

To: Members of the Cabinet

Date: 19 May 2020

Direct Dial: 01824712568

e-mail: democratic@denbighshire.gov.uk

Dear Councillor

You are invited to attend a remote meeting of the **CABINET** to be held at **10.00 am** on **TUESDAY, 26 MAY 2020**.

PLEASE NOTE: DUE TO THE CURRENT RESTRICTIONS ON TRAVEL AND THE REQUIREMENT FOR SOCIAL DISTANCING THIS MEETING WILL NOT BE HELD AT ITS USUAL LOCATION. THIS WILL BE A REMOTE MEETING BY VIDEO CONFERENCE AND NOT OPEN TO THE PUBLIC.

Yours sincerely

G. Williams
Head of Legal, HR and Democratic Services

AGENDA

1 APOLOGIES

2 DECLARATION OF INTERESTS (Pages 3 - 4)

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

3 URGENT MATTERS

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

4 MINUTES (Pages 5 - 12)

To receive the minutes of the Cabinet meeting held on 18 February 2020 (copy enclosed).

5 APPROVAL OF STRATEGIC INVESTMENT GROUP (SIG) RECOMMENDATIONS (Pages 13 - 40)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) seeking approval for two Business Cases relating to the Design Phases of Coastal Defence Schemes in Rhyl and Prestatyn costing over £1m (100% grant funded by the Welsh Government).

6 FINANCE REPORT (COVID 19 FINANCIAL STRATEGY) (Pages 41 - 52)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) setting out the financial impact of COVID 19 on the Council's 2020/21 budget and proposed strategy for responding to the crisis.

7 CABINET FORWARD WORK PROGRAMME (Pages 53 - 56)

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

MEMBERSHIP

Councillor Hugh Evans
Councillor Bobby Feeley
Councillor Huw Hilditch-Roberts
Councillor Richard Mainon

Councillor Tony Thomas
Councillor Julian Thompson-Hill
Councillor Brian Jones
Councillor Mark Young

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LOCAL GOVERNMENT ACT 2000

Code of Conduct for Members

DISCLOSURE AND REGISTRATION OF INTERESTS

I, *(name)*

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

Denbighshire County Council

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

Date of Disclosure:

Committee *(please specify)*:

Agenda Item No.

Subject Matter:

Nature of Interest:

*(See the note below)**

Signed

Date

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

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CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin on Tuesday, 18 February 2020 at 10.00 am.

PRESENT

Councillors Hugh Evans, Leader and Lead Member for the Economy and Corporate Governance; Bobby Feeley, Lead Member for Well-being and Independence; Huw Hilditch-Roberts, Lead Member for Education, Children's Services and Public Engagement; Brian Jones, Lead Member for Waste, Transport and the Environment; Richard Mainon, Lead Member for Corporate Services and Strategic Direction; Tony Thomas, Lead Member for Housing and Communities; Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets, and Mark Young, Lead Member for Planning, Public Protection and Safer Communities

Observers: Meirick Davies, Martyn Holland, Alan James, Gwyneth Kensler, Peter Scott, Rhys Thomas, Graham Timms, and Emrys Wynne

ALSO PRESENT

Chief Executive (JG); Corporate Directors: Communities (NS) and Economy and Public Realm (GB); Heads of Service: Legal, HR and Democratic Services (GW) and Finance and Property (SG), Service Manager – Client Services (KN); Team Manager – Business Support (BC) and Committee Administrator (KEJ)

TRIBUTE OF COUNCILLOR HUW JONES

Prior to the start of the meeting the Leader paid tribute to Councillor Huw Jones who had sadly passed away at the weekend. He referred to Councillor Jones as a dear friend, colleague and esteemed councillor who put Corwen at the heart of his work. Councillor Jones had been a Cabinet member from 2012 – 2017 and had been highly regarded amongst officers and members and would be sorely missed. Thoughts were with his family and community at this sad time. All present stood in silence as a mark of respect.

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

No declaration of interest had been raised.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 21 January 2020 were submitted.

RESOLVED that the minutes of the meeting held on 21 January 2020 be received and confirmed as a correct record.

At this point the Leader referred to his intention to vary the order of the agenda to accommodate the availability of officers attending the meeting.

5 FINANCE SYSTEM PROCUREMENT

Councillor Julian Thompson-Hill presented the report seeking Cabinet approval to commence a collaborative procurement process with Conwy County Borough Council for a core financial system for the Council.

The reasoning behind the collaborative process was explained given the similar legacy systems operated by both authorities and risks associated with existing solutions and unsupported software. The intention was to set up a framework which would allow either council to have their own solution or a shared solution, either hosted by a supplier or hosted on site by one or more of the councils. The framework would also allow for Wrexham and Flintshire local authorities to purchase their own core financial system in future if they wished. Details of the financial implications had been provided within the report which should result in the delivery of efficiencies to ensure the project was cost neutral over time; details had also been provided in terms of governance arrangements and project management.

Cabinet was satisfied with the contents of the report and had no questions to raise. Councillor Julian Thompson-Hill responded to a question from Councillor Martyn Holland confirming that existing solutions would be taken into account as part of the procurement process. The Head of Finance and Property added that a phased approach would be taken firstly to deliver a financial system for core functions with phase two involving a payroll and HR solution and potential all-encompassing system. Market testing had shown there to be existing solutions and the next stage involved going through the procurement process and considering the outcomes.

RESOLVED that Cabinet –

- (a) *approves the commencement of the procurement for a core financial system as set out within the report, and*
- (b) *confirms it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1 to the report) as part of its consideration.*

6 RECOMMENDATIONS OF THE STRATEGIC INVESTMENT GROUP

Councillor Julian Thompson-Hill presented the report seeking Cabinet's support of projects identified for inclusion in the 2020/21 Capital Plan as recommended by the Strategic Investment Group (SIG) and detailed in Appendix 1 to the report.

Councillor Thompson-Hill guided members through the report and explained the funding available for block allocations for on-going programmes of work. Reference was made to the work of the SIG in reviewing the bids for allocations and a

summary of their recommendations had been provided and elaborated upon further at the meeting which included the recommended funding source for each project together with the reasoning for supporting those specific projects and allocations.

Cabinet considered the recommendations detailed within the report.

Councillor Huw Hilditch-Roberts referred to the recent adverse weather conditions and thanked staff for their hard work in that regard. Given the storm damage to the highway infrastructure he queried whether there was a need to revisit the investment in that area to take account of remedial work required and ensure highway works were financed appropriately and due diligence observed. The Leader advised that the First Minister had called an emergency flood summit with local authorities (to be attended by Lead Member Councillor Brian Jones) and other agencies and it was expected that funding would be forthcoming to help deal with the aftermath. Councillor Julian Thompson-Hill also provided assurances that emergency remedial works would be funded as appropriate and explained the funding streams available, including the severe weather reserve, but confirmed there was likely to be a national grant scheme which could be accessed if a particular threshold was met. With regard to SIG's recommended allocation for highways, £1.750m had been allocated for capital expenditure to be prioritised as appropriate by the Highways Service and there may also be further opportunities to submit bids for remedial works pending the allocation of additional funding in year. Officers added that following the clean-up operations an assessment of the damage would be carried out – whilst it was recognised that damage would have been caused to the highway infrastructure it was too early to confirm the extent of the damage and adjust the capital allocations in that regard. Councillor Brian Jones advised that an assessment of the damage would be undertaken as soon as possible and work was ongoing in terms of planning and focusing resources. In light of the recent storm damage to the highway infrastructure and subsequent funding pressures to be met it was agreed to include in the resolution reference to the assessment of damage and identification of savings required.

Councillor Bobby Feeley referred to the Queens Market Development and queried the confirmation of external funding. It was explained that the buildings had been purchased with the assistance of Welsh Government (£2.5m) and European (£2.5m) funding. Whilst the Welsh Government funding had been received, the European funding had been confirmed subject to the Council achieving key stages of development and timescales had been set for that purpose. A detailed report on the development would be submitted to a future Cabinet meeting.

Councillor Huw Hilditch-Roberts welcomed the additional funding recommended for school capital maintenance which was an increase on the previous year.

Lead Members responded to issues raised by non-Cabinet members as follows –

- Councillor Martyn Holland was pleased to note the funding allocated for bridge repairs given their importance, particularly for rural communities, and asked that the issue be raised in the forthcoming meeting with Welsh Government. In response to his concerns regarding potholes, Councillor Brian Jones advised that work was ongoing to find a more permanent solution and in addition to the

forthcoming annual visits to Member Area Groups to discuss road maintenance, a members' workshop was also being arranged on highway matters

- Councillor Huw Hilditch-Roberts advised Ysgol Llanfair DC (new school) would open shortly and would be able to accept more pupils – it was not full to capacity
- Councillor Julian Thompson-Hill explained the terms of prudential borrowing referred to in the report advising that £100k for highways had been set aside as part of the 2020/21 Corporate Plan allocation which would allow £1.750m of capital expenditure, and the programme of replacement of LED lanterns would involve taking out a Salix loan for up to £200k over six years which would be self-funding with savings from the energy costs accrued over the term.

RESOLVED that –

- (a) *the projects detailed in Appendix 1 to the report for inclusion in the 2020/21 Capital Plan be supported and recommended to full Council, and*
- (b) *Cabinet requests that officers in the Highways 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.*

7 FINANCE REPORT

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

- the net revenue budget for 2019/20 was £198.538m (£194.418m in 2018/19)
- an overspend of £1.614m was forecast for service and corporate budgets
- highlighted current risks and assumptions relating to individual service areas
- detailed required savings and efficiencies of £5.672m with an approved allocation of £616k from the Savings Achievement Contingency to offset known non-achievement savings (approximately 11% of the total savings identified)
- provided a general update on the Capital Plan, Housing Revenue Account and Housing Capital Plan.

Cabinet was also asked to approve the revised guidance relating to Business Rate Relief criteria and to approve the write off of Business Rates totalling £57k.

Councillor Mark Young referred to the additional costs arising from the recent storm damage in the county, including flooding incidents, both in terms of remedial and flood defence works and asked that those costs be identified within the regular finance reports to Cabinet in future as a known risk. The Head of Finance and Property advised that in addition to pressures within the Highways Service, there would also be impacts on other service areas, such as leisure and social services, and an assessment of those wider impacts would also need to be undertaken. It was agreed that the impact of the storm damage be included as part of Cabinet's regular finance report in future.

RESOLVED that Cabinet –

- (a) *note the budgets set for 2019/20 and progress against the agreed budget strategy;*
- (b) *approve the revised guidance relating to Business Rate Relief criteria to be published on the Council's website and that the transparent scoring matrix is introduced with immediate effect as detailed in Appendix 6 and Section 6.2 of the report, and*
- (c) *approve the write-off of Business Rates as detailed in Appendix 7 and Section 6.3 of the report.*

8 CABINET FORWARD WORK PROGRAMME

The Cabinet forward work programme was presented for consideration and members noted that the North Wales Growth Bid Governance Agreement 2 scheduled for April would likely be delayed and would be considered by Partnerships Scrutiny Committee prior Cabinet. It was also noted that the Queens Market Development would feature as a future Cabinet agenda item.

RESOLVED that Cabinet's forward work programme be noted.

9 PROCUREMENT OF CARE AND SUPPORT IN EXTRA CARE HOUSING SCHEME FOR OLDER PEOPLE AND COMPLEX DISABILITY

Councillor Bobby Feeley presented the report seeking Cabinet approval to undertake the procurement process for the tendering of care and support for the Extra Care Housing Scheme, Awel y Dyffryn, Denbigh.

Awel y Dyffryn Extra Care Housing Scheme had been developed by the Council in partnership with Grŵp Cynefin Housing Group and it was anticipated that the scheme would be ready for 1 September 2020. It was proposed to undertake two tender exercises for the procurement of care and support services to 66 older people units and 8 complex disability units situated on the site to provide care provision 24 hours a day, 365 days of the year in line with the Denbighshire Regional Domiciliary Care Contract and other governing requirements. Two separate tenders would be run through the respective frameworks for the two elements of support within the scheme with the outcome of each tender being brought back to Cabinet for final approval. Reference to the estimated tender costs and further details of the contract had been included within the report.

Cabinet supported the scheme in providing health and social care provision in the area and considered the detail of the proposed procurement process.

Officers responded to questions and comments from members as follows –

- given the extra work involved for local doctors Councillor Mark Young sought assurances regarding appropriate consultation and it was confirmed that Betsi Cadwaladr University Health Board attended the project's Service Delivery Group and doctors surgeries were also involved as part of that process

- it was anticipated that the Older People care provider would be appointed by May/June and the Complex Disability provider appointed by July/August
- there was a mixed market of provision in Denbigh and the scheme would first look to service Denbigh and the surrounding areas with further work ongoing with regards to the general health and social care offer in the area
- assurances were given that the ability to provide social care services through the medium of Welsh was a priority issue and formed part of the contract requirements which would be evaluated through the tender process. However there were challenges around recruitment and work was ongoing with the social care workforce development unit to support Welsh language service provision
- in relation to staff opportunities, Councillor Huw Hilditch-Roberts confirmed that all council staff had the opportunity to learn Welsh and to improve and develop their Welsh language skills and funding was provided for that purpose. Problems with recruitment were not confined to Denbighshire with neighbouring authorities also experiencing difficulties in that respect
- with regard to the sufficiency of staffing levels at night Grŵp Cynefin would provide a concierge type service with a person on site to provide housing management support 24/7 in addition to the care team on site. Care was planned and delivered in accordance with the identified need at the time and consequently the number of staff required would fluctuate to accommodate those changing needs.

RESOLVED that Cabinet approves the undertaking of the procurement process for care and support as detailed within the report with the outcome of each tender to be brought back to Cabinet for final approval.

At this juncture (11.15 a.m.) the meeting adjourned for a refreshment break.

EXCLUSION OF PRESS AND PUBLIC

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

10 APPROVAL FOR THE NORTH WALES SUPPORTED LIVING AGREEMENT

Councillor Bobby Feeley presented the confidential report regarding the outcome of the procurement exercise for the North Wales Supported Living (Framework) Agreement and recommended acceptance and rejection of tenders.

The procurement exercise had been led by Denbighshire County Council on behalf of the six North Wales Councils and Betsi Cadwaladr University Health Board and involved a third procurement exercise to provide opportunities for new providers wishing to provide Supported Living Services across the North Wales Region and for existing approved providers of Domiciliary Care Services providers to also provide Supported Living Services. Details of the procurement process had been provided resulting in a recommendation to accept the tenders of 35 suppliers and to reject the tenders of 6 suppliers for the reasons detailed within the report.

Cabinet considered the procurement exercise and outcome of that process. Officers responded to questions regarding the recommended rejection of tenders which did not meet qualification and quality requirements following evaluation.

RESOLVED that Cabinet –

- (a) *approve the acceptance of the tenders of the 35 suppliers and to reject the tenders of 6 suppliers for the reasons detailed and as stipulated within the Framework Agreement Award Recommendation Report (Appendix 1 to the report), and*
- (b) *confirms that it has read, understood and taken account of the original Commissioning Form (Appendix 2 to the report), the Well-being Impact Assessment (Appendix 3 to the report) and the Data Processing Impact Assessment for the Domiciliary Care tender (Appendix 4 to the report). This tender forms part of that original work stream.*

11 SUB-REGIONAL CONTRACT (DCC/CCBC) - SHARED LIVES SERVICES

Councillor Bobby Feeley presented the confidential report seeking Cabinet approval to award one contract for the provision of Shared Lives Services across Conwy and Denbighshire to the successful provider following a tendering exercise.

The service enabled a range of citizens who had been assessed in need of support to live independent lives, reducing admission to hospital or residential care and supporting informal carers by providing regular respite. Eligible adults were offered long/short term placements in the homes of a self-employed Shared Lives carer specifically trained and recruited and supported by the Shared Lives provider. Details of the financial considerations and basis of the contract had been provided together with procurement process and outcomes.

Cabinet considered the recent procurement exercise and outcome of that process together with the report recommendations and reasons therefore and it was –

RESOLVED that Cabinet –

- (a) *agree to the award of the contract for the provision of Shared Lives Services to the named provider as detailed within the report for a period of seven years with the option to extend for a further three year period, and*
- (b) *confirms that it has read, understood and taken account of the Well-being Impact Assessment No. 688 (Appendix 3 to the report) as part of its consideration.*

The meeting concluded at 11.40 hrs.

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Report to	Cabinet
Date of meeting	26 th May 2020
Lead Member / Officer	Julian Thompson Hill
Report author	Steve Gadd, Head of Finance and Property
Title	Approval of Strategic Investment Group (SIG) Recommendations

1. What is the report about?

The report sets out the details of two grant funded projects that have been reviewed by SIG and recommended for approval to the design stage only.

2. What is the reason for making this report?

The purpose of the report is to seek approval for two Business Cases relating to the Design Phases of Coastal Defence Schemes in Rhyl and Prestatyn as both design stages will cost over £1m (funded by WG).

3. What are the Recommendations?

3.1 That Members approve the design stage of the Central Prestatyn Coastal Defence Scheme, which will be 100% grant funded by the Welsh Government, on the understanding that there is no risk to the Council and that this does not commit the authority to the construction stage and further funding (see Section 4.2 and Appendix 1).

3.2 That Members approve the design stage of the Central Rhyl Coastal Defence Scheme, which will be 100% grant funded by the Welsh Government, on the understanding that there is no risk to the Council and that this does not commit the authority to the construction stage and further funding (see Section 4.3 and Appendix 2).

4. Report details

4.1 SIG have reviewed both schemes and are happy to recommend approval based on no financial risk to the authority, and that proceeding with the design phase does not commit the authority to the construction phase and subsequent further funding. The schemes are summarised below and detailed in Appendix 1 and 2.

4.2 Central Prestatyn Coastal Defence Scheme

The scheme would provide a 1 in 200 year standard of protection to 2,045 residential and 62 non-residential properties plus additional protection against predicted sea level rise for the next 100 years. Approval required to commence design and development of scheme with an estimated cost of £1,487,180. A grant submission has been made to Welsh Government for this element and it is expected that WG will fund @ 100%.

4.3 Central Rhyl Coastal Defence Scheme

The scheme would provide a 1 in 200 year standard of protection to 548 residential and 44 non-residential properties plus additional protection against predicted sea level rise for the next 100 years. Approval required to commence design and development of the scheme with an estimated cost of £2,550,950. A grant submission has been made to Welsh Government for this element and it is expected that WG will fund @ 100%.

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

It is a key part of achieving the Environment element of the current Corporate Plan to reduce the number of properties at risk of flooding in Denbighshire.

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

The financial impact is detailed in the body of the report (see Section 4).

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

No Well Being Impact Assessments have been completed at this stage.

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

The Lead member, the Council's biodiversity officer, Section 151 Officer, County Landlord, Welsh Government and the Strategic Investment Group have been fully consulted in the development of these proposals.

9. Chief Finance Officer Statement

The proposals to approve the design stages of these 100% grant funded part of the schemes, on the understanding that there is no risk to the Council and that this does not commit the authority to the construction stage and further funding, is fully supported. Decisions about future funding will need to be made when the full financial impact of the current pandemic emergency becomes more clear.

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

The SIG Business Cases attached detail the risks and mitigations.

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.

s2 Local government Act 2000

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STRATEGIC INVESTMENT GROUP

BUSINESS CASE – CAPITAL INVESTMENT

This Business Case provides justification for undertaking a project. The completed form will be reviewed by the Strategic Investment Group who will make a recommendation to Council whether the bid should be approved and included within the Capital Plan. All sections should be completed and evidence of costs will need to be supplied.

For details of Strategic Investment Group meetings and deadlines for the submission of this form, please contact Richard Humphreys, Capital & Technical Finance Team on ext 6144.

Project Name:	Central Prestatyn Coastal Defence Scheme
Project Reference:	
Project Manager:	Wayne Hope
Workstream:	

Head of Service/Project Sponsor	Tony Ward	Lead member:	Cllr Brian Jones
Service:	Highways, Facilities and Environmental Services	LM Portfolio:	Lead Member for Waste, Transport and the Environment
Form completed by:	Wayne Hope	Date:	17 th April 2020
Service Accountant:	Richard Humphreys	Date:	

PROJECT TYPE

Please categorise your project type. Mark **one** box only.

SMALL	<input type="checkbox"/>	MEDIUM	<input type="checkbox"/>	LARGE	<input checked="" type="checkbox"/>
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DECISION SOUGHT FROM SIG:	<ol style="list-style-type: none"> 1. That SIG approve the design stage of the Central Prestatyn Coastal Defence Scheme, which will be 100% grant funded by the Welsh Government, on the understanding that there is no risk to the Council and that this does not commit the authority to the construction stage and further funding. 2. That SIG review and seek comments on the overall proposals.
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- | | |
|--|---|
| | <p>3. That SIG recognise that the funding for the construction phase will be the subject to a further business case and the relevant approvals and this decision on the design does not presuppose approval by SIG of the construction phase.</p> |
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EXECUTIVE SUMMARY

Highlights the key points in the Business Case to include:-

- what the project will achieve / important benefits
- estimated costs
- how the project will be funded

The Central Prestatyn coastline is defended by hard coastal defences comprising of predominately concrete stepped revetments, set back wave overtopping walls and an asphalt toe and a wide promenade. A sand beach and rock groyne field fronts the hard defences, offering some protection to the toe of the structures. An asset condition survey identified that the existing defences are in no better than fair condition, extending to poor towards the west of the frontage, with a particularly poor section of defence fronting Rhyl golf course. These coastal defences are deteriorating and once the defences fail and access to the promenade and sea front is lost there will be a significant impact on the tourism economy of both Rhyl and Prestatyn. Holiday makers and day trippers will cease to travel to this seaside town and support the Wales tourism economy. Furthermore, wave overtopping of defences at the eastern and western ends of the proposed scheme location would lead to flooding of both residential and commercial property in the near future as sea levels rise, impacting on both the local community and the tourism economy. The scheme would provide a 1 in 200 year standard of protection to 2,045 residential and 62 non-residential properties plus additional protection against predicted sea level rise for the next 100 years.

An Outline Business Case (OBC) has been carried out and shows that the preferred option will cost an estimated £16,718,510, which includes design and development costs of £1,487,180 and construction costs of £15,231,330.

The design and development phase of the project will be 100% funded by the Welsh Government. There will be no risk to the Council in the event that the scheme doesn't progress beyond the design stage, in terms of the Welsh Government seeking repayment of grant funding.

Regarding the construction stage of the scheme, it might be possible to carry the work out in phases, thereby spreading the cost over a number of years. The approval for construction phase costs will, if appropriate, be sought from SIG, Cabinet and Council in due course.

BUSINESS OPTIONS

Analysis and reasoned recommendation for the base business options of: do nothing / do the minimal or do something

Option title:		Do nothing – maintain the existing situation / Do minimum			
Please provide brief details:					
<p>The 2013 coastal flooding event and subsequent coastal storms and overtopping events serve as a stark reminder of the vulnerability of the coastal defences at this location and the population living behind them. The 'do minimum' option will inevitably result in further flooding, particularly in light of predictions for sea level rise and the increased frequency and severity of storms due to climate change. This would have a significant detrimental impact on the future viability of Prestatyn as a residential area and centre for tourism.</p> <p>As the Coast Protection Authority, the Council has a duty to prevent coastal erosion where the Shoreline Management Plan policy is to 'Hold the Line' and a more fundamental duty of care regarding the management of flood risk where coastal erosion could lead to loss of life.</p> <p>The long term costs of recovering from floods, including repairs to Council assets (buildings and roads) and repairs to the coastal defences, are likely to outweigh the Council's contribution to a capital project in the medium to long term.</p>					
Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:					
Costs	Costs more		Time	Takes longer to deliver	x
	Costs the same	x		Takes the same to deliver	
	Costs less			Is quicker to deliver	
Quality	Improves the quality		Benefits	Improves benefits	
	Is the same quality			No impact on benefits	
	Is a lower quality	x		Worsens benefits	x
What is the main reason this option has not been selected?					
The 'do nothing' option will cost the Council more in the long term.					
Option title:		Do Something: Carry out the Design of the Central Prestatyn Coastal Defence Scheme			
Please provide brief details:					
Carry out the design of the Central Prestatyn coastal defence scheme as described in the Executive Summary.					
Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:					
Costs	Costs more		Time	Takes longer to deliver	
	Costs the same	x		Takes the same to deliver	
	Costs less			Is quicker to deliver	x
Quality	Improves the quality	x	Benefits	Improves benefits	x
	Is the same quality			No impact on benefits	
	Is a lower quality			Worsens benefits	
What is the main reason this option has not been selected?					
Investment in a coastal defence scheme will reduce costs for the Council in the long term, protect a large number of residents from coastal flood risk and the impacts of climate change and ensure the sustainability of Prestatyn as place to live and work and a tourist destination.					

EXPECTED BENEFITS

The benefits that the project will deliver expressed in measurable terms against the situation as it exists prior to the project

Reduced risk from coastal flooding as a consequence of coastal erosion and sea level rise for around 2,100 properties in Prestatyn.

EXPECTED DIS-BENEFITS

Outcomes perceived as negative by one or more stakeholders

None

TIMESCALE

Over which the project will run (summary of the Project Plan) and the period over which the benefits will be realised

Date	Milestone
11 th May 2020	Commence detailed design
7 th May 2021	Submit Full Business Case to Welsh Government for approval
14 th Feb 2022	Commence Construction Phase, subject to SIG, Cabinet & Council approval
29 th March 2024	Complete Construction Phase (Project Completion)

CAPITAL COSTS – CONSTRUCTION PROJECTS

**COMPLETE ALL THREE TABLES BELOW FOR CONSTRUCTION PROJECTS
LEAVE BLANK/DELETE SECTION FOR BUSINESS DEVELOPMENT PROJECTS**

Please provide details of any capital funding that has already been spent on the project:	
Enter details of cost element below:	Total
Feasibility (surveys, market research, etc)	£245,000
Client side project management	£20,000
TOTAL	£265,000

Please provide details of the capital funding requirement (not including amount already spent):				
Enter details of cost element below:	2020/21	2021/22	Future Years	All Years Total
Internal staff costs	£94,747			£94,747
Design & Development Costs	£1,392,433			£1,392,433
TOTAL	£1,487,180			£1,487,180

Please provide details of proposed capital funding sources					
Enter details of funding source	Status:	2020/21	2021/22	Future Years	TOTAL
WG Grant @ 100% (Design)	Applied	£1,487,180			£1,487,180
TOTAL		£1,487,180			£1,487,180

REVENUE COST IMPACT

TO BE COMPLETED FOR ALL PROJECTS

In considering whether a project should be developed due regard should be made to the potential impact on revenue budgets.

If the activity will result in a requirement for additional revenue funding, please provide details below:			
What is the impact of this project in terms of the <u>annual</u> revenue requirement for:	Existing Revenue Budget	Post-project Revenue Budget	Increase/Decrease
staff costs (salaries and associated)			
energy costs (heating, lighting, ICT, etc)			
property maintenance and servicing costs			
other property related costs (rental, insurance, etc)			
ongoing ICT costs (licences, etc)			
mileage of Denbighshire fleet vehicles			
mileage for business travel by Denbighshire employees using their personal vehicles			
OTHER (please enter)			
OTHER (please enter)			
OVERALL REVENUE REQUIREMENT			

Please provide brief details of the revenue impact of this project:

- *Where revenue savings are forecast, you should detail what is proposed for the saving (e.g. reduction of an existing revenue budget, re-allocation of revenue to alternative services area, etc)*
- *Where revenue increases are forecast, you should provide details of how the revenue shortfall will be addressed. In this instance you should also append a three year surplus/deficit forecast.*
- *Details of any one-off revenue cost requirements that may be required post-project implementation (e.g. recruitment, redundancies, etc). DO NOT include any costs detailed in the capital section of this Business Case*

No significant revenue implications expected, but will be examined further during development of Full Business Case.

PROJECT MANAGEMENT

Please provide details of proposed project management – Establishment of Project Board etc

The scheme is currently being overseen by the Coastal Defence Schemes Project Board, Project Sponsor Tony Ward.

STATUTORY REQUIREMENTS / HEALTH & SAFETY

This section should identify how the activity will help Denbighshire meet any of its statutory requirements. Please include any Health & Safety Issues that the activity will address in this section. Please leave blank if not applicable.

CARBON MANAGEMENT IMPACT

Please consult with Denbighshire's Principal Energy Manager before completing this section.

Denbighshire has committed to reducing its carbon emissions by 15% by 2020. The Business Case requires you to make a forecast for the anticipated carbon emissions impact of the project. Please mark a cross in the appropriate box.

Forecasts:	Annual (current)	Carbon Equivalent	Annual (Post Project)	Carbon Equivalent	Carbon Variance
Energy consumption: (UNIT = kWh)					
Mileage of Denbighshire Fleet vehicles: (UNIT = miles travelled)					
Tonnes of waste produced going to landfill: (UNIT = tonnes)					
Tonnes of waste produced being recycled: (UNIT = tonnes)					
Mileage of Business Travel (personal vehicles): (UNIT = miles travelled)					
TOTAL CARBON EMISSIONS					

Please provide brief details of the carbon impact of this project, and detail specific actions that will be taken to reduce carbon emissions. If carbon emissions are expected to increase as a result of this project, please provide details of proposed actions to compensate for this increase in other areas of the Service's activity.

The overall carbon impact of the project is likely to be neutral. However, opportunities will be explored during the development of the project to achieve a carbon negative impact.

BIODIVERSITY IMPACT

Please consult with Denbighshire's Biodiversity Officer before completing this section:

joel.walley@denbighshire.gov.uk

The Council has a statutory duty to ensure compliance and enforcement of the habitats regulations (as amended in 2007) and the NERC Biodiversity Duty (2006). At this pre-feasibility stage, what is the anticipated impact on biodiversity of the project. Please mark a cross in the appropriate box.

Will this project impact on a habitat that supports living organisms (plant or animal)?	Yes		No	
--	------------	--	-----------	--

If you have answered yes to the above question, please complete all the following biodiversity sections. If answered no please leave blank

THREATENED/PROTECTED SPECIES Will this project impact on any protected or threatened species as defined in Denbighshire's Local Biodiversity Action Plan (LBAP)?	Yes		No	
--	------------	--	-----------	--

ALL SPECIES (including threatened/protected) Forecasts:	Current number	Post-project number	Variance (+/-)
Number of plant species present:			
Number of animal species present:			
TOTAL NUMBER OF SPECIES PRESENT			

Please provide brief details of the action you will be taking in association with this project to protect or enhance biodiversity. Specific reference should be made to the mitigation strategy if the project impacts on any protected or threatened species as defined in Denbighshire's Local Biodiversity Action Plan (LBAP).

The Council's biodiversity officer was consulted during the preparation of the Outline Business Case for the project and will be involved further during the design and development phase.

MAJOR RISKS TO THE PROJECT

A summary of the key risks associated with the project together with the likely impact and plans should they occur (*Please also add to your project risk register*)

Key Risk	Likely Impact	Mitigating Action
Welsh Government won't approve design and Full Business Case	Very High	Continue dialogue with Welsh Government officials during the design and development stage of the project.
Failure to gain planning permission	Very High	Liaise closely with Local Planning Authority during the design and development stage.
Failure to gain a marine licence	Very High	Liaise closely with Natural Resources Wales during the design and development stage.

SUPPORTING INFORMATION

Please list any supporting documents that accompany this Business Case

Outline Business Case (which has been approved by the Welsh Government).

ANNUAL CAPITAL BIDS – BLOCK ALLOCATIONS

Please provide details of expenditure and commitments for allocations received in the current financial year.

NONE

COUNTY LANDLORD STATEMENT

Please provide a statement from the County Landlord and where applicable the recommendation of the Asset Management Group

NOT APPLICABLE.	
Supplied by:	Date:

CHIEF FINANCE OFFICER STATEMENT

The proposal to approve the design stage of this 100% grant funded part of the scheme, on the understanding that there is no risk to the Council and that this does not commit the authority to the construction stage and further funding, is fully supported. Decisions about future funding will need to be made when the full financial impact of the current pandemic emergency becomes more clear.	
Supplied by: Steve Gadd	Date: 6 May 2020

VERIFICATION:

Project Manager:			
Project Sponsor:			
Name:		Position:	
Signature:	<i>Insert electronic signature</i>	Date:	

For use by Finance:

Result of S.I.G. Review	
Date of Meeting	
Approval	
Code	

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STRATEGIC INVESTMENT GROUP

BUSINESS CASE – CAPITAL INVESTMENT

This Business Case provides justification for undertaking a project. The completed form will be reviewed by the Strategic Investment Group who will make a recommendation to Council whether the bid should be approved and included within the Capital Plan. All sections should be completed and evidence of costs will need to be supplied.

For details of Strategic Investment Group meetings and deadlines for the submission of this form, please contact Richard Humphreys, Capital & Technical Finance Team on ext 6144.

Project Name:	Central Rhyl Coastal Defence Scheme
Project Reference:	
Project Manager:	Wayne Hope
Workstream:	

Head of Service/Project Sponsor	Tony Ward	Lead member:	Cllr Brian Jones
Service:	Highways, Facilities and Environmental Services	LM Portfolio:	Lead Member for Waste, Transport and the Environment
Form completed by:	Wayne Hope	Date:	17 th April 2020
Service Accountant:	Richard Humphreys	Date:	

PROJECT TYPE

Please categorise your project type. Mark **one** box only.

SMALL <input type="checkbox"/>	MEDIUM <input type="checkbox"/>	LARGE <input checked="" type="checkbox"/>
---------------------------------------	--	--

DECISION SOUGHT FROM SIG:	<ol style="list-style-type: none"> That SIG approve the design stage of the Central Rhyl Coastal Defence Scheme, which will be 100% grant funded by the Welsh Government, on the understanding that there is no risk to the Council and that this does not commit the authority to the construction stage and further funding.
----------------------------------	---

- | | |
|--|---|
| | <ol style="list-style-type: none">2. That SIG review and seek comments on the overall proposals.3. That SIG recognise that the funding for the construction phase will be the subject to a further business case and the relevant approvals and this decision on the design does not presuppose approval by SIG of the construction phase. |
|--|---|

EXECUTIVE SUMMARY

Highlights the key points in the Business Case to include:-

- what the project will achieve / important benefits
- estimated costs
- how the project will be funded

The existing coastal flood and erosion defences at Central Rhyl consist of a series of stepped revetments, recurve walls and vertical walls in various states of repair. The coastal defences are deteriorating and in the vicinity of the Rhyl SeaQuarium do not prevent wave overtopping under present day conditions, with properties at flood risk from a 1 in 5 year event. As sea levels rise over time due to climate change, flood risk will increase. Across the majority of the frontage, the defences are predicted to fail by 2038 if no works are undertaken. Once defences fail, the coastline will recede leading to loss of the promenade and associated assets including the Wales coastal path and cycle route. Failure and breach of the coastal defences will lead to an increase in flood risk to people and property in central Rhyl and there will be a significant negative impact on the tourism economy of Denbighshire. The scheme would provide a 1 in 200 year standard of protection to 548 residential and 44 non-residential properties plus additional protection against predicted sea level rise for the next 100 years.

An Outline Business Case (OBC) has been carried out and shows that the preferred option will cost an estimated £28,973,204, which includes design and development costs of £2,550,950 and construction costs of £26,422,254.

The design and development phase of the project will be 100% funded by the Welsh Government. There will be no risk to the Council in the event that the scheme doesn't progress beyond the design stage, in terms of the Welsh Government seeking repayment of grant funding.

Regarding the construction stage of the scheme, it might be possible to carry the work out in phases, thereby spreading the cost over a number of years. The approval for construction phase costs will, if appropriate, be sought from SIG, Cabinet and Council in due course.

BUSINESS OPTIONS

Analysis and reasoned recommendation for the base business options of: do nothing / do the minimal or do something

Option title:		Do nothing – maintain the existing situation / Do minimum			
Please provide brief details:					
<p>The 2013 coastal flooding event and subsequent coastal storms and overtopping events serve as a stark reminder of the vulnerability of the coastal defences at this location and the population living behind them. The 'do minimum' option will inevitably result in further flooding, particularly in light of predictions for sea level rise and the increased frequency and severity of storms due to climate change. This would have a significant detrimental impact on the future viability of Rhyl as a residential area and centre for tourism.</p> <p>As the Coast Protection Authority, the Council has a duty to prevent coastal erosion where the Shoreline Management Plan policy is to 'Hold the Line' and a more fundamental duty of care regarding the management of flood risk where coastal erosion could lead to loss of life.</p> <p>The long term costs of recovering from floods, including repairs to Council assets (buildings and roads) and repairs to the coastal defences, are likely to outweigh the Council's contribution to a capital project in the medium to long term.</p>					
Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:					
Costs	Costs more		Time	Takes longer to deliver	x
	Costs the same	x		Takes the same to deliver	
	Costs less			Is quicker to deliver	
Quality	Improves the quality		Benefits	Improves benefits	
	Is the same quality			No impact on benefits	
	Is a lower quality	x		Worsens benefits	x
What is the main reason this option has not been selected?					
The 'do nothing' option will cost the Council more in the long term.					
Option title:		Do Something: Carry out the Central Rhyl Coastal Defence Scheme			
Please provide brief details:					
Carry out the design and construction of the Central Rhyl coastal defence scheme as described in the Executive Summary.					
Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:					
Costs	Costs more		Time	Takes longer to deliver	
	Costs the same	x		Takes the same to deliver	
	Costs less			Is quicker to deliver	x
Quality	Improves the quality	x	Benefits	Improves benefits	x
	Is the same quality			No impact on benefits	
	Is a lower quality			Worsens benefits	
What is the main reason this option has not been selected?					
Investment in a coastal defence scheme will reduce costs for the Council in the long term, protect a large number of residents from coastal flood risk and the impacts of climate change and ensure the sustainability of Rhyl as place to live and work and a tourist destination.					

EXPECTED BENEFITS

The benefits that the project will deliver expressed in measurable terms against the situation as it exists prior to the project

Reduced risk from coastal flooding as a consequence of coastal erosion and sea level rise for around 600 properties in Rhyl.

EXPECTED DIS-BENEFITS

Outcomes perceived as negative by one or more stakeholders

None.

TIMESCALE

Over which the project will run (summary of the Project Plan) and the period over which the benefits will be realised

Date	Milestone
11 th May 2020	Commence detailed design
7 th May 2021	Submit Full Business Case to Welsh Government for approval
14 th Feb 2022	Commence Construction Phase, subject to SIG, Cabinet & Council approval
29 th March 2024	Complete Construction Phase (Project Completion)

CAPITAL COSTS – CONSTRUCTION PROJECTS

**COMPLETE ALL THREE TABLES BELOW FOR CONSTRUCTION PROJECTS
LEAVE BLANK/DELETE SECTION FOR BUSINESS DEVELOPMENT PROJECTS**

Please provide details of any capital funding that has already been spent on the project:	
Enter details of cost element below:	Total
Feasibility (surveys, market research, etc)	£210,000
Client side project management	£20,000
TOTAL	£230,000

Please provide details of the capital funding requirement (not including amount already spent):				
Enter details of cost element below:	2020/21	2021/22	Future Years	All Years Total
Internal staff costs	£99,150			£396,600
Design & Development Costs	£2,451,800			£2,451,800
TOTAL	£2,550,950			£2,550,950

Please provide details of proposed capital funding sources					
Enter details of funding source	Status:	2020/21	2021/22	Future Years	TOTAL
WG Grant @ 100% (Design)	Applied	£2,550,950			£2,550,950
TOTAL		£2,550,950			£2,550,950

REVENUE COST IMPACT

TO BE COMPLETED FOR ALL PROJECTS

In considering whether a project should be developed due regard should be made to the potential impact on revenue budgets.

If the activity will result in a requirement for additional revenue funding, please provide details below:			
What is the impact of this project in terms of the <u>annual</u> revenue requirement for:	Existing Revenue Budget	Post-project Revenue Budget	Increase/Decrease
staff costs (salaries and associated)			
energy costs (heating, lighting, ICT, etc)			
property maintenance and servicing costs			
other property related costs (rental, insurance, etc)			
ongoing ICT costs (licences, etc)			
mileage of Denbighshire fleet vehicles			
mileage for business travel by Denbighshire employees using their personal vehicles			
OTHER (please enter)			
OTHER (please enter)			
OVERALL REVENUE REQUIREMENT			

Please provide brief details of the revenue impact of this project:

- *Where revenue savings are forecast, you should detail what is proposed for the saving (e.g. reduction of an existing revenue budget, re-allocation of revenue to alternative services area, etc)*
- *Where revenue increases are forecast, you should provide details of how the revenue shortfall will be addressed. In this instance you should also append a three year surplus/deficit forecast.*
- *Details of any one-off revenue cost requirements that may be required post-project implementation (e.g. recruitment, redundancies, etc). DO NOT include any costs detailed in the capital section of this Business Case*

No significant revenue implications expected, but will be examined further during development of Full Business Case.

PROJECT MANAGEMENT

Please provide details of proposed project management – Establishment of Project Board etc

The scheme is currently being overseen by the coastal defence schemes project board, Project Sponsor Tony Ward.

STATUTORY REQUIREMENTS / HEALTH & SAFETY

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Mileage of Denbighshire Fleet vehicles: (UNIT = miles travelled)					
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Tonnes of waste produced being recycled: (UNIT = tonnes)					
Mileage of Business Travel (personal vehicles): (UNIT = miles travelled)					
TOTAL CARBON EMISSIONS					

Please provide brief details of the carbon impact of this project, and detail specific actions that will be taken to reduce carbon emissions. If carbon emissions are expected to increase as a result of this project, please provide details of proposed actions to compensate for this increase in other areas of the Service's activity.

The overall carbon impact of the project is likely to be neutral. However, opportunities will be explored during the development of the project to achieve a carbon negative impact.

BIODIVERSITY IMPACT

Please consult with Denbighshire's Biodiversity Officer before completing this section:

joel.walley@denbighshire.gov.uk

The Council has a statutory duty to ensure compliance and enforcement of the habitats regulations (as amended in 2007) and the NERC Biodiversity Duty (2006). At this pre-feasibility stage, what is the anticipated impact on biodiversity of the project. Please mark a cross in the appropriate box.

Will this project impact on a habitat that supports living organisms (plant or animal)?	Yes		No	
--	------------	--	-----------	--

If you have answered yes to the above question, please complete all the following biodiversity sections. If answered no please leave blank

THREATENED/PROTECTED SPECIES Will this project impact on any protected or threatened species as defined in Denbighshire's Local Biodiversity Action Plan (LBAP)?	Yes		No	
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ALL SPECIES (including threatened/protected) Forecasts:	Current number	Post-project number	Variance (+/-)
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Number of animal species present:			
TOTAL NUMBER OF SPECIES PRESENT			

Please provide brief details of the action you will be taking in association with this project to protect or enhance biodiversity. Specific reference should be made to the mitigation strategy if the project impacts on any protected or threatened species as defined in Denbighshire's Local Biodiversity Action Plan (LBAP).

The Council's biodiversity officer was consulted during the preparation of the Outline Business Case for the project and will be involved further during the design and development phase.

MAJOR RISKS TO THE PROJECT

A summary of the key risks associated with the project together with the likely impact and plans should they occur (*Please also add to your project risk register*)

Key Risk	Likely Impact	Mitigating Action
Welsh Government won't approve design and Full Business Case	Very High	Continue dialogue with Welsh Government officials during the design and development stage of the project.
Failure to gain planning permission	Very High	Liaise closely with Local Planning Authority during the design and development stage.
Failure to gain a marine licence	Very High	Liaise closely with Natural Resources Wales during the design and development stage.

SUPPORTING INFORMATION

Please list any supporting documents that accompany this Business Case

Outline Business Case (which has been approved by the Welsh Government).

ANNUAL CAPITAL BIDS – BLOCK ALLOCATIONS

Please provide details of expenditure and commitments for allocations received in the current financial year.

NONE.

COUNTY LANDLORD STATEMENT

Please provide a statement from the County Landlord and where applicable the recommendation of the Asset Management Group

NOT APPLICABLE.

Supplied by: _____ **Date:** _____

CHIEF FINANCE OFFICER STATEMENT

The proposal to approve the design stage of this 100% grant funded part of the scheme, on the understanding that there is no risk to the Council and that this does not commit the authority to the construction stage and further funding, is fully supported. Decisions about future funding will need to be made when the full financial impact of the current pandemic emergency becomes more clear.

Supplied by: Steve Gadd **Date: 6 May 2020**

VERIFICATION:

Project Manager:			
Project Sponsor:			
Name:		Position:	
Signature:	<i>Insert electronic signature</i>	Date:	

For use by Finance:

Result of S.I.G. Review	
Date of Meeting	
Approval	
Code	

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Report to	Cabinet
Date of meeting	26 th May 2020
Lead Member / Officer	Julian Thompson Hill
Report author	Steve Gadd, Head of Finance and Property
Title	Finance Report (Covid 19 Financial Strategy)

1. What is the report about?

The report sets out the financial impact on the Council and the Council's response to mitigating that impact in the short and medium term.

2. What is the reason for making this report?

To inform Cabinet of the financial impact of COVID19 on the Council's 2020/21 budget, which is a combination of additional costs as well as a significant loss in income and to propose a strategy for how the Council can respond to this crisis.

3. What are the Recommendations?

3.1 Members note the forecasts around the financial impact of the Covid 19 pandemic on the Council.

3.2 Members consider and approve the Draft Financial Strategy outlined in this report.

4. Report details

It has become increasingly clear that the impact of the Corona Virus Pandemic on the authority will be significant and that business as usual from a financial perspective is not possible if the Council is to respond to the crisis. This report will outline the financial impact

and the short and medium term response proposed (taking into account the impact on cash flow and base budget).

4.1 Effects of COVID19 on the Income and Expenditure up to the end of June

A net increase of £2.1 million in Council expenditure is anticipated for the quarter to the end of June as a result of the COVID19 impact, with additional expenditure of £2.8 million for the period up to the end of June, alongside a decrease in expenditure of £747k over the same period (see Appendix 1 for details).

There is a more dramatic impact on the Council's income, with income losses of £6.3 million forecast for the same period, the largest impact of £2.22 million on Denbighshire Leisure Limited, £649k School Meals, £498k Parking and £403k for loss of income for industrial units etc (see Appendix 2 for details).

The expectation is that we will receive funding from the Welsh Government to fund the additional expenditure, but there are no firm announcements yet in terms of funding the loss of income.

The Welsh Local Government Association (WLGA) has submitted information to the Finance Sub Group 30/04/2020, in order to help inform and influence the Welsh Government. This is under consideration by the Ministers and there is an expectation of announcements concerning funding before the end of May.

It should be noted that the figures above are projections and subject to change. The net impact of £8.3m per quarter, if not funded, would have a devastating impact on the Council finances if the lockdown continues for an extended period. Even when lockdown is relaxed, income levels in a number of areas will take a long time to recover.

The figures above do not include any impact on levels of Council Tax Reduction Scheme (CTRS) claimants or levels of payment of Council Tax itself (Council Tax Yield). Analysis suggests that for every 1% decrease in Council Tax Yield would have an impact of approximately £700k. Each individual CTRS claimant costs the Council on average £1,105. There are currently over 650 new cases being processed which would lead to an overspend of £718k. It is likely that as Universal Credit cases increase so too will CTRS claims. This information has also been fed back to WG.

4.2 Short Term Response Phase

4.2.1 DCC have worked in partnership with all Welsh Local Authorities, the WLGA and Welsh Government in order to help define the scale of the problem and develop solutions to how the public sector in Wales can work through the problems. Particular examples of this strategy working are:

- Initial concerns that Councils would 'run out of money' (the 'cash flow' problem) particularly as Council were asked to fund the Business Rates Relief and Small Business Grants schemes on behalf of WG. Following consultation with WG they agreed to a cash funding package which involved pre-paying funding for half the business grants and front loading Revenue Support Grant payments. DCC also undertook £15m of borrowing at exceptionally low interest rates in order to ensure the cash would not run out. This strategy has been successful and the concerns around cash flow have been allayed for now.
- An initial grant of £30m (for all Wales) was announced for direct costs associated with Covid 19 response – much of the direct additional costs identified in 4.1 will be eligible for this grant. However the £30m does not cover all the estimated costs identified by Local Authorities so it is important that WG keep the level of this grant under review. The grant is working well with monthly claims in arrears – March's funds have been received.
- £40m Social Care grant – still awaiting detailed guidance but will be administered as above.

4.2.2 Going forward the recommended strategy over the next few months to identify a way to ensure the financial stability of the Council for 2020/21 and beyond is set out below.

- The strategy for next few weeks is one of continuing to work in partnership with other LA's, WLGA and Welsh Government in order to try and achieve financial help to cover the overspend due to losses of income. A Supplementary Budget is due to be announced on 27th May which will hopefully help provide some certainty.
- DCC also needs to continue to identify and define the financial impact in order to achieve an increasingly more accurate picture. This will include a review of the saving plans put forward as part of the 2020/21 budget approved in January.

- We will also need to keep under review those decisions that have led to decreases in income – for example rent holidays for industrial units or removal of parking charges.
- In order for the Council to have financial flexibility it is important that funds are available to both deal with any residual overspends and to allow the Council the flexibility to continue to deliver services as efficiently and effectively as possible. In particular the following detailed pieces of work needs to be undertaken so that we can quickly respond to the WG announcement at the end of May:
 1. **Identify current underspends** - Identify all reductions in expenditure that have occurred as a result of Covid 19 – although initial work has been undertaken this is an ongoing exercise.
 2. If WG funding is not forthcoming, or partly forthcoming a **review of non-statutory services** will need to take place and we will need to be prepared to present an **in-year budget re-alignment** exercise.
 3. Following the closedown of the 2019/20 accounts a **full review of reserves and balances** will need to take place to ensure that the Council prioritises the response and recovery phases of the current crises. Initial figures show that the financial outturn for 19/20 is better than had been projected which will allow some flexibility going forward. Any re-allocation of reserves is likely to impact on future budget decisions as they will either need repaying or base budget pressures will need to be included due to the reduction in financial resilience.
 4. The option of **capitalisation** of revenue losses is currently being explored with Welsh Government and the UK Treasury. The advantage of this approach is that it gives certainty to LA's that they will be able to continue to operate financially and should reduce any need for emergency reductions in service provision. As with any use of reserves and balances it would have an impact on future budget setting as the repayments would need base budget pressure for a number of years.

4.3 Medium Term Response and Recovery Phase

4.3.1 The details of the medium term response will very much depend on the outcome of the response phase. However it is hoped that this phase will see the Council able to build on the learning of the crisis to ensure that the opportunities for better and more resilient

ways of working are taken advantage of. This will involve the identification of new priorities, areas of ongoing savings and areas that require investment. In particular the following pieces of work will need to be completed over the coming months.

- **Medium Term Financial Strategy** – This is usually produced in the late spring following the setting of the current year budget and the closure of last year’s accounts. This usually ensures that the strategy is based on the best financial information available pending the Draft Settlement in the Autumn. The scale of the financial impact of the Covid 19 Pandemic means that this is not possible at this stage. It is hoped that a MTFS can be presented to cabinet before the summer recess when the financial position will hopefully become clearer.
- **Revenue Budget Setting Process and Timetable** – A timetable for how we can develop budget proposals for 2020/21 will be drawn up over the coming months and it is hoped a detailed process and timetable can be presented alongside the MTFS.
- **Review of Capital Priorities and Projects** – It is envisaged that the core priorities listed below will continue but other projects may need to be reviewed depending on availability of finances:
 - 21st Century Schools – dependent on WG funding
 - Investment in DCC assets (including buildings, highways etc) – the block allocations
 - Major flood defence works – dependent on WG funding
 - Major regeneration projects – Queens Market, Rhyl and Denbigh Hospital

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

Effective management of the council’s revenue and capital budgets and delivery of the agreed budget strategy underpins activity in all areas, including corporate priorities.

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

The financial impact is detailed in the body of the report (see Section 4).

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

No Well-being Impact Assessment has been undertaken for this strategy. Specific decisions resulting from this strategy are likely to require a WIA especially ones that impact on service delivery or future budget flexibility.

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

No specific formal consultations have been undertaken. However the broad strategy has been verbally reported to informal Cabinet and SEMT in recent weeks.

9. Chief Finance Officer Statement

Obviously the core focus at the moment is the financial response and recovery in relation to the Covid 19 pandemic. Although the pressures are very large the Council enters this period with the following advantages:

- A strong track record of financial management in response to over 10 years of real terms budget reductions. The systems and processes in place should help DCC in its response.
- The Council has relatively healthy financial reserves and balances of the Council.
- The Settlement and Budget set for 2020/21 allowed the Council to address a number of pressures in Social Care, Waste services, School Transport, Education and Schools. This does not mean that there are no ongoing business as usual pressures, however it does mean that we are in a better position than previous years.

The regular Finance Cabinet Report will keep members up to date and regular updates are provided to informal Cabinet.

Please also note it is recognised that this is a fast changing situation and a summary update will be presented at Cabinet.

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

This is obviously the most challenging financial period DCC has faced. The proposed Financial Strategy in this report aims to mitigate the following risks (among others):

- Failure to have a robust funding strategy could impact on the financial stability and sustainability of the Council.
- Impact on ability for the Council to deliver core services.
- Impact on capacity of the Council to achieve its priorities.

11. Power to make the decision

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

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Appendix 1 - Costs and Savings

Item	Impact £000
Homelessness - Payments to local hotels/isolation properties	199
Direct payments for Free School Meals	864
Increased Social Care Costs	1,526
Increased ICT, Revenues and Benefits and other Corporate costs	153
Other	91
Total Additional Costs	2,834
Savings on food costs relating to School Meals	(246)
Savings on School transport costs (75% continue to be funded)	(383)
Savings on external contractors that have furloughed	(58)
Reductions in staff business mileage claims	(60)
Total Savings	(747)
Net Impact	2,087

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Appendix 2 - Loss of Income

Item	Impact £000
Leisure centres / sports facilities Loss of income including gym memberships etc	1,617
Cultural venues / events Loss of income	603
Car parking Loss of income	498
Industrial Units / other property Loss of rental income	403
Licenses Loss of licensing income	56
Planning / Building Control Fees Loss of fee income	257
Registration Services Loss of income	102
Garden / trade / bulky waste Loss of income	191
Education Out of County Placement income	373
Children's Services Loss of Childcare income at in-house nursery	91
Adult Services Cefndy Healthcare mainly	345
Highways External Fleet, street works and Major Projects team	282
School Catering Loss of school meal income (excluding FSM)	649
Libraries Hire Fees	19
Youth Services Hire Fees	18
Schools Peripatetic Music, inter Authority recoupment etc	410
HRA Lost income from absence of a number of trade operatives	221
Community Support Services Loss of Charging Policy Income	154
Community Support Services Cefndy Loss of TESS / DWP Grant	17
Net Impact	6,308

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Cabinet Forward Work Plan

Meeting		Item (description / title)	Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
30 Jun 2020	1	Proposed sale of land formerly part of Lodge Farm in Denbigh	To seek Cabinet's authorisation to the proposed sale.	Yes	Councillor Julian Thompson-Hill / Mair Jones
	2	Additional Licensing for Houses of Multiple Occupation (HMOs)	To seek approval for the re-designation of Rhyl for Additional HMO Licensing and to expand the scheme to include the areas of Denbigh, Llangollen & Prestatyn	Yes	Councillor Tony Thomas / Emlyn Jones / Andrew Lord
	3	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Steve Gadd
	4	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
28 July 2020	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Steve Gadd
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
22 Sept	1	Final draft Revised Housing &	To seek Cabinet's support	Yes	Councillor Tony Thomas /

Cabinet Forward Work Plan

Meeting		Item (description / title)	Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
		Homelessness Strategy & Action Plan	and recommendation that Council approve the document		Angela Loftus
	2	Annual Performance Review	To consider current performance against Corporate Plan priorities 2019-2020	Tbc	Councillor Julian Thompson-Hill / Iolo McGregor
	3	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Steve Gadd
	4	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
20 Oct	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Steve Gadd
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
24 Nov	1	Corporate Plan Quarter 2 Performance Report	To monitor the Council's progress in delivering the Corporate Plan 2017-22	Tbc	Councillor Julian Thompson-Hill / Iolo McGregor
	2	Denbighshire and Flintshire	To approve the proposals	Yes	Councillor Tony Thomas /

Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
		Joint Archive Project	and deliver a new building and commit to allocate match funding for the project		Alan Smith / Helen Vaughan-Evans
	3	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Steve Gadd
	4	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
15 Dec	1	Contract Procedure Rules	To consider the reviewed contract procedures rules which will require adoption and form part of the council constitution	Tbc	Councillor Julian Thompson-Hill / Lisa Jones / Helen Makin
	2	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Steve Gadd
	3	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator

Note for officers – Cabinet Report Deadlines

Cabinet Forward Work Plan

<i>Meeting</i>	<i>Deadline</i>	<i>Meeting</i>	<i>Deadline</i>	<i>Meeting</i>	<i>Deadline</i>
<i>May</i>	<i>11 May</i>	<i>June</i>	<i>16 June</i>	<i>July</i>	<i>14 July</i>

Updated 12/05/2020 - KEJ

Cabinet Forward Work Programme.doc