

To: Members of the Cabinet

Date: 15 September 2021

Direct Dial: 01824712568

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

Dear Councillor

You are invited to attend a meeting of the **CABINET** to be held at **10.00 am** on **TUESDAY, 21 SEPTEMBER 2021 BY VIDEO CONFERENCE.**

Yours sincerely

G. Williams  
Head of Legal, HR and Democratic Services

## **AGENDA**

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

#### **1 APOLOGIES**

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

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

#### **3 URGENT MATTERS**

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

#### **4 MINUTES (Pages 7 - 12)**

To receive the minutes of the Cabinet meeting held on 27 July 2021 (copy enclosed).

**5 STRATEGY FOR THE PREVENTION AND DETECTION OF FRAUD, CORRUPTION AND BRIBERY AND THE FRAUD RESPONSE PLAN (Pages 13 - 50)**

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) seeking Cabinet endorsement of the revised Strategy and associated Fraud Response Plan.

**6 ANNUAL TREASURY MANAGEMENT REPORT 2020/21 (Pages 51 - 76)**

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) updating Cabinet on the performance of the treasury management function and to demonstrate compliance with treasury limits and Prudential Indicators during 2020/21.

**7 COUNCIL HOUSE EXTERNAL ENVELOPING AND ENERGY EFFICIENCY FRAMEWORK AND MINI COMPETITION AWARD (Pages 77 - 96)**

To consider a report by Councillor Tony Thomas, Lead Member for Housing and Communities (copy enclosed) seeking Cabinet approval to award the recently tendered framework to six contractors and to tender the first two lots from the framework by way of mini competition.

**8 CONSTRUCTION OF 15 APARTMENTS FOR SOCIAL RENT AT THE DELL, PRESTATYN - CONTRACT AWARD (Pages 97 - 112)**

To consider a report **(which includes a confidential appendix)** by Councillor Tony Thomas, Lead Member for Housing and Communities (copy enclosed) seeking Cabinet approval to award the contract to construct 15 apartments for social rent at The Dell in Prestatyn.

**9 FINANCE REPORT (Pages 113 - 164)**

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

**10 CABINET FORWARD WORK PROGRAMME (Pages 165 - 168)**

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

**PART 2 - CONFIDENTIAL ITEMS**

## EXCLUSION OF PRESS AND PUBLIC

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

### **11 DENBIGHSHIRE LEARNING DISABILITY SUPPORTED LIVING SCHEMES - TEMPORARY EXTENSION TO AND RETENDERING OF EXISTING CONTRACTS** (Pages 169 - 194)

To consider a confidential report by Councillor Bobby Feeley, Lead Member for Well-being and Independence (copy enclosed) seeking Cabinet approval to the temporary extension of contracts and process for retendering of contracts in relation to Denbighshire Learning Disability Supported Living Schemes.

## **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

## **COPIES TO:**

All Councillors for information  
Press and Libraries  
Town and Community Councils

This page is intentionally left blank

## 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'.

This page is intentionally left blank

## CABINET

Minutes of a meeting of the Cabinet held by video conference on Tuesday, 27 July 2021 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; 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:** Councillors Meirick Davies, Melvyn Mile and Graham Timms

## ALSO PRESENT

Corporate Director: Communities (NS); Heads of Service: Legal, HR and Democratic Services (GW), Finance and Property (SG), and Planning, Public Protection and Countryside Services (EJ); Traffic, Parking and Road Safety Manager (MJ) and Committee Administrators (KEJ & SLW [Webcaster])

### 1 APOLOGIES

There were no apologies.

### 2 DECLARATION OF INTERESTS

Councillor Melvyn Mile declared a personal interest in agenda item 5 – Llangollen 2020 Castle Street Improvement Scheme because he was a member of Llangollen Town Council.

### 3 URGENT MATTERS

Proposed Redevelopment of the former Prestatyn Library Site – approval to commence the tender process

This matter would be considered as part of the Finance Report (agenda item 6).

### 4 MINUTES

The minutes of the Cabinet meeting held on 29 June 2021 were submitted.

**RESOLVED** that the minutes of the meeting held on 29 June 2021 be received and confirmed as a correct record.

## 5 LLANGOLLEN 2020 CASTLE STREET IMPROVEMENT SCHEME

Councillor Brian Jones presented the report seeking Cabinet approval to proceed with the implementation of the Llangollen 2020 Castle Street Improvement Project. Given the estimated project cost of £1.75m and the significant community interest in the scheme a decision was sought from Cabinet to approve its implementation.

Councillor Jones advised that he had walked the route of the scheme with officers and residents and had been pleased to note the positive response to the proposed improvements and substantial investment in the area. The comprehensive public engagement exercise and response to feedback clearly demonstrated residents and businesses had been listened to and the Council had worked with them to address issues and areas of concern which had resulted in changes to the scheme, and there was scope to make further amendments in that regard as appropriate. In commending the project Councillor Jones advised that the local MP and MS were also supportive of the project and he urged Cabinet to approve its implementation.

The Traffic, Parking and Road Safety Manager (TPRSM) delivered a presentation on the detail of the scheme which, in brief, included reference to the following –

- the work of the Llangollen 2020 Group in initiating a project to consider traffic, parking, pedestrian safety and public realm issues in the town centre
- funding secured from Cadwyn Clwyd and Llangollen Town Council to undertake a feasibility study seeking people's views through various engagement exercises and media platforms which identified a number of concerns
- highlighted the existing issues of concern including traffic and parking-related congestion, pavements being too narrow, difficulties for pedestrians crossing Castle Street and poor condition of the public realm
- detailed design proposals had been developed based on the feasibility study's findings to create a more pedestrian friendly environment with less on street parking and provision of loading bays for businesses; artist impressions to illustrate how the proposed changes would look had also been provided
- the estimated total project cost was £1.75m which included a Council contribution of £780k and Welsh Government grant funding totalling £970k
- a comprehensive public engagement exercise had been carried out on the design proposals and an overview of people's views on the project was provided – overall 64% considered the scheme was generally a good idea and 36% considered the scheme was generally not a good idea
- the public engagement feedback had resulted in some proposed design changes for further improvement and to allay concerns raised. Main issues raised were elaborated upon with an explanation of the subsequent changes proposed and reasoning why other issues had not resulted in proposed changes
- the project was phase 1 and should Cabinet approve its implementation there were other important phases which would need to follow such as parking management around the town, active travel routes, directional signage and the introduction of an environmental weight restriction
- the next steps, should Cabinet approve the scheme, had been highlighted with construction starting in September 2021 for completion in March 2022.



The Head of Planning, Public Protection and Countryside Services referred to the extensive engagement and consultation process as invaluable with significant involvement from the community, local members, town council and businesses and significant changes had been made to the design proposals as a result.

The Leader invited the two local members to speak on the project.

Councillor Melvyn Mile highlighted the outcome of the consultation process with approximately two thirds to one third generally in favour of the scheme and subsequent amendments made in response to feedback. He was fully supportive of the scheme, as was Llangollen Town Council of which he was also a member and who had contributed financially to the initial scoping study. Councillor Mile was enthusiastic about the significant investment in the town to secure improvements and thanked officers for all their hard work in that regard and in finding solutions and compromises to the issues and concerns raised. He urged Cabinet to approve implementation of the scheme without delay.

Councillor Graham Timms (who also chaired the Llangollen 2020 Group) provided some background to the establishment of the Group which was a locally led initiative to tackle the problems identified in the town and ensure it was fit for modern day demands. There had been an emphasis on encouraging everyone to get involved to search for solutions and agree a way forward. The consultations had identified areas of broad agreement which had been included in the final scheme whilst also recognising the conflicting needs of specific groups, with the Council having responded to the concerns of all participants in those consultations. Approval of the scheme would result in the largest investment in Llangollen for generations and demonstrated how an active community scheme, funded by the Council and Welsh Government grants, could help solve problems and create a better place to live and work. The report recognised that not all of the problems would be entirely solved by the scheme and there was a need to continue to work with the community to find solutions to parking as the next priority. In urging Cabinet to approve the scheme, Councillor Timms thanked officers for their involvement, Councillor Brian Jones (Lead Member), and the Llangollen 2020 Group with specific mention to Robyn Lovelock who had been instrumental in driving the project.

Cabinet considered the merits of the scheme and there was unanimous support for the significant investment in Llangollen to secure improvements in the town. Cabinet was also pleased to note the comprehensive and wide ranging engagement process and level of response to the consultations. It was accepted that not all were in favour of the scheme but it was noted that a response had been provided to all issues/concerns raised with changes made to the scheme as a result, and an explanation provided where changes could not be accommodated.

Main areas of debate focused on the following –

- Councillor Tony Thomas queried whether the proposed new loading bay on Castle Street outside the town hall could be a recessed construction and offer all day 30 minute free parking to businesses and residents. The TPRSM shared an image of the location and explained the original proposal to narrow the road and widen the pavement and proposed changes following the engagement feedback

to keep the loading bay against the existing kerb line. It may be possible for the loading bay to be further recessed but further technical investigations would be required in terms of underground services, location of the tree and its roots, land ownership issues and any impact on retail businesses. There were also pros and cons to imposing a 30 minute parking limit which would require further consideration. Councillor Brian Jones was supportive of the suggestion and Cabinet also indicated their support with the proviso that any future works would not necessitate the removal of the tree. The TPRSM agreed to undertake the necessary investigations into the merits of the suggestion for further consideration with the lead member and local members as part of the scheme

- Councillor Bobby Feeley was pleased to note the substantial investment to further improve Llangollen and overall she welcomed the scheme with the proposed amendments. She referred to emails received from people highlighting a number of issues and concerns which she noted had mostly been covered by the report and during the meeting including the loading bay in Castle Street (raised by Councillor Thomas) and safeguarding the tree, reconsidering options for Short Street, and further looking into the introduction of a weight restriction and parking provision in the next phase of the project. She referred to access improvements made associated with the health centre a few years ago and the potential for parking provision in that area which could be considered in phase 2
- Councillor Mark Young paid tribute to the hard work of those involved in bringing the scheme forward and was pleased to note the commitment to responding to each issue/concern raised and further work to be undertaken in phase 2. In response to questions from Councillor Young the TPRSM confirmed a start date for the scheme in September if approved and in terms of minimising disruption to businesses, particularly over the Christmas trading period, advised that close liaison between the successful contractor and businesses was key and it would be stipulated in the tender documentation that the successful contractor provide a Business Liaison Officer to mitigate the impact on retailers. Progress would also be monitored to ensure minimal disruption and adherence to timescales in order to meet the grant conditions for completion of the project by March 2022
- Councillor Julian Thompson-Hill noted the scheme had been in development for some considerable time and believed it would address the long standing issues in Llangollen and had the support of local members and the town council. It was to be expected that any change of this nature would not be universally popular but the presentation and report documentation had demonstrated that the Council had been prepared to adapt the proposals where possible in response to feedback and concerns and he supported implementation of the scheme
- Councillor Huw Hilditch-Roberts considered local members to be best placed to respond to the detail of the scheme. Based on past experience he highlighted issues relating to loading bays, visual impact and theoretic calculations for traffic movements which had not been borne out in practice (such as turning points and manoeuvring of large vehicles e.g. HGVs) which should be physically tested beforehand. The Lead Member and TPRSM accepted lessons could be learned from past experiences. Given the wealth of input and scrutiny of the proposals in this case it was considered unlikely that any major flaws would be identified at a later stage. The Council's Conservation Officer had also been involved at an early stage in the design process and the 3D visualisation provided a good representation as to what the scheme would look like if implemented.

Councillor Meirick Davies voiced his support for the scheme. He queried whether reference to LIC (Llywodraeth Cymru) in the Welsh report should be changed to Senedd. The Leader agreed to look to amend that reference where appropriate.

The Leader thanked the local members for their vision and leadership in this scheme and for the work of the lead member and officers in that regard. It was accepted that where such changes were suggested there would inevitably be a reaction which would not always be positive but Cabinet could be assured that officers had responded to each of the points raised and provided an explanation of any issues which could not be accommodated. Cabinet could also take assurance from the extensive engagement and consultation process carried out to inform the decision making process. The Leader welcomed the substantial investment in Llangollen and benefits it would bring and was fully supportive of the scheme.

**RESOLVED** that Cabinet –

- (a) *approves the implementation of the Llangollen 2020 Castle Street Improvement Project, including the amendments listed in Appendix A to the report which resulted from recent public engagement feedback and agreed with the local members, and*
- (b) *confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix C to the report) as part of its consideration.*

## **6 FINANCE REPORT**

Councillor Julian Thompson-Hill presented the report detailing the latest financial position and progress against the agreed budget strategy as outlined below –

- the net revenue budget for 2021/22 was £216.818m (£208.302m in 2020/21)
- an overspend of £0.708m was forecast for service and corporate budgets
- detailed agreed savings and efficiencies worth £4.448m relating to fees and charges, operational efficiencies, changes in service provision and schools
- highlighted current risks and assumptions relating to individual service areas, corporate budgets and schools together with the impact of coronavirus and position on funding claims to the Welsh Government
- a general update on the Housing Revenue Account and Housing Capital Plan, Treasury Management and Capital Plan with an update on major projects.

Cabinet approval was also sought for an urgent matter not included in the report and further recommendation relating to the commencement of a tender process in respect of the proposed redevelopment of the former Prestatyn Library site. The urgency of the matter was explained given the timescales involved to tender for the proposed scheme with a formal contract award to be brought before Cabinet in September for consideration. The Strategic Investment Group had approved the proposal which involved demolition of the current building on the site and construction of fourteen one-bedroom apartments for social rent and two ground floor commercial units. The overall scheme had been valued at £4.3m funded from the Housing Revenue Account (£2.9m) and Welsh Government's social housing grant (£1.4m).

The Head of Finance provided a further update on Covid related claims to the Welsh Government confirming that the Quarter 1 (April – June) loss of income claim had been submitted amounting to £2m but it was expected that future claims would be much lower from July onwards given the opening up of the leisure sector etc.

Having considered the report, urgent item and additional recommendation it was –

**RESOLVED** that Cabinet –

- (a) *note the budgets set for 2021/22 and progress against the agreed budget strategy, and*
- (b) *approve the commencement of the tender process in respect of the proposed redevelopment of the former Prestatyn Library and the construction of fourteen one-bedroom apartments for social rent and two ground floor commercial units.*

## **7 CABINET FORWARD WORK PROGRAMME**

The Cabinet forward work programme was presented for consideration and members noted the following additions –

- Denbighshire Learning Disability Community Living Schemes – September
- Prestatyn Flood Defence Scheme – December
- Central Rhyl Flood Defence Scheme – January

**RESOLVED** that Cabinet's forward work programme be noted.

The meeting concluded at 11.05 hrs.

<b>Report to</b>	Cabinet
<b>Date of meeting</b>	21 September 2021
<b>Lead Member / Officer</b>	Cllr Julian Thompson Hill Gary Williams – Head of Legal, HR & Democratic Services Steve Gadd – Head of Finance & Property Services
<b>Report author</b>	Lisa Lovegrove – Chief Internal Auditor
<b>Title</b>	Strategy for the Prevention & Detection of Fraud, Corruption & Bribery and the Fraud Response Plan

## 1. What is the report about?

- 1.1. The Council takes its responsibilities to protect the public purse very seriously and is committed to protecting the public funds that it administers. This Strategy and framework set out the Council's commitment to preventing, detecting and deterring fraud and corruption.
- 1.2. To inform Cabinet about changes to the Strategy for the Prevention and Detection of Fraud, Corruption & Bribery and the fully revised Fraud Response Plan.

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

- 2.1. Minimising any losses to fraud and corruption is an essential part of ensuring that all of the council's resources are used for the purposes for which they are intended.
- 2.2. It is important that anti-fraud strategies and plans are kept up to date to support and guide Council staff, ensuring compliance with laws and regulations, giving guidance to decision making and streamlining internal processes.

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

- 3.1. Endorse the revised Strategy for the Prevention and Detection of Fraud, Corruption & Bribery and associated Fraud Response Plan and provide support to ensure that measures are embedded throughout the organisation.

### **4. Report details**

- 4.1. The Strategy for the Prevention and Detection of Fraud, Corruption and Bribery and Fraud Response Plan form part of the Council's counter fraud framework, a collection of interrelated policies and procedures including the Code of Conduct, Financial Regulations and Whistle Blowing Policy. It also includes policies and procedures that are specifically targeted at countering fraud and corruption
- 4.2. The purpose of the Strategy and Fraud Response Plan is to provide management with a tool to ensure progress and transparency with regards to counter-fraud activities. It is designed to heighten the Council's fraud resilience and demonstrate its protection and stewardship of public funds.
- 4.3. In developing this Strategy, the Council has adopted the guiding principles included in "Fighting Fraud and Corruption Locally 2020" (FFCL2020) which is the counter fraud and corruption strategy for local government. It provides a blueprint for a coordinated response to fraud and corruption perpetrated against local authorities with the support of those at the top. It sets out the requirement to have robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.
- 4.4. The Strategy is not just concerned with operational activity to detect and investigate fraud and corruption, but also sets out objectives for pro-active actions to deter and prevent fraud and corruption through the continual development of an anti-fraud and corruption culture.
- 4.5. The Fraud Response Plan has been revised to reflect existing processes and to strengthen arrangements to ensure that all relevant parties are involved at key points and to include greater alignment with HR policies, particularly, the disciplinary policy.

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

5.1. No decision required. The application of the Strategy and Fraud Response Plan is intended to protect the Council against loss through fraud and corruption so that resources are used for the purposes for which they are intended.

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

6.1. There are no direct financial implications arising from this report. The application of the counter fraud strategy and response plan is intended to protect the Council against loss through fraud and corruption

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

7.1. The Well-Being Impact Assessment highlights positive and neutral impacts; positives particularly in the area of "a globally responsible Denbighshire". The strategy's focus on prevention and detection of fraud, corruption and bribery as to protect public funds ensures that resources are used for the purpose for which they are intended. There is work to be done to engage with members, managers and employees as well as partners and contractors to raise their awareness of the strategy as a key element is to promote the zero-tolerance culture throughout the organisation. All documentation and awareness raising or engagement will be conducted bilingually to promote the Welsh Language where ever possible.

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

8.1. Agreed by SLT and Trade Unions have been informed. It was formally discussed at Governance & Audit Committee on 28 July 2021 who recommended the strategy go to Cabinet for adoption.

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

9.1. As set out in Section 6 there are no direct financial implications of this report. However, as part of the Section 151 role, it is part of the responsibility of the role to help ensure that the Council's resources are properly protected in order

that they can be directed to delivering Council services. This strategy forms a key part of helping to deliver that aim.

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

10.1. Strategy and Fraud Response Plan to mitigate and address the risk of fraud.

The strategy includes an action plan setting out intended actions to reduce the risk of fraud, corruption and bribery.

## **11. Power to make the decision**

11.1. Power to make the decision is s112 Local Government Act 1972.



# **Strategy for the Prevention and Detection of Fraud, Corruption and Bribery v1.0**

## Version Control

Approved by	Date approved	Date implemented	Document owner	Review date
TBC				

This document is subject to regular review due to legislative and policy changes. The latest version of this document and associated Fraud Response Plan can be found on the Council's intranet.

Version No.	Date approved	Approved by	Amendment
V1.0	TBC	TBC	Revised strategy

## Contents

Contents .....	3
Policy Statement .....	4
Introduction .....	5
Scope & Definitions .....	6
Objectives of the Strategy .....	7
Counter Fraud Approach .....	7
Counter Fraud Measures .....	8
Responsibilities .....	11
Reporting Fraud, Bribery and Corruption .....	15
Whistleblowing .....	15
Monitoring and review .....	15
Appendix A: Counter Fraud, Corruption & Bribery Action Plan .....	16
Appendix B Guide to Reporting Fraud, Corruption & Bribery .....	18
Appendix C: Fraud Risks .....	19

## Policy Statement

Denbighshire County Council's governance framework ensures we conduct our business in line with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. It sets out clear expectation for behaviour and expectations including that all of us uphold the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

All elected Members and co-opted members will be expected to adhere to the "The Conduct of Members (Principles) (Wales) Order 2001". This Order adds to the seven Nolan principles set out above by including requirements in relation to Stewardship, Duty to Uphold the Law, and Equality and Respect.

This Policy is intended to cover fraud, theft, corruption and bribery. The Council does not and will not tolerate any form of fraud, corruption or bribery when undertaking any of its responsibilities

The Council will prevent fraud, corruption and bribery by designing and formulating proportionate policies and systems to minimise risk.

The Council will continue to promote the detection and investigation of fraud, corruption and bribery including the application of robust, effective sanctions and recovery procedures where it is identified.

The Council recognises that bribery is a criminal offence. The Council does not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor will it, accept bribes or improper inducements. To use a third party as a conduit to channel bribes to others is a criminal offence.

The Council does not, and will not, engage indirectly in or otherwise encourage bribery. The Council is committed to the prevention, deterrence and detection of bribery and adopts a position of zero tolerance towards bribery.

## Introduction

Fraud and corruption is detrimental to the provision of services, diverting scarce resource from the public purse. It is also damaging to the reputation of, and confidence in, the Council, and public bodies in general, **and the morale of those who work for them.**

**This Strategy for the Prevention and Detection of Fraud, Corruption & Bribery is one part of a framework of arrangements in place to prevent fraud and wrongdoing. These include the Whistleblowing Policy and Anti-Money Laundering Policy. Other parts of the governance framework also contribute to prevent fraud and promote ethical behaviour, such as the Code of Conduct for Members, Code of Conduct for Staff, Register of Interests, Declaration of Gifts and Hospitality, Financial Regulations, Contract Procedure Rules, Human Resource (HR) policies, our commitment to transparency and the Risk Management Framework.**

The Council gives out the clear message that it will not tolerate any impropriety by employees, elected Members, **suppliers, contractors, customers** or any third party. This Strategy outlines the approach the Council will take to combat fraud and corruption and it has the full support of Members and the Council's **Senior** Leadership Team.

## Scope & Definitions

This Strategy covers all business, activities and transactions undertaken either by the Council or on its behalf. It applies to all Members and all those who work for or with the Council to include employees, agency staff, consultants, contractors, partners and volunteers. **The Council also expects those it contracts, funds and partners to have their own equivalent arrangements in place to counter fraud and corruption.**

The Strategy has regard to the provisions of the Fraud Act 2006, the Bribery Act 2010, Theft Act 1968, Proceeds of Crime Act 2002, Regulation of Investigatory Powers Act (RIPA) 2000, Identity Documentation Act 2010, Prevention of Social Housing Fraud Act 2013, Criminal Attempts Act 1981, Misrepresentation Act 1967, together with best practice such as CIPFA's "Managing the Risk of Fraud and Corruption".

**Fraud and Corruption is the general name given to any acts of fraud, theft or bribery that occur or are attempted. Fraud, theft and bribery are each defined in law:**

- Fraud:** Act of **deliberate deception with the intent to gain a benefit from that deception or cause a loss to someone else. This can include: deception by making a false statement, representation or claim; by deliberately withholding information or by abusing a position of trust for the individual's own personal benefit.**
- Theft:** **The taking of property that belongs to someone else, dishonestly and without permission with the intent to deprive them of it. Such as the taking of cash, stocks or assets like vehicles or equipment.**
- Bribery:** **The offering or acceptance of any form of incentive, money or other benefit, by an employee to do something that they know that they shouldn't such as award a contract to the bribing party or provide confidential or sensitive information to another.**

For the purposes of clarity and brevity the term "Fraud" is used in this document to describe all of the above.

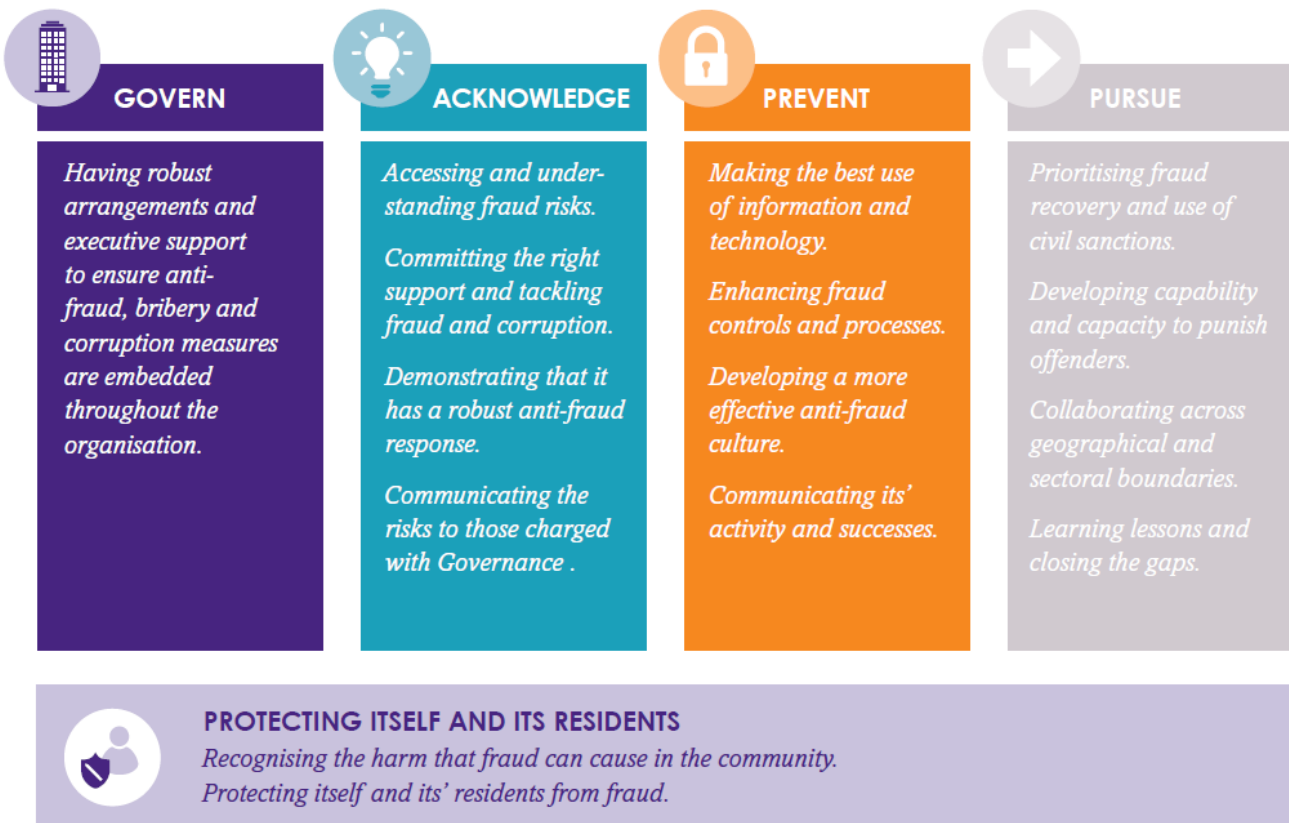
## Objectives of the Strategy

The objectives of this Strategy and the fraud response plan are to:

- Maintain and promote a zero-tolerance culture to fraud and corruption
- Protect public money and the council's finite resources and reducing losses from fraud and corruption to the minimum possible.
- Consistently detect incidents of fraud and then investigate and take robust action against those found to be committing such acts

## Counter Fraud Approach

This Strategy is aligned to the CIPFA Counter Fraud Centre 'Fighting Fraud & Corruption Locally Strategy for the 2020s', which provides a blueprint for a tougher response to fraud and corruption perpetrated against local authorities. The Council adopts the five principles as per the 'Fighting Fraud & Corruption Locally Strategy for the 2020s' shown below:



## Counter Fraud Measures

The Fighting Fraud and Corruption Locally Strategy for the 2020s are adopted for the purpose of this Strategy as follows:

### Govern

- The Council has robust governance arrangements and uses a holistic approach to tackle fraud and corruption
- Fraud risks are managed at senior management level and are service specific.

### Acknowledge

- The Council acknowledges the risk of fraud and internal audit has included proactive counter-fraud audits within its audit plan.
- Staff in Internal Audit receive training in order to comply with their professional standards. This includes counter-fraud training to maximise the Council's ability to prevent, detect and investigate fraud, corruption and bribery.
- The risk of fraud is assessed by officers and emerging risk where identified is considered by senior management and the Internal Audit team. These are captured as part of the Council's risk management arrangements and Internal Audit maintain a fraud risk register to inform audit plans with respect to proactive counter fraud reviews.

### Prevent

- All staff, in particular managers, are expected to be mindful of the potential for fraud and corruption and to design and implement procedures to prevent, deter and detect fraud and corruption. Especially when planning new projects and their delivery, also when working with third parties, where the risk of fraud may be higher.
- Setting the appropriate culture and ethical standards starts at the very top of the organisation and is reinforced as part of induction arrangements for Members and



staff. The Council's e-learning modules cover the values and expected behaviour of staff with a separate module covering whistleblowing. The latter will be reviewed to encompass this Strategy and Fraud Response Plan

- Where disciplinary matters are identified during investigations, HR and management will be informed in order that they may take relevant action. Where appropriate, criminal prosecutions will be considered.
- When an investigation is carried out against an employee, if appropriate, the investigation report might be referred to and/or used in any future disciplinary proceedings.
- Publicise relevant counter fraud activity and criminal prosecutions in order to demonstrate the Council's zero-tolerance approach.
- Data sharing and use of information technology are employed. Internal Audit coordinates the National Fraud Initiative on behalf of the council, and uses NAFN (National Anti-Fraud Network) to identify the risk of fraud are where this may be taking place.

## **Pursue**

- Appropriate sanctions will always be considered where fraud is identified, including criminal prosecution where this is in the public interest.
- The recovery of losses and any proceeds of crime will be considered in all appropriate cases.

## **Protect**

- All necessary actions will be taken, including working with other local authorities, to protect the Council from organised fraud and corruption.
- Where weaknesses are identified through a service review, feedback from staff,

internal audit or incident occurring, the responsible manager must put in place immediate action to strengthen the system(s) affected.

- Fraud prevention measures, a key element in protecting the council and residents from fraud and corruption, will be employed.

## Responsibilities

Roles and responsibilities for identifying and mitigating the risk of fraud must be clearly understood and embraced effectively. These are shown below:

### Members:

- lead by example, maintaining high standards and the ten principles of conduct and adhere to the Members' code of conduct, constitution, financial regulations and relevant legislation.
- declare all potential conflicts of interest and any gifts and hospitality offered or received to Democratic Services.
- report any concerns regarding fraud, bribery or corruption.

### Chief Executive Officer, Monitoring Officer and Section 151 Officer

- acting as champions for effective anti-fraud and corruption practices
- provide advice to all elected members and staff about vires issues, maladministration, financial impropriety, probity and policy framework and budget issues.
- The Chief Executive Officer is responsible for espousing and upholding high standards of conduct by officers, ensuring oversight of compliance with the member-officer protocol and with other policies adopted by the Council.
- The Monitoring Officer encourages the promotion and maintenance of high standards of conduct within the Council, particularly through provision of support to the Standards Committee.
- The Section 151 Officer undertakes the statutory responsibility under the Local Government Act 1972 to ensure the proper arrangements for the administration of the Council's financial affairs. This role is supported by the work undertaken by Internal Audit.

## Heads of Service

- service risk registers accurately reflect the risk of fraud, including emerging risks, e.g. due to changes in technology or working practices
- control procedures are effective and **operating effectively to prevent and detect fraudulent activity**
- Financial Regulations including Contract Procedure Rules are complied with
- those engaged in counter fraud activity have the appropriate skills and knowledge and are given the appropriate authority and access to enable them to do this work effectively
- Report all instances of suspected fraud, corruption or bribery without delay to the Section 151 Officer, Chief Internal Auditor and/or Monitoring Officer, who will advise on the best method for dealing with the allegation. The matter should not be discussed with other members of their team or colleagues.
- Ensuring a register of declaration of interests is maintained (and Legal Services made aware) and safeguards put in place where there is a conflict of interest.

## Managers

- Set and promote a top-level commitment to an organisation wide culture of preventing all forms of fraud, corruption and bribery
- Ensuring the risk of fraud is assessed in the areas applicable to the service
- Ensuring corporate procedures and systems of internal control are in place to protect the resources for which they are accountable **and effective at detecting fraudulent activity.**
- Ensure their staff are aware and comply with the requirements of the Staff Code of Conduct, Financial Regulations, Contract Procedure Rules, Gifts and Hospitality, Register of Interests and other council policies.
- Implementing new controls to reduce the risk of similar fraud where frauds have taken place

- create an environment in which their employees feel able to approach them with any concerns they may have about suspected irregularities
- Report all instances of suspected fraud, corruption or bribery without delay to the Section 151 Officer, Chief Internal Auditor and/or Monitoring Officer, who will advise on the best method for dealing with the allegation. The matter should not be discussed with other members of their team or colleagues.

## Employees

- Adhere to the Employee's Code of Conduct and council policies
- Appropriate handling of council resources and monies including via payment systems, receipts, contracting and grant claims.
- Perform duties carefully and honestly and follow council procedures and practices and guidance to prevent fraud and corruption.
- Be alert to and proactively identify unusual events or transactions which could be indicators of fraud and vulnerabilities
- Reporting immediately a suspected fraud or attempted fraud
- Cooperate fully with whoever is conducting internal checks, reviews or fraud investigations.
- **Declare any business or personal interest to Head of Service.**

## Human Resources

- Ensuring recruitment processes and the Officers' Code of Conduct support the highest standards of conduct
- Advising and supporting managers in implementing suspensions and disciplinary procedures
- Ensuring employment matters are dealt with in a consistent and fair way regarding any case of suspected fraud

## **Information Technology**

- Deploying cyber-security measures, raising awareness and highlighting best practice to limit the risk of phishing attacks and other forms of digital fraud
- Developing systems in a way that limits and addresses the risk of fraud

## **Contractors, funding recipients and partners**

- Adhering to the council's contract terms and conditions or grant terms, including provisions relating to financial management, anti-bribery and standards or behaviour
- Putting in place policies and internal controls to counter fraud and corruption to maintain high standards of conduct and integrity
- Report any concerns to the Council and work with the council to address concerns as relevant.

## **Internal Audit**

- Assessing and highlighting weaknesses and subsequent agreed actions to improve the council's system of internal control
- Reviewing, identifying and agreeing actions to address risks of fraud and corruption during audits
- Advise and guide managers on anti-fraud and corruption arrangements
- Supporting fraud investigations.

## **External Audit**

Safeguard the stewardship of public money by carrying out specific reviews that are designed to test (amongst other things) the adequacy of the Council's financial systems and arrangements for preventing and detecting fraud. It is not the external auditors' function to prevent fraud and irregularities, but the integrity of public funds is at all times a matter of general concern.

## Reporting Fraud, Bribery and Corruption

If you suspect fraud, bribery or corruption has taken place against the Council, you must raise your concerns immediately either with the Monitoring Officer, Section 151 Officer or Chief Internal Auditor. See Appendix B for a guide for employees on how to raise concerns. Other reporting mechanisms include:

- Audit Wales Whistleblowing [whistleblowing@audit.wales](mailto:whistleblowing@audit.wales)
- Protect (formerly Public Concern at Work) <https://protect-advice.org.uk/>

## Whistleblowing

The Public Interest Disclosure Act 1998 protects employees who have reasonable concerns. You will not suffer discrimination or victimisation by following the correct policy and procedures

You can either raise your concerns with your line manager, senior managers within your service or one of the post-holders listed below:

- Head of Service
- Corporate Directors
- Chief Executive Officer
- Head of Legal, HR & Democratic Services / Monitoring Officer
- Head of Internal Audit
- Head of Finance & Property Services / Section 151 Officer
- Trade Union

## Monitoring and review

This Strategy and Fraud Response Plan will be kept under review to ensure its effectiveness in preventing and detecting fraud and corruption. This will be done as part of the review and production of the Annual Governance Statement which will report any significant weaknesses relating to fraud that have transpired during the year in question.

## Appendix A: Counter Fraud, Corruption & Bribery Action Plan

What	Who	When
<p>Launch the revised Strategy for the Prevention and Detection of Fraud, Corruption &amp; Bribery and Fraud Response Plan once approved by SLT and Governance &amp; Audit Committee.</p> <p>Initially through Denbighshire Today and then as part of attendance at Service Management Team meetings.</p>	Monitoring Officer & Chief Internal Auditor	July 2021 – December 2021
Explore the potential to include fraud awareness as part of an existing e-learning module e.g. whistleblowing.	Strategic HR Manager & Chief Internal Auditor	May 2022
Develop staff to become Accredited Counter Fraud Technicians.	Internal Audit	December 2021
Launch the revised Anti-Money Laundering Policy and promote with relevant staff.	Chief Accountant/S151 Officer	September 2021
Review the Whistleblowing Policy.	Monitoring Officer	April 2022
Review counter fraud arrangements as part of the Annual Governance Statement.	Corporate Governance Working Group	February 2021 (and annually thereafter)
Update the fraud risk assessment and use the results to determine the proactive Counter Fraud Reviews to be undertaken as part of the Internal Audit Strategy each year.	Chief Internal Auditor	March 2021 (and annually thereafter)



What	Who	When
Develop horizon scanning and intelligence sharing: <ul style="list-style-type: none"> <li>• use of National Anti-Fraud Network (NAFN)</li> <li>• co-ordination within the council to identify and monitor fraud risks and trends.</li> <li>• Coordination with other organisations such as Wales Fraud Group and NW Las Fraud Group.</li> </ul>	Internal Audit	Ongoing
Reviewing and update Internal Audit Fraud investigation Procedure.	Chief Internal Auditor	31 December 2021
Continue to coordinate the National Fraud Initiative (NFI) and report outcomes to the Corporate Governance & Audit Committee.	Internal Audit	Ongoing
Encourage services to use NFI AppCheck as a means to prevent fraud.	Internal Audit	Ongoing

## Appendix B Guide to Reporting Fraud, Corruption & Bribery

**Fraud** is an act of deliberate deception made with the intent to gain a benefit from that deception or cause a loss to someone else through false representation, failing to disclose information or abuse of position.

**Corruption/Bribery** is the offering, promise, giving, requesting, agreeing to receive, or accepting a payment or other advantage to induce or reward a person to improperly carry out their duties.

### DO

- Note your concerns, details of names, descriptions, dates, times, details of conversations and possible witnesses. Time, date and sign your notes.
- Retain/secure evidence that may be destroyed – don't alter or write on it in any way.
- Report your suspicion promptly. Delays may lead to further loss.
- Be discreet. Do not discuss your concerns with anyone who doesn't need to know.

### DO NOT

- Never confront the suspect or convey concerns to anyone other than those authorised. This could alert the fraudster, place you at harm and jeopardise an investigation/ put evidence at risk.
- Never attempt to investigate or gather evidence yourself (unless it is about to be destroyed). Contact Internal Audit as soon as possible for advice and guidance.
- Don't be afraid of raising your concerns. The Public Interest Disclosure Act 1998 protects employees who have reasonable concerns.

**If you suspect fraud** against the Council has taken place, you must report it immediately:

- To your line manager in the first instance, where appropriate **and**
- To the Chief Internal Auditor (Lisa Lovegrove), Monitoring Officer (Gary Williams) or the Section 151 Officer (Steve Gadd)
- Via email to Internal Audit [audit@denbighshire.gov.uk](mailto:audit@denbighshire.gov.uk)

## Appendix C: Fraud Risks

The 'Fighting Fraud & Corruption Locally Strategy for the 2020s' details the following areas as significant risks to Local Authorities:

- Social care fraud: personal budgets and direct payments – overstatement of needs through false declaration, multiple claims across authorities, third party abuse by carer, family or organisation, posthumous continuation of claims
- Schools
- Right to buy (not currently applicable in Wales)
- Money laundering – exposure to suspect transactions
- Commissioning of services – including joint commissioning, joint ventures, commercial services, third sector partnerships – conflict of interest, collusion
- Tenancy – fraudulent applications for housing or succession of tenancy, and subletting of the property
- Procurement – tendering issues, split contracts, double invoicing
- Payroll – false employees, overtime claims, expenses
- Identity Fraud – false identity/fictitious persons applying for services/payments
- Council Tax – discounts and exemptions, council tax support
- Blue Badge – use of counterfeit/altered badges, use when disabled person is not in the vehicle, use of deceased person's Blue Badge, badges issued to institutions being misused by employees
- Grants – work not carried out, funds diverted, ineligibility not declared
- Business rates – fraudulent applications for exemptions and reliefs, unlisted properties
- Insurance fraud – false claims including slips and trips

- Disabled facility grants – fraudulent applications to homes aimed at the disabled
- Concessionary travel schemes – use of concession by ineligible person
- No recourse to public funds – fraudulent claims of eligibility
- New responsibilities – areas that have transferred to local authority responsibility
- Local Enterprise Partnerships – partnerships between local authorities and businesses. Procurement fraud, grant fraud. All LEPs should now be incorporated, with a local authority as accountable body, in a more formal and regulated relationship. Key issues are LEP governance, procedures for allocating/prioritising grants.
- Immigration – including sham marriages. False entitlement to services and payments
- Cyber dependent crime and cyber enabled fraud – enables a range of fraud types resulting in diversion of funds, creation of false applications for services and payments.

# **Fraud and Corruption Response Plan v1.0**

# Fraud and Corruption Response Plan

## Version Control

Approved by	Date approved	Date implemented	Document owner	Review date
TBC				

This document is subject to regular review due to legislative and policy changes. The latest version of this document and associated Strategy can be found on the Council's intranet.

Version No.	Date approved	Approved by	Amendment
V1.0	TBC	TBC	Revised fraud response plan

## Contents

Contents .....	3
Introduction .....	4
Reporting Suspected Fraud .....	4
Establishing if there are grounds for concern.....	5
Involving the Police .....	5
Convening a Fraud Response Panel .....	6
Confidentiality.....	7
Taking immediate action to prevent future loss .....	7
Fraud investigation .....	8
Investigations and searches.....	9
Dealing with Employees under suspicion .....	9
Reporting on progress.....	10
Media liaison and internal communication.....	10
Actions from the fraud investigation .....	11
Feeding back to the person raising the initial concern.....	11
Disciplinary Action .....	11
Professional disbarring.....	11
Civil Recovery .....	12
Strengthening systems and learning lessons .....	12
Reporting to Governance & Audit Committee .....	12
Dealing with complaints about the investigation.....	13

## Introduction

This plan sets out responsibilities for taking action and who needs to be involved, together with the steps that the council will take when fraud, corruption and bribery are reported in order to:

1. Prevent any further loss in the immediate future
2. Secure evidence for any disciplinary, civil or criminal action
3. Ensure processes are strengthened to prevent recurrences.

The plan aims to ensure that the council has a clear and consistent approach to dealing with reported incidents or fraud. This is in line with the objectives set out in the Strategy for the Prevention & Detection of Fraud, Corruption & Bribery, and part of the Council's counter fraud and corruption framework. This plan shall be read in conjunction with Council's Disciplinary Policy.

This plan does not cover reported or identified vulnerabilities where the potential for fraud is increased. This is to be addressed as part of management arrangements, and the relevant Head of Services should make the Chief Internal Auditor aware.

## Reporting Suspected Fraud

Staff must raise concerns about fraud, corruption, bribery, money-laundering and any other malpractice. The council's Whistleblowing policy sets out the process for reporting such incidents, and the protections in place for staff who blow the whistle. Key points and who to contact are summarised in the Strategy for the Prevention & Detection of Fraud, Corruption & Bribery.

It is not for staff to actively investigate suspected wrongdoing or gather additional evidence; all investigations will follow this Response Plan.

Suspected fraud may be discovered through other avenues, such as, internal investigation e.g. disciplinary, POVA (Protection of Vulnerable Adults) or internal audits, which must still require that the Monitoring Officer and Section 151 Officer be informed as well as the Chief Internal Auditor.



# Fraud and Corruption Response Plan

The Chief Internal Auditor will record all reported incidents on the fraud log and a summary is provided to the Governance & Audit Committee periodically with a Counter Fraud report included as part of the Internal Audit Annual Report.

## Establishing if there are grounds for concern

The Council takes every reported incident of fraud seriously and is intent to fully investigate any suspected acts of fraud, misappropriation or other similar irregularity where possible. Where there is a lack of evidence and/or the facts are not easily established at first sight, further fact-finding will be required. This will be overseen by the Monitoring Officer and the Section 151 Officer who will determine what fact-finding work is required and whether an investigator needs to be involved at this stage. The Chief Internal Auditor will need to be advised and consulted with.

Once the fact-finding is complete, it will be possible to establish:

- There are no grounds for concern and no further action is required
- While there is no evidence of a specific fraud having taken place, work is needed to make processes more secure and/or tighten internal control systems
- While there are concerns about conduct, the matter is not covered by the Strategy for the Prevention and Detection of Fraud, Corruption and Bribery and Corruption should be dealt with under other policies e.g. grievance or disciplinary.
- There is evidence of (attempted) fraud and the case is referred back to the Monitoring Officer to convene the Fraud Response Panel.

## Involving the Police

The police will be contacted without a delay when the Monitoring Officer and Chief Internal Auditor considers there is possible criminal wrongdoing. The Fraud Response Panel will decide who best to make contact with the police, usually this will be after the fact-finding is complete. If the police decide that a criminal investigation is necessary, the internal and police investigation will be coordinated where possible, with the police investigation taking priority particularly if the internal investigation could prejudice the police's work e.g. inadvertently alerting those under suspicion or compromising evidence. In all cases, the advice of the police will be followed.

## Convening a Fraud Response Panel

The Monitoring Officer or Chief Internal Auditor will convene the Fraud Response Panel where there is evidence of fraud or attempted fraud. The Panel will be formed to determine the best course of action, ensuring advice is taken by appropriate expertise and relevant parties are involved and informed.

The membership of the Panel may be tailored to each case, but will likely consist of the following:

- Head of Legal, HR & Democratic Services / Monitoring Officer (Chair)
- Head of Finance & Property Services / Section 151 Officer
- Chief Internal Auditor
- Head of Service in which the suspected (attempted) fraud occurred
- Strategic HR Manager (for disciplinary matters, HR policies and employee relations)
- Investigating Officer (once appointed)

The Panel's meeting and liaison will depend on the seriousness and complexity of the case. For example, in minor cases it may be suitable to keep the above individuals informed and seek advice as/when necessary via email.

The Monitoring Officer, with the Chief Internal Audit, will decide on the course of action to take upon consideration of the advice of the Panel. Decisions will include:

- Whether the police need to be informed and involved
- Urgent actions required to secure evidence of prevent further loss, including suspending a member of staff
- Immediate measures to address system vulnerabilities, stop payments or apply for an injunction to freeze assets
- Informing insurers
- How to deal with employees under suspicion (in consultation with the Strategic HR Manager)
- Who else needs to be informed and involved

# Fraud and Corruption Response Plan

- What further review and strengthening of council systems and internal control is required

Where it is not appropriate for the Monitoring Officer to be involved, the Section 151 Officer may act in their place.

The panel will be convened and will liaise for as long as the chair deems necessary

## Confidentiality

All fact finding investigation and other documents created, collected or otherwise held in relation to the investigation are confidential; as are discussions pertaining to the case.

Meeting locations will be secure.

Requests for access to documents will be considered by the Fraud Response Panel, taking into account any legal requirements and advice from the Council's Data Protection Officer where appropriate.

Accumulated evidence will be held for the period specified in the Council's Retention Schedule or as determined by the Monitoring Officer

## Taking immediate action to prevent future loss

The Fraud Response Panel will decide whether it is necessary to take immediate action to prevent further loss. Most likely this will involve staff member(s) being suspended.

Informing the member of staff of the suspension will need to be carefully arranged to prevent any potential to destroy, tamper or remove evidence that may be needed to support disciplinary or criminal action. In such circumstances, the staff member(s) will be approached unannounced and will be supervised at all time before leaving council premises. They may be permitted to collect personal property under supervision, but should not be able to remove any property belonging to the council, including mobile devices. Any security passes or keys to premises, offices etc. will be returned. System logins should be suspended, including remote and mobile access.

Any decision to suspend will be in line with policies and following advice from Human Resources.

# Fraud and Corruption Response Plan

The Panel will determine what other immediate measures are required to prevent further loss and secure evidence. For instance, stopping payments, grants, loans or transactions; strengthening systems or building security; adapting processes; or suspending contract arrangements.

## Fraud investigation

Once a decision has been made to launch an investigation, the Panel will agree that an officer is appointed to lead and conduct the investigation. The Investigation Officer may be drawn from the Internal Audit Team if it concerns financial matters or it may be necessary to draw on external investigative resources, either to lead or support the investigation. Whoever is involved must be appropriately qualified and have the requisite knowledge of criminal law, the council's counter fraud, corruption & bribery framework and council disciplinary and other relevant policies.

The Panel and the Investigation Officer will ensure the investigation's terms of reference are clear and aligned with the disciplinary policy, setting out at a high level the:

- Nature of the reported wrongdoing
- Scope and focus of the investigation
- Persons who will work on and support the investigation
- Resources required for the investigation
- Witnesses to be interviewed
- Searches required
- Records to be collected and analysed
- Reporting arrangements, including external parties
- Expected outcomes from the work, including reconstructing the method and means of the suspected fraud, an understanding of the extent and value, gathering evidence and building a case, and identifying vulnerabilities

The Terms of Reference may need to be refined and may evolve as the investigation progresses. The Investigating Officer will discuss and agree any changes with the Lead Officer for the investigation. If significance changes are required, this may prompt the need to reconvene the Response Panel.

## Investigations and searches

The Investigating Officer will hold a preliminary interview or interviews with the person(s) raising the concern, where that has been the reason for the investigation. It will be made clear they will be protected by the council's Whistleblowing Policy.

If the subject of the investigation is to be interviewed by the Investigating Officer, the Officer must be trained and the context of the interview decided on: in particular, whether the interview is for internal disciplinary purposes or for the suspicion of a criminal offence. Interviews for a criminal offence should not be undertaken by staff who are not trained in the requirements of the Police and Criminal Evidence Act 1984. Such interviews must only occur after the police have been consulted.

The Investigating Officer must have the knowledge and skills to conduct any searches legally, both under civil and criminal law, so as not to expose the organization to any undue risk. Again, any searches should be conducted only after the police have been consulted.

## Dealing with Employees under suspicion

The Fraud Response Panel will:

- Seek a steer and work with the police, if involved, to determine whether the employee needs to be interviewed under suspicion of having committed a criminal offence.
- Where considered necessary, require the Investigating Officer to arrange a search of the suspected employee's work area and IT records.
- Keep under review and decide whether a member of staff should be suspended
- Allow trade union assistance if requested, to support individuals and to ensure the integrity of evidence

Human Resources will support all staff affected by a fraud investigation, whether directly or indirectly, including directing individuals towards sources of counselling and advice and applying relevant policies. At all times, HR policies will frame and inform actions taken.

## Reporting on progress

The Investigating Officer's first point of contact shall be the Monitoring Officer / Chief Internal Auditor or his/her nominee. They will periodically update the Fraud Response Panel, including on:

- The circumstances surrounding the case
- Progress with the investigation
- An estimate of resources and actions required to conclude the investigation and issues arising that might be impeding the investigation
- Quantification of losses
- Recovery action
- Disciplinary action
- Criminal investigation and action
- Weaknesses identified and actions recommended or being taken to address them

Having completed the investigation, the Investigating Officer will agree a report with the Lead Officer (e.g. Monitoring Officer/Chief Internal Auditor) to submit to the Response Group to agree and sign off.

## Media liaison and internal communication

The Head of Paid Service will decide on an approach to media engagement and internal communications during and after the investigation following advice from the Monitoring Officer and Response Panel.

## Actions from the fraud investigation

The Response Panel will decide what, if any, action should be taken as a result of the investigation; both relating directly to the matter being investigated and, more generally, to prevent and detect similar incidents. The Investigating Officer's report will inform the Group's decisions. But where it is practicable and sensible, some or all actions may be progressed before the report is finalised. Likely areas for action include the following:

### Feeding back to the person raising the initial concern

The Response Group will decide how and what stage to provide, in confidence, feedback to the person(s) who raised the initial concerns.

### Disciplinary Action

Fraud is gross misconduct under the council's disciplinary policy and may lead to dismissal. The relevant Director/Head of Service will oversee the process, working with HR and the individual's line manager. Guidance must be sought from the Response Group before disciplinary action is initiated. Disciplinary action must follow the set procedure.

Where there is an on-going police investigation, it may still be appropriate for the council to proceed with disciplinary action. Prior to commencing any action, advice will be sought from the police to ensure any criminal investigation will not be compromised. The Council's interest must be taken into account in these circumstances and the Response Group will take a decision as to whether to instigate internal disciplinary proceedings in parallel with any police investigation.

### Professional disbarring

The council will inform the individual's professional regulatory body if there is a proven case of fraud. Once again, care should be taken to ensure such a referral does not impact on any criminal investigations. Referrals will be made by the relevant Director/Head of Service.

## Civil Recovery

Recovering losses is a major objective of any fraud investigation. Where the loss is substantial, legal advice will be obtained about the need to freeze, and feasibility of freezing, through the courts, the subject's assets, pending conclusion of the investigation. Legal advice will also be obtained about the prospects of recovering losses through the civil court, where the subject refuses repayment. The council will normally seek to recover its costs in addition to any losses as a result of the fraud; it will balance the need to take action as a deterrent with achieving value for money for the taxpayer. Legal advice should be sought on the appropriate action on a case-by-case basis.

## Strengthening systems and learning lessons

Where the investigation identified vulnerabilities in a particular system or process, or a lack of safeguards, the relevant Director/Head of Service will draw up an action plan to address the vulnerabilities. He/she will report back to the Chief Internal Auditor on progress in implementing the actions. Where there are vulnerabilities that cut across council systems, the relevant Head of Service will lead the action planning. He/she will also ensure any wider lessons are learned and acted on.

The Monitoring Officer and Chief Internal Auditor will see that this Response Plan is updated as necessary based on learning from how the case was handled. It will be reviewed periodically alongside the Strategy for the Prevention & Detection of Fraud, Corruption & Bribery Strategy.

## Reporting to Governance & Audit Committee

Incidents of fraud will be reported to the subsequent meeting of the Governance & Audit committee. Where the case is serious and ongoing, updates will be provided at subsequent meetings.

The most serious cases of fraud will be reported to the Leader by the Head of Paid Service as soon as the facts are established. The Chair of the Governance & Audit Committee will also be informed. Periodic updates will follow as appropriate.



## Dealing with complaints about the investigation

Any complaints by staff will be dealt with under the council's grievance policy as appropriate. Complaints from outside parties will be dealt with under the council's complaints process.

This page is intentionally left blank

<b>Report to</b>	Cabinet
<b>Date of meeting</b>	21 September 2021
<b>Lead Member / Officer</b>	Julian Thompson Hill
<b>Report author</b>	Steve Gadd, Head of Finance & Property
<b>Title</b>	Annual Treasury Management (TM) Report 2020/21 (Appendix 1)

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

- 1.1 The report is about the Council's investment and borrowing activity during 2020/21. It also provides details of the economic climate during that time and shows how the Council complied with its Prudential Indicators.
- 1.2 The term 'treasury management' includes the management of the council's borrowing, investments and cash flow. Approximately £0.5bn passes through the council's bank accounts every year. The council's outstanding borrowing at 31 March 2021 was £235m at an average rate of 3.95% and the Council held £17.8m in investments at an average rate of 0.003%.

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

- 2.1 The main purpose of this report is to update members on the performance of the treasury management function and to demonstrate compliance with treasury limits and Prudential Indicators during 2020/21.

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

- 3.1 That members note the performance of the Council's Treasury Management function during 2020/21 and its compliance with the required Prudential Indicators as reported in the Annual TM Report 2020/21 (Appendix 1).

- 3.2 That the Cabinet confirms that it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix 2) as part of its consideration.

## **4 Report details**

- 4.1 The report gives details of the Council's treasury management activities and an overview of the economic background for the year. The report also reports on the risk implications of treasury decisions and transactions and confirms compliance with treasury limits and Prudential Indicators.

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

- 5.1 Good investment and borrowing decisions allow additional resources to be directed to other Council services.

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

- 6.1 Not applicable.

## **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 Council has consulted with its treasury advisers, Arlingclose Ltd.
- 8.2 The Governance and Audit Committee has been updated on Treasury Management activities throughout the year and has reviewed this report before its submission to Cabinet.

## **9 Chief Finance Officer Statement**

- 9.1 Treasury Management 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 debt is effectively and prudently managed and reasonable returns on investments are achieved.
- 9.2 The Council approved the new Corporate Plan for 2017 to 2022 in October 2017. Any new proposals have been considered in the TM strategy because it is vital that the Council has a robust and effective TM function underpinning this investment and all other activities.

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

- 10.1 Treasury Management is inherently risky but the Council is monitoring and controlling these risks as outlined in the main report. However, it is impossible to eliminate these risks completely. The council's treasury management strategy and procedures are audited annually and the latest internal audit review was positive with no significant issues raised.

## **11 Power to make the Decision**

- 11.1 The Local Authorities (Capital Finance and Accounting) (Wales) Regulations require local authorities to have regard to the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management which determines the requirement for the Cabinet to receive an annual report on treasury activities for the previous financial year.

This page is intentionally left blank

# Appendix 1

## DENBIGHSHIRE COUNTY COUNCIL

### ***ANNUAL TREASURY MANAGEMENT REPORT 2020/21***

**Steve Gadd**  
Head of Finance & Property

## CONTENTS

Section	Title
1	Background
2	Economic Background
3	Borrowing Activity
4	Investment Activity
5	Compliance with Prudential Indicators
6	Money Laundering Update
	Annex A - PWLB borrowing rates and UK Money Market rates
	Annex B – Compliance with Prudential Indicators 2020/21
	Annex C – Glossary



## **1. Background**

- 1.1 The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce Prudential Indicators annually and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities at least twice a year. Reports are presented twice a year to the Governance and Audit Committee which is the committee with responsibility for the scrutiny of the Council's treasury policy, strategy and activity, as well as the annual report made to cabinet and the report to full council for approval of the annual treasury strategy.
- 1.2 Treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 1.3 The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.

## **2. Economic Background**

- 2.1 The coronavirus pandemic dominated 2020/21, leading to almost the entire planet being in some form of lockdown during the year. The start of the financial year saw many central banks cutting interest rates as lockdowns caused economic activity to grind to a halt. The Bank of England cut Bank Rate to 0.1% and the UK government provided a range of fiscal stimulus measures, the size of which has not been seen in peacetime.
- 2.2 Some good news came in December 2020 as two COVID-19 vaccines were given approval by the UK Medicines and Healthcare products Regulatory Agency (MHRA). The UK vaccine rollout started in earnest; over 31 million people had received their first dose by 31<sup>st</sup> March.
- 2.3 A Brexit trade deal was agreed with only days to spare before the 11pm 31<sup>st</sup> December 2020 deadline having been agreed with the European Union on Christmas Eve.
- 2.4 The Bank of England (BoE) held Bank Rate at 0.1% throughout the year but extended its Quantitative Easing programme by £150 billion to £895 billion at its November 2020 meeting. In its March 2021 interest rate announcement, the BoE noted that while GDP would remain low in the near-term due to COVID-19 lockdown restrictions, the easing of these measures

means growth is expected to recover strongly later in the year. Inflation is forecast to increase in the near-term and while the economic outlook has improved there are downside risks to the forecast, including from unemployment which is still predicted to rise when the furlough scheme is eventually withdrawn.

### **3. Borrowing Activity**

3.1 The table below shows the level of the Council's borrowing from the Public Works Loan Board (PWLB) at the start and the end of the year.

	Balance at 01/04/2020 £000	Maturing loans £000	Premature repayments £000	New Borrowing £000	Balance at 31/03/2021 £000
Fixed rate loans – Public Works Loan Board (PWLB)	228,097	8,091	0	0	220,006
<b>Total borrowing</b>	<b>228,097</b>	<b>8,091</b>	<b>0</b>	<b>0</b>	<b>220,006</b>

3.2 The Council has been accessing temporary borrowing from other local authorities at very low rates to cover short-term cash flow requirements.

3.3 As a result of this borrowing, the average rate on the Council's debt increased from 3.82% at 1 April 2020 to 3.95% at 31 March 2021.

3.4 Annex A shows how interest rates for borrowing have moved over the course of the year.

### **4. Investment Activity**

4.1 The Council held cash balances of £17.8m at the end of 2020/21. These represent the Council's Balances and Reserves (after internal borrowing and working cash balances are accounted for) and also where money has been borrowed before capital expenditure is incurred.

4.2 The Welsh Government's Investment Guidance requires local authorities to focus on security (keeping the money safe) and liquidity (making sure the Council never runs out of cash) as the primary objectives of a prudent investment policy. The Council's aim was to achieve a return on investments in line with these principles. The return is important but is a secondary consideration and the priority is the security of the sums invested.

- 4.3 The table below shows the level of the Council’s investments at the start and the end of the year.

	Balance at 01/04/2020 £000	Investments Raised £000	Investments Repaid £000	Balance at 31/03/2021 £000
<b>Investments</b>	<b>28,900</b>	<b>541,400</b>	<b>552,500</b>	<b>17,800</b>

- 4.4 Security of capital remained the Council’s main investment objective. This was maintained by following the Council’s counterparty policy as set out in its Treasury Management Strategy Statement for 2020/21 which defined “high credit quality” organisations as those having a long-term credit rating of A- or higher if domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.

### **Unsecured Bank Deposits**

- 4.5 Conventional bank deposits have become riskier because of a lower likelihood that the UK and other governments will support failing banks. As the Banking Reform Act 2014 was implemented in the UK from January 2015, banks were no longer able to rely on government bail-outs if they got into difficulty. They would be required instead to bail themselves out by taking a proportion of investors’ deposits to build up their capital. This new risk has been termed ‘bail-in’ risk and is potentially a greater risk to investors than the ‘bail-out’ risk of the past.
- 4.6 Given the increasing risk and continued low returns from short-term unsecured bank investments, the Council has only held a minimal amount of investments for short-term cash flow purposes and has placed a far greater emphasis on investing with the UK Government’s Debt Management Office and other local authorities in order to minimise these risks.

### **Credit Risk Management**

- 4.7 Counterparty credit quality was assessed and monitored with reference to the following:
- credit ratings (minimum long-term counterparty rating of A- across rating agencies Fitch / S&P / Moody’s);
  - analysis of funding structure and susceptibility to bail-in;
  - credit default swap prices;
  - financial statements;
  - information on potential government support;
  - share prices.

## **Liquidity Management**

- 4.8 In keeping with the WG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of overnight deposits and instant access call accounts. The Authority uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed.

## **Yield**

- 4.9 The Council sought to achieve the best return balanced against its objectives of security and liquidity. The UK Bank Rate remained at 0.1% for 2020/21. Short term money market rates also remained at very low levels which had a significant impact on investment income.
- 4.10 All investments made during the year complied with the Council's agreed Treasury Management Strategy, Prudential Indicators, Treasury Management Practices and prescribed limits. Maturing investments were repaid to the Council in full and in a timely manner.

## **5. Compliance with Prudential Indicators**

- 5.1 The Council can confirm that it has complied with its Prudential Indicators for 2020/21, which were set in February 2020 as part of the Council's Treasury Management Strategy Statement. Details can be found in Annex B.
- 5.2 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2020/21. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

## **6. Money Laundering Update**

- 6.1 The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it has a Money Laundering Policy and maintains procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that relevant staff are properly trained. This policy is due to be reviewed and updated in view of new regulations.
- 6.2 The Section 151 Officer is the Money Laundering Reporting Officer with the Deputy Section 151 Officer as the Deputy. There haven't been any cases of money laundering reported since the start of Denbighshire to date and the risk to the Council is considered to be minimal.

**Interest Rates 2020/21**

Public Works Loan Board (PWLB) borrowing rates and UK Money Market rates during the year were:

Example PWLB Borrowing rates (The rate at which the Council could borrow money from the Government)

<b>Start Date</b>	<b>Length of Loan</b>		
	<b>1yr %</b>	<b>19½-20 yrs %</b>	<b>49½-50 yrs %</b>
01-Apr-20	2.09	2.73	2.52
30-Sep-20	1.96	2.71	2.60
31-Mar-21	0.99	2.34	2.19

Example Bank Rate, Money Market rates (The rate at which the Council could invest with banks)

<b>Date</b>	<b>Bank Rate %</b>	<b>7-day Investment Rates %</b>	<b>1-month Investment Rates %</b>	<b>6-month Investment Rates %</b>
01-Apr-20	0.10	0.00	0.11	0.59
30-Sep-20	0.10	-0.08	-0.08	-0.04
31-Mar-21	0.10	-0.08	-0.08	-0.01

## Compliance with Prudential Indicators 2020/21

### 1 Estimated and Actual Capital Expenditure

- 1.1 This indicator is set to ensure that the level of proposed investment in capital assets remains within sustainable limits and, in particular, to consider the impact on the Council Tax and in the case of the HRA, housing rent levels.

Capital Expenditure	2020/21 Estimated February 2020 £000	2020/21 Revised February 2021 £000	2020/21 Outturn March 2021 £000
Non-HRA	43,668	42,391	37,513
HRA	19,172	14,876	9,734
<b>Total</b>	<b>62,840</b>	<b>57,267</b>	<b>47,247</b>

- NB The figures for the February estimate were produced early in January but due to the nature of capital expenditure, some of the major schemes have slipped and this expenditure will now be incurred in 2021/22.

### 2 Estimated and Actual Ratio of Financing Costs to Net Revenue Stream

- 2.1 This is an indicator of affordability and demonstrates the revenue implications of capital investment decisions by highlighting the proportion of the revenue budget required to meet the borrowing costs associated with capital spending. The financing costs include existing and proposed capital commitments.

Ratio of Financing Costs to Net Revenue Stream	2020/21 Estimated February 2020 £000	2020/21 Revised February 2021 £000	2020/21 Outturn March 2021 £000
Financing Costs	13,681	13,824	13,854
Net Revenue Stream	208,301	208,301	208,301
<b>Non-HRA Ratio</b>	<b>6.57%</b>	<b>6.64%</b>	<b>6.65%</b>
Financing Costs	6,352	6,432	5,836
Net Revenue Stream	16,527	16,258	16,258
<b>HRA Ratio</b>	<b>38.43%</b>	<b>39.56%</b>	<b>35.90%</b>

### 3 Capital Financing Requirement

- 3.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council ensures that net external borrowing does not, except in the short term, exceed the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. Performance during 2020/21 is demonstrated in the following table:

<b>Capital Financing Requirement</b>	<b>2020/21 Estimated February 2020 £000</b>	<b>2020/21 Revised February 2021 £000</b>	<b>2020/21 Outturn March 2021 £000</b>
Non-HRA	229,422	221,751	215,700
HRA	80,173	75,147	68,611
<b>Total</b>	<b>309,595</b>	<b>296,898</b>	<b>284,311</b>
<b>Borrowing</b>	<b>266,506</b>	<b>250,006</b>	<b>235,006</b>

NB The outturn figures are taken from the pre-audited Statement of Accounts 2020/21 so they may be subject to change.

#### 4 **Authorised Limit and Operational Boundary for External Debt**

##### **Summary Table:**

<b>2020/21</b>	<b>31/03/2021 £000</b>
<b>External Borrowing</b>	235,006
<b>Internal Borrowing</b>	49,305
<b>Operational Boundary</b>	265,000
<b>Authorised Limit</b>	270,000

- 4.1 **Operational Boundary:** This limit is set to reflect the Council's best view of the most likely prudent (i.e. not worst case) levels of borrowing activity.
- 4.2 **Authorised Limit:** This is the maximum amount of external debt that can be outstanding at one time during the financial year. The limit, which is expressed gross of investments, is consistent with the Council's existing commitments, proposals for capital expenditure and financing and with its approved treasury policy and strategy and also provides headroom over and above for unusual cash movements.
- 4.3 The levels of debt are measured on an ongoing basis during the year for compliance with the Authorised Limit and the Operational Boundary. The Council maintained its total external borrowing and other long-term liabilities within both limits; at its peak this figure was £256.1m. In addition to external borrowing, the Council uses its own reserves and balances to fund capital expenditure and this is known as internal borrowing as shown in the table above.

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

- 5.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The exposures are calculated on a net basis i.e. fixed rate debt net of fixed rate investments. The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on the portfolio of investments.

	<b>2020/21 Estimated %</b>	<b>2020/21 Actual Peak Exposure %</b>
<b>Upper Limit for Fixed Rate Exposure</b>	100	100
<b>Upper Limit for Variable Rate Exposure</b>	40	0

## 6 Maturity Structure of Fixed Rate borrowing

- 6.1 This indicator is to limit 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.
- 6.2 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.

<b>Maturity structure of fixed rate borrowing</b>	<b>Upper limit %</b>	<b>Lower limit %</b>	<b>Actual Borrowing as at 31/03/2021 £000</b>	<b>Percentage of total as at 31/03/2021 %</b>
under 12 months	30	0	25,301	10.77
12 months and within 24 months	30	0	7,563	3.22
24 months and within 5 years	30	0	22,122	9.41
5 years and within 10 years	30	0	31,453	13.38
10 years and above	100	50	148,567	63.22
<b>Total</b>			<b>235,006</b>	<b>100.00</b>



**7 Total principal sums invested for periods longer than 364 days**

- 7.1 This indicator is set in order to allow the Council to manage the risk inherent in investments longer than 364 days. For 2020/21 this limit was set at £10m. The Council did not have any investments which exceeded 364 days during 2020/21.

**8 Adoption of the CIPFA Treasury Management Code**

- 8.1 The Council confirms its adoption of the CIPFA Code of Treasury Management at its Council meeting on 26 March 2002. The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

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

<b>BANK OF ENGLAND</b>	UK's Central Bank
<b>BANK RATE</b>	Bank of England Interest Rate (also known as Base Rate)
<b>CPI</b>	Consumer Price Index – a measure of the increase in prices
<b>RPI</b>	Retail Price Index – a measure of the increase in prices
<b>DMO</b>	Debt Management Office – issuer of gilts on behalf of HM Treasury
<b>FSA</b>	Financial Services Authority - the UK financial watchdog
<b>GDP</b>	Gross Domestic Product – a measure of financial output of the UK
<b>LIBID</b>	London Interbank Bid Rate - International rate that banks lend to other banks
<b>LIBOR</b>	London Interbank Offer Rate – International rate that banks borrow from other banks (the most widely used benchmark or reference for short term interest rates)
<b>PWLB</b>	Public Works Loan Board – a Government department that lends money to Public Sector Organisations
<b>MPC</b>	Monetary Policy Committee - the committee of the Bank of England that sets the Bank Rate
<b>LONG TERM RATES</b>	More than 12 months duration
<b>SHORT TERM RATES</b>	Less than 12 months duration
<b>BOND (GENERAL)</b>	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
<b>GOVERNMENT BOND</b>	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
<b>CORPORATE BOND</b>	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

This page is intentionally left blank

# Annual Treasury Management Report 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:	A review of the Treasury Management activities for 2020/21
Date Completed:	03/09/2021 12:05:08 Version: 19
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


 ( 2 out of 4 stars ) Actual score : 23 / 36.

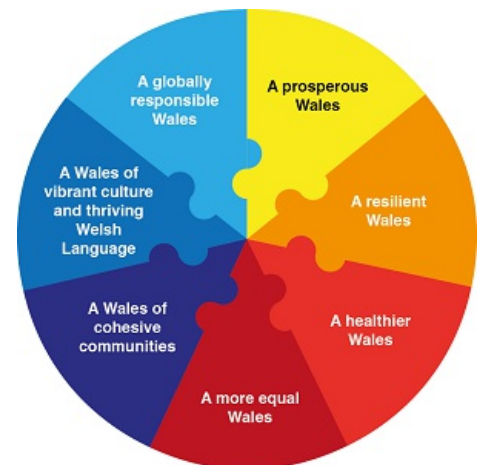
## Summary for each Sustainable Development principle

<b>Long term</b>	The impact of this report is neutral in this particular area.
<b>Prevention</b>	The impact of this report is neutral in this particular area.
<b>Integration</b>	The impact of this report is neutral in this particular area.
<b>Collaboration</b>	The impact of this report is neutral in this particular area.
<b>Involvement</b>	The impact of this report is neutral in this particular area.

## Summary of impact

### Well-being Goals

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



## Main conclusions

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

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

## A prosperous Denbighshire

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	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.
<b>Further actions required</b>	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:

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

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

## A resilient Denbighshire

<b>Overall Impact</b>	Positive
-----------------------	----------

<b>Justification for impact</b>	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.
<b>Further actions required</b>	Good investment decisions will help the Council to develop more efficient working practices which will use less resources which will help to maximise the positive impact of this report on the County's resilience.

**Positive impacts identified:**

<b>Biodiversity and the natural environment</b>	
<b>Biodiversity in the built environment</b>	
<b>Reducing waste, reusing and recycling</b>	Good investment decisions will help the Council to develop more efficient working practices which will use less resources.
<b>Reduced energy/fuel consumption</b>	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.
<b>People's awareness of the environment and biodiversity</b>	
<b>Flood risk management</b>	

**Negative impacts identified:**

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

**A healthier Denbighshire**

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

**Positive impacts identified:**



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

**Negative impacts identified:**

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

**A more equal Denbighshire**

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	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.
<b>Further actions required</b>	The impact of this report is neutral in this particular area so this is not applicable.

**Positive impacts identified:**

<b>Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation</b>	
<b>People who suffer discrimination or disadvantage</b>	
<b>People affected by socio-economic disadvantage and unequal outcomes</b>	An efficient treasury management strategy contributes to the financial resilience of the Council and supports service delivery.
<b>Areas affected by socio-economic disadvantage</b>	

**Negative impacts identified:**

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

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	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.
<b>Further actions required</b>	The impact of this report is neutral in this particular area so this is not applicable.

**Positive impacts identified:**

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

**Negative impacts identified:**

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

## A Denbighshire of vibrant culture and thriving Welsh language

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	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.
<b>Further actions required</b>	The impact of this report is neutral in this particular area so this is not applicable.

**Positive impacts identified:**

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

**Negative impacts identified:**

<b>People using Welsh</b>	
---------------------------	--

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

## A globally responsible Denbighshire

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	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.
<b>Further actions required</b>	The impact of this report is neutral in this particular area so this is not applicable.

### Positive impacts identified:

<b>Local, national, international supply chains</b>	
<b>Human rights</b>	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.
<b>Broader service provision in the local area or the region</b>	All borrowing is undertaken from central Government as detailed in the strategy and in line with other local authorities.
<b>Reducing climate change</b>	

### Negative impacts identified:

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

<b>Report to</b>	Cabinet
<b>Date of meeting</b>	21 <sup>st</sup> September 2021
<b>Lead Member / Officer</b>	Cllr Tony Thomas / Steve Gadd
<b>Report author</b>	Glyn Forsdick
<b>Title</b>	Council House External Enveloping and Energy Efficiency Framework & Mini Competition Award

## 1. What is the report about?

1.1 To seek approval to award the recently tendered external enveloping framework to procure services required to deliver major external repairs to the council's housing stock and also to seek approval to tender the first two lots from the framework by way of mini competition.

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

2.1 A decision is required to award the 4 year framework required to procure external enveloping contracts to maintain the condition of the council's housing stock in line with the Welsh Housing Quality Standard and to tender the first two phases (lots 1 & 2) of the programme from the framework. (Please refer to Appendix 1)

## 3. What are the Recommendations?

3.1 To award the framework contract to six contractors as detailed below who were successful in fulfilling the required criteria following a recent tender exercise.

- **Sustainable Building Services (UK) Ltd**
- **Bell Decorating Group Limited**
- **Novus Property Solutions Limited**
- **ParkCity Multitrade Ltd**
- **Gareth Morris Construction Ltd**
- **Pave Aways Ltd**

3.2 To tender the first two lots of the framework via mini competition this financial year on a price only basis given that all contractors have met the required quality criteria giving an exemption to forgo the five-day call in period (Lot 1 only) to allow Lot 1 of the framework to be advertised immediately and reduce further contract mobilisation delays.

3.3 To delegate the decision to increase the contract values of Lot 1 and Lot 2 in the event of Welsh Government Optimised Retrofit Funding being successfully obtained and if the revised contract value exceeds £2 Million to the Head of Finance & Property in consultation with the Monitoring Officer and Lead Member for Finance, Performance & Strategic Assets.

## **4. Report details**

4.1. Denbighshire Housing owns and manages circa 3,400 council properties. Since 2004 a number of major repairs have been completed to the housing stock in order to achieve the Welsh Housing Quality Standard.

4.2. We need to ensure that the housing stock remains compliant with the current WHQS standard and the forthcoming revised standard expected in 2021.

4.3. In addition, Welsh Government recently (2020) launched their Optimised Retrofit Programme (ORP) which facilitates the inclusion of enhanced energy efficient and off grid energy solutions. During the last round of external improvements, DCC successfully obtained circa £2.0M in grant funding and delivered a programme of retrofit installations to 55 properties in Meliden.

4.4. The next four-year planned capital programme will see external improvements delivered to other areas of the housing stock where investment is now required. Works will generally replicate previous programme in terms of external enveloping with additional retrofit energy efficiency works included wherever possible.

4.5. The new framework will also deliver a significant community benefit contribution to the local economy inc. apprentice and training opportunities within each lot.

4.6 We propose to deliver 2 lots this financial year from the new framework adopting these new practices. The first lot will see improvements delivered to 50 properties on our Rhydwen Drive estate in Rhyl and subject to a further successful grant application, an additional 50 properties which are currently hard to heat will also be

improved across the several areas of the housing stock. Prior to the start of this next phase of works, we have installed energy monitoring equipment to the majority of the homes to allow us to report on the benefits of the retrofit works and to track improvements pre and post improvement works. We are one of only a few local authorities trailing this technology for the WG.

4.7 Based on the success of previous retrofit works, DCC have provisionally been awarded further ORP grant funding to deliver similar improvements to our stock and it is intended that a similar approach will be taken in terms of combining these improvements with our planned maintenance works in Lot 1. In addition, a further bid will be made to secure additional ORP funding to enhance the proposed Lot 2 works.

4.8 The timing of grant funding confirmation, release and spending deadlines is not consistent with our need to progress our intended enveloping works, irrespective of whether ORP funding is made available or not. The anticipated value of both Lots is £1M each.

4.9 It is intended to tender both Lot 1 and Lot 2 on the basis that the planned work contract can be let based on enveloping works only, with any ORP funded works being added in subject to funding availability and deliverable spend profile. If ORP funding does become available, it would increase the project costs considerably and could take each project over the £2M threshold which requires Cabinet approval.

4.10 In order to facilitate the need to act quickly in terms of including the additional physical works (integrated solar PV, increased wall insulation via external wall insulation (EWI) and the installation of battery technology to harness solar gain) into the existing programmes and meet WG spending deadlines (generally within the financial year of award), Cabinet are asked to delegate any increase in project costs to the Head of Finance & Property, in consultation with the Monitoring Officer and Lead Member for Finance, Performance & Strategic Assets should the value of each Lot (1 & 2) exceed £2M. This applies to Lots 1 & 2 only of the proposed Framework.

4.11. The new framework will ensure that we are strategically well placed to take advantage of any future Welsh Government grant as we will have a mechanism in place to deliver schemes to the required specification.

4.12 Incorporating potential energy efficiency works into the framework as part of the external enveloping programme will also generate a significant increase with regards to improving our Energy Performance Certificate (EPC) data. All properties on our last phase in Meliden now achieve an EPC A or B rating, a target that will be replicated on this project.

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

5.1 The delivery of major planned repairs contributes significantly to increasing the energy efficiency of the councils housing stock as the capital plan works are designed to ensure that all properties achieve a minimum EPC C69 in line with the current corporate target.

5.2 The delivery of major planned repairs also contributes to the corporate Housing priority of where everyone is supported to live in homes that meet their needs.

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

6.1 The total value of the four framework is expected to be £10M. However, a proportion of this expenditure is anticipated to be met by the Welsh Governments Retrofit Grant.

6.2 The anticipated costs for refurbishment work are contained within the HRA 30 year business plan and any additional works undertaken will be subject to grant availability.

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

7.1 .Main conclusions: Carbon reduction to the housing stock, increased employment opportunities, increased training opportunities, SME and local supply chain benefits, skills development, tenant engagement and Community involvement



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

8.1 The Council's procurement team have been involved in the development and tendering of the framework. Relevant Local Members are consulted within each ward prior to the start of specific improvement works and statistical information is fed back both corporately and to the WG regularly.

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

9.1 The recommendation to award the four year framework for external enveloping contracts will help ensure that we can maintain the condition of the council's housing stock in line with the Welsh Housing Quality Standard going forward. The planned expenditure is included within the Housing Stock Business Plan and current and future spending plans.

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

10.1 Legal challenge in relation to the procurement process – managed by the input of specialist legal/pricing advice in terms of process and drawing up required documentation.

10.2 Contractor performance is poor – regular monitoring of KPI's within the contract will ensure sanctions are available to the Council to address poor performance.

10.3 Contractors withdraw from the Framework/go into liquidation – the remaining contractors within the framework should be able to manage the workload.

## **11. Power to make the decision**

11.1 The power to make decision is contained in S2 Local Government Act 2000, S111 Local Government Act 1972, Regulation 33 Public Contracts Regulations 2015.

This page is intentionally left blank

**LOT 1 - Rhydwen Drive**

3044000010		1	RHYDWEN CLOSE	RHYL
3044000020		2	RHYDWEN CLOSE	RHYL
3044000040		4	RHYDWEN CLOSE	RHYL
3044000060		6	RHYDWEN CLOSE	RHYL
3044000070		7	RHYDWEN CLOSE	RHYL
3044000080		8	RHYDWEN CLOSE	RHYL
3044050050		5	RHYDWEN DRIVE	RHYL
3044050070		7	RHYDWEN DRIVE	RHYL
3044050080		8	RHYDWEN DRIVE	RHYL
3044050090		9	RHYDWEN DRIVE	RHYL
3044050100		10	RHYDWEN DRIVE	RHYL
3044050130		13	RHYDWEN DRIVE	RHYL
3044050140		14	RHYDWEN DRIVE	RHYL
3044050160		16	RHYDWEN DRIVE	RHYL
3044050180		18	RHYDWEN DRIVE	RHYL
3044050190		19	RHYDWEN DRIVE	RHYL
3044050200		20	RHYDWEN DRIVE	RHYL
3044050230		23	RHYDWEN DRIVE	RHYL
3044050240		24	RHYDWEN DRIVE	RHYL
3044050250		25	RHYDWEN DRIVE	RHYL
3044050270		27	RHYDWEN DRIVE	RHYL
3044050280		28	RHYDWEN DRIVE	RHYL
3044050290		29	RHYDWEN DRIVE	RHYL
304405029A	29A		RHYDWEN DRIVE	RHYL
3044050300		30	RHYDWEN DRIVE	RHYL
304405031A	31A		RHYDWEN DRIVE	RHYL
3044050320		32	RHYDWEN DRIVE	RHYL
3044050330		33	RHYDWEN DRIVE	RHYL
3044050340		34	RHYDWEN DRIVE	RHYL
3044050350		35	RHYDWEN DRIVE	RHYL
304405035A	35A		RHYDWEN DRIVE	RHYL
3044050370		37	RHYDWEN DRIVE	RHYL
3044050380		38	RHYDWEN DRIVE	RHYL
3044050390		39	RHYDWEN DRIVE	RHYL
3044050400		40	RHYDWEN DRIVE	RHYL
3044050410		41	RHYDWEN DRIVE	RHYL
3044050420		42	RHYDWEN DRIVE	RHYL
3044050430		43	RHYDWEN DRIVE	RHYL
3044050440		44	RHYDWEN DRIVE	RHYL
3044050450		45	RHYDWEN DRIVE	RHYL
3044050460		46	RHYDWEN DRIVE	RHYL
3044050480		48	RHYDWEN DRIVE	RHYL
3044050490		49	RHYDWEN DRIVE	RHYL
3044050500		50	RHYDWEN DRIVE	RHYL
3044050510		51	RHYDWEN DRIVE	RHYL
3044050520		52	RHYDWEN DRIVE	RHYL
3044050530		53	RHYDWEN DRIVE	RHYL
3044050540		54	RHYDWEN DRIVE	RHYL

3044050550	55	RHYDWEN DRIVE	RHYL
3044050560	56	RHYDWEN DRIVE	RHYL

**LOT 2 Hard to Heat Properties**

3060500020	2	CANOL Y DRE	RUTHIN
3060500050	5	CANOL Y DRE	RUTHIN
3060500060	6	CANOL Y DRE	RUTHIN
3060500070	7	CANOL Y DRE	RUTHIN
3060500080	8	CANOL Y DRE	RUTHIN
3060500100	10	CANOL Y DRE	RUTHIN
3060500110	11	CANOL Y DRE	RUTHIN
3060500130	13	CANOL Y DRE	RUTHIN
3060500150	15	CANOL Y DRE	RUTHIN
3060500160	16	CANOL Y DRE	RUTHIN
3060500170	17	CANOL Y DRE	RUTHIN
3060500210	21	CANOL Y DRE	RUTHIN
3060500220	22	CANOL Y DRE	RUTHIN
3060500250	25	CANOL Y DRE	RUTHIN
3060500260	26	CANOL Y DRE	RUTHIN
3060500300	30	CANOL Y DRE	RUTHIN
3060500310	31	CANOL Y DRE	RUTHIN
3060500320	32	CANOL Y DRE	RUTHIN
3060500330	33	CANOL Y DRE	RUTHIN
3086450010	1	LLOYD AVENUE	DENBIGH
3086450030	3	LLOYD AVENUE	DENBIGH
3086450050	5	LLOYD AVENUE	DENBIGH
3086450060	6	LLOYD AVENUE	DENBIGH
3086450070	7	LLOYD AVENUE	DENBIGH
3086450100	10	LLOYD AVENUE	DENBIGH
3086450110	11	LLOYD AVENUE	DENBIGH
3086450120	12	LLOYD AVENUE	DENBIGH
3086450130	13	LLOYD AVENUE	DENBIGH
3086450150	15	LLOYD AVENUE	DENBIGH
3086450160	16	LLOYD AVENUE	DENBIGH
3086450190	19	LLOYD AVENUE	DENBIGH
3086450200	20	LLOYD AVENUE	DENBIGH
3086850010	1	MAES HYFRYD	DENBIGH
3086850020	2	MAES HYFRYD	DENBIGH
3086850030	3	MAES HYFRYD	DENBIGH
3086850040	4	MAES HYFRYD	DENBIGH
3086850050	5	MAES HYFRYD	DENBIGH
3077650010	1	BRO GWERFIL	BETWS G G
3077650020	2	BRO GWERFIL	BETWS G G
3077650030	3	BRO GWERFIL	BETWS G G
3077650040	4	BRO GWERFIL	BETWS G G
3077650050	5	BRO GWERFIL	BETWS G G

3077650060	6	BRO GWERFIL	BETWS G G
3077650070	7	BRO GWERFIL	BETWS G G
3077650090	9	BRO GWERFIL	BETWS G G
3077650110	11	BRO GWERFIL	BETWS G G
3077650120	12	BRO GWERFIL	BETWS G G
3077660010	1	BRYN ALWEN	BETWS G G
3050200120	12	FRON HAUL	ST ASAPH
3050200160	16	FRON HAUL	ST ASAPH

This page is intentionally left blank

# External Enveloping Contract for Council Housing

## 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:	930
Brief description:	Capital works to the council housing stock to deliver major capital repairs and energy efficiency works
Date Completed:	Version: 0
Completed by:	
Responsible Service:	Facilities, Assets & Housing
Localities affected by the proposal:	Whole County,
Who will be affected by the proposal?	Tenants and residents
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 : 32 / 36.

## Summary for each Sustainable Development principle

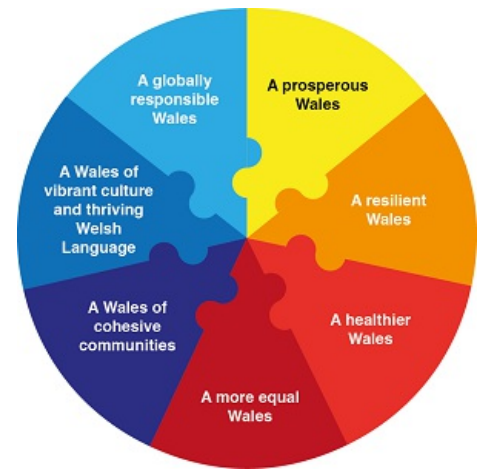
<b>Long term</b>	The project will deliver priority repairs as identified as part of our asset management plan which are resilient and sustainable. The project has considered lifetime costs and aims to reduce waste by incorporating recyclable materials for future use. The project will increase the EPC values of our homes, thus removing people from fuel poverty and ensure homes become more efficient, The project will improve the health and well being of residents as homes will become warmer and healthier places to live. The project will ensure that future maintenance is limited and help to develop and increase construction related training opportunities as part of the the delivery programme.
<b>Prevention</b>	The project will embrace sustainability as its core value, a number of renewable technologies are proposed which will be of considerable benefit to residents and reduce the carbon foot print of the councils housing stock. SAP scores will increase in line with local targets and the Welsh Governments decarb target. Reduced fuel bills for residents will help towards overall promoting good health and well being thus reducing the stain on our public health services. This may also contribute towards improving peoples mental health as the project will reduce fuel costs for residents which may currently be creating increased anxiety for some. The project aims to reduce on grid electricity use via renewable technology that can harnessed using battery technology.
<b>Integration</b>	The project will help to sustain the existing housing stock for future generations
<b>Collaboration</b>	The project has been developed with relevant stakeholder input and designed in accordance with national regulation using professional personnel from within the council.
<b>Involvement</b>	Required stakeholder consultation and national engagement principals will be adopted within the development of the project as far as is practicably possible.

## Summary of impact

### Well-being 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





## Main conclusions

Carbon reduction to the housing stock  
Increased employment opportunities  
Increased training opportunities  
SME and local supply chain benefits  
Skill development  
Tenant engagement  
Community involvement

## Evidence to support the Well-being Impact Assessment

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

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

## A prosperous Denbighshire

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The project will develop a sustainable housing stock and in doing so develop new skills within the construction sector
<b>Further actions required</b>	Negative impacts are minimal, continuity of work will hopefully be resolved by future similar work schemes to other parts of the housing stock under a new future framework,

### Positive impacts identified:

<b>A low carbon society</b>	Installation of Solar panels and EWI to homes , reduced need for grid electricity to our homes
<b>Quality communications, infrastructure and transport</b>	Solar PV will generate electricity for day time use and can also be harnessed by incorporating battery technology
<b>Economic development</b>	Increased employment opportunities Increased training opportunities Use of local supply chain
<b>Quality skills for the long term</b>	New skills developed in the renewable sector and retrofit industry, increased integration with local colleges
<b>Quality jobs for the long term</b>	Job creation for the duration of the framework for local SMES New sector jobs in a growing industry of renewable technology
<b>Childcare</b>	Not applicable

### Negative impacts identified:

<b>A low carbon society</b>	There are no negative perceived impacts in this regard
<b>Quality communications, infrastructure and transport</b>	There are no negative perceived impacts in this regard
<b>Economic development</b>	There are no negative perceived impacts in this regard
<b>Quality skills for the long term</b>	There are no negative perceived impacts in this regard
<b>Quality jobs for the long term</b>	Job creation may not extend beyond the framework
<b>Childcare</b>	Not applicable

## A resilient Denbighshire

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The impact will have a long term positive impact as the environmental will be aesthetically improved as a result of the work and provide a platform for biodiversity to thrive. The project will entice local SME's therefore reduce carbon by maintaining local supply links

<b>Further actions required</b>	Encouraging the use of locally sourced materials where ever possible. Offsetting carbon creation by planting trees via a community benefit scheme during the lifetime of the project.
---------------------------------	---

**Positive impacts identified:**

<b>Biodiversity and the natural environment</b>	Wildlife habitats will be preserved and enhanced by the work by installing temporary bird/bat boxes which will encourage biodiversity
<b>Biodiversity in the built environment</b>	As above , similar arrangements will be Incorporated for the built environmental as well as the natural environment
<b>Reducing waste, reusing and recycling</b>	Site waste material will be recycled and subject to contractor KPI
<b>Reduced energy/fuel consumption</b>	The contract will entice local SME's, thus reducing fuel and transport costs, the local supply chain will be favored to procure building materials
<b>People's awareness of the environment and biodiversity</b>	Contractor training increased integration with colleges Resident information enhanced
<b>Flood risk management</b>	New rainwater goods and drainage systems will channel rainwater more effectively thus reducing flooding risk

**Negative impacts identified:**

<b>Biodiversity and the natural environment</b>	Some habitats will be impacted for a short duration of time while works are underway.
<b>Biodiversity in the built environment</b>	Some habitats will be impacted for a short duration of time while works are underway.
<b>Reducing waste, reusing and recycling</b>	Some hazardous material will have to be disposed of in accordance with the law which may go to landfill
<b>Reduced energy/fuel consumption</b>	Some materials are not manufactured locally, therefore some carbon will be created from their supply
<b>People's awareness of the environment and biodiversity</b>	There no negative impacts in this regard
<b>Flood risk management</b>	There no negative impacts in this regard

**A healthier Denbighshire**

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	Overall the benefits of improved housing standards create a positive impact on peoples health and well being and less demand on other public services including the NHS.
<b>Further actions required</b>	There are no negative impacts resulting from the project which require mitigation.

**Positive impacts identified:**

<b>A social and physical environment that encourage and support health and well-being</b>	The project will deliver homes that are fit for purpose, fuel efficient, warm and healthier places to live
---	--

<b>Access to good quality, healthy food</b>	The reduction in energy costs for residents will reduce fuel poverty therefore allowing tenants to have more money to spend on good quality food.
<b>People's emotional and mental well-being</b>	Lower levels of fuel poverty will reduce anxiety therefore potentially have a positive impact on mental well being,
<b>Access to healthcare</b>	Improved housing will improve peoples health therefore create less strain on the healthcare system
<b>Participation in leisure opportunities</b>	More money in peoples pockets from reduced household bills could be invested into leisure opportunities for families living in social housing.

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

<b>A social and physical environment that encourage and support health and well-being</b>	There are no negative impacts in this regard
<b>Access to good quality, healthy food</b>	There are no negative impacts in this regard
<b>People's emotional and mental well-being</b>	There are no negative impacts in this regard
<b>Access to healthcare</b>	There are no negative impacts in this regard
<b>Participation in leisure opportunities</b>	There are no negative impacts in this regard

### **A more equal Denbighshire**

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The impact for a more equal Denbighshire is significant as homes will become more standardised, efficient and more desirable places to live. Training opportunities could also potentially be offered to tenants who express an interest in the project to learn new skills which potentially will have a direct positive socio-economic advantage within the region.
<b>Further actions required</b>	There are no negative impacts to mitigate in this regard.

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

<b>Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation</b>	The work will ensure our homes are future proofed for all people in the protected groups ensuring they feel safe and settled in their surroundings
---	--

<b>People who suffer discrimination or disadvantage</b>	The project will generate homes which are neutral for all protected groups to benefit from in terms of low cost housing accommodation.
<b>People affected by socio-economic disadvantage and unequal outcomes</b>	The project will develop existing housing stock in deprived areas therefore creating a more equal society.
<b>Areas affected by socio-economic disadvantage</b>	The work will encourage healthier lifestyles as homes improve so does peoples general health and well being, new skills can be developed with residents who could directly benefit from training opportunities as part of the project.

### Negative impacts identified:

<b>Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation</b>	There are no negative impacts in this regard
<b>People who suffer discrimination or disadvantage</b>	There are no negative impacts in this regard
<b>People affected by socio-economic disadvantage and unequal outcomes</b>	There are no negative impacts in this regard
<b>Areas affected by socio-economic disadvantage</b>	There are no negative impacts in this regard

## A Denbighshire of cohesive communities

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The project will deliver over £10M worth of investment in to warmer homes with reduced on grid energy reliance and significantly improve the visual aesthetics of our housing estates.
<b>Further actions required</b>	There are no required mitigation works in this regard to consider.

### Positive impacts identified:

<b>Safe communities and individuals</b>	The project will deliver safe housing within Denbighshire fully compliant with the WHQS
<b>Community participation and resilience</b>	Tenants will be informed and engaged with as part of the scheme to ensure their voices are heard and training provided where necessary

<b>The attractiveness of the area</b>	The work will dramatically improve the aesthetics and desirability of the county's housing estates
<b>Connected communities</b>	The project will engage and encourage connected communities via community benefit schemes and integration with local community groups
<b>Rural resilience</b>	The project will deliver off grid power supplies and reduced on grid energy demand, which has a positive impact to homes currently not connected to the gas network as alternative heating systems will now be viable as a direct result of the works.

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

<b>Safe communities and individuals</b>	There are no negative impacts in this regard
<b>Community participation and resilience</b>	There are no negative impacts in this regard
<b>The attractiveness of the area</b>	There are no negative impacts in this regard
<b>Connected communities</b>	There are no negative impacts in this regard
<b>Rural resilience</b>	There are no negative impacts in this regard

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

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	As the project is construction related project only a neutral impact is deemed achievable, however improvements in this area will be discussed with successful contractors during each phase of the project.
<b>Further actions required</b>	This will be reviewed throughout the lifetime of the project and improvements adopted in negotiation with each successful contractor.

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

<b>People using Welsh</b>	Contractors selected for the project will offer all communication bilingually therefore encouraging people to embrace the language
<b>Promoting the Welsh language</b>	The project will endeavor to promote the Welsh language through tenant liaison and contractor involvement
<b>Culture and heritage</b>	Home will be improved taking into consideration the local area and will be sympathetic to original designs

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

<b>People using Welsh</b>	There are no negative impacts in this regard
<b>Promoting the Welsh language</b>	There are no negative impacts in this regard
<b>Culture and heritage</b>	There are no negative impacts in this regard

### **A globally responsible Denbighshire**

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The project aims to deliver homes which reduces carbon and improves energy efficiency to meet both corporate and national WG decarb targets for social housing.

<b>Further actions required</b>	Carbon off setting by planting trees through community benefit schemes will be promoted during the life time of the project as well as other suitable innovative mitigation measures during the project.
---------------------------------	--

**Positive impacts identified:**

<b>Local, national, international supply chains</b>	The use of local supply chains will be encouraged to reduce carbon wherever possible .
<b>Human rights</b>	Contractors will be obliged to ensure they remain within the law when conducting construction related actives for the council
<b>Broader service provision in the local area or the region</b>	No, broader services will not be affected as a direct result of this project.
<b>Reducing climate change</b>	The project centers around energy efficiency and carbon reduction across the housing stock .

**Negative impacts identified:**

<b>Local, national, international supply chains</b>	Some materials can only be purchased via national/global supply routes.
<b>Human rights</b>	N/A
<b>Broader service provision in the local area or the region</b>	There are no negative impacts in this regard
<b>Reducing climate change</b>	There are no negative impacts in this regard

This page is intentionally left blank



<b>Report to</b>	Cabinet
<b>Date of report</b>	21st September 2021
<b>Lead Member / Officer</b>	Councillor Tony Thomas Lead Member for Housing & Communities  Councillor Julian Thompson-Hill Lead Member for Finance, Performance & Strategic Assets
<b>Report author</b>	Mark Dixon
<b>Title</b>	Construction of 15 apartments for social rent at The Dell in Prestatyn - Contract Award

## 1. What is the report about?

1.1 This report summarises the process undertaken during the procurement exercise and recommends the award of a contract to appoint a Principal Contractor to construct 15 apartments for social rent at The Dell in Prestatyn.

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

2.1 A Cabinet decision is required to enable RL Davies & Sons Limited to be awarded the contract for the construction of 15 apartments for social rent at The Dell in Prestatyn.

## 3. What are the Recommendations?

3.1 That Cabinet approve the award of a Contract to RL Davies & Sons Limited as per the Contract Award Recommendation Report in Appendix 1.

3.2 That Cabinet confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 2) as part of its consideration.

## **4. Report details**

- 4.1. Further to the Cabinet decision of 30<sup>th</sup> July 2019, Denbighshire County Council wishes to appoint a Contractor to construct 15 apartments for social rent at The Dell in Prestatyn.
- 4.2. A contract notice with an estimated value of £4,100,183.71 was published on the Sell2Wales procurement portal on 26<sup>th</sup> January 2021 with a deadline for submission of 2<sup>nd</sup> March 2021. Following representations from a number of tenderers this deadline was extended to 19<sup>th</sup> April 2021.
- 4.3. Four tender submissions were received.
- 4.4. Following an evaluation exercise using a scoring methodology with a weighting of 70% for price and 30% for quality, a preferred contractor has been selected. Further details can be found in the draft Contract Award Recommendation Report in Appendix 1.

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

- 5.1. The Council's Corporate Plan includes a priority to ensure that everyone is supported to live in homes that meet their needs. Theme 2 of the Housing & Homelessness Strategy adopted by the County Council at its meeting on 8th December 2020 concerns creating a supply of affordable homes and includes headline actions to facilitate the building of Council homes and the provision of accommodation suited to the older demographic profile of the county's population. This decision will contribute towards the delivery of the Corporate Plan and Housing & Homelessness Strategy by enabling the construction of accessible homes for social rent.
- 5.2. The proposed development will contribute towards the delivery of the Climate & Ecological Change Strategy adopted by the County Council on 23<sup>rd</sup> February 2021 by building new Council premises which will be low carbon in operation through the inclusion of renewable energy and heat technologies. This will be achieved by avoiding the use of hydrocarbons for space and water heating in the development.

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

6.1. The total estimated cost submitted by the successful tenderer, RL Davies & Sons Limited was £3,021,361.96. This is within the budget for the project in the Housing Stock Business Plan.

6.2. Development of the site will enable the management issues with the land which faced the Council's Countryside Service to be addressed as it has hitherto been a location for anti-social behaviour and fly tipping, and it harbours vermin.

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

7.1. The main conclusions of the assessment are that the proposal will have a positive impact on all of the well-being goals through the provision of new homes suitable for people with protected characteristics which are situated in a location which will enable them to access services on foot or by cycling and which will reduce fuel poverty amongst residents as a consequence of their energy efficiency; it will have a positive impact on the economy by contributing towards the vitality of Prestatyn town centre; it will increase community cohesiveness by improving a secluded area which has previously attracted anti-social behaviour; and it will have a positive impact upon biodiversity by enabling habitat improvements in the Prestatyn area.

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

8.1. The Procurement team in the Council's Legal, HR & Democratic Services department have been involved throughout the tendering exercise.

8.2. Prestatyn Member Area Group endorsed the principle of developing the site for social housing at its meeting on 17<sup>th</sup> October 2017.

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

9.1. The project was approved by Cabinet in July 2019 following a recommendation by the Strategic Investment Group. As stated in Section 6 the total estimated cost remains within the budget for the project in the Housing Stock Business Plan. The recommendation to award the contract on the basis detailed in this report is fully supported.

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

10.1. The principal remaining risk in delivering the scheme is cost over-run and this has been mitigated by inviting tenders for the construction of a scheme for which a technical design has already been completed.

## **11. Power to make the decision?**

11.1 Section 9 of the Local Housing Act 1985 gives local housing authorities the power to provide housing accommodation by erecting houses, or converting buildings into houses, or by acquiring houses

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

# Development of new apartments for social rent off The Dell in Prestatyn

## 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:	432
Brief description:	Construction of fifteen apartments to provide homes for social rent which are either adaptable and accessible, or alternatively are designed to meet the requirements of wheelchair users
Date Completed:	13/12/2018 13:46:30 Version: 5
Completed by:	Mark Dixon
Responsible Service:	Facilities, Assets & Housing
Localities affected by the proposal:	Prestatyn,
Who will be affected by the proposal?	The proposal will have a positive impact upon disadvantaged people with protected characteristics on the single housing register by providing energy efficient new homes for social rent.
Was this impact assessment completed as a group?	Yes

# 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 : 30 / 36.

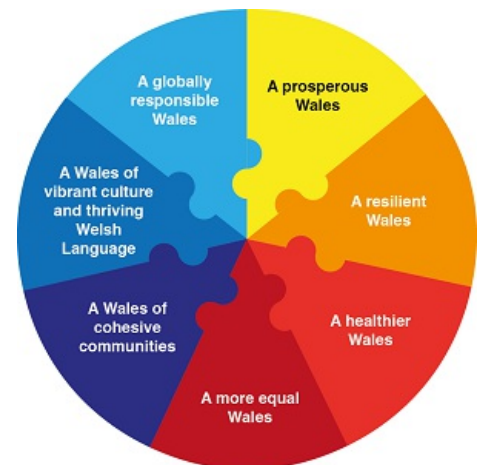
## Summary for each Sustainable Development principle

<b>Long term</b>	
<b>Prevention</b>	
<b>Integration</b>	
<b>Collaboration</b>	
<b>Involvement</b>	

## Summary of impact

### Well-being 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	Positive
A globally responsible Denbighshire	Positive



## Main conclusions

The main conclusions of the assessment are that the proposal will have a positive impact on all of the well being goals through the provision of new homes suitable for people with protected characteristics which are situated in a location which will enable them to access services on foot or by cycling and which will reduce fuel poverty amongst residents as a consequence of their energy efficiency; it will have a positive impact on the economy by contributing towards the vitality of Prestatyn town centre; it will increase community cohesiveness by improving a secluded area which has previously attracted anti social behaviour; and it will have a positive impact upon biodiversity by enabling habitat improvements in the Prestatyn area.

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



# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

## A prosperous Denbighshire

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The overall impact of the proposal is positive because it will help to minimise carbon emissions through the provision of energy efficient homes; it will help to minimize flood risk through the introduction of surface water drainage to the area; it will help to develop the county's economy by enhancing the vitality of Prestatyn town centre as a consequence of increased footfall; and it will help to raise skills levels by enabling the provision of training in the construction sector.
<b>Further actions required</b>	Positives can be maximised by ensuring that the design includes the highest levels of energy efficiency which are feasible; by enabling businesses to promote the services available in the adjacent town centre to residents; and by including social clauses in contracts to provide skills in the construction sector.

### Positive impacts identified:

<b>A low carbon society</b>	The proposal involves the construction of new homes which will require very little energy for their operation thereby minimising carbon emissions from energy generation.
<b>Quality communications, infrastructure and transport</b>	The proposal will improve infrastructure by providing surface water drainage to the area thereby minimizing flood risk.
<b>Economic development</b>	The proposal will help to enhance the vitality and viability of Prestatyn town centre by enabling additional households to live within walking distance of the town centre thereby increasing footfall and potentially increasing the profitability of retail businesses in the town centre.
<b>Quality skills for the long term</b>	The proposal will help to provide quality skills for the long term by providing tasters of the construction sector and apprenticeships through social clauses in the construction contract.
<b>Quality jobs for the long term</b>	Not applicable
<b>Childcare</b>	Not applicable

### Negative impacts identified:

<b>A low carbon society</b>	None
<b>Quality communications, infrastructure and transport</b>	None
<b>Economic development</b>	None
<b>Quality skills for the long term</b>	None
<b>Quality jobs for the long term</b>	None
<b>Childcare</b>	None

## A resilient Denbighshire

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The overall impact of the proposal is positive because the habitat improvements being undertaken off site compensate for loss of habitat on site and will be of better quality; residents will be provided with facilities to recycle more waste; biodiversity in the urban environment will be enhanced through the inclusion of soft landscaping in the development; residents of the development will be able to access town centre services without having to travel by car thereby saving fuel; and it will improve flood risk by providing surface water drainage for the site.
<b>Further actions required</b>	The Council's Countryside service has advised that the habitat on the development site is of low value and that biodiversity in the area would be enhanced by the investment of commuted sums from the development in improving habitat elsewhere in the vicinity of the development.

### Positive impacts identified:

<b>Biodiversity and the natural environment</b>	Not applicable
<b>Biodiversity in the built environment</b>	The proposal will enhance biodiversity in the built environment by the inclusion of soft landscaping in the development.
<b>Reducing waste, reusing and recycling</b>	The proposal will help to encourage recycling by residents through the provision of a communal bin store which will incorporate appropriate facilities.
<b>Reduced energy/fuel consumption</b>	The proposal will reduce fuel consumption by enabling people to live near town centre services thereby reducing the need to travel by car.
<b>People's awareness of the environment and biodiversity</b>	Not applicable
<b>Flood risk management</b>	The proposal will improve flood risk through the installation of surface water drainage on the site.

### Negative impacts identified:

<b>Biodiversity and the natural environment</b>	Construction on a previously undeveloped area of land could potentially result in the loss of habitat.
<b>Biodiversity in the built environment</b>	None
<b>Reducing waste, reusing and recycling</b>	None
<b>Reduced energy/fuel consumption</b>	None
<b>People's awareness of the environment and biodiversity</b>	None
<b>Flood risk management</b>	None

## A healthier Denbighshire

<b>Overall Impact</b>	Positive
-----------------------	----------

<b>Justification for impact</b>	The overall impact of the proposal is positive because the health and well being of residents will be improved by being able to walk or cycle to access services; residents' access to healthcare will be improved by locating new homes close to the town's new healthcare facility; and participation in leisure opportunities will be increased by locating new homes close to existing leisure facilities.
<b>Further actions required</b>	Positives can be maximised by enabling town centre services, health services and leisure facilities to promote awareness of their offer to tenants by for example providing a notice board in the common areas of the building.

### Positive impacts identified:

<b>A social and physical environment that encourage and support health and well-being</b>	The proposal will encourage and support health and well being by providing homes which are located near services which can be accessed by pedestrians or by cycling.
<b>Access to good quality, healthy food</b>	Not applicable
<b>People's emotional and mental well-being</b>	Not applicable
<b>Access to healthcare</b>	The proposal has the potential to improve residents' access to healthcare by providing new homes within easy reach of the new Healthy Prestatyn Iach primary health care facility in the town centre.
<b>Participation in leisure opportunities</b>	The proposal has the potential to improve participation in leisure opportunities through the provision of new homes close to facilities such as Prestatyn Leisure Centre and the King's Hall.

### Negative impacts identified:

<b>A social and physical environment that encourage and support health and well-being</b>	None
<b>Access to good quality, healthy food</b>	None
<b>People's emotional and mental well-being</b>	None
<b>Access to healthcare</b>	None
<b>Participation in leisure opportunities</b>	None

## A more equal Denbighshire

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The overall impact is positive because the well being of people with protected characteristics will be improved by the provision of additional accessible homes, and because poverty will be reduced by providing homes which minimize the amount which residents spend on energy.

<b>Further actions required</b>	Positives can be maximised by incorporating the latest thinking on implementing Part M of the Building Regulations into the design of the building and instructing new tenants on how to minimise energy consumption in their homes.
---------------------------------	--

**Positive impacts identified:**

<b>Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation</b>	The proposal will improve the well being of people with protected characteristics by providing apartments which meet the requirements of Categories 2 and 3 of Part M of the Building Regulations for adaptable and accessible dwellings and wheelchair users respectively.
<b>People who suffer discrimination or disadvantage</b>	Not applicable
<b>People affected by socio-economic disadvantage and unequal outcomes</b>	The proposal will help to tackle poverty by providing highly energy efficient homes which will minimize the proportion of residents' income spent on fuel.
<b>Areas affected by socio-economic disadvantage</b>	Not applicable

**Negative impacts identified:**

<b>Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation</b>	None
<b>People who suffer discrimination or disadvantage</b>	None
<b>People affected by socio-economic disadvantage and unequal outcomes</b>	None

<b>Areas affected by socio-economic disadvantage</b>	None
--	------

## A Denbighshire of cohesive communities

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The overall impact will be positive because community safety will be improved by developing an area which previously attracted anti social behaviour; community participation will be improved through engagement in the design process, and the attractiveness of the neighbourhood will be improved by replacing an overgrown area with a contemporary development with soft landscaping, and because we will ensure that existing homes are not overlooked.
<b>Further actions required</b>	The new building has been sited as far away as possible from existing homes and well in excess of the acceptable separation in the adopted Supplementary Planning Guidance, and at the lowest possible elevation to ensure that existing homes are not overlooked.

### Positive impacts identified:

<b>Safe communities and individuals</b>	The proposal will improve community safety by developing an area which was previously a location for anti social behaviour screened from public view by dense undergrowth.
<b>Community participation and resilience</b>	The proposal will encourage community participation through engagement in the design process during the pre-Planning application consultation for a major development.
<b>The attractiveness of the area</b>	The proposal will improve the attractiveness of the neighbourhood by replacing an overgrown area with a new building of contemporary design in an area of well maintained soft landscaping.
<b>Connected communities</b>	Not applicable
<b>Rural resilience</b>	

### Negative impacts identified:

<b>Safe communities and individuals</b>	None
<b>Community participation and resilience</b>	None
<b>The attractiveness of the area</b>	The proposal will involve the construction of a new building on a green field site and the residents of the existing homes might be concerned that they will be overlooked by the new development.
<b>Connected communities</b>	None
<b>Rural resilience</b>	

## A Denbighshire of vibrant culture and thriving Welsh language

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The overall impact is positive because use of the Welsh language will be promoted through the provision of bilingual signage on the development.
<b>Further actions required</b>	Positives can be maximised by installing bilingual signage throughout the building.

**Positive impacts identified:**

<b>People using Welsh</b>	Not applicable
<b>Promoting the Welsh language</b>	The proposed development will promote the use of the Welsh language by incorporating bilingual signage both during the works and on a permanent basis following its completion.
<b>Culture and heritage</b>	Not applicable

**Negative impacts identified:**

<b>People using Welsh</b>	None
<b>Promoting the Welsh language</b>	None
<b>Culture and heritage</b>	None

**A globally responsible Denbighshire**

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The overall impact will be positive because local supply chains will potentially be able to benefit from the works procured.
<b>Further actions required</b>	Positives can be maximised by ensuring that work packages are offered to the market in a way which is accessible to local suppliers.

**Positive impacts identified:**

<b>Local, national, international supply chains</b>	The proposal will benefit local supply chains by enabling locally based SMEs to submit tenders for the works.
<b>Human rights</b>	Not applicable
<b>Broader service provision in the local area or the region</b>	Not applicable
<b>Reducing climate change</b>	

**Negative impacts identified:**

<b>Local, national, international supply chains</b>	None
<b>Human rights</b>	None
<b>Broader service provision in the local area or the region</b>	None
<b>Reducing climate change</b>	

<b>Report to</b>	Cabinet
<b>Date of meeting</b>	21 <sup>st</sup> September 2021
<b>Lead Member / Officer</b>	Julian Thompson Hill
<b>Report author</b>	Steve Gadd, Head of Finance and Property
<b>Title</b>	Finance Report (August 2021/22)

## 1. What is the report about?

The report gives details of the council's revenue budget and savings as agreed for 2021/22. The report also provides a summary update of the Capital Plan as well as the Housing Revenue Account and Housing Capital Plan.

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

The purpose of the report is to provide an update on the council's current financial position and confirm the agreed service budgets for 2021/22.

## 3. What are the Recommendations?

3.1 Members note the budgets set for 2021/22 and progress against the agreed strategy.

3.2 Members approve the business case for the development of the former Prestatyn library site as recommended by the Strategic Investment Group (see Section 6.7 and Appendices 5 and 6)

## 4. Report details

The report provides a summary of the council's revenue budget for 2021/22 detailed in Appendix 1. The council's net revenue budget is £216.818m (£208.302m in 20/21). The position on service and corporate budgets is a forecast overspend of £0.835m (£0.748m

overspend last month). Narrative around the current risks and assumptions underlying this assessment are outlined in Section 6.

The 2021/22 budget required service savings and efficiencies of £4.448m to be identified and agreed as detailed below:

- Fees and Charges inflated in line with agreed Fees and Charges policy (£0.462m).
- Operational efficiencies (£690k) mostly identified by services throughout the year and within Head Service delegated responsibility in consultation with Lead Members.
- Savings of £0.781m have also been identified which change service provision in some way and which were shared in detail with Cabinet and Council in the December briefings.
- 1% (£0.733m) Schools efficiency target from Schools Delegated Budgets.

The operational savings and fees and charges increases are assumed to have been achieved and the schools' savings are delegated to the governing bodies to monitor and deliver.

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

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

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

Significant service narratives explaining variances and risks are detailed in Appendix 2, however the following should also be noted:

**6.1 Impact of Corona Virus** - The strategy of working in partnership with Welsh Government helped secure over £23m direct financial help last year. Further recent funding announcements should ensure that Covid pressures for the first six months of 2021/22 are covered. It has been confirmed that the system of monthly expenditure claims and quarterly income loss claims will continue. Formal confirmation for the remainder of the year have yet to be received. So far four expenditure claims for April to July have been



submitted amounting to £2m. An income claim amounting to £1.9m for quarter 1 has also been submitted. It is expected that the income claims will start to reduce now as the wider Covid restrictions have reduced, however expenditure claims are likely to continue.

**6.2 Corporate Budgets** – Currently projected to break even. However the following risks were identified in previous months, some of which have now been resolved. This may allow for the release of contingency to help fund service overspends.

- Ongoing impact of Covid on the Council Tax Yield – this is still a risk although performance in this area is recovering
- Ongoing impact on the Council Tax Reduction Scheme – At present the additional budget agreed as part of the 21/22 is enough to fund the projected spend in this area – however this remains a volatile area that is impacted by the wider economic situation
- Pay settlements for 2021/22 – the recent offer by employees regarding local government workers and the announcement regarding teachers' pay can be funded within the pressures included in the 21/22 budget.

The position will continue to be monitored closely over the coming months.

**6.3 Schools** - The budget agreed by Council for 2021/22 included a total net additional investment (excluding increases in Welsh Government grants) in schools delegated budgets of just over £2.5m. The latest projection for school balances to be carried forward into 2022/23 is a net credit balance of £3.936m, which represents a decrease of £1.734m on the balances brought forward into 2021/22 of £5.670m. There is a small underspend of £124k on non-delegated budgets. The movement largely relates to the one-off Covid grants received last financial year which boosted school reserves and which are now projected to be spent this financial year on the catch-up and Covid recovery programme in schools.

**6.4 The Housing Revenue Account (HRA).** The latest revenue position assumes a decrease in balances at year end of £1.315m, which is £0.662m more than the £653k at the time the budget was approved. The Capital budget of £20.7m is largely allocated between planned improvements to existing housing stock (£6.7m) and new build developments and acquisitions (£14m).

**6.5 Treasury Management** – At the end of August, the council's borrowing totalled £231.4m at an average rate of 3.94%. Investment balances were £13.8m at an average rate of 0.01%.

**6.6** A summary of the council's **Capital Plan** is enclosed as Appendix 3. The approved capital plan is £54.69m with expenditure to date of £9.83m. Appendix 4 provides an update on the major projects included in the overall Capital Plan.

**6.7** The Strategic Investment Group recently reviewed a business case for the redevelopment of the former Prestatyn library and is recommended for approval by Cabinet. The proposed redevelopment will involve the demolition of the former library and the construction of 14 one bedroom apartments for social rent and 2 ground floor commercial units. The estimated cost of the proposal will be £4.317m with a mix of funding through the Housing Revenue Account (£2.892m) and Welsh Government Social Housing Grant (£1.425m). The business case is included as appendix 5 and the Wellbeing Impact Assessment as appendix 6. The item was brought to the July Cabinet as a verbal item and approval was given to commence the procurement process on the understanding that the full Business Case was brought for approval in September.

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

A Well-being Impact Assessments for the Council Tax rise was presented to Council on 26 January.

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

In addition to regular reports to the Corporate Governance Committee, the budget process has been considered by SLT, Cabinet Briefing, Group Leaders and Council Briefing meetings. The School Budget Forum have been included in the proposals through-out the year. Trade Unions have been consulted through Local Joint Consultative Committee. The Covid pandemic did impact on the level of consultation and engagement with the public, however plans are in place to engage early with all stakeholders during the budget process for 2022/23.

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

It is welcome that we enter this financial year in a lot better position than we feared thanks to the partnership approach of working with Welsh Government and it should be remembered that DCC received over £23m from WG for direct financial help for the Council. It is hoped the additional help identified for the first 6 months of 2021/22 will ensure that the Council can start planning positively for the future. Early monitoring is showing pressures in the usual areas of Homelessness and Childrens' Services. Significant investment has gone into these areas in recent years and it is expected that that need will continue. Initial pressures have already been included in the Medium Term Financial Plan and these will be kept under review.

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

This remains a challenging financial period and there is still uncertainty around the ongoing impact of Covid 19, Brexit and the financial strategy of the UK government in dealing with the long term financial impact on the public finances of the Covid response. Although the financial outlook looks uncertain, our finances are in a healthy position and a robust 3/5 year budget process has recently been approved by SLT, CET, Cabinet and scrutinised by the Governance and Audit Committee.

## **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.

This page is intentionally left blank

## Appendix 1

## DENBIGHSHIRE COUNTY COUNCIL REVENUE BUDGET 2021/22

Aug-21	Net Budget	Budget 2021/22			Projected Outturn							Variance
	2020/21	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net	Net	Previous Report
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
Communities and Customers	3,325	4,548	-1,287	3,261	5,295	-2,033	3,262	747	-747	0	0.00%	0
Education and Children's Service	17,145	32,970	-15,182	17,788	24,646	-6,263	18,383	-8,324	8,919	595	3.34%	526
Business Improvement and Modernisation	4,309	5,716	-1,121	4,595	6,113	-1,555	4,558	397	-434	-37	-0.81%	-84
Legal, HR and Democratic Services	2,384	3,988	-1,622	2,366	3,966	-1,642	2,324	-22	-20	-42	-1.78%	-26
Finance and Property	4,664	10,290	-4,603	5,687	10,131	-4,444	5,687	-159	159	0	0.00%	0
Highways and Environmental Services	17,074	30,875	-15,162	15,713	26,256	-10,221	16,035	-4,619	4,941	322	2.05%	314
Planning and Public Protection	9,748	16,790	-7,183	9,607	17,890	-8,283	9,607	1,100	-1,100	0	0.00%	0
Community Support Services	38,118	57,266	-17,399	39,867	54,391	-14,524	39,867	-2,875	2,875	0	0.00%	22
Leisure - Retained Budgets	3,346	3,272	0	3,272	3,269	0	3,269	-3	0	-3	-0.09%	-4
<b>Total Services</b>	<b>100,113</b>	<b>165,715</b>	<b>-63,559</b>	<b>102,156</b>	<b>151,957</b>	<b>-48,965</b>	<b>102,992</b>	<b>-13,758</b>	<b>14,593</b>	<b>835</b>	<b>0.82%</b>	<b>748</b>
Corporate	16,231	47,756	-29,271	18,485	47,766	-29,281	18,485	10	-10	0	0.00%	0
Precepts & Levies	4,899	5,060	0	5,060	5,060	0	5,060	0	0	0	0.00%	0
Capital Financing	13,724	15,176	0	15,176	15,176	0	15,176	0	0	0	0.00%	0
<b>Total Corporate</b>	<b>34,854</b>	<b>67,992</b>	<b>-29,271</b>	<b>38,721</b>	<b>68,002</b>	<b>-29,281</b>	<b>38,721</b>	<b>10</b>	<b>-10</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>Council Services &amp; Corporate Budget</b>	<b>134,967</b>	<b>233,707</b>	<b>-92,830</b>	<b>140,877</b>	<b>219,959</b>	<b>-78,246</b>	<b>141,713</b>	<b>-13,748</b>	<b>14,583</b>	<b>835</b>	<b>0.59%</b>	<b>748</b>
Schools & Non-delegated School Budgets	73,335	85,117	-9,176	75,941	86,568	-9,017	77,551	1,451	159	1,610	2.12%	2,060
<b>Total Council Budget</b>	<b>208,302</b>	<b>318,824</b>	<b>-102,006</b>	<b>216,818</b>	<b>306,527</b>	<b>-87,263</b>	<b>219,264</b>	<b>-12,297</b>	<b>14,742</b>	<b>2,445</b>	<b>1.13%</b>	<b>2,808</b>
Housing Revenue Account	213	17,606	-16,953	653	17,796	-16,481	1,315	190	472	662		515

This page is intentionally left blank

## Appendix 2 - Service Variance Narrative

Service	Variance Last Month £000	Variance This Month £000	Change £000	Description
Communities and Customers	0	0	0	No Variances to report at this stage.
Education and Children's Service	526	595	69	This Pressure all relates to high cost residential and Independent Fostering placements. The increase from the figure previously reported relates to an increase in residential costs. Minor variances account for the remaining change. The figures are still very volatile at this stage. All residential and independent fostering placements have been costed to realistic timescales however no allowance has been made for any further new placements throughout the year. We are also awaiting funding requests from other Local Authorities relating to Denbighshire pupils at the start of the new academic year.
Business Improvement and Modernisation	-84	-37	47	Underspend due to a vacancy savings. The movement from last month is a result of two posts being filled earlier than previously projected. It is anticipated that the underspend will be placed in the new reserve set up to help fund future improvements to the heritage offer at Ruthin Gaol.
Legal, HR and Democratic Services	-26	-42	-16	The underspend relates to the net effect of the detailed monitoring (eg vacancies). The increase in the underspend relates to a decreased projection for legal agency costs.
Finance and Property	0	0	0	There are ongoing pressures within this service relating to the ongoing reduction in the Housing Benefit Administration Grant - currently we are hoping to identify one-off funding to once again mitigate this pressure.
Highways, Facilities and Environmental Services	314	322	8	The reported overspend relates to ongoing pressures in Waste Service relating to increases in costs and decreases in income received for recyclable waste. The figure reported assumes that we will continue to be able to claim for Covid related costs.
Planning and Public Protection	0	0	0	Although currently showing a break even position there are risks in the service concerning School Transport and Heritage. The position with school transport will not be clear until the contracts for September school re-opening are finalised. The insurance claim with regard to the flooding at Ruthin Gaol is ongoing and should be regarded as a risk until that is finalised. Planning income is still down on pre-pandemic levels but it is hoped this will increase over the coming months.
Community Support Services	22	0	-22	Although an additional pressure of £2.4m was included in the budget for 2021/22 Homelessness in particular remains an area of pressure. There is an SLT working group which is tasked with identifying and providing in-house provision which will improve the level of service and reduce costs in the future. A report detailing this work was presented to Cabinet Briefing on 10th May. There is a great deal of uncertainty around grant funding for pressures in the sector which will be monitored closely over the coming months.
Leisure - ADM	-4	-3	1	The movement relates to minor variances.
Corporate & Miscellaneous	0	0	0	See body of report for details
Precepts & Levies	0	0	0	There are no risks in this area
Capital Financing	0	0	0	The position on capital financing is very much related to progress on capital projects and variances do not crystallise until the final outcome is known. Any spare capacity this year is likely to be required to fulfill the investment target in Highways agreed by Council.
<b>Council Services &amp; Corporate Budget</b>	<b>748</b>	<b>835</b>	<b>87</b>	

This page is intentionally left blank



**Denbighshire County Council - Capital Plan 2021/22 - 2024/25**

**APPENDIX 3**

**Position to end August 2021**

**Capital Expenditure**

Total Estimated Payments - Other

Total Estimated Payments - Major Projects:

Housing Improvement Grants

Rhyl, New 3-16 Catholic School

Ysgol Llanfair, New School

Ysgol Carreg Emlyn, New School

Highways Maintenance

East Rhyl Coastal Defence Scheme

Rhyl Waterfront and Waterpark

Rhyl Queens Market Redevelopment

Waste Service Remodelling

Contingency

**Total**

**Capital Financing**

**External Funding**

**Receipts and Reserves**

**Prudential Borrowing**

**Unallocated Funding**

**Total Capital Financing**

	2021/22 ORIGINAL ESTIMATE £000s	2021/22 LATEST ESTIMATE £000s	2022/23 LATEST ESTIMATE £000s	2023/24 LATEST ESTIMATE £000s	2024/25 LATEST ESTIMATE £000s
Total Estimated Payments - Other	24,699	34,956	3,339	350	
Total Estimated Payments - Major Projects:					
Housing Improvement Grants	1,200	1,575			
Rhyl, New 3-16 Catholic School	366	391			
Ysgol Llanfair, New School		75			
Ysgol Carreg Emlyn, New School		50			
Highways Maintenance	2,960	4,622			
East Rhyl Coastal Defence Scheme	8,150	7,250	5,575		
Rhyl Waterfront and Waterpark		24			
Rhyl Queens Market Redevelopment	3,128	3,145	2,630	121	
Waste Service Remodelling	13,472	2,103	11,428		
Contingency	500	500	500	500	500
<b>Total</b>	<b>54,475</b>	<b>54,691</b>	<b>23,472</b>	<b>971</b>	<b>500</b>
<b>External Funding</b>	28,332	31,135	10,276	6,036	6,036
<b>Receipts and Reserves</b>	6,610	11,316	4,879	121	
<b>Prudential Borrowing</b>	19,533	12,240	13,853	350	
<b>Unallocated Funding</b>	0	0	(5,536)	(5,536)	(5,536)
<b>Total Capital Financing</b>	<b>54,475</b>	<b>54,691</b>	<b>23,472</b>	<b>971</b>	<b>500</b>

Note: 2021-22 Original Estimate is the position as approved by Council on 23rd February 2021

This page is intentionally left blank

## Appendix 4 - Major Capital Projects Update – August 2021

<b>21<sup>st</sup> Century Schools Programme – Ysgol Llanfair</b>	
Total Budget	£4.964m
Expenditure to date	£4.950m
Estimated remaining spend in 21/22	£0.014m
Future Years estimated spend	£0.000m
Funding	WG £0.180m; DCC £4.784m
<b>Narrative:</b>	
<p>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 Llanfair DC.</p> <p>The swap in land whereby the Church in Wales St. Asaph Diocese will receive the footprint of the land at the new school site and the Council will receive ownership of the land in Diocese ownership at the former school site is still currently progressing. Agreement of the exchange has now been agreed and the completion and exchange of sites will be reached shortly, once the final documentation has been executed by Legal.</p> <p>Once the former site is in the Council's possession, it will be declared surplus by Education and discussions on the future use for the former school site will commence.</p>	
Forecast In Year Expenditure 21/22	£0.075m

## 21<sup>st</sup> Century Schools Programme – Glasdir

Total Budget	£11.714m
Expenditure to date	£11.541m
Estimated remaining spend in 21/22	£0.173m
Future Years estimated spend	£0.000m
Funding	DCC £3.066m; WG £8.648m

### **Narrative**

This project has delivered a new shared school building site for Rhos Street School and Ysgol Penbarras at Glasdir, Ruthin which has been used by the schools since April 2018. The final account has now been settled.

The work to create an additional school yard for Rhos Street School started on the 21st of June and was completed in August 2021 ready for the start of the autumn school term.

The costs of the works, will be less than the pre tender estimate of £200k, and will be absorbed from the overall allocation to the Ruthin projects in 2016 as part of Denbighshire's contribution to the 21st Century Schools Programme

Forecast In Year Expenditure 21/22	£0.174m
------------------------------------	---------

<b>21<sup>st</sup> Century Schools Programme – Rhyl, Christ the Word School</b>	
Total Budget	£23.440m
Expenditure to date	£23.056m
Estimated remaining spend in 21/22	£ 0.384m
Future Years estimated spend	£ 0.000m
Funding	WG £5.541m; DCC £17.899m
<b>Narrative:</b>	
<p>This scheme is within the Band A proposals for 21st Century Schools Programme.</p> <p>Further snagging works were completed over the summer holidays both internally and externally. However there are still some issues with the roof and internal doors at the school which are currently being discussed with the contractor and for these to be rectified within the contract. An independent survey has been carried out on the roof and we await the contractors response to this report. We are also closely monitoring the small football pitch at the front of the site as we have refused hand over as the current condition of the pitch is unacceptable.</p> <p>The budget continues to be closely monitored as the project comes to an end.</p>	
Forecast In Year Expenditure 21/22	£0.391m

<b>Rhyl Queens Market Redevelopment</b>	
Total Budget	£10.922m
Expenditure to date	£5.608m
Estimated remaining spend in 21/22	£2.546m
Future Years estimated spend	£2.768m
Funding	WG £7.270m DCC Asbestos £0.252m. DCC £3.400m
<b>Narrative:</b>	
<p>The remaining funding required to deliver Phase 1 was secured from the Council at the September 2020 Cabinet meeting and from the January 2021 Welsh Government Capital Panel.</p> <p>The demolition contractor started on site in January 2021 and due to the identification of additional asbestos was due to complete the works later than expected. Additional asbestos has again been identified and demolition works were temporarily paused until structural concerns were addressed and the contractor was satisfied that they could bring all of the buildings down in a safe manner. Work has now restarted on site to complete all remaining works. The delays will most likely result in works completing in December.</p> <p>Wynne Construction have been appointed through the NWCP framework to deliver Phase 1 and are currently working up the detailed design.</p> <p>Planning permission for the development (full for phase 1, outline for future phases) was secured at the September 8<sup>th</sup> 2021 Planning Committee and the construction will commence straight after the demolition has completed in December 2021.</p>	
Forecast In Year Expenditure 21/22	£3.145m

<b>Waste Service Remodelling</b>	
Total Budget	£16.430m
Expenditure to date	£3.472m
Estimated remaining spend in 21/22	£1.530m
Future Years estimated spend	£11.428m
Funding	WG £9.345m , DCC £7.085m
<b>Narrative:</b>	
<p>A number of work streams are being taken forward to include:</p> <ul style="list-style-type: none"> <li>• Development of a new single central waste transfer station depot on land adjacent to the Colomendy Industrial Estate in Denbigh. The Phase 1 Enabling Works Contract commenced on site on July 5<sup>th</sup> 2021. Phase 1 will be followed by a further Tender process to appoint a Contractor to deliver Phase 2 works to complete the development of the new Depot by spring 2023 to support a subsequent roll out of the proposed new service model in 2023.</li> <li>• Specification of the new fleet required to support the new model is being completed following a number of trials / tests with the aim to undertake a procurement exercise for the new waste collection vehicles at the appropriate time in late 2021 / early 2022 with delivery of the new fleet anticipated in the three months leading up to the planned new service roll out.</li> </ul> <p>An Options Appraisal exercise on the detail of the new recycling container design has been undertaken, with the new service model and supporting Containers presented to Scrutiny in May 2021. A procurement exercise for the Containers to support the new model will be undertaken in due course with a 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.</p>	
Forecast In Year Expenditure 21/22	£2.103m

<b>East Rhyl Coastal Defence Scheme</b>	
Total Budget	£27.528m
Expenditure to date	£16.721m
Estimated remaining spend in 21/22	£5.232m
Future Years estimated spend	£5.575m
Funding	WG £23.400m; DCC £4.128m
<b>Narrative:</b>	
<p>The ongoing coastal defence scheme at East Rhyl will provide an improved standard of flood protection for around 1650 properties.</p> <p>Work on site continues to progress well and is on time and within budget. The new rock revetment and sea defence wall is complete, along with three new beach accesses. Work on building the new promenade is around 65% complete and top soiling and landscaping works have commenced.</p>	
Forecast In Year Expenditure 21/22	£7.250m



## 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.*

<b>Project Name:</b>	Redevelopment of former Prestatyn library
<b>Project Reference:</b>	
<b>Project Manager:</b>	Mark Dixon
<b>Workstream/Programme:</b>	Young People & Housing

<b>Head of Service/Project Sponsor</b>	Steve Gadd / Dave Lorey	<b>Lead member:</b>	Tony Thomas
<b>Service:</b>	Finance & Property	<b>LM Portfolio:</b>	Housing & Communities
<b>Form completed by:</b>	Mark Dixon	<b>Date:</b>	21 <sup>st</sup> June 2021
<b>Service Accountant:</b>	Clare John	<b>Date:</b>	21 <sup>st</sup> June 2021

### PROJECT TYPE

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

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

<b>DECISION SOUGHT FROM SIG:</b>	To recommend the redevelopment of the former Prestatyn library to provide apartments and ground floor commercial space to Cabinet for approval
----------------------------------	--

## 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

### Background

The Local Housing Market Assessment for Denbighshire has identified Prestatyn as having the second highest unmet need for social housing in the county. The requirement for smaller accessible apartments to meet the needs of an ageing population is particularly strong and the current supply of this type of accommodation in the town is very limited.

The supply of suitable sites for residential development in the town is constrained because of;

- the limited allocation of greenfield land for this purpose in the Local Development Plan;
- the lack of brownfield sites for redevelopment; and
- the inclusion of large areas in the TAN15 Development Advice Zone for Coastal Flood Risk.

The former Prestatyn library outlined in red on the plan in Appendix 1 was identified as potentially being suitable for redevelopment to address the identified need because;

- it was already owned by the Council;
- it is within the settlement boundary and not allocated for any specific purpose in the Local Development Plan;
- the majority of the site is outside the TAN15 Development Advice Zone for Coastal Flood Risk; and
- it is close to town centre services.

The Prestatyn Member Area Group were keen that the proposed development on the site should include commercial space at the ground floor level to accommodate uses which would draw footfall from the Shopping Park towards the High Street. This is fortuitous because the flood risk on the northern extremity of the site makes the ground floor unsuitable for residential use and this suggestion will provide a productive use for what otherwise would have been an under-utilised space.

### Project description

The project involves;

- the demolition of the former library;
- the construction of 14 no. one bedroom accessible apartments for social rent with lift access and 2 no. ground floor commercial units; and

- improved access, parking and outdoor amenity space to be shared with residents of the existing Llys Bodnant flats.

The development will aim to achieve the highest energy performance rating and lowest carbon emissions which are reasonably possible by eliminating the use of hydrocarbon fuels from the development, using energy efficient insulation materials, installing Ground Source Heat Pumps, and generating electricity from photovoltaic cells to be stored in batteries.

### Benefits

The key benefits will be;

- the provision of new homes to help to address the unmet need for accessible social housing in the town;
- removal of an eyesore from a prominent location in the town centre;
- minimum carbon emissions from a new development;
- increased biodiversity in an urban area;
- the provision of new commercial units in a prime trading location in the town centre; and
- an increase in footfall and expenditure in the town centre.

### Estimated costs

The estimated costs of the proposal are as follows.

<b>Item</b>	<b>Estimated cost</b>
Construction	£2,948,000
Green energy features	£505,000
Sustainable drainage	£68,000
Professional Fees	£444,000
Contingency	<u>£352,000</u>
<b>Total</b>	<b>£4,317,000</b>

### Funding

The proposed sources of funding are as follows.

<b>Source</b>	<b>Amount</b>
Denbighshire Housing Revenue Account	£2,892,000
Welsh Government Social Housing Grant	<u>£1,425,000</u>
<b>Total</b>	<b>£4,317,000</b>

The Council's funding for the development is already included in the 30 Year Housing Stock Business Plan.

The projected rental income of £31,500 per annum from the commercial units will be retained in the Housing Revenue Account and will contribute towards the delivery of the 30 Year Housing Stock Business Plan.

## BUSINESS OPTIONS

Analysis and reasoned recommendation for the base business options of: do nothing / do the minimal or do something. You must include an environmentally enhanced (net carbon zero/ecologically positive compatible) option. If your project is a business development project, then this may not be relevant.

<b>Option 1:</b>	<b>Do nothing - maintain the existing situation</b>				
<b>Please provide brief details:</b>					
<p>This option would involve;</p> <ul style="list-style-type: none"> <li>not redeveloping the former library for social housing and commercial space.</li> </ul>					
<b>Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:</b>					
<b>Costs</b>	Costs more		<b>Time</b>	Takes longer to deliver	
	Costs the same			Takes the same to deliver	
	Costs less	✓		Is quicker to deliver	✓
<b>Quality</b>	Improves the quality		<b>Benefits</b>	Improves benefits	
	Is the same quality			No impact on benefits	
	Is a lower quality	✓		Worsens benefits	✓
<b>What is the main reason this option has not been selected?</b>					
<p>This option has not been pursued because;</p> <ul style="list-style-type: none"> <li>the opportunity to deliver much needed affordable housing and commercial space to connect the Shopping Park with the High Street would be lost.</li> </ul>					

<b>Option 2:</b>	<b>Environmentally enhanced (“zero carbon”) option</b>				
<b>Please provide brief details:</b>					
<p>This option would involve;</p> <ul style="list-style-type: none"> <li>designing the properties to achieve a SAP rating of 100 or higher.</li> </ul>					
<b>Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:</b>					
<b>Costs</b>	Costs more	✓	<b>Time</b>	Takes longer to deliver	
	Costs the same			Takes the same to deliver	✓
	Costs less			Is quicker to deliver	
<b>Quality</b>	Improves the quality	✓	<b>Benefits</b>	Improves benefits	✓
	Is the same quality			No impact on benefits	
	Is a lower quality			Worsens benefits	
<b>What is the main reason this option has not been selected?</b>					
<p>This option has not been pursued because;</p> <ul style="list-style-type: none"> <li>the cost of the low carbon measures already proposed exceeds the premium for non-fossil fuels allowed by Welsh Government in its financial model for the development of affordable homes.</li> </ul> <p>The preferred option will however enable the properties to be built at an acceptable cost, avoid the use of hydrocarbon fuels, achieve the highest possible Energy Performance Certificate rating of “A” and emit as little carbon as is reasonably possible.</p>					

<b>Option 3:</b>	<b>Minimum Option</b>				
<b>Please provide brief details:</b>					
<p>This option would involve;</p> <ul style="list-style-type: none"> <li>• selling the site for another party to develop.</li> </ul>					
<b>Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:</b>					
<b>Costs</b>	Costs more		<b>Time</b>	Takes longer to deliver	✓
	Costs the same			Takes the same to deliver	
	Costs less	✓		Is quicker to deliver	
<b>Quality</b>	Improves the quality		<b>Benefits</b>	Improves benefits	
	Is the same quality	✓		No impact on benefits	
	Is a lower quality			Worsens benefits	✓
<b>What is the main reason this option has not been selected?</b>					
<p>This option has not been pursued because there would be uncertainty;</p> <ul style="list-style-type: none"> <li>• as to the timescale for delivering the development as the property had failed to sell when marketed previously; and</li> <li>• the nature of any development proposal which might not include social rented homes.</li> </ul>					

## EXPECTED BENEFITS

The benefits that the project will deliver expressed in measurable terms against the situation as it exists prior to the project. Remember to capture co-benefits (the added benefits we get from this action/project as well as the direct benefits it will realise).

The benefits expressed in measurable terms are;

- 14 social rented homes delivered; and
- 210 sq m of commercial floor space delivered.

## EXPECTED DIS-BENEFITS

Outcomes perceived as negative by one or more stakeholders

There are no dis-benefits expected from the proposal.

## TIMESCALE

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

Date	Milestone
29 <sup>th</sup> June 2021	Consideration of business case by Strategic Investment Group
27 <sup>th</sup> July 2021	Consideration of business case by Cabinet
8 <sup>th</sup> November 2021	Start on site of redevelopment
12 <sup>th</sup> August 2022	Completion of redevelopment



## CAPITAL COSTS – CONSTRUCTION PROJECTS

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

*The capital cost of a project is an important consideration in terms of whether or not it should proceed.*

- Any costs relating to ICT infrastructure and equipment should have been provided by ICT department.
- Any costs that relate to construction should have been provided by Design & Development or Building Services.

Please provide details of any capital funding that has already been spent on the project:	
Enter details of cost element below:	Total
Professional fees	£84,000
<b>TOTAL</b>	<b>£84,000</b>

Please provide details of the capital funding requirement (not including amount already spent):				
Enter details of cost element below:	2021/22	2022/23	Future Years	All Years Total
Professional Fees	£249,000	£111,000		£360,000
Construction Contract	£1,525,000	£1,908,000	£88,000	£3,521,000
Contingency		£343,000	£9,000	£352,000
<b>TOTAL</b>	<b>£1,774,000</b>	<b>£2,362,000</b>	<b>£97,000</b>	<b>£4,233,000</b>

Please provide details of proposed capital funding sources					
Enter details of funding source	Status:	2021/22	2022/23	Future Years	TOTAL
Housing Revenue Account	Pending	£349,000	£2,362,000	£97,000	£2,808,000
Social Housing Grant	Allocated	£1,425,000			£1,425,000
<b>TOTAL</b>		<b>£1,774,000</b>	<b>£2,362,000</b>	<b>£97,000</b>	<b>£4,233,000</b>

## 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)			
<b>OVERALL REVENUE REQUIREMENT</b>			

*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*

There is no revenue requirement for the project either during the development phase or following completion. The development will however generate an income stream for the Housing Revenue Account from the 14 no. social rental apartments and from the 2 no. commercial units.

## WHOLE LIFE COST

**NOTE: THIS SECTION IS CURRENTLY IN DEVELOPMENT AND FURTHER GUIDANCE ISSUED IN DUE COURSE. OFFICERS DO NOT NEED TO COMPLETE THIS SECTION AT THIS STAGE UNLESS THEY HAVE UNDERTAKEN A WHOLE LIFE COSTING EXERCISE ALREADY INDEPENDENTLY WITHIN THEIR PROJECT.**

*Please provide brief details of the whole life cost impact of this project over a 20-year period. This should be completed for the preferred business option as well as for the environmentally enhanced business option if it is not selected as the preferred option:*

- *[guidance to follow]*
- *[guidance to follow]*
- *[guidance to follow]*

## **PROJECT MANAGEMENT**

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

The project will be managed by the Housing Development Manager.

The project executive will be the Lead Officer Corporate Property & Housing Stock.

A Housing Programme Executive Group has already been established and will act as the board for the project.

Highlight reports can be provided to the Young People & Housing Programme Board.

## **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.*

Not applicable

## CARBON MANAGEMENT IMPACT

Please consult with Council's Principal Energy Manager ([robert.jones@denbighshire.gov.uk](mailto:robert.jones@denbighshire.gov.uk)) and the Council's Climate and Ecological Change Programme Manager ([helen.vaughan-evans@denbighshire.gov.uk](mailto:helen.vaughan-evans@denbighshire.gov.uk)) before completing this section.

Denbighshire has committed to reducing its carbon emissions from buildings and fleet by at least 15% by 2022, for the Council to be net carbon zero by 2030 (buildings, fleet, waste, business travel, staff commuting, street lighting) and for the Council to reduce its supply chain emissions by 35% by 2030.

The Business Case requires you to make a forecast for the anticipated carbon emissions impact of the project.

Annual Forecasts:	Annual (current)	Carbon (kgCO <sub>2</sub> e)	Annual (Post Project)	Carbon (kgCO <sub>2</sub> e)	Carbon Variance	Comments
Money spent on external goods and services (UNIT= £)	n/a	n/a	n/a	n/a	n/a	n/a
Energy consumption in buildings: (UNIT = kWh)	n/a	n/a	n/a	n/a	n/a	n/a
Energy consumption in Street Lighting: (UNIT = kWh)	n/a	n/a	n/a	n/a	n/a	n/a
Fuel consumption of Denbighshire Fleet vehicles: (UNIT = litres/ kWh)	n/a	n/a	n/a	n/a	n/a	n/a
Mileage of Business Travel (personal vehicles): (UNIT = miles travelled)	n/a	n/a	n/a	n/a	n/a	n/a
Mileage of Staff Commute: (UNIT = miles travelled)	n/a	n/a	n/a	n/a	n/a	n/a
Tonnes of waste produced: (UNIT = tonnes)	n/a	n/a	n/a	n/a	n/a	n/a
One off Forecasts:			Project cost (£)	Carbon (kgCO <sub>2</sub> e)		Comments
Money spent on external goods and services (UNIT= £)	n/a	n/a	n/a	4,233,000	1,566,210	Spend within the construction category with an emission factor of 0.37 kgCO <sub>2</sub> /£
<b>TOTAL CARBON EMISSIONS</b>		n/a		n/a	n/a	n/a

Annual Forecasts:	Annual (current)	Carbon (kgCO <sub>2</sub> e)	Annual (Post Project)	Carbon (kgCO <sub>2</sub> e)	Carbon Variance	Comments
-------------------	------------------	------------------------------	-----------------------	------------------------------	-----------------	----------

Annual Forecasts:	Current	Carbon Absorption (kgCO <sub>2</sub> e)	Post Project	Carbon Absorption (kgCO <sub>2</sub> e)	Carbon Absorption Variance	Comments
Hectare of Grassland (UNIT=ha)	n/a	n/a	n/a	n/a	n/a	n/a
Hectares of Forestland (UNIT=ha)	n/a	n/a	n/a	n/a	n/a	n/a
<b>TOTAL CARBON ABSORPTION</b>		n/a		n/a	n/a	n/a

*Please highlight the appropriate cell depending on whether on balance this project helps, hinders or is neutral to the Council's goal to become net carbon zero by 2030 (reducing carbon emissions and increasing carbon absorption).*

<b>Net Carbon Zero Council Summary</b>	HELPS	HINDERS	NEUTRAL
--	-------	---------	---------

*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 and/or via tree planting/land management for the benefit of carbon sequestration.*

<p>Emissions from tenanted homes do not form part of the <b>council's</b> own carbon footprint.</p> <p>Nevertheless, the specification for the properties will enable tenants to live in energy efficient newly built homes with the highest possible Energy Performance Certificate rating of "A" thereby minimizing their carbon footprint.</p>
---

**Climate Change Lead Officer statement:**

*Please provide a statement from the Climate Change Lead Officer. Contact Helen Vaughan-Evans on [climatechange@denbighshire.gov.uk](mailto:climatechange@denbighshire.gov.uk).*

I agree with the officer's assessment of a 'neutral' impact on the Council's Net Carbon Zero goal due to emissions from social housing and commercial property tenanted out not forming part of the emissions scope for the Council's target.

I strongly support the active inclusion of additional energy and carbon efficiency measures and the adoption of renewable heating contributing to the reduction in Denbighshire's area based emissions. The measures also future proof the property to the desired future state in Wales being without gas boilers and thus the avoidance of retrofitting, at a greater expense, in the coming decade.

I note the element of demolition of the former Prestatyn Library. Principles of circular economy-waste avoidance- should be followed as much as possible and careful selection of contractor for this element of the work be appointed.

DCC's Climate and Ecological Change Strategy has a 'plus' target for reducing carbon from its supply chain by 35% by 2030. This project does represent a significant spend with external suppliers representing kgCO<sub>2</sub>e per £ spent. Every effort should be taken within the procurement activity of this spend to specify the works for the benefit of low carbon (e.g. via the use of lower spend lots to open the field to local SME's), to assess the bids from a low carbon consideration (e.g. including quality criteria questions with a scoring weighting) and monitor carbon emission performance of the chosen contractor (e.g. through contract management, provision of data).

Any procurement over £25k should seek Community Benefit's and I would encourage the project manager to focus their negotiations with the contractor around securing additional interventions for the benefit of low carbon, biodiversity improvements, carbon sequestration and/or climate and ecological change education/awareness.

The project manager should continue to engage with their Procurement Business Partner and the Community Benefits Hub (Karen Bellis) early in maximising on low carbon / carbon sequestration opportunities from the supply chain associated with this project.

**Supplied by:** Helen Vaughan-Evans

**Date:** 24<sup>th</sup> June 2021

## BIODIVERSITY IMPACT

Please consult with Denbighshire's Biodiversity Lead Officer before completing this section. Contact Joel Walley on [joel.walley@denbighshire.gov.uk](mailto:joel.walley@denbighshire.gov.uk).

The Council has a statutory duty to ensure compliance and enforcement of the Habitats Regulations (as amended in 2017). Furthermore, the Environment (Wales) Act, 2016 requires the Council to maintain and enhance biodiversity, and promote the resilience of ecosystems. At this pre-feasibility stage, please determine the anticipated impact of the project on biodiversity, and proposed measures to ensure the project results in an overall biodiversity enhancement.

Please mark a cross in the appropriate box.

<b>Will this project impact on a habitat that supports living organisms (plant or animal), or involve physical works to property or Land?</b>	Yes	✓	No	
---	-----	---	----	--

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

<b>IMPACTS ON BIODIVERSITY</b>	Yes	✓	No	
Has an ecological appraisal or survey of the site or proposals taken place?				
Cofnod eMapper Link:				
<b>Please provide brief summary of survey findings, or provide a copy of the ecological report for review:</b>				
<p>An ecological appraisal for the development was prepared by Indigo Surveys Ltd and an arboricultural impact assessment was undertaken by Shields Arboricultural Consultancy.</p> <p>The ecological appraisal concluded that the proposed works would not have a lasting or significant impact on wildlife.</p> <p>No rare vascular plants were found, and all species recorded were common and widespread.</p> <p>Due to the small size and nature of the site, no birds were observed. It was understood that gulls had previously nested on the roof of the former library building, and the trees also provided potentially suitable habitat for nesting.</p> <p>The former library building was also inspected for its suitability to support roosting bats. This was considered to be negligible, as there were no external crevices or cavities, and certainly no evidence of roosting bats was found.</p> <p>No evidence of Badgers was found, with no signs of Otters or Water Voles.</p>				



*Please provide brief details of how the project will avoid harm to biodiversity.*

Six trees will be retained and protected.

*Please provide brief details of how the project will mitigate and compensate for any harm to biodiversity.*

The proposed site layout involves the loss of four trees, three of which are unsuitable for retention and one was categorised as having low amenity value. Mitigation measures include the planting of replacement trees and as a consequence the overall arboricultural impact will be low to very low with potential for significant improvements in the longer term.

*Please provide brief details of how the project will enhance biodiversity and restore ecosystem resilience.*

The erection of two bat boxes, three bird boxes and a swift box, and shrub planting include nectar rich and native species will significantly enhance wildlife opportunities.

*Please highlight the appropriate cell depending on whether on balance this project helps, hinders or is neutral to the Council's goal to become ecologically positive by 2030 (increasing the species richness of land).*

<b>Ecologically Positive Council Summary</b>	<b>HELPS</b>	<b>HINDERS</b>	<b>NEUTRAL</b>
--	--------------	----------------	----------------

This scheme should be discussed with the County Tree Officer, to determine the appropriate approach to replacement planting.

The inclusion of provision for nesting birds and roosting bats will increase the sites potential to support protected species.

**Ecology Officer summary:**

*Please provide a statement from the Biodiversity Lead Officer. Contact Joel Walley on [joel.walley@denbighshire.gov.uk](mailto:joel.walley@denbighshire.gov.uk).*

In its current state, the site contains 10 trees, and a small amount of species poor grassland and species poor hedgerow. No protected species were recorded using the site.

The proposals will result in the loss of 4 of the existing trees, 3 of which were recorded as category U trees, and required felling for arboricultural reasons. The scheme will also result in the loss of a single category C tree, which is being removed to facilitate development.

The proposals include the replacement planting of the lost trees, with a total of 5 whitebeam (8-10cm Standards).

Although the category C tree is deemed to be of low quality, it is a substantial tree with a height of 7m and a diameter of 490mm, the loss of which cannot to be mitigated by the planting of an additional 8-10cm Whitebeam, which will never attain this size and structure.

This scheme should be discussed with the County Tree Officer, to determine the appropriate approach to replacement planting.

The inclusion of provision for nesting birds and roosting bats will increase the sites potential to support protected species.

**Name:** Joel Walley

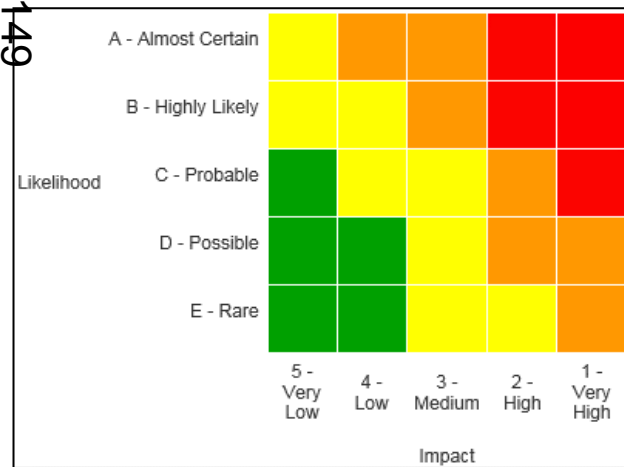
**Date:** 29<sup>th</sup> June 2021

## 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 is provided below:

Title	Inherent Risk	Mitigating Action	Residual Risk
Cost over run	C2	Estimate based on construction industry data and recent tenders for similar developments	E2
Inability to obtain tenants for residential units	D2	Analysis of Single Housing Register	E2
Inability to obtain tenants for commercial space	D2	Latent demand demonstrated by unsolicited enquiries	E2

Page 149



## SUPPORTING INFORMATION

Please list any supporting documents that accompany this Business Case

Appendix 1 - Location Plan

Appendix 2 - Visual of proposed redevelopment

## 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. Contact Tom Booty on [tom.booty@denbighshire.gov.uk](mailto:tom.booty@denbighshire.gov.uk).

The Corporate Landlord supports the proposed redevelopment of the former Prestatyn library site. Since the development of the new library, the site is no longer required by the council. It has been previously marketed for sale, but at the time there was no market interest in the property. As such, utilising the site to help address some of the housing need in the town is a sensible approach, and the proposed development is appropriate for the size and location of the site.

The Corporate Landlord supports the low carbon approach to the development. Although any carbon emissions from the development are not within the emissions scope for the council's target of becoming Net Carbon Zero by 2030, the learning gained from developing a low carbon building in this instance will help inform future developments the council undertakes.

Similarly, the Corporate Landlord appreciates the efforts that will be made to improve biodiversity on the site, which is consistent with our ambition to become Ecologically Positive by 2030.

**Supplied by:** Tom Booty

**Date:** 28<sup>th</sup> June 2021

## CHIEF FINANCE OFFICER STATEMENT

Please provide a statement from the Chief Finance Officer. Contact Steve Gadd on [steve.gadd@denbighshire.gov.uk](mailto:steve.gadd@denbighshire.gov.uk).

The proposal seems to support the housing requirements, carbon targets and regeneration principle for the Council. Pending resolution at SIG of a few queries about the management model the project is supported.

**Supplied by:** Steve Gadd

**Date:** 28<sup>th</sup> June 2021

## VERIFICATION:

<b>Project Manager:</b>	Mark Dixon		
<b>Project Sponsor:</b>	Dave Lorey		
<b>Name:</b>	Dave Lorey	<b>Position:</b>	Lead Officer Corporate Property & Housing Stock
<b>Signature:</b>	<b>David Lorey</b>	<b>Date:</b>	21 <sup>st</sup> June 2021

## For use by Finance:

<b>Result of S.I.G. Review</b>	
<b>Date of Meeting</b>	
<b>Approval</b>	
<b>Code</b>	

**Location Plan**



© Crown copyright and database rights 2021 Ordnance Survey 100023408

**Visual of proposed redevelopment**



This page is intentionally left blank



# Redevelopment of former Prestatyn library site

## 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:	943
Brief description:	Demolition of former Prestatyn library and redevelopment of the site to provide 14 no. accessible social rental apartments for over 55s and 2 no. ground floor commercial units
Date Completed:	Version: 0
Completed by:	
Responsible Service:	Facilities, Assets & Housing
Localities affected by the proposal:	Prestatyn,
Who will be affected by the proposal?	Prospective tenants of the apartments and commercial units to be provided, occupiers of neighbouring properties and people working in the retail sector in Prestatyn town centre.
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 : 34 / 36.

## Summary for each Sustainable Development principle

<b>Long term</b>	The proposal will deliver long term benefits by providing permanent places to live for people who are unable to afford accessible market homes; developing physical assets which will emit low levels of carbon, are free from flood risk and will enhance biodiversity to address this need and thereby achieve community resilience; locating the homes in part of a coastal area which is not at risk of flooding; tackling climate change by maximising the energy efficiency of the new homes; and through a financial model which will created an income stream to ensure future viability.
<b>Prevention</b>	The proposal will prevent problems from occurring through an alternative approach to building independence and resilience through the construction of accessible lifetime homes for older tenants; and maximising the energy efficiency of new homes and enhancing biodiversity in an urban environment.
<b>Integration</b>	The proposal will help to deliver the council's Housing & Homelessness Strategy; and the choice of location for the development and its design has been influenced by the Local Development Plan and the adopted Development Brief for the area around site.
<b>Collaboration</b>	The proposal is a result of collaboration with partners to provide affordable, energy efficient homes to address housing need and commercial units to improve the viability of the town centre to deliver social, environmental and economic outcomes.
<b>Involvement</b>	The local community has been consulted about any concerns they have about the proposal as part of the Planning process. In doing so, we have applied the relevant National Principles for Public Engagement and specifically; 1. Engagement is effectively designed to make a difference; 2. Encourage and enable everyone affected to be involved, if they so choose; 3. Engagement is planned and delivered in a timely and appropriate way; 6. Make it easier for people to take part; 7. Enable people to take part effectively; and 8. Engagement is given the right resources and support to be effective.

## Summary of impact

### Well-being Goals

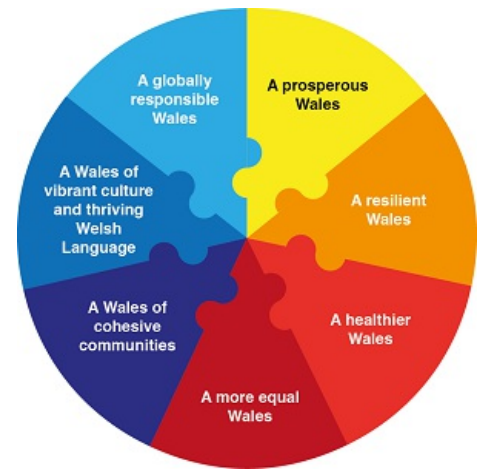
A prosperous Denbighshire	Positive
A resilient Denbighshire	Positive
A healthier Denbighshire	Positive
A more equal Denbighshire	Positive
A Denbighshire of cohesive communities	Positive

A Denbighshire of vibrant culture and thriving Welsh language

Positive

A globally responsible Denbighshire

Positive



## Main conclusions

The main conclusions of the assessment are that the proposal will have a positive impact on all of the well being goals through the provision of new homes suitable for people who acquire protected characteristics which are situated in a location which will enable them to access services on foot and which will minimize the risk of fuel poverty amongst residents as a consequence of their energy efficiency; it will have a positive impact on the economy by contributing towards the vitality of shops and services in Prestatyn town centre and through supply chain opportunities; it will increase health and community cohesiveness by improving the attractiveness of the Conservation Area and providing easy access to primary healthcare and community leisure facilities for residents; it will have a positive impact upon biodiversity through habitat improvements; and it will promote the use of the Welsh language through the use of bilingual signage and information for tenants.

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

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

## A prosperous Denbighshire

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The overall impact of the proposal is positive because it will help to minimise carbon emissions through the provision of energy efficient homes and commercial premises; it will help to minimize flood risk through the introduction of additional surface water drainage capacity to the area; it will help to develop the county's economy by enhancing the vitality of the shops and services in Prestatyn town centre; it will help to raise skills levels by enabling the provision of training in the construction sector; and it will help to provide quality jobs by providing accommodation for employers.
<b>Further actions required</b>	Positives can be maximised by ensuring that the design includes the highest levels of energy efficiency which are feasible; and by enabling businesses to promote the services available in the town centre to residents.

### Positive impacts identified:

<b>A low carbon society</b>	The proposal involves the construction of new homes and commercial premises which will require very little energy for their operation thereby minimising carbon emissions from energy generation.
<b>Quality communications, infrastructure and transport</b>	The proposal will improve infrastructure by providing storm water attenuation tanks thereby minimizing flood risk in the vicinity of the development.
<b>Economic development</b>	The proposal will help to enhance the vitality and viability of the shops and services in Prestatyn town centre by accommodating uses in the commercial space which will attract footfall from the Shopping Park towards the High Street and enabling additional households to live in the town centre which will increase demand for goods and services.
<b>Quality skills for the long term</b>	The proposal will help to provide quality skills for the long term through the provision of training and job opportunities in the construction sector.
<b>Quality jobs for the long term</b>	The proposal will help to provide quality jobs for the long term by accommodating tenants in the commercial spaces which will create employment.
<b>Childcare</b>	Not applicable

### Negative impacts identified:

<b>A low carbon society</b>	None
<b>Quality communications, infrastructure and transport</b>	None
<b>Economic development</b>	None
<b>Quality skills for the long term</b>	None
<b>Quality jobs for the long term</b>	None
<b>Childcare</b>	None

## A resilient Denbighshire

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The overall impact of the proposal is positive because residents will be provided with facilities to recycle more waste; biodiversity in the urban environment will be enhanced through the inclusion of soft landscaping in the development; residents of the development will be able to access town centre shops and services without having to travel by car thereby saving fuel; tenants' awareness of the environment will be raised through the use of low carbon energy sources; and it will improve flood risk by providing storm water attenuation tanks for the site.
<b>Further actions required</b>	The landscaping and planting will compensate for the loss of trees in poor condition which had been identified as having a limited lifespan.

### Positive impacts identified:

<b>Biodiversity and the natural environment</b>	Not applicable
<b>Biodiversity in the built environment</b>	The proposal will enhance biodiversity in the built environment through the inclusion of landscaped areas, planting and bat and bird boxes in the development.
<b>Reducing waste, reusing and recycling</b>	The proposal will help to encourage recycling by residents through the provision of communal locations for the different bins required.
<b>Reduced energy/fuel consumption</b>	The proposal will reduce fuel consumption by enabling people to live near town centre shops and services thereby reducing the need to travel by car.
<b>People's awareness of the environment and biodiversity</b>	The proposal will raise tenants' awareness of the environment through the use of low carbon energy sources.
<b>Flood risk management</b>	The proposal will reduce flood risk through the installation of storm water attenuation tanks on the site.

### Negative impacts identified:

<b>Biodiversity and the natural environment</b>	None
<b>Biodiversity in the built environment</b>	None
<b>Reducing waste, reusing and recycling</b>	None
<b>Reduced energy/fuel consumption</b>	None
<b>People's awareness of the environment and biodiversity</b>	None
<b>Flood risk management</b>	None

## A healthier Denbighshire

<b>Overall Impact</b>	Positive
-----------------------	----------

<b>Justification for impact</b>	The overall impact of the proposal is positive because the health and well being of residents will be improved by being able to walk to access services in the town centre, and access to health care and participation in leisure opportunities will be increased by locating new homes close to existing facilities.
<b>Further actions required</b>	Positives can be maximised by the town's shops and services and health and leisure facilities promoting awareness of their offer to tenants.

**Positive impacts identified:**

<b>A social and physical environment that encourage and support health and well-being</b>	The proposal will encourage and support health and well being by providing homes which are located near shops and services in the town centre which can be accessed by pedestrians.
<b>Access to good quality, healthy food</b>	Not applicable
<b>People's emotional and mental well-being</b>	Not applicable
<b>Access to healthcare</b>	The proposal has the potential to improve access to healthcare for tenants through its location adjacent to the Healthy Prestatyn Primary Healthcare Centre and the Park House Surgery.
<b>Participation in leisure opportunities</b>	The proposal has the potential to improve participation in leisure opportunities through the provision of new homes close to facilities such as Prestatyn Library and the King's Hall community centre.

**Negative impacts identified:**

<b>A social and physical environment that encourage and support health and well-being</b>	None
<b>Access to good quality, healthy food</b>	None
<b>People's emotional and mental well-being</b>	None
<b>Access to healthcare</b>	None
<b>Participation in leisure opportunities</b>	None

**A more equal Denbighshire**

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The overall impact is positive because the well being of people with protected characteristics will be improved by the provision of Lifetime Homes and because poverty will be reduced by providing homes which minimize the amount which residents spend on energy.
<b>Further actions required</b>	Positives can be maximised by advising new tenants on how to minimise energy consumption in their homes.

**Positive impacts identified:**

<b>Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation</b>	The proposal will improve the well being of people with protected characteristics by providing properties which meet Lifetime Home Standards which will enable residents to continuing living in their homes if they acquire a disability.
<b>People who suffer discrimination or disadvantage</b>	Not applicable
<b>People affected by socio-economic disadvantage and unequal outcomes</b>	The proposal will help to tackle fuel poverty by providing highly energy efficient homes which will minimize the proportion of residents' income spent on fuel.
<b>Areas affected by socio-economic disadvantage</b>	Not applicable

**Negative impacts identified:**

<b>Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation</b>	None
<b>People who suffer discrimination or disadvantage</b>	None
<b>People affected by socio-economic disadvantage and unequal outcomes</b>	None
<b>Areas affected by socio-economic disadvantage</b>	None

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The overall impact will be positive because community participation will be improved through engagement in the Planning process, and the attractiveness of the Conservation Area will be enhanced through the design of the new building and the provision of soft landscaping and planting.
<b>Further actions required</b>	The retention of healthy mature trees and the replacement of those in a poor condition will help to address concerns about any adverse impact upon the attractiveness of the area arising from the proposal.

**Positive impacts identified:**

<b>Safe communities and individuals</b>	Not applicable
<b>Community participation and resilience</b>	The proposal encouraged community participation through engagement in the design process during the pre-Planning application consultation for a major development.
<b>The attractiveness of the area</b>	The proposal will improve the attractiveness of the Conservation Area through the replacement of an eyesore with a new build which complements the traditional features of adjacent properties. The best mature trees will be retained and those which are in a poor condition will be removed and replaced.
<b>Connected communities</b>	The proposal will improve broadband services through the provision of Fibre to the Premises for the development.
<b>Rural resilience</b>	Not applicable

**Negative impacts identified:**

<b>Safe communities and individuals</b>	None
<b>Community participation and resilience</b>	None
<b>The attractiveness of the area</b>	Some respondents to the Pre-Planning consultation were concerned about the potential loss of mature trees as a consequence of the development.
<b>Connected communities</b>	None
<b>Rural resilience</b>	None

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

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The impact of the proposal upon the Welsh language and the Conservation Area was assessed during the Planning process.
<b>Further actions required</b>	Particulars and user guides for tenants will be bilingual.

**Positive impacts identified:**

<b>People using Welsh</b>	Not applicable
<b>Promoting the Welsh language</b>	The proposed development will promote the use of the Welsh language by incorporating bilingual signage during and after construction.
<b>Culture and heritage</b>	The proposal will result in the removal of an eyesore from the Conservation Area and its replacement with a new build which complements the traditional features of the adjacent properties.



**Negative impacts identified:**

<b>People using Welsh</b>	None
<b>Promoting the Welsh language</b>	None
<b>Culture and heritage</b>	None

**A globally responsible Denbighshire**

<b>Overall Impact</b>	Positive
<b>Justification for impact</b>	The overall impact will be positive because local supply chains will potentially be able to benefit from the construction works procured by the Council; and it will help to minimise carbon emissions through the construction of energy efficient homes and commercial units.
<b>Further actions required</b>	Positives can be maximised and negatives minimized by ensuring that the highest levels of energy efficiency which are feasible are specified for the development and avoiding the use of hydrocarbons as an energy source.

**Positive impacts identified:**

<b>Local, national, international supply chains</b>	Local SMEs will potentially be able to benefit from the construction works procured by the Council either as the principal contractor or as sub-contractors. .
<b>Human rights</b>	Not applicable
<b>Broader service provision in the local area or the region</b>	Not applicable
<b>Reducing climate change</b>	The new homes and commercial units provided will require very little energy for their operation thereby minimising carbon emissions from energy generation.

**Negative impacts identified:**

<b>Local, national, international supply chains</b>	None
<b>Human rights</b>	None
<b>Broader service provision in the local area or the region</b>	None
<b>Reducing climate change</b>	Some carbon will be emitted from the new homes and commercial units provided.

This page is intentionally left blank

## Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
<b>19 Oct</b>	1	Replacement LDP revised Delivery Agreement and Covid Impact Assessment	To seek Cabinet approval for revisions to the Replacement LDP Delivery Agreement and accompanying Covid19 impact assessment for submission to Welsh Government	Yes	Councillor Mark Young / Angela Loftus
	2	Replacement LDP - Report back on Preferred Strategy consultation	Replacement LDP Preferred Strategy consultation and seek approval for subsequent proposed amendments to the Preferred Strategy	Yes	Councillor Mark Young / Angela Loftus
	3	Graphic Design and Print Framework	To seek approval for the tender award to suppliers	Yes	Councillor Huw Hilditch-Roberts / Sian Owen / Cheryl Evans
	4	Award of the Concession Contract for the operation of Household Recycling Centres (Conwy and Denbighshire)	To seek approval of the contract award [by Conwy County Borough Council]	Yes	Councillor Brian Jones / Tony Ward / Tara Dumas / Alan L Roberts
	5	Proposed approach to tendering for phase 2 contract for DCC Waste Transfer Station, Colomendy Industrial Estate,	To seek Cabinet approval for the tender process	Yes	Councillor Brian Jones / Tony Ward / Peter Clayton

## Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
		Denbigh			
	6	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Steve Gadd
	7	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
<b>23 Nov</b>	1	Corporate Plan Update: July to September 2021	To monitor the Council's progress in delivering the Corporate Plan 2017 – 2022	Tbc	Councillor Julian Thompson-Hill / Iolo McGregor
	2	Queens Market Phase 1 – award construction contract'	To seek approval to award a contract for the delivery of Phase 1 of the Queens Building Rhyl	Yes	Councillor Hugh Evans / Russell Vaughan
	3	Levelling Up – Vale of Clwyd and Clwyd West bid approval			Councillor Hugh Evans / Emlyn Jones / Gareth Roberts
	4	Contract Award – Redevelopment of the former library in Nant Hall Road, Prestatyn	To award the construction contract for council housing development	Yes	Councillors Tony Thomas & Julian Thompson-Hill / Mark Dixon
	5	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Steve Gadd

## Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
	6	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
<b>14 Dec</b>	1	Prestatyn Flood Defence Scheme	To recommend that Council agree the funding for the schemes and permit the service to proceed to the construction phase	Tbc	Councillor Brian Jones / Tony Ward / Wayne Hope / Matthew Hazlewood
	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
	4	Welsh in Education Strategic Plan	To approve the new Welsh in Education Strategic Plan before submission to Welsh Government.	Tbc	Councillor Huw Hilditch-Roberts/ Carwyn Edwards
<b>18 Jan</b>	1	Central Rhyl Flood Defence Scheme	To recommend that Council agree the funding for the schemes and permit the service to proceed to the construction phase	Tbc	Councillor Brian Jones / Tony Ward / Wayne Hope / Matthew Hazlewood

## Cabinet Forward Work Plan

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

<i>Meeting</i>	<b><i>Deadline</i></b>	<i>Meeting</i>	<b><i>Deadline</i></b>	<i>Meeting</i>	<b><i>Deadline</i></b>
<i>October</i>	<b><i>5 October</i></b>	<i>November</i>	<b><i>9 November</i></b>	<i>December</i>	<b><i>30 November</i></b>

Updated 06/09/2021 - KEJ

Cabinet Forward Work Programme.doc

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank



By virtue of paragraph(s) 14 of Part 4 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank