

To: Members of the County Council

Date: 23 January 2019

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Dear Councillor

You are invited to attend a meeting of the **COUNTY COUNCIL** to be held at **10.00 am** on **TUESDAY, 29 JANUARY 2019** in **COUNCIL CHAMBER, COUNTY HALL, RUTHIN LL15 1YN**.

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 DECLARATIONS OF INTEREST**

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

#### **3 URGENT MATTERS AS AGREED BY THE CHAIR**

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 CHAIRMAN'S DIARY (Pages 5 - 6)**

To note the civic engagements undertaken by the Chairman of the Council (copy attached).

**5 MINUTES (Pages 7 - 18)**

To receive the minutes of the meeting of County Council held on 4 December 2018 (copy attached).

**6 APPROVAL OF THE COUNCIL'S BUDGET 2019/20 (FINAL PROPOSALS)**  
(Pages 19 - 38)

To consider a report by the Head of Finance (copy attached) to provide an update of the budget process and the impact of the Local Government Settlement and to approve the budget for 2019/20, including the level of Council Tax.

**7 COUNCIL TAX REDUCTION SCHEME 2019/20 (Pages 39 - 68)**

To consider a report by the Service Delivery Manager and the Chief Accountant (copy attached) to adopt the All Wales Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and the Prescribed Requirements (Wales) Amendments Regulations 2018, in respect of the 2019/20 financial year.

**8 WELSH GOVERNMENT WHITE PAPER - REFORM OF FIRE AND RESCUE AUTHORITIES IN WALES (Pages 69 - 98)**

To consider a report by the Head of Legal, HR & Democratic Services (copy attached) to seek Members' views on the White Paper – Reform of Fire and Rescue Authorities in Wales.

**9 NOTICE OF MOTION**

Notice of Motion put forward by Councillor Gwyneth Kensler for consideration by Full Council:

“This Council notes with concern DCC’s Corporate Risk Register entry for Brexit.

This Council further notes:

- Care Forum Wales’ concerns that the Care Industry is at ‘crisis point’ warning that the long-term effects of Brexit could lead to a massive staffing shortage;
- The total exports from Denbighshire & Conwy in 2016 was £188m. Of this £102m – 55% - went to the EU. For Flintshire and Wrexham total exports amounted to £5,051, of which £4,382 – 87% - went to the EU;
- Wales is a net beneficiary of the EU, receiving around £245m more from the EU than what we pay in;

- The UK Government's Environment Secretary, Michael Gove MP's, comments earlier this month saying that departure without a deal would cause "turbulence. It would hit those who are our smaller farmers and smaller food businesses. It's a grim but inescapable fact that in the event of a no-deal Brexit, the effective tariffs on beef and sheep meat would be above 40% - in some cases well above that";
- That every credible economic forecast, shows that Brexit – both with Theresa May's deal and without, will damage the UK economy;
- The negotiations over these past two years have exposed the complexities of the various leave options.

This Council recognises that in Denbighshire, 13.5% of all local business units on 10 March 2018 were in the 'Agriculture, Forestry & Fishing' industry. This was the largest business industry classification.

This Council is concerned:

- of the potential impact of Brexit on the Health and Social Care sectors in Denbighshire;
- at the potential impact of Brexit on the local economy of Denbighshire.

Given this new information and the details known about the proposed deal, this Council calls on the UK Parliament to put the options now available, including the option to remain a member of the EU, before the people for a People's Vote."

## **10 COUNTY COUNCIL FORWARD WORK PROGRAMME (Pages 99 - 102)**

To consider the Council's forward work programme (copy attached).

### **MEMBERSHIP**

#### **Councillors**

Councillor Peter Scott (Chair)

Mabon ap Gwynfor

Brian Blakeley

Joan Butterfield

Jeanette Chamberlain-Jones

Ellie Chard

Ann Davies

Gareth Davies

Hugh Evans

Peter Evans

Bobby Feeley

Rachel Flynn

Tony Flynn

Huw Hilditch-Roberts

Councillor Meirick Lloyd Davies (Vice-Chair)

Christine Marston

Barry Mellor

Melvyn Mile

Bob Murray

Merfyn Parry

Paul Penlington

Pete Prendergast

Arwel Roberts

Anton Sampson

Glenn Swingler

Andrew Thomas

Rhys Thomas

Tony Thomas

Martyn Holland  
Hugh Irving  
Alan James  
Brian Jones  
Huw Jones  
Pat Jones  
Tina Jones  
Gwyneth Kensler  
Geraint Lloyd-Williams  
Richard Mainon

Julian Thompson-Hill  
Graham Timms  
Joe Welch  
Cheryl Williams  
David Williams  
Eryl Williams  
Huw Williams  
Emrys Wynne  
Mark Young

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# Agenda Item 4

## Digwyddiadau wedi eu mynychu gan y Cadeirydd / Events attended by Chairman

<u>Dyddiad/Date</u>	<u>Digwyddiad/Event</u>	<u>Lleoliad/Location</u>
04/12/18	Dathliad y Nadolig – Gwasanaeth Carolau Sir Ddinbych A Christmas Celebration – Denbighshire Carol Serice	Llanelwy / St. Asaph
06/12/18	Ymweliad Ysgol i Neuadd y Sir School Visit to County Hall (Is-Gadeirydd wedi mynychu/Vice-Chair attended)	Rhuthun / Ruthin
12/12/18	Ymweld â Swyddfa Ddidoli'r Post Brenhinol Visit to the Royal Mail Sorting Office	Y Rhyl / Rhyl
14/12/18	Dathliad Elusennol Penblwydd Maer Dinbych yn 50 oed Mayor of Denbigh's 50th Birthday Charity Celebration	Dinbych / Denbigh
17/01/19	Seremoni Ddinasyddiaeth Citizenship Ceremony	Rhuthun / Ruthin

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## COUNTY COUNCIL

Minutes of a meeting of the County Council held in Council Chamber, County Hall, Ruthin LL15 1YN on Tuesday, 4 December 2018 at 10.00 am.

### PRESENT

Councillors Mabon ap Gwynfor, Brian Blakeley, Jeanette Chamberlain-Jones, Ellie Chard, Ann Davies, Gareth Davies, Meirick Davies (Vice-Chair), Hugh Evans, Peter Evans, Bobby Feeley, Rachel Flynn, Tony Flynn, Huw Hilditch-Roberts, Martyn Holland, Hugh Irving, Alan James, Brian Jones, Huw Jones, Pat Jones, Tina Jones, Gwyneth Kensler, Geraint Lloyd-Williams, Richard Mainon, Christine Marston, Melvyn Mile, Bob Murray, Merfyn Parry, Paul Penlington, Pete Prendergast, Arwel Roberts, Anton Sampson, Peter Scott (Chair), Glenn Swingler, Andrew Thomas, Rhys Thomas, Tony Thomas, Julian Thompson-Hill, Graham Timms, Joe Welch, Cheryl Williams, David Williams, Huw Williams, Emrys Wynne and Mark Young

### ALSO PRESENT

Corporate Director: Communities (NS) (substitute for the Chief Executive), Head of Legal, HR & Democratic Services (GW), Head of Finance (RW), Democratic Services Manager (SP), Electoral Services Officer (GE), and Committee Administrator (SLW)

#### **Also in attendance:**

Samuel West, Actor and Chair of the National Campaign for the Arts  
Sian Fitzgerald, Community Arts Development Officer

### **1 APOLOGIES**

Apologies for absence were received from Councillors Joan Butterfield, Barry Mellor and Eryl Williams and Chief Executive, Judith Greehalgh

### **2 DECLARATIONS OF INTEREST**

Councillor Christine Marston declared a personal and prejudicial interest in Item 6 - Council Tax Premium on Long Term Empty Homes and Second Homes as she was the owner of a second home.

### **3 URGENT MATTERS AS AGREED BY THE CHAIR**

No urgent items.

At this juncture, Members were informed that there would be three questions put forward as follows:

(i) Councillor Glenn Swingler raised the following question:

“Can the Lead Member please update Council on the proposed building of 7 houses and 4 flats for social housing on the Pennants flats, Henllan Street, Upper Denbigh site, and why there appears to be further delay?”

Response by the Lead Member for Housing, Regulation and the Environment, Councillor Tony Thomas:

“Site visits had taken place which included the Lead Member, officers and the Programme Manager, Housing Development. The Programme Manager had updated Members regarding the current situation. Grwp Cynefin were to submit a planning application but further assessments were to be run to satisfy the planning process”.

Councillor Glenn Swingler stated that Grwp Cynefin had been unsuccessful in obtaining innovative funding but were applying for further funding from the Welsh Government. Councillor Swingler asked if there was anything the Council could do to assist Grwp Cynefin.

At this juncture, Councillor Tony Thomas confirmed he would provide Councillor Glenn Swingler with a written response in due course.

(ii) Councillor Mabon ap Gwynfor raised the following question:

“Following the announcement that Allied Healthcare was transferring its care contracts to other providers, what is the situation in Denbighshire for people who were receiving care from Allied Healthcare and what steps had the council taken to ensure continuation of care to these people?”

Response by the Lead Member for Well-being and Independence, Councillor Bobby Feeley:

“Allied Healthcare have sold their business assets to a company called The Health Care Resource Group. This means that the existing management and staff operating in Denbighshire remain in place, providing continuity of care for the thirteen people they support in the county. Due diligence tests have been undertaken and Care Inspectorate Wales had advised the new owner of their responsibilities to register with them. We are continuing to monitor the situation and, should registration not be achieved, we will take further action to ensure individuals are able to have their care and support needs met appropriately.”

Councillor Mabon ap Gwynfor requested that a further response be available as to whether the The Health Care Resource Group would be licenced in Wales. He also asked if consideration had been given to bring it back in-house rather than outsourcing.

The Lead Member confirmed she would provide further information as and when it was received.



(iii) Councillor Rhys Thomas raised the following question:

“In September this year a letter was sent to a parent at Ysgol Twm o’r Nant, asking for payment of dinner money arrears amounting to £13.20. There was a threat made in the letter that if the money was not paid or a packed lunch provided for the child, then this would be highlighted as a child protection matter and an instant referral would be made to Denbighshire’s Social Services Children’s Team. In fact, the letter did not come directly from the school but from Denbighshire County Council.

On 27 November this year, another letter was sent out in the name of Denbighshire County Council to some parents at Ysgol Y Parc, stating that if dinner money arrears were not paid, then their children would not be given school Christmas dinner, even if they brought in money on the day to pay for it.

Could the Council please explain why these unpleasant and threatening letters are being sent to parents in the name of our council, and what steps are being taken to reign in those who think that this is an acceptable way to recoup arrears?

I understand that an apology has since been made by the Head of Service.”

Response by the Lead Member for Finance, Performance and Strategic Assets, Councillor Julian Thompson-Hill:

“Firstly, a letter had been issued after the summer break, which had been an outdated letter and should not have been issued. As soon as the issue came to light, the Head of Service immediately had the letter changed and assurances have been given that that particular form of letter would not go out in the future.

Regarding the Christmas dinner – that letter should not have been issued and had not been through the proper referral process of the service. Steps have been taken with the Head of Service and Management to ensure this would not happen again. Any child who wanted to avail themselves of Christmas dinner could do so.

A debt management process was in place which should have been used.

I can assure you, all relevant measures are in place so there should not be a reoccurrence of this.”

Councillor Rhys Thomas stated he was still puzzled as the letters were written by the Council yet the schools had to send them out even if they did not agree with them. He then went on to ask the Lead Member if it was true that if the schools refused to send out the letters, the arrears would be taken out of their budget?

The Lead Member assured Councillor Thomas that it would not be legal to do that and to the best of his knowledge it was not true.

#### 4 CHAIRMAN'S DIARY

A list of civic engagements undertaken by the Chair and Vice-Chair for the period 14 October 2018 to 21 November 2018 had been circulated prior to the meeting.

The Chair thanked all Members who had laid wreaths on 11 November 2018 and also thanked the Vice-Chair who had attended a school visit to County Hall on 21 November 2018.

***RESOLVED** that the list of civic engagements undertaken by the Chair and Vice-Chair be received.*

#### 5 MINUTES

The minutes of Full Council held on 23 October 2018 were submitted.

Accuracy – Councillor Gwyneth Kensler pointed out on Page 1 of the minutes under Item 1 – within the paragraph for the petition there was a spelling mistake and should read “a petition was handed in by Councillor Joan Butterfield on behalf of .....” and not “on behave of ...”

Matters Arising:

Page 10 (Item 3) – Councillor Arwel Roberts asked the Lead Member for Housing, Regulation and the Environment, what was the current position regarding the Empty Homes Officer. Had an officer been appointed and what was the timescale?

The Lead Member, Councillor Tony Thomas responded that the programme for empty homes was on course to meet its targets but there was not a specific officer to deal with empty homes.

***RESOLVED** that, subject to the above, the minutes of Full Council held on 23 October, 2018, be confirmed as a correct record and signed by the Chair.*

#### 6 COUNCIL TAX PREMIUM ON LONG TERM EMPTY HOMES AND SECOND HOMES

Councillor Christine Marston declared a personal and prejudicial interest as she owns a second home and left the Council Chamber for the duration of this item.

The Lead Member for Finance, Performance and Strategic Assets, Councillor Julian Thompson-Hill, introduced the Council Tax Premium on Long Term Empty Homes and Second Homes report (previously circulated).

As a result of the Housing Act (Wales) 2014, from 1 April 2017, councils in Wales had been given the powers to charge homeowners up to 100% extra Council Tax on long term empty homes and second homes. The aims of the legislation were intended to:

- Help bring empty homes back into use
- Increase the supply of affordable housing
- Enhance the sustainability of local communities

At a meeting of Full council on 5 December 2017, it was agreed to utilise those powers and the following had been resolved:

- Charge an additional 50% Council Tax levy on long term empty homes from April 2018
- Charge an additional 50% Council Tax levy on second homes from April 2019 (legislation advised second home owners must be given 12 months' notice of any change).

The report had been brought back to Council to review the position throughout the previous eight months.

There had been an administrative impact noted throughout the year which included:

- An increase in property inspector visits to distinguish empty homes from second homes. Until the premium was applied to both classifications of property, some homes had been reclassified from empty homes to second homes during the year and had been visited as part of the progress.
- There had been an increase in telephone call enquiries initially but this had now stabilised
- Five Stage 1 complaints had been received, though none were upheld or progressed to Stage 2.

Data statistics were highlighted within the report which showed a reduction in long term empty properties although the number eligible to pay a premium had increased. There had also been an increase of properties classed as second homes which suggested some reclassification of properties between categories during the year.

The number of properties eligible for the long term empty homes premium had been higher than forecast and had an estimated consequence on the tax base. The forecast suggested the impact on the Council Tax yield would be approximately £238k in a full year, compared to the forecast of £99k calculated last year. The number of properties now classified as second homes was higher than the original estimate. The impact of this on the yield, using the same assumptions as in December 2017, would generate approximately £158k.

It was confirmed that approximately 90 homes had been brought back into use but further validation was required.

At this point in the discussion, the Head of Finance confirmed an Empty Homes Officer was in the employ of Denbighshire contrary to the statement earlier in the meeting.

Following discussion it was:

**RESOLVED** that Council:

- (i) *note the contents of the report and retain the agreed current levy of an additional 50% Council Tax premium on long term empty properties*
- (ii) *progress the implementation of the agreed additional 50% Council Tax premium second homes from April 2019*

## **7 THE REAL LIVING WAGE**

The Lead Member for Corporate Standards, Councillor Mark Young, introduced the report (previously circulated) to provide information about and to consider the implications of paying the Real Living Wage (RLW) and becoming a RLW accredited employer.

The Lead Member confirmed work and discussions were being carried out involving the revised pay structure from April 2019 to incorporate the changes introduced by the Local Government Pay Award.

At this juncture, the Lead Member for Finance, Performance and Strategic Assets, Councillor Julian Thompson-Hill, provided information on the financial challenges. There would be uncertainty moving forward if Denbighshire County Council became an accredited RLW employer, as the Council would need to guarantee all suppliers and contractors who dealt with Denbighshire were also paid the RLW. One of the largest cost implications would be the care sector, which would increase by £1million-£1.5million the result of which could result in reduction in other service areas.

At this juncture, Councillor Graham Timms put forward two amendments to the recommendations. The initial amendment was for a RLW update report to be submitted to Full Council in July 2019 but following discussion it was agreed the report be submitted to Full Council in December 2019. The amendments were **SECONDED** by Councillor Cheryl Williams.

The amendments were as follows:

- (i) Denbighshire County Council agrees that from April 2019 onwards, all employees shall earn at least the minimum of the real living wage set by the Real Living Wage Foundation by the April following the announcement of the result of the new annual calculation.
- (ii) Denbighshire County Council also agrees to instruct its officers to prepare a report for Full Council in December 2019 that outlines how the Council could move towards the goal to ensure that all those working for the Council either directly or indirectly are paid at least a real living wage and it should include costs and estimates to enable the Council to make an informed decision on the issue.

During debate the following points were raised:

- It was confirmed in respect of payment of staff, the national pay deal meant the RLW or equivalent thereof, would be paid in April 2019. During the last few years the lower end of the scales had increased by a much higher percentage than those further up the pay scales. This had caused a compression of scales, which had meant a new pay spine being agreed nationally which would commence from April 2019. Discussions were taking place with unions regarding the process of transferring staff from the current pay scales on to the new pay scales.
- The issue in respect of guaranteeing to always pay the RLW would, as mentioned previously, cause a situation where the lower scales rise to equal to a higher scale. This would cause disquiet from staff due to the erosion of pay differentials.
- Regarding external companies working for Denbighshire, this would cause procurement issues as they would require to be audited and monitored. Information regarding this issue could be brought back as further information.
- It was confirmed that within Wales, Cardiff City Council were the only accredited RLW employers.

At this juncture a vote took place and the results were as follows:

- (i) In favour of the recommendations plus 2 amendments – 33
- (ii) Abstain – 0
- (iii) Against the recommendations plus 2 amendments – 10

Therefore, it was:

**RESOLVED** that:

- (i) *The Council notes the estimated cost implications of paying the Real Living Wage and becoming a Real Living Wage employer*
- (ii) *The Council receives, in December 2019, a report on the recommendation of the Real Living Wage Foundation and the outcome of the national pay negotiations, and, if there is a differential between the two, decide whether or not to pay the Real living Wage to its staff in the following financial year.*
- (iii) *The Council also agrees to instruct its officers to prepare a report for Full Council in December 2019 that outlines how the Council could move towards the goal to ensure that all those working for the Council either directly or indirectly are paid at least a real living wage and it should include costs and estimates to enable the Council to make an informed decision on the issue.*

At this juncture, it was agreed by all present to change the order of the remaining items of the agenda to accommodate the Heart for Arts presentation attendees.

## **8 HEARTS FOR ARTS AWARD**

In attendance, Samuel West, Actor, star of film, television and radio to present Denbighshire County Council with the prestigious arts award.

Samuel West, the Chair of the National Campaign for the Arts' presented a Heart for the Arts Award to the Council, named Best Local Authority Arts Project, encouraging community cohesion for its Lost in Art project.

Lost in Art is a visual arts project for people living with dementia and their carers. The aim of the project was to explore the role of visual arts in addressing issues that can affect people with dementia, including social isolation, confidence, communication and quality of life.

The project, created by the Arts Service, was developed with the support of the Arts Council for Wales and the Dementia Services Development Centre at Bangor University and its Dementia and Imagination research project. There were currently two groups running in Denbighshire, one in Rhyl and the other at the Ruthin Craft Centre.

Samuel, whose parents were the well-known actors, Timothy West and Prunella Scales, has personal experience of dementia as his mother had been diagnosed with the condition.

Samuel West stated that projects like lost in Art were increasingly important. As we live longer and become used to problems around dementia and loneliness, it came down to all of us to celebrate those things that bring this community together and make it less of a stigma. It is such a simple idea and, as such, it has this power to be rolled out to other places. It is extremely well done and done to a great level of artistry. It gives people a wider variety of different art forms to try. It gets them to work with professional artists and volunteers in lots of different disciplines. It is not just for the people involved, but their carers, families and communities.

Lead Member for Well-being and Independence, Councillor Bobby Feeley stated how delighted she was to have the honour of picking up the award and recognised the tremendous amount of work going on with dementia and the arts. Research had shown that taking part in creative arts activities could improve mood, confidence and encourage an increased sense of belonging to a community for those taking part.

The Intergenerational element with local schools was also a wonderful addition and everyone involved had a real sense of satisfaction knowing that this work really improved the quality of life for all concerned.

The Lead Member acknowledged the wonderful work of the Arts Service and the Lost in Art creative team who had devised a project that had proven health benefits for participants as it really did make a real difference to their quality of life.

Both the Lead Member and Councillor Gwyneth Kensler extended thanks to Sian Fitzgerald, Community Arts Development Officer, and her team for the fantastic work they produced.

## 9 ELECTORAL REVIEW OF DENBIGHSHIRE

The Lead Member for Corporate Standards, Councillor Mark Young, introduced the Electoral Review of Denbighshire report (previously circulated) to provide the Local Democracy & Boundary Commission for Wales' draft proposals for Denbighshire.

The Local Democracy & Boundary Commission for Wales (the Commission) had carried out a consultation in 2017 on the criteria for the review. The Commission invited responses to its proposals by 13 December 2018.

The statutory criteria covered electoral equality (the optimum number of electors per Councillor), community identity and effective and convenient local government arrangements (e.g. coherent electoral wards with common interests).

Within Denbighshire, the Commission recommended an increase from 47 to 48 Councillors. The additional Councillor would be for Rhyl South East area due to the division into two electoral wards named Trellewelyn y Rhyl / Rhyl Trellewelyn and Ty Newydd y Rhyl / Rhyl Ty Newydd. Each ward would then be represented by two Councillors.

A Working Group of Members established with the Group Leaders had met in November 2017 and January 2018 and their recommendations were shown in Appendix 2 of the report. The Working Group then met again in November 2018 to review the Commission's draft proposals and the conclusions were shown in Appendix 3 of the report.

***RESOLVED*** that Council confirms the formal response to the Commission's draft proposals for the electoral arrangements of the county of Denbighshire.

## 10 SURVEY OF MEMBERS ON THE TIMINGS OF COUNCIL MEETINGS

The Lead Member for Corporate Standards, Councillor Mark Young, introduced the Survey of Members on the Timing of Council Meetings report (previously circulated) to provide results of the Survey.

A survey of Members had been conducted during August and September 2018 to ascertain preferences in respect of timings and locations of Council and Committee meetings. A total of 35 responses were received which represented 74% of the Council members.

Councillor Paul Penlington stated that the survey had been based on an anonymous Survey Monkey which, in his opinion was undemocratic and the questions were leading. He felt morning meetings in Ruthin were not conducive to the majority of people in Denbighshire if they wanted to attend a meeting. Planning Committee was the meeting at which members of the public attended because they usually had a vested interest.

Councillor Penlington went on to state that 6.30 p.m. meetings had not been suggested, but the Task and Finish Group had been in favour of at least one Committee meeting commencing at 4.00 p.m. The Task and Finish Group remit

was to report back to Full Council but it had reported back to the Democratic Services Committee, which again, in his opinion, was undemocratic.

Finally, Councillor Penlington stated that the Wellbeing of Future Generations Act was in place to involve people and the Council needed to reflect the diversity of the area. In conclusion he believed the survey was largely inadequate and undemocratic. He felt the Council was failing to address the Wellbeing & Future Generations Act and any decisions made on meeting times should have been as a result of a democratic vote at Full Council.

The Head of Legal, HR & Democratic Services stated that there was a requirement under the Local Government Measure to survey Councillors as to when they would prefer to attend meetings. Leading up to elections, roadshows had taken place throughout the county for prospective candidates to attend. There would be cost implications to keeping buildings open for evening meetings. There would not be an additional cost regarding staff who support meetings as they worked on a flexible system.

During debate, the following points were raised:

- It was felt by certain members that there was a need for some sort of public survey to ascertain the views of the public.
- Some members expressed concern regarding evening meetings as, especially during the winter months, it was unsafe for people to make journeys late at night.
- Members who had families would not like to be out at meetings in the evenings as they would miss out on valuable family time.
- A number of Councillors were Town & Community Councillors and also School Governors, meetings of which were held in the evenings.
- A number of Councillors expressed the fact that they had taken offence at the recently published Daily Post article which referred to Councillors as being in a "retirement club".
- It was confirmed that a discussion could take place outside the meeting to discuss the questions within the survey for future reference.
- Democratic Services Committee was to support Members in all areas and was a statutory Committee which was able to deal with the Task and Finish Group report.
- Regarding public accessibility, one way the council was addressing that issue was by webcasting meetings.

At this juncture, Councillor Paul Penlington accepted and proposed the findings of the Task and Finish Group and agreed with the suggestion of holding one Committee meeting at 4.00 p.m. He proposed the meeting to be held at 4.00 p.m. should be Planning Committee. The proposal was **SECONDED** by Councillor Emrys Wynne.

Councillor Joe Welch in his capacity as Chair of the Planning Committee stated that Planning Committee was one of the most well attended by both public and non-Committee Members. He stated his disapproval of Planning Committee taking place at 4.00 p.m.



It was agreed that the amendment would read that the findings of the Task and Finish Group be agreed with one Committee meeting taking place at 4.00 p.m. The proposal was SECONDED by Councillor Geraint Lloyd Williams.

A vote on the proposed amendment by Councillor Paul Penlington took place as follows:

- (i) In favour – 10
- (ii) Abstain – 2
- (iii) Refuse – 28

Therefore, the proposed amendment was not carried.

A vote on the original recommendation to confirm the current arrangements took place as follows:

- (i) In favour – 29
- (ii) Abstain – 5
- (iii) Refuse – 6

**RESOLVED** that the Council considered the results of the survey and the recommendation by the Democratic Services Committee and confirms the arrangements for the timing and venues of Council and Committee meetings to remain as currently.

## **11 COUNTY COUNCIL FORWARD WORK PROGRAMME**

The Head of Legal, HR and Democratic Services introduced the Council's Forward Work Programme (previously circulated).

It was confirmed that since the Agenda pack had been published the Forward Work Programme had been updated and a copy had been emailed to all Councillors for their information.

**RESOLVED** that, subject to the above, the Council Forward Work Programme be approved and noted.

**The meeting concluded at 12.40 p.m.**

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Report To: County Council

Date of Meeting: 29<sup>th</sup> January 2019

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

Report Author: Richard Weigh, Head of Finance

Title: Budget 2019/20 - 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 2019/20 and proposals to finalise the budget for 2019/20.

## 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 approve the budget for 2019/20, including the level of Council Tax.

## 3. What are the Recommendations?

3.1 To note the impact of the Local Government Settlement 2019/20.

3.2 To approve the budget as outlined in Appendix 1, which is in line with the proposals presented at the member budget workshop held on 1th January 2019.

3.3 To approve the average Council Tax rise of 6.35%, which recognises a range of significant pressures, including the increasing cost pressures in adults and children's social care and supports the allocation of £2.0m of additional funding to across the two services.

3.4 That Council confirms that it has read, understood and taken account of the Well-being Impact Assessment submitted as part of this report.

## 4. Report details

4.1 The Final Local Government Settlement for 2019/20 was received by the council on 19<sup>th</sup> December and resulted in a cash-flat funding position, compared to the Welsh average position of +0.2%. The Provisional Settlement received in October indicated a reduction of -0.5% (Wales average -0.3%). For the funding position to have been neutral in terms of *minimum* funding pressures in the Medium Term Financial Plan, the Settlement would have to have been closer to +5%.

4.2 The change between the two settlement figures reflects an additional £14.2m allocated to local government as part of the Welsh Government's final budget proposals, as a consequence of the UK Government budget in November and a new responsibility, funded at £7m across Wales, to provide for an increase in the capital limit for those paying for residential care to £50k. The allocation to Denbighshire is £250k.

- 4.3 Also included in the Settlement are 'transfers in' of £426k relating to grant transfers for part year costs of the latest teachers' pay award and support for free school meals to recognise the impact of Universal Credit on eligibility criteria. The Final Settlement gives no forward indication of the level of funding councils might expect in 2020/21.
- 4.4 The final proposals to balance the 2019/20 budget are shown in the extract from the Council's Medium Term Financial Plan (MTFP) in Appendix 1. The main points are:
- Cash flat Settlement
  - Pay, pension and National Living Wage pressures are funded (£1.9m)
  - Price and energy inflation (£250k)
  - Fire Service Levy (£237k)
  - Allowances for increases to the Council Tax Reduction Scheme costs, reduction in DWP Administration Grant and central contingencies (£537k)
- 4.5 In addition, the council continues to support schools by funding pay and related inflation and movement in pupil numbers. This amounts to £3.7m (5.4% in total) in 2019/20. This figure includes pay and pension increases for teaching staff. The recent national teachers' pension scheme revaluation resulted in an increase in employers' costs which amounts to a cost pressure next year of £1.4m. It is assumed because of the decision being part of a national agreement that this will be funded by government. Negotiations are ongoing between Welsh and UK governments.
- 4.6 The budget proposed also recognises pressures in other priority areas, specifically:
- A further £1.5m to recognise existing pressures in Children's & Education Services (in addition to £750k allocated last year)
  - £500k to recognise demand pressure in Community Support Services as part of the council's long term strategy to manage care budgets
  - £600k to recognise increased demand on school transport budgets
  - £150k to support the recently agreed change to the council's waste and recycling service
  - £500k additional investment in the council's Corporate Plan and
  - £500k contingency to recognise the risk in delivery of the saving package and wider risks affecting the budget
- 4.7 In order to fund the pressures identified, savings of £5.67m have had to be identified.
- 4.8 These are made up of:
- Corporate savings identified in 2018/19 (£0.5m)
  - Service efficiency savings (£1.3m)
  - Service savings (£2.5m)
  - Schools savings of 2% (£1.32m)
- 4.9 An analysis of the service savings is set out in the table below:

Alternative Service Delivery Model	873	23%
Change to service level received by public	247	6%
Increase in Fees & Charges or additional external income contribution	725	19%
Procurement	88	2%
Service Reduction/withdrawal	517	13%
Technical Budget Reductions – no effect on service levels	48	1%
Efficiency Saving	1354	35%
<b>Grand Total</b>	<b>3,852</b>	<b>100%</b>

- 4.10 In February 2018, as part of the budget approval for 2018/19, the summary MTFP was presented which indicated a budget gap, before any mitigations or rise in Council Tax of £10.5m, with a similar position shown for future years. In this context, a new budget process for 2019/20 was established and led to the creation of a strategic board to oversee the process and to endorse the key assumptions within the Medium Term Financial Plan (MTFP).
- 4.11 The Reshaping the Council Board comprises members of CET, the Leader of the council and the Lead Member for finance and performance. It is also advised by officers from Finance, HR and Communications. The Board is tasked with delivering a budget process annually but within the context of a longer term strategic view. As has been the case for most of the last eight years, there is no reliable forward or indicative settlement figure for future years, meaning informed assumptions are calculated locally. As the funding from Welsh Government accounts for three-quarters of the net funding received, it is the most significant element of the council's budget and therefore minor changes to it have a significant impact (every 1% change equates to £1.431m).
- 4.12 Service budgets were scrutinised by the Board and services were required to model a range of savings options. The Board assessed these and directed services to progress proposals in line with strategic priorities. The result was to attempt, as far as possible, to minimise the impact on service delivery. The proposals in the budget for 2019/20 demonstrate that there has been relative protection to social care, education and highways and environment budgets, as highlighted in the table below.

SAVINGS DISTRIBUTION TO SERVICES	18/19 BUDGET	TOTAL %
CUSTOMERS, COMMUNICATIONS AND MARKETING	2,831	8.0
EDUCATION AND CHILDREN SERVICES	14,127	1.1
BUSINESS IMPROVEMENT AND MODERNISATION	4,573	6.6
LEGAL, HR & DEMOCRATIC SERVICES	2,624	5.8
FACILITIES, ASSETS AND HOUSING	7,805	16.9
FINANCE	3,140	8.7
HIGHWAYS & ENVIRONMENT	18,408	2.7
PLANNING & PUBLIC PROTECTION	2,961	14.2
COMMUNITY SUPPORT SERVICES	35,034	1.4
SCHOOLS	68,166	2.0
<b>TOTAL</b>	<b>159,668</b>	

- 4.13 Details of all saving proposals were circulated to elected members in December and posted on the library section of Modern.gov. The majority of the proposals are delegated decisions, either to heads of service or lead members and total £3.629m. Two have been determined as decisions requiring cabinet approval and were approved on 22<sup>nd</sup> January. These total £223k and are highlighted within the savings package list posted on the library in the Modern.gov system. As school budgets are devolved, it will be for each governing body to determine how the savings targets for schools are delivered.
- 4.14 The council's MTFP assumptions are regularly reviewed and cost pressures reassessed. During the year, pressures in Children's & Education Services have grown in response increasing high cost placements and reduced income from external placements within the council's specialist provision. While the pressure on adult social care is in line with projections, the risk is still being offset by the careful use of specific cash reserves to smooth the impact. 2018/19 also saw the first full year impact of changes to the school transport policy and, alongside an increase in the number of pupils with specific transport requirements has led to a budget pressure of £600k (in addition to the £300k increase funded in 2018/19).
- 4.15 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 in real terms, the burden has to be addressed locally, through a balance of savings and Council Tax. In calculating the total level of funding required by local authorities in the Settlement from Welsh Government, assumptions in the amount of Council Tax raised are made. In the 2019/20 settlement details, the difference between the 2018/19 and 2019/20 figures reflect an increase of 7%.
- 4.16 To address the immediate pressures highlighted in this report, it is recommended that the Council Tax increases by 6.35%. This is a higher figure than was assumed in earlier versions of the MTFP but recognises the challenging settlement from Welsh Government and the unavoidable pressures faced locally, particularly in social care, schools and transport. At 6.35%, an additional £797k will be raised compared to the Council Tax rise in 2018/19. This additional amount will be used as part of the overall package to address the budget deficit, which includes an additional allocation to social care of £2.0m. The proposed increase would add £79.24 per year to the average Band D property charge (£1.52 per week) and is £19.96 per year (38p per week) higher than the rise applied last year. This is set out in Appendix 2.
- 4.17 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 2019/20 has been generated from previous savings and is drawn from a specific reserve. This helps to smooth the impact next year but is not a permanent solution.
- 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 continue to support 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.

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

8.1 Members were briefed on the financial position in June, October and January. SLT have been part of the budget process. Trade unions have been consulted on the process. The Schools Budget Forum have been consulted on the schools' proposals. The Corporate Governance Committee has an oversight role in respect 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.

9.2 Significant real terms funding reductions to local authorities in Wales have continued while costs continue to grow. Schools and social care represent the most significant elements of the council's budget and the cost of these is growing beyond the resources available. Pressures are also growing in other areas. While the council will always endeavour to be more efficient to save money, given savings of over £35m have been made in the last six years, it is no longer possible to address the funding gap through efficiency savings alone and a careful balance between service savings and local taxation has to be struck. The current MTFP extract shows a saving requirement of over £7m in 2020 and £4.5m the following year. This will have a significant impact on the future shape of the council and the services it delivers.

9.3 The budget proposed for 2019/20 builds the funding base to the level required for the year and allows the council time to develop a budget programme and proposals for the following two financial years. The MTFP and financial strategy will be updated and published early in 2019 and will underpin the budget process for the following two years.

9.4 Social care pressures are an ongoing risk for this and all other councils. The proposals in 2019/20 help to mitigate ressure but it is not sufficient to fully fund all of the underlying pressures permanently. Cost pressures in other service areas are being contained in 2019/20 but pose a risk to future years.

9.5 With a Council Tax rise of 6.35%, the council is still carrying a number of financial risks and uncertainties. For example, the teachers' pension issue is unresolved at the point of setting the budget and will have to be addressed in-year if government support is not forthcoming. Additionally, the council is continuing to dampen the demand growth in adult social care through the managed use of base budget increases and cash reserves. If in-year expenditure next year is higher than forecast, the amount of cash available to fund ongoing pressures will of course reduce. There are also risks beyond

items highlighted in this report or items already provided for through reserves that may crystallise during the year and if so, would have to be addressed.

9.6 The budget proposal includes the use of cash reserves of £2m. This reduces the requirement for further savings or Council Tax rise beyond that recommended for 2019/20 but is not a permanent solution and is recommended on the basis that the cash has already been identified.

9.7 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. Failure to agree these proposals without viable alternatives will risk achieving a balanced budget for 2019/20.

10.2 The contingency identified helps to underwrite some risks. The contingency would be applied in the event the teachers' pension increase is not funded by government. Other measures would also have to be applied, including further in-year cuts.

10.3 As well as the specific risks and uncertainties highlighted in this report, further risks will emerge or crystallise in 2019/20 and so it is important the council's funding base is as resilient as it can be in the circumstances.

## **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.



## Appendix 1 Final Proposals 2019/20

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
<b>Funding</b>				
Revenue Support Grant & NNDR (RSG)	143,119	143,637	141,482	139,360
Council Tax	49,299	52,901	55,203	57,603
<b>SSA / Budget Requirement</b>	<b>192,418</b>	<b>196,538</b>	<b>196,685</b>	<b>196,962</b>
<b>Use of Balances</b>	2,000	2,000		
<b>Total Funding</b>	<b>194,418</b>	<b>198,538</b>	<b>196,685</b>	<b>196,962</b>
<b>Expenditure</b>				
<b>Base Budget</b>	<b>189,252</b>	<b>194,418</b>	<b>198,538</b>	<b>204,294</b>
<b>Inflation / Pressures:</b>				
Pay	1,611	1,587	519	519
Pensions		350	350	350
Living Wage			500	500
Price - targeted	100	100	100	100
Price - NSI Energy	150	150	150	150
CTRS / Contingency	740	537	350	350
Fire Levy	44	237	100	100
Social Services	750	500	500	500
Childrens Service	750	1,500		
Waste Pressures		150	900	
School Transport		600		
Schools Inflation	1,502	1,780	1,000	1,000
Schools Demography Adjustment	290	625	787	787
Contingency		500		
<b>Other known items:</b>				
Investment in Priorities	500	500	500	500
Transfers into/out of Settlement	2,934	426		
New Responsibilities	406	250		
<b>EFFICIENCIES / SAVINGS:</b>				
Capital and Corporate Savings	(2,000)	(500)		
Other Corporate Savings	(1,000)			
Service Efficiency Target	(1,200)			
Service Savings Target	(411)			
Service Savings Phase 1		(823)		
Service Savings Phase 2		(599)		
Service Savings Phase 3		(1,221)		
Service Savings Phase 4		(333)		
Service Savings Phase 5		(376)		
Schools Efficiency Target		(1,320)		
Social Care Savings Target		(500)		
<b>Total Expenditure</b>	<b>194,418</b>	<b>198,538</b>	<b>204,294</b>	<b>209,150</b>
<b>Funding Shortfall / (Available)</b>	<b>(0)</b>	<b>(0)</b>	<b>7,609</b>	<b>12,187</b>
Annual increase/(decrease) in shortfall	(0)	(0)	7,609	4,578

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Appendix 2 Council Tax Impact

2019/20	Increase %	Increase in Band D £	Proposed Band D £	Total Funding £000	Inc/Dec in Funding £000
	0.00%	0.00	1,247.84	49,739	0
	0.50%	6.24	1,254.08	49,988	249
	1.00%	12.48	1,260.32	50,237	498
	1.50%	18.72	1,266.56	50,486	747
	1.75%	21.84	1,269.68	50,611	871
	2.00%	24.96	1,272.80	50,735	996
	2.25%	28.08	1,275.92	50,860	1,120
	2.50%	31.20	1,279.04	50,984	1,245
	2.75%	34.32	1,282.16	51,109	1,369
	3.00%	37.44	1,285.28	51,233	1,494
	3.25%	40.55	1,288.40	51,358	1,618
	3.50%	43.67	1,291.52	51,482	1,743
	3.75%	46.79	1,294.64	51,607	1,867
	4.00%	49.91	1,297.76	51,731	1,992
	4.25%	53.03	1,300.88	51,856	2,116
	4.50%	56.15	1,304.00	51,980	2,241
<b>2018/19 Increase</b>	<b>4.75%</b>	<b>59.27</b>	<b>1,307.12</b>	<b>52,105</b>	<b>2,365</b>
	4.95%	61.77	1,309.61	52,204	2,465
	5.00%	62.39	1,310.24	52,229	2,490
	5.25%	65.51	1,313.36	52,354	2,614
	5.50%	68.63	1,316.48	52,478	2,739
	5.75%	71.75	1,319.60	52,603	2,863
	6.00%	74.87	1,322.72	52,727	2,988
	6.25%	77.99	1,325.84	52,852	3,112
<b>Current Assumption in MTFP</b>	<b>6.35%</b>	<b>79.24</b>	<b>1,327.08</b>	<b>52,901</b>	<b>3,162</b>
	6.40%	79.86	1,327.71	52,926	3,187
	6.50%	81.11	1,328.95	52,976	3,237

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# Council Tax 2019/20

## Well-being Impact Assessment Report


This report summarises the likely impact of the 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 6.35% in order to support the 2019/20 budget.
Date Completed:	15/01/2019 12:12:11 Version: 2
Completed by:	Richard Weigh
Responsible Service:	Finance
Localities affected by the proposal:	Whole County,
Who will be affected by the proposal?	Council Tax payers in Denbighshire
Was this impact assessment completed as a group?	No

# 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


 ( 3 out of 4 stars ) Actual score : 25 / 30.

## Implications of the score

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.

## Summary of impact

### Well-being 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 focus of the proposal is on the short-medium term to maintain vital services in 2019/20. 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. For such residents, the Council works closely and proactively with Citizens Advice to offer support with personal budgeting and benefit maximisation.

## Evidence to support the Well-being Impact Assessment

- We have consulted published research or guides that inform us about the likely impact of the proposal
- We have involved an expert / consulted a group who represent those who may be affected by the proposal

proposal

We have engaged with people who will be affected by the proposal

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

## A prosperous Denbighshire

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	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 broadly (there are some reductions but are not significant in terms of the size entire package) throughout other areas during 2019/20.
<b>Further actions required</b>	There will be an impact on the personal budgets of those who will not qualify for support: residents will pay more Council Tax - however there is support via the Council Tax reduction scheme for those who qualify for such support.

### Positive impacts identified:

<b>A low carbon society</b>	
<b>Quality communications, infrastructure and transport</b>	
<b>Economic development</b>	Allows the council to continue an appropriate financial provision in 2019/20.
<b>Quality skills for the long term</b>	
<b>Quality jobs for the long term</b>	
<b>Childcare</b>	

### Negative impacts identified:

<b>A low carbon society</b>	
<b>Quality communications, infrastructure and transport</b>	
<b>Economic development</b>	
<b>Quality skills for the long term</b>	
<b>Quality jobs for the long term</b>	
<b>Childcare</b>	

## A resilient Denbighshire

<b>Overall Impact</b>	Positive
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<b>Justification for impact</b>	The Council Tax rise proposed supports a budget that includes continued support in key priority areas highlighted such as biodiversity and flood risk management.
<b>Further actions required</b>	Residents will pay more Council Tax - however there is support via the Council Tax Reduction Scheme for those who qualify for such support. For those who do not qualify for Council Tax Reduction Scheme support, the Council works closely and proactively with Citizens Advice to provide help and support with personal budgeting to those residents who may require it. Flexible payment options are available over ten or twelve months.

**Positive impacts identified:**

<b>Biodiversity and the natural environment</b>	The Council Tax rise supports a budget that includes new priorities, including enhancing biodiversity, the natural environment and flood risk management.
<b>Biodiversity in the built environment</b>	
<b>Reducing waste, reusing and recycling</b>	
<b>Reduced energy/fuel consumption</b>	
<b>People's awareness of the environment and biodiversity</b>	
<b>Flood risk management</b>	

**Negative impacts identified:**

<b>Biodiversity and the natural environment</b>	
<b>Biodiversity in the built environment</b>	
<b>Reducing waste, reusing and recycling</b>	
<b>Reduced energy/fuel consumption</b>	
<b>People's awareness of the environment and biodiversity</b>	
<b>Flood risk management</b>	

**A healthier Denbighshire**

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

<b>Further actions required</b>	Residents will pay more Council Tax - however there is support via the Council Tax reduction scheme for those who qualify for such support. Help to those who do not qualify for Council Tax Reduction Scheme support, flexible payment options are available. Also, the Council works closely and proactively with Citizens Advice to provide help and support with personal budgeting to those residents who may require it.
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**Positive impacts identified:**

<b>A social and physical environment that encourage and support health and well-being</b>	
<b>Access to good quality, healthy food</b>	
<b>People's emotional and mental well-being</b>	The Council Tax proposal supports a budget that maintains activity and service eligibility criteria in 2019/20 and provides increased funding for social care.
<b>Access to healthcare</b>	
<b>Participation in leisure opportunities</b>	

**Negative impacts identified:**

<b>A social and physical environment that encourage and support health and well-being</b>	
<b>Access to good quality, healthy food</b>	
<b>People's emotional and mental well-being</b>	In some circumstances, where residents have relatively fixed incomes or little disposable income and do not qualify for support, the additional cost may cause a degree of anxiety or stress.
<b>Access to healthcare</b>	
<b>Participation in leisure opportunities</b>	

**A more equal Denbighshire**

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	The proposal to raise Council Tax supports a budget that avoids significant cuts to services received by the public in 2019/20. There are no known negative impacts on people with protected characteristics, there is an assumption that some people with protected characteristics will be eligible for council tax relief

<p><b>Further actions required</b></p>	<p>Residents will pay more Council Tax - however there is support via the Council Tax Reduction Scheme for those who qualify for such support. If someone is eligible for Council Tax support, the support applies immediately and so there would be no delay in accessing the support. For those who do not qualify for Council Tax Reduction Scheme support, the Council works closely and proactively with Citizens Advice to provide help and support with personal budgeting to those residents who may require it. Flexible payment options are available over ten or twelve months.</p>
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**Positive impacts identified:**

<p><b>Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation</b></p>	<p>The proposals allow for additional funding to be allocated to social care budgets. There are no known negative impacts on people with protected characteristics, there is an assumption that some people with protected characteristics will be eligible for council tax relief.</p>
<p><b>People who suffer discrimination or disadvantage</b></p>	
<p><b>Areas with poor economic, health or educational outcomes</b></p>	
<p><b>People in poverty</b></p>	

**Negative impacts identified:**

<p><b>Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation</b></p>	
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<b>People who suffer discrimination or disadvantage</b>	
<b>Areas with poor economic, health or educational outcomes</b>	
<b>People in poverty</b>	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.

## A Denbighshire of cohesive communities

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The proposal to raise Council Tax supports a budget that protects front line services and protects the investment in new priority areas to enhance community resilience.
<b>Further actions required</b>	Residents will pay more Council Tax - however there is support via the Council Tax Reduction Scheme for those who qualify for such support. For those who do not qualify for Council Tax Reduction Scheme support, the Council works closely and proactively with Citizens Advice to provide help and support with personal budgeting to those residents who may require it. Flexible payment options are available over ten or twelve months.

### Positive impacts identified:

<b>Safe communities and individuals</b>	
<b>Community participation and resilience</b>	The proposal avoids significant cuts to service levels during 2019/20 and builds in priority investment in connecting communities and resilience as part of the priority funding for 2019/20.
<b>The attractiveness of the area</b>	
<b>Connected communities</b>	
<b>Rural resilience</b>	

### Negative impacts identified:

<b>Safe communities and individuals</b>	
<b>Community participation and resilience</b>	
<b>The attractiveness of the area</b>	
<b>Connected communities</b>	
<b>Rural resilience</b>	

## A Denbighshire of vibrant culture and thriving Welsh language

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	The proposal to raise Council Tax supports a budget that helps to maintain services received by the public.
<b>Further actions required</b>	The negatives are managed through Council Tax relief being available for those who qualify for the support, though clearly this does not address the impact on all residents.

### Positive impacts identified:

<b>People using Welsh</b>	
<b>Promoting the Welsh language</b>	
<b>Culture and heritage</b>	

### Negative impacts identified:

<b>People using Welsh</b>	
<b>Promoting the Welsh language</b>	
<b>Culture and heritage</b>	

## A globally responsible Denbighshire

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	The proposal to raise Council Tax supports a budget that allows service levels to be broadly maintained in 2019/20 and so should not therefore adversely impact supply chains.
<b>Further actions required</b>	Residents will pay more Council Tax - however there is support via the Council Tax Reduction Scheme for those who qualify for such support. For those who do not qualify for Council Tax Reduction Scheme support, the Council works closely and proactively with Citizens Advice to provide help and support with personal budgeting to those residents who may require it. Flexible payment options are available over ten or twelve months.

### Positive impacts identified:

<b>Local, national, international supply chains</b>	The proposal allows for service levels to be broadly maintained during 2019/20.
<b>Human rights</b>	
<b>Broader service provision in the local area or the region</b>	

### Negative impacts identified:

<b>Local, national, international supply chains</b>	
<b>Human rights</b>	
<b>Broader service provision in the local area or the region</b>	

<b>Report To:</b>	Full Council
<b>Date of Meeting:</b>	29th January 2019
<b>Lead Member / Officer:</b>	Julian Thompson-Hill / Richard Weigh, Chief Finance Officer
<b>Report Author:</b>	Leah Gray, Revenues Manager / Steve Gadd, Chief Accountant
<b>Title:</b>	<b>Council Tax Reduction Scheme 2019/20</b>

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

The adoption of the All Wales Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and the All Wales Council Tax Reduction Schemes and Prescribed Requirements and Default Scheme (Wales) Amendment Regulations 2019.

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

The Welfare Reform Act 2012 contained provisions to abolish council tax benefit in its current form across the UK. From 31 March 2013 council tax benefit ceased and the responsibility for providing support for council tax and the funding associated with it, has been passed to the Welsh Government. The Welsh Government, in partnership with local authorities in Wales, introduced a new scheme to provide council tax support which was adopted by the Council in January 2013.

The Welsh Government have finalised both sets of regulations on 8th January 2019 and the new Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and amendments Regulations 2019 are required to be adopted by 31st January 2019.

**3. What are the Recommendations?**

Members adopt the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and the Prescribed Requirements (Wales) Amendments Regulations 2019, in respect of the 2019/20 financial year.

That members approve the 3 discretionary elements of the scheme, shown in section 4.2, for 2019/20.

**4. Report details**

**4.1 The Proposed Scheme 2019/20**

In considering the development of a new scheme for 2019/20 the Welsh Government agreed that the amended scheme should observe the following parameters:

- To continue with a single nationally defined scheme to providing a consistent level of support to claimants across Wales. The maximum level of support is set at 100%.
- To continue providing a small number of discretionary elements, similar to those available under the current scheme, allowing local authorities to respond to their differing local circumstances (provided that the costs of any local variation are locally funded).
- To continue to be based on a reform of the previous Council Tax Benefit system, until 2020-21 so that operational risks are managed and that support can continue to be provided.

## Uprating for 2019-20

The 2013 CTRS Regulations are amended in order to uprate certain financial figures for 2019-20 used to calculate entitlement to a reduction for non-passported applicants.

A number of other figures included in the 2013 CTRS Regulations will be amended, these include:

- **Personal allowances in relation to working age, carer and disabled premiums.**

The financial figures in respect of these allowances have been amended and have increased in line with the cost of living rises. The convention is to uprate in line with the Consumer Price Index September figure from the previous year (which is 2.4% for 2019-20). As the Welfare Reform and Work Act has frozen the uprating of working age allowances in social security benefits, the effect of increasing these allowances within CTRS is that they will no longer be aligned with similar components in Housing Benefit.

- **Personal allowances in relation to pensioners.**

The financial figures in respect of pensioner rates have been amended and are aligned with Housing Benefit. These have been calculated with assistance from the Department of Work and Pensions following the Chancellor's Autumn Statement 2017 and have been uprated by different mechanisms. For example, the Pension Credit standard minimum guarantee is uprated by earnings, whereas the Additional Pension and increments are uprated by prices.

- **Non-dependant deductions**

The financial figures in relation to both the income bands and deductions made in relation to 'non-dependants' will be uprated. If amendments are not made, appropriate deductions would not be made from CTRS awards as the income thresholds would no longer reflect average earnings and the deduction would no longer reflect the overall cost of council tax.

## Additional Amendments

In addition to the uprating of financial figures, a number of consequential amendments to the 2013 CTRS Regulations are required to ensure the 2013 Regulations remain up to date and fit for purpose.

- Amendments are made in relation to Employment Support Allowance (ESA). The Work-Related Activity Component paid to those in the ESA (Work Related Activity Group) was abolished for New Claims from 3.4.2017 and the equivalent element in Universal Credit will also be abolished. However, there will be some cases which will continue to have access to the Work Related Activity Group, Consequential textual amendments will be made to the 2013 CTRS Regulations to ensure they remain up to date.
- In April 2018, Part 1 of the Regulation and Inspection of Social Care (Wales) Act 2016 will be commenced for certain purposes. Part 1 of the Act will replace the regime for the regulation and inspection of social care settings in Wales. When fully implemented,



these provisions will replace the regulation of social care establishments and agencies under the Care Standards Act 2000. Part 1 of the Act will be commenced in respect of the following settings from April 2018, a care home service, a secure accommodation service, a residential family service and a domiciliary support service. Changes are made to the CTRS 2013 Regulations to reflect the new service.

- Bereavement Support Payment was introduced for surviving spouses and civil partners who were widowed after April 2017. Changes have been made to the 2013 CTRS regulations to ensure these payments are not included in the Capital and Income disregards list.
- Two charitable funds were created in 2017 to help victims of terrorist attacks called We Love Manchester Emergency Fund and London Emergencies Trust. Changes will be made to the 2013 CTRS Regulations to ensure these payments are included in the list of income and capital disregards.
- The Welsh Infected Blood scheme ( Wales) was introduced in Wales to provide financial support to people infected with HIV OR Hepatitis C following NHS treatment with contaminated blood in the 1970's and 80's. The 2013 CTRS regulations will be changed to ensure the payments are disregarded in the calculation of income and capital for the purpose of assessing a person's entitlement to a Council Tax Reduction.
- Payments made to victims of National Socialist persecution by Governments of Germany and Austria have a weekly £10 disregard applied to CTRS in Wales. The 2013 CTRS Regulations will be amended so that payments made to victims of National Socialist persecution by the Netherlands Government will be treated in the same way.
- The Thalidomide Trust administers the Thalidomide Health Grant on behalf of the Department of Health. Payments from the Trust are intended to assist with meeting health – related costs of people whose disabilities were caused by Thalidomide use. The 2013 CTRS Regulations will be amended to ensure that such payments are to be fully disregarded in the calculation of capital for the purposes of assessing a person's entitlement to a Council Tax reduction and when determining the income of non-dependants.

#### 4.2 **Discretionary Elements for Council decision**

- a) The ability to increase the standard extended payment period of 4 weeks given to people after they return to work, when they have been in receipt of a relevant qualifying benefit for at least 26 weeks
- b) Discretion to disregard part or the whole amount of War Disablement pensions and War Widows Pensions when calculating income
- c) The ability to backdate, for up to 6 months any application of Council Tax Support awards for working age customers more than the standard period of 3 months prior to the claim.

- 4.3 The Welsh Government undertook a formal consultation exercise on the current scheme and potential changes, enabling it to be cost neutral to Local Authorities. Representation was made by many organisations, including Denbighshire County Council, suggesting amendments to the scheme.

After due consideration it was decided to continue with the scheme as is , with any shortfall between the amount of reduction granted and the specific grant received being owned by the Local Authority.

Unfortunately the Welsh Government has also decided that the funding levels for the scheme are to remain at the 2013/14 levels, which created a budgetary pressure in 2018/19 and will continue to do so in 2019/20.

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

Adopting this scheme will help vulnerable people, ensuring they live as independently as possible.

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

£9.163m has been identified in the settlement for Denbighshire for Council Tax Support from the Welsh Government. However current expenditure is £9.558 and if the Net Council Tax increased by 6.35% (i.e the councils proposed increase) the forecast expenditure for 2019/20 is circa £10.165m. This gives a shortfall of around £1.002m for 2019/20 for which budgetary provision has been made as part of the budget proposals for 2019/20.

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

A Well-being Impact Assessment has not been completed for this report as the proposal is for the extension of the current scheme which was consulted on in 2012. There are no material changes proposed (and no changes to the discretionary elements), however it is a legal requirement that the scheme is formally approved by Council on an annual basis.

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

Not applicable as this is an extension of the current scheme, which was consulted on in 2012.

**9. Chief Finance Officer Statement**

The Council is required to adopt a reduction scheme annually. As funding for CTRS has remained static, or reduced across Wales for a number of years the impact of Council Tax rises on the reduction scheme has to be funded locally. The proposals in this report have been included as part of the budget proposals for 2019/20.

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

There are risks to the Council in not adopting this scheme, in that Denbighshire CC would then have to adopt the default scheme, which may increase the total cost.

**11. Power to make the Decision**

- Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013.
- The Council Tax Reduction Scheme (Default Scheme) (Wales) Regulations 2013.
- Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2019.

**Explanatory Memorandum to the Council Tax Reduction Schemes  
(Prescribed Requirements and Default Scheme) (Wales) (Amendment)  
Regulations 2019**

This Explanatory Memorandum has been prepared by Local Government Strategic Finance Division and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

**Minister's Declaration**

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2019. I am satisfied that the benefits outweigh any costs.

**Mark Drakeford  
Cabinet Secretary for Finance  
27 November 2018**

## **1 Description**

- 1.1 Council Tax Reduction Schemes (CTRS) are the mechanism by which local authorities provide support to low income households in meeting their council tax liability.
- 1.2 This statutory instrument makes amendments to the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013 (referred to collectively in this Explanatory Memorandum as “the 2013 CTRS Regulations”). It updates certain figures used to calculate an applicant’s entitlement to a reduction under a Council Tax Reduction Scheme, and the subsequent level of reduction.

## **2 Matters of special interest to the Constitutional and Legislative Affairs Committee**

- 2.1 None.

## **3 Legislative background**

- 3.1 Section 10 of, and Schedule 4 to, the Local Government Finance Act 2012 inserted a new Section 13A and new Schedule 1B into the Local Government Finance Act 1992 (the 1992 Act). These provisions enabled the Welsh Ministers to introduce Council Tax Reduction Schemes (CTRS) in Wales via regulations.
- 3.2 The relevant provisions in the Local Government Finance Act 2012 were subject to a Legislative Consent Motion which was approved by the National Assembly for Wales on 26 June 2012. The Local Government Finance Act 2012 received Royal Assent on 1 November 2012.
- 3.3 This statutory instrument is laid and made under the new section 13A of, and the new Schedule 1B to, the Local Government Finance Act 1992. The instrument is subject to approval of the Assembly (the affirmative procedure).

## **4 Purpose and intended effect of the legislation**

- 4.1 This statutory instrument amends the 2013 CTRS Regulations to update certain figures in those Regulations used to calculate entitlement to a council tax reduction, and the amount of any reduction awarded to applicants in the 2019-20 financial year.

### Background

- 4.2 The Welfare Reform Act 2012 contained provisions to abolish Council Tax Benefit from 31 March 2013. From 1 April 2013, responsibility for providing support for council tax was devolved to local authorities in England. Fixed funding, reduced by 10% compared to the 2012-13 costs, was passed to the

Welsh Government and to the Scottish Government to allow the Devolved Administrations to develop replacement schemes.

- 4.3 Following the UK Government's decision, the Welsh Government sought provisions in the Local Government Finance Act 2012 which amended the Local Government Finance Act 1992 (the 1992 Act), to provide the Welsh Ministers with executive powers to introduce Council Tax Reduction Schemes in Wales via regulations.
- 4.4 The 2013 CTRS Regulations were approved by the National Assembly for Wales on 26 November 2013.
- 4.5 The Welsh Government provided £244m in the Local Government Settlement for CTRS for 2013-14. This was partly funded through the fixed budget of £222m which was transferred from the UK Government. The Welsh Government provided an additional £22m to enable local authorities to continue to provide all eligible applicants with their full entitlement to support. The Welsh Government has continued to provide £244m within the local government settlement each year since.

#### 2013 CTRS Regulations

- 4.6 Aligned with the provisions in the 1992 Act, the 2013 CTRS Regulations govern the operation of CTRS in Wales. These regulations were closely based on the previous Council Tax Benefit rules to prevent low-income households facing sharp changes in the level of support they received. All eligible applicants were automatically and seamlessly transferred from Council Tax Benefit onto Council Tax Reduction Schemes from 1 April 2013.
- 4.7 If an applicant receives Income Support, Income-Based Jobseeker's Allowance (JSA), Income-Based Employment and Support Allowance (ESA), Pension Credit, or Pension Credit Guarantee, they are entitled to the maximum, full, reduction in their council tax liability. Approximately 70% of CTRS applicants in Wales receive the passported benefits.
- 4.8 If an applicant does not receive any of the passported benefits, the weekly amount of money which they are judged to need to live on is calculated. This is known as the 'applicable amount' and consists of two components:
  - The first is the personal allowance – the basic amount a person needs to live, which varies according to the household's circumstances. For example, the allowance for a couple with children is higher than for a single person without children. These allowances are also set at higher rates for those who have reached State Pension Age.
  - The second component is the premium – additional amounts added to reflect any personal circumstances which increase the cost of living, such as a disability or carer's responsibilities. Once the applicable amount has been determined, the applicant's level of income is calculated.

- 4.9 Universal Credit (UC) recipients are treated in a similar way to non-passported applicants. However, instead of an 'applicable amount' being calculated, the 'maximum amount' (calculated within their UC application) is used instead.
- 4.10 If the applicable amount (or maximum amount) is higher than an applicant's calculated income, they are entitled to the maximum reduction in their council tax liability. If income exceeds the applicable amount, the weekly entitlement is reduced by 20p for each £1 of excess weekly income, until entitlement is withdrawn – this is known as the taper.
- 4.11 Adjustments can be made to the maximum amount of reduction a person can receive to take account of adults living in the dwelling who are not dependants of the applicant and who are therefore assumed to make a financial contribution to the household (non-dependant deductions).
- 4.12 Adjustments can also be made to take into account of savings. If an applicant has capital of £6,000 (or £10,000 for pension age claimants) or less, this will be ignored when working out whether they are entitled to a reduction.
- 4.13 If a working-age applicant has capital of between £6,000 and £10,000, the local authority will treat it as income. This is known as tariff income. The local authority will assume an applicant has an income of £1 a week for each £500 of capital between £6,000 and £10,000. This will be added to other income to work out whether an applicant is entitled to a reduction and how much they are entitled to.

#### Uprating figures for 2019-20

- 4.14 This statutory instrument amends the 2013 CTRS Regulations to uprate financial figures used to calculate entitlement to a reduction in line with Welsh Government policy.
- 4.15 The statutory instrument seeks to uprate a number of other figures included in the 2013 CTRS Regulations. These include:
- Personal allowances in relation to working age, and carer and disabled premiums  
The financial figures in respect of these allowances have been amended and have increased in line with the cost of living rises. The convention is to uprate in line with the Consumer Price Index figure for September from the previous year (2017), which is 3.0%.
  - Personal allowances in relation to pensioners  
The financial figures in respect of pensioner rates have been amended and are aligned with Housing Benefit. These have been calculated with assistance from the Department of Work and Pensions following the Chancellor's Autumn Budget 2017 and have been uprated by different mechanisms. For example, the Pension Credit standard minimum

guarantee is uprated by earnings, whereas the Additional Pension and increments are uprated by prices.

- Non-dependant deductions  
The financial figures for the income bands and deductions made in relation to non-dependants will be uprated. If amendments are not made, the deductions from CTRS awards would not be appropriate as the income thresholds would no longer reflect average earnings and the deduction would no longer reflect the overall cost of council tax.

#### Bereavement Support Payments

4.16 A social security benefit called Bereavement Support Payment (BSP) was introduced for surviving spouses and civil partners who are widowed after April 2017. Unlike previous bereavement benefits which can be paid for as long as the applicant satisfies the conditions of entitlement, BSP is only payable for a maximum period of up to 18 months from the date the spouse or civil partner died. The amendments made to the 2019 Regulations ensure that various payments of BSP are disregarded in the calculation of income so that:

- The initial larger payment and any arrears which are included in the first monthly payment are treated as capital, and a 12-month disregard is applied from the date of payment, to allow for sufficient time for monies to be spent by the recipient;
- Subsequent smaller monthly payments (except for arrears) are treated as income and disregarded for a month.

#### Additional Consequential Amendments

4.17 In addition to uprating the financial figures, this statutory instrument makes a number of consequential amendments to the 2013 CTRS Regulations. These ensure the 2013 Regulations remain up-to-date and fit for purpose.

#### Transfer of Name and Functions to Secretary of State

4.18 The Secretaries of State for Health and Social Care and for Housing, Communities and Local Government and Transfer of Functions (Commonhold Land) Order 2018 changes the name of the Secretary of State for Health to the Secretary of State for Health and Social Care and transfers functions from the Secretary of State for Housing, Communities and Local Government.

4.19 This statutory instrument makes consequential changes to the 2013 CTRS Regulations to reflect the change in name and transfer of functions.

#### Disregards for Members of a Couple

4.20 ESA is an income-replacement benefit for people of working age who cannot work because of a health condition or disability. Universal Credit provides a

new single system of means-tested support for people of working age who are either in or out of work. UC is gradually replacing income-based ESA as it is rolled out across the UK.

- 4.21 In the Summer Budget 2015, it was announced that the Work-Related Activity Component paid to those in the ESA (Work-Related Activity Group) (WRAG) would be abolished for new claims from 3 April 2017. The equivalent element in UC will also be abolished. However, there will be some ESA cases after April who will continue to have access to the Work-Related Activity Component.
- 4.22 The 2013 Regulations make provision for a number of payments to be disregarded for the purposes of calculating income and/or capital. The amendments to the 2019 Regulations are intended to clarify the qualifying conditions for a disregard when an applicant is a member of a couple so that the person working must also be the person who meets the qualifying conditions by being the person who is:
- entitled to a disability premium, or
  - is receiving the support component as part of their award of ESA, or
  - is in the work-related activity group for ESA.

#### Non-dependant deductions

- 4.23 The 2013 Regulations make provision for deductions to be made when calculating the maximum council tax reduction a person will be entitled to including deductions for non-dependants who live with the applicant. However, further provision is made for certain non-dependants. The 2019 Regulations clarify the position in respect of non-pensioners so that that no deduction will occur where a non-dependant is not in the work related activity group and is in receipt of certain benefits (income support, state pension credit, income-based JSA or income related ESA). This mirrors provision made in the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2018 concerning pensioners.

#### The Regulation and Inspection of Social Care (Wales) Act 2016

- 4.24 Part 1 of the Regulation and Inspection of Social Care (Wales) Act 2016 replaces the regime for the regulation and inspection of social care settings under the Care Standards Act 2000. Part 1 of the 2016 Act was commenced in respect of the following services in April 2018:
- A care home service
  - A secure accommodation service
  - A residential family service and
  - A domiciliary support service.
- 4.25 In April 2019, Part 1 will be commenced in respect of a fostering service. The process for approving foster parents is set out in the Fostering Services (Wales) Regulations 2003. However, in consequence of the commencement of Part 1, those Regulations may be replaced by further regulations made



pursuant to sections 87 and 93 of the Social Services and Well-being (Wales) Act 2014 during the next financial year.

4.26 In calculating income for the purposes of determining eligibility for a council tax reduction, the 2013 Regulations make provision for relevant childcare charges to be deducted from earnings including charges where the childcare is provided by a foster parents or a kinship carer who has been approved as such under the 2003 Regulations. The amendments in the 2019 Regulations ensure that foster parents approved under the current scheme set out in the 2003 Regulations or under any regulations made pursuant to sections 87 and 93 of the 2014 Act will be subject to provision made in the 2013 Regulations in respect of the treatment of childcare charges.

## **Regulatory Impact Assessment (RIA)**

### **Options**

#### Option 1 – Do nothing

- 1 If the financial figures used to assess household allowances in the council tax reduction means-test remained static, the criteria used would be slightly less generous for non-passported applicants and lead to a small decrease in support in real terms.
- 2 The financial figures used to assess the eligibility of households with non-dependants would be out-of-date. The income thresholds would no longer reflect average earnings and the adjustment made to the final council tax reduction would no longer reflect overall cost of council tax.
- 3 It would also mean that consequential amendments would not be made to the 2013 CTRS Regulations to take account of changes to related welfare benefits and other legislation. This could disadvantage some applicants by reducing or stopping their entitlement to support. It could also create confusion for applicants and increase the administrative burden for local authorities and advice providers.

#### Option 2 – Make amending Regulations

- 4 This option would mean that amendments would be made to uprate the financial figures in the 2013 CTRS Regulations in line with to Welsh Government policy, cost-of-living increases and changes to qualifying benefits.
- 5 The financial figures in relation to working age, disability or carer rates will continue to increase with the cost of living (2.4%, as measured by CPI) for 2019-20. The personal allowances for pensioners will be uprated to align with those for Housing Benefit and the benefit system. The increase would be aligned to the UK Government's Standard Minimum Guarantee and Savings Credit.
- 6 The financial figures used to calculate the adjustment for non-dependant deductions would be uprated. The income thresholds in relation to non-dependants would be uprated to reflect average earnings and the non-dependant deduction from CTRS would reflect the average increase in council tax.

## **Costs and Benefits**

### **Costs**

#### Option 1 – Do nothing

- 7 If the financial figures for working age and pensioner allowances do not increase with the cost of living (as measured by CPI), CTRS recipients would be slightly worse off in real terms.
- 8 The financial figures used to assess the eligibility of households with non-dependants would also be out-of-date. The calculation would no longer make a fair assessment of the income of non-dependants or the overall cost of council tax. There is a risk that this aspect of the scheme would be viewed as unfair or inequitable.
- 9 If the technical and consequential amendments to the 2013 CTRS Regulations are not made, they would no longer align with Housing Benefit provisions or other related benefits. It would lead to references being out of sync with the overall benefits system and could disadvantage certain applicants by reducing their entitlement to support. This could potentially lead to additional administrative burden on local authorities and advice providers. It may also lead to confusion for some applicants who, as a result, could be treated significantly differently under benefit schemes.

### **Benefits**

- 10 Not uprating pensioner and working age figures would help to limit any increases in total reductions under CTRS. However not uprating figures in relation to non-dependant deductions, would result in council tax reductions for relevant households being higher than they would otherwise be.

#### Option 2 – Make amending Regulations

### **Costs**

- 11 Uprating the financial figures in respect of pensioners and working age allowances would slightly increase total reductions under CTRS. However, if the financial figures in relation to non-dependant deductions were also uprated, this would mitigate some of the increase in total reductions. Consequently, total council tax reductions are not expected to rise significantly as a result of the uprating.

### **Benefits**

- 12 Uprating the financial figures in the 2013 CTRS Regulations will ensure that the personal allowance for working age applicants continues to increase in line with the CPI (2.4%).

- 13 Uprating the financial figures in respect of the personal allowance for pensioners continues to increase in line with the standard minimum guarantee and savings credit.
- 14 If the financial figures in relation to non-dependant deduction rates are uprated, this will ensure the calculation used to assess the eligibility of non-dependant households remains up-to-date. The calculation would continue to make a fair assessment of the income of non-dependants and the cost of council tax. This will ensure the system remains fair and equitable.
- 15 As part of these Regulations, consequential and technical amendments are made that are associated with wider welfare changes made by the UK government. This would ensure CTRS reflects changes made to interrelated social security benefits which often determine entitlement to a reduction. It would also avoid any additional administrative burden for local authorities or advice providers arising from managing different regimes.

### **Sectors**

- 16 Local government and the voluntary sector were consulted during the development of proposals to introduce CTRS in Wales. Draft regulations for 2019-20 have been shared with local authorities.
- 17 This legislation will not affect the business sector.

### **Duties**

- 18 In drafting these Regulations consideration has been given to the duty on Welsh Ministers to promote equality and eliminate discrimination.
- 19 An Equality Impact Assessment was completed for the introduction of the 2013 CTRS Regulations.
- 20 This statutory instrument is provided bilingually. CTRS is implemented and operated by local authorities who are under general duties to comply with Welsh language and sustainable development duties.
- 21 Further consideration has been given as to whether CTRS could be used to improve the opportunities of persons to use the Welsh language treating the Welsh language no less favourably than the English language. As the sole purpose of CTRS is to provide support to low-income households in meeting their council tax liability, it is considered there are no such opportunities.
- 22 Maintaining full entitlements to CTRS will continue to help low-income households in meeting their council tax liability and, as such, will contribute to the Welsh Government's commitment to make council tax fairer.

### **Competition Assessment**

- 23 These Regulations have been scored against the competition filter test which indicated that there will be no detrimental effect on competition.

### **Consultation**

- 24 No consultation has been undertaken in respect of this statutory instrument. The 2013 CTRS Regulations were consulted upon and details are provided in the Regulatory Impact Assessments accompanying those Regulations.

### **Post implementation review**

- 25 Amendments are required on an annual basis to uprate the financial figures used to calculate entitlements to reductions. This provides an opportunity to review the legislation.

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**2019 No. 11 (W. 5)**

**COUNCIL TAX, WALES**

**The Council Tax Reduction  
Schemes (Prescribed Requirements  
and Default Scheme) (Wales)  
(Amendment) Regulations 2019**

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations amend the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 (“the Prescribed Requirements Regulations”) and the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013 (“the Default Scheme Regulations”) made under section 13A(4) and (5) of, and Schedule 1B to, the Local Government Finance Act 1992.

The Prescribed Requirements Regulations require each billing authority in Wales to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of persons, whom the authority considers are in financial need. The Prescribed Requirements Regulations also set out the matters that must be included within such a scheme.

The Default Scheme Regulations set out a scheme that will take effect, in respect of dwellings situated in the area of a billing authority, if the authority fails to make its own scheme.

These Regulations amend both the Prescribed Requirements Regulations and the Default Scheme Regulations.

The amendments to the Prescribed Requirements Regulations made by regulations 4, 6(a)(i) to (v) and 7 increase certain figures that are used in calculating whether a person is entitled to a reduction and the amount of that reduction. The uprated figures relate to non-dependent deductions (adjustments made to the maximum amount of reduction a person can receive to take account of adults living in the dwelling who are not dependents of the applicant); and the applicable

amount in relation to an application for a reduction (the amount against which an applicant's income is compared in order to determine the amount of reduction to which the applicant is entitled). The same amendments are made in relation to the Default Scheme Regulations by regulations 12, 14 and 15.

The amendments to the Prescribed Requirements Regulations made by regulations 5, 9(b) and 10(a) and (c) are made in consequence of a new social security benefit called Bereavement Support Payment (BSP) for surviving spouses and civil partners who are widowed on or after 6 April 2017. The amendments ensure that the various payments of BSP are disregarded in the calculation of income so that firstly, the initial larger payment and any arrears which are included in the first monthly payment are treated as capital, and a 12 month disregard is applied from the date of payment and secondly, subsequent smaller monthly payments (except for arrears) are treated as income and disregarded for a month. The same amendments are made to the Default Scheme Regulations by regulations 17(b), 18 and 19(a) and (c).

The amendments to the Prescribed Requirements Regulations made by regulations 9(a) and 10(b) are made in consequence of the change of name and transfer of functions from the Secretary of State for Health to the Secretary of State for Health and Social Care made by the Secretaries of State for Health and Social Care and for Housing, Communities and Local Government and Transfer of Functions (Commonhold Land) Order 2018. The same amendments are made to the Default Scheme Regulations by regulations 17(a) and 19(b).

The amendment to the Prescribed Requirements Regulations made by regulation 8 is intended to clarify the qualifying conditions for a disregard when an applicant is a member of a couple. It is intended to clarify that the person working must also be the person who meets the qualifying conditions by being the person who is—

- entitled to a disability premium, or
- is receiving the support component as part of their award of Employment and Support Allowance (ESA), or
- is in the work-related activity group for ESA.

The same amendment is made to the Default Scheme Regulations by regulation 16.

The amendments made to the Prescribed Requirements Regulations by regulations 3(b) and 6(b) are made in consequence of the imminent commencement of Part 1 of the Regulation and Inspection of Social Care (Wales) Act 2016 in relation to a fostering service within the meaning of that Act.



The scheme by which foster parents are currently approved is set out in the Fostering Services (Wales) Regulations 2003 (“the 2003 Regulations”). However, those Regulations may be replaced by further Regulations made pursuant to sections 87 and 93 of the Social Services and Well-being (Wales) Act 2014 (“the 2014 Act”) during the next financial year. The amendment is made so as to ensure that foster parents approved under the 2003 Regulations or under any regulations made pursuant to sections 87 and 93 of the 2014 Act will be subject to provision made in the Prescribed Requirements Regulations in respect of the treatment of child care charges. Regulation 13 makes the same amendment in the Default Scheme Regulations.

The amendment to the Prescribed Requirements Regulations made by regulation 6(a)(vi) clarifies the position in respect of non dependent deductions so that no deduction will occur where a non dependent is not in the work related activity group and is in receipt of certain benefits, namely income support, state pension credit, an income-based jobseeker’s allowance or an income related employment and support allowance.

The Welsh Ministers’ Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with these Regulations. A copy can be obtained from the Local Government Finance and Public Services Performance Division, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.

**2019 No. 11 (W. 5)**

**COUNCIL TAX, WALES**

**The Council Tax Reduction  
Schemes (Prescribed Requirements  
and Default Scheme) (Wales)  
(Amendment) Regulations 2019**

*Made*

*8 January 2019*

*Coming into force in accordance with  
regulation 1(2)*

The Welsh Ministers make the following Regulations in exercise of the powers conferred upon them by section 13A(4) and (5) of, and paragraphs 2 to 7 of Schedule 1B to, the Local Government Finance Act 1992(1).

In accordance with section 13A(8) of that Act, a draft of this instrument has been laid before and approved by resolution of the National Assembly for Wales.

**Title, commencement and interpretation**

**1.**—(1) The title of these Regulations is the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2019.

(2) These Regulations come into force the day after the day on which they are made.

(3) These Regulations apply in relation to a council tax reduction scheme made for a financial year beginning on or after 1 April 2019.

(4) In these Regulations “council tax reduction scheme” means a scheme made by a billing authority in accordance with the Council Tax Reduction Schemes and Prescribed Requirements (Wales)

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(1) 1992 c.14. Section 13A was substituted by section 10(1) of the Local Government Finance Act 2012 (c. 17) and Schedule 1B was inserted by section 10(2) of, and Schedule 4 to, that Act.

Regulations 2013(1), or the scheme that applies in default by virtue of paragraph 6(1)(e) of Schedule 1B to the Local Government Finance Act 1992.

### **Amendments to the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013**

2. The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 are amended in accordance with regulations 3 to 10.

3. In Schedule 1 (determining eligibility for a reduction: pensioners)—

- (a) in paragraph 3 (non-dependant deductions: pensioners)—
  - (i) in sub-paragraph (1)(a) for “£13.10” substitute “£13.75”;
  - (ii) in sub-paragraph (1)(b) for “£4.35” substitute “£4.55”;
  - (iii) in sub-paragraph (2)(a) for “£205.00” substitute “£210.00”;
  - (iv) in sub-paragraph (2)(b) for “£205.00”, “£355.00” and “£8.70” substitute “£210.00”, “£365.00” and “£9.15” respectively;
  - (v) in sub-paragraph (2)(c) for “£355.00”, “£440.00” and “£10.95” substitute “£365.00”, “£450.00” and “£11.50” respectively;
- (b) in paragraph 19(8)(k) (treatment of child care charges: pensioners), for “Fostering Services (Wales) Regulations 2003” substitute “Fostering Services (Wales) Regulations 2003(2) or any regulations made under sections 87 and 93 of the Social Services and Well-being (Wales) Act 2014(3) which make provision for the approval of local authority foster parents”.

4. In Schedule 2 (applicable amounts: pensioners)—

- (a) in column (2) of the Table in paragraph 1 (personal allowances)—
  - (i) in sub-paragraph (1) for “£163.00” and “£176.40” substitute “£167.25” and “£181.00” respectively;

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(1) S.I. 2013/3029 (W. 301), amended by S.I. 2014/66 (W. 6), S.I. 2014/825 (W. 83), S.I. 2014/852, S.I. 2015/44 (W. 3), S.I. 2015/971, S.I. 2016/50 (W. 21), S.I. 2017/46 (W. 20) and S.I. 2018/14 (W. 7).

(2) S.I. 2003/237 (W. 35).

(3) 2014 anaw 4.

- (ii) in sub-paragraph (2) for “£248.80” and “£263.80” substitute “£255.25” and “£270.60” respectively;
  - (iii) in sub-paragraph (3) for “£248.80” and “£85.80” substitute “£255.25” and “£88.00” respectively;
  - (iv) in sub-paragraph (4) for “£263.80” and “£87.40” substitute “£270.60” and “£89.60” respectively;
- (b) in the Table in Part 4 (amounts of premium specified in Part 3), in the second column—
- (i) in sub-paragraph (1) for “£64.30” in each place where it occurs substitute “£65.85” and for “£128.60” substitute “£131.70”;
  - (ii) in sub-paragraph (2) for “£25.48” substitute “£26.04”;
  - (iii) in sub-paragraph (3) for “£62.86” substitute “£64.19”;
  - (iv) in sub-paragraph (4) for “£36.00” substitute “£36.85”.

**5. In Schedule 5 (capital disregards: pensioners)—**

- (a) in paragraph 21(2)—
- (i) in paragraph (p) omit “or”;
  - (ii) in paragraph (q) for “.” substitute “; or”;
  - (iii) after paragraph (q) insert—
    - “(r) bereavement support payment under section 30 of the Pensions Act 2014(1),”; and
- (b) after paragraph 28B insert—
- “**28C.** Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017(2) (rate of bereavement support payment), but only for a period of 52 weeks from the date of receipt of the payment.”

**6. In Schedule 6 (determining eligibility for a reduction under an authority’s scheme, amount of reduction and calculation of income and capital: persons who are not pensioners)—**

- (a) in paragraph 5 (non-dependent deductions: persons who are not pensioners)—
- (i) in sub-paragraph (1)(a) for “£13.10” substitute “£13.75”;
  - (ii) in sub-paragraph (1)(b) for “£4.35” substitute “£4.55”;

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(1) 2014 c. 19.  
 (2) S.I. 2017/410.

- (iii) in sub-paragraph (2)(a) for “£205.00” substitute “£210.00”;
- (iv) in sub-paragraph (2)(b) for “£205.00”, “£355.00” and “£8.70” substitute “£210.00”, “£365.00” and “£9.15” respectively;
- (v) in sub-paragraph (2)(c) for “£355.00”, “£440.00” and “£10.95” substitute “£365.00”, “£450.00” and “£11.50” respectively;
- (vi) in sub-paragraph (8) for paragraph (a) substitute—

“(a) who is not a member of the work-related activity group, and is on income support, state pension credit, an income-based jobseeker’s allowance or income related employment and support allowance;”;

- (b) in paragraph 21(8)(k) (treatment of child care charges) for “Fostering Services (Wales) Regulations 2003” substitute “Fostering Service (Wales) Regulations 2003 or any regulations made under sections 87 and 93 of the Social Services and Well-being (Wales) Act 2014 which make provision for the approval of local authority foster parents.”

7. In Schedule 7 (applicable amounts: persons who are not pensioners)—

- (a) in column (2) of the Table in paragraph 1 (personal allowances)—
  - (i) in sub-paragraph (1) for “£76.10” in each place in which it occurs substitute “£77.90” and for “£60.25” substitute “£61.70”;
  - (ii) in sub-paragraph (2) for “£76.10” substitute “£77.90”;
  - (iii) in sub-paragraph (3) for “£119.50” substitute “£122.35”;
- (b) in the Table in Part 4 (amounts of premiums specified in Part 3), in the second column—
  - (i) in sub-paragraph (1) for “£33.55” and “£47.80” substitute “£34.35” and “£48.95” respectively;
  - (ii) in sub-paragraph (2) for “£64.30” in each place in which it occurs substitute “£65.85” and for “£128.60” substitute “£131.70”;
  - (iii) in sub-paragraph (3) for “£62.86” substitute “£64.19”;
  - (iv) in sub-paragraph (4) for “£36.00” substitute “£36.85”;

(v) in sub-paragraph (5) for “£25.48”, “£16.40”, and “£23.55” substitute “£26.04”, “£16.80” and “£24.10” respectively;

(c) in Part 6 (amount of components), in paragraph 24 (amount of support component), for “£37.65” substitute “£38.55”.

**8.** In Schedule 8 (sums disregarded in the calculation of earnings: persons who are not pensioners), in paragraph 18(2)(b), for sub-paragraph (iv) substitute—

“(iv) not being a member of a couple, is engaged in remunerative work for on average not less than 16 hours per week and—

(aa) the applicant’s applicable amount includes a disability premium under paragraph 9 of Schedule 7 or the support component under paragraph 22 of Schedule 7; or

(bb) the applicant is a member of the work-related activity group; or

(v) is a member of a couple and at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week and that member of the couple—

(aa) satisfies the qualifying conditions for the disability premium under paragraph 9 of Schedule 7 or the support component under paragraph 22 of Schedule 7; or

(bb) is a member of the work-related activity group.”

**9.** In Schedule 9 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners)—

(a) in paragraph 46(2) after “Secretary of State for Health” insert “and Social Care”;

(b) after paragraph 66 insert—

“**67.** Any bereavement support payment under section 30 of the Pensions Act 2014 (bereavement support payment) except any such payment which is disregarded as capital under paragraph 12(1)(h) or 65 of Schedule 10.”

**10.** In Schedule 10 (capital disregards: persons who are not pensioners)—

(a) in paragraph 12(1)—

- (i) in paragraph (g) for “,” substitute “;”;
- (ii) after paragraph (g) insert—
  - “(h) bereavement support payment under section 30 of the Pensions Act 2014.”;
- (b) in paragraph 43(2) after “Secretary of State for Health” insert “and Social Care”;
- (c) after paragraph 64 insert—
  - “**65.** Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017 (rate of bereavement support payment), but only for a period of 52 weeks from the date of receipt of the payment.”

### **Amendments to the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013**

**11.** The scheme set out in the Schedule to the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013<sup>(1)</sup> is amended in accordance with regulations 12 to 19.

**12.** In paragraph 28 (non-dependant deductions: pensioners and persons who are not pensioners)—

- (a) in sub-paragraph (1)(a) for “£13.10” substitute “£13.75”;
- (b) in sub-paragraph (1)(b) for “£4.35” substitute “£4.55”;
- (c) in sub-paragraph (2)(a) for “£205.00” substitute “£210.00”;
- (d) in sub-paragraph (2)(b) for “£205.00”, “£355.00” and “£8.70” substitute “£210.00”, “£365.00” and “£9.15” respectively;
- (e) in sub-paragraph (2)(c) for “£355.00”, “£440.00” and “£10.95” substitute “£365.00”, “£450.00” and “£11.50”.

**13.** In paragraph 55(8)(k) (treatment of child care charges) for “Fostering Services (Wales) Regulations 2003” substitute “Fostering Services (Wales) Regulations 2003 or any regulations made under sections 87 and 93 of the Social Services and Well-being (Wales) Act 2014 which make provision for the approval of local authority foster parents”.

**14.** In Schedule 2 (applicable amounts: pensioners)—

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(1) S.I. 2013/3035 (W. 303), amended by S.I. 2014/66 (W. 6), S.I. 2014/825 (W. 83), S.I. 2014/852, S.I. 2015/44 (W. 3), S.I. 2015/971, S.I. 2016/50 (W. 21), S.I. 2017/46 (W. 20) and S.I. 2018/14 (W. 7).

- (a) in column (2) of the Table in paragraph 1 (personal allowances)—
  - (i) in sub-paragraph (1) for “£163.00” and “£176.40” substitute “£167.25” and “£181.00” respectively;
  - (ii) in sub-paragraph (2) for “£248.80” and “£263.80” substitute “£255.25” and “£270.60” respectively;
  - (iii) in sub-paragraph (3) for “£248.80” and “£85.80” substitute “£255.25” and “£88.00” respectively;
  - (iv) in sub-paragraph (4) for “£263.80” and “£87.40” substitute “£270.60” and “£89.60” respectively;
- (b) in the Table in Part 4 (amounts of premiums specified in Part 3), in the second column—
  - (i) in sub-paragraph (1) for “£64.30” in each place in which it occurs substitute “£65.85” and for “£128.60” substitute “£131.70”;
  - (ii) in sub-paragraph (2) for “£25.48” substitute “£26.04”;
  - (iii) in sub-paragraph (3) for “£62.86” substitute “£64.19”;
  - (iv) in sub-paragraph (4) for “£36.00” substitute “£36.85”.

**15.** In Schedule 3 (applicable amounts: persons who are not pensioners)—

- (a) in column (2) of the Table in paragraph 1 (personal allowances)—
  - (i) in sub-paragraph (1) for “£76.10” in each place in which it occurs substitute “£77.90” and for “£60.25” substitute “£61.70”;
  - (ii) in sub-paragraph (2) for “£76.10” substitute “£77.90”;
  - (iii) in sub-paragraph (3) for “£119.50” substitute “£122.35”;
- (b) in the Table in Part 4 (amount of premiums specified in Part 3), in the second column—
  - (i) in sub-paragraph (1) for “£33.55” and “£47.80” substitute “£34.35” and “£48.95” respectively;
  - (ii) in sub-paragraph (2) for “£64.30” in each place in which it occurs substitute “£65.85” and for “£128.60” substitute “£131.70”;
  - (iii) in sub-paragraph (3) for “£62.86” substitute “£64.19”;
  - (iv) in sub-paragraph (4) for “£36.00” substitute “£36.85”;



(v) in sub-paragraph (5) for “£25.48”, “£16.40” and “£23.55” substitute “£26.04”, “£16.80” and “£24.10” respectively;

(c) in Part 6 (amount of components), in paragraph 24 (amount of support component), for “£37.65” substitute “£38.55”.

**16.** In Schedule 6 (sums disregarded in the calculation of earnings: persons who are not pensioners), in paragraph 18(2)(b), for sub-paragraph (iv) substitute—

“(iv) not being a member of a couple, is engaged in remunerative work for on average not less than 16 hours per week and—

(aa) the applicant’s applicable amount includes a disability premium under paragraph 9 of Schedule 3 or the support component under paragraph 22 of Schedule 3; or

(bb) the applicant is a member of the work-related activity group; or

(v) is a member of a couple and at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week and that member of the couple—

(aa) satisfies the qualifying conditions for the disability premium under paragraph 9 of Schedule 3 or the support component under paragraph 22 of Schedule 3; or

(bb) is a member of the work-related activity group.”

**17.** In Schedule 7 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners)—

(a) in paragraph 46(2) after “Secretary of State for Health” insert “and Social Care”;

(b) after paragraph 66 insert—

“**67.** Any bereavement support payment under section 30 of the Pensions Act 2014 (bereavement support payment) except any such payment which is disregarded as capital under paragraph 12(1)(h) of Schedule 9 or paragraph 65 of Schedule 9.”

**18.** In Schedule 8 (capital disregards: pensioners)—

- (a) in paragraph 21(2)—
  - (i) in paragraph (p) omit “or”;
  - (ii) in paragraph (q) for “.” substitute “; or”;
  - (iii) after paragraph (q) insert—
    - “(r) bereavement support payment under section 30 of the Pensions Act 2014.”;

- (b) after paragraph 28B insert—
  - “**28C.** Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017 (rate of bereavement support payment), but only for a period of 52 weeks from the date of receipt of the payment.”

**19.** In Schedule 9 (capital disregards: persons who are not pensioners)—

- (a) for paragraph 12(1) substitute—
  - “(1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of the following, but only for a period of 52 weeks from the date of the receipt of the arrears or of the concessionary payment—
    - (a) any payment specified in paragraphs 11, 13 or 14 of Schedule 7;
    - (b) an income-related benefit under Part 7 of the SSCBA(1);
    - (c) an income-based jobseeker’s allowance;
    - (d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001(2);
    - (e) working tax credit and child tax credit;
    - (f) an income-related employment and support allowance;
    - (g) universal credit;
    - (h) bereavement support payment under section 30 of the Pensions Act 2014.”;
- (b) in paragraph 43(2) after “Secretary of State for Health” insert “and Social Care”;
- (c) after paragraph 64 insert—

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(1) The “SSCBA” means the Social Security Contributions and Benefits Act 1992 (c. 4); *see* definition in regulation 2 of the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and in paragraph 2 of the scheme set out in the Schedule to the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013.

(2) S.I. 2001/1167.

“65. Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017 (rate of bereavement support payment), but only for a period of 52 weeks from the date of receipt of the payment.”

*Rebecca Evans*

Minister for Finance and Trefnydd, one of the Welsh Ministers

8 January 2019

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<b>Report To:</b>	County Council
<b>Date of Meeting:</b>	29 <sup>th</sup> January 2019
<b>Lead Member / Officer:</b>	Hugh Evans, Leader
<b>Report Author:</b>	Gary Williams, Head of legal, HR and Democratic Services
<b>Title:</b>	<b>Welsh Government White Paper – Reform of Fire and Rescue Authorities in Wales</b>

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## 1. What is the report about?

The report is about the Welsh Government White Paper – Reform of Fire and Rescue Authorities in Wales

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

To seek Members' views on the White Paper – Reform of Fire and Rescue Authorities in Wales published by Welsh Government in order that a Council response be drafted to the consultation regarding proposals for the reform of Fire and Rescue Authorities in Wales

## 3. What are the Recommendations?

That Council considers and comments upon the contents of the White Paper – Reform of Fire and Rescue Authorities in Wales, and authorises the Leader to approve in consultation with Group Leaders a response on behalf of the Council.

## 4. Report details

The Welsh Government has published a White Paper titled Reform of Fire and Rescue Services in Wales (the White Paper) with a consultation deadline of 5<sup>th</sup> February 2019. Whilst recognising that the three fire and rescue authorities in Wales perform highly in their operations, the White Paper proposes changes to the governance and membership of fire and rescue authorities, and to their relationship with their constituent local authorities in budget-setting. A copy of the White Paper is attached as Appendix 1.

The White Paper does not propose to change the number of fire and rescue authorities, nor does it propose any changes to their boundaries.

The Government is keen to point out that all involved in the service should be proud of what they have achieved and that the case for change does not imply any shortcomings on the part of the staff, managers or members of FRAs.

The White Paper suggests that any reform should create clear and effective leadership of, and accountability for, the development and delivery of fire and rescue services.

The White Paper makes proposals to change the number and type of members that are appointed to fire and rescue authorities, changes to the way that they are funded and the way in which they are required to manage performance.

There are five chapters contained within the White Paper:

Chapter 1 – The case for change

Chapter 2 – Designing a new system

Chapter 3 – Proposals for change (1): Governance and membership

Chapter 4 – Proposals for change (2): Funding

Chapter 5 – Proposals for change (3): Performance Management

Of most relevance to the Council would be chapters 1-4.

Members will receive a short presentation at the meeting about the issues upon which the Council's views are sought.

It is suggested that from these views a consultation response will be drafted to be approved by the Leader in consultation with Group Leaders.

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

The consultation exercise does not itself contribute to Corporate Priorities.

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

The response to the consultation paper will not of itself have any direct costs.

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

A Well-Being Impact Assessment is not required for this report.

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

This is a consultation exercise being conducted by Welsh Government. There has been no direct consultation with Scrutiny.

**9. Chief Finance Officer Statement**

The consultation refers to possible future sources of funding for fire and rescue authorities (FRAs). In the short term, the Welsh government's preference highlighted in the paper is to modify the current funding system to require FRAs to agree the level of funding each year with their constituent local authorities, with Welsh ministers having the power to arbitrate if agreement cannot be reached. Other options covered include direct grant funding from Welsh Government and the introduction of a precept. The consultation sets out some of the potential implications of the various proposals, including potential implications to council funding. These should be considered when making a formal response.

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

There are no particular risks associated with this report.

**11. Power to make the Decision**

s111 Local Government Act 1972

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Welsh Government

White Paper

## Reform of Fire and Rescue Authorities in Wales

Consultation on reform of the Fire and Rescue Authorities in Wales'  
governance and funding arrangements

Date of issue: 13 November 2018

Action required: Responses by 05 February 2019

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.  
This document is also available in Welsh.

<b>Overview</b>	The purpose of this consultation is to seek your views on proposals to reform how Fire and Rescue Authorities are governed and funded.
<b>How to respond</b>	<p>To respond to this consultation, please complete the online form, which you can access here:</p> <p><a href="https://beta.gov.wales/reform-fire-and-rescue-authorities-wales">https://beta.gov.wales/reform-fire-and-rescue-authorities-wales</a></p> <p>Alternatively, you may use the separate response form provided, which you can email to:</p> <p><a href="mailto:fire@gov.wales">fire@gov.wales</a></p> <p>or send it in hard copy to the address below.</p> <p>The closing date for responses is <b>5 February 2019</b>.</p>
<b>Further information and related documents</b>	<p><b>Large print, Braille and alternative language versions of this document are available on request.</b></p> <p>Consultation web address:</p> <p><a href="https://beta.gov.wales/reform-fire-and-rescue-authorities-wales">https://beta.gov.wales/reform-fire-and-rescue-authorities-wales</a></p>
<b>Contact details</b>	<p>For further information:</p> <p>Fire Services Branch          Welsh Government          Rhydycar          Merthyr Tydfil          CF48 1UZ</p> <p>email: <a href="mailto:fire@gov.wales">fire@gov.wales</a>          Tel: 0300 062 8226</p>

## General Data Protection Regulation (GDPR)

The Welsh Government will be data controller for any personal data you provide as part of your response to the consultation. Welsh Ministers have statutory powers they will rely on to process this personal data which will enable them to make informed decisions about how they exercise their public functions. Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about or planning future consultations. Where the Welsh Government undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g. a research organisation or a consultancy company). Any such work will only be undertaken under contract. Welsh Government's standard terms and conditions for such contracts set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation.

If your details are published as part of the consultation response then these published reports will be retained indefinitely. Any of your data held otherwise by Welsh Government will be kept for no more than three years.

## Your rights

Under the data protection legislation, you have the right:

- to be informed of the personal data holds about you and to access it
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) who is our independent regulator for data protection.

For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the GDPR, please see contact details below:

Data Protection Officer:  
Welsh Government  
Cathays Park  
CARDIFF  
CF10 3NQ

e-mail:

[Data.ProtectionOfficer@gov.wales](mailto:Data.ProtectionOfficer@gov.wales)

The contact details for the Information Commissioner's Office are:

Wycliffe House  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AF

Tel: 01625 545 745 or  
0303 123 1113

Website: <https://ico.org.uk/>

## Foreword by the Cabinet Secretary for Local Government and Public Services



We are rightly proud of our fire and rescue services. They respond swiftly, effectively and selflessly to deal with serious threats to our safety. More than that, their prevention and safety work has helped reduce the number of fires by more than half since responsibility was devolved to Wales in 2005.

That is a huge success, but it is also a challenge. As the number of fires falls, the role of the Service is becoming broader. Firefighters have the skills, capabilities and values to deal with a wide range of other incidents, such as floods, medical emergencies and terrorist attacks. But to make the most of that potential, the Service needs to be governed and funded in a modern, accountable and sustainable way. At present it is not.

There are other challenges too. People are living longer, but older people are at greater risk of fires in their homes. The lessons of the Grenfell Tower tragedy still have to be fully learned and applied. Climate change will increase the risks of flooding and wildfires. And public finances are extremely constrained – a situation that is only likely to worsen in the aftermath of Brexit. Again, this calls for the highest standards of leadership and transparency, ensuring that the Service has the resources it needs, but also placing that in a wider context.

None of this is the Service's fault. The arrangements we now have date from the mid-1990s. While they may then have been adequate for running a municipal fire brigade, the Service and the demands placed on it have changed significantly since.

This document sets out the Welsh Government's proposals for addressing this situation. It includes the broad case for reform, as well as our preferred options for pursuing it.

Reform has to happen if the Service is to have a sustainable future, and the status quo is not an option. Nor are several other hypothetical possibilities which Chapter 2 of this document describes. However, I am more concerned at this stage with the outcomes of reform than with the means. I would, therefore, be happy to consider any other options for reform which would clearly meet the criteria that this document describes.

Change is too often a response to failure, and creates even more burdens on organisations in difficulty. That is not so here. I want to build on the successes we have seen, and to sustain the services on which we all rely. I look forward to hearing your views.

**Alun Davies AM**  
**Cabinet Secretary for Local Government and Public Services**

## CHAPTER 1

### The case for change

- 1.1 This chapter sets out the current arrangements for managing and providing fire and rescue services in Wales, and why the Welsh Government believes they should change.
- 1.2 This does not reflect any need to improve the headline performance of core and traditional fire and rescue services. That performance has long been strong. Fires and casualties from fires are in sustained and significant decline in Wales, as elsewhere.
- 1.3 Those trends at least partly reflect the work of the fire service in improving fire safety and in responding swiftly and effectively to fires when they break out. We do not seek to challenge that; indeed, we believe all involved with the service should be very proud of what they have achieved. **Any reform must preserve this record and allow the Fire Service to sustain and enhance it to the fullest extent possible.**
- 1.4 The case for change relies rather on the need to improve the capability of the service to sustain and build on that success. It needs to be able to understand and respond to emerging long-term challenges, and to do so in ways which reflect the wider context of public service delivery. We believe the current arrangements are defective in this regard. The reasons for that are all grounded in the statutory governance and funding framework, which dates back to the mid-1990s. **The case for change does not imply any shortcoming at all on the part of Fire and Rescue Authority (FRA) members, managers or staff.** They have had to work with the system as it is, and we believe they have done so as well as they possibly could.

### The current arrangements

- 1.5 Since 1996, fire and rescue services in Wales have been provided by three FRAs. Each FRA is, in law, a *combined authority*, meaning that it is formed as a combination of the local authorities in its area – although the FRA is a separate entity in its own right. Those constituent local authorities are in turn responsible for the membership and funding of the FRA, as follows.
- 1.6 Firstly, each local authority nominates a set number of councillors to be members of the FRA. That number broadly reflects the population of the local authority as a proportion of the population of the FRA's area. The choice of members is one for each local authority; but FRA members are generally drawn from councillors who do not have other responsibilities such as being members of a council executive or chairs of scrutiny or audit committees.
- 1.7 Secondly, local authorities provide FRAs with nearly all of their funding. This is in the form of contributions which each FRA calculates and levies on each of its constituent councils. The amount of each contribution is a matter for the FRA to determine. Again, FRAs in practice aim to levy contributions broadly based on each FRA's share of the local population, to limit increases in funding to the minimum the FRA believes to be necessary, and to accommodate any reservations or comments made by local authorities – but there is nothing requiring them to do so.

<b>Local authority</b>	<b>FRA members</b>	<b>Funding Contribution 2016-17 (£000)</b>
Conwy	5	5,277
Denbighshire	4	4,364
Flintshire	6	7,023
Gwynedd	5	5,598
Isle of Anglesey	3	3,191
Wrexham	5	6,433
<b>North Wales FRA total</b>	<b>28</b>	<b>31,886</b>
Carmarthenshire	5	9,172
Ceredigion	2	3,696
Neath Port Talbot	4	6,851
Pembrokeshire	3	6,036
Powys	4	6,537
Swansea	7	11,913
<b>Mid and West Wales FRA total</b>	<b>25</b>	<b>44,205</b>
Blaenau Gwent	1	3,171
Bridgend	2	6,541
Caerphilly	3	8,279
Cardiff	5	16,776
Merthyr Tydfil	1	2,748
Monmouthshire	2	4,209
Newport	2	6,892
Rhondda Cynon Taf	4	10,789
Torfaen	2	4,208
Vale of Glamorgan	2	5,898
<b>South Wales FRA total</b>	<b>24</b>	<b>69,511</b>
<b>Wales total</b>	<b>77</b>	<b>145,602</b>

### **Accountability and scrutiny**

- 1.8 The Welsh Government believes these arrangements mean FRAs are not as accountable as they ought to be. In any democracy, public bodies must be clearly answerable to those they serve. That ensures they meet public needs and expectations – and are exposed to scrutiny and challenge if they do not. Public bodies should therefore either be directly elected (as local authorities and the National Assembly are); or should be formally and clearly accountable to such bodies.
- 1.9 Neither of these is true of FRAs. While their members are elected councillors, those councillors are not accountable to their ‘home’ council for their actions as FRA members. Indeed, when acting as members of the FRA they are duty bound to put aside loyalty to their local authority, and to act in the interests of the FRA instead. Nor do FRA members represent the electorate to any significant extent. Only around 6% of councillors in Wales are FRA members, meaning only a very small proportion of the electorate are represented by them. Even if those few people were aware that their councillor had been an FRA member, it seems unlikely that that would have much bearing on voting decisions alongside other influences such as local authority services or party allegiance. And there is no guarantee that such a councillor would, if re-elected, be reappointed to the FRA anyway. So FRA decisions are not grounded in

any kind of democratic mandate, nor are FRA members answerable to the electorate as a whole for those decisions.

- 1.10 In local authorities, democratic accountability is enhanced by dividing responsibilities between a cabinet, which takes most major decisions, and scrutiny committees, which hold the cabinet to account. That distinction does not formally exist in an FRA, nor could it. It depends on members being elected on a political mandate: cabinets are normally composed of the ruling party group or coalition, with scrutiny committees constituted to give other parties fair representation. But FRA members have no such mandate in that capacity.
- 1.11 At the same time, FRAs are not fully accountable to national institutions either. Many other public organisations in Wales, for instance in the NHS, are themselves accountable to the Welsh Government, and through it to the National Assembly for Wales. That relationship usually involves the Welsh Government determining the budget and policy direction for such bodies, and being answerable for those decisions to the Assembly. Yet the Welsh Government has no such relationship with FRAs. While it sets a broad strategic direction in the form of the National Framework for Fire and Rescue Services, that is only guidance to which FRAs should “have regard”; strategic and operational decisions are solely for FRAs to make. And as explained below, the Welsh Government has no influence over FRA budgets at all.
- 1.12 It is true that other forms of accountability exist in the sector. For instance, FRA officers and managers are answerable to FRA members. But that is only an internal arrangement; it lacks both transparency and independence, and does not amount to the public and democratic accountability described above. FRAs are also liable to audit and inspection by the Wales Audit Office (WAO), as are all devolved public bodies in Wales. That is external, independent and transparent; but it is limited by the WAO’s statutory remit and audit methodology. For instance, auditors never challenge the substance of any organisation’s policy or spending decisions, or argue for alternatives. They can only consider the way in which those decisions were implemented and reflected in the organisation’s accounts.
- 1.13 Some might say that a lack of accountability is wrong in principle. We agree; but that alone would make a weak case for change. There are, though, more practical consequences of these problems, as follows.

### **Innovation and change**

- 1.14 Public accountability aims to expose an organisation and its decisions and services to a wider range of views and influences. In doing that, it should verify that the organisation is meeting public expectations and needs; and/or challenge that and suggest different priorities and approaches. In short, it should help public bodies to identify changing needs and innovative ways of meeting them. That much is central to the provision of any public service, where decisions about what to provide and for whom are a matter of public policy rather than market mechanisms.
- 1.15 All of our FRAs have changed and innovated in recent years. For instance, South Wales FRA has completed a thorough review of front-line fire cover; North and Mid and West Wales FRAs have overhauled their crewing arrangements; and all three have

made progress in diversifying the service to address a wider range of non-fire risks and incidents. All of this and much else is positive and praiseworthy.

- 1.16 However, the absence of fully effective accountability mechanisms means that these and other developments have not been properly debated, scrutinised or subjected to challenge. It is perfectly possible that different or further action might have been more appropriate; or that there are other opportunities being missed or other needs being unmet. We simply do not and cannot know.
- 1.17 That is particularly important given the acknowledged need for the Fire Service to change, and to diversify its role. The success the Service has had in reducing the incidence of fire has created considerable potential to address other sorts of hazards too. Without that, the Service risks becoming a victim of its own success. But realising that potential and leading the Service in this time of change demands an acute sensitivity to wider needs and opportunities. That is less likely to happen while FRAs are managed as though they were stand-alone municipal services. Open debate about the future role of the Fire Service has never been more important – but it is not supported by the current governance arrangements.
- 1.18 We believe that reform should therefore **create clear and effective leadership of, and accountability for, the development and delivery of fire and rescue services**. In particular, this should support full and open debate about the potential for diversifying the service.

## **Resourcing**

- 1.19 As noted, the great bulk of FRAs' funding comes from local authority contributions, levied at rates over which each FRA has sole control. Neither local authorities nor the Welsh Government have any right to consent to those rates. By contrast, local authorities derive the bulk of their funding from the Welsh Government, which in turn needs the approval of the Assembly to set a budget; most of the balance of each local authority's funding is raised from council tax, for which the authority and its members are of course directly answerable to the electorate.
- 1.20 This absence of any form of external control over FRA budgets is unique in the Welsh public sector and, as far as we know, elsewhere in the UK. In recent years, FRAs have largely exercised their funding powers responsibly, so the overall cost of providing fire services has fallen (although that needs to be put alongside the fall in the incidence and risk of fire too). However, progress has not always been as quick as it might have been. For instance, two of our FRAs have been slow to reduce their attendance at false alarms, which consumes significant amounts of resources each year for no benefit. And all three FRAs have long been relatively high spenders: expenditure per head for each of them is in the top quartile across the UK, and has been for some time.
- 1.21 As with issues relating to innovation, the current arrangements mean a potentially powerful driver for ensuring value for money is missing. That does not necessarily mean that FRAs are wasteful; it means we do not know. Nor are there adequate ways of verifying or challenging FRA budgetary decisions. Regardless of how prudent or frugal FRAs choose to be, that cannot continue in a time of sustained severe pressure on public finances – which will probably be further exacerbated by Brexit.



- 1.22 Likewise, the diversification of the Fire Service's role is not properly reflected in its funding arrangements. Most obviously, in 2016/17 almost 20% of all genuine calls to which the Service responded (excluding false alarms) consisted of non-fire medical emergencies. Prevention and safety work also increasingly addresses non-fire risks to health, such as falls, smoking and poor diet.
- 1.23 Many of these services aim to relieve pressure on the NHS, either by preventing accidents and conditions which would otherwise need hospital treatment, or by responding to medical emergencies on behalf of the Ambulance Service. And research suggests that they can be markedly successful in this, with one recent study showing savings to the NHS of over £4 for each £1 invested in Fire Service provision. Yet the current funding model means that these health-related services are being financed by local authority budgets. That is wrong in principle: it means that FRAs neither have sustainable funding for such work, nor are they accountable for what they spend. So **reform must encompass the changing role of the service and provide clear, fair and sustainable funding mechanisms for it.**
- 1.24 Emergency services differ from most other public services. They must always be available to anyone who needs them, and those providing them can neither anticipate demand nor manage it by using waiting lists or similar. That has significant effects on resourcing and budget-setting, which must cater for the peak demand at any given time. **Any reform needs to recognise that, and to ensure that the excellent standards of service we enjoy are maintained and enhanced.** But that cannot be an argument against proper control over public money. In fact, it strengthens the case for a funding model which fully reflects the pressures on fire services and the wider public sector. We believe that reform should **create genuine external accountability for FRA budget and spending decisions, while recognising the particular features of resourcing emergency services.**

### Membership

- 1.25 At present, FRA members tend to be 'backbench' councillors, nominated into that position by their local authorities. Such councillors naturally play an invaluable role within their authorities, in representing local concerns and discharging their electoral mandates. They also help ensure that the balance which all local authorities have to strike between the services for which they are responsible fairly reflects the needs and views of citizens and communities.
- 1.26 We are not convinced that the role of an FRA member calls for these attributes, or that it is best discharged by backbench councillors. FRAs are responsible for only one service, albeit one that is changing and diversifying. Leading and managing that service is often a technical and complex business. Only rarely – when matters such as station closures are being considered – are purely local political or community concerns at stake. Rather, effective leadership of the Service is more a matter of maintaining professional standards and responding to changes in risk and technology.
- 1.27 There should be no doubt at all about the personal dedication and commitment of FRA members. But we do not believe they necessarily have all the capability that they need to provide strategic leadership to the Service or to challenge senior officers, in particular during the time of change that the Service is facing. That also demands expertise in

service management, in organisational change and in developing collaborative relationships with other service-providers. It would also help if the governance arrangements for FRAs were more aligned and integrated with those for other services with which they need to collaborate.

1.28 Therefore, we believe that **reform should increase the expertise and capability of FRAs to provide strategic leadership, to sustain effective collaboration and to hold senior officers to account.** That, though, should not come at the expense of local knowledge and accountability.

1.29 While fire and rescue services are essential, they are relatively small. Overall, they account for only around 1% of all devolved spending; and their governance arrangements do not need to be extensive or elaborate. For instance, there may be scope to reduce the size of their membership. As the table below shows, FRAs have relatively high memberships when compared to other bodies, despite the relatively modest extent of their responsibilities.

Organisation type	Revenue budget	Number of members
Local authorities (x22)	£149 million to £813 million	30 to 76
Health boards (x7)	£285 million to £1.43 billion	20 to 25
Welsh Ambulance Service Trust	£174 million	13
Natural Resources Wales	£182 million	11
FRAs (x3)	£34 million to £74 million	24 to 28

1.30 As we have argued, FRA members do not represent the electorate, nor do they have a mandate to discharge. So we do not believe representation on this scale can be justified: it increases the cost and complexity of governance to no obvious benefit. **It would be better for FRA members to be fewer in number, but to have a more clearly defined remit and the capability to carry it out.**

**Performance management**

1.31 The problems we have set out above relate to the statutory governance and funding arrangements for FRAs. Those are, if anything, compounded by the current ways in which FRAs are required to manage and report their performance. Those are set out in the Local Government (Wales) Measure 2009, which treats FRAs – and for that matter National Park authorities – in the same way as local authorities.

1.32 In outline, the Measure requires FRAs to ‘make arrangements to secure continuous improvement’ in the exercise of their functions. Those arrangements must include:

- Formulating and consulting on annual ‘improvement objectives’, i.e. priorities for improvement in the coming year;
- Collecting quantitative performance data and other types of information which show how far those objectives are being met;
- Reporting publicly after the end of the year about progress in attaining improvement objectives; and

- An annual inspection by the Wales Audit Office of the extent to which the FRA has complied with the Measure.

- 1.33 However, these arrangements were designed primarily for local authorities. They face very different challenges from FRAs. Every local authority is responsible for numerous services, each of which meets different needs for different people or areas. Its members also have electoral mandates to discharge. That means each authority has to balance competing demands and expectations, and set priorities accordingly – hence the sort of arrangements which the 2009 Measure set out.
- 1.34 FRAs, by contrast, provide only a small range of services and have no direct mandate from the electorate. As noted above, they cannot manage demand for their core emergency response services – they need to provide those when needed, anywhere at any time. So the notion of balancing demands and setting priorities does not arise to anywhere near the same extent as with a local authority. This makes the requirements of the Measure burdensome and over-complex in an FRA context. Nor are some of the techniques which the Measure stipulates particularly useful. For instance, it is not possible to use performance indicators to assess the effectiveness of fire safety or prevention programmes, as that would mean trying to measure events which did not occur.
- 1.35 The Welsh Government has already announced that the Measure will be repealed. We believe **a new performance management system should better reflect the particular operating contexts and challenges which FRAs face**. In doing so it should maximise accountability while minimising burdens, and should reflect related planning and reporting requirements on FRAs, such as under the National Framework for Fire and Rescue Services, and the Well-being of Future Generations (Wales) Act 2015.

### **Sustaining front-line services**

- 1.36 These issues are all concerned with the corporate governance of FRAs, not with front-line operations. Of course, strengthening governance will help sustain and improve front-line services. The case for change we have outlined in this chapter will bring clearer and more accountable leadership, more open debate around priorities for the Service and a fuller understanding of the needs it has to meet.
- 1.37 However, front-line responsive and preventative services obviously have to be maintained during any period of change. Undue disruption and distraction must be avoided at all costs. **So the process of reform must be as limited in scope as possible**, while still achieving the objectives we seek.
- 1.38 Organisational change often makes staff uneasy, especially if they fear that it may lead to job losses or other effects on their work. That is not so here. The focus of reform is entirely on how FRAs are structured, funded and accountable at the corporate level. **Changes to front-line operations, including the numbers of firefighters, appliances or fire stations, or other operational matters such as crewing, rostering or ridership arrangements, have no place in this programme of reform.**

## Summary of the objectives for reform

**Reform of the current governance, finance and performance management arrangements for FRAs should:**

- **Preserve the current high standards of service and allow the Fire Service to sustain and enhance it to the fullest extent possible.**
- **Create clear and effective leadership of, and accountability for, the development and delivery of fire and rescue services.**
- **Create genuine external accountability for FRA budget and spending decisions, while recognising the particular features of resourcing emergency services.**
- **Encompass the changing role of the service and provide clear, fair and sustainable funding mechanisms for it.**
- **Increase the expertise and capability of FRAs to provide strategic leadership, to sustain effective collaboration and to hold senior officers to account.**
- **Provide for FRA members to be fewer in number, but to have a more clearly defined remit and the capability to carry it out.**
- **Include a new performance management system which should better reflect the particular operating contexts and challenges which FRAs face.**
- **Be as limited in scope as possible, and avoid any changes to front-line operations or resources.**

### Questions for consultation – the case for change:

1. Do you agree the objectives for reform are appropriate and important?
2. Are there other objectives that the reform programme should pursue?

## CHAPTER 2

### Designing a new system

- 2.1 The previous chapter set out the case for reforming FRA governance and finance, and the broad objectives of such a change. This one sets out the essential elements of a reformed system, and in doing so discounts some hypothetically possible options, while pointing towards others which the following chapters explore more fully.

#### A distinctive service

- 2.2 Fire and Rescue Services are widely recognised, and firefighters are seen as highly skilled and public-spirited individuals with a degree of respect which is not always enjoyed by other professionals and public service-providers. That is central to much of the work to broaden its role. For instance, programmes to tackle arson and other forms of offending often work because the firefighters who deliver them are not seen as connected to law enforcement. People who might resist the influence of authority figures such as police officers or teachers might well be more receptive to the same messages delivered by firefighters. More generally, the core skills and processes involved in firefighting can readily be expanded and adapted to deal with other emergencies.
- 2.3 We believe it is important to maintain that Fire and Rescue Service ‘brand’ and the core skills and values of firefighters. That means **FRAs should remain as separate and distinctive entities**. They should have their own governance and funding arrangements, although these will need to be reformed to allow them to maximise collaboration with other organisations.
- 2.4 Accordingly, **we do not support the transfer of fire and rescue services to the control of Police and Crime Commissioners (PCCs)**, as is taking place in parts of England. While FRAs must and do work closely with the Police, a formal transfer of control could compromise the distinctive Service identity. We also could not accept a devolved service coming under the control of non-devolved office-holders like PCCs. And in any event, fire and police boundaries generally do not align: of the four forces in Wales, only North Wales Police serves the same area as the FRA.
- 2.5 We would also not support transferring control of the Service back to local authorities, although there are other reasons for this too (see below).

#### A local service

- 2.6 In almost all countries in the developed world, fire and rescue services are managed and provided at the local or state/provincial level, rather than the national level<sup>1</sup>. There is a very long history of this – fire services are among the oldest local public services in the world – but there are also positive reasons for control at this level. Although, as the previous chapter noted, local politics and community concerns rarely figure in FRA business. However, planning and delivering effective fire and rescue services depends

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<sup>1</sup> Known exceptions include Italy, where a single national service was established in 1941, and more recently Scotland (in 2013) and New Zealand (in 2017). Some countries, such as Russia and Poland, also retain single national services created in the Soviet era.

on a detailed and intimate knowledge of specific local risks. For instance, each of our three FRAs has to manage the specific and very different fire risks of the Port of Holyhead, the Milford Haven oil refineries and the proliferation of high-rise buildings in Cardiff, as well as many other diverse risks created by particular local housing conditions, industrial developments, population patterns or environmental, topographical and climatological factors.

- 2.7 At the same time, a comprehensive fire and rescue service requires an extensive and highly trained workforce and a wide range of specialised vehicles and other equipment. In 1995, when the current FRAs were created, it was felt that these needs could only be met by organisations on the scale we now have. That is all the more so now – technology has advanced considerably since 1995, and the role of the Service continues to widen. The most highly specialised capabilities, such as those for dealing with water rescues, terrorist attacks or fires in high-rise buildings, only need to exist at a few of our fire stations, as now. It would not be possible for smaller organisations to maintain this breadth of service, still less to expand it into new areas.
- 2.8 Accordingly, we believe **the current pattern of three FRAs should remain**. They are small enough to maintain the detailed knowledge of local risks and conditions that they need, while being large enough to sustain the range of specialist capabilities that their role calls for. So **we do not support the creation of a single Fire Service for Wales**, similar to the Scottish Fire and Rescue service created in 2013. Even if that could be done quickly and cheaply – which evidence from Scotland suggests it could not – it would mean a loss of local knowledge and control, and would not necessarily address any of the objectives we cited in the previous chapter.
- 2.9 The same point means **fire and rescue services cannot return to local authority control**, as they were before 1995, and as they still are in some of the larger counties of England. All of our local authorities are far too small to be able to provide a comprehensive and efficient fire and rescue service. They would have to share resources between them, effectively recreating the status quo.
- 2.10 Likewise, we believe **there is no case for changing the current boundaries of FRAs**. Some have advocated this, in particular moving the areas of Swansea and Neath Port Talbot from Mid and West Wales FRA to South Wales FRA. This would create more homogenous FRAs for urban south Wales and rural mid and west Wales, and align FRA boundaries with those for the Police. But there is no evidence that the current boundaries create any particular problems, so no grounds for changing them.

### **A national dimension**

- 2.11 While we believe the current configuration of FRAs should remain, there are also aspects of their work that are more grounded in national and international factors. For instance, long-term trends in risk are heavily influenced by matters such as ageing, austerity, climate change and terrorism, which clearly transcend FRA borders. Some highly specialised FRA functions – the so-called ‘national resilience’ capabilities<sup>2</sup> – are already managed and funded at an all-Wales level, in recognition of the degree of specialisation involved and the level of threat they are designed to address. And

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<sup>2</sup> The main capabilities concern those dealing with major flooding; urban search and rescue (in collapsed buildings and similar); chemical, biological, radiological and nuclear incidents; and terrorist attacks.

diversification of the Service, in particular to support the NHS, also raises issues of national-level policies and objectives in those areas. They may in turn have implications for firefighters' pay and conditions – a matter into which all governments in the UK are increasingly being drawn.

- 2.12 The current relationship between FRAs and the Welsh Government is complex. The Welsh Government's National Framework for Fire and Rescue Services contains objectives and priorities for FRAs, and the Welsh Ministers can issue directions to FRAs which fail to act in accordance with it, but it is only guidance to which FRAs should 'have regard'. The Welsh Government has no control at all over FRAs' plans, performance or budgets.
- 2.13 Accordingly, while control should largely continue at the current level, we believe **new arrangements should also reflect the legitimate but limited national interests in the development and delivery of the Service**. It may be more appropriate for that to entail clarifying and tightening up the current status of the National Framework and the related performance management arrangements. We are not persuaded that extensive and direct involvement by government in the day-to-day governance of the Service would be justified.

### **Implementing change**

- 2.14 Most of the changes we propose in this document can probably be made by amending the FRAs' *combination orders* – the statutory instruments which established them and which set out their current governance and finance arrangements. The Welsh Ministers have powers to do so by order. Some possible changes appear likely to require an Act of the Assembly instead, and this document identifies those too.

#### **Questions for consultation – designing a new system:**

- 3. Do you agree that FRAs should remain as separate and distinct entities, with the same boundaries as now?**
- 4. Do you agree that transferring control of fire and rescue services to Police and Crime Commissioners or local authorities would not be appropriate?**
- 5. Do you agree that there are legitimate but limited national interests in the Service that need to be reflected in its governance arrangements?**

## CHAPTER 3

### Proposals for change (1): Governance and membership

- 3.1 The previous chapter explained that the current structure of three FRAs needs to remain, in order to balance local knowledge with the scale needed to provide a comprehensive and efficient service. This chapter explains how, within that structure, the membership of FRAs should change to meet the objectives of reform.

#### Sources of membership

- 3.2 Members of public bodies (other than those who are directly elected) are normally nominated or appointed to their posts by other organisations or office-holders. There are three broad options for that in the case of FRAs:
- a. Local authorities could continue to nominate councillors to FRA membership.
  - b. Welsh Ministers could appoint people to membership on the basis of merit, following a fair and open competition.
  - c. Membership could be mixed, with some members nominated by local authorities and some appointed by the Welsh Ministers.
- 3.3 Councillor nomination would keep FRAs' political leadership at its current local level, and could provide for clearer accountability to local communities. By contrast, appointment by the Welsh Ministers would break that connection – accountability would instead be to the Welsh Government and the Assembly. But it would probably increase the expertise among members, who would be appointed for the skills and experience they would bring. A mixed membership would, of course, combine these features.
- 3.4 On balance, **we believe that local authorities should continue to nominate members**. That would be more consistent with the need for local knowledge and accountability which we described in the last chapter. While the attractions of an appointed 'expert' membership are considerable, we do not believe that it would be appropriate for what has always been a local service to become accountable only to the Welsh Government. Mixed membership may also look attractive and might combine the advantages of both the other options. But it could confuse accountability, complicate decision-making and increase the necessary membership size.
- 3.5 There are, though, some important changes that still need to be made.

#### Number of members

- 3.6 As we described in chapter 1, FRAs almost certainly have more members than they need. There is no meaningful sense in which those members represent the electorate, so there is no need for representation to be on this scale – or in proportion to local authority population. All an unduly large membership achieves is to complicate and delay effective decision-making – and to incur extra costs in the form of members' salaries and expenses.



3.7 Therefore, we propose that **each local authority should nominate one member of the FRA**, regardless of population. That would mean the number of nominated members would fall to 10 in South Wales and 6 in each of North and Mid and West Wales.

### **Types of members**

3.8 Currently, FRA members are almost always nominated from the ranks of 'backbench' councillors – i.e. those who are not members of a council executive or chairs of scrutiny or audit committees. Anecdotally, this is because those who do hold such offices are not permitted to receive any extra salary as an FRA member, while backbenchers have no such restrictions.

3.9 We have no doubt about the dedication of the current membership. But this approach effectively separates the governance of fire and rescue services from that of all other local services, which is of course overseen by council executives. That is not in the interests of effective collaboration between FRAs and providers of those other services, or of effective scrutiny of that.

3.10 One promising option would be that **all nominated FRA members must be members of their council's cabinet**, appointed by the Leader as normal. They would come together as an executive decision-making FRA, replicating the roles they exercised in their 'home' authority. And they would be better able to build connections between fire and rescue services and other local services for which they and their cabinet colleagues were responsible.

3.11 To facilitate such change, it may be necessary to remove the current restriction on cabinet members receiving an extra salary as FRA members. The Independent Remuneration Panel for Wales is responsible for considering the salaries of councillors and cabinet members. It might also be necessary to raise the current statutory cap on the size of a local authority cabinet (9 members plus the Leader). We would need to consider this in light of the time available for cabinet members to carry out their roles, and how cabinets of the future could be shaped to give opportunities for job sharing in cabinet roles. We would welcome views on these points.

### **Scrutiny and challenge**

3.12 Under this model, nominated members would all have executive roles, both in the FRA and their 'home' local authority. That should clarify and strengthen strategic leadership and connections with other services. But it would not of itself improve the accountability of the FRA as a whole. Individual members might be subject to scrutiny in their 'home' authorities, but that would not necessarily embrace their roles as FRA members, nor would it apply to the whole FRA.

3.13 As we explained in the first chapter, the local government scrutiny model relies on there being a politically distinct executive with a mandate to discharge. It does not and cannot work in an FRA context. There needs to be another means of holding the FRA to account and introducing constructive challenge into its decision-making.

- 3.14 One way of doing so is already widely used in the private and voluntary sectors. It involves appointing additional members (whether trustees, directors or similar) in a non-executive capacity. Such non-executive members do not make decisions; instead, they provide advice and challenge to those who do. Non-executive members are normally appointed because of the particular knowledge or expertise they would bring to the role and to the organisation as a whole.
- 3.15 We believe this approach would work well for FRAs. It would provide scrutiny and challenge without compromising local control, and would build the expertise available to each FRA. Therefore, we propose that **FRAs should also have non-executive members**. They should assist rather than obstruct decision-making, so their numbers should be modest. We would suggest the number of non-executive members should be equivalent to 25% of the reduced councillor membership as above, rounding up (i.e., 3 in South Wales and 2 each in North and Mid and West Wales).
- 3.16 The most straightforward approach would be for **the Welsh Ministers to appoint non-executive members on the basis of fair and open competition**. That would not make FRAs unduly accountable to the Welsh Government, as non-executive members would have no decision-making role. It would, though, ensure consistency across Wales and could attract a higher number and calibre of applicants. However, we would be open to FRAs appointing their own non-executive members, provided there were an agreed process and set of criteria for this.
- 3.17 This approach brings some challenge to FRA decision-making, but it does not generate the sort of full external accountability we envisaged in chapter 1. Doing that would require fundamental changes to the legislation governing FRAs, which will not be possible in the near future.
- 3.18 However, if and when legislative change were possible, we believe the best means of generating accountability would be to separate the role of the FRA from that of the Fire and Rescue Service (FRS) itself. The latter would be formally responsible for all aspects of service provision. It would be headed by a statutory Chief Fire Officer who had all of the service delivery functions which currently vest in the FRA, as well as the power to employ staff and own assets. The FRA, by contrast, would hold the Chief Fire Officer and FRS to account. It would not make decisions itself, but would endorse the most major decisions such as setting a budget, publishing a strategic plan or significantly reshaping front-line capacity.
- 3.19 This model would, we feel, best reflect the reality of running an emergency service. On a day-to-day basis that is arguably better left to professionals, with members being better equipped to scrutinise and challenge those responsible. The separation between the two would ensure full and independent accountability, while freeing up senior officers to lead and manage the Service. Such an approach was used for many years in the Police, where the Chief Constable had a similar relationship with the Police Authority.
- 3.20 Under this model, we would see no particular need to change the overall FRA membership arrangements described above. However, a scrutiny and challenge role may call for different skills, and it might be appropriate for local authorities to nominate (for instance) senior scrutiny members rather than executive members. We would

welcome views on this point, and on the longer-term reform we have proposed more generally.

- 3.21 While this represents our preferred approach, the outcomes of reform are much more important than the details. **We would, therefore, be happy to consider other proposals for FRA governance** besides those set out (or rejected) in this chapter. Any such proposals must, though, demonstrably meet the criteria we set out in Chapters 1 and 2 of this document.

**Questions for consultation – governance and membership:**

6. Do you agree that local authorities should continue to nominate FRA members?
7. Do you think that local authorities should nominate one FRA member each, drawn from their cabinets?
8. Do you believe any changes are needed to the size and remuneration of council cabinets, if their members were also to serve on FRAs?
9. Do you agree that FRAs should also have non-executive members?
10. Who should appoint non-executive members of FRAs?
11. Do you have any views on the longer term proposal that responsibility for the service should vest in a statutory Chief Fire Officer, with FRAs fulfilling a scrutiny and oversight role? If so, would that require any change to membership arrangements?
12. Do you have any other proposals for how to reform FRA governance which meet the criteria in Chapters 1 and 2?

## CHAPTER 4

### Proposals for change (2): Funding

- 4.1 The previous chapter set out new arrangements for FRA membership and governance, grounded in local control but with independent challenge from non-executive members. This chapter describes options for funding FRAs under this new model.
- 4.2 The aims of reform here are (a) to provide proper accountability for budgets and expenditure, while (b) maintaining the level of funding needed to provide the full range of services (including non-core services such as those in support of the NHS). While mechanisms for generating accountability are widespread in the public sector, meeting the distinctive funding needs of a major emergency service calls for a more tailored approach.

### Sources of funding

- 4.3 Some of the possible future sources of FRA funding are:
- a. Contributions from local authorities, as now, but with some form of external control on, or agreement about, the level of such contributions. This would be the minimum change needed to the current arrangements, and could sustain local accountability for budgets and spending. But it would not provide sustainable funding for non-core services.
  - b. Direct grant funding from the Welsh Government. This would mean the current funding route via local authorities would end. In the context of continuing austerity, such funds could have to be ‘top-sliced’ from the local authority revenue support grant (RSG) in the first instance. This would create some form of accountability to the Welsh Government and the Assembly, and would be broadly consistent with funding for agencies in areas like health. It would eliminate the need for local authorities to pay money on to FRAs, but would do little for local accountability.
  - c. A council tax precept, i.e. an extra charge on local council tax bills determined by the FRA, to pay for fire and rescue services. This could make the cost of the service transparent to local council tax payers, if FRAs engaged with them annually and fully assessed the impact of the level that is set, balancing the needs of the Service with the burdens on hard-pressed households. Precepting would also leave the level of resourcing under FRAs’ control. However, while the money raised would no longer be paid to FRAs by local authorities, it would be up to local authorities to decide whether to reduce their element of council tax in proportion. In challenging times, a material reduction in that element may be unlikely. And aside from the Welsh Ministers’ powers to cap council tax rises, there would be no external control on the overall level of spending.
  - d. A combination of (a) or (b) and (c). This would combine the strengths of the various options, but could complicate the system and accountability for spending if it were not carefully designed. Such a combination of central government grant and council tax precept is already used to fund police services, and fire services in England.

- 4.4 Of these options, we believe funding from the Welsh Government alone would be inconsistent with the local governance model for FRAs which we have described. While there is some scope for funding in this way, in particular for non-core services, relying wholly on it would make FRA funding subject to likely severe and long-term pressure on Welsh Government budgets, possibly threatening service standards. It would also mean removing from the RSG the significant sums which are paid on to FRAs. While that money is not available to local authorities in any event, those which receive relatively little RSG funding could suffer disproportionately from any such approach. However, **this could be a fall-back option if no other course appeared feasible.**
- 4.5 A council tax precept could increase the transparency of spending decisions. Allowing FRAs to retain control of their budgets would also help sustain service levels during a time of austerity. But this would not create any external control or challenge, aside from Ministers' capping powers. In particular, FRAs would not be answerable to the electorate for their council tax decisions, unlike other directly elected bodies like local authorities and Police and Crime Commissioners. There would also be greater administrative complexity in both FRA and local authority functions of billing and collection, together with the related tax-base calculations and information flows. We would also need to ensure that this option did not affect our ability to deliver our Taking Wales Forward commitment to reform council tax to make it fairer. And powers to set precepts would need to be created in an Act of the Assembly, so this could not be a short-term option.
- 4.6 That leaves the possibility of modifying the current system of FRAs levying contributions from local authorities. This would provide greater accountability and control if **FRAs are required to agree the level of funding each year with their constituent local authorities.** Doing so would also put FRA funding more clearly in a wider context of funding other local services, and would stimulate broader debate. In the event that agreement could not be reached, **the Welsh Ministers would have a default power to arbitrate** between the positions of the FRA and its constituent authorities. In practice this power would involve Welsh Ministers setting a budget by default if it appeared that an FRA could not agree a budget which fairly reflected the specific demands of operating an effective emergency service. Such a budget would be no higher than that originally proposed by an FRA, and costs would continue to be met by constituent local authorities.
- 4.7 We believe that would make a positive and immediate difference, and it is our preferred option in the short term. We would also be interested in views on the options for the longer term, such as funding by means of a council tax precept, combined with a Welsh Government grant. The aim would be to design a system which better reflected the Service's changing role, including services in support of the NHS. It should also allow FRAs to maintain a measure of control over funding levels, thus protecting service standards from long-term pressure on public finances.
- 4.8 As with our proposals on governance and membership, though, we are not wedded to the details here. Again, **we would be happy to consider alternative proposals on funding** provided that they met the broad criteria for reform.

**Questions for consultation – funding:**

- 13. Do you agree that FRAs and local authorities should agree the level of FRA funding each year, with a reserve arbitration power for the Welsh Ministers?**
- 14. Do you have any views on whether, and if so how, the funding model should change in the longer term?**
- 15. Do you have any other proposals for how to reform FRA funding which meet the criteria in Chapters 1 and 2?**

## CHAPTER 5

### Proposals for change (3): Performance management

- 5.1 As we explained in Chapter 1, the current performance management system for FRAs is not well-suited to their circumstances; and the Local Government (Wales) Measure 2009, on which it is based, is being repealed.
- 5.2 We propose to create a new system which is simpler, more flexible and more aligned to the distinctive features of fire and rescue services. In particular, the new system will:
  - a. Have flexible deadlines, rather than requiring plans and reports on a fixed annual cycle. Many of the challenges which the Service faces call for long-term transformation, and annual reporting can easily distract from that.
  - b. Allow FRAs to draw on a wide range of evidence about the services they provide, rather than relying on fixed performance indicators. These and other conventional performance measurement techniques do not work well for many FRA services. That is especially so for prevention and safety work, where qualitative techniques such as case studies are more useful.
  - c. Align with other statutory requirements on FRAs, in particular those under the Wellbeing of Future Generations (Wales) Act 2015. The aim should be for FRAs to have to produce only one set of plans and reports to discharge all such statutory requirements.
- 5.3 The National Framework for Fire and Rescue Services is already the accepted strategic Wales-wide vision for FRAs. It should be at the heart of their performance management arrangements. However, at present, the Framework's status and the duties of FRAs under it are far from clear. FRAs must only 'have regard' to the Framework; yet if they fail to 'act in accordance' with it, they can be subject to intervention by the Welsh Ministers.
- 5.4 We therefore propose to create a new system under which:
  - a. The Framework would continue to be reviewed and reissued every 3-5 years, and would contain strategic objectives for the Service.
  - b. The current practice of developing the Framework in full collaboration with the FRAs and with firefighters' unions would also continue, as would the alignment of the Framework with the Wellbeing of Future Generations (Wales) Act 2015.
  - c. For each iteration of the Framework, FRAs would decide whether to adopt each of the objectives in it, to adopt them with local modifications, or not to adopt them at all. FRAs could also decide to include their own objectives if they wished.
  - d. Each FRA would then be required to publish a plan for the lifetime of that Framework, setting out the objectives they have adopted, and (if appropriate) reasons for not adopting others. That plan would also set out the means by which the FRA would monitor progress towards those

objectives – which might in some cases be derived from the Framework itself.

- e. Each FRA would also produce periodic progress reports. The timing of these would depend on the objectives they covered. An objective which reflected day-to-day operations would lend itself to annual (or even more frequent) reporting, whereas one relating to the long-term transformation of the Service would not.
- f. Welsh Ministers would retain their current duty to report to the National Assembly every two years on progress in delivering the Framework, and their intervention powers.

5.5 Subject to the outcome of this consultation, we will use the forthcoming Local Government Bill to confer powers on the Welsh Ministers to create a system like this.

**Questions for consultation – performance management:**

- 16. Do you agree that the performance management system for FRAs should be grounded in the National Framework for Fire and Rescue Services?**
- 17. Do you agree with the need for such a system to give FRAs flexibility on planning and reporting cycles, and on the sources of information about performance that they use?**
- 18. Do you agree that the Welsh Ministers should retain their duty to report to the Assembly about delivery of the Framework, and their powers of intervention?**



## Consultation Response Form

Your name:

Organisation (if applicable):

email / telephone number:

Your address:

**Question 1:** Do you agree the objectives for reform are appropriate and important?

**Question 2:** Are there other objectives that the reform programme should pursue?

**Question 3:** Do you agree that FRAs should remain as separate and distinct entities, with the same boundaries as now?

**Question 4:** Do you agree that transferring control of fire and rescue services to Police and Crime Commissioners or local authorities would not be appropriate?

**Question 5:** Do you agree that there are legitimate but limited national interests in the Service that need to be reflected in its governance arrangements?

**Question 6:** Do you agree that local authorities should continue to nominate FRA members?

**Question 7:** Do you agree that local authorities should nominate one FRA member each, drawn from their cabinets?

**Question 8:** Do you believe any changes are needed to the law on the size and remuneration of council cabinets, to allow their members also to serve on FRAs?

**Question 9:** Do you agree that FRAs should also have non-executive members?

**Question 10:** Who should appoint non-executive members of FRAs?

**Question 11:** Do you agree that, in the longer term, responsibility for the service should vest in a statutory Chief Fire Officer, with FRAs fulfilling a scrutiny and oversight role? If so, would that require any change to membership arrangements?

**Question 12:** Do you have any other proposals for how to reform FRA governance which meet the criteria in Chapters 1 and 2?

**Question 13:** Do you agree that FRAs and local authorities should agree the level of FRA funding each year, with a reserve arbitration power for the Welsh Ministers?

**Question 14:** Do you agree that, in the longer term, FRAs should have powers to set a council tax precept, with the balance of their funding from Welsh Government grants?

**Question 15:** Do you have any other proposals for how to reform FRA funding which meet the criteria in Chapters 1 and 2?

**Question 16:** Do you agree that the performance management system for FRAs should be grounded in the National Framework for Fire and Rescue Services?

**Question 17:** Do you agree with the need for such a system to give FRAs flexibility on planning and reporting cycles, and on the sources of information about performance that they use?

**Question 18:** Do you agree that the Welsh Ministers should retain their duty to report to the Assembly about delivery of the Framework, and their powers of intervention?

**Question 19:** We would like to know your views on the effects that the policy proposals would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

**Question 20:** Please also explain how you believe the policy proposals could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

**Question 21:** We have asked a number of specific questions about FRA governance, finance and performance management. If you have any related issues which we have not specifically addressed, please use this space to report them:

Please enter here:

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:

COUNCIL FORWARD WORK PROGRAMME

Meeting	Item (Description / Title)		Purpose of Report	Council Decision Required (yes/no)	Lead member and Contact Officer
<b>19 February 2019</b>	1	Council Tax and Associated Matters	To set the Council Tax for 2019/20	Yes	Cllr Julian Thompson-Hill / Richard Weigh
	2	Annual Constitution Review		Yes	Cllr Mark Young / Gary Williams
	3	Capital Plan 2018/19 – 2021/22 and recommendations of the Strategic Investment Group	To consider a report to provide members with an updated Capital Plan including an update on major projects and the Corporate Plan	Yes	Cllr Julian Thompson-Hill / Richard Weigh
	4	Treasury Management Strategy Statement 2019/20 and Prudential Indicators 2019/20 to 2021/22	To consider a report to seek the Council's approval of the Treasury Management Strategy Statement 2019/20 and Prudential Indicators 2019/20 – 2021/22	Yes	Cllr Julian Thompson-Hill / Richard Weigh
	5	NJC Pay Agreement		Yes	Cllr Julian Thompson-Hill / Catrin Roberts (HR)
<b>COUNCIL BRIEFING 18 March 2019</b>	1	BCU Plans for Community-related Care	For the BCU to brief members on their plans for community-related care.	N/A	Bethan Jones, BCU
	2	Pre-deposit LDP	To brief members prior to seeking full Council approval of the pre-deposit LDP.	N/A	Cllr Brian Jones / Angela Loftus
	3	The National Development Framework	To brief members on the NDF and its relevance to the Local Development Plan	N/A	Cllr Brian Jones / Angela Loftus
<b>SPECIAL COUNCIL 28 March 2019</b>	1	LDP	Seeking full Council approval of the LDP	Yes	Cllr Brian Jones / Angela Loftus

COUNCIL FORWARD WORK PROGRAMME

<b>9 April 2019</b>	1	Senior Officer Pay		Yes	Cllr Julian Thompson-Hill / Catrin Roberts (HR)
	2	Standards Committee Annual Report	To receive the annual report of the Standards Committee	No	Chair of the Standards Committee / Gary Williams
<b>14 May 2019</b>	1	Review of polling districts and polling places	To consider a statutory review of Denbighshire's polling districts and places.	Yes	Cllr Mark Young / Steve Price / Gareth Evans
	2	Annual report of the Scrutiny Committees	To consider the Annual Report of Scrutiny in line with the Council's constitution.	Yes	Steve Price / Rhian Evans
	3	North Wales Growth Bid Governance Agreement 2	To approve the governance arrangements in relation to the implementation of the growth deal.	Yes	Cllr Hugh Evans / Graham Boase / Gary Williams
<b>COUNCIL BRIEFING 3 June 2019</b>					
<b>2 July 2019</b>					
<b>10 September 2019</b>					
<b>15 October 2019</b>					
<b>COUNCIL BRIEFING 11 November 2019</b>					

COUNCIL FORWARD WORK PROGRAMME

<b>3 December 2019</b>					

***Note for Officers – Full Council Report Deadlines***

<i>Meeting</i>	<i>Deadline</i>	<i>Meeting</i>	<i>Deadline</i>	<i>Meeting</i>	<i>Deadline</i>
		<i>January 2019</i>	<b>15 January 2019</b>	<i>February 2019</i>	<b>5 February 2019</b>
<i>April 2019</i>	<b>26 March 2019</b>	<i>May 2019</i>	<b>30 April 2019</b>	<i>July 2019</i>	<b>18 June 2019</b>
<i>September 2019</i>	<b>27 August 2019</b>	<i>October 2019</i>	<b>1 October 2019</b>	<i>December 2019</i>	<b>19 November 2019</b>

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