shortfall in the Major Projects Team from £165k to £115k. There was also a need to reduce the income figure for the Major Projects Team in the ensuing year in order to better reflect the current position
- it was currently projected that the effects of the recent adverse weather on the winter maintenance budget could be contained within existing resources although the matter would be kept under close review and the Welsh Local Government Association had requested financial help from Welsh Government in order to help pay for the impact of the severe weather
- concerns were raised regarding the impact of the adverse weather in terms of highways, woodlands and footpaths together with the need for an appropriate repair and maintenance programme, to include cost implications, in order to address those issues. The wider impact on other council services was also highlighted such as those heavily reliant on income generation which would be significantly affected by closed facilities. Consequently it was agreed that a

summary of the financial cost to the council associated with the adverse weather conditions be prepared

- the Welsh Government had asked local authorities for feedback on the effects of the adverse weather and therefore had recognised an impact across services. It was highlighted that some local businesses had also been badly affected and suggested that Welsh Government could also take that aspect into account
- members were encouraged to report any highway concerns through the CRM system so that they could be appropriately logged and actioned but Councillor Meirick Davies felt that there should be a separate mechanism for urgent works required in order to avoid any undue delay
- tribute was paid to the work of Highways staff in responding to the recent adverse weather conditions and maintaining the county's roads and Councillor Brian Jones advised that the Head of Highways and Environmental Services would include Cabinet's appreciation in his communication to all staff involved
- Councillor Arwel Roberts reiterated previous concerns regarding schools in deficit and subsequent impact due to increases in the state pension age. Councillor Huw Hilditch-Roberts provided assurances regarding the robustness of the financial plans for all schools which included current salary costs.

RESOLVED that Cabinet –

- (a) notes the budgets set for 2017/18 and progress against the agreed budget strategy, and
- (b) that officers prepare a summary of the financial cost to the Council associated with the adverse weather conditions experienced this winter to include an estimate of the reduction in income caused by these events.

8 CABINET FORWARD WORK PROGRAMME

The Cabinet Forward Work Programme was presented for consideration.

RESOLVED that Cabinet's Forward Work Programme be noted.

Prior to the close of the meeting the Leader reported that Dr. Mohammed Mehmet, Chief Executive was attending his last meeting of the Cabinet. The Leader reflected on Dr. Mehmet's time with the authority and conveyed his appreciation for his loyal and committed service, transforming Denbighshire and guiding the authority to become one of the highest performing councils in Wales and close to its communities. On behalf of the Cabinet, both past and present, the Leader wished Dr. Mehmet all the best for the future. Dr. Mehmet advised that he was proud of the authority's achievements and paid tribute to both members and staff as key to the Council's success. He thanked the Leader for his accolade and wished Denbighshire well.

The meeting concluded at 11.40 a.m.

Report To: Cabinet

Date of Meeting: 24th April 2018

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

Report Author: Steve Gadd, Chief Accountant

Title: Finance Report (March 2017/18)

1. What is the report about?

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

2. What is the reason for making this report?

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

3. What are the Recommendations?

It is recommended that 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). Service and Corporate budgets are currently forecast to be underspent by £889k (£239k last month).

The majority of the movement from last month (£530k) relates to budgets held corporately, in particular:

- Contingencies that have been held corporately for service pressures that have not been required or have been less than projected.
- Figures received at year end from Clwyd Pension Fund have shown a greater than expected decrease in historic pension costs (relating to the council's share of the historic liabilities of Clwyd County Council). Although individual pension payments in this area continue to increase, the number of people claiming decreases as time progresses.

As highlighted last month, if the position on service and corporate budgets remains underspent then consideration should be given as to how the council should utilise the net underspend. Options include:

1. Increase the Corporate Priorities Reserve to help deliver priorities.
2. Contribute to Budget Mitigation Reserve to help mitigate the impact of cuts to services in 19/20.
3. To help replenish reserves that have been used due to the recent adverse weather – the overall impact is not fully known at the point of writing this report as the council has sought additional funds from Welsh Government.

The details and assumptions around service budgets remain largely as reported last month and the main narrative supporting this assessment is included as **Appendix 2**. However £120k of the change from last month relates to Property Services within Facilities Assets and Housing due largely to the severe weather in March which resulted in a delay in planned maintenance works. Finance are currently working hard to close down the financial accounts for 2017/18 and there remain a number of uncertainties which may effect the financial outturn. The main elements are highlighted below:

- Council Tax Yield – the final figures for Council Tax yield are yet to be known and reported, however indications are that performance in the area of Council Tax Collection will continue to improve, resulting in greater than anticipated funding.
- A number of provisions are under consideration with advice from Welsh Audit Office. These largely revolve around contract disputes and service restructures resulting in possible exit costs. These items could amount to approximately £150k.
- Although Welsh Government have indicated that funds will be available to help part fund the pressures relating to the recent severe weather events, we have still received no confirmation.

Schools – At the end of March the projection for school balances is a net deficit balance of £0.844m, which is an improvement of £0.212m on the balances brought forward from 2016/17. The improved financial position for schools was expected following the recent announcement by the Cabinet Secretary for Education that additional Welsh Government funding (£484k allocated to Denbighshire) had been made available to schools to help with maintenance costs incurred during 2017/18. The aim was to reimburse schools for maintenance related costs so the funding could be redirected to front line services during next financial year. As highlighted last month it was therefore expected that year end school balances would benefit as the grant was to be applied to expenditure already incurred in Schools.

Non-delegated school budgets are currently underspending by £146k (£79k last month) due to the reduction in historic pension liabilities relating to the period of Clwyd County Council.

Treasury Management – At the end of March, the council's borrowing totalled £206.192m at an average rate of 4.41%. Investment balances were £12.6m at an average rate of 0.28%.

A summary of the council's **Capital Plan** is enclosed as **Appendix 3**. The approved capital plan is £39.2m with expenditure to date of £37m. Also included within Appendix 3 is the planned expenditure of £16.645m on the Corporate Plan. **Appendix 4** provides an update on the major projects included in the overall Capital Plan.

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?

Costs and implications are included in the Report Details (Section 4) and Appendices 1-4.

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

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

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

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

9. Chief Finance Officer Statement

It is important that services continue to manage budgets prudently and that any in-year surpluses are considered in the context of the medium-term financial position, particularly given the scale of budget reductions required over the coming two or three years.

Specific pressures are evident in social care budgets (both Adults' and Children's). However the effects of these in year pressure have been funded by the investment in service pressures during the 17/18 budget, the re-imburement 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 funding pressures were agreed at Council on the 30th January. Further work is ongoing to assess the financial implications of these pressures on the Medium Term Financial Plan.

The position with School Balances will be monitored closely and continue to be reported to Members on a monthly basis. 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. The recent budget agreed by Council for 2018/19 included a total investment in schools delegated budgets of £1.8m.

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.

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Appendix 1

DENBIGHSHIRE COUNTY COUNCIL REVENUE BUDGET 2017/18

Mar-18	Net Budget 2016/17 (Restated) £'000	Budget 2017/18			Projected Outturn							Variance Previous Report £'000
		Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000	Net %	
Customers, Communications and Marketing	2,696	3,181	-338	2,843	3,407	-455	2,952	226	-117	109	3.83%	109
Education and Children's Service	14,126	26,907	-13,953	12,954	29,097	-15,657	13,440	2,190	-1,704	486	3.75%	486
Business Improvement and Modernisation	4,572	5,398	-785	4,613	5,699	-1,134	4,565	301	-349	-48	-1.04%	-48
Legal, HR and Democratic Services	2,396	3,949	-1,326	2,623	4,087	-1,483	2,604	138	-157	-19	-0.72%	-19
Facilities, Assets and Housing	6,965	22,704	-15,096	7,608	23,614	-16,221	7,393	910	-1,125	-215	-2.83%	-95
Finance	2,888	5,260	-2,346	2,914	5,200	-2,286	2,914	-60	60	0	0.00%	0
Highways and Environmental Services	17,065	33,279	-15,893	17,386	34,046	-16,407	17,639	767	-514	253	1.46%	253
Planning and Public Protection	2,941	5,943	-2,958	2,985	6,076	-3,091	2,985	133	-133	0	0.00%	0
Community Support Services	31,218	46,824	-14,463	32,361	49,486	-17,125	32,361	2,662	-2,662	0	0.00%	0
Total Services	84,867	153,445	-67,158	86,287	160,712	-73,859	86,853	7,267	-6,701	566	0.66%	686
Corporate	18,178	55,550	-36,590	18,960	54,095	-36,590	17,505	-1,455	0	-1,455	-7.67%	-925
Receipts & Levies	4,364	4,525	0	4,525	4,525	0	4,525	0	0	0	0.00%	0
Capital Financing	13,214	12,965	0	12,965	12,965	0	12,965	0	0	0	0.00%	0
Total Corporate	35,756	73,040	-36,590	36,450	71,585	-36,590	34,995	-1,455	0	-1,455	-3.99%	-925
Council Services & Corporate Budget	120,623	226,485	-103,748	122,737	232,297	-110,449	121,848	5,812	-6,701	-889	-0.72%	-239
Schools & Non-delegated School Budgets	64,439	75,296	-8,781	66,515	76,167	-10,010	66,157	871	-1,229	-358	-0.54%	226
Total Council Budget	185,062	301,781	-112,529	189,252	308,464	-120,459	188,005	6,683	-7,930	-1,247	-0.66%	-13
Housing Revenue Account	-257	15,179	-14,864	315	15,658	-14,661	997	479	203	682		682

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Appendix 2 – The details and assumptions underpinning service projections remain largely as reported last month and are reported below

Customers, Communications and Marketing is currently projected to overspend by £116k. The pressure is largely due to higher than anticipated relief costs and additional IT costs.

Business Improvement and Modernisation is now projected to underspend by £48k. The service hopes to carry forward this underspend into 2018/19 to fund cover for maternity leave (£12k), the extension of the contracts for the EDRMs scanning officers (£28k) and training costs (£8k).

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, £1m additional Welsh Government funding (which now includes an additional £367k funding for winter care pressures), £500k additional one-off income relating to deferred income and £0.6m 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 were considered as part of the 18/19 budget process and funding pressures were agreed at Council on the 30th January. Further work is ongoing to assess the financial implications of these pressures on the Medium Term Financial Plan.

Education and Children's Service is currently projected to overspend by £486k. Each individual placement can be extremely expensive so any increase in numbers can have a large effect on the budget. The total overspend against Children's Services base budget is currently £1,140k (£1,166k last month), 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 were considered as part of the 18/19 budget process and funding pressures were agreed at Council on the 30th January. Further work is ongoing to assess the financial implications of these pressures on the Medium Term Financial Plan.

Facilities, Assets and Housing is projected to underspend by £215k (£95k last month). The variance is due to a number of factors including:

- £58k is due to back-dated windfall income relating to a mobile phone mast on the Skytower in Rhyl.
- £40k relates to a delay in incurring expenditure on modernising the IT systems within Property Services.
- £80k relates to the severe weather in March which resulted in a delay in planned maintenance works, particularly relating to Industrial Units.
- The remaining underspend is due to the early achievement of 2018/19 saving commitments.

The service hopes to be able to carry forward the underspend to help fund replacement works within Leisure facilities.

Legal, HR and Democratic Services is showing an underspend of £19k due to a number of small variances and vacancy savings across the.

Highways and Environment is currently projected to overspend by £253k.

The majority of the overspend (£165k) 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 £300k 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 £75k following a full review of the contracts agreed for the new school year.

It is currently projected that the effects of the recent winter weather on the winter maintenance budget can be contained within existing resources including the use of the severe weather reserve, although as ever this remains a volatile budget which continues to be monitored closely. The council, along with most other Welsh Local Authorities, have requested financial help from Welsh Government in order to help pay for the impact of the severe weather. Any funds forthcoming will mean that reserves will be able to be maintained at more sustainable levels going forward. Minor overspends across the service account for the residual variance.

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 March the projection for school balances is a net deficit balance of £0.844m, which is an improvement of £0.212m 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. The position will be monitored closely and continue to be reported to Members on a monthly basis. Non-delegated school budgets are currently underspending by £146k (£79k last month) 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 £997k which is £682k 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 £1.551m 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).

General Capital Plan

Capital Expenditure

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

	2017/18	2018/19	2019/20	2020/21
	£000s	£000s	£000s	£000s
	22,493	25,128	171	200
	16,645	26,394	8,901	373
	158	500	500	500
	39,296	52,022	9,572	1,073
	17,003	17,118	5,135	4,834
	9,033	7,996	153	
	13,260	26,908	8,618	573
	0	0	(4,334)	(4,334)
	39,296	52,022	9,572	1,073

Capital Financing

External Funding
Receipts and Reserves
Prudential Borrowing
Unallocated Funding

Total Capital Financing

Corporate Plan

Revised February 2016

Approved Capital Expenditure

included in above plan

Cefndy Healthcare Investment
 Extra Care
 Highways Maintenance and bridges
 Rhos Street and Ysgol Penbarras
 Ysgol Carreg Emlyn - New School
 Ysgol Llanfair New School
 Rhyl New School
 Ysgol Bro Dyfrdwy - Dee Valley West Review
 Bodnant Community School
 Ysgol Glan Clwyd
 Rhyl 3-16 Secondary Faith

	£000s	£000s	£000s	£000s
	63	40		
	20	74		
	3,179	2,550		
	7,839	770		
	524	3,826	431	
	292	4,755	157	
	320	111		
	0	33		
	5	60		
	3,194	353		
	1,209	13,822	8,313	373
	0	912	4,000	1,187
	16,645	27,306	12,901	1,560
	10,283	5,269	301	
	2,400	3,933	153	
	3,962	17,192	8,447	373
		0	355	
		912	1,597	
		0	2,048	1,187
	16,645	27,306	12,901	1,560

Estimated Capital Expenditure

Total Estimated Payments

Approved Capital Funding

included in above plan

External Funding
 Receipts and Reserves
 Prudential Borrowing

Estimated Capital Funding

External Funding
 Receipts and Reserves
 Prudential Borrowing

Total Estimated Funding

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Appendix 4 - Major Capital Projects Update - March 2018

Rhyl Waterfront and Waterpark	
Total Budget	£22.895m
Expenditure to date	£11.705m
Estimated remaining spend in 17/18	£ 0.000m
Future Years estimated spend	£ 11.190m
Funding	WG £5.354m; DCC£15.541m; Rhyl Town Council £2.000m
Narrative:	
<p>Work on site with the Waterpark is well advanced and progressing well. The name has now been unveiled (SC2) and initial marketing awareness commenced during the Easter holidays. The Waterpark is still on schedule to complete in January 2019 and open prior to Easter 2019.</p> <p>Work on the Travelodge/Marstons is progressing well and commenced in December 2017 with the hotel and family pub/restaurant scheduled to open in January 2019.</p> <p>Unit C on the Children's Village has now been demolished with the help of Welsh Government pipeline funding. The site will be refurbished along with the public realm work on other areas of the Children's Village. Proposals are currently being drawn up.</p> <p>Proposals for the Children's Village Car Park are being firmed up following approval from Cabinet. A planning application is due to be submitted this month and subject to the required approvals, the work is scheduled to commence in June 2018 with completion in January 2019.</p> <p>Proposals for the Town Plaza are currently on hold to ensure that they are not prepared in isolation, but are considered with the Queens Market as a single zone.</p> <p>The development of the skate park on the site of East Parade Bowls Club has commenced and is progressing faster than anticipated. The project was scheduled to complete in early June, but now likely to finish earlier.</p>	
Forecast In Year Expenditure 17/18	£8.084m

Rhyl Harbour Development	
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
<p>Narrative:</p> <p>Now that the bridge has been operational for a few years, the maintenance schedule needs to be revised to ensure that the bridge is properly maintained for the longer term. The Corporate Executive Team (CET) have previously 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.</p> <p>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 working order. Additional costs were incurred during 2017/18 for both reactive maintenance and breakdowns. The new maintenance regime needs to be agreed and implemented so changes can be made and future breakdowns avoided.</p> <p>Unfortunately, the preferred sub-contractor has recently gone into administration and officers are presently exploring options for a replacement. New options will be presented in an updated report to CET on 30th April 2018.</p>	
Forecast In Year Expenditure 17/18	£0.000m

21st Century Schools Programme – Glasdir

Total Budget	£11.167m
Expenditure to date	£10.396m
Estimated remaining spend in 17/18	£0.000m
Future Years estimated spend	£0.771m
Funding	DCC £2.519m; WG £8.648m
Narrative:	
<p>This scheme is within the Band A proposals for 21st Century Schools Programme.</p> <p>This project has delivered a new shared school building site for Rhos Street School and Ysgol Penbarras at Glasdir, Ruthin. Both schools opened on their new site on 10th April 2018.</p> <p>Following practical completion, snagging work will continue on site under the supervision of the Council's Design, Construction and Maintenance team.</p>	
Forecast In Year Expenditure 17/18	£7.839m

21st Century Schools Programme - Rhyl New School

Total Budget	£23.816m
Expenditure to date	£23.705m
Estimated remaining spend in 17/18	£ 0.000m
Future Years estimated spend	£ 0.111m
Funding	DCC £10.127m; WG £13.689m
Narrative:	
<p>The project has provided a new school building for Rhyl High School to accommodate 1,200 pupils in mainstream education and approximately 45 pupils from Ysgol Tir Morfa, the community special school in Rhyl. The works have also included some extensive refurbishment to the exterior of the Leisure Centre.</p> <p>There are now just a small number of snags and defects to be completed and some other items that need investigation. An amount of retention has been retained in respect of these items.</p> <p>The majority of the remedial works have been completed during the Easter holidays, although a few items have slipped and are now scheduled for completion during Whit week.</p> <p>The BREEAM excellent certification has yet to be achieved but is well on the way.</p>	
Forecast In Year Expenditure 17/18	£0.320m

21st Century Schools Programme – Ysgol Glan Clwyd

Total Budget	£16.763m
Expenditure to date	£16.410m
Estimated remaining spend in 17/18	£ 0.000m
Future Years estimated spend	£ 0.353m
Funding	DCC £5.302m; WG £11.461m

Narrative:

This scheme is within the Band A proposals for 21st Century Schools Programme. The project has delivered 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 has also seen extensive landscaping, with creation of new outdoor hard and 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.

The first two sections of the old buildings following remodelling and refurbishment, comprising Phases 2a and 2b were handed over on 9th May 2017 and 28th June 2017 respectively. Part of Phase 2b included the new Visitors Car Park and the new Main Reception.

The final main section of remodelling and refurbishment of the old buildings, Phase 2c, was completed on 4th September 2017 and handed back to the school ready for the start of the new academic year.

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

The final activities saw 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 10th November 2017.

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	£3.194m
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21st Century Schools Programme – Ysgol Carreg Emlyn

Total Budget	£5.059m
Expenditure to date	£0.801m
Estimated remaining spend in 17/18	£0.000m
Future Years estimated spend	£4.258m
Funding	WG £0.221m; DCC £4.838m
Narrative:	
<p>This scheme is within the Band A proposals for 21st Century Schools Programme. The project will provide a new school building on a new site in Clocaenog.</p> <p>The land acquisition for the new Ysgol Carreg Emlyn site has now been completed. Wynne Construction are currently undertaking site mobilisation in preparation for starting construction on site at the end of April.</p> <p>The project is in the final stages of the technical design. Regular stakeholder engagement continues to take place with the school staff and school governors during this time to finalise the technical design ready for the construction stage.</p> <p>It is envisaged that the new school will open in the Spring of 2019.</p>	
Forecast In Year Expenditure 17/18	£0.524m

21st Century Schools Programme – Ysgol Llanfair

Total Budget	£5.369m
Expenditure to date	£0.456m
Estimated remaining spend in 17/18	£0.000m
Future Years estimated spend	£4.913m
Funding	WG £0.180m; DCC £5.189m
Narrative:	
<p>This scheme is within the Band A proposals for 21st Century Schools Programme.</p> <p>The project will provide a new school building on a new site in Llanfair DC.</p> <p>The project is in the final stages of the technical design. Regular stakeholder engagement continues to take place with the school staff, Dioceses of St Asaph and school governors during this time to finalise the technical design ready for the construction stage. The technical design stage is expected to be completed by mid-April 2018.</p> <p>Land purchase is ongoing and contracts are currently with the solicitors for consideration before completion.</p> <p>It is envisaged that construction will commence on site in the Spring, following the land purchase.</p>	
Forecast In Year Expenditure 17/18	£0.292m

21st Century Schools Programme – Rhyl 3-16 Faith School	
Total Budget	£23.813m
Expenditure to date	£1.304m
Estimated remaining spend in 17/18	£0.000m
Future Years estimated spend	£22.509m
Funding	WG £5.541m; DCC £18.272m
Narrative:	
<p>This scheme is within the Band A proposals for 21st Century Schools Programme.</p> <p>The project will provide a new school building and facilities for a 3-16 Catholic School in Rhyl, replacing Ysgol Mair and Blessed Edward Jones High School.</p> <p>Enabling works continue at both schools; this work includes some essential and limited tree felling and early demolition of part of a block at Ysgol Blessed Edward Jones.</p> <p>Discussions are ongoing with the contractor in confirming and agreeing the contractual arrangements in advance of the main contract being signed.</p>	
Forecast In Year Expenditure 17/18	£1.209m

Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
22 May	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 / Lisa Jones / Helen Makin
	2	Regional Regeneration - North Wales Regional Regeneration Plan and Welsh Government's Targeted Regeneration Investment Programme	To provide Members with an update on the ongoing Regeneration work in Rhyl, to explain the WG's new regeneration funding programme called Targeted Regeneration Investment Programme (TRIP) and to seek formal approval for the regional submission to WG of a Regional Regeneration Plan and associated funding priorities	Yes	Councillor Hugh Evans / Graham Boase / Kim Waller
	3	Welsh in Education Strategic Plan	To approve the Welsh in Education Strategic Plan	Yes	Councillor Huw Hilditch-Roberts / Geraint Davies
	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

Cabinet Forward Work Plan

Meeting		Item (description / title)	Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
26 June	1	Corporate Plan 2017-2022 (Q4)	To review progress against the performance management framework	Tbc	Councillor Julian Thompson-Hill / Nicola Kneale
	2	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 / Chris Jones
	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	Scrutny Coordinator
31 July	1	Business Improvement Districts	To inform members of progress made on developing Business Improvement Districts and to make a recommendation in respect of the Business Plan	Tbc	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	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
			raised by Scrutiny for Cabinet's attention		
25 Sept	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Richard Weigh
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
30 Oct	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Richard Weigh
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
20 Nov	1	Corporate Plan 2017-2022 (Q2)	To review progress against the performance management framework	Tbc	Councillor Julian Thompson-Hill / Nicola Kneale
	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	Tbc	Scrutiny Coordinator

Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
			Cabinet's attention		
18 Dec	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Richard Weigh
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator

Note for officers – Cabinet Report Deadlines

<i>Meeting</i>	<i>Deadline</i>	<i>Meeting</i>	<i>Deadline</i>	<i>Meeting</i>	<i>Deadline</i>
<i>May</i>	<i>8 May</i>	<i>June</i>	<i>12 June</i>	<i>July</i>	<i>17 July</i>

Updated 17/04/18 - KEJ

Cabinet Forward Work Programme.doc

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