## **Public Document Pack**



To: Members of the County Council Date: 19 February 2020

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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, 25 FEBRUARY 2020 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 MINUTES (Pages 5 - 22)

To receive the minutes of County Council (copy attached) held on 28 January 2020.

#### 5 COUNCIL TAX 2020/2021 AND ASSOCIATED MATTERS (Pages 23 - 36)

To consider a report by the Head of Finance and Property (copy attached) to set levels of Council Tax for 2020/2021

# 6 CAPITAL PLAN 2019/2020 - 2022/2023 AND RECOMMENDATIONS OF THE STRATEGIC INVESTMENT GROUP (Pages 37 - 134)

To consider a report by the Head of Finance and Property (copy attached) to provide Members with an updated Capital Plan including an update on major projects and the Corporate Plan

# 7 TREASURY MANAGEMENT STRATEGY STATEMENT 2020/2021 AND PRUDENTIAL INDICATORS 2020/2021 - 2022/2023 (Pages 135 - 164)

To consider a report by the Head of Finance and Property (copy attached) to seek Council's approval of the Treasury Management Strategy Statement 2020/2021 and Prudential Indicators 2020/2021 – 2022/2023

#### 8 COUNTY COUNCIL FORWARD WORK PROGRAMME (Pages 165 - 170)

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

#### **MEMBERSHIP**

#### Councillors

Councillor Meirick Lloyd Davies (Chair) Councillor Alan James (Vice-Chair)

Mabon ap Gwynfor Barry Mellor Brian Blakeley Melvyn Mile Joan Butterfield Bob Murray Jeanette Chamberlain-Jones Merfyn Parry Ellie Chard Paul Penlington Pete Prendergast Ann Davies **Gareth Davies Arwel Roberts** Anton Sampson **Hugh Evans** Peter Evans Peter Scott Bobby Feeley Glenn Swingler Rachel Flynn **Andrew Thomas** Tony Flynn **Rhys Thomas** 

**Tony Thomas Huw Hilditch-Roberts** Julian Thompson-Hill Martyn Holland **Hugh Irving Graham Timms Brian Jones** Joe Welch **Cheryl Williams** Pat Jones **David Williams Tina Jones** Gwyneth Kensler **Eryl Williams** Geraint Lloyd-Williams **Huw Williams** Richard Mainon **Emrys Wynne** Christine Marston Mark Young

## **COPIES TO:**

Press and Libraries Town and Community Councils



#### **COUNTY COUNCIL**

Minutes of a meeting of the County Council held in Council Chamber, County Hall, Ruthin LL15 1YN on Tuesday, 28 January 2020 at 10.00 am.

#### **PRESENT**

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

#### **ALSO PRESENT**

Chief Executive (JG), Head of Legal, HR and Democratic Services (GW), Corporate Director: Economy and Public Realm (GB), Head of Finance and Property (SG) and Committee Administrator (SLW)

#### 1 APOLOGIES

Apologies for absence were received from Councillors Joan Butterfield, Jeanette Chamberlain-Jones, Martyn Holland, Huw Jones, Pat Jones, Bob Murray and Merfyn Parry

#### 2 DECLARATIONS OF INTEREST

Peter Prendergast – Item 9 – declared a personal interest as he is a Director of Denbighshire Leisure Ltd.

Huw Hilditch-Roberts – Item 9 – declared a personal interest as he is a Board Member of Denbighshire Leisure Ltd.

Bobby Feeley – Item 9 – declared a personal interest as she is a Board Member and Chair of Denbighshire Leisure Ltd.

At this juncture the Chair offered condolences to Councillor Christine Marston whose husband had recently passed away.

Condolences were also offered to Councillor Brian Blakeley whose brother had recently passed away.

Congratulations to Councillor Brian Blakeley who celebrated his 80<sup>th</sup> Birthday yesterday.

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

No urgent items.

- (a) Petition handed in from Cllr Mabon ap Gwynfor the petition related to the demand for nursery provision in the Llandrillo community and had gathered over 600 signatures. The Chair received the petition and confirmed he would pass it on to the relevant department.
- (b) Question put forward by Rhys Thomas The Ruthin Independent School is not under Local Authority control. If it was, our officers would have acted at once and, if necessary, there would have been suspensions and sackings at the school. They are not meeting their safeguarding responsibility. Our own officers are caring and competent in the work they do. Can we please be told what are our corporate responsibilities concerning the safeguarding of the children that attend the Ruthin Independent School and what actions have we so far taken?

**Response** by Councillor Huw Hilditch-Roberts – there is legislation, which directs the operation of independent schools, which is obviously different to that of our own local authority schools. Regulation under the Education Act 2002 sets out the standards all independent schools must adhere to as conditions of the registration. This includes condition around welfare, health, safety of pupils and condition related to the suitability of the proprietors and staff.

All independent schools must be registered with Welsh Government. If an independent school fails to meet a condition of the registration, the Welsh Government, not the local authority, has the power to remove the registration.

No independent school can operate legally within Wales without meeting the conditions of the registration.

Independent schools are inspected by Estyn and if they have a boarding provision, by Care Inspectorate Wales (CIW).

If an independent school fails to meet conditions of registration, the Welsh Government will require the school to take certain steps to address the concerns. The process may include consultation with Estyn, CIW and may be inspected by both. If Welsh Government remains dissatisfied, notice will be given of removal of the registration, subject to appeal. So, in effect, the school can be closed.

Independent schools must adhere to the requirements of the Social Services and Wellbeing Act. The local authority has a duty to manage the process relating to this, act in partnership with other bodies regarding safeguarding and child protection concerns. However, an independent school only has to have regard to the recommendations of the local authority, an independent school is not maintained by the local authority. We talk about our officers and their involvement in this, it has been really difficult until now to speak regarding this publicly.

We have been involved with Ruthin School since April 2018. We first escalated safeguarding concerns about Ruthin School to Welsh Government, Estyn and CIW in April 2018. Myself, Karen I Evans and Nicola Stubbins have been involved with this process. This led to an unannounced joint inspection by Estyn and CIW in May 2018.

Further safeguarding concerns were raised and referred to us in May 2019. We escalated these concerns to the Welsh Government, Estyn and CIW and a subsequent unannounced inspection took place in November 2019, hence the report last week and the surrounding press which had arisen from it.

I have every confidence in our officers and our partners who have worked with us along the way on this journey. I am really pleased to see the recommendations which have been made by CIW and I urge Ruthin School to take the appropriate and decisive action. Safeguarding of children is really important and we must ensure every child is safe in our communities.

**(c) Question** put forward by Councillor Glenn Swingler – Following on from Kingdom Securities, we are interested in knowing how District Enforcement Ltd., are performing now that they have been active for a month. Can we have brief details of how many fines have been issues, for what offences and in which parts of the county?

**Response** by Councillor Mark Young – District Enforcement Ltd., went "live" on 4 December 2019.

Between 4 December 2019 and 22 January 2020, there had been 147 Fixed Penalty Notices issued (approximately 3 per day).

In addition to the enforcement activity, District Enforcement have:

- > Issued approximately 750 free dog bags to shops and dog owners in public areas:
- Given out 500 stubby bags to smokers;
- Advice and warnings provided to the public throughout duty time but not necessarily logged. Officers speak to members of the public throughout the day. There is a great deal of interest from the general public due to the colour of the uniform and the resumption of officer presence;
- Dog order signs replaced and additional signs circulated in problem areas with further reviews of dog frequented areas – requested by Councillors and also DCC staff;
- Yellow chalk spraying for public information in areas where officers have patrolled and identified poor dog fouling clean up;
- Greater patrolling of promenade areas and exclusion areas;
- Final arrangements of school deployments with Education Service for presentations by District officers in conjunction with Keep Wales Tidy. Estimated commencement for the presentations post half term holidays;

- ➤ Waiting for invitations to speak to public associations and organisations of all ages any assistance with this element would be grateful;
- Daily briefings are held with Tim Wynne Evans and the Team Manager

A Working Group is to be set up, on which Councillor Mark Young will be Chair, with a representative from each Member Area Group, and officers. The Group will meet quarterly to discuss progress, good practice and any issues or concerns regarding the contract. Regular activity statistics can also be circulated to all members via the Member Area Group meetings.

We are also happy to attend Scrutiny Committee as and when required by members.

**Supplemental Question** put forward by Councillor Glenn Swingler – Are any of the operatives Welsh speakers?

**Response** by Councillor Mark Young – We abide by the law and support Welsh speakers. At the moment, none of the officers are Welsh speakers but members of the public can request to speak to someone in Welsh.

(d) Question put forward by Councillor Mabon ap Gwynfor – Is it possible to have an update on this Authority's gritting policy please?

**Response** by Councillor Brian Jones – The gritting policy is on the Denbighshire County Council website and other social media outlets. The policy covers the main classified roads, the A and B roads, the principal bus routes, access for police, fire, hospital, primary school routes are safeguarded, villages and communities. It also extends to shopping areas and areas where it is known there are traditional issues, such as exposed areas, steep gradients etc.

In the past, teams have gone the extra mile and have made access to residents in rural areas for hospital appointments and other similar issues.

**Supplemental Question** put forward by Councillor Mabon ap Gwynfor – I appreciate the work which has been done by the gritters. Occasionally, some do work harder than expected. It appears occasionally that the rural communities are exempt and that the gritters do not reach the roads in the rural areas because priority is given to the main roads and B roads. This means that some rural communities are isolated and the people living in those communities cannot even get to the main road to get to work. Is it possible to ensure that every community is fully gritted so that everyone can get to their place of work safely?

**Response** by Councillor Brian Jones – the A and B roads are prioritised. Rural areas do get cut off but there is communication there and if there are

any emergencies, they will be dealt with on a case by case basis, but you cannot grit every road in the county within an hour.

We can look at it and come back to you but I am confident and know the officers and, more importantly, the workforce, are committed when we get spells of bad weather. Rest assured officers are aware of the issues.

#### 4 CHAIRMAN'S DIARY

A list of civic engagements undertaken by the Chair and Vice-Chair for the period 5 October 2019 to 20 December 2019 had been circulated prior to the meeting.

**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 15 October 2019 were submitted.

Matters Arising – page 8 – Councillor Peter Scott thanked the Lead Member for Planning, Public Protection and Safer Communities, Councillor Mark Young for the granting of a weeks' extension to the consultation of the gypsy site.

**RESOLVED** that, subject to the above, the minutes of Full Council held on 15 October 2019 be confirmed as a correct record and signed by the Chair.

#### 6 BUDGET 2020/21 - FINAL PROPOSALS

The Lead Member for Finance, Performance and Strategic Assets, Councillor Julian Thompson-Hill, introduced the Budget 2020/21 – Final Proposal report (previously circulated).

The Council was 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.

The Draft Local Government Settlement for 2020/21 had been received on 16 December 2019 and resulted in a positive settlement of +4.3%, which was also the Welsh average position. The Final Settlement was expected on 25 February 2020 but Welsh Government had indicated there should be very few changes.

As part of the settlement there were "transfers in" of £1.794m mainly relating to grant transfers for part year for Teachers Pay and Teachers Pension Grant. The full year effect of the grants need to be funded from the general settlement.

The final proposals to balance the 202/21 budget were shown in the extract from the Council's Medium Term Financial Plan in Appendix 1 to the report. The main points were as follows:

- Pay pressures of £1.124m
- Price and energy inflation of £250k

- Fire Service levy of £93k
- Allowance for increase in Council Tax Reduction Scheme of £350k
- Schools inflationary pressures recognised amounting to £2.852m
- Schools demographic pressure of £716k
- £2.6m to recognise demand pressures and forecasts in Community Support Services as part of the council's long term strategy to manage care budgets
- £1.546m recognised existing pressures in Education and Children's Services relating to Out of County Placements and Recoupment
- £1.4m pressures in Waste Services had been recognised based on in year pressures
- A further £600k pressure recognised relating to School Transport
- £529k pressure had been included to fund Corporate Plan Priorities
- In light of the scale of pressures a contingency of £358k had been included.

The impact of using £2m of cash in 2019/2020 (which had the effect of just delaying the need to identify savings) meant that the total shortfall amounted to £14.418m.

The +4.3% settlement generated £6.219m additional revenue, leaving a funding gap of £8.199m. To bridge the gap, the following items had been included in the proposals:

- £2m savings had been included due to the triennial actuarial review of the Clwyd Pension Fund
- Service saving proposals which had been intensely scrutinised by the Budget Board had been circulated to elected members in December 2019.
   All proposals would require delegated decisions, either to heads of service or lead members and, therefore, no specific Cabinet or Council decisions were required. The proposals contribute £1.756m in total
- School had been requested to find 1% efficiency savings £692k.
- £685k of the cash, which had already been earmarked to help smooth the budget reductions, be used for 2020/2021. The original figure had been £1.085m
- Council Tax increase by 4.3% which would generate £2.298m additional revenue
- The Council Tax Base had increased more than expected which meant that additional Council Tax of £486k was projected. The Base also impacted on the Revenue Support Grant and this had benefitted the council by £282k

In addition, the reduction in the requirement for cash would result in £400k remaining in the Budget Mitigation Reserve which was recommended to be released to help fund the initial stages of the Zero Carbon Target project and the pressures relating to Ash die-back (proposal to allocate £200k to each project). This funding would allow the projects to produce detailed spending plans which could be considered and incorporated in next year's budget considerations.

Councillor Graham Timms expressed his disagreement to the reduction of council tax from 4.8% to 4.3% and proposed an amendment to recommendation 3.3 as follows:

3.3 that Council approve the average Council Tax rise of 4.8% proposed and the extra revenue used to support council work on climate change and ecological emergency.

Councillor Timms explained that the amended proposal would increase council tax by £6.64 per year on an average band D house. Councillor Brian Blakeley seconded the amendment.

Discussions took place and the following points were raised:

- The amendment would affect those working families who were already struggling financially. 25% of residents were in receipt of the council tax reduction scheme.
- The Welsh Government (WG) needed to provide funding for the Climate Change Scheme. WG had awarded £21m to Cardiff for clean air and it was the consensus of opinion that funding should be given in North Wales.
- It was confirmed WG and the UK Government would provide funding, but currently it was not clear what the funding would be.
- It was stated that the WG priority would be the NHS.
- Plans were required for 5-10 years' time to allow people's habits and practices to change. Education was important to enable younger people to be more aware of the implications of climate change.

The Chief Executive clarified that the Welsh Government Local Framework was expected in March 2020, but would come with additional costs. A scoping action plan was to be agreed, and work was taking place regionally through the Public Services Board (PSB). Therefore, there was an expectation for the WG to have a fully costed plan to deliver significant costs.

Councillor Graham Timms expressed the urgency to make changes immediately as the council only had 10 years until the 2030 deadline.

A vote on the proposed amendment was to take place and Councillor Graham Timms requested a recorded vote. As required, more than one sixth of those present supported a recorded vote.

The recorded vote was as follows:

#### In favour of proposed amendment:

Councillors Mabon ap Gwynfor, Brian Blakeley, Ellie Chard, Meirick Lloyd Davies, Rachel Flynn, Alan James, Gwyneth Kensler, Barry Mellor, Paul Penlington, Peter Prendergast, Arwel Roberts, Graham Timms, Cheryl Williams and Emrys Wynne.

#### **Against proposed amendment:**

Councillors Ann Davies, Gareth Davies, Hugh Evans, Peter Evans, Bobby Feeley, Tony Flynn, Huw Hilditch-Roberts, Hugh Irving, Brian Jones, Tina Jones, Geraint Lloyd-Williams, Richard Mainon, Christine Marston, Melvyn Mile, Anton Sampson, Peter Scott, Glenn Swingler, Tony Thomas, Andrew Thomas, Rhys Thomas, Julian Thompson-Hill, Joe Welch, David G. Williams and Mark Young.

Therefore, the proposed amendment failed.

A vote then took place on the substantive recommendation as follows:

In Favour – 24 Abstain – 0 Against – 12

#### **RESOLVED** that Council:

- (i) Note the impact of the Draft Local Government Settlement 2020/21
- (ii) Approves the proposals outlined in Appendix 1, and detailed in Section 4, in order to finalise the budget for 2020/2021
- (iii) Approve the average Council Tax rise of 4.3% proposed
- (iv) Delegate authority to the Head of Finance and Property in consultation with the Lead member for Finance to adjust the use of cash included in the budget proposals by up to £500k if there is movement between the draft and final settlement figures in order to allow the setting of Council Tax in a timely manner
- (v) Confirms that it has read, understood and taken account of the Well-being Impact Assessment.

#### 7 COUNCIL TAX REDUCTION SCHEME 2020/21

The Lead Member for Finance, Performance and Strategic Assets introduced the Council Tax Reduction Scheme 2020/202.

The Welfare Reform Act 2012 contained provisions to abolish council tax benefit in its then 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, had 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 had finalised both sets of regulations on 2 December 2019 and the new Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and amendments Regulations 2020, were required to be adopted by 31 January 2020.

#### **RESOLVED** that:

- Members adopt the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and the Prescribed Requirements (Wales) Amendments Regulations 2020, in respect of the 2020/2021 financial year.
- Members approve the 3 discretionary elements of the scheme, shown in section 4.2, for 2020/2021

#### 8 THE REAL LIVING WAGE

The Lead Member for Finance, Performance and Strategic Assets introduced the Real Living Wage report (previously circulated).

Council originally considered the implications of paying the Real Living Wage in December 2018 and it was requested that a further report be submitted in December 2019. The report was to inform council of the recommendations of the Real Living Wage Foundation and the outcome of the national pay negotiations and, if there was a differential between the two, decide whether or not to pay the Real Living Wage to staff in the following financial year.

The Real Living Wage, as of 1 November 2019 was increased to £9.30 per hour for workers over the age of 18. A higher rate of pay would be required in London to reflect the higher living costs. The rate was set annually by the Living Wage Foundation and Loughborough University's Centre for Research.

From 1 April 2019, the council had been paying the equivalent of the Real Living Wage to employees on Spinal Column Point (SCP) 1 of £9.00 per hour. As stated above, the Real Living Wage was reviewed in November of each year, so therefore, currently paying 30p per hour under the current Real Living Wage.

The National Employers for Local Government Services and Trade Unions were currently in negotiations as to the cost of living increase for April 2020, and indications were it was unlikely to have any updates until after April 2020.

Becoming an accredited Living Wage Employer meant that the organisation would be duty bound to pay any increase in pay within six months of it being set, regardless of their financial position or means to do so.

During discussion, the following points were raised:

- It was confirmed that outsourced services eg: Civica and Denbighshire Leisure Ltd., staff met the Denbighshire County Council pay and employment policies.
- It was agreed funding would be required to become an accredited Real Living Wage Employer. The Lead Member for Finance, Performance and Strategic Assets and the Leader confirmed they would put this point forward to the WLGA.

A further updated report would be presented at a future Full Council meeting. The Pay Policy was required to be presented at Full Council before the end of March but there was uncertainty as to whether the pay negotiations would be concluded by then. If pay negotiations were not concluded by then, a separate report would be presented.

#### **RESOLVED** that:

- (i) Council note the estimated cost implications of paying the Real Living Wage and becoming a Real Living Wage employer
- (ii) Council agreed to wait for the National Pay Agreement in April 2020 or such time as finally agreed

# 9 IMPLEMENTATION OF AN ALTERNATIVE DELIVERY MODEL (ADM) FOR VARIOUS LEISURE RELATED ACTIVITIES/FUNCTIONS: APPOINTMENT OF INDEPENDENT DIRECTORS

Councillor Peter Prendergast declared a personal interest as he is a Director of Denbighshire Leisure Ltd.

Councillor Bobby Feeley declared a personal interest as she is a Board Member and Chair of Denbighshire Leisure Ltd.

Councillor Huw Hilditch-Roberts declared personal interest as he is a Board Member of Denbighshire Leisure Ltd.

Councillor Bobby Feeley introduced the Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions: Appointment of Independent Directors report (previously circulated).

Council appointed Councillors Brian Blakeley, Hugh Irving and Graham Timms to sit on the recruitment panel. Unfortunately, Councillors Brian Blakeley and Graham Timms were unable to attend the interviews and further nominations were sought via group leaders, at relatively short notice, for other members to sit on the interviews. As a result, Councillor Mark Young was nominated and attended at the interviews with Councillor Hugh Irving, supported by the Managing Director, the Corporate Director and HR. The interviews were observed by Councillor Bobby Feeley in her capacity as Chair of the Board of Directors of the Company.

Three candidates were selected for interview but one withdrew. There were, therefore, two remaining candidates.

The two candidates recommended to council for appointment were Paul McGrady in respect of the Independent Director role with finance and commercial experience, and Sian Rogers in respect of the Independent Director role with community development experience.

Members were given the resume of experience of both candidates.

Following discussion, it was:

**RESOLVED** that the Council formally appoints Paul McGrady and Sian Rogers as Independent Directors to sit on the Board of Directors of Denbighshire Leisure Limited.

## 10 AVOIDANCE AND REDUCTION OF PLASTICS IN DENBIGHSHIRE COUNTY COUNCIL OFFICES

Councillors Hugh Irving and Emrys Wynne introduced the Avoidance and Reduction of Plastics in Denbighshire County Council Offices report (previously circulated).

At Council in July 2018, as a result of a Notice of Motion, it was resolved to support the principle of the Council reducing its use of plastic and that a Member Task and Finish Group consider the issues, and report to Performance Scrutiny Committee before reporting back to Council.

Council was required to consider the work of the Task and Finish Group as supported by Performance Scrutiny Committee.

The following actions to the first response of reduction in the use of plastics in Council buildings were as follows:

- Remove all water coolers carbon filters to be fitted to water taps
- Remove all tea/coffee machines in council offices
- Remove all vending machines completely.

It was queried as to why the tea/coffee machines had to be removed rather being able to use china mugs/travel mugs. It was confirmed that individual plastic containers of milk and plastic stirrers would be required which was what the Council were trying to move away from.

If the recommendations were to be approved, the Task and Finish Group would then look into detail regarding the reduction of plastic in school catering and more widely through the use of the procurement processes.

**RESOLVED** that Council considers the findings of the Task and Finish Group as supported by the Performance Scrutiny Committee:

- (i) approves the recommendations and Action Plan (Appendix 1) in order to demonstrate that the Council is taking a community lead in reducing the use of plastics
- (ii) supports the continuation of the Task and Finish Group for a further 12 months with a view to proposing further actions to reduce the Council's use of plastic in the areas of:
  - a. school catering, and
  - b. procurement
- (iii) endorses the proposal that the avoidance and reduction of plastics within the Council be a work stream linked to the wider Climate Change and Ecological Emergency response.

## 11 CLIMATE AND ECOLOGICAL EMERGENCY - PROGRESS REPORT ON COUNCIL MOTION

Councillors Brian Jones and Graham Timms introduced the Climate and Ecological Emergency – Progress Report on Council Motion report (previously circulated).

At this juncture, the Chair thanked members of Friends of the Earth who were in attendance to offer their support to the Council.

The Climate and Ecological Emergency Notice of Motion was unanimously passed by Council on 2 July 2019 and committed the Council to a set of actions contained within it.

A range of activity had been delivered by the Council to contribute to the climate change and ecological improvement ambitions. It included work delivered under and across the existing Corporate Plan, which included an "Environment" priority.

The following examples were given of how the Council had been and would be reducing carbon, increasing carbon sequestration and improving ecology:

- Energy reduction programme in council buildings
- On-going rationalisation of the corporate estate
- Council housing energy efficiency work and new build council housing being constructed to "A" or "Passivhaus" standards
- Tree planting and natural flood management
- New fleet strategy (electric first) being rolled out along with electric charging points
- Using council land and verges as green space for biodiversity
- Staff flexible, home and remote working policies and practices
- New buildings to BREAM excellent standards
- All electricity used to be purchased from renewable sources
- Renewable energy generation in or on our buildings has doubled and is growing
- Invested in and now open two energy-from-waste plants.

A cross party political Working Group had been set up chaired by Councillor Graham Timms.

A public meeting had been organised to take place on 25 February 2020 where members of the public, representatives from environmental improvement community and school groups could give their ideas to feed into the Council's developing plans. The meeting would be webcast to enable more involvement with the residents of the county.

During discussions the following points were raised:

- It was the consensus of opinion that Welsh Government should provide funding to local authorities to enable them to work towards being carbon neutral by 2030.
- Issues regarding electric cars were raised. For example, if everyone needed to charge cars at a similar time of day, the impact on the national grid would be overwhelming. Also electric car batteries were extremely expensive to replace and what would happen to the old batteries?
- Was there any possibility of hydrogen cars?
- The Leader asked the question if the project was too big for the Working Group. Cllr Graham Timms responded that it made sense for the Working Group to work through issues for at least the next six months.
- It was confirmed that school pupils visited a new housing development in Llanbedr which had air source heating. The pupils had been extremely impressed with the development.
- Cllr Brian Jones informed the meeting of a proposed North Wales tidal lagoon which would benefit the coastal area from the Little Orme in Llandudno to past Prestatyn and alleviate flooding.

- The Chief Executive confirmed that "remote attendance" at meetings had been included within the recent Local Government Bill.
- Cllr Brian Jones confirmed an official response would be sent to the Friends of the Earth who handed out fact sheets at the meeting.
- Scoping exercises needed to take place. Further work was required to prepare the council to apply for funding from the Welsh Government.

#### **RESOLVED** for:

- Council to note the progress made by the Climate and Ecological Emergency cross-party Working Group and the proposal to implement a programme management structure by 31 March 2020 to deliver on our ambitions as set out in the Motion
- Council to note the imminent (01.04.2020) Welsh Government requirement on scope and reduction of carbon emissions which will form the basis of our action plans
- Council to note the date for a public meeting (25.02.2020) to gather public ideas to feed into on our developing plans

#### 12 NOTICE OF MOTION

Councillor Julian Thompson-Hill put forward the following Notice of Motion on behalf of himself, Councillor Gwyneth Kensler and Councillor Brian Blakeley for consideration by Full Council:

- to require all public firework displays within the local authority boundaries to be advertised in advance of the event, allowing residents to take precautions for their animals and vulnerable people;
- to actively promote a public awareness campaign about the impact of fireworks on animal welfare and vulnerable people – including the precautions that can be taken to mitigate risks;
- to write to the Welsh Government urging them to utilise any levers at their disposal to mitigate any negative impacts on animals and vulnerable people of the hosting of firework displays;
- to write to the UK Government urging them to introduce legislation to limit the maximum noise level of fireworks to 90dB for those sold to the public for private displays;
- to encourage local suppliers of fireworks to stock "quieter" fireworks for public display.

Following a short discussion, it was agreed that the three Councillors work together with Councillor Mark Young and officers regarding the Notice of Motion.

It was confirmed that the wording in the first bullet point of the Notice of Motion be changed to read "to encourage all public firework displays ......"

The vote took place as follows:

In favour – 26 Abstain – 1 Against – 0

#### **RESOLVED** that this Council:

- to encourage all public firework displays within the local authority boundaries to be advertised in advance of the event, allowing residents to take precautions for their animals and vulnerable people;
- to actively promote a public awareness campaign about the impact of fireworks on animal welfare and vulnerable people including the precautions that can be taken to mitigate risks;
- to write to the Welsh Government urging them to utilise any levers at their disposal to mitigate any negative impacts on animals and vulnerable people of the hosting of firework displays;
- to write to the UK Government urging them to introduce legislation to limit the maximum noise level of fireworks to 90dB for those sold to the public for private displays;
- to encourage local suppliers of fireworks to stock "quieter" fireworks for public display.

#### 13 NOTICE OF MOTION

Councillor Barry Mellor put forward the following Notice of Motion on behalf of Councillor Joan Butterfield, who was unable to attend the meeting, for consideration by Full Council:

This local authority notes that since being established in 2006, Show Racism the Red Card (Wales) has worked with over 150,000 young people in Wales. Show Racism the Red Card education workers have witnessed for some years now growing anti- immigrant sentiment and anti-Muslim hatred to add to the older more established types of racism. They have become increasingly worried about the way in which migrant communities are being demonised for social problems which have varied and complex causes.

#### This council notes that:

- ➤ Hate crime continues to increase across the UK with racially and religiously motivated hate crime accounting for over 80% of all hate crime in Wales.
- The majority of referrals to Wales Extremism & Counter-Terrorism Unit (WECTU) are of individuals between 15 and 20 years of age.
- An NSPCC investigation found that Welsh Police Forces have logged nearly 600 race hate offences against children over a 3-year period (2015 to 2018), with 240 of these crimes recorded last year (17/18), with toddlers and babies among the victims.
- ➤ The charity surveyed 1,000 teachers and school support staff during Spring Term 2019 with results showing that 1 in 4 respondents had observed, responded to or had a pupil report racial discrimination in the previous 12 months.

This Council therefore resolves to: -

- Consider the results of our 2019 survey as part of the councils Strategic Equality Plan
- Consider commissioning the Show Racism the Red Card schools programme that will educate young people and teachers on addressing local issues
- ➤ Commit to adhering to best practise that 'schools should report and record all incidents of racism and report to councils annually' Estyn/WAG.

During discussion the following points were raised:

- Schools were doing everything possible to eradicate racism but hate crime was not only in schools but in all aspects of society.
- It was agreed that parents and grandparents needed to take responsibility to educate their children and grandchildren regarding racial matters.
- The Welsh Government were carrying out a piece of work to reduce hate crime. As a local authority, DCC were doing as much as they could to reduce hate crime but required funding from the Welsh Government.

At this juncture, Councillor Richard Mainon proposed an amendment, seconded by Councillor Ann Davies. The amendment was to change the first part of the resolution to "Consider the results of our 2019 survey" rather than "Consider the result of our 2019 survey as part of the council's Strategic Equality Plan".

A vote took place on the amendment as follows:

In favour – 15 Abstain – 4 Against – 7

Therefore, the amendment was carried and the substantive Motion was amended.

A vote on the amended substantive Motion then took place as follows:

In favour – 25 Abstain – 1 Against – 1

It was:

#### **RESOLVED** that this Council:

- Consider the results of our 2019 survey
- Consider commissioning the Show Racism the Red Card schools programme that will educate young people and teachers on addressing local issues
- > Commit to adhering to best practise that 'schools should report and record all incidents of racism and report to councils annually' Estyn/WAG.

#### 14 NOTICE OF MOTION

Councillor Rhys Thomas put forward the following Notice of Motion for consideration by Full Council:

"In relation to the Local Government (Wales) Bill and the recent member training on this subject, we ask that this council attempts to take the lead in attempting to attract as diverse a group of citizens as possible to engage with the local democratic process.

To this end, we ask that the Chief Executive and senior officers report back to this full Council in 12 months' time with a plan of action as to how a more diverse range of citizens can be encouraged to stand for the council at the next county council elections.

We believe that the steps outlined in the Local Government Bill do not go far enough and that Denbighshire could lead the way in promoting citizen engagement in the important role played by county councils."

During discussion it was agreed that it was not appropriate for the Chief Executive and officers to bring back a report but that the Lead Member for Corporate Services and Strategic Direction would present a report in 12 months. Therefore, an amendment to the Notice of Motion stating this was put forward.

A vote on the amendment too place as follows:

In favour – 27 Abstain – 0 Against – 0

Therefore, the amendment was passed and a vote on the amended substantive Notice of Motion took place as follows:

In favour – 24 Abstain – 0 Against – 0

#### RESOLVED that:

In relation to the Local Government (Wales) Bill and the recent member training on this subject, we ask that this council attempts to take the lead in attempting to attract as diverse a group of citizens as possible to engage with the local democratic process.

To this end, we ask that the Lead Member for Corporate Services and Strategic Direction, report back to this full Council in 12 months' time with a plan of action as to how a more diverse range of citizens can be encouraged to stand for the council at the next county council elections.

We believe that the steps outlined in the Local Government Bill do not go far enough and that Denbighshire could lead the way in promoting citizen engagement in the important role played by county councils

#### 15 NOTICE OF MOTION

Councillor Rachel Flynn, in support of the Plastic Free Prestatyn Group, put forward the following Notice of Motion for consideration by Full Council:

- Council must lead by example to remove single use plastic items from their premises
- Council to encourage plastic-free initiatives, promoting the campaign and supporting events
- A representative of the council must be named on the plastic free community steering group

A vote took place as follows:

In favour – 25 Abstain – 0 Against – 0

#### **RESOLVED** that:

- Council must lead by example to remove single use plastic items from their premises
- Council to encourage plastic-free initiatives, promoting the campaign and supporting events
- > A representative of the council must be named on the plastic free community steering group

#### 16 COUNTY COUNCIL FORWARD WORK PROGRAMME

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

**RESOLVED** that the Council and Council Briefing Forward Work Programmes be approved and noted.

The meeting concluded at 2.05 p.m.



## Agenda Item 5



Report to County Council

**Date of meeting** 25 February 2020

Lead Member / Officer Councillor Julian Thompson-Hill / Steve Gadd, Head of Finance

and Property

**Report author** Steve Gadd, Head of Finance and Property

Title Council Tax 20/21 and Associated Matters

## 1. What is the report about?

In adopting the resolutions of the Council budget meeting of the 28 January 2020 it is necessary for the Council to pass further resolutions in a particular form to ensure that the Council Tax and its associated matters are legally valid.

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

A decision is required to set the levels of Council Tax for 2020/21.

#### 3. What are the Recommendations?

- 3.1. It is necessary for the County Council, as the Billing Authority, to consider the precepts received from the Police & Crime Commissioner for North Wales and the Town/Community Councils and declare the Council Tax levels for the 2020/21. financial year.
- 3.2. It is recommended that the amounts calculated by the Council for the 2020/21 financial year, in accordance with Sections 32 to 34 (1) of the Local Government Finance Act 1992 (the Act) and Alteration of Requisite Calculations (Wales) Regulations 2008 be as Appendix A section 3.
- 3.3. It is recommended that the amounts calculated by the Council for the 2020/21 financial year, in accordance with Sections 34 (2) to 36 (1) of the Local Government Finance Act 1992 (the Act) be as Appendix A section 4.

- 3.4. That the amounts of Council Tax for the 2020/21 financial year for each of the categories of dwellings be as shown in Appendix C.
- 3.5. That the level of discount for Class A, B, and C as prescribed under the Council Tax (Prescribed Class of Dwellings) (Wales) Regulations 2004 be set at zero for the financial year 2020/21 with the caveat that this is dependent on no changes to legislation or local conditions.

## 4. Report details

Due to the requirement to approve the resolution and recommendations in the prescribed manner Appendix A contains the report details.

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

If the recommendations are not approved the Authority will be unable to raise Council Tax demands, therefore income required to fund Corporate Priorities will not be available.

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

The cost of raising and distributing Council Tax demands is met from within existing resources.

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

A wellbeing assessment for the Council Tax rise has been undertaken as part of the budget process and formed part of the budget papers presented to Full Council on 28 January 2020.

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

The level of Council Tax forms part of the budget set by the Council. In addition to regular reports to the Corporate Governance Committee, the budget process has been considered by CET, SLT, Cabinet Briefing and Council Briefing meetings. The School Budget Forum have been included in the proposals throughout the year. Trade Unions have been consulted through Local Joint Consultative Committee. This year also saw an engagement exercise with the public using social media. The proposals in this report have been considered by the Cabinet and Full Council approved the budget on 28 January 2020.

### 9. Chief Finance Officer Statement

The Council has a legal obligation to set a Council Tax. The regulations are prescriptive as to how this is to be done and this report meets those requirements.

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

The financial risk of being unable to collect Council Tax income. Collection rates are high and are monitored closely throughout the year.

### 11. Power to make the decision

The Local Government Finance Act 1992 and Alteration of Requisite Calculations (Wales) Regulations 2008.



#### Appendix A

#### 1.0 SETTING THE COUNCIL TAX FOR 2020/21

#### 1.1 Background.

At the Council meeting on the 28 January 2020 members considered and approved Cabinet's budget proposals and resulting impact on Council Tax for next financial year.

The main features of the proposal included:

- A positive settlement of +4.3% in the Council's Local Government revenue from Welsh Government.
- An increase in Welsh Government general capital funding of 3%.
- The provision of additional resources for the impact of some inflationary pressures.
- An increase in funding to schools of £2.876m.
- The provision of £4m in recognition of the continuing financial pressures facing adult and child social care provision.
- Further pressures of £2m within School Transport and Waste have been recognised.
- Inflationary pressures met by service savings of £1.8m; £2m savings due to the triennial actuarial review of the Clwyd Pension Fund; and increased Council Tax funding.
- Investment of £0.5m in priority areas.
- Use of £0.7m reserves (Budget Mitigation Reserve)
- Council also delegated authority to the Head of Finance and Property in consultation with the Lead Member for Finance to adjust the use of cash included in the budget proposals by up to £500k if there is movement between the draft and final settlement figures in order to allow the setting of Council Tax in a timely manner.

#### 1.2 Section 151 Officer's statement

In accordance with the requirements of the Local Government Act 2003 the observations of the Section 151 Officer on the budget for 2020/21 are required to be presented to members.

#### a) Robustness of Budget Estimates

The budget proposals for 2020/21 contain a level of financial estimates. This is due to the uncertainty around the future impact upon the Council of current economic events. A considered view has been taken on the level of funding that services require and on the amount and timing of efficiency savings.

I consider the budget proposals for 2020/21 to be sensible and robust.

#### b) Adequacy of Reserves

The level of general balances is stable and I consider they are broadly appropriate given the financial risks that the council faces. Adequate general balances are vital to protect the Council from unforeseen problems or invear emergencies. The 2020/21 budget has been set using £0.7m of specific reserves, if required. This is sustainable as a medium term measure but is not a permanent solution to funding a gap in the budget.

In adopting the resolutions of the Council meeting of the 28 January 2020 it will be necessary for the Council to pass certain further resolutions in a particular form so as to ensure that the Council Tax and its associated matters are legally valid. I attach a copy of the required resolutions and request that these be approved.

### 1.3 The average increase for Council Tax bills (based on Band D) payable is:

	2019/20	2020/21	Increase
	£	£	%
Denbighshire County Council	1,327.08	1,384.16	4.30
Police & Crime Commissioner for North Wales	278.10	290.61	4.50
Town/Community Councils (Average)	51.78	54.13	4.54
Total	1,656.96	1,728.90	4.34

#### 2.0 COUNCIL TAX RESOLUTION

It is necessary for the County Council, as the Billing Authority, to consider the precepts received from the Police & Crime Commissioner for North Wales *and* the Town/Community Councils and declare the Council Tax levels for the 2020/21 financial year.

#### 2.1 TOWN/COMMUNITY COUNCILS - PRECEPTS

The following precepts have been received:-

	2019/20	2020/21
	£	£
Aberwheeler	3,300	3,400
Betws Gwerfil Goch	2,901	3,233
Bodelwyddan	29,975	33,650
Bodfari	3,621	3,840
Bryneglwys	7,461	6,255
Cefn Meiriadog	3,600	5,100
Clocaenog	3,900	5,850
Corwen	42,500	48,633
Cyffylliog	7,050	7,755

4 986	4,986
•	225,522
•	6,000
· · · · · · · · · · · · · · · · · · ·	45,500
•	7,625
· · · · · · · · · · · · · · · · · · ·	3,568
•	16,212
•	22,440
•	15,000
	10,005
•	5,952
•	10,688
•	5,433
	31,227
11,502	15,165
141,225	143,600
3,500	4,000
12,504	12,120
10,200	10,506
9,450	9,000
5,500	5,500
485,515	492,800
92,150	147,430
543,423	553,611
142,830	149,250
88,264	92,758
6,304	4,887
11,310	11,631
2,066,252	2,180,132
	141,225 3,500 12,504 10,200 9,450 5,500 485,515 92,150 543,423 142,830 88,264 6,304 11,310

## 3.0 DENBIGHSHIRE COUNTY COUNCIL/TOWN AND COMMUNITY COUNCILS - INCOME AND EXPENDITURE

It is <u>recommended</u> that the amounts calculated by the Council for the 2020/21 financial year, in accordance with Sections 32 to 34 (1) of the Local Government Finance Act 1992 (the Act) and Alteration of Requisite Calculations (Wales) Regulations 2008 be as follows:-

£

- (a) The aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a) to 321,501,769 (e) of the Act.
- (b) The aggregate of the amounts which the Council estimates for the items set out in Section 32 (3) (a) to 111,019,637 (c) of the Act.

(c)	The amount by which the aggregate of Section 32 (2) above, exceeds the aggregate of Section 32 (3) above, calculated in accordance with Section 32 (4) of the Act, as its budget requirement for the year.	210,482,132
(d)	The aggregate amount which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates and revenue support grant less cost of discretionary non-domestic rate reliefs.	152,556,742
(e)	The amount at (c) above less the amount at (d) above, divided by council tax base for the year, 40,273.66, calculated by the Council in accordance with Section 33 (1) of the Act, (i.e. basic amount Council Tax).	1,438.29
(f)	The aggregate amount of all special items referred to in Section 34 (1) of the Act (Town/Community Council Precepts).	2,180,132
(g)	The amount at (e) above less the result given by dividing the amount at (f) above by the council tax base, calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relate.	1,384.16

# 4.0 DENBIGHSHIRE COUNTY COUNCIL/TOWN AND COMMUNITY COUNCILS - COUNCIL TAX

It is <u>recommended</u> that the amounts calculated by the Council for the 2020/21 financial year, in accordance with Sections 34 (2) to 36 (1) of the Local Government Finance Act 1992 (the Act) be as follows:-

(a) the amounts calculated in accordance with Sections 34 (2) and (3) of the Act as the <u>basic amounts</u> of its Council Tax for the year for dwellings in part of the Council's area:-

#### COUNCIL TAX 2020/21 BAND 'D'

<u>Community</u>	<u>County</u>	<b>Community</b>	<u>Total</u>		
	<u>Council</u>	<u>Precept</u>			
	£	£	£		
Aberwheeler	1,384.16	19.32	1,403.48		
Betws G G	1,384.16	19.48	1,403.64		
Bodelwyddan	1,384.16	39.68	1,423.84		
Bodfari	1,384.16	18.46	1,402.62		
Bryneglwys	1,384.16	35.14	1,419.30		

Cefn Meiriadog	1,384.16	24.17 1,408.33
Clocaenog	1,384.16	45.70 1,429.86
Corwen	1,384.16	48.20 1,432.36
Cyffylliog	1,384.16	33.00 1,417.16
Cynwyd	1,384.16	17.37 1,401.53
Denbigh	1,384.16	66.00 1,450.16
Derwen	1,384.16	25.75 1,409.91
Dyserth	1,384.16	41.06 1,425.22
Efenechtyd	1,384.16	25.59 1,409.75
Gwyddelwern	1,384.16	16.00 1,400.16
Henllan	1,384.16	42.00 1,426.16
Llanarmon yn Ial	1,384.16	37.91 1,422.07
Llanbedr D C	1,384.16	30.30 1,414.46
Llandegla	1,384.16	31.96 1,416.12
Llandrillo	1,384.16	18.04 1,402.20
Llandyrnog	1,384.16	20.96 1,405.12
Llanelidan	1,384.16	33.33 1,417.49
Llanfair D C	1,384.16	51.11 1,435.27
Llanferres	1,384.16	36.72 1,420.88
Llangollen Town	1,384.16	79.91 1,464.07
Llangynhafal	1,384.16	11.49 1,395.65
Llanrhaeadr Y C	1,384.16	24.00 1,408.16
Llantysilio	1,384.16	39.95 1,424.11
Llanynys	1,384.16	24.93 1,409.09
Nantglyn	1,384.16	32.54 1,416.70
Prestatyn	1,384.16	63.74 1,447.90
Rhuddlan	1,384.16	88.76 1,472.92
Rhyl	1,384.16	57.68 1,441.84
Ruthin	1,384.16	61.09 1,445.25
St. Asaph	1,384.16	61.88 1,446.04
Trefnant	1,384.16	7.07 1,391.23
Tremeirchion/ Cwm/Waen	1,384.16	17.39 1,401.55

(b) The amounts calculated in accordance with Section 36 (1) of the Act as the amounts to be taken into account for the year in respect of dwellings listed in different valuation bands. (Appendix B)

#### 5.0 Police & Crime Commissioner for North Wales - PRECEPT

The precept for the Police & Crime Commissioner for North Wales for 2020/21 is £11,703,928

In accordance with Section 40 of the Local Government Finance Act 1992, it is noted that the amounts applicable for the year in respect of dwellings listed in different valuation bands are as follows:-

#### **Valuation Bands**

A B C D E F G H I

£ £ £ £ £ £ £ £ £ £ £ £ £ 193.74 226.03 258.32 290.61 335.19 419.77 484.35 581.22 678.09

# 6.0 AGGREGATE COUNCIL TAX – 2020/21 (including Police & Crime Commissioner for North Wales)

Having calculated the aggregates in each case of the amounts at 4.0 and 5.0 above in accordance with Section 30 (2) of the Local Government Finance Act 1992, it is

#### RECOMMENDED

That the amounts of Council Tax for the 2020/21 financial year for each of the categories of dwellings be as shown in Appendix C.

7.0 PRESCRIBED CLASS OF DWELLINGS - THE COUNCIL TAX (PRESCRIBED CLASS OF DWELLINGS) (WALES) REGULATIONS 1998 - SI 1998/105

AS AMENDED BY PRESCRIBED CLASS OF DWELLINGS - THE COUNCIL TAX (PRESCRIBED CLASS OF DWELLINGS) (WALES) (AMENDMENT) REGULATIONS 2004

- 7.1 In Wales, Section 12 of the Local Government Finance Act 1992 creates a special class of property (prescribed class of dwellings) which allows a local billing authority to use its discretion in determining the level of discount to be awarded. If a dwelling meets certain criteria, then a billing authority can set the level of discount at either 25% or zero (i.e. no discount) for classes A & B, 50% or zero for class C.
- 7.2 The Council Tax (Prescribed Class of Dwellings)(Wales) Regulations 1998 as amended 2004, has with effect from 1st April, 2004 designated three classes of prescribed dwellings.

The classes are:-

#### Class A.

- a. A dwelling which is not the sole or main residence of an individual.
- b. Dwelling which is furnished.
- c. Occupation of the dwelling is prohibited by law for a continuous period of at least 28 days in the relevant year.
- d. Dwelling is not a mooring occupied by a boat or pitch occupied by a caravan.
- e. Dwelling is unoccupied and is managed by a personal representative in relation to the administration of a deceased person.

#### Class B

- a. A dwelling which is not the sole or main residence of an individual.
- b. Dwelling which is furnished.
- c. Occupation of the dwelling is not prohibited by law for a continuous period of at least 28 days in the relevant year.

- d. Dwelling is not a mooring occupied by a boat or pitch occupied by a caravan.
- e. Dwelling is unoccupied and is managed by a personal representative in relation to the administration of a deceased person.

#### Class C

- a. A dwelling which is unoccupied.
- b. A dwelling which is substantially unfurnished.
- 7.3 The difference between the classes A and B is the fact Class B has unrestricted occupation throughout 365 days a year whereas Class A is restricted to a maximum of 11 months occupation in a year. E.g. planning restriction as commonly applied to holiday chalets.
- 7.4 The main type of property covered by these regulations relate to furnished dwellings and not someone's sole or main residence e.g. second homes.
- 7.5 Class C was introduced to end the Council Tax discount for chargeable dwellings which are unoccupied and substantially unfurnished for periods greater than 6 months.

This allows the Authority to levy a full charge once the initial 6 month exemption period expires; this benefits Denbighshire residents in that

- a. The property owner would be contributing a full charge
- b. There is a financial incentive to the owner to occupy the property leading to.
  - The potential of increasing accommodation availability
  - The reduction in the number of empty properties in communities
- 7.6 In the year 2009/2010 the Council resolved not to award a discount to Class A, B or C for the remaining term of the Council with the caveat that this was dependant on, no changes to Legislation or local conditions. The purpose of this resolution enabled consistency in the calculation of the Tax Base, a shorter report and the reduction in the volumes of paper produced.

#### 7.7 IT IS RECOMMENDED

That the level of discount for Class A, B, and C as prescribed under the Council Tax (Prescribed Class of Dwellings) (Wales) Regulations 2004 be set at zero for the financial year 2020/21 being the term of this Council with the caveat that this is dependent on, no changes to Legislation or local conditions.



### Appendix B

# 2020/21 DENBIGHSHIRE COUNCIL COUNCIL

	COUNTY PRECEPT	COMMUNITY PRECEPT	TOTAL	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	BAND I
	£	£	£	£	£	£	£	£	£	£	£	£
ABERWHEELER	1,384.16		1,403.48			1,247.54						
BETWS G G	1,384.16		1,403.64		•	1,247.68	,	,	•	,		
BODELWYDDAN	1,384.16		1,423.84		•	1,265.64	,	,	•	,		
BODFARI	1,384.16		1,402.62		•	1,246.77	•	•	•	•		
BRYNEGLWYS	1,384.16		1,419.30			1,261.60						
CEFN MEIRIADOG	1,384.16		1,408.33			1,251.85						
CLOCAENOG	1,384.16		1,429.86			1,270.99						
CORWEN	1,384.16	48.20	1,432.36	954.91	1,114.06	1,273.21	1,432.36	1,750.66	2,068.96	2,387.27	2,864.72	3,342.17
CYFYLLIOG	1,384.16	33.00	1,417.16	944.77	1,102.24	1,259.70	1,417.16	1,732.08	2,047.01	2,361.93	2,834.32	3,306.71
CYNWYD	1,384.16	17.37	1,401.53	934.35	1,090.08	1,245.80	1,401.53	1,712.98	2,024.43	2,335.88	2,803.06	3,270.24
DENBIGH	1,384.16	66.00	1,450.16	966.77	1,127.90	1,289.03	1,450.16	1,772.42	2,094.68	2,416.93	2,900.32	3,383.71
DERWEN	1,384.16	25.75	1,409.91	939.94	1,096.60	1,253.25	1,409.91	1,723.22	2,036.54	2,349.85	2,819.82	3,289.79
DYSERTH	1,384.16	41.06	1,425.22	950.15	1,108.50	1,266.86	1,425.22	1,741.94	2,058.65	2,375.37	2,850.44	3,325.51
EFENECHTYD	1,384.16	25.59	1,409.75	939.83	1,096.47	1,253.11	1,409.75	1,723.03	2,036.31	2,349.58	2,819.50	3,289.42
GWYDDELWERN	1,384.16	16.00	1,400.16	933.44	1,089.01	1,244.59	1,400.16	1,711.31	2,022.45	2,333.60	2,800.32	3,267.04
HENLLAN	1,384.16	42.00	1,426.16	950.77	1,109.24	1,267.70	1,426.16	1,743.08	2,060.01	2,376.93	2,852.32	3,327.71
LLANARMON YN IAL	1,384.16	37.91	1,422.07	948.05	1,106.05	1,264.06	1,422.07	1,738.09	2,054.10	2,370.12	2,844.14	3,318.16
LLANBEDR D C	1,384.16	30.30	1,414.46	942.97	1,100.14	1,257.30	1,414.46	1,728.78	2,043.11	2,357.43	2,828.92	3,300.41
LLANDEGLA	1,384.16	31.96	1,416.12	944.08	1,101.43	1,258.77	1,416.12	1,730.81	2,045.51	2,360.20	2,832.24	3,304.28
LLANDRILLO	1,384.16	18.04	1,402.20	934.80	1,090.60	1,246.40	1,402.20	1,713.80	2,025.40	2,337.00	2,804.40	3,271.80
LLANDYRNOG	1,384.16	20.96	1,405.12	936.75	1,092.87	1,249.00	1,405.12	1,717.37	2,029.62	2,341.87	2,810.24	3,278.61
LLANELIDAN	1,384.16	33.33	1,417.49	944.99	1,102.49	1,259.99	1,417.49	1,732.49	2,047.49	2,362.48	2,834.98	3,307.48
LLANFAIR DC	1,384.16	51.11	1,435.27	956.85	1,116.32	1,275.80	1,435.27	1,754.22	2,073.17	2,392.12	2,870.54	3,348.96
LLANFERRES	1,384.16	36.72	1,420.88	947.25	1,105.13	1,263.00	1,420.88	1,736.63	2,052.38	2,368.13	2,841.76	3,315.39
LLANGOLLEN TOWN	1,384.16	79.91	1,464.07	976.05	1,138.72	1,301.40	1,464.07	1,789.42	2,114.77	2,440.12	2,928.14	3,416.16
LLANGYNHAFAL	1,384.16	11.49	1,395.65	930.43	1,085.51	1,240.58	1,395.65	1,705.79	2,015.94	2,326.08	2,791.30	3,256.52
LLANRHAEADR Y C	1,384.16	24.00	1,408.16	938.77	1,095.24	1,251.70	1,408.16	1,721.08	2,034.01	2,346.93	2,816.32	3,285.71
LLANTYSILIO	1,384.16	39.95	1,424.11	949.41	1,107.64	1,265.88	1,424.11	1,740.58	2,057.05	2,373.52	2,848.22	3,322.92
LLANYNYS	1,384.16	24.93	1,409.09	939.39	1,095.96	1,252.52	1,409.09	1,722.22	2,035.35	2,348.48	2,818.18	3,287.88
NANTGLYN	1,384.16	32.54	1,416.70	944.47	1,101.88	1,259.29	1,416.70	1,731.52	2,046.34	2,361.17	2,833.40	3,305.63
PRESTATYN	1,384.16	63.74	1,447.90	965.27	1,126.14	1,287.02	1,447.90	1,769.66	2,091.41	2,413.17	2,895.80	3,378.43
RHUDDLAN	1,384.16		1,472.92			1,309.26						
RHYL	1,384.16	57.68	1,441.84			1,281.64						
RUTHIN	1,384.16	61.09	1,445.25		•	1,284.67		,	•	,		
ST ASAPH	1,384.16		1,446.04			1,285.37						
TREFNANT	1,384.16		1,391.23		•	1,236.65		•	•	,		
TREMEIRCHION	1,384.16	17.39	1,401.55	934.37	1,090.09	1,245.82	1,401.55	1,713.01	2,024.46	2,335.92	2,803.10	3,270.28

### Appendix C

## 2020/21 DENBIGHSHIRE COUNCIL COUNCIL

	COUNTY PRECEPT	COMMUNITY PRECEPT	POLICE PRECEPT	TOTAL	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	BAND I
	£	£	£	£	£	£	£	£	£	£	£	£	£
ABERWHEELER	1,384.16	19.32	290.61	1,694.09	1,129.39	1,317.63	1,505.86	1,694.09	2,070.55	2,447.02	2,823.48	3,388.18	3,952.88
BETWS G G	1,384.16	19.48	290.61	1,694.25	1,129.50	1,317.75	1,506.00	1,694.25	2,070.75	2,447.25	2,823.75	3,388.50	3,953.25
BODELWYDDAN	1,384.16	39.68	290.61	1,714.45	1,142.97	1,333.46	1,523.96	1,714.45	2,095.44	2,476.43	2,857.42	3,428.90	4,000.38
BODFARI	1,384.16	18.46	290.61	1,693.23	1,128.82	1,316.96	1,505.09	1,693.23	2,069.50	2,445.78	2,822.05	3,386.46	3,950.87
BRYNEGLWYS	1,384.16	35.14	290.61	1,709.91	1,139.94	1,329.93	1,519.92	1,709.91	2,089.89	2,469.87	2,849.85	3,419.82	3,989.79
CEFN MEIRIADOG	1,384.16	24.17	290.61	1,698.94	1,132.63	1,321.40	1,510.17	1,698.94	2,076.48	2,454.02	2,831.57	3,397.88	3,964.19
CLOCAENOG	1,384.16	45.70			•		•	•	•		•	3,440.94	
CORWEN	1,384.16	48.20										3,445.94	
CYFYLLIOG	1,384.16	33.00										3,415.54	
CYNWYD	1,384.16	17.37										3,384.28	
DENBIGH	1,384.16	66.00										3,481.54	
DERWEN	1,384.16	25.75			•	•	•	•		•	•	3,401.04	•
DYSERTH	1,384.16	41.06	290.61	1,715.83	1,143.89	1,334.53	1,525.18	1,715.83	2,097.13	2,478.42	2,859.72	3,431.66	4,003.60
EFENECHTYD	1,384.16	25.59										3,400.72	
GWYDDELWERN	1,384.16	16.00	290.61	1,690.77	1,127.18	1,315.04	1,502.91	1,690.77	2,066.50	2,442.22	2,817.95	3,381.54	3,945.13
HENLLAN	1,384.16	42.00	290.61	1,716.77	1,144.51	1,335.27	1,526.02	1,716.77	2,098.27	2,479.78	2,861.28	3,433.54	4,005.80
LLANARMON YN IAL	1,384.16	37.91	290.61	1,712.68	1,141.79	1,332.08	1,522.38	1,712.68	2,093.28	2,473.87	2,854.47	3,425.36	3,996.25
LLANBEDR D C	1,384.16	30.30	290.61	1,705.07	1,136.71	1,326.17	1,515.62	1,705.07	2,083.97	2,462.88	2,841.78	3,410.14	3,978.50
LLANDEGLA	1,384.16	31.96	290.61	1,706.73	1,137.82	1,327.46	1,517.09	1,706.73	2,086.00	2,465.28	2,844.55	3,413.46	3,982.37
LLANDRILLO	1,384.16	18.04	290.61	1,692.81	1,128.54	1,316.63	1,504.72	1,692.81	2,068.99	2,445.17	2,821.35	3,385.62	3,949.89
LLANDYRNOG	1,384.16	20.96	290.61	1,695.73	1,130.49	1,318.90	1,507.32	1,695.73	2,072.56	2,449.39	2,826.22	3,391.46	3,956.70
LLANELIDAN	1,384.16	33.33	290.61	1,708.10	1,138.73	1,328.52	1,518.31	1,708.10	2,087.68	2,467.26	2,846.83	3,416.20	3,985.57
LLANFAIR DC	1,384.16	51.11	290.61	1,725.88	1,150.59	1,342.35	1,534.12	1,725.88	2,109.41	2,492.94	2,876.47	3,451.76	4,027.05
LLANFERRES	1,384.16	36.72	290.61	1,711.49	1,140.99	1,331.16	1,521.32	1,711.49	2,091.82	2,472.15	2,852.48	3,422.98	3,993.48
LLANGOLLEN TOWN	1,384.16	79.91	290.61	1,754.68	1,169.79	1,364.75	1,559.72	1,754.68	2,144.61	2,534.54	2,924.47	3,509.36	4,094.25
LLANGYNHAFAL	1,384.16	11.49	290.61	1,686.26	1,124.17	1,311.54	1,498.90	1,686.26	2,060.98	2,435.71	2,810.43	3,372.52	3,934.61
LLANRHAEADR Y C	1,384.16	24.00	290.61	1,698.77	1,132.51	1,321.27	1,510.02	1,698.77	2,076.27	2,453.78	2,831.28	3,397.54	3,963.80
LLANTYSILIO	1,384.16	39.95	290.61	1,714.72	1,143.15	1,333.67	1,524.20	1,714.72	2,095.77	2,476.82	2,857.87	3,429.44	4,001.01
LLANYNYS	1,384.16	24.93	290.61	1,699.70	1,133.13	1,321.99	1,510.84	1,699.70	2,077.41	2,455.12	2,832.83	3,399.40	3,965.97
NANTGLYN	1,384.16	32.54	290.61	1,707.31	1,138.21	1,327.91	1,517.61	1,707.31	2,086.71	2,466.11	2,845.52	3,414.62	3,983.72
PRESTATYN	1,384.16	63.74	290.61	1,738.51	1,159.01	1,352.17	1,545.34	1,738.51	2,124.85	2,511.18	2,897.52	3,477.02	4,056.52
RHUDDLAN	1,384.16	88.76	290.61	1,763.53	1,175.69	1,371.63	1,567.58	1,763.53	2,155.43	2,547.32	2,939.22	3,527.06	4,114.90
RHYL	1,384.16	57.68	290.61	1,732.45	1,154.97	1,347.46	1,539.96	1,732.45	2,117.44	2,502.43	2,887.42	3,464.90	4,042.38
RUTHIN	1,384.16	61.09	290.61	1,735.86	1,157.24	1,350.11	1,542.99	1,735.86	2,121.61	2,507.35	2,893.10	3,471.72	4,050.34
ST ASAPH	1,384.16	61.88	290.61	1,736.65	1,157.77	1,350.73	1,543.69	1,736.65	2,122.57	2,508.49	2,894.42	3,473.30	4,052.18
TREFNANT	1,384.16	7.07	290.61	1,681.84	1,121.23	1,308.10	1,494.97	1,681.84	2,055.58	2,429.32	2,803.07	3,363.68	3,924.29
TREMEIRCHION	1,384.16	17.39	290.61	1,692.16	1,128.11	1,316.12	1,504.14	1,692.16	2,068.20	2,444.23	2,820.27	3,384.32	3,948.37

# Agenda Item 6



Report to Council

**Date of meeting** 25<sup>th</sup> February 2020

Lead Member / Officer Julian Thompson-Hill

**Report author** Steve Gadd, Head of Finance and Property

Title Capital Plan 2019/20 – 2022/23 and Recommendations of the

Strategic Investment Group

# 1. What is the report about?

The report updates members on the 2019/20 element of the Capital Plan. Also attached are the recommendations of the Strategic Investment Group of Capital bids recommended for inclusion in the Capital Plan.

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

To provide members with an updated Capital Plan including an update on major projects and the corporate plan. This report also includes the Capital Strategy Report for 2020-21. This provides a high level, concise and comprehensive overview to members of how capital expenditure, capital financing and treasury management activity contribute to the provision of the Council's services. The following Appendices are included:

- Appendix 1: Summary capital plan funding
- Appendix 2: Summary capital plan by service
- Appendix 3: Details of scheme estimates
- Appendix 4: Major capital project updates
- Appendix 5: Details of recommendations by Strategic Investment Group
- Appendix 6: Capital Bids recommended for approval
- Appendix 7: Capital Strategy Report

 Appendix 8 – 15: Wellbeing Impact Assessment Report for each project considered by the Strategic Investment Group.

# 3. What are the Recommendations?

- 3.1 That Members note the latest position on the 2019/20 element of the Capital Plan and the update on major projects.
- 3.2 Members support the recommendation of the Strategic Investment Group as detailed in Appendix 5 and summarised in Appendix 6.
- 3.3 To approve the 2020/21 Capital Plan.
- 3.4 Members approve the Capital Strategy Report for 2020/21 as detailed in Appendix 7.
- 3.5 Requests that officers in the Highway Service carry out an assessment of damage caused to the network by the recent storms in order that the extent of further funding can be identified.

# 4. Report details

# 4.1 Capital Expenditure 2019/20

The full Capital Plan was last reported to Council in February 2019. Monthly updates are presented to Cabinet. The Estimated Capital Plan is now £33.86m. The plan has been updated since being reported to Cabinet on 18<sup>th</sup> February 2020.

#### 4.2 Major Projects

Appendix 4 provides an update on the following major projects:

- 21<sup>st</sup> Century Schools Programme Ysgol Llanfair
- 21<sup>st</sup> Century Schools Programme Ysgol Carreg Emlyn
- 21st Century Schools Programme Christ the Word, Rhyl
- Rhyl Queens Market Redevelopment
- New Waste Services Remodelling

#### 4.3 Corporate Plan

Council approved the latest Corporate Plan 2017-2022 on 17<sup>th</sup> October 2017. This sets out the Council's vision for the current term. The total cost of the plan was initially estimated at £135m, and this has changed as proposals have developed.

Cabinet on 23<sup>rd</sup> January 2018 confirmed its financial commitment to delivering Band B. However in November 2018, the Welsh Government announced changes to the grant intervention rates. For Band A, the intervention rate was 50% Welsh Government Grant. For Band B it will now be 65% Welsh Government contribution, for special schools including Pupil Referral Units a 75% contribution and for Voluntary Aided Schools the Welsh Government contribution will be 85% with 15% to be provided by the Diocesan Authority or the Governing Body. Following this announcement detailed consideration has been given to the likely direction for Band B and a number of feasibility studies have been undertaken. Based on the findings from these feasibility studies, a revised programme has emerged. However this highlighted an increased estimate above the programme envelope of £80m and the Welsh Government contribution of £45m. Cabinet on 17<sup>th</sup> December 2019 approved the submission of a revised Strategic Outline Programme to Welsh Government seeking additional funding.

## 4.4 Capital Receipts

The Capital Plan is dependent for part of its funding on capital receipts generated by the sale of Council assets. The table below shows those gross receipts achieved in 2019/20. In addition, a number of potential disposals are also currently in development.

	2019/20 £000
Bryn Llwyn, Gwaenysgor	350
1 Nant Hall Road, Prestatyn (Covenant release)	14
Land at Dyserth	937
Land at East Parade, Rhyl (Travelodge)	205
Total	1,506

#### 4.5 Prudential Indicators 2019/20

Each year the Council sets Prudential Indicators that determine prudent limits on its borrowing. The Council's outstanding debt is currently £232.4m. This is within the Operational Boundary (£265m) and Authorised Limit (£270m) and is less than the forecast Capital Financing Requirement (£282.6m). This means the Council is adhering to the Prudential Code of Capital Finance and is not borrowing in excess of its capital needs.

The ratio of financing costs to the net revenue stream for 2019/20 is 6.88%. This ratio is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs.

#### 4.6 Recommendations of the Strategic Investment Group (SIG)

The Strategic Investment Group has reviewed capital bids and has made recommendations for inclusion in the Capital Plan from 2020/21 onwards. These are detailed in Appendix 5 and summarised in Appendix 6.

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

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

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

#### 6.1 Cost Implications

It is necessary to ensure that the Capital Plan is fully funded as any cost overruns above the total available funding have to be funded from revenue budgets.

## 6.2 Staffing/ICT/Accommodation Implications

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

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

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

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

A full Impact Assessment has been completed for each capital bid reviewed by the Strategic Investment Group. These are included within Appendices 8 to 15.

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

Projects are prepared and subsequently monitored in consultation with Heads of Service. The figures used in the reports are based upon the latest estimates available.

All members have been informed of the bids, with hard copies of bids being located in the Members Room and project bids also available to view on Mod.Gov.

# 9. Chief Finance Officer Statement

No project should commence without being fully funded against a robust project plan and the project being discussed with the Strategic Investment Group.

Project Sponsors need to exercise tight control over their capital expenditure to ensure that the projects remain within budgets.

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

- 10.1 Possible risks would include schemes not progressing, loss of grant and disruptions to services. The condition of assets would continue to deteriorate if investment is not made, and this may lead to the loss of important services.
- 10.2 No capital project is without risk. However all schemes are reviewed by the Strategic Investment Group and also subject to on-going monthly monitoring and reporting.

# 11. Power to make the decision

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

**External Funding** 

**Receipts and Reserves** 

**Prudential Borrowing** 

**Unallocated Funding** 

#### Position to end January 2020 2019/20 2019/20 2020/21 2021/22 2022/23 **ORIGINAL** LATEST **LATEST LATEST** LATEST **ESTIMATE ESTIMATE ESTIMATE ESTIMATE ESTIMATE** £000s £000s £000s £000s £000s **Capital Expenditure** Total Estimated Payments - Other 13,876 15,233 13,293 690 350 Total Estimated Payments - Major Projects: Housing Improvement Grants 1,241 1,200 Rhyl, New 3-16 Catholic School 9,636 8,500 1,010 Ysgol Llanfair, New School 995 1,243 399 Ysgol Carreg Emlyn, New School 1,460 372 822 3,253 **Highways Maintenance** 4,695 5,185 Waste Service Remodelling 3,135 9,475 1,124 3,618 East Rhyl Coastal Defence Scheme 2,417 11,660 500 10,000 5,500 Rhyl Waterfront and Waterpark 530 460 36 Contingency 505 500 500 500 37,249 33,858 41,648 Total 14,808 6,350 **Capital Financing**

19,659

1,931

15,659

37,249

14,735

6,636

12,487

33,858

18,163

3,874

19,611

41,648

4,809

14,308

(4,309)

14,808

4,809

5,850 (4,309)

6,350

**APPENDIX 1** 

Note: 2019-20 Original Estimate is the position as approved by Council on 19th February 2019

**Total Capital Financing** 

Denbighshire County Council - Capital Plan 2019/20 - 2022/23

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Denbighshire County Council - Capital Plan 2019/20 - 2022/23 Position to January 2020				APPENDIX 2
HEAD OF SERVICE CAPITAL PROGRAMME SUMMARY	2019/20 Estimated Programme	2020/21 Estimated Programme	2021/22 Estimated Programme	2022/23 Estimated Programme
	£000	£000	£000	£000
Head of Legal, HR and Democratic Services	14			
Head of Finance and Property	4,543	2,901		
Head of Planning, Public Protection and Countryside Services	3,174	1,524		
Head of Business Improvement and Modernisation	406	319	250	350
Head of Community Support Services	477	530		
Head of Communities and Customers	11			
Head of Highways, Facilities and Environmental Services	9,744	27,723	14,058	5,500
Head of Education and Childrens Services	15,489	8,151		
Contingency	0	500	500	500
TOTAL HEAD OF SERVICE SUMMARY	33,858	41,648	14,808	6,350

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Denbighshire County Council - Capital Plan 2019/20 - 2022/23			APPENDIX 3	
Position to January 2020				
	2019/20	2020/21	2021/22	2022/23
CAPITAL PROGRAMME	Estimated	Estimated	Estimated	Estimated
DETAILS OF SCHEMES	Programme	Programme	Programme	Programme
	£000	£000	£000	£000
Legal, HR and Democratic Services		-		
Legal Estate Improvement Project (Final Payment) Rhyl Register Office - Relocation to Rhyl Town Hall (Retention)	5 9			
Total Legal, HR and Democratic Services	14	0	0	0
Finance and Property				
Agricultural Estates Asbestos	100 439	171		
Equalties	105			
Property, Capital Maintenance Works - Block Allocation	433	1,541		
Fire Risk Assessment Works - Public Buildings Reduction in Carbon Emmissions from Council Assets	137 268	220		
Demolition of building on former Rhos Street/Ysgol Penbarras school site		68		
Corwen Pavilion Development Gypsy and Traveller Site Accommodation	144	22		
Rhyl Waterfront Development	460	36		
Acquisition and Works to Former Post Office, Rhyl Rhyl, Queen's Building Redevelopment	385 900	500		
Knyl, Queen's Building Redevelopment West Rhyl Housing Improvement Programme	20	163		
Former Costigans Building , Rhyl - Tech Hub	298	180		
West Rhyl Housing - Ph 1 (Clwyd Alyn Housing) Prestatyn Leisure Centre - Changing Room Refurbishment	104 13			
Prestatyn Leisure Centre - Orlanging (Noorn Notarbisminent	66			
Ruthin Leisure Centre - Changing Room Refurbishment	37			
Rhyl Leisure Centre - All Weather Pitch Replacement Corwen Leisure Centre - Pool Hall & Changing Rooms Refurbishment	354 280			
Total Finance and Property	4,543	2,901	0	0
Planning, Public Protection and Countryside Services	4.044	4 000		
Housing Improvement Grants Enable - Support for Independent Living 2019/20 Grant	1,241 134	1,200		
Warm Homes Fund	96			
Renewals	133 10			
Rhyl Town Centre Gateway Project - Ph 1 Housing Renewal Theme Project	60			
Town and County Planning - Section 106	5			
Traffic and Car Parks Local Transport Fund 2019-20	345 90	324		
Active Travel Fund 2019-20	360			
Local Road Safety 2019-20 Safe Routes in Communities 2019-20	459 135			
Rhyl Cut Ph 11 - Acquisition of Land	100			
Denbighshire CCTV Partnership - New Server (Final payment)	6			
Total Planning, Public Protection and Countryside Services	3,174	1,524	0	0
Business Improvement and Modernisation				
ICT Strategy Phase 2	401 5	319	250	350
Business Development Grants (Final Payment)				
Total Business Improvement and Modernisation	406	319	250	350
Community Support Services				
Minor Adaptations, Community Equipment and Telecare Integrated Care Fund  - Llys Awelon, Ruthin	220 179	240		
Replace Care.Com (PARIS)	45			
Cysgod y Gaer - Biomass Acquisition of Extra Care Unit at Awel y Dyffryn, Middle Lane, Denbigh	33	75 215		
Total Community Support Services	477	530	0	0
Communities and Customers St Asaph Library - Refurbishment (Final Payment)	8			
Denbigh Library - Improvements (Final Payment)	3			
Total Communities and Customers		0	0	0
	<u></u>			
Highways, Facilities and Environmental Services Highways Maintenance	2,451	2,460		
Highways Maintenance Highways Maintenance - Capital Displacement	1,144	2,400		
Public Highways Refurbishment Grant	1,590	793		
Bridges Rights of Way	840 64	403		
Street Lighting	87	70		
Street Lighting - Sustainable LED Lighting (Salix) Coastal Defence - Inspections and Essential Maintenance	220 253	200		
Coastal Defence - Inspections and Essential Maintenance Prestatyn Coastal Defence - Outline Business Case	253 90			

Total Capital Plan Services	33,858	41,648	14,808	6,350
Contingency		500	500	500
Total Education and Children's Services	15,489	8,151	0	0
radplations to rostor out of Homes		02		
Adaptations to Foster Carer Homes	40	82		
21c Schools Band B - Denbigh and Rhyl Area Reviews	45	1,010		
Rhyl, Christ the Word - New School	8,500	1.010		
rsgol Carreg Emlyn - New School	372	822		
rnos Street and Ysgol Pendarras - New Schools /sgol Llanfair - New School	1.243	399		
Ysgol Glan Clwyd - New Extension and Remodelling (Final Retention) Rhos Street and Ysgol Penbarras - New Schools	93 170			
Rhyl High School - New School (Final Retention)	93			
Ysgol Bro Dyfrdwy - New Area School (Final Retention)	33 30			
Ysgol Bro Cinmeirch - Extension (Final Retention)	4			
Welsh Language Centre at Ysgol Glan Clwyd, St Asaph	732	250		
School Mobile Acquisition and Works	21			
Equalities	67			
School Workplace Transport	95	450		
Schools Maintenance Grant - WG 2019-20		1,487		
Schools Capital Maintenance Block Allocation	4,084	3,651		
Education and Children's Services				
Total Highways, Facilities and Environmental Services	9,744	27,723	14,058	5,500
Public Conveniences - Refurbishment Programme	13			
Remodelling Waste Service	1,124	9,475	3,618	
New Central Waste Depot, Denbigh	4.404	660	440	
Botanical Gardens,Rhyl - New Accommodation		709	440	
Vehicles, Plant & Equipment	800	1,000		
Acquisition of Boat Crane, Rhyl Harbour	000	193		
Rhuddlan, Flood Works to Property	3	400		
Llandrillo, Headwall Replacement and Culvert Improvements	3			
Ffordd Dderwen, Rhyl - Drainage Study	1			
Flood Prevention Scheme, Heol Esgob, St Asaph - Design and Development	60			
Flood Prevention Scheme, Glascoed Road - Design and Development	50			
Flood Prevention Scheme, Llanbedr - Design and Development	76			
Flood Prevention Scheme, Dyserth - Design and Development	7			
Flood Prevention Scheme - General	148	100		
East Rhyl Coastal Defence Scheme	500	11,660	10,000	5,500
Rhyl Central Coastal Defence - Outline Business Case				

# <u>Appendix 4 - Major Capital Projects Update - February 2020</u>

21 <sup>st</sup> Century Schools Programme – Ysgol Llanfair		
Total Budget	£5.369m	
Expenditure to date	£4.655m	
Estimated remaining spend in 19/20	£0.315m	
Future Years estimated spend	£0.399m	
Funding	WG £0.180m; DCC £5.189m	

#### Narrative:

This scheme is within the Band A proposals for 21st Century Schools Programme. The project will provide a new school building on a new site in Llanfair DC.

The foul drainage connection works are now complete. The works on site are now in the final stages with the forming and completion of the car park in progress in preparation for handover of the new building in mid- February. The move to the new site has been scheduled for February half term with an extended half term arranged to provide sufficient time for the decant.

The school have begun the process of preparing for the move. Site demonstrations for the new school building are scheduled to take place before half term in preparation for the move.

Forecast In Year Expenditure 19/20	£1.243m
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21 <sup>st</sup> Century Schools Programme – Ysgol Carreg Emlyn		
Total Budget	£4.340m	
Expenditure to date	£3.446m	
Estimated remaining spend in 19/20	£0.072m	
Future Years estimated spend	£0.822m	
Funding	WG £0.221m; DCC £4.119m	

This scheme is within the Band A proposals for 21st Century Schools Programme. The project has provided a new school building on a new site in Clocaenog to allow the two sites located in Cyffylliog and Clocaenog to be declared surplus.

Ysgol Carreg Emlyn moved in to the new building in June 2018 and are now settled into the new building and have familiarised themselves with the operation of the new systems on site.

Work to decommission the old sites has now been completed. Over the coming months the sites will be declared surplus and considered as part of the corporate asset management strategy. Work for a long term solution for the drainage at the school site remains ongoing.

Forecast In Year Expenditure 19/20	£0.372m

21 <sup>st</sup> Century Schools Programme – Rhyl, Christ the Word School		
Total Budget	£23.813m	
Expenditure to date	£20.861m	
Estimated remaining spend in 19/20	£ 1.942m	
Future Years estimated spend	£ 1.010m	
Funding	WG £5.541m; DCC £18.272m	

This scheme is within the Band A proposals for 21st Century Schools Programme.

Work continues to progress on the groundworks. There will be some phasing of the site over the coming weeks as sections are completed and handed over to the school.

Work is ongoing with the school and contractor to ensure that the pupil access is safely maintained until the externals are completely handed over in April.

Officers continue to work alongside the Contractor and the school to deal with any snagging issues as they arise.

Forecast In Year Expenditure 19/20	£8.500m

Rhyl Queens Market Redevelopment		
Total Budget	£5.000m (£4.4m shown in Capital Plan)	
Expenditure to date	£3.839m	
Estimated remaining spend in 19/20	£ 0.061m	
Future Years estimated spend	£ 0.500m	
Funding	WG £5.000m (£2.5m subject to formal confirmation and not shown in Capital Plan)	

The Council completed the acquisition of the former Savoy Hotel and the Queen's Market, Theatre and Hotel in Rhyl on 11<sup>th</sup> March 2019 after formally accepting a £2.5m grant from the Welsh Government.

The removal of Asbestos from the Queens Hotel is now complete and the remaining surveys continue to be carried out on the entire site. These include ecological, party wall, structural and asbestos surveys. Additional asbestos has been identified above the Queen's Arcade but the extent of this is not yet known until the survey is complete.

All tenants from the Market Hall have now vacated either to alternative premises or ceased trading, and it is now not accessible by the public. All other equipment and materials are due to be removed by the end of February.

The Council continues to work with the development partner on the future development of the site.

Forecast In Year Expenditure 19/20	£0.900m
·	

Waste Service Remodelling				
Total Budget	£15.142m			
Expenditure to date	£1.463m			
Estimated remaining spend in 19/20	£0.586m			
Future Years estimated spend	£13.093m			
Funding	WG £8.145m , DCC £6.997m			

Work is ongoing in preparation for a change to the household waste collection model to begin main roll out from Autumn 2021. The new service model will see a move to weekly collection of kerbside sorted recyclable material with a 4 weekly collection of residual/non-recyclable waste. Weekly food waste collection will continue as at present and additional services around collection of absorbent hygiene products (AHP), textiles, small electricals and batteries will also be available and will be introduced in the run up to or during the main roll out of the new service.

A number of work streams are being taken forward to include:

- Development of a new single central waste transfer station depot on land adjacent to the Colomendy Industrial Estate in Denbigh; the purchase of the land is ongoing and is anticipated to be completed before end of the Financial Year. A Planning Application for the site was submitted at the end of November 2019 and is due to go to Planning Committee on March 11<sup>th</sup> 2020. Subject to approval, enabling work will commence on the site in late spring/early summer 2020 with the new facility being ready for operation by autumn 2021;
- Specification of the new fleet required to support the new model now completed following a number of trials/tests with the aim to undertake a procurement exercise for the new waste collection vehicles required in the first quarter of 2020 with delivery of the new fleet anticipated from late spring/early summer 2021 in readiness for the planned new service;
- An Options Appraisal exercise with key stakeholders and interested parties on the
  detail of the new recycling container design is due to be undertaken in spring 2020
  prior to formal approval of a preferred option, followed by a subsequent tender and
  delivery schedule in time for roll out associated with proposed service change;
- A number of mobilisation and communication activities are ongoing to prepare for the service change and include developing the new collection routes; planning for any staffing changes/requirements and ongoing engagement and communication with stakeholders and residents.

Forecast In Year Expenditure 19/20	£1.124m

# Appendix 5

# **Summary of Strategic Investment Group Recommendations (Capital Plan 2020/21)**

# 1. Report details

1.1 The available funding for 2020/21 is shown below:

Source	Amount £000
General Capital Grant	3,004
Un-hypothecated Supported	2,995
Borrowing	
Prudential Borrowing – Highways	1,950
Capital Receipts	2,565
Unused contingency b/f	505
Total Funds Available 2020/21	11,019

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

# **Recommendations of the Strategic Investment Group**

- 1.3 The Strategic Investment Group decided to invite bids in line with previously agreed block allocations from services. The Strategic Investment Group has reviewed 9 bids over a number of meetings.
- 1.4 Each bid was submitted with approval of the relevant Head of Service. The proposed allocations are detailed in Appendix 6 and in summary are as follows:

- An allocation of £240k is recommended for Minor Adaptations, Community
  Equipment and Telecare. This funding is targeted at enabling the elderly and
  disabled to remain in their own homes.
- It is proposed to allocate £1.2m in support of Private Sector Housing
   Assistance. The funding will be used in the main on the provision of Disabled Facilities Grants.
- Both the school and non-school capital maintenance bids include provision for essential maintenance such as Asbestos Removal, Fire Risk Assessment Work, Equalities etc. It is recommended that £3.651m be allocated to Schools Capital Maintenance Works. It is also proposed to allocate £1.541m to non-schools capital maintenance work. It is further recommended that the appropriate Heads of Service determine the precise allocations to works required, in order of priority. The full allocations proposed meet the highest priority works identified across the schools and non-schools estate.
- Council on 28<sup>th</sup> January 2020 approved £100k for Highways as part of the 2020/21 Corporate Plan allocation. This will allow £1.750m of capital expenditure.
- In addition to this, it is proposed to allocate £710k block allocation for structural and other repairs including highway maintenance, street lighting and bridges. Also included within this recommendation is a further £403k for repairs to bridge structures. This is the fourth year of a proposed ten year Highways Structure Backlog Project.
- An allocation of £324k is recommended to carry out road safety improvements.
- The Strategic Investment Group considered a proposal for the continuation of a seven year programme of replacement of all the street lighting lanterns within Denbighshire with new LED lanterns. The programme commenced in 2015/16 and will cost £1.5m in total, providing significant savings on energy costs and on-going maintenance costs. The scheme is funded through the Government Salix funding initiative which provides interest free loans for

energy efficient projects and will be repaid using the savings generated.

Applications for Salix funding are required on an annual basis, and the strategic Investment Group recommends the submission of an application to take out a Salix loan for year six costs of up to £200k repayable over 6 years.

- The Strategic Investment Group recommends maintaining the allocation set aside for any contingencies at £0.5m, in line with 2019/20.
- Cabinet on 20<sup>th</sup> November 2018 approved the acceptance of a grant offer from the Welsh Government to acquire the former Savoy Hotel and Queens Market, Hotel and Theatre in Rhyl. The acquisitions and subsequent demolition works are 100% externally funded. However, due to the timing of the grant awards, it is recommended £500k is set aside until such time as the external funding is confirmed.
- 1.5 Appendix 6 shows the projects listed with the recommended funding source for each highlighted in the appropriate column. For additional clarity, the following points should be noted:
  - PB Highways Column £1.750m. This is supported from the revenue budget as a corporate priority, as approved by Full Council on 28<sup>th</sup> January 2020. In addition, a proposed £200k application for Salix funding is included.
  - Council Funds column these are funds such as general grants and capital receipts.
- 1.6 The membership of the Strategic Investment Group is as follows:
  - Cabinet Member Deputy Leader and Lead Member for Finance,
     Performance and Strategic Assets (Chair)
  - Cabinet Member Leader of the Council and Lead Member for the Economy and Corporate Governance
  - Cabinet Member Lead Member for Developing Community Infrastructure
  - Representative from each Scrutiny Committee

- Corporate Director Economy and Public Realm
- Head of Finance (S.151) and Property
- Business Information Team Manager

	Ref	Project Name	Head of Service	Total Project Cost	Capital Plan Requirement 2020/21	P B Highways	Council Funds	TOTAL 2020/21	Brief Description
				£000	£000	£000	£000	£000	
	E01	Minor Adaptations; Community Equipment, Telecare	Phil Gilroy	240	240		240	240	Minor Adaptations and Equipment
	E02	Private Sector Housing Assistance	Emlyn Jones	1,200	1,200		1,200	1,200	Housing Improvement Works to Private Sector Dwellings
	E03	Schools Capital Maintenance Works	Steve Gadd	9,047	9,047		3,651	3,651	Works to a range of work streams in schools.
		Non School Public Buildings Capital Maintenance Works	Steve Gadd	5,697	5,697		1,541	1,541	Works to a range of work streams for Public Buildings
Page	E05/E06/E07	Highways works	Tony Ward	3,663	3,663	1,750	1,113	2,863	Improvements to roads and bridges. Coastal Protection
ge 59	E08	Traffic Works	Emlyn Jones	875	324		324	324	Road Safety Improvement Schemes.
9	E09	Sustainable LED Lighting (Salix)	Tony Ward	200	200	200		200	Application for loan to Salix to replace street lighting lanterns - see Note 1
		Capital Contingency					500	500	
		Queens Market Development	Steve Gadd				500	500	Set aside to fund demolition and associated fees pending external grant awards.
		TOTALS		20,922	20,371	1,950	9,069	11,019	

For Information Only:

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# **Denbighshire County Council**

# Capital Strategy Report 2020/21 to 2022/23

# **Contents**

- 1. Introduction
- 2. Capital Expenditure and Financing
- 3. Treasury Management
- 4. Revenue Budget Implications
- 5. Knowledge and Skills

#### 1 Introduction

1.1 This capital strategy is a new report introduced in 2019/20, giving a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

# 2 Capital Expenditure and Financing

2.1 Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

In 2020/21, the Council is planning capital expenditure of £62.8m as summarised below:

Capital Expenditure	2019/20 Approved £000	2019/20 Revised £000	2020/21 Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000
Council Fund	37,249	33,858	41,648	20,117	11,659
Band B – 21 C Schools	685	0	2,020	17,143	18,667
HRA	14,270	12,211	19,172	19,721	11,313
Total	52,204	46,069	62,840	56,981	41,639

**Table 1: Prudential Indicator: Estimates of Capital Expenditure** 

- 2.2 For details of the capital projects please refer to Appendix 2-4 in the Capital Plan report. These give details of the capital plan by service, scheme estimates and major capital project updates.
- 2.3 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately. Details of the Housing Capital Budgets can be found in the Housing Rent Setting and Housing Revenue and Capital Budgets Report to Cabinet on 21 January 2020.

#### 2.4 Governance:

The Strategic Investment Group (SIG) provides an independent review of all business case proposals for capital investment regardless of value and has delegated authority to approve bids to the value of £1 million. It will also recommend schemes to either Cabinet or the full Council if the value of the Application is above £1m or if for other reasons, it is more appropriate for Cabinet or the full Council to approve.

Annually SIG invite bids from the Heads of Service and meet to review the bids and recommend the proposed allocation of the funding to Cabinet and Council. The recommendations for 2020/21 are included in Appendix 5 of the Capital Plan Report.

A Summary of the Council's Capital Plan is included in the monthly Finance Report to Cabinet. It shows the approved Capital Plan against spend to date. Also an update on the major projects is included in the overall Capital Plan.

2.5 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing). The planned financing of the above expenditure is as follows:

**Table 2: Capital Financing** 

Capital Financing	2019/20 Approved £000	2019/20 Revised £000	2020/21 Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000
Council Fund					
Capital Receipts	330	4,318	2,565	0	0
Grants & Contributions	12,345	13,064	10,572	1,814	1,814
Revenue Contributions & Reserves	1,601	2,318	1,309	0	0
Supported Borrowing	7,314	1,671	7,591	2,995	2,995
Prudential Borrowing	15,659	12,487	19,611	15,308	6,850
	37,249	33,858	41,648	20,117	11,659
Band B - 21 C Schools					
Grants & Contributions	229	0	1,477	12.880	14,530
Prudential Borrowing	456	0	543	4,263	4,137
	685	0	2,020	17,143	18,667
Total	37,934	33,358	43,668	37,260	30,326
HRA	<del> </del>				
Capital Receipts	1,820	0	2,800	750	0
Grants & Contributions	2,412	3,544	2,888	2,420	2,420
Revenue Contributions & Reserves	1,944	2,798	2,411	2,230	1,880
Prudential Borrowing	8,094	5,869	11,073	14,321	7,013
Total	14,270	12,211	19,172	19,721	11,313

- 2.6 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. The Council's full MRP statement is included within the Treasury Management Strategy Statement (TMSS) 2020/21.
- 2.7 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £27m during 2020/21. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 3: Prudential Indicator: Estimates of Capital Financing Requirement

Capital Financing Requirement	31/03/20 Approved £000	31/03/20 Revised £000	31/03/21 Estimate £000	31/03/22 Estimate £000	31/03/23 Estimate £000
Council Fund	216,762	210,283	229,422	238,302	237,575
HRA	78,508	72,279	80,173	91,336	94,640
Total CFR	295,270	282,562	309,595	329,638	332,215

2.8 **Asset management:** To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy in place. The Asset Management Group (AMG) meets quarterly and its purpose is to provide strategic direction for all matters relating to the effective use of Council owned land and building assets within the County, including (but not exclusively):

Land and Property disposal

Land and property acquisition

Strategic property planning (including consideration of Asset Management Plans)

Innovative land and property usage / utilisation.

2.9 **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council has received £1.506m of capital receipts to date in 2019/20 and has a programme of potential disposals which is reported to the Asset Management Group.

# 3 Treasury Management

- 3.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 3.2 Due to decisions taken in the past, the Council currently has £232.4m borrowing at an average interest rate of 4.12% and £12.1m treasury investments at an average rate of 0.52%.
- 3.3 **Borrowing strategy:** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 1.00%) and long-term fixed rate loans where the future cost is known but higher (currently 2.5 to 3.0%).

Projected levels of the Council's total outstanding debt are shown below, compared with the capital financing requirement (see above).

Table 4: Prudential Indicator: Gross Debt and the Capital Financing Requirement

Capital Financing Requirement	31/03/20 Approved £000	31/03/20 Revised £000	31/03/21 Estimate £000	31/03/22 Estimate £000	31/03/23 Estimate £000
CFR	295,270	282,562	309,595	329,638	332,215
Debt	248,763	243,097	266,506	287,705	301,642

- 3.4 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 4, the Council expects to comply with this in the medium term.
- 3.5 **Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 5: Prudential Indicators: Authorised Limit and Operational Boundary for External Debt

	2019/20 Approved £000	2019/20 Revised £000	2020/21 Proposed £000	2021/22 Proposed £000	2022/23 Proposed £000
Authorised Limit	295,000	270,000	300,000	310,000	320,000
Operational Boundary	290,000	265,000	295,000	305,000	315,000

Further details on borrowing are included in the treasury management strategy.

- 3.6 **Investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 3.7 The Council's policy on treasury investments is to prioritise security and liquidity over yield that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss.

**Table 6: Treasury Management Investments** 

	31/03/19	31/03/20	31/03/21	31/03/22	31/03/23
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Investments	9,700	5,000	5,000	5,000	5,000

Further details on treasury investments are included in the treasury management strategy.

3.8 **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and staff, who must act in line with the treasury management strategy approved by Council. Semi-annual reports on treasury management activity are presented to the Corporate Governance Committee. The Corporate Governance Committee is responsible for scrutinising treasury management decisions.

# 4 Revenue Budget Implications

4.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 7: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream

Ratio of Financing Costs to Net Revenue Stream	2019/20 Approved £000	2019/20 Revised £000	2020/21 Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000
Financing Costs	11,361	13,652	13,681	13,920	14,152
Net Revenue Stream	198,538	198,538	208,301	207,791	208,106
Council Fund Ratio	5.72%	6.88%	6.57%	6.70%	6.80%
Financing Costs	6,992	6,132	6,352	6,726	7,579
Net Revenue Stream	16,456	16,538	16,527	17,340	18,047
HRA Ratio	42.49%	37.08%	38.43%	38.79%	42.00%

4.2 **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Head of Finance is satisfied that the proposed capital programme is prudent, affordable and sustainable.

# 5 Knowledge and Skills

- 5.1 The Council's approach to ensuring that the requisite knowledge and skills are held and demonstrated when making capital, borrowing and investment decisions is three fold.
  - Employment of professionally qualified and experienced staff with responsibility for making decisions.
  - Continuous and extensive training for Council members to aid informed decision making and effective scrutiny.
  - Employment of Treasury Management advisors, Arlingclose to provide specialist advice in requisite areas.





# A bid for The continuation of a Capital Allocation to CSS to fund Minor Adaptations, Telecare & Specialist Equipment

# **Wellbeing Impact Assessment Report**

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

Assessment Number:	89
Brief description:	Continuation of funding for minor adaptations, telecare and specialist equipment.
Date Completed:	Version: 0
Completed By:	
Responsible Service:	Community Support Services
Localities affected by the proposal:	Whole County,

# **IMPACT ASSESSMENT SUMMARY AND CONCLUSION**

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

# Score for the sustainability of the approach

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

(3 out of 4 stars)





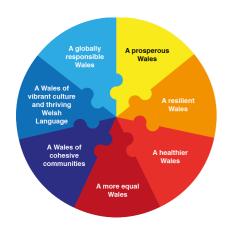




Actual score: 17/24.

# **Summary of impact**

# Wellbeing Goals



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

#### **Main conclusions**

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

# A prosperous Denbighshire

Overall Impact:	Neutral
Justification for Impact:	The Capital Bid helps CSS to fulfil statutory responsibilities to vulnerable citizens within Denbighshire in the most cost efficient way. It has a positive effect on such individuals within the community because it helps them to remain safe and independent within their own homes for longer. However the above categories are not strictly relevant hence only a neutral impact

**Positive consequences identified:** 

**Unintended negative consequences identified:** 

**Mitigating actions:** 

see above

# A resilient Denbighshire

Overall Impact:	Positive
Justification for Impact:	As above - Our Community Equipment Service works to provide an efficient delivery of equipment to the people of Denbighshire in the most economical way, recycling where possible

# Positive consequences identified:

We have a robust recycling programme within our Community Equipment Service which ensures that all stock is automatically considered for re-use wherever possible.

Fleet vehicles are used to deliver and collect equipment. The daily rounds are organised by area to ensure that deliveries / collections are maximised in the most economical way.

# Unintended negative consequences identified:

# **Mitigating actions:**

### A healthier Denbighshire

Overall Impact:	Positive
Justification for Impact:	Specialist Equipment, Telecare and Minor Adaptations enable people to be more physically independent which in turn can impact on positive mental well being for themselves and their carers

### Positive consequences identified:

Specialist Equipment, Telecare and Minor Adaptations enable people to be more physically independent which in turn can impact on positive mental well being for themselves and their carers

Unintended negative consequences identified:

### A more equal Denbighshire

Overall Impact:	Positive
Justification for Impact:	Equipment and adaptations will allow each citizen to do the things that matter to them personally. Enabling them to be more independent, safer and included . Reducing reliance upon carers and other family.

### Positive consequences identified:

This Bid is designed to help people with disabilities to access specialist equipment, Minor adaptations and telecare which will in turn enable them to be independent, safer and included within their environment. The provision of specialist equipment and minor adaptations will be of direct benefit to those who are on lower incomes and who would be unable to fund these items themselves or from their family / wider community.

#### Unintended negative consequences identified:

### A Denbighshire of cohesive communities

C	Overall Impact: Positive	
J	ustification for Impact:	Telecare enables vulnerable citizens to live more safely within their home enabling them to call for help in an emergency and giving family members peace of mind knowing that they have the means to contact help in an emergency.

### Positive consequences identified:

Our bid includes the provision of Telecare devices which enable vulnerable citizens to live more safely within their home giving family members peace of mind knowing that they have the means to contact help in an emergency.

Unintended negative consequences identified:

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

Overall Impact:	Neutral	
Justification for Impact:	The Bid will not improve or reduce the current use of the welsh language.	

### **Positive consequences identified:**

All paperwork is bilingual and we have Staff within our Stores who are welsh speaking.

Unintended negative consequences identified:

## A globally responsible Denbighshire

Overall Impact:	Neutral
Justification for Impact:	Not Applicable

Positive consequences identified:

Unintended negative consequences identified:





# **Block capital bid for Housing Renewal**

### **Wellbeing Impact Assessment Report**

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

Assessment Number:	179
Brief description:	Block capital bid for Housing Renewal
Date Completed:	Version: 0
Completed By:	
Responsible Service:	Planning & Public Protection
Localities affected by the proposal:	Whole County,

### **IMPACT ASSESSMENT SUMMARY AND CONCLUSION**

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

### Score for the sustainability of the approach

Could you do more to make your approach more sustainable?





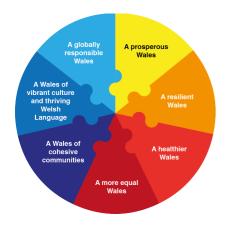


(2 out of 4 stars)

Actual score: 15/24.

### **Summary of impact**

#### Wellbeing Goals



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

#### **Main conclusions**

## THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

### A prosperous Denbighshire

Overall Impact: Positive	
Justification for Impact:	Projects are awarded to local contractors who in turn use locals sub-contractors and local builders merchants. Resources are spent within the local community and local employment. Opportunities for new local employment and training.

### Positive consequences identified:

All work carried out in accordance with Building Regulations and where possible energy efficiency of existing dwellings will be improved.

Local contractors are used to carry out the work. Local employment

### Unintended negative consequences identified:

### A resilient Denbighshire

Overall Impact:	Positive
Justification for Impact:	Some funding is provided to improve energy efficiency in dwellings and energy conservation advice is provided to residents. Officer are able to provide Energy Performance Reports to help residents better understand how to be more energy efficient in and around the home and help to reduce fuel consumption and reduce fuel costs.

#### Positive consequences identified:

Properties that receive energy conservation financial assistance will be more energy efficient and therefore lower energy consumption and reduced energy usage

Energy conservation advice offered to householders together with signposting to potential financial support for energy conservation measures

### Unintended negative consequences identified:

### A healthier Denbighshire

Overall Impact:	Positive
Justification for Impact:	Residents indoor environments are improved through being adapted to meet the needs of the residents, The work promotes independent living and therefore contributes to a healthier mental and physical life style

#### Positive consequences identified:

Adaptation of dwellings for the benefit of the disabled occupants will provide an environment to promote independence. Provision of improved access to and from the dwelling and to and from the garden encourages a healthier more active lifestyle.

Steps, paths and walls - trips hazards within homes are removed

Adaptation of dwellings for the benefit of the disabled occupants promotes independence in and around the home which will have a positive impact on the emotional and mental well-being of the occupants

#### Unintended negative consequences identified:

### A more equal Denbighshire

Overall Impact:	Positive
Justification for Impact:	Housing Renewal assistance helps to provide better quality of housing and living conditions for people in greatest need. Projects enable vulnerable people to live as independently as possible.

### Positive consequences identified:

Financial assistance is prioritised to applicants with disabilities to adapt dwellings to assist the disabled occupants to access facilities in and around the home

All applications for financial assistance are means tested and awards are based on applicants ability to pay. Applicants are referred to 3rd sector for benefits checks where appropriate in order to maximise income.

### Unintended negative consequences identified:

#### A Denbighshire of cohesive communities

С	Overall Impact:	Positive
Ju	ustification for Impact:	Improvements to the visual amenity of an area

#### Positive consequences identified:

Assistance is offered to make dwellings safe and secure to benefit the occupants. Assistance is also available to elderly residents to help them maintain their dwellings and therefore to remain living independently in their own homes for longer.

Assistance is provided to bring empty homes back into use. This can improve the visual amenity of an area and can prevent further potential deterioration of the visual impact in the community

#### Unintended negative consequences identified:

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

Overall Impact:	Neutral	
Justification for Impact:	Impact on Welsh language is neutral however improvements in promoting the Welsh language could be made through encouraging contractors to use bi-lingual signage, company stationary and their websites etc	

### **Positive consequences identified:**

A number of officers within the team are Welsh speaking.

Unintended negative consequences identified:

## A globally responsible Denbighshire

Overall Impact:	Neutral
Justification for Impact:	Advice and physical environmental improvements to properties and behaviours of residents and a key element in delivering housing renewal projects

### Positive consequences identified:

Local contractors and supply chains are used to deliver projects

Unintended negative consequences identified:





# Capital Bids for Building Maintenance Works

### **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:	754
Brief description:	Capital bid to secure funding for maintenance works to the Council's building portfolio
Date Completed:	11/12/2019 13:11:57 Version: 2
Completed by:	Mark Cassidy
Responsible Service:	Facilities, Assets & Housing
Localities affected by the proposal:	Whole County,
Who will be affected by the proposal?	All DCC building managers and users
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

Long Term: By improving building fabric and increasing thermal efficiency, we will embed sustainable and long term building improvements.

Integration: Maintenance of corporate buildings supports corporate aims and objectives.

Involvement: Use of local contractors to develop the local workforce. Works will also be carried out to improve access to Council buildings.

Collaboration: Encouraging the use of educational and community buildings promoting local and national culture.

Prevention: By improving building fabric, we will extend the useful life of the building, plus protect building users.

#### **Summary of impact**

Well-being Goals

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

#### Main conclusions

Promotes the delivery of a range of services via the Council's building stock and provides employment, energy efficiency and biodiversity improvements.

#### **Evidence to support the Well-being Impact Assessment**

- $\ \square$  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 affected by the 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	
Overall Impact	Positive
Justification for impact	Ensuring the Council is able to deliver services through well maintained buildings and giving local construction companies opportunities to undertake the work.
Further actions required	No negative comments noted.

### **Positive impacts identified:**

A low carbon society	maintenance works will improve thermal efficiency and replace existing M&E services with more efficient systems.
Quality communications, infrastructure and transport	N/A
Economic development	Maintaining the Council's commercial and leisure facilities will assist in attracting employment and associated wellbeing opportunities.
Quality skills for the long term	Utilisation of local construction companies will encourage employers to develop the local workforce
Quality jobs for the long term	Utilisation of local construction companies will encourage employers to develop the local workforce
Childcare	Maintaining school and nursery buildings provides a quality environment for childcare and development.

### **Negative impacts identified:**

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

A resilient Denbighshire	
Overall Impact	Positive
Justification for impact	Replacement of old fabric and systems with more modern materials and fitting etc. Consideration for renewable energy where appropriate.

Further actions required	No negative comments noted.
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## Positive impacts identified:

Biodiversity and the natural environment	No impact
Biodiversity in the built environment	Use of modern materials and construction methods (e.g. sedum roofs, SUDs etc.)
Reducing waste, reusing and recycling	All contractors used will be required to minimise waste and recycle where appropriate in line with the Council's procurement requirements.
Reduced energy/fuel consumption	Improvements to building fabric and systems will increase thermal efficiency and maximise efficiency systems, fixtures and fittings.
People's awareness of the environment and biodiversity	Raising awareness of waste management and use of energy efficient methods etc.
Flood risk management	N/A - maintenance of existing buildings only

# Negative impacts identified:

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

A healthier Denbighshire	
Overall Impact	Positive
Justification for impact	Improved quality of educational, leisure and workplace premises to encourage use and enhance the experience of building users.
Further actions required	No negative comments noted.

## Positive impacts identified:

A social and physical environment that encourage and support health and well-being	Improved quality of educational, leisure and workplace premises to encourage use and enhance the experience of the building user.
Access to good quality, healthy food	N/A
People's emotional and mental well-being	Physical improvements to buildings will increase the quality of experience and encourage use of educational and leisure buildings.
Access to healthcare	N/A
Participation in leisure opportunities	Improved buildings will retain current users and attract new customers to facilities providing leisure / wellbeing facilities.

# Negative impacts identified:

A social and physical environment that encourage and support health and well-being	
Access to good quality, healthy food	
People's emotional and mental well-being	
Access to healthcare	
Participation in leisure opportunities	

A more equal Denbighshire	
Overall Impact	Positive
Justification for impact	The bids include works which will improve physical access to Council owned buildings and provide a better quality environment to encourage use of community buildings e.g. libraries.
Further actions required	No negative comments noted.

## Positive impacts identified:

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	The bids include works which will improve physical access to Council owned buildings and provide a better quality environment to encourage use of community buildings - e.g. libraries
People who suffer discrimination or disadvantage	The bids include works which will improve physical access to Council owned buildings and provide a better quality environment to encourage use of community buildings - eg libraries
Areas with poor economic, health or educational outcomes	
People in poverty	

# Negative impacts identified:

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	
People who suffer discrimination or disadvantage	
Areas with poor economic, health or educational outcomes	
People in poverty	

# A Denbighshire of cohesive communities

Overall Impact	Positive	Page 94	

Justification for impact	Maintaining corporate buildings to a good standard improves the experience of building users and ensures that buildings used for employees, service users and members of the public are safe for use.
Further actions required	No negative comments noted.

# Positive impacts identified:

Safe communities and individuals	Improved access to well maintained and safe / secure buildings.
Community participation and resilience	maintaining corporate buildings improves the quality for building users - encouraging use and supporting a range of activities.
The attractiveness of the area	Improvements to the fabric of the buildings improves the public realm
Connected communities	Maintenance of corporate buildings supports corporate aims and objectives.
Rural resilience	

# Negative impacts identified:

Safe communities and individuals	
Community participation and resilience	
The attractiveness of the area	
Connected communities	
Rural resilience	

A Denbighshire of vibrant culture and thriving Welsh language	
Overall Impact	Positive
Justification for impact	Improved buildings have the potential to attract new visitors.
Further actions required	No negative comments noted.

# Positive impacts identified:

People using Welsh	N/A
Promoting the Welsh language	Improved school and child care facilities promote bi-lingual learning.
Culture and heritage	maintaining historic buildings and encouraging use of educational and community buildings promoting local and national culture e.g. libraries.

## Negative impacts identified:

People using Welsh	
Promoting the Welsh language	
Culture and heritage	

A globally responsible Denbighshire	
Overall Impact	Positive
Justification for impact	The programme will promote increased opportunities for quality employers and suppliers in addition to maintaining buildings providing a range of services.
Further actions required	No negative comments noted.

## Positive impacts identified:

Local, national, international supply chains	The maintenance program will rely on labour and materials from local and regional suppliers.
Human rights	Contractors are required to demonstrate employment policies via the procurement process.
Broader service provision in the local area or the region	Well maintained buildings will support a range of corporate services and provide flexibility for changing needs.

## Negative impacts identified:

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



# **Highways Block Allocation Bid**

## **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:	94
Brief description:	Funding to maintain / enhance bridges, flood defences, footways and other public rights of way
Date Completed:	02/11/2016 16:57:02 Version: 1
Completed by:	Tim Towers
Responsible Service:	Highways & Environmental Services
Localities affected by the proposal:	Whole County,
Who will be affected by the proposal?	All residents and road users in the County
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: 22 / 30.

#### Implications of the score

#### **Summary of impact**

Well-being Goals

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

#### Main conclusions

Overall this outcome shows that targeted funding that both helps with general maintenance whilst at the same time improving access for users will prove beneficial when measured against the desires of the Act

#### **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
$\square$ We have involved an expert / consulted a group who represent those who may affected by the
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	
Overall Impact	Positive
Justification for impact	This funding will be used to boost access opportunities for many
Further actions required	

## **Positive impacts identified:**

A low carbon society	This proposal includes the opportunity to improve disabled access in urban areas and enhance access to the countryside for others
Quality communications, infrastructure and transport	This proposal is specifically designed to improve the highway / PROW infrastructure
Economic development	Easier access to the countryside has been shown to boost tourism. Well maintained bridges will stop roads from having restrictions on them
Quality skills for the long term	
Quality jobs for the long term	
Childcare	

### **Negative impacts identified:**

A low carbon society	This proposal also includes a bid to fund bridge maintenance which could make driving more desirable
Quality communications, infrastructure and transport	
Economic development	
Quality skills for the long term	
Quality jobs for the long term	
Childcare	

A resilient Denbighshire	
Overall Impact	Positive
Justification for impact  On the whole this project is likely to have a slight positive impact  Page 99	
Page 99	

Further actions required
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## Positive impacts identified:

Biodiversity and the natural environment	
Biodiversity in the built environment	
Reducing waste, reusing and recycling	
Reduced energy/fuel consumption	
People's awareness of the environment and biodiversity	Greater access to the countryside will enhance visitor's experience of the environment
Flood risk management	

# Negative impacts identified:

Biodiversity and the natural environment	
Biodiversity in the built environment	
Reducing waste, reusing and recycling	Work to bridges will result in some minimal production of potentially hazardous waste material
Reduced energy/fuel consumption	
People's awareness of the environment and biodiversity	
Flood risk management	

A healthier Denbighshire	
Overall Impact	Positive
Justification for impact	As far as possible this bid will enhance health
Further actions required	

## Positive impacts identified:

A social and physical environment that encourage and support health and well-being	The proposal will improve access for the disabled, walkers, cyclists and horse riders by giving improved access via dropped kerb crossing, better bridleways and along the coast
Access to good quality, healthy food	
People's emotional and mental well-being	The proposal will improve access for the disabled, walkers, cyclists and horse riders by giving improved access via dropped kerb crossing, better bridleways and along the coast
Access to healthcare	The decision to target dropped kerb accesses at chemist shops, surgeries etc., will aid access for all
Participation in leisure opportunities	The proposal will improve access for the disabled, walkers, cyclists and horse riders by giving improved access via dropped kerb crossing, better bridleways and along the coast

# Negative impacts identified:

A social and physical environment that encourage and support health and well-being	
Access to good quality, healthy food	
People's emotional and mental well-being	
Access to healthcare	
Participation in leisure opportunities	

A more equal Denbighshire	
Overall Impact	Positive
Justification for impact	as far as possible this proposal supports the desire to provide a more equal Denbighshire
Further actions required	

## Positive impacts identified:

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	Dropped kerbs and improved access to coastal facilities as well as the countryside will prove beneficial to all
People who suffer discrimination or disadvantage	
Areas with poor economic, health or educational outcomes	Dropped kerbs and improved access to coastal facilities as well as the countryside will prove beneficial to all
People in poverty	

# Negative impacts identified:

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	
People who suffer discrimination or disadvantage	
Areas with poor economic, health or educational outcomes	
People in poverty	

# A Denbighshire of cohesive communities

|--|--|

Justification for impact	
Further actions required	
Positive impacts iden	tified:
Safe communities and individuals	
Community participation and resilience	
The attractiveness of the area	
Connected communities	
Negative impacts ide	ntified:
Safe communities and individuals	
Community participation and resilience	
The attractiveness of the area	
Connected communities	
A Denbighshire of	ibrant culture and thriving Welsh language
Overall Impact	Neutral
Justification for impact	
Further actions required	
Positive impacts iden	tified:
People using Welsh	
Promoting the Welsh language	
Culture and heritage	
Negative impacts ide	ntified:
People using Welsh	
	Page 103

Promoting the Welsh language	
Culture and heritage	
A globally responsi	ble Denbighshire
Overall Impact	Neutral
Justification for impact	
Further actions required	
Positive impacts iden	itified:
Local, national, international supply chains	
Human rights	
Broader service provision in the local area or the region	
Negative impacts ide	ntified:
Local, national, international supply chains	
Human rights	
Broader service provision in the local area or the region	



# **Highway Capital programme**

## **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:	90
Brief description:	Provision of highway maintenance and surfacing works
Date Completed:	27/10/2016 14:40:04 Version: 1
Completed by:	Tim Towers
Responsible Service:	Highways & Environmental Services
Localities affected by the proposal:	Whole County,
Who will be affected by the proposal?	
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: 22 / 30.

#### Implications of the score

#### **Summary of impact**

Well-being Goals

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



#### Main conclusions

This proposal is basically offering a like for like outcome and therefore wouldn't be expected to add significantly to the aims of the Wellbeing and Future Generations Act however it will also have very little negative effect too

#### **Evidence to support the Well-being Impact Assessment**

$\square$ We have consulted published research or guides that inform us about the likely impact of the
proposal
$\ \square$ We have involved an expert / consulted a group who represent those who may affected by the
proposal
$\square$ We have engaged with people who will be affected by the proposal

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

A prosperous Denbighshire	
Overall Impact	Positive
Justification for impact	A good road network is vital to so many areas of everyday life
Further actions required	Other initiatives can be used to assist with walking / cycling

## **Positive impacts identified:**

A low carbon society	
Quality communications, infrastructure and transport	The whole purpose of the project is to boost this
Economic development	A good quality road network has been proven to boost economic benefit
Quality skills for the long term	A good local economy can create quality long term jobs
Quality jobs for the long term	A good local economy can create quality long term jobs
Childcare	

### **Negative impacts identified:**

A low carbon society	Better roads could make driving more desirable
Quality communications, infrastructure and transport	
Economic development	
Quality skills for the long term	
Quality jobs for the long term	
Childcare	

A resilient Denbighshire	
Overall Impact	Negative
Justification for impact	By it's very nature the processes and end result of this work tend to be detrimental to the environment
Further actions required	Where possible we will overlay existing roads or recycle material to reduce waste Page 107

## Positive impacts identified:

Biodiversity and the natural environment	
Biodiversity in the built environment	
Reducing waste, reusing and recycling	
Reduced energy/fuel consumption	
People's awareness of the environment and biodiversity	
Flood risk management	As part of the normal maintenance we tend to clean and upgrade drainage systems thus reducing risk

## Negative impacts identified:

Biodiversity and the natural environment	
Biodiversity in the built environment	
Reducing waste, reusing and recycling	Highway maintenance produces often hazardous waste
Reduced energy/fuel consumption	The proposal is likely to sustain energy levels and may even increase them
People's awareness of the environment and biodiversity	
Flood risk management	

A healthier Denbighshire	
Overall Impact	Positive
Justification for impact	A good quality network encourages people to get out more and provides for a safer environment
Further actions required	

## Positive impacts identified:

A social and physical environment that encourage and support health and well-being	This proposal would certainly provide a safer environment
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Access to good quality, healthy food	
People's emotional and mental well-being	
Access to healthcare	A good network aids movement
Participation in leisure opportunities	A good quality network encourages cycling and walking due to a reduction in hazards such as potholes

A social and physical environment that encourage and support health and well-being	
Access to good quality, healthy food	
People's emotional and mental well-being	
Access to healthcare	
Participation in leisure opportunities	

A more equal Denbighshire	
Overall Impact	Positive
Justification for impact	A good quality road and footway network with adequate dropped kerbs creates a better environment for all
Further actions required	

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	A good quality road and footway network with adequate dropped kerbs creates a better environment for all
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People who suffer discrimination or disadvantage	
Areas with poor economic, health or educational outcomes	A good quality road and footway network with adequate dropped kerbs creates a better environment for all
People in poverty	

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  People who suffer discrimination or disadvantage  Areas with poor economic, health or educational outcomes  People in poverty		
discrimination or disadvantage  Areas with poor economic, health or educational outcomes	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	
economic, health or educational outcomes	discrimination or	
People in poverty	economic, health or educational	
	People in poverty	

A Denbighshire of cohesive communities	
Overall Impact	Neutral
Justification for impact	Users and residents tend to take a good quality road for granted but don't like poor ones
Further actions required	

Safe communities and individuals	
Community participation and resilience	

The attractiveness of the area	Good quality roads and footways are easier to clean and are aesthetically pleasing	
Connected communities		
Negative impacts ide	Negative impacts identified:	
Safe communities and individuals		
Community participation and resilience		
The attractiveness of the area		
Connected communities		
A Denbighshire of vibrant culture and thriving Welsh language		
Overall Impact	Neutral	
Justification for impact		
Further actions required		
Positive impacts identified:		
People using Welsh		
Promoting the Welsh language		
Culture and heritage		
Negative impacts identified:		
People using Welsh		
Promoting the Welsh language		
Culture and heritage		
A globally responsible Denbighshire		
Overall Impact	Positive	
Justification for impact		
Further actions required		
	Dogg 444	

Local, national, international supply chains	
<b>Human rights</b>	
Broader service provision in the local area or the region	The road network contributes to many service provision aims

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



# **Investment in Highway Bridges and Retaining Walls**

#### **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:	100
Brief description:	The desire to fund a backlog in bridge maintenance
Date Completed:	04/11/2016 13:40:31 Version: 1
Completed by:	Tim Towers
Responsible Service:	Highways & Environmental Services
Localities affected by the proposal:	Whole County,
Who will be affected by the proposal?	All road users in the County
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: 24/30.

#### Implications of the score

#### **Summary of impact**

Well-being Goals

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

#### Main conclusions

Although this work is intended to fulfil our Statutory Duty to provide a safe network it can also be used to underpin the aims of the Wellbeing Act

#### **Evidence to support the Well-being Impact Assessment**

□ We	have	consulted	published	research o	or guides	that i	nform	us abou	t the l	likely	impact	of the
propos	sal											
\ \ \ /				/ 11 1	ı						CC 1	

 $\hfill\square$  We have involved an expert / consulted a group who represent those who may affected by the 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		
Overall Impact	Positive	
Justification for impact	For the reasons outlined above there is an overall benefit	
Further actions required	Other initiatives can be used to assist with walking and cycling to combat the potential negative effect on a low carbon society	

#### **Positive impacts identified:**

A low carbon society	
Quality communications, infrastructure and transport	The whole project is designed to boost this
Economic development	A good quality road network has been proven to boost economic benefit
Quality skills for the long term	A good local economy can create quality long term skils
Quality jobs for the long term	A good local economy can create quality, long term jobs
Childcare	

A low carbon society	A better road network could make driving more desirable
Quality communications, infrastructure and transport	
Economic development	
Quality skills for the long term	
Quality jobs for the long term	
Childcare	

A resilient Denbighshire		
Overall Impact	Neutral	
Justification for impact		
Further actions required	Page 115	

#### Positive impacts identified:

Biodiversity and the natural environment	
Biodiversity in the built environment	
Reducing waste, reusing and recycling	
Reduced energy/fuel consumption	
People's awareness of the environment and biodiversity	
Flood risk management	As part of the normal maintenance we tend to clean out watercourses and upgrade adjacent drainage systems thus reducing risk

#### Negative impacts identified:

Biodiversity and the natural environment	
Biodiversity in the built environment	
Reducing waste, reusing and recycling	
Reduced energy/fuel consumption	The proposal is likely to sustain energy levels and may even increase them
People's awareness of the environment and biodiversity	
Flood risk management	

A healthier Denbighshire			
Overall Impact	Positive		
Justification for impact	A good quality network encourages people to get out more and provides for a safer environment		
Further actions required			

A social and physical environment that encourage and support health and well-being	Open bridges allow greater access for walkers, cyclists etc.
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Access to good quality, healthy food	
People's emotional and mental well-being	
Access to healthcare	Open bridges allow greater access to all our facilities
Participation in leisure opportunities	Open bridges allow greater access for walkers, cyclists etc.

A social and physical environment that encourage and support health and well-being	
Access to good quality, healthy food	
People's emotional and mental well-being	
Access to healthcare	
Participation in leisure opportunities	

A more equal Denbighshire			
Overall Impact Positive			
Justification for impact	Where possible the maintenance work will incorporate improvements to enable greater access		
Further actions required			

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	ole the maintenance work will incorporate improvements to er access
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People who suffer discrimination or disadvantage	
Areas with poor economic, health or educational outcomes	Where possible the maintenance work will incorporate improvements to enable greater access
People in poverty	

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	
People who suffer discrimination or disadvantage	
Areas with poor economic, health or educational outcomes	
People in poverty	

A Denbighshire of cohesive communities	
Overall Impact	Positive
Justification for impact	Overall, even minor improvements can make a good positive difference
Further actions required	

Safe communities and individuals	These works are designed to provide a safer environment for users
Community participation and resilience	

The attractiveness of the area	Many of these bridges are Listed Structures and so to enhance them will add to the attractiveness of the environment
Connected communities	
Negative impacts ide	ntified:
Safe communities and individuals	
Community participation and resilience	
The attractiveness of the area	
Connected communities	
A Denbighshire of vibrant culture and thriving Welsh language	
Overall Impact	Neutral
Justification for impact	

#### Positive impacts identified:

**Further actions** 

required

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

People using Welsh	
Promoting the Welsh language	
Culture and heritage	

A globally responsible Denbighshire	
Overall Impact	Positive
Justification for impact	The road network contributes to many service provision aims
Further actions required	

Local, national, international supply chains	The road network contributes to many service provision aims
<b>Human rights</b>	
Broader service provision in the local area or the region	

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



# Traffic Block Capital Bid 2020-21

#### **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:	752
Brief description:	The Traffic Block Capital Bid contains a number of smaller scale projects including road safety, active travel, tourist signing and town centre traffic, parking and public realm improvements.
Date Completed:	11/12/2019 19:38:57 Version: 1
Completed by:	Mike Jones
Responsible Service:	Planning & Public Protection
Localities affected by the proposal:	Whole County,
Who will be affected by the proposal?	Residents, Businesses, all road users, bus operators
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







( 2 out of 4 stars ) Actual score : 17 / 30.

#### Implications of the score

The individual proposals will be developed to maximise the serviceable life of the asset (i.e. sign, road/cycle path etc).

Some of the projects are active travel routes so will help to provide alternative transport choice to the private car

#### **Summary of impact**

Well-being Goals

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

#### Main conclusions

There are many positives from the schemes included in the bid. This includes schemes with health benefits (active travel schemes), schemes with safety benefits (road safety), economic benefits (brown signs and Rhyl and Llangollen town centre schemes), plus schemes that promote local culture heritage (Vale of Clwyd signing scheme).

#### **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
- $\Box$  We have involved an expert / consulted a group who represent those who may affected by the 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	
Overall Impact	Positive
Justification for impact	The benefits for transport infrastructure, potential for carbon reduction and benefits for the local retail and tourist economies.
Further actions required	Ensure opportunities to maximise the whole life costs of assets are taken into account.

#### **Positive impacts identified:**

A low carbon society	Active travel projects are intended to offer an alternative to the car
Quality communications, infrastructure and transport	They are all transport projects aimed at improving the quality of the transport network
Economic development	The Rhyl Town Centre and Llangollen projects are intended to boost the local town centre economies.  The two brown signing projects will benefit the tourism economy.
Quality skills for the long term	N/A
Quality jobs for the long term	N/A
Childcare	N/A

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

A resilient Denbighshire	
Overall Impact	Positive
Justification for impact	Active travel projects offer the opportunity for reducing car journeys

Further actions required	Good design and promotion of projects
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#### **Positive impacts identified:**

Biodiversity and the natural environment	N/A
Biodiversity in the built environment	N/A
Reducing waste, reusing and recycling	N/A
Reduced energy/fuel consumption	Active travel projects offer opportunities for reduced journeys by motor vehicle
People's awareness of the environment and biodiversity	N/A
Flood risk management	N/A

#### **Negative impacts identified:**

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

# A healthier DenbighshireOverall ImpactPositiveJustification for impactPhysical and mental health and well-being benefits of active travel routes, and public realm town centre improvements.<br/>More awareness of tourist attractions signed by the two brown sign projectsFurther actionsEnsure good design of active travel routes, and sympathetic design of

#### Positive impacts identified:

required

public realm improvements.

A social and physical environment that encourage and support health and well-being	Active travel projects encourage a more active lifestyle. The Rhyl Town Centre, and Llangollen 2020 projects are intended to better manage traffic and parking, whilst also improving the physical environment
Access to good quality, healthy food	N/A
People's emotional and mental well-being	More active lifestyle, reduced traffic congestion and improvements to public realm can all have a positive impact for people's emotional and mental well-being.
Access to healthcare	N/A
Participation in leisure opportunities	Although primarily aimed at providing an alternative travel mode for commuting, active travel routes do, of course, also provide a route for leisure cycling.  The brown sign schemes will help raise awareness of the various tourist attractions they promote.

A social and physical environment that encourage and support health and well-being	
Access to good quality, healthy food	
People's emotional and mental well-being	
Access to healthcare	
Participation in leisure opportunities	

A more equal Denbighshire	
Overall Impact	Positive
Justification for impact	Projects which improve active travel choices can benefit areas with lower than average car-ownership.  Benefits to local retail and tourist economy may produce more job opportunities and improve the viability of some existing jobs.
Further actions required	Ensure good community engagement and quality design - making reference to WG active travel guidance.

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	N/A
People who suffer discrimination or disadvantage	N/A
Areas with poor economic, health or educational outcomes	Improvements to active travel routes can especially benefit areas where car ownership is lower than the UK average, such as West Rhyl. Economic benefits of town centre projects plus brown signing schemes.
People in poverty	See above box.

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	
People who suffer discrimination or disadvantage	
Areas with poor economic, health or educational outcomes	
People in poverty	

Overall Impact Positive Page 126
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Justification for impact	Road safety benefits. Strong community involvement already for some of the projects. Public realm improvements. More travel choice.
Further actions required	Continue to ensure good community engagement takes place.

#### Positive impacts identified:

Safe communities and individuals	Road safety projects will improve safety in locations where statistics have dentified that there are higher than normal numbers of collisions occurring involving casualties	
Community participation and resilience	Llangollen 2020 is a community-led project. Strong engagement with Rhyl Town Centre project so far - including development of a second traffic system option based on feedback received from first consultation.	
The attractiveness of the area	Public realm improvements to Rhyl Town Centre and Llangollen Castle Street (and side roads).	
Connected communities	Active travel routes will provide more travel choices.	
Rural resilience	N/A	

#### Negative impacts identified:

Safe communities and individuals	
Community participation and resilience	
The attractiveness of the area	
Connected communities	
Rural resilience	

A Denbighshire of vibrant culture and thriving Welsh language	
Overall Impact	Positive
Justification for impact	Brown signs will be Welsh above English. Vale of Clwyd brown signs will sign Denbigh and Rhuddlan castles plus St Asaph cathedral.
Further actions required	No scope to further enhance the signage.

People using Welsh	N/A
Promoting the Welsh language	Brown signs will be bilingual Welsh above English
Culture and heritage	Vale of Clwyd brown sign scheme will sign Rhuddlan Castle, Denbigh Castle and St Asaph Cathedral. It will also include the title of Vale of Clwyd and will therefore wareness of the Vale.

People using Welsh	
Promoting the Welsh language	
Culture and heritage	

A globally responsible Denbighshire	
Overall Impact	Positive
Justification for impact	Use of local contractors is quite prevalent for smaller construction projects such as the ones listed in this bid.
Further actions required	Consider local suppliers for construction materials, wherever possible.

#### Positive impacts identified:

Local, national, international supply chains	Local contractors and sub-contractors will be used wherever possible.
<b>Human rights</b>	N/A
Broader service provision in the local area or the region	N/A

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



# **Programme for Sustainable LED Street Lighting**

#### **Wellbeing Impact Assessment Report**

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

Assessment Number:	77
Brief description:	Conversion of existing assets to more energy efficient equipment
Date Completed:	18/10/2016 11:14:12 Version: 1
Completed by:	Craig Wilson
Responsible Service:	Highways & Environmental Services
Localities affected by the proposal:	Whole County,

# IMPACT ASSESSMENT SUMMARY AND CONCLUSION

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

#### Score for the sustainability of the approach

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







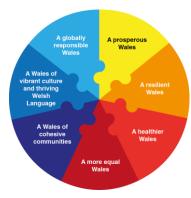


(3 out of 4 stars)

Actual score: 18/24.

#### **Summary of impact**

#### Wellbeing Goals



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

Positive
Neutral
Neutral

#### Main conclusions

This project will reduce energy consumption and associated carbon emissions, whilst improving lighting standards and the appearance of the existing road network throughout the county.

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

#### A prosperous Denbighshire

Overall Impact	Positive
Justification for impact	The project will improve the safety, illumination and appearance of the road network

#### Positive consequences identified:

Lower energy consumption and carbon emissions
The project will improve the general appearance of the area
Improved road and network infrastructure

#### Unintended negative consequences identified:

#### Mitigating actions:

Consultation with affected stakeholders

#### A resilient Denbighshire

Overall Impact	Positive
Justification for impact	Improvement to existing lighting standards whilst achieving energy and carbon reductions

#### Positive consequences identified:

Use of recyclable products and reduction of light pollution.
Reduction in energy consumption and carbon emissions
Less light pollution comparison to previous assets. Press release issued to raise awareness

#### Unintended negative consequences identified:

Increased waste collections

#### Mitigating actions:

Old equipment is reused or recycled where possible.

#### A healthier Denbighshire

Overall Impact	Neutral
-	

Justification for	This project has a negligible impact on promoting healthy
impact	lifestyles.

#### Positive consequences identified:

Improved lighting promotes a sense of security and well being.

#### Unintended negative consequences identified:

#### Mitigating actions:

Not applicable.

#### A more equal Denbighshire

Overall Impact	Neutral	
Justification for impact	This project has no impact	

#### Positive consequences identified:

#### Unintended negative consequences identified:

#### Mitigating actions:

This project has no impact

#### A Denbighshire of cohesive communities

Overall Impact	Positive
Justification for impact	This project will have a positive impact on community safety and well being.

#### Positive consequences identified:

Better lighting promotes a sense of security and reduces the fear of crime. The project will improve the aesthetic appearance of the area

#### Unintended negative consequences identified:

#### Mitigating actions:

No negative impacts

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

Overall Impact	Neutral
Justification for impact	No impact

#### Positive consequences identified:

#### Unintended negative consequences identified:

#### **Mitigating actions:**

No impact

#### A globally responsible Denbighshire

Overall Impact	Neutral
Justification for impact	Negligible impact as a consequence of the project

#### Positive consequences identified:

Products will be sourced responsibly.

#### Unintended negative consequences identified:

Materials cannot be procured from local suppliers due to the specialised nature of the equipment.

#### Mitigating actions:

Negligible impact as a consequence of the project





Report to Council

**Date of meeting** 25 February 2020

Lead Member / Officer Julian Thompson Hill

**Report author** Steve Gadd, Head of Finance & Property

Title Treasury Management Strategy Statement (TMSS) 2020/21

and Prudential Indicators 2020/21 to 2022/23 (Appendix 1)

#### 1 What is the report about?

1.1 The TMSS (Appendix 1) shows how the Council will manage its investments and its borrowing for the coming year and sets the policies within which the TM function operates.

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

2.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management (the "CIPFA TM Code") requires the Council to approve the TMSS and Prudential Indicators annually. A decision is required therefore to approve the recommendations below.

#### 3 What are the Recommendations?

- 3.1 That Council approves the TMSS for 2020/21 (Appendix 1).
- 3.2 That Council approves the setting of Prudential Indicators for 2020/21, 2021/22 and 2022/23 (Appendix 1 Annex A).
- 3.3 That Council approves the Minimum Revenue Provision Statement (Appendix 1 Section 6).
- 3.4 That Council confirms that it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix 2) as part of its consideration.

#### 4 Report details

#### **Background**

- 4.1 TM involves looking after the Council's cash which is a vital part of the Council's work because approximately £0.5bn passes through the Council's bank account every year.
- 4.2 At any one time, the Council has up to £20m in cash so it needs to make sure that the best rate of return possible is achieved without putting the cash at risk which is why money is invested with a number of financial institutions.

When investing, the Council's priorities are to:

- keep money safe (security);
- make sure that the money comes back when it is needed (liquidity);
- make sure a decent rate of return is achieved (yield).

#### TMSS 2020/21

4.3 The TMSS for 2020/21 is set out in Appendix 1. This report includes TM Prudential Indicators which set limits on the Council's TM activity as shown in Appendix 1 Annex A.

#### **Capital Prudential Indicators**

- 4.4 The Capital related Prudential Indicators have been excluded from the TMSS and are now included in the Capital Strategy Report which is a new report introduced by the 2017 edition of the Prudential Code. It is intended to give a high level, concise and comprehensible overview to all elected members of how capital expenditure, capital financing and treasury management activity contribute to the provision of the Council's services.
- 4.5 The Capital Strategy Report has been included with the Capital Plan report to Council and includes the following Capital related Prudential Indicators:

Estimates of Capital Expenditure and Financing

Ratio of Financing Costs to Net Revenue Stream

Capital Financing Requirement

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

5.1 An efficient TM strategy allows the Council to minimise its borrowing costs and release funding for its investment priorities.

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

6.1 There are no additional cost implications arising as a result of the setting of Prudential Indicators. The point of the TM Strategy is to obtain the best return within a properly managed risk framework.

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

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

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

- 8.1 The Strategy Statement was reviewed by the Corporate Governance Committee on 22 January 2020.
- 8.2 The Council has consulted with its TM consultants, Arlingclose Ltd.

#### 9 Chief Finance Officer Statement

- 9.1 TM involves looking after significant sums of cash so it is a vital part of the Council's work. It requires a sound strategy and appropriate controls to safeguard the Council's money, to ensure that reasonable returns on investments are achieved and that debt is effectively and prudently managed.
- 9.2 It is a requirement of the CIPFA Code of Practice on TM for Council to approve a TMSS each financial year.

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

10.1 There are inherent risks involved in any TM activity as outlined in the Strategy Statement. The Council has a risk management policy but it is impossible to eliminate these risks completely.

#### 11 Power to make the Decision

11.1 The Local Government Act 2003 determines the requirement for local authorities to set Prudential Indicators and requires the Council to comply with the Prudential Code of Capital Finance for Local Authorities that has been produced by the Chartered Institute of Public Finance and Accountancy (CIPFA).

#### **Denbighshire County Council**

# **Treasury Management Strategy Statement and Investment Strategy 2020/21 to 2022/23**

#### **Contents**

- 1. Background
- 2. Treasury Position
- 3. Treasury Investment Strategy
- 4. Borrowing Strategy
- 5. Debt Rescheduling
- 6. MRP Statement 2020/21
- 7. Reporting Treasury Management Activity
- 8. Other Items

#### **Annexes**

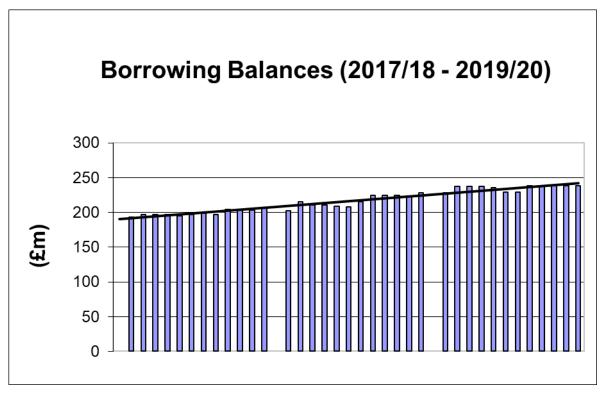
- A. Prudential Indicators
- B. Interest Rate Outlook
- C. Glossary

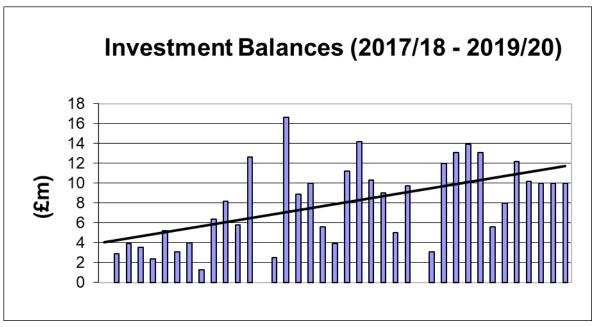
#### 1 Background

- 1.1 The Council is responsible for its Treasury Management decisions and activity which involves looking after the Council's cash. This is a vital part of the Council's work because approximately £0.5bn passes through the Council's bank account every year.
- 1.2 The CIPFA Code of Practice on Treasury Management requires the Authority to approve a treasury management strategy statement (TMSS) before the start of each financial year.
- 1.3 In addition, the Welsh Government (WG) issued revised *Guidance on Local Authority Investments* in November 2019 that requires the Authority to approve an investment strategy before the start of each financial year. It also requires the Authority to include details of investments and loans which are not held for Treasury Management purposes. Following a review, the Authority has concluded that it doesn't have any non-Treasury related arrangements which fall within the scope of this guidance.
- 1.4 This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the WG Guidance.
- 1.5 The purpose of the TMSS is to set the:
  - Treasury Management Strategy for 2020/21
  - Annual Investment Strategy for 2020/21
  - Prudential Indicators for 2020/21, 2021/22 and 2022/23 (Annex A)
  - Minimum Revenue Provision (MRP) Statement

#### 2 Treasury Position

2.1 The levels of the Council's borrowing and investment balances over the last three years are shown in the graphs below. The first chart shows the Council's borrowing has increased over this period because the Council has been borrowing to fund its capital plan either from the Public Works Loan Board (PWLB) or on a temporary basis from other local authorities. The second chart shows a corresponding increase in the amount of money which is available for investment.





#### 3 Treasury Investment Strategy

3.1 Both the CIPFA Code and the WG Guidance require the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

- 3.2 Given the increasing risk and very low returns from short-term unsecured bank investments, the Council will continue to hold a minimal amount of investments for short-term cash flow purposes and will continue to place a far greater emphasis on investing with the UK Government's Debt Management Office and other local authorities in order to minimise these risks.
- 3.3 The Authority may invest its surplus funds with any of the counterparty types in table 1 below, subject to the cash limits (per counterparty) and the time limits shown.

**Table 1: Approved Investment Counterparties and Limits** 

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£Unlimited 50 years	n/a	n/a
AAA	£5m	£10m	£8m	£5m	£5m
	5 years	20 years	50 years	20 years	20 years
AA+	£5m	£10m	£8m	£5m	£5m
AAT	5 years	10 years	25 years	10 years	10 years
AA	£5m	£10m	£8m	£5m	£5m
AA	4 years	5 years	15 years	5 years	10 years
AA-	£5m	£10m	£8m	£5m	£5m
AA-	3 years	4 years	10 years	4 years	10 years
A+	£5m	£10m	£8m	£5m	£5m
Ат	2 years	3 years	5 years	3 years	5 years
Α	£5m	£10m	£8m	£5m	£5m
	13 months	2 years	5 years	2 years	5 years
A-	£5m	£10m	£8m	£5m	£5m
Α-	6 months	13 months	5 years	13 months	5 years
BBB+	£5m	£10m	£8m	£5m	£5m
DDD+	100 days	6 months	2 years	6 months	2 years
None	£1m	n/a	£8m	£5m	£5m
None	6 months	II/a	25 years	5 years	5 years
Pooled f	unds and real			_	
estate	investment	£8m per fund			
trusts					

**Credit Rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

**Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

**Banks Secured:** Covered bonds, reverse repurchase agreements (REPOs) and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in.

**Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

**Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

**Registered Providers:** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

**Pooled Funds:** Shares or units in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

- 3.4 Natwest is the Council's banker and will continue to be used for operational and liquidity purposes by transferring cash in and out of the instant access account as required even if its credit rating falls below those shown in the table above.
- 3.5 For a group of banks under the same ownership, the banking group limit is equal to the individual bank limit.
- 3.6 Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
  - no new investments will be made,
  - any existing investments that can be recalled or sold at no cost will be, and
  - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 3.7 The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices (the cost of banks insuring themselves against default), financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 3.8 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

- 3.9 **Specified Investments**: The WG Guidance defines specified investments as those:
  - denominated in pound sterling,
  - due to be repaid within 12 months of arrangement unless the counterparty is a local authority,
  - not defined as capital expenditure by legislation, and
  - invested with one of:
    - o the UK Government,
    - o a UK local authority, parish council or community council, or
    - o a body or investment scheme of "high credit quality".

The Authority defines "high credit quality" organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.

3.10 **Non-specified Investments**: Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement and investments with bodies and schemes not meeting the definition of high credit quality. Under this category, the Council has given three loans to Town Councils for capital purposes which are being paid back in instalments over the agreed terms.

Limits on non-specified investments are shown in table 3 below.

Table 3: Non-Specified Investment Limits

	Cash limit
Total long-term investments	£10m
Total investments without credit ratings or rated below A- (except the UK government and UK local authorities)	£10m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£10m
Total non-specified investments	£30m

#### 4 Borrowing Strategy

4.1 In line with its TM strategy and following advice from its treasury consultants, the Council has locked in a proportion of its debt at very low rates with the Public Works Loan Board (PWLB) to fund the capital programme. A new loan for £10m was undertaken in May 2019 over a 15

year period on an Equal Instalment of Principal (EIP) basis at a rate of 1.73%.

- 4.2 The Council has previously raised all of its long-term borrowing from the PWLB but the government increased PWLB rates by 1% in October 2019 making it now a less attractive option. The Council will also now consider borrowing any long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.
- 4.3 The Council has also continued to undertake temporary borrowing from other local authorities as required to cover short-term cash flow requirements as this is a good source of readily available cash at historically low rates.
- 4.4 At the same time, the Council will also continue to monitor its cash position and interest rate levels to ensure that further long term borrowing is undertaken at the optimal time to fund on-going Capital commitments.
- 4.5 The approved sources of borrowing are listed below:
  - PWLB and any successor body
  - any institution approved for investments
  - any other bank or building society authorised to operate in the UK
  - any other UK public sector body
  - UK public and private sector pension funds (except Clwyd Pension Fund)
  - capital market bond investors
  - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

#### 5 Debt Rescheduling

- 5.1 The Council is able to pay off loans earlier than it has to and to replace them with cheaper loans in order to save money or to reduce the risk to the Council. Sometimes, these loans will be replaced and sometimes not, depending on market conditions and interest rates.
- The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertake meaningful debt rescheduling although occasional opportunities arise. A weekly update on this is received from the Council's treasury management advisers so the position is kept under review.

#### 6 Minimum Revenue Provision (MRP) Statement

- 6.1 The Council's MRP policy was reviewed during 2017/18 to explore potential savings options and the changes have been implemented from 2017/18. The revised MRP policy was agreed by Council on 17 October 2017.
- 6.2 The Council sets aside money each year to repay debt and this is known as the Minimum Revenue Provision (MRP).
- 6.3 There are four different methods of calculating MRP and the Council needs to say each year which methods it will use. This is known as the MRP Statement.
- 6.4 The MRP Statement is submitted to Council before the start of each financial year. If the terms of the original MRP Statement are revised again during the year, a revised statement will be put to Council at that time.

#### 6.5 MRP Statement

The Council will apply the Asset Life Method to calculate MRP on outstanding supported borrowing incurred up to 31 March 2017 using a straight line calculation over 50 years. This represents a change from the Regulatory Method which had been applied previously.

The Council will apply the Asset Life Method to calculate MRP on supported borrowing incurred on or after 1 April 2017 using a straight line calculation over an appropriate number of years, dependent on the period of time that the capital expenditure is likely to generate benefits. This also represents a change from the Regulatory Method which had been applied previously.

The Council will apply the Asset Life Method to calculate MRP on all capital expenditure funded from unsupported borrowing. This represents a continuation of the previous policy.

- Adopting International Financial Reporting Standards (IFRS) has resulted in leases coming on the balance sheet. This affects how much it appears the Council has borrowed but this is effectively covered by grant payments. MRP in respect of leases brought on the balance sheet under IFRS will match the annual principal repayment for the associated deferred liability. This is a technical accounting adjustment which is cost neutral for the Council.
- 6.7 MRP on housing assets funded through Prudential Borrowing is charged at 5% of the HRA's CFR. MRP on all other items such as new builds are charged at 2% of the HRA's CFR.

#### 7 Reporting Treasury Management Activity

- 7.1 The Section 151 Officer (Chief Finance Officer) will report to the Corporate Governance Committee on treasury management activity / performance as follows:
  - (a) The Treasury Management Strategy Statement and Prudential Indicators will be submitted to the committee in January each year prior to approval by Council.
  - (b) Two treasury management updates will be submitted to the committee in January and July each year.
  - (c) An annual report on treasury activity will be submitted to the committee in July each year for the preceding year prior to approval by Cabinet.

A treasury update showing the latest investment and borrowing position will be included in the monthly Revenue Monitoring report and borrowing will also be reported on in the Capital Plan to Council. The Capital Strategy Report will also be reported to Council in February with the Capital Plan.

#### 8 Other items

#### 8.1 Investment Training

#### 8.1.1 **Member Training**

The CIPFA Code of Practice on Treasury Management requires the Section 151 Officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, understand fully their roles and responsibilities.

The Council has nominated the Corporate Governance Committee as the committee which has responsibility for scrutiny of the treasury management function.

#### 8.1.2 **Staff Training**

Staff attend training courses, seminars and conferences provided by Arlingclose and CIPFA. There is a team of three members of staff who cover TM duties on a rota basis to ensure that their knowledge is kept up to date. These members of staff are also members of professional accountancy bodies including the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Association of Accounting Technicians (AAT).

#### 8.2 Treasury Management Advisers

The Council uses Arlingclose Ltd as Treasury Management Advisers and receives the following services:

- Credit advice
- Investment advice
- Borrowing advice
- Technical accounting advice
- Economic & interest rate forecasts
- Workshops and training events

The Council maintains the quality of the service with its advisers by holding quarterly strategy meetings and tendering every 5 years. Following a tendering exercise at the end of 2018, the contract was renewed with Arlingclose from 01 January 2019 for three years with an option to extend for a further two year period.

#### 8.3 Markets in Financial Instruments Directive (MIFID)

- 8.3.1 The way that local authorities can access financial services changed in January 2018 as a result of the second Markets in Financial Instruments Directive (MIFID) from the EU. Under the new regulations, local authorities can only continue to be classed as professional clients if they have at least a £10m investment balance and staff with relevant experience. Local authorities not meeting the criteria are reclassified as retail clients. Retail clients have greater protection when placing investments because there is a requirement for firms to ensure that investments are suitable for the client. Professional clients are assumed to have greater knowledge and therefore need less protection.
- 8.3.2 The Council is not in a position to be classed as a professional client because it does not have an investment balance which is consistently above £10m so it is classified as a retail client. In practice, this does not have an impact on the Council's treasury management activities which consist of cash deposits or loans which are outside the scope of MIFID. The Council's investment advisers, Arlingclose, will continue to advise retail clients as they have a retail adviser who is able to advise on any investment products which come under the scope of MIFID such as shares and bonds.

#### 8.4 Investment of Money Borrowed in Advance of Need

The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Authority is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit. The maximum period between borrowing and expenditure is expected to be three years, although the Authority is not required to link particular loans with particular items of expenditure.

#### 8.5 **Policy on Use of Financial Derivatives**

In the absence of any explicit legal power to do so, the Authority will not use standalone financial derivatives (such as swaps, forwards, futures and options). Derivatives embedded into loans and investments, including pooled funds and forward starting transactions, may be used, and the risks that they present will be managed in line with the overall treasury risk management strategy.

#### 8.6 Housing Revenue Account (HRA)

The Council operates one loans pool for the General Fund and the HRA. A proportion of the Council's investment and debt interest is apportioned to the HRA at year end. The amount of HRA investment interest is calculated by applying the Council's average investment interest rate to the HRA's average notional cash balance. The amount of HRA debt interest is calculated by applying the Council's average debt interest rate to the mid-year HRA Capital Financing Requirement (CFR).

ANNEX A

#### PRUDENTIAL INDICATORS 2020/21 TO 2022/23

# 1 Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- 1.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on a net interest paid basis (i.e. interest paid on fixed rate debt net of interest received on fixed rate investments).
- 1.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

	2019/20 Approved %	2020/21 Estimate %	2021/22 Estimate %	2022/23 Estimate %
Upper Limit for Fixed Interest Rate Exposure	100	100	100	100
Upper Limit for Variable Rate Exposure	40	40	40	40

1.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

#### 2 Maturity Structure of Fixed Rate borrowing

- 2.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.
- 2.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

Maturity structure of fixed rate borrowing	Actual %	Lower Limit %	Upper Limit %
under 12 months	3.09	0	30
12 months and within 24 months	4.13	0	30
24 months and within 5 years	8.52	0	30
5 years and within 10 years	12.15	0	30
10 years and above	72.11	50	100

#### 3 Credit Risk

- 3.1 The Council considers security, liquidity and yield, in that order, when making investment decisions.
- 3.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.
- 3.3 The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:
  - Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
  - Sovereign support mechanisms;
  - Credit default swaps (where quoted);
  - Share prices (where available);
  - Economic fundamentals, such as a country's net debt as a percentage of its GDP;
  - Corporate developments, news, articles, markets sentiment and momentum;
  - Subjective overlay.
- 3.4 The only indicators with prescriptive values are credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

#### 4 Upper Limit for total principal sums invested over 1 year

4.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

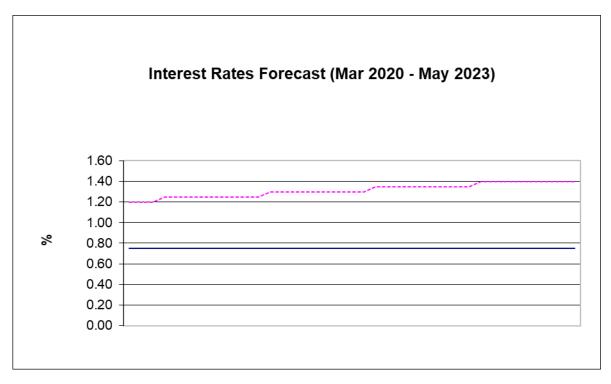
Upper Limit for total principal sums invested over 1 year	2019/20	2020/21	2021/22	2022/23
	Approved	Estimate	Estimate	Estimate
	£m	£m	£m	£m
			10.00	

**ANNEX B** 

#### INTEREST RATES FORECAST

The graph below shows the interest rate forecast for the Official UK Bank Rate and the 50 year GILT rate from March 2020 to May 2023. The Official Bank Rate influences the rate at which the Council can invest. The GILT rate is the rate at which the Government borrows money and therefore this affects the rate at which the Council can borrow from the PWLB which is approximately 2% above GILT rates.

As the graph shows, it's much more expensive to borrow than to invest at the moment with the Official UK Bank Rate expected to remain fairly constant over the period. The graph illustrates that the difference between investment and borrowing rates is approximately 2.5%.



Official Bank Rate

----- 50-yr GILT Rate

ANNEX C

#### **GLOSSARY - Useful guide to Treasury Management Terms and Acronyms**

**BANK OF ENGLAND** UK's Central Bank

**BANK RATE**Bank of England Interest Rate (also known as Base

Rate)

**CPI** Consumer Price Index – a measure of the increase in

prices

**RPI** Retail Price Index – a measure of the increase in prices

**DMO** Debt Management Office – issuer of gilts on behalf of

**HM Treasury** 

**FSA** Financial Services Authority - the UK financial

watchdog

**GDP** Gross Domestic Product – a measure of financial

output of the UK

LIBID London Interbank Bid Rate - International rate that

banks lend to other banks

**LIBOR** London Interbank Offer Rate – International rate that

banks borrow from other banks (the most widely used benchmark or reference for short term interest rates)

**PWLB** Public Works Loan Board – a Government department

that lends money to Public Sector Organisations

MPC Monetary Policy Committee - the committee of the

Bank of England that sets the Bank Rate

**LONG TERM RATES** More than 12 months duration

SHORT TERM RATES Less than 12 months duration

BOND (GENERAL) An investment in which an investor loans money to a

public or private company that borrows the funds for a

defined period of time at a fixed interest rate

**GOVERNMENT BOND** A type of bond issued by a national government

generally with a promise to pay periodic interest payments and to repay the face value on the maturity

date

**CORPORATE BOND** A type of bond issued by a corporation to raise money

in order to expand its business

COVERED BOND A corporate bond issued by a financial institution but

with an extra layer of protection for investors whereby the investor has recourse to a pool of assets that secures or "covers" the bond if the financial institution

becomes insolvent

GILT A bond that is issued by the British government which

is classed as a low risk investment as the capital

investment is guaranteed by the government

REPO A repurchase agreement involving the selling of a

security (usually bonds or gilts) with the agreement to buy it back at a higher price at a specific future date For the party selling the security (and agreeing to

repurchase it in the future) it is a REPO

For the party on the other end of the transaction e.g. the local authority (buying the security and agreeing to

sell in the future) it is a reverse REPO

FTSE 100 Financial Times Stock Exchange 100 - An index

composed of the 100 largest companies listed on the London Stock Exchange which provides a good indication of the performance of major UK companies





# **Treasury Management Strategy Statement 2020/21**

#### **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:	148
Brief description:	The Treasury Management strategy for 2020/21
Date Completed:	20/12/2019 11:46:26 Version: 14
Completed by:	Rhys Ifor Jones
Responsible Service:	Finance
Localities affected by the proposal:	Whole County,
Who will be affected by the proposal?	Proposals have little or no direct impact on the vast majority of residents as the strategy involves managing the Council's investments and borrowing.
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 : 20 / 30.

#### Implications of the score

An efficient Treasury Management strategy ensures that the Council is maximising the use of its resources in order to guarantee the sustainability of the approach in the long term.

#### **Summary of impact**

Well-being Goals

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

#### Main conclusions

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

#### **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 affected by the
- ☐ We have engaged with people who will be affected by the proposal

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

A prosperous Denbighshire	
Overall Impact	Positive
Justification for impact	An effective Treasury Management strategy ensures that the Council's investment and borrowing decisions will contribute towards the goal of maximising income and minimising costs which supports efficient service delivery.
Further actions required	Sound financial planning and efficient long term treasury management strategies ensure that the positive impact of this report on the County's prosperity is maximised.

#### **Positive impacts identified:**

A low carbon society	
Quality communications, infrastructure and transport	Financial planning and decision making ensures that proper consideration of the long term impact of financial decisions is given, including the payback period and whole life costs of capital investment decisions, properly impact assessed budget proposals and long term debt and investment (treasury management) strategies.
Economic development	The Treasury Management strategy and Prudential Indicators ensure that the Council's cash is safeguarded as much as possible by making investments in banks recommended in the annual strategy statement.
Quality skills for the long term	The strategy ensures that the Council's borrowing is monitored and is within set limits and is affordable. It identifies current financing requirements for the Capital Plan and estimates the proposed capital requirements for the next three financial years.
Quality jobs for the long term	Sound investment and borrowing decisions relating to the Council's cash will maximise the Council's income within the guidelines set in the Treasury Management strategy.
Childcare	The Prudential Indicators are a statutory requirement which demonstrate the affordability of our plans and contribute towards the overall financial wellbeing of Denbighshire.

#### **Negative impacts identified:**

A low carbon society	
Quality communications, infrastructure and transport	
Economic development	
Quality skills for the long term	
Quality jobs for the long term	
Childcare	Page 159

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

Good investment decisions will help the Council to develop more efficient

maximise the positive impact of this report on the County's resilience.

working practices which will use less resources which will help to

#### Positive impacts identified:

**Further actions** 

required

Biodiversity and the natural environment	
Biodiversity in the built environment	
Reducing waste, reusing and recycling	Good investment decisions will help the Council to develop more efficient working practices which will use less resources.
Reduced energy/fuel consumption	The strategy is set at the start of the financial year but it is monitored carefully throughout the year to ensure that the Council reacts quickly to any market volatility and the impact on the banking institutions.
People's awareness of the environment and biodiversity	
Flood risk management	

#### **Negative impacts identified:**

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

A healthier Denbighshire	
Overall Impact	Neutral

Justification for impact	Proposals have little or no direct impact on the vast majority of residents as the strategy involves managing the Council's investments and borrowing.
Further actions required	The impact of this report is neutral in this particular area so this is not applicable.

#### Positive impacts identified:

A social and physical environment that encourage and support health and well-being	
Access to good quality, healthy food	
People's emotional and mental well-being	
Access to healthcare	
Participation in leisure opportunities	The strategy contributes to the overall financial health of Denbighshire and therefore supports the delivery of the annual budget.

#### Negative impacts identified:

A social and physical environment that encourage and support health and well-being	
Access to good quality, healthy food	
People's emotional and mental well-being	
Access to healthcare	
Participation in leisure opportunities	

A more equal Denbighshire	
Overall Impact	Neutral
Justification for impact	A good treasury management strategy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority without impacting on residents.
Further actions required	The impact of this report is neutral in this particular area so this is not applicable.

#### Positive impacts identified:

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	
People who suffer discrimination or disadvantage	
Areas with poor economic, health or educational outcomes	
People in poverty	An efficient treasury management strategy contributes to the financial resilience of the Council and supports service delivery.

#### Negative impacts identified:

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	
People who suffer discrimination or disadvantage	
Areas with poor economic, health or educational outcomes	
People in poverty	

Overall Impact	Neutral
Justification for impact	A good treasury management strategy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority without impacting on residents.
Further actions required	The impact of this report is neutral in this particular area so this is not applicable.

#### Positive impacts identified:

Safe communities and individuals	
Community participation and resilience	
The attractiveness of the area	
Connected communities	
Rural resilience	

#### **Negative impacts identified:**

Safe communities and individuals	
Community participation and resilience	
The attractiveness of the area	
Connected communities	
Rural resilience	

# Overall Impact Neutral A good treasury management strategy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority. It has no direct impact on the language and the culture because any treasury management decisions are based on the treasury strategy and advice from financial consultants. Further actions required The impact of this report is neutral in this particular area so this is not applicable.

#### **Positive impacts identified:**

People using Welsh	
Promoting the Welsh language	Page 163

Culture and heritage
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#### Negative impacts identified:

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

A globally responsible Denbighshire				
Overall Impact Neutral				
Justification for impact	A good treasury management strategy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority. It has no direct impact on the local area.			
Further actions required	The impact of this report is neutral in this particular area so this is not applicable.			

#### Positive impacts identified:

Local, national, international supply chains	
Human rights	All investments are undertaken from national institutions in line with the strategy and financial advice. The strategy determines the institutions with the minimum credit rating which the Authority is permitted to invest with.
Broader service provision in the local area or the region	All borrowing is undertaken from central Government as detailed in the strategy and in line with other local authorities.

#### Negative impacts identified:

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

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Meeting	Iter	n (Description / Title)	Purpose of Report	Council Decision Required (yes/no)	Lead member and Contact Officer
31 March 2020	1	Annual Review of Political Balance	To consider current political balance issues of the Council's committees	Yes	Cllr Richard Mainon / Steve Price
	2	Arrangements for the election of Chair and Vice Chair of Council	To agree the process and candidates to be formally elected at the Council's Annual meeting in May 2019	Yes	Gary Williams / Steve Price
	3	Pay Policy Statement 2020 / 2021	To see Council approval for the 2020 / 2021 Pay Policy Statement.	Yes	Cllr Richard Mainon / Catrin Roberts / Sophie Vaughan
12 May 2020 Annual Meeting of Council	1	Election of the Chair and Vice Chair of Denbighshire County Council	To elect the Council's Chair and Vice Chair for the 2020 – 2021 municipal year.	Yes	Gary Williams / Steve Price / Eleri Woolford
	2	Annual Report of the Scrutiny Committees	To review the Annual Report	No	Chair of the Scrutiny Chairs Group / Rhian Evans / Steve Price
7 July 2020	1	Annual Performance Review Corporate Plan 2017-2022	To consider current performance against Corporate Plan priorities 2019-2020	Yes	Cllr. Julian Thompson-Hill/Iolo McGregor
8 September 2020					
13 October 2020					

#### COUNCIL FORWARD WORK PROGRAMME

8 December 2020			

#### **FUTURE ITEMS**

North Wales Growth Bid Governance	To approve the governance arrangements in	Cllr Hugh Evans / Graham Boase / Gary	ТВС
Agreement 2	relation to the implementation of the growth	Williams	
	deal.		
Annual Report of the Standards Committee	To consider the Annual Report	Chair of the Standards Committee /	TBC
		Gary Williams	
Annual Report of the Corporate Governance	To consider the Annual Report	Chair of the Corporate Governance	ТВС
Committee		Committee / Gary Williams	

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

Meeting	Deadline	Meeting	Deadline	Meeting	Deadline
				March 2020	17 March 2020
May 2020	28 April 2020	July 2020	23 June 2020	September 2020	24 August 2020
October 2020	29 September 2020	December 2020	24 November 2020		

<u>Updated 13/02/2020 SP</u>

Council Forward Work Programme.doc

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### Council Briefing Forward Work Programme

Meeting	Item	1 (Description / Title)	Purpose of Report	Lead member and Contact Officer	
9 March 2020	North Wales Regional Emergency     Planning Service		Requested by Scrutiny Chairs and Vice-Chairs Group with a view to giving all councillors an overview of the Service's work, its plans and policies, and how the Service feeds into the work of the Local Resilience Forum	Graham Boase/Neil Culff/Madeleine Henry-Joy	
	2	Alternative Delivery Model (ADM) for various leisure related activities/functions	To update Members prior to Denbighshire Leisure Ltd formally taking on the operation of the various leisure related activities and functions on behalf of the Council.	Graham Boase / Siân Lloyd Price	
	3	CSSR	To discuss the support staff review	Judith Greenhalgh / Alan Smith	
8 June 2020	1	Armed Forces Covenant Awareness Training		Cllr Richard Mainon / Gary Williams/ Stephen Townley, Armed Forces Liaison Officer	
	2	New Highways Code of Practice	Requested at Cabinet in January 2020 to raise awareness and explain the Service's approach to reactive highways maintenance.	Tony Ward / Tim Towers / Andy Clark	
	3	Welsh Index of Multiple Deprivation (WIMD) Results for Denbighshire	To bring to members the WIMD results for Denbighshire	Nicola Kneale	
9 November 2020	1 2				

### Council Briefing Forward Work Programme

Council Briefing Forward Work Programme.doc