

To: Members of the Cabinet

Date: 12 January 2022

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Dear Councillor

You are invited to attend a meeting of the **CABINET** to be held at **10.00 am** on **TUESDAY, 18 JANUARY 2022 BY VIDEO CONFERENCE.**

Yours sincerely

G. Williams
Head of Legal, HR and Democratic Services

AGENDA

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 - 16)

To receive the minutes of the Cabinet meeting held on 14 December 2021 (copy enclosed).

5 AWARD OF HOUSING MAINTENANCE MATERIALS SUPPLY CONTRACT VIA THE ADRA ALL WALES FRAMEWORK (Pages 17 - 32)

To consider a report by Councillor Tony Thomas, Lead Member for Housing and Communities (copy enclosed) seeking Cabinet approval to award the contract for the supply of building materials to the Housing Maintenance Department to Travis Perkins via the ADRA All Wales Materials Framework.

6 EXTENSION OF LEISURE SERVICES CONTRACT (Pages 33 - 36)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) seeking Cabinet agreement to extend the term of the leisure services contract made between the Council and Denbighshire Leisure Limited by one year.

7 EVALUATION OF THE OPTIONS FOR A NEW SERVICE DELIVERY MODEL FOR THE REVENUES AND BENEFITS SERVICE (Pages 37 - 46)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) on the options for a new service delivery model for the Revenues and Benefits Service and seeking Cabinet endorsement of the recommendation to transition the service back to the Council.

8 HOUSING RENT SETTING & HOUSING REVENUE AND CAPITAL BUDGETS 2022/23 (Pages 47 - 74)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) seeking Cabinet approval for the Denbighshire Housing annual rent increase, the Housing Revenue Account Capital and Revenue Budgets for 2022/23 and Housing Stock Business Plan.

9 BUDGET 2022/23 - FINAL PROPOSALS (Pages 75 - 96)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) setting out the implications of the Local Government Settlement 2022/23 and proposals to finalise the budget for 2022/23.

10 FINANCE REPORT (Pages 97 - 114)

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.

11 CABINET FORWARD WORK PROGRAMME (Pages 115 - 118)

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

MEMBERSHIP

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

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

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LOCAL GOVERNMENT ACT 2000

Code of Conduct for Members

DISCLOSURE AND REGISTRATION OF INTERESTS

I, *(name)*

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

Denbighshire County Council

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

*(*please delete as appropriate)*

Date of Disclosure:

Committee *(please specify)*:

Agenda Item No.

Subject Matter:

Nature of Interest:

*(See the note below)**

Signed

Date

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

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CABINET

Minutes of a meeting of the Cabinet held by video conference on Tuesday, 14 December 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, Deputy Leader and Lead Member for Finance, Performance and Strategic Assets, and Mark Young, Lead Member for Planning, Public Protection and Safer Communities

Observers: Councillors Ellie Chard, Meirick Davies, Gwyneth Ellis, Alan James, Barry Mellor, Arwel Roberts, Peter Scott, Rhys Thomas, Graham Timms and Emrys Wynne

ALSO PRESENT

Chief Executive (GB); Corporate Director: Communities (NS); Head of Service: Legal, HR and Democratic Services (GW), Finance and Property (SG), Planning, Public Protection and Countryside Services (EJ), Education Services (GD), Business Improvement and Modernisation (AS), Communications and Customers (LG); Public Protection, Regeneration & Economic Development Manager (GR); Strategic Planning and Housing Manager (AL); Lead Project Manager (KW); Modernising Education Officer (CE); Lead Officer Corporate Property and Housing Stock (DL); Housing Development Manager (MD) and Committee Administrators (KEJ & SJ [Webcaster])

1 APOLOGIES

Councillor Brian Jones had been unable to fully participate in the meeting due to connectivity issues.

2 DECLARATION OF INTERESTS

Councillor Emrys Wynne declared a personal interest in agenda item 7 because he was a School Governor for Ysgol Brynhyfryd and Ysgol Borthyn.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 23 November 2021 were submitted.

RESOLVED that the minutes of the meeting held on 23 November 2021 be received and confirmed as a correct record.

5 UK GOVERNMENT LEVELLING UP FUND BID APPROVAL - VALE OF CLWYD CONSTITUENCY

The Leader presented the report seeking Cabinet approval to delegate authority for the purposes of agreeing a bid for Levelling Up funding to be submitted to the UK Government from Denbighshire County Council for the Vale of Clwyd constituency. The report detailed the theme of the bid together with the proposed projects to be included and the broad indicative value of each project.

The UK Government Levelling Up Fund (LUF) was intended to support investment in places where it could make the biggest difference to everyday life and would be delivered through local authorities and based on MP constituency areas. Denbighshire had three constituency areas and the report represented the third submission brought before Cabinet for consideration following approvals for Clwyd South (submitted in round 1 and successful) and Clwyd West (approved at the last meeting for submission in round 2). It supported the total bid submission would amount to some £35m investment in Denbighshire and tribute was paid to all those involved in the process to bring the necessary projects forward in tight deadlines. Assurances were provided that further work would be carried out on those projects not taken forward as part of the bid with a view to seeking alternative funding streams in order to progress them as appropriate and the Council would continue to work with both Welsh and UK Governments in order to best deliver for the county.

The Vale of Clwyd bid formed two cohesive projects targeting Town Centre Regeneration and Environmental Regeneration and if successful would bring significant benefits and impact positively on the area. There had been close working with James Davies MP who had confirmed his full support for the bid. Accordingly, Cabinet was asked to support the bid submission to UK Government.

Cabinet supported the report recommendations and potential investment in the area. Given the tight timescales for delivering the projects members highlighted the need for both a quick decision and speedy release of the funding if successful to progress projects by March 2024. The deadline for bid submissions was expected to be early spring and officers gave assurances that dialogue was ongoing with UK Government officials in that regard and to expedite the process to ensure delivery of the projects within timescales. Cabinet also noted that 10% (around £2m) match funding was required for the Vale of Clwyd bid and there was potential to utilise that match funding in the interim pending receipt of the LU funding in the event of a successful bid and funding confirmation by the UK Government. In response to questions from non-Cabinet members it was confirmed that projects had been put forward for rural areas as part of the process but had not been successful due to not meeting the criteria or timescales required for the LUF. In terms of the project relating to Denbigh Hospital clarification was provided on the differences between the LUF funding sought which focused on linking the site closer to the town and potentially bringing forward the enabling development whereas Growth Deal funding would focus on investment in the site to facilitate the housing development.

RESOLVED that Cabinet –

- (a) *supports the theme of the bid, the proposed projects to be included in the bid and the broad indicative value of each project, and*
- (b) *delegates authority to the Chief Executive Officer and Head of Planning, Public Protection and Countryside Services in consultation with the Section 151 Officer, Head of Legal, HR and Democratic Services and the Leader, to refine the projects and project costs as required and to agree for a bid to be submitted to UK Government from Denbighshire County Council for the Vale of Clwyd constituency.*

6 DENBIGHSHIRE GYPSY AND TRAVELLER ACCOMMODATION ASSESSMENT 2021

Councillor Mark Young presented the report outlining the approach taken to, and findings and recommendations of, Denbighshire's draft Gypsy and Traveller Accommodation Assessment 2021 (GTAA) and sought Cabinet approval to submit the draft GTAA to Welsh Government.

There was a statutory requirement to undertake and submit an assessment of accommodation needs of Gypsies and Travellers to Welsh Government every five years and to subsequently meet those needs. The GTAA was also a requirement for the replacement Local Development Plan. Details of the assessment process and its management had been provided which involved the establishment of a Project Board together with a Scrutiny Task and Finish Group to support that work. The assessment had been completed and the process reviewed by the Scrutiny Task and Finish Group and Communities Scrutiny Committee. Councillors Barry Mellor and Graham Timms had been invited to report on the work of the Scrutiny Task and Finish Group and Communities Scrutiny Committee respectively.

Councillor Barry Mellor, Chair of the Task and Finish Group detailed the Group's involvement at various stages in the assessment process and reports back to the Scrutiny Committee on their findings. The Group had been satisfied that the assessment had been carried out in line with Welsh Government methodology and followed the agreed Work Brief and Stakeholder Communication and Engagement Plan, and recommended that the draft GTAA be approved for submission to Welsh Government. Councillor Graham Timms, Vice-Chair of Communities Scrutiny Committee thanked the Task and Finish Group for their diligent work and agreed that the arrangements and process adopted for delivering the assessment had worked well and should be considered for use in future when selecting potential sites for pitches. He reported upon the Committee's discussions and endorsement of the assessment process and recommendation that Cabinet approve the draft GTAA for submission to Welsh Government.

Councillor Mark Young reported upon the conclusions of the draft GTAA that –

- there was a need for 8 residential pitches to meet the identified needs of 3 households/extended family groups in the county, and
- there was no evidence of need for a permanent transit site due to the low numbers of unauthorised encampments, short term nature of encampments and lack of demand for such facilities locally. It was recommended that a

management based approach be applied to unauthorised encampments based on best practice from across the UK, balancing the needs of both travelling communities and local communities. Elected members and the travelling community could be engaged in developing that approach in Denbighshire to reflect local requirements.

The Leader thanked Councillors Mark Young, Barry Mellor and Graham Timms for the comprehensive update and acknowledged the hard work of all those involved. He commended the approach taken which enabled early engagement with members in the process and delivery of the assessment. The work of the Task and Finish Group and Communities Scrutiny Committee had been clearly set out and the recommendations of the Scrutiny Committee had been reflected in the report. It was hoped the work of the Task and Finish Group could continue in the next stage of the process when selecting potential sites for pitches. In response to a question from Councillor Huw Hilditch-Roberts regarding the different outcome of the latest assessment with no identified need for a permanent transit site, it was confirmed that the conclusion reached by the Independent Consultants, having conducted the assessment in accordance with Welsh Government methodology, was that a permanent site was not required. An assessment was required to be undertaken every five years and circumstances would likely change during that time.

RESOLVED that Cabinet –

- (a) *confirms support for the approach adopted for the delivery of Denbighshire’s Gypsy and Traveller Accommodation Assessment as being robust and in line with Welsh Government guidance;*
- (b) *approves the draft Gypsy and Traveller Accommodation Assessment 2021 for submission to Welsh Government;*
- (c) *delegates authority for the Lead Member for Planning, Public Protection, Safer Communities and Domestic Abuse to agree any minor editorial changes required to the draft Gypsy and Traveller Accommodation Assessment, prior to submission to Welsh Government, and*
- (d) *confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 3 to the report) as part of its consideration.*

7 WELSH IN EDUCATION STRATEGIC PLAN 2022 - 2032

Councillor Huw Hilditch-Roberts presented the report seeking Cabinet approval of the new Welsh in Education Strategic Plan for submission to Welsh Government.

There was a statutory requirement to have a Welsh in Education Strategic Plan setting out how Welsh would be developed in schools over the next ten years. The Plan was arranged around seven outcomes reflecting a learner’s education journey and was consistent with policy areas Cymraeg 2050 and Education in Wales: Our National mission. Welsh Government (WG) had set a target range of 37% – 41% for Denbighshire to increase the number of year 1 pupils receiving Welsh medium education (27% of year 1 pupils in Denbighshire as of 2021). The new Plan set out

how Denbighshire would meet the target through increasing the capacity in Welsh medium schools and changing the language designation of some English medium schools. Details of the consultation process had also been provided.

Councillor Hilditch-Roberts referred to the WG's target of a million Welsh speakers by 2050 and stressed that whilst the Plan referred to measures that could be taken in education over the next ten years, it focused on only one element of a wider community response in developing the Welsh Language, and the Council also had a corporate responsibility to develop Welsh throughout the county. He elaborated on the seven outcomes detailed in the Plan and how they would be achieved through working collaboratively with partners. The Head of Education added that the Strategic Plan would have an underlying operational plan with further detail as to how the Welsh language would be developed and outcomes achieved.

The Lead Member and Head of Education responded to questions confirming that the WG target for increasing the number of year 1 pupils receiving Welsh medium education was unlikely to change. The final Plan would be submitted to WG in January and future monitoring of its implementation would be carried out by the Welsh in Education Strategic Group. There was much support available for non-Welsh speaking parents which had further increased during the lockdown period and onset of online learning for pupils. However, it was accepted that more should be done to raise awareness of that issue and the amount of support available to parents and work was ongoing with the Communications Team in that regard.

The Leader invited further questions from non-Cabinet members and the Lead Member and officers responded to the points raised as follows –

- confirmed that English medium schools were still committed to developing the Cymraeg Campus scheme with schools having achieved the Bronze award and taking steps to achieve the Silver award and ultimately the Gold award
- reported upon discussions nationally regarding merging the Welsh in Education Strategic Group with the Council's Language Forum based on good practice with a view to enhancing and strengthening that work going forward
- reported on the modelling of the data figures and rationale behind the different targets for the percentage of 3-year olds and 5-year olds educated through the medium of Welsh given the varying provision and attendance in pre-school settings outside the control of the county compared to school age children
- explained the complexities involved for learners from the south of the county attending schools outside Denbighshire in terms of different admissions policies, school transport etc. but assurances were provided that it was an issue which would be considered further and discussed with schools and local members
- accepted the challenges of increasing the number of Welsh speaking teachers and reported upon the measures being undertaken to generate more staff able to teach through the medium of Welsh which included partnership work with universities and GwE, mapping of linguistic capacity to develop and up skill existing staff and steps to attract new Welsh medium staff to Denbighshire
- reiterated that the Plan provided a strategic overview and there would be a separate operational plan setting out the detail of how it would be delivered
- reported upon the success of the immersion programme at Ysgol Glan Clwyd and future plans for staff to visit other schools to deliver that provision; the need

to look at the viability of the immersion provision in the south of the county had also been acknowledged and included in the Plan

- there was some discussion on the Welsh Language continuum and sixth form provision and reference was made to the forthcoming statutory document on the new categorisation of schools following which there would need to be further discussion on the outcomes and any implications for school transport provision
- clarified the position of Athrawon Bro with schools preferring to receive funding directly to provide Welsh language support rather than using that service.

Cabinet was pleased to support the Plan and steps to develop the Welsh language in education. Given the questions and comments raised by members the Leader felt there would be merit in convening a Council Workshop to consider and discuss the Plan in more detail. The Lead Member confirmed that it would be timely to arrange a session for members once the operational plan had been developed in order to better explain how the outcomes would be delivered and would likely be in the new Council term. Cabinet also acknowledged that promoting and increasing the use of Welsh was a much wider issue and the Chief Executive highlighted that the Council had a role in leading and facilitating the promotion of the Welsh language and culture both as an organisation and in the wider community and confirmed his commitment to that work. Given the Council's ambitions in that regard the Lead Member asked that the Welsh language be made a corporate priority during the next Council term.

RESOLVED that Cabinet approve the submission of the plan to Welsh Government by 31 January 2022 ensuring compliance with the requirement to create a new 10 year Welsh in Education Strategic Plan.

At this point (11.40 am) the meeting adjourned for a short break.

8 PROPOSED MINIMUM STANDARD FOR DENBIGHSHIRE COUNTY COUNCIL (DCC) NON-DOMESTIC NEW BUILD AND MAJOR EXTENSION/REFURBISHMENT CONSTRUCTION PROJECTS WHICH INCLUDES TARGETS FOR IN USE AND EMBODIED CARBON

Councillor Tony Thomas submitted the report (in the absence of Councillor Brian Jones due to connectivity issues) seeking Cabinet agreement to the adoption and implementation of a construction standard for non-domestic new build and major extension/refurbishment construction projects to meet in use and embodied carbon targets.

Councillor Julian Thompson-Hill explained the proposal represented another means to help deliver the Council's aims of achieving its net carbon zero goal by 2030 following the Council's Climate Change and Ecological Emergency declaration. Whilst efforts had been made to reduce carbon emissions from existing non-domestic Council Buildings it was proposed to utilise the standard based on the UK Green Building Council's definition and best practice for future projects based on an incremental approach in a manner compatible with the Council's ecological goals. Reference was also made to the financial implications as a result of the change.

Cabinet discussed with officers the merits of introducing the new target together with the identified risks, in particular the financial implications which would need careful monitoring and staffing resources going forward with upskilling of internal staff and potential use of external consultants. Whilst the proposal would deliver savings in the long term with improved running/maintenance costs and reduce the environmental impact, it was recognised that there would be an increase in the upfront capital cost for projects with an anticipated 19% uplift. It was important to take advantage of any pilot funding available from Welsh Government and to ensure that when planning for future projects the full costs were accommodated. It was also noted that the Welsh Government was likely to look for similar standards for all their funded schemes in future. Despite the anticipated cost increases from introducing the new standard, Cabinet agreed that it was the right approach to take given the environmental impacts and members were pleased that the Council was at the forefront of those changes and taking a lead from the outset.

Officers responded to further questions and provided assurances regarding the commitment to procuring those materials and services locally where possible confirming that opportunities would be promoted locally and there was a need to consider the carbon cost in addition to monetary cost going forward. Members were pleased to hear there was much enthusiasm from the local construction industry regarding the green standard and highlighted the opportunities for them to adapt to the new requirements going forward. With regard to listed buildings, a pragmatic approach would be taken in the application of the new standard and whilst there may be some buildings where it would not be possible due to technical issues, that did not detract from the overall aim of the new standard.

RESOLVED that Cabinet –

- (a) *agree to the adoption and implementation of a DCC Construction Standard for non-domestic new build and major extension/refurbishment construction projects to meet in use and embodied carbon targets;*
- (b) *that the implementation of this standard must be done in a way that is compatible to the Council's Ecologically Positive by 2030 goal, and*
- (c) *Cabinet confirms it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1 to the report) as part of its consideration.*

9 ESTABLISHMENT OF THE NORTH WALES CORPORATE JOINT COMMITTEE

The Leader presented the report on the arrangements to be made for the establishment of the North Wales Corporate Joint Committee (CJC) and seeking Cabinet approval in principle for the transfer of functions of the North Wales Economic Ambition Board (EAB) to the CJC by way of a delegation agreement.

The Head of Legal, HR and Democratic Services provided some background to the creation of the CJC effective from 1 April 2021 together with the functions to be exercised from 30 June 2022 and requirement to set a budget for financial year 2022/23 by 31 January 2022. He provided a comprehensive overview of the

arrangements to ensure the CJC was properly established to exercise its functions by 30 June 2022 and referenced the standard report to be considered by each of the six North Wales principal councils during December. The CJC had the functions of preparing a Strategic Development Plan and a Regional Transport Plan along with a broad economic well-being power. Cabinet was advised of the rationale for the proposed transfer of the functions of the EAB to the CJC by means of a delegation agreement and the principles agreed by Chief Executives and Leaders as the basis upon which any transition should be implemented which would achieve a streamlined governance model, avoiding duplication. In principle agreement was sought from Cabinet which would be dependent upon Welsh Government developing an appropriate legislative framework to allow the delegation. Further reports on the establishment of the CJC would be brought to Cabinet in due course.

During consideration of the report Councillor Bobby Feeley questioned the bureaucracy involved and sought further clarify regarding the financial implications, including the costs involved for Denbighshire and across Wales. Councillor Mark Young also sought clarity of the impact on the Local Development Plan arising from the CJC's duty to prepare the Strategic Development Plan, highlighting the importance of retaining local decisions for local communities. In response to those issues and further questions from non-Cabinet members the Leader, Head of Legal, HR and Democratic Services and the Head of Finance and Property advised that –

- the CJC had been created with legal duties from June 2022 and the intention was to make its operation as simple and as least bureaucratic as possible which was one of the aims behind the in-principle decision sought
- the region had accepted a grant of £250k from the Welsh Government to assist in the establishment of the CJC to be used for the specialist advice and project management capacity required in that regard
- the CJC was required to determine its budget by 31 January for the following financial year and agree the contributions to be made by each local authority for the expenses of the CJC that were not otherwise met by other funding sources
- the work of the S.151 officers on the initial budget was underway and whilst the corporate/democratic element would largely be supported by existing key officers, work was ongoing to identify the financial requirements for delivering the planning and transport elements with a number of options for consideration; it was hoped Welsh Government would provide extra funding to deliver the new responsibilities and calls on Welsh Government would be made in that regard
- once the budget had been set for 2022/23 the financial impact on Denbighshire and across North Wales would be known and it was important to ensure Denbighshire gained value for money from its contribution
- the CJC had a duty to produce a Strategic Development Plan for the region which was a different layer plan and separate to the Local Development which each local authority was required to produce having regard to certain factors
- the CJC would have a legal duty with regards to the Welsh language and to agree a Welsh language scheme and meet Welsh language standards
- Welsh Governance guidance had been provided to develop scrutiny arrangements with further regulations currently out for consultation on options open to the CJC in that regard which included: creating scrutiny committees specifically within the CJC structure, creating a joint scrutiny committee for that specific purpose, or utilising existing scrutiny arrangements.

The Leader explained the background to the regional approach taken to service delivery in order to retain the number of local authorities in Wales and there were both advantages and disadvantages to that approach. He emphasised the importance of ensuring the regional approach worked for Denbighshire's residents.

RESOLVED that Cabinet agrees in principle that the functions of the North Wales Economic Ambition Board be transferred by way of a delegation agreement to the North Wales Corporate Joint Committee on condition;

- (a) that the statutory framework that the Welsh Government are developing allows for the delegation of the relevant executive functions to a Corporate Joint Committee,
- (b) that the North Wales Corporate Joint Committee agrees to establishment of a Sub-Committee, with membership to be agreed with the Councils, to undertake the functions of the Economic Ambition Board.

This transition is proposed in order to achieve a streamlined governance model, avoiding duplication. A further detailed report on the framework for implementation will be presented to a subsequent meeting of the Cabinet.

10 REDEVELOPMENT OF THE FORMER PRESTATYN LIBRARY - CONTRACT AWARD

Councillor Tony Thomas presented a joint report with Councillor Julian Thompson-Hill seeking Cabinet approval to award the contract for the redevelopment of the former Prestatyn library site to include the construction of 14 no. one bedroom accessible apartments for social rent with lift access and 2 no. ground floor commercial units together with improved access, parking and outdoor amenity space to be shared with residents of the existing Llys Bodnant flats.

Cabinet had approved the business case for site development in September 2021 and the report summarised the process taken during the procurement exercise which had resulted in five tender submissions. Following an evaluation exercise using a scoring methodology with a weighting of 70% for price and 30% for quality a preferred contractor had been selected and recommended to Cabinet. The total estimated cost submitted by the recommended tenderer was £3,454,773.11 which was within the budget for the project in the Housing Stock Business Plan.

RESOLVED that Cabinet –

- (a) approve the award of a contract to Wynne & Sons Limited Construction as per the Contract Award Recommendation Report (Appendix 1 to the report), and
- (b) confirms it has read, understood and taken account of the Well-being Impact Assessment (Appendix 2 to the report) as part of its consideration.

11 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 £1.349m was forecast for service and corporate budgets
- detailed agreed savings and efficiencies worth £2.666m 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, and
- 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 of the Council Tax Base for setting the 2022/23 budget was also sought as detailed in Appendix 5 to the report.

Councillor Thompson-Hill also advised that the variance in the service budgets primarily related to an increase of £182k in residential placement costs within the Education and Children's Service over which the Council had little control. With regard to major capital projects there would be a report back on the Rhyl Queen's Market Development in February to award phase 1 of the construction contract and work was currently being carried out to value engineer the costs as appropriate but it was likely that there would be a requirement for some additional funding to be allocated to the scheme. All other projects remained on target and within budget.

RESOLVED that Cabinet –

- note the budgets set for 2021/22 and progress against the agreed budget strategy, and*
- approve the Council Tax Base for setting the 2022/23 budget as detailed in Appendix 5 to the report.*

12 CABINET FORWARD WORK PROGRAMME

The Cabinet forward work programme was presented for consideration.

Members noted an additional item 'Extension of Leisure Services Contract' for either January or February 2022.

RESOLVED that Cabinet's forward work programme be noted.

The Leader thanked Cabinet members for their support during the year and all members for their contributions to debate. He wished everyone a Happy Christmas and best wishes for the New Year.

The meeting concluded at 1.05 hrs.

Report to	Cabinet
Date of meeting	18 th January 2022
Lead Member / Officer	Tony Thomas/ David Lorey
Report author	Mark Cassidy
Title	Award of Housing Maintenance Materials Supply contract via the ADRA all Wales framework.

1. What is the report about?

1.1. The future supply of building materials to the Housing Maintenance department.

2. What is the reason for making this report?

2.1. A decision is required on the direct award of the next materials supply contract to Travis Perkins (TP) via the ADRA All Wales Materials Framework. The current contract is with Jewson's and is due to expire early 2022.

3. What are the Recommendations?

3.1. That Cabinet approve entering into a building materials supply contract with Travis Perkins via the ADRA Framework for a period of four years.

3.2. That Cabinet confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1) as part of its consideration.

4. Report details

4.1. In recent years, the supply of building materials into DCC's council house repairs and maintenance (R&M) team has been carried out by Jewson's, who tendered for the contract in 2017. This was the second such award to Jewson's.

4.2. In 2021, the R&M team were made aware of a suitable framework for the supply of materials. This framework is called Fframwaith Deunyddiau Cymru Materials

Framework. It was established by Adra Housing Association and is a new, all-Wales, single-supplier framework for building materials and associated services with Travis Perkins Managed Services.

- 4.3. The purpose of the framework is that the supplier will deliver high-quality services, fit for purpose goods to supply organisations across Wales.
- 4.4. Current members include ADRA, Cartrefi Conwy, Isle of Anglesey County Council, Clwyd Alyn, Grwp Cynefin, Tai Calon and Wrexham CBC have signed an agreement to join with a contract to follow.
- 4.5. This framework offers the R&M team further added value options, not currently available from Jewson's, namely: supply of Kitchens, staff training to include ladder safety, tooling supply for the trade operatives including replacement or repair and safety checks.
- 4.6. A major benefit is TP's commitment and ability to supporting the provision of renewable technologies as well as carbon conscious materials for the construction of dwellings to include modular and timber frame solutions.
- 4.7. It also offers opportunities across Wales for collaboration with other authorities and housing providers, thus offering potential materials cost savings due to economies of scale. Bulk transport and local storage solutions will also reduce carbon emissions.
- 4.8. TP are proactively working with members on innovative solutions to assist with the decarbonisation of housing stock and other environmental initiatives, which represents an additional benefit to the R&M service.

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

- 5.1. The Framework will be managed as a partnership between all members and Travis Perkins. Strategic and Operational core groups (which include all current members) have been established to develop this collaborative approach.

Travis Perkins will accrue 1.5% of the total invoiced turnover of the framework to be allocated towards community benefit opportunities. This will be shared between members, based on their individual spend. Members can then decide how best to

spend this in a way that is important to them in their own areas. The total spend of the Framework will include spend directly from the members and indirectly by their appointed contractors.

TP and current members are proactively working with members on innovative solutions to assist with the decarbonisation of housing stock and other environmental initiatives, which will naturally contribute to our corporate carbon reduction targets and initiatives.

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

- 6.1. The value of our materials spend is approximately £400k per annum. Over four years £1.6M
- 6.2. To implement to change, we will need additional support from ICT. They have been made aware of our desire to move from Jewson's to TP and a series of planning meetings have been tentatively set up in anticipation of approval, to move the project forward.
- 6.3. We will also need contract support from procurement and legal.
- 6.4. The economies of scale that we would benefit from the collaboration, will include less transport emissions and cost as materials could be moved in bulk.
- 6.5. TP and current members are proactively working with members on innovative solutions to assist with the decarbonisation of housing stock and other environmental initiatives, which represents an additional benefit to the R&M service.

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

7.1. In summary the outcome of the WBIA (included as Appendix 1) is:

Score: 28/36, three stars from the possible four.

Summary for each Sustainable Development principle

Long term: We feel that working together with other framework members, such as Adra, Cartrefi Conwy, Anglesey Council etc. can achieve more responsive and effective outcomes than if we work alone. This can be achieved through combining the strengths and skills of each partner.

TP and framework members are proactively working with members on innovative solutions to assist with the decarbonisation of housing stock and other environmental initiatives.

Prevention DCC and partners within the Framework will proactively work with members on innovative solutions to assist with the decarbonisation of housing stock and other environmental initiatives.

Integration As part of the service provided by Travis Perkins, we will be able to offer continuous improvement opportunities through performance monitoring of key performance indicators. Further, we intend to adopt a 'whole system' approach from electronic ordering of general building materials through to renewable technologies.

Collaboration The Framework has been established to set up a whole Wales, single supplier framework for building materials and associated services. It will be available to not just members but their contractors too; it is open to all housing associations, local authorities and wider public sector bodies in Wales.

Involvement All sections affected have been involved in this proposal, namely Housing Maintenance Team, ICT and Travis Perkins. Various meetings have been held and dialogue between all parties has begun.

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

Travis Perkins will accrue 1.5% of the total invoiced turnover of the framework to be allocated towards community benefit opportunities. This will be shared between members, based on their individual spend. Members can then decide how best to spend this in a way that is important to them in their own areas.

The total spend of the Framework will include spend directly from the members and indirectly by their appointed contractors.

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

8.1. We have held consultations with officers affected from Housing R&M, Travis Perkins, Procurement and Legal along with ICT.

9. Chief Finance Officer Statement

9.1. The recommendation to enter into a building materials supply contract with Travis Perkins via the ADRA Framework for a period of four years will ensure value for money, compliance with contract rules, additional community benefits and allow for further added value options which will help the service continue to deliver on Council Priorities. On that basis the recommendations are supported.

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

10.1. The major risk is that Jewson's may become difficult to deal with in the transition period. We would mitigate this by using TP ahead of contract start, or use alternative materials suppliers such as Huws Gray, Richard Williams etc.

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

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The All Wales Materials Framework (ADRA)

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:	988
Brief description:	To award the new materials supply contract to Travis Perkins (TP) by utilising the above framework.
Date Completed:	04/01/2022 11:27:30 Version: 5
Completed by:	Mark Cassidy
Responsible Service:	Facilities, Assets & Housing
Localities affected by the proposal:	Whole County,
Who will be affected by the proposal?	Denbighshire Housing Repairs and Maintenance Team. (R&M)
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 : 28 / 36.

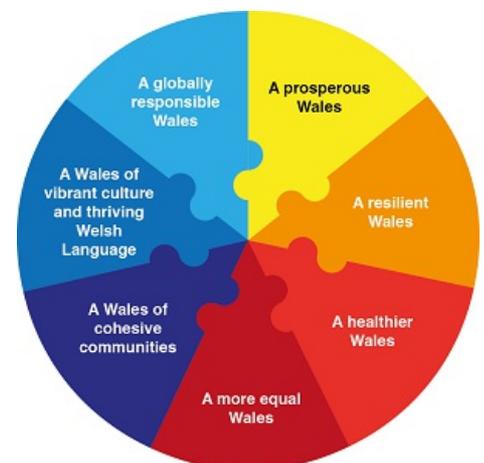
Summary for each Sustainable Development principle

Long term	We feel that working together with other framework members, such as Adra, Cartrefi Conwy, Anglesey Council etc. can achieve more responsive and effective outcomes than if we work alone. This can be achieved through combining the strengths and skills of each partner. TP and framework members are proactively working with members on innovative solutions to assist with the decarbonisation of housing stock and other environmental initiatives.
Prevention	DCC and partners within the Framework will proactively work with members on innovative solutions to assist with the decarbonisation of housing stock and other environmental initiatives.
Integration	As part of the service provided by Travis Perkins, we will be able to offer continuous improvement opportunities through performance monitoring of key performance indicators. Further, we intend to adopt a 'whole system' approach from electronic ordering of general building materials through to renewable technologies.
Collaboration	The Framework has been established to set up a whole Wales, single supplier framework for building materials and associated services. It will be available to not just members but their contractors too; it is open to all housing associations, local authorities and wider public sector bodies in Wales.
Involvement	All sections affected have been involved in this proposal, namely Housing Maintenance Team, ICT and Travis Perkins. Various meetings have been held and dialogue between all parties has begun.

Summary of impact

Well-being Goals

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



Main conclusions

Travis Perkins will accrue 1.5% of the total invoiced turnover of the framework to be allocated

towards community benefit opportunities. This will be shared between members, based on their individual spend. Members can then decide how best to spend this in a way that is important to them in their own areas.

The total spend of the Framework will include spend directly from the members and indirectly by their appointed contractors.

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

Overall Impact	Positive
Justification for impact	<p>The Framework will be managed as a partnership between all members and Travis Perkins. Strategic and Operational core groups (which include all current members) have been established to develop this collaborative approach.</p> <p>Travis Perkins will accrue 1.5% of the total invoiced turnover of the framework to be allocated towards community benefit opportunities. This will be shared between members, based on their individual spend. Members can then decide how best to spend this in a way that is important to them in their own areas. The total spend of the Framework will include spend directly from the members and indirectly by their appointed contractors.</p>
Further actions required	No negatives noted.

Positive impacts identified:

A low carbon society	The proposal goes beyond just material supply. The Framework can supply renewable technologies and training
Quality communications, infrastructure and transport	Communications between TP and DCC will be via traditional and electronic means.
Economic development	There is potential for jobs growth at local depots and additional staff for deliveries etc.
Quality skills for the long term	As part of the community benefits, there may be opportunities for work placements
Quality jobs for the long term	As part of the Community Benefits agreement, there is potential for upskilling the local workforce providing good quality jobs.
Childcare	N/A

Negative impacts identified:

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

A resilient Denbighshire

Overall Impact	Neutral
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Justification for impact	TP and current members are proactively working with members on innovative solutions to assist with the decarbonisation of housing stock and other environmental initiatives, which will naturally contribute to our corporate carbon reduction targets and initiatives.
Further actions required	No negatives noted.

Positive impacts identified:

Biodiversity and the natural environment	N/A
Biodiversity in the built environment	N/A
Reducing waste, reusing and recycling	Not featured heavily in the framework, but mutual benefits around material choices, more readily able to be recycled.
Reduced energy/fuel consumption	By collaborating with other NW organisations, we will see a reduction in material transport emissions as materials will be transported in bulk.
People's awareness of the environment and biodiversity	TP and members are proactively working with members on innovative solutions to assist with the decarbonisation of housing stock and other environmental initiatives.
Flood risk management	N/A

Negative impacts identified:

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

A healthier Denbighshire

Overall Impact	Positive
Justification for impact	Travis Perkins will accrue 1.5% of the total invoiced turnover of the framework to be allocated towards community benefit opportunities. This will be shared between members, based on their individual spend. Members can then decide how best to spend this in a way that is important to them in their own areas. The total spend of the Framework will include spend directly from the members and indirectly by their appointed contractors. Denbighshire residents will see tangible benefits as the contract progresses, such as training and work placements.

Further actions required	No negatives noted.
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Positive impacts identified:

A social and physical environment that encourage and support health and well-being	Travis Perkins will accrue 1.5% of the total invoiced turnover of the framework to be allocated towards community benefit opportunities. This will be shared between members, based on their individual spend. Members can then decide how best to spend this in a way that is important to them in their own areas. The total spend of the Framework will include spend directly from the members and indirectly by their appointed contractors.
Access to good quality, healthy food	N/A
People's emotional and mental well-being	Travis Perkins will accrue 1.5% of the total invoiced turnover of the framework to be allocated towards community benefit opportunities. This will be shared between members, based on their individual spend. Members can then decide how best to spend this in a way that is important to them in their own areas. The total spend of the Framework will include spend directly from the members and indirectly by their appointed contractors.
Access to healthcare	N/A
Participation in leisure opportunities	Travis Perkins will accrue 1.5% of the total invoiced turnover of the framework to be allocated towards community benefit opportunities. This will be shared between members, based on their individual spend. Members can then decide how best to spend this in a way that is important to them in their own areas. The total spend of the Framework will include spend directly from the members and indirectly by their appointed contractors.

Negative impacts identified:

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

A more equal Denbighshire

Overall Impact	Neutral
Justification for impact	The materials supply contract will not impact on lots of the points above, but will, via community benefits, help those disadvantaged by encouraging training, upskilling etc.
Further actions required	No negatives noted.

Positive impacts identified:

<p>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</p>	<p>N/A</p>
<p>People who suffer discrimination or disadvantage</p>	<p>N/A</p>
<p>People affected by socio-economic disadvantage and unequal outcomes</p>	<p>N/A</p>
<p>Areas affected by socio-economic disadvantage</p>	<p>Travis Perkins will accrue 1.5% of the total invoiced turnover of the framework to be allocated towards community benefit opportunities. This will be shared between members, based on their individual spend. Members can then decide how best to spend this in a way that is important to them in their own areas. The total spend of the Framework will include spend directly from the members and indirectly by their appointed contractors.</p>

Negative impacts identified:

<p>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</p>	
<p>People who suffer discrimination or disadvantage</p>	
<p>People affected by socio-economic disadvantage and unequal outcomes</p>	
<p>Areas affected by socio-economic disadvantage</p>	<p>Page 29</p>

A Denbighshire of cohesive communities

Overall Impact	Positive
Justification for impact	There will be funding (1.5%) of spend allocated to community benefits by TP. This can then be used to support cohesive community projects.
Further actions required	No negatives noted.

Positive impacts identified:

Safe communities and individuals	Travis Perkins will accrue 1.5% of the total invoiced turnover of the framework to be allocated towards community benefit opportunities. This will be shared between members, based on their individual spend. Members can then decide how best to spend this in a way that is important to them in their own areas. The total spend of the Framework will include spend directly from the members and indirectly by their appointed contractors.
Community participation and resilience	Travis Perkins will accrue 1.5% of the total invoiced turnover of the framework to be allocated towards community benefit opportunities. This will be shared between members, based on their individual spend. Members can then decide how best to spend this in a way that is important to them in their own areas. The total spend of the Framework will include spend directly from the members and indirectly by their appointed contractors.
The attractiveness of the area	Travis Perkins will accrue 1.5% of the total invoiced turnover of the framework to be allocated towards community benefit opportunities. This will be shared between members, based on their individual spend. Members can then decide how best to spend this in a way that is important to them in their own areas. The total spend of the Framework will include spend directly from the members and indirectly by their appointed contractors.
Connected communities	Travis Perkins will accrue 1.5% of the total invoiced turnover of the framework to be allocated towards community benefit opportunities. This will be shared between members, based on their individual spend. Members can then decide how best to spend this in a way that is important to them in their own areas. The total spend of the Framework will include spend directly from the members and indirectly by their appointed contractors.
Rural resilience	Travis Perkins will accrue 1.5% of the total invoiced turnover of the framework to be allocated towards community benefit opportunities. This will be shared between members, based on their individual spend. Members can then decide how best to spend this in a way that is important to them in their own areas. The total spend of the Framework will include spend directly from the members and indirectly by their appointed contractors.

Negative impacts identified:

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

Rural resilience	
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A Denbighshire of vibrant culture and thriving Welsh language

Overall Impact	Neutral
Justification for impact	As a materials supply contract, it's difficult to directly link to the promotion of the Welsh language. The use of bi-lingual signs is already catered for in relevant depots. Maybe some of the community benefit money could be used in such promotional projects.
Further actions required	No negatives noted.

Positive impacts identified:

People using Welsh	N/A
Promoting the Welsh language	N/A
Culture and heritage	The community benefits fund could possible contribute to culture and heritage projects.

Negative impacts identified:

People using Welsh	
Promoting the Welsh language	
Culture and heritage	

A globally responsible Denbighshire

Overall Impact	Positive
Justification for impact	As a responsible organisation, TP have policies in place to protect individual, take account of responsibly sourcing materials and for carbon reduction.
Further actions required	No negatives noted.

Positive impacts identified:

Local, national, international supply chains	Materials will, as far as is practical, be sourced in Wales or the UK.
Human rights	Materials will only be sourced from suppliers who have an anti-slavery policy.
Broader service provision in the local area or the region	The framework will have a positive impact on the local economy and communities
Reducing climate change	TP and members are proactively working with members on innovative solutions to assist with the decarbonisation of housing stock and other environmental initiatives.

Negative impacts identified:

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

Report to	Cabinet
Date of meeting	18 January 2022
Lead Member / Officer	Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets
Report author	Gary Williams, Head of Legal, HR and Democratic Services
Title	Extension of Leisure Services Contract

1. What is the report about?

1.1. This report is about the proposal to grant an extension of the leisure services contract entered into between the Council and Denbighshire Leisure Limited ('DLL').

2. What is the reason for making this report?

2.1. The reason for making the report is to seek Cabinet's agreement to extend the term of the leisure services contract by one year.

3. What are the Recommendations?

3.1. That Cabinet agrees to grant an extension for a period of twelve months to the term of the leisure services contract made between Denbighshire County Council and Denbighshire Leisure Limited on 1st April 2020 in accordance with clause 2.2 of the contract.

4. Report details

4.1. DLL was established by the Council on 28th August 2019.

4.2. The Council entered into a contract with DLL on 1st April 2020 for the provision of leisure services ('the Contract'). The Contract commenced on 1st April 2020 for a term of ten years, expiring on 31st March 2030.

- 4.3. Clause 2.2 of the Contract provides for the possible extension of the term of the Contract. The Council may extend the initial term of the Contract by up to two further periods each of up to 12 months.
- 4.4. The Strategic Governance Board ('the SGB') has been asked by DLL to consider recommending the granting an extension of the term of the Contract of 12 months. The reason for this request was that the Covid-19 pandemic response, including the shutting down of the premises that are managed by DLL, severely disrupted its ability to perform the services that it was contracted to provide and that it had, in effect, lost a year of operation.
- 4.5. The SGB was advised that the request had been prompted by DLL'S extension of a number of other contracts and frameworks from its own suppliers and partners as a consequence of Covid-19 and was common practice across the sector. The impact upon DLL in relation to obtaining grants, and future 'new business', by its effective inability to carry out the terms of the Contract within year one left DLL at a disadvantage when competing for business.
- 4.6. The SGB having considered the request made by DLL agreed, at its meeting in July 2021, to recommend to Cabinet that an extension of the term of the Contract for a period of 12 months should be granted given the business disruption that the Covid-19 pandemic had caused.
- 4.7. If Cabinet agrees to grant the extension the contract term will expire on 31st March 2031 unless further extended. The Council will have the ability, should it choose to do so, to grant one further extension of the contract for a period of up to 12 months.

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

- 5.1. The decision has no direct impact upon the corporate priorities

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

- 6.1. The management fee provided to the company by the Council currently amounts to £1.872m which, taking account of transfers into / out of scope, has remained unchanged since 2020/21. Although the original intention was that this fee would decrease by agreement with the company, any review of the fee has been on hold

due to the continued financial uncertainty facing the economy and the sector due to Covid-19.

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

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

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

8.1. The SGB has considered the request for an extension and has recommended to Cabinet that an extension of 12 months should be granted.

9. Chief Finance Officer Statement

9.1. There are no financial implications for the Council of this report as the Management Fee is agreed annually. However, the company feels that the extension may help with negotiations with external suppliers/partners and therefore the recommendation is supported.

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

10.1. There is a risk identified by DLL that it will be disadvantaged in seeking new business or funding opportunities if it is not granted an extension of the contract to give it, in effect, a full term of ten years given the time lost due to the Covid-19 pandemic. This would be mitigated by granting the extension.

10.2. The Contract provides for up to two extensions of the term, each of up to 12 months in duration. By granting an extension now the Council will have used one of those extensions and will only have one further opportunity to extend the term of the Contract should it wish to do so later in the term. This risk can be mitigated by appropriate contract management and planning towards the end of the term of the Contract.

11. Power to make the decision

11.1. Clause 2.2 of the Contract

11.2. Section 6.7 Council Contract Procedure Rules

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Report to	Cabinet
Date of meeting	January 18 th 2022
Lead Member / Officer	Julian Thompson Hill / Steve Gadd / Paul Barnes
Report author	Debbie Basham / Paul Barnes
Title	Evaluation of the options for a new service delivery model of the Revenues and Benefits Service

1. What is the report about?

1.1. This report outlines five possible options for consideration in the proposed changes to the delivery of the council's revenues and benefits services.

2. What is the reason for making this report?

2.1. In December 2014 it was agreed at full council to award Civica PLC the contract to deliver its revenues and benefits services through a "partnership" style agreement. This partnership worked extremely effectively, meeting both its projected savings and retaining high customer / operational service standards. As a result of its success it was decided in 2019 to further extend the contact with Civica by two years to March 2025.

2.2. Recently we have been informed that for internal commercial reasons Civica wish to refocus their strategic direction and end all partnership arrangements with Local Authorities, including DCC, at the earliest opportunity.

2.3. As requested at the cabinet briefing on 1st November 2021 an options appraisal has been carried out and recommendations have been made in this report. For full options evaluation see (appendix 1)

3. What are the Recommendations?

3.1. That Cabinet review and consider the options outlined and evaluated in this paper in relation to a new services delivery model for the revenues and benefits services.

3.2. To endorse the recommendations made by the project team allowing DCC officers, to have the authorisation to start negotiations and engagement with Civica and other parties, in order to progress the recommendation of bringing the revenues and benefits service back into DCC in an effective transformation with no adverse impact on service delivery and in an acceptable timeframe.

4. Report details

4.1. After agreement by Cabinet to commission an options report, five options have been considered in terms of delivery cost and quality of service. The options are as follows: -

Option 1: Do Nothing – Continue as is

Do nothing – Continue with the contract as is until March 2025. Civica would continue as agreed in the contract extension delivering the revenues and benefits provision in line with the contract governance and delivering to the contractual KPIs.

Option 2: Outsource to another private sector provider

Go out to market, invite tenders from other BPO providers to continue the service. Soft marketing testing in this sector has revealed preliminary findings to show other large BPS providers are (as in the case of Civica) also uninterested in growing their BPS portfolio. Models available to work in partnership are less available in favour of an “on demand” style service which has been developed using short term intervention to alleviate back logs with additional contracted staff working the caseload.

Option 3: Contract with another local authority – North Wales or wider Civica partnerships

Work with a local authority currently partnered with Civica – (Hull, East Kent South Worcester or Gloucester). All other partnerships have made the decision to take the service back in house. English politics and location would be a potential barrier to seamless delivery as legislation / policies particularly in council tax and business rates

could make any collaboration problematic. Alternatively work with another North Wales local authority. Many North Wales authorities could potentially be an option, collaboration has been productive in council services (although not yet in Revenues and Benefits)

Option 4: Set up the service as an ADM (Alternative Delivery Model) independent company structure

After much investigation it was felt an Alternative Delivery model was not a viable option for Revenues and Benefits, this service is currently working to an Agile working model with Russell House in Rhyl offering a base. The service currently has less than 70 FTE. Having looked at the advantages of an ADM these are predominantly around having several locations delivering services enabling savings on NNDR. The set up costs for the current Leisure ADM were circa £350k.

Option 5: Transition Revenues and Benefits service back to Denbighshire County Council

Transition service back to the local authority, existing staff would TUPE back to the authority and be managed in line with DCC policies, the service still access DCC systems and uses DCC hardware to deliver the current service, minimum disruption and potentially significant cost savings are envisaged with this option

4.2. Options Recommendations

Having considered all options our recommendation is **Option 5: Transition revenues and benefits service back to local authority (DCC).**

The recommendation is best on quality and delivery of service and a reduction in delivery costs.

Also with anticipated increased / continued collaboration with other DCC departments delivering further innovation and cost savings.

The estimated cost savings are £341,110.

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

5.1. As part of the project planning process, links to the corporate priorities will be identified and highlighted in more detail, currently the strongest link is around

'connected communities' and how this service supports and helps local residents.

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

- 6.1. If the services were to be brought back within the council's structure (option 5) it has been estimated that £341,000 saving to the authority may be possible. However, a considerable amount of work is required in order to commit to any savings and the process may also involve some additional one-off costs these costs have been calculated in the options table (Appendix 1)
- 6.2. The delivery of this project would have a requirement for support and resource from across the authority, finance would lead the project with support from a corporate "project support officer", services such as legal, HR, ICT and others to be defined within the project scope. A project board will further define the project and planning process

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

- 7.1. This has not yet been completed and will be carried out as part of the project process.

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

- 8.1. No formal consultation has taken place at this stage as Civica did not make a public announcement until Monday 18th October and staff were not aware until this point.
- 8.2. Lead member, Leader and Senior DCC officers are aware at this stage.
- 8.3. A paper was presented to cabinet on 1st November communicating the proposed changes and recommendations for a further options paper to be presented.

9. Chief Finance Officer Statement

- 9.1 Initially the news that Civica wished to pull out of the sector was disappointing. The partnership has been working extremely effectively. The service has provided the Council with an excellent service throughout the Covid pandemic

in particular. However following initial work this can now be seen as an opportunity of making significant savings, which will be brought forward as part of the budget Proposals for 23/24, without impacting service provision. The recommendations are fully supported.

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

10.1. There are a number of significant risks around this project, from ensuring we select the correct partner organisation to work with, or bringing the services back in house. Due to the importance of the service to the authority in relation to income collected through Sundry Debt, Business Rates and Council Tax, to the delivery of benefits to our residents, it is key that risks are managed well.

10.2. The project team will identify the risks and work through the corporate project standards to ensure all risks are identified and mitigated through the standard risk management plans, these will be shared with senior officers and elected members as relevant.

10.3. The Project Board and Senior managers may need to engage specialist external support to limit risk. Depending upon services engaged this may not be done within existing reserves.

11. Power to make the decision

11.1 111 Local Government Act 1972

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OPTIONS TABLE (APPENDIX 1)

	Option 1	Option 2	Option 3	Option 4	Option 5
Description	Do nothing - continue as is	Outsource to another private sector provider	Contract with another local authority - North Wales or Wider Civica	Set up the service as an ADM (Alternative Delivery Model) independent company structure	Transition service back to the local authority Denbighshire County Council
Option Outline	Do nothing – Continue with the contract as is until March 2025. Civica would continue (as agreed in the contract extension) delivering the revenues and benefits provision in line with the contract governance and delivering to the contractual KPIs	Go out to market, invite tenders from other BPO providers to continue the service. Soft marketing testing in this sector has revealed preliminary findings to show other large BPS providers are (as in the case of Civica) also uninterested in growing their BPS portfolio. Models available to work in partnership are less available in favour of an “on demand” style service which has been developed using short term intervention to alleviate back logs with additional contracted staff working the caseload	Work with a local authority currently partnered with Civica – (Hull, East Kent South Worcester or Gloucester). All other partnerships have made the decision to take the service back in house. English politics and location would be a potential barrier to seamless delivery as legislation / policies particularly in council tax and business rates could make any collaboration problematic. Alternatively work with another north wales local authority. Many north wales authorities could potentially be an option, collaboration has been productive in council services (although not yet in Revenues and Benefits)	Alternative Delivery model was not a viable option for Revenues and Benefits, this service is currently working to an Agile working model with Russell House in Rhyl offering a base. The service currently has less than 70FTE. Having looked at the advantages of an ADM these are predominantly around having several locations delivering services enabling savings on NNDR.(Business rates) The set up costs for the current Leisure ADM were circa £350k	Transition service back to the local authority, existing staff would TUPE back to the authority and be managed in line with DCC policies, the service still access DCC systems and uses DCC hardware to deliver the current service, minimum disruption and potentially significant cost savings are envisaged with this option
Benefits	<ul style="list-style-type: none"> • Civica are a known provider • The service would continue with the same contracted KPIs (Key Performance Indicators) • No staff changes in terms of TUPE implications 	<ul style="list-style-type: none"> • Service would be managed by a BPO with relevant experience • Staff would TUPE over to the provider 	<ul style="list-style-type: none"> • Share best practice • Opportunities for economies of scale 		<ul style="list-style-type: none"> • Service will be directly managed by DCC with existing staff • Seamless transition • Continue with modern apprentice programme offering sustainable employment for future DCC citizens • Potential to work in calibration with other DCC departments e.g. Homeless, Free School meals • Retaining Revenues and Benefits expertise

	Option 1	Option 2	Option 3	Option 4	Option 5
Disadvantages	<ul style="list-style-type: none"> • Civica are refocusing priorities. • DCC would be the only local authority BPS still operating within Civic • Loss of broader expertise – Other BPS contracts are all due to novate back in house from 2022 • No clear plan for further process redesign or potential future savings • Continued contract costs- no reduction for loss of expertise and learnings from other authorities delivering the same services 	<ul style="list-style-type: none"> • No potential for cost savings / may be increased costs • Extended time line due to the tender process- Civica would need to deliver the current service for the interim • No appetite in the market for outsource local government services • Research suggests other BPO providers work to an “on demand model” not partnership working • Limited opportunity for process redesign 	<ul style="list-style-type: none"> • Differences in performance – DCC have more stringent KPIs • Difference in delivery model • Current backlogs for many authorities as a result of Covid 		<ul style="list-style-type: none"> • No economies of scale advantages • Loss of wider Civica knowledge
Risks / Dependencies	<ul style="list-style-type: none"> • Potential service disruption - no advantage of economies of scale • No new innovations or appetite for change / streamlining services • No appetite from Civica to undertake projects outside the main contract framework EG Free School meals – Covid payments • Reputational risk – Failure to hit contractual KPIs 	<ul style="list-style-type: none"> • Delivery and quality of service • Reputational risk • Loss of “Partnership model” • Increased costs • Impact on Welsh language – No private outsource business are currently working in partnership with a Welsh authority as a Revenues and Benefits provider 	<ul style="list-style-type: none"> • Delivery and quality of service • Reputational risk • Loss of management control • Welsh Government policies are growing more defined for Wales with ever changing legislation – this may not sit well with an English authority • Loss of a Welsh language provision 		<ul style="list-style-type: none"> • Dip in performance due to change in management practice (Civica / DCC) • Staff morale • Novation of Contracts / suppliers are not in place for transition dates

	Option 1	Option 2	Option 3	Option 4	Option 5
Time Lines	Continue as is, the contract ends in March 2025 by which time Denbighshire County Council will need to consider alternative provision including all options detailed in this document. If a new supplier were to be considered the tender process would need to commence approximately early 2024	If this option were to be considered further detailed analysis of the market and a potential tender process would be required It is estimated this process would be completed by the end of 2022 / early 2023 with the anticipated start date of late spring 2023	Further work will be needed to ascertain current appetite for collaborative working with North Wales authorities,		It is anticipated the timeline for the overall delivery of the project would be late 2022
Costs Page 45	Contract price p.a. £1,973,848 NI Recharges £16,222 Pension recharges £82,048 Total Cost p.a. £2,072,718	For estimated costs the current contract price has been used for illustration only. It would also seem reasonable to factor in – inflation, set up costs and delivery costs Total Cost p.a. £2,072,718	If this option were selected more work would need to be undertaken to cost various options		The majority of cost would comprise of staffing costs – a job revaluation would be required to understand where staff sit on DCC grades, worst case scenario figures assume grade realignment and that all staff would TUPE back Staff Costs total - £1,728,393 p.a. Delivery of Project £100,000 (one off cost) Contingency –Novation of supplier contracts, additional salary increases (in line with DCC) Redundancy provision £100,000 Total £1,923,393 Yr. 1
Recommendations	NOT RECOMMENDED	NOT RECOMMENDED	NOT RECOMMENDED	NOT RECOMMENDED	RECOMMENDED

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Report to	Cabinet
Date of meeting	18th January 2022
Lead Member / Officer	Councillor Julian Thompson-Hill / Liz Grieve Head of Communities & Customers
Report author	Geoff Davies, Lead Officer – Community Housing
Title	Housing Rent Setting & Housing Revenue and Capital Budgets 2022/23

1. What is the report about?

- 1.1. To seek approval from Cabinet for the Denbighshire Housing annual rent increase, the Housing Revenue Account Capital and Revenue Budgets for 2022/23 and Housing Stock Business Plan.

2. What is the reason for making this report?

- 2.1. It is a statutory requirement to set budgets and rent levels before the start of the new financial year. The budget must be consistent with the assumptions within the Housing Stock Business Plan (HSBP) which has been designed to maintain Welsh Housing Quality Standard throughout the 30 year business plan.

3. What are the Recommendations?

- 3.1. That the Housing Revenue Account Budget for 2022/23 (Appendix 1) and the Housing Stock Business Plan (Appendix 2) be adopted.
- 3.2. That rents for Council dwellings be increased in accordance with the Welsh Government (WG) Policy for Social Housing Rents to an average weekly rent of £97.27 with effect from Monday 4th April 2022.
- 3.3. Cabinet are asked to note the additional report (Appendix 3) on Cost Efficiencies, Affordability and Value for Money prior to approving this rent increase.

3.4. That the Committee confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 4) as part of its consideration.

4. Report details

4.1. The latest forecast outturn for the HRA for 2021/22 is detailed in Appendix 1, in line with the monthly monitoring report. Balances, at year end, are forecast to be £1,008m.

The proposed budget for 2022/23 is also detailed in Appendix 1. The budget has been calculated to ensure we can deliver our revenue services, the capital investment programme to maintain the quality standard of our homes and develop our new build programme.

We are anticipating significant additional costs in future years due to likely new decarbonisation standards for our existing stock. All social landlords in Wales are anticipating additional funding from WG to support any announcement on this however our income needs to keep pace with inflation in order for us to continue these levels of investment.

In addition, Local Authorities are now able to bid for Social Housing Grant (SHG) for new build programmes. Our current programme of 170 additional homes has been incorporated within the HSBP.

Welsh Government Rent Policy

Welsh Government developed a policy for social housing rents that will be applied consistently by all social landlords and reflect the type; size; location and quality of the Landlord's properties.

In December 2019 the Welsh Government announced a five year rent policy. The policy agrees an annual rent uplift to CPI +1% from 2020/21 to 2024/25 using CPI from the previous September but with Ministerial discretion if CPI exceeds 3%. For 2022/23, this has been agreed to be **3.1% CPI only**.

This means that:

- The overall total increase across all stock is 3.1%.
- The average weekly rent will be £97.27
- The average weekly rent increase will be £2.92

As part of the WG rent policy, the council will be required to ensure that any rent increase considers affordability for tenants, value for money and an assessment of cost efficiencies. Information on this is attached in appendix 3.

Whilst 2021 has been a difficult year for household finances and this will continue into 2022, we are satisfied that affordability of our weekly rents is reasonable. The increase is eligible for welfare benefit housing costs support of which 72% of tenancies are in receipt of. We have to keep pace with cost inflation and maintain our ability to invest in our housing stock, consider well managed growth through our new build programme and importantly provide services to support our households effectively.

Housing Stock Business Plan (HSBP)

As part of the budget process it is necessary to review the Housing Stock Business Plan and this is achieved through a due diligence exercise on an on-going basis to review the assumptions used and to validate the robustness of the financial model. In addition the review undertakes a sensitivity analysis.

The current Housing Stock Business Plan assumes a minimum balance of £1m is maintained over the mid-term to mitigate against any future risks.

The HSBP maintains borrowing to fund capital works such as the new build and improvement programmes. The level of borrowing is closely monitored as this is related to annual capital financing costs. All council's in Wales have reached agreement with Welsh Government to remove the borrowing cap from HRA's as per the Deed of Termination of HRA Subsidy Voluntary Agreement 20th March 2019. This repealed the previously agreed cap introduced by the Housing Act 2014 settlement payment.

Local Authorities in Wales are still required by Regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003. Therefore any borrowing undertaken by LHAs following

the abolition of the borrowing cap will continue to be “unsupported” and any increase is for Local Authorities to manage within their existing resources.

Welsh Government are currently working with councils in Wales with HRA’s, to determine and agree appropriate debt levels.

Service Charges

Service chargeable income collects actual costs for specific services and overall shows a slight increase over last year to £397k. Individual properties may be subject to a varied charge. As a result the average charge per property has increased to £2.23 per week (from £2.14 last year).

Welsh Housing Quality Standard

The Council achieved the Welsh Housing Quality Standard to all the Housing Stock in September 2014. Capital spend has been included in the HSBP which ensures sufficient resources are available to continue to maintain this standard over the 30 year plan.

The stock condition survey has identified repairs, maintenance and improvement costs for the next 30 years which have subsequently been built into the business plan and links to the Asset Management Plan.

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

5.1. Housing is a Corporate Priority and the 5 year capital program will provide a boost to the local economy by maximising the local employment, training and supply chain opportunities for local people and businesses.

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

6.1. The Housing Revenue Account is ring fenced and costs of implementation are covered by income through rents and service charges.

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

7.1. The Council appreciates that any increase in weekly rent could have an impact on some of our customers’ ability to meet their weekly commitments.

The Housing service will continue to offer advice and support to all customers to ensure that customers can manage their finances effectively and maximise their income. Rent collection performance remains excellent and below average in Wales.

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

8.1. The Denbighshire Tenants and Residents Federation (DTARF) have been consulted and the reason for the rent increase and the impact on the HRA business plan has been fully explained to the group.

9. Chief Finance Officer Statement

9.1. A full review of the Housing Stock Business Plan (HSBP) has confirmed that the Plan remains robust and financially viable. There are sufficient resources to support the management and supervision of the housing service and the investment needs of the stock. Balances are at a prudent level while allowing the funding of new capital expenditure to be provided in the most cost effective way.

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

10.1. The risk is a failure to follow the Housing Stock Business Plan and to set budgets accordingly could lead to financial concerns and potential intervention by Welsh Government.

11. Power to make the decision

11.1. Rent policy is determined by the Housing (Wales) Act 2014. The Housing Revenue Account is ring-fenced by statute.

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APPENDIX 1

Housing Revenue Account ~ 2021/22 Budget Setting				
2020/2021		2021/2022		2022/2023
Final Outturn		Original Budget	Forecast Out-turn M9	Proposed Budget
£	<u>Period 9 - December 2021</u>	£	£	£
	<u>EXPENDITURE</u>			
2,463,897	Supervision & Management - General	2,668,895	2,638,719	2,734,769
512,755	Supervision & Management - Service Charges	544,105	559,633	580,003
4,616,528	Repairs and Maintenance	4,929,000	5,225,909	5,327,541
7,593,180	Total Housing Management	8,142,000	8,424,261	8,642,313
5,600,166	Item 8 Capital Charges	6,501,000	6,219,000	6,631,000
2,919,203	Capital Funded from Revenue	1,871,000	3,469,000	1,831,000
0	Capital Funded from Revenue - AHG	0	135,000	135,000
144,555	Provision for Bad Debts	319,000	345,000	346,000
16,257,104	Total Expenditure	16,833,000	18,592,261	17,585,313
	<u>INCOME</u>			
15,783,492	Rents (net of voids)	16,023,974	15,995,772	16,862,000
387,556	Service Charges	399,000	393,304	397,000
175,039	Garages	191,000	176,560	182,000
	Affordable Housing Grant	0	135,000	135,000
758	Interest on Balances & Other Income	135,152	9,000	5,000
16,346,845	Total Income	16,749,126	16,709,636	17,581,000
	Surplus / Deficit (-) for the Year:			
3,008,943	General Balances	1,787,126	1,721,375	1,826,687
2,666,827	Balance as at start of year ~ General	2,756,568	2,756,568	1,008,944
-2,919,203	Earmarked Balances	-1,871,000	-3,469,000	-1,831,000
0	FRS Adjustment	0	0	0
2,756,568	Balance as at end of year ~ General	2,672,694	1,008,944	1,004,630

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APPENDIX TWO					
SUMMARY	0	1	2	3	4
	2021-22	2022-23	2023-24	2024-25	2025-26
	£'000	£'000	£'000	£'000	£'000
CAPITAL EXPENDITURE	M9 Outturn				
WHQS Improvements & Maintenance	9,501	9,228	6,669	6,809	8,522
New build	13,596	12,310	4,549	6,525	0
Acquisition of existing properties	500	500	500	0	0
Other Improvements	851	785	415	421	428
	24,448	22,823	12,133	13,755	8,950
CAPITAL FUNDING					
Major Repairs Allowance	2,381	2,381	2,381	2,381	2,381
Capital Receipts	2,300	1,270	920	0	0
Borrowing	11,996	15,231	6,233	9,391	5,532
Other Funding Sources	4,302	1,975	1,124	524	0
Capital Expenditure funded by HRA	3,469	1,966	1,475	1,459	1,037
	24,448	22,823	12,133	13,755	8,950
REVENUE EXPENDITURE					
Management	3,198	3,315	3,432	3,536	3,629
Repairs & Maintenance	5,226	5,328	5,508	5,674	5,828
Interest	3,030	3,464	3,766	3,918	4,034
Capital Financing Charge	3,189	3,167	3,766	4,526	4,817
	14,643	15,274	16,472	17,654	18,308
REVENUE INCOME					
Gross Rental Income	16,312	17,194	17,910	19,094	19,319
Garages	177	182	187	193	199
Service Charges	393	397	401	405	409
Voids	-316	-332	-345	-367	-371
Bad Debts	-345	-346	-348	-351	-351
WG Affordable Housing Grant (AHG)	135	135	135	135	135
Interest on Balances	9	5	5	5	5
	16,365	17,235	17,946	19,114	19,345
BALANCES					
Surplus / Deficit (-) For Year	1,722	1,962	1,474	1,460	1,037
Capital Expenditure funded by HRA	3,469	1,966	1,475	1,459	1,037
Balance Brought Forward (HRA Reserve)	2,757	1,010	1,006	1,006	1,004
Surplus / - Deficit after CERA	-1,747	-4	-1	1	-0
Balance carried forward	1,010	1,006	1,004	1,007	1,004

Appendix 3 - Housing Rent Setting 2022/2023

Efficiency, Value for Money and Affordability.

As part of the annual rent setting process, Welsh Government has required social landlords to consider an “assessment of cost efficiencies across the operating cost base, value for money and affordability for tenants”.

We have gathered existing data that we use to monitor these areas. This includes the use of the HOUSEMARK specialist housing benchmarking tool. The full report is available on request.

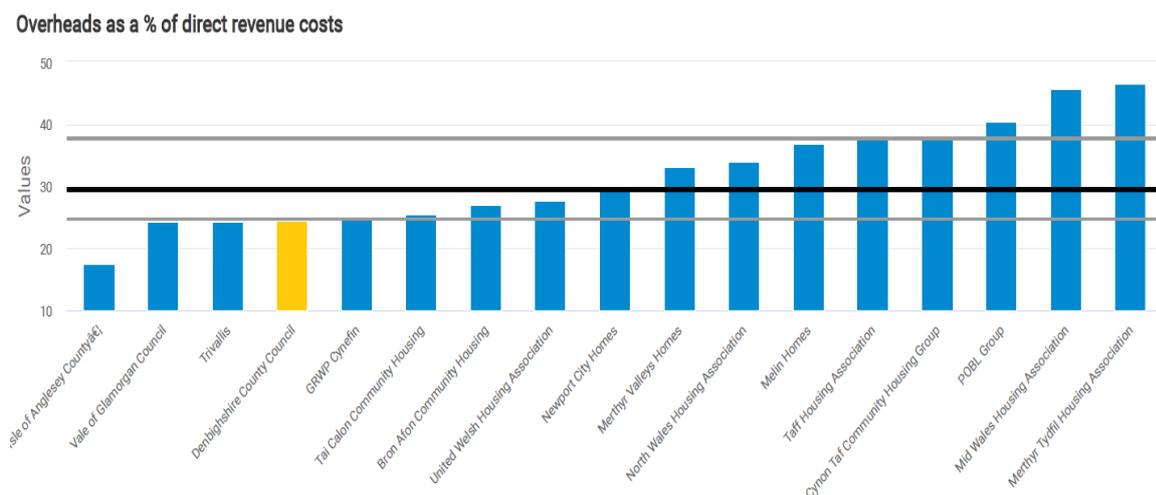
This report outlines our approach to these three requirements.

1) Cost Efficiencies

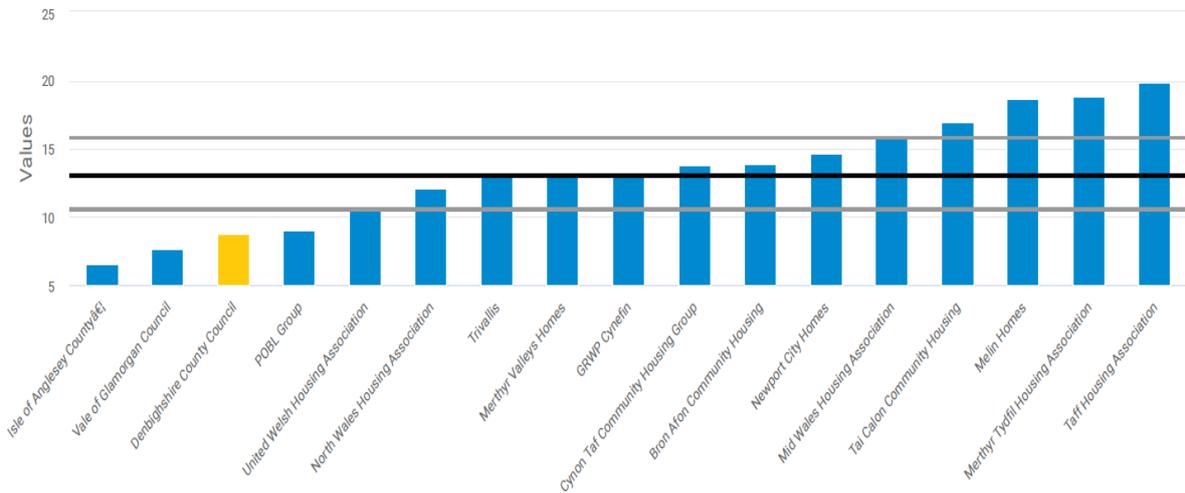
The information below is taken from data provided by HOUSEMARK and shows our costs are relatively low compared to comparable landlords but our cash investment in our assets is high.

1.1 Overheads

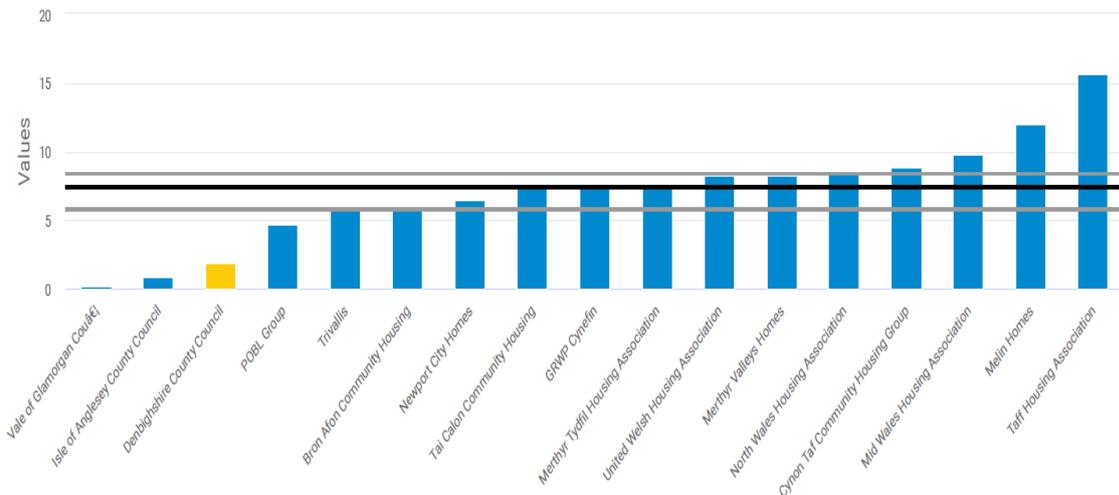
These graphs show Overheads as a percentage of our Revenue Costs, Turnover and Employee Overheads. This shows that our operating costs are amongst the lowest of comparable landlords.



Overheads as a % of turnover

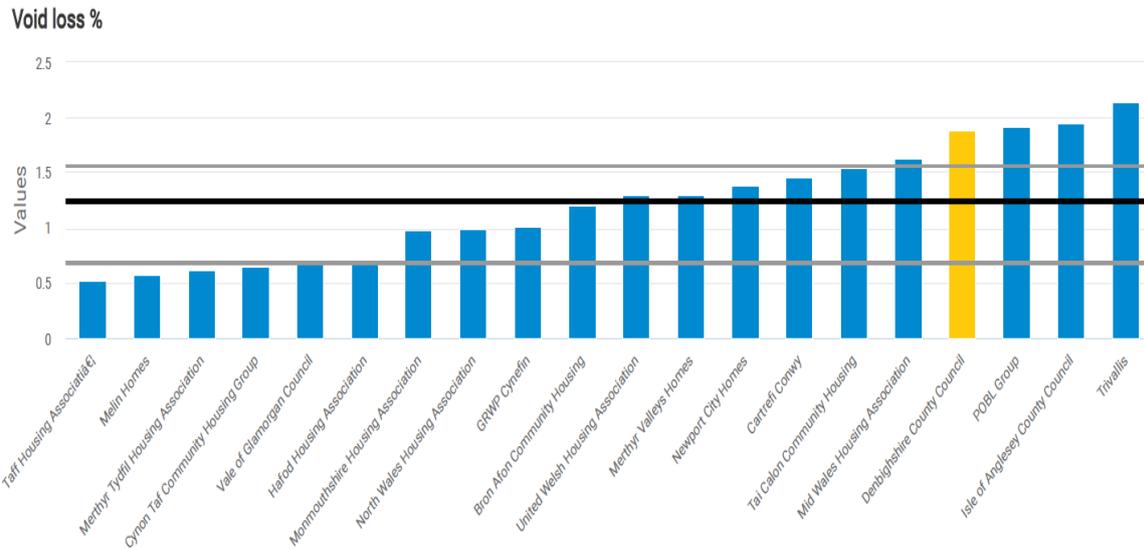


Overhead employees per 1,000 properties



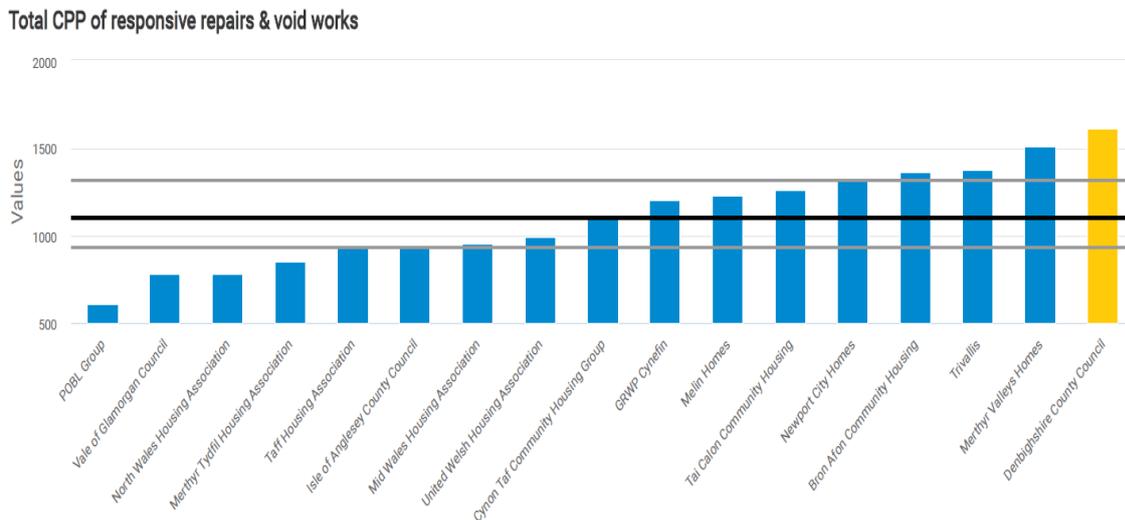
1.2 Rent Loss

This graph shows that we perform relatively poorly in terms of rent loss when carrying out works in between tenancies (Voids). This is explained due to the extensive volume of works we undertake. The lettings standards for new tenants are extremely high but we recognise the need to carry out works and the associated processes as efficiently as we can so this is closely monitored.



1.3 Cost of Repair and Voids work

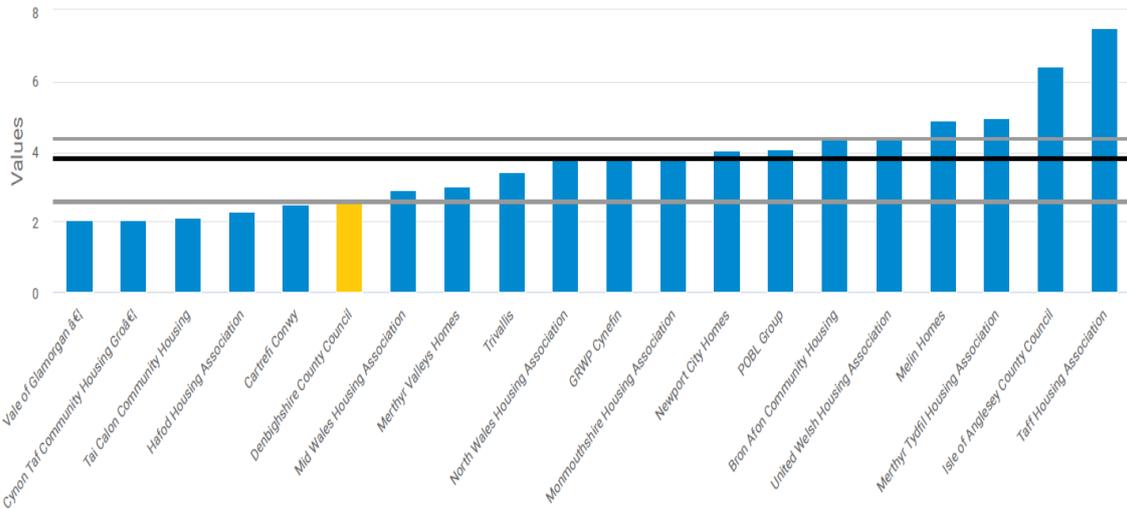
To illustrate the relative investment, this graphs shows we are high cost in terms of the level of investment in our homes primarily due to void work costs.



1.4 Volume of Repairs Demand

This graph shows that we carry out a relatively low number of repairs per property, which suggests a return on our investment in our homes through voids and capital programmes.

Responsive repairs per property



2) Value For Money

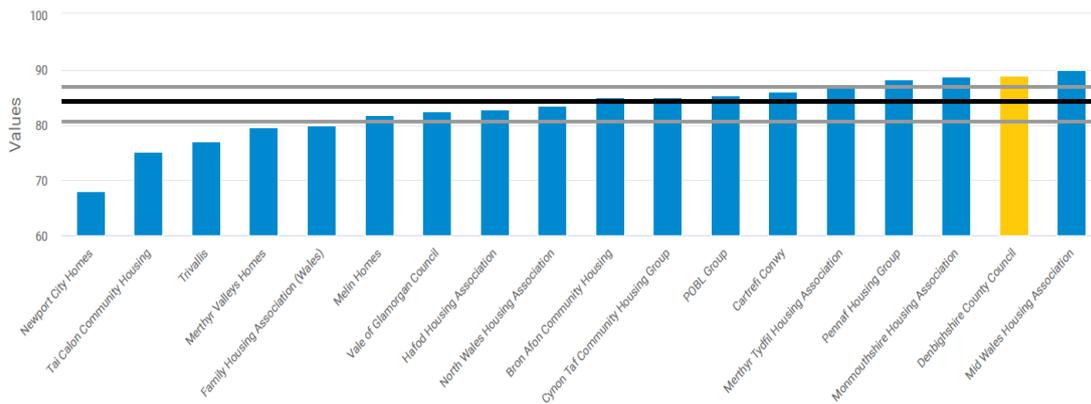
Other than the detailed comparison of our costs with other similar landlords our most appropriate measure of value for money is feedback from our tenants.

This graph shows feedback from the current HouseMark report from the full year 19/20. This shows us as relatively very high satisfaction (89%) that rent provides value for money. However, we have carried out further surveys since then, to keep monitoring this.

In December 2020 at the height of Covid restrictions, this had reduced to 79%. There has to be an impact from the reduced service and difficult operating conditions apparent during the Covid 19 lockdowns and restrictions.

We have carried out a full survey of tenants in December 2021 and the early indications are that the value for money result has improved to 85%.

Satisfaction that rent provides value for money



3) Affordability

The question of the affordability of our weekly rents is more difficult to analyse as much depends on the individual circumstances of every individual household.

In addition to ensuring we are within social rent “target rent” levels, we apply the principle that a CPI increase ensures we can continue to meet costs in managing and maintaining our c. £300m worth of homes for the benefit of our tenants as a whole.

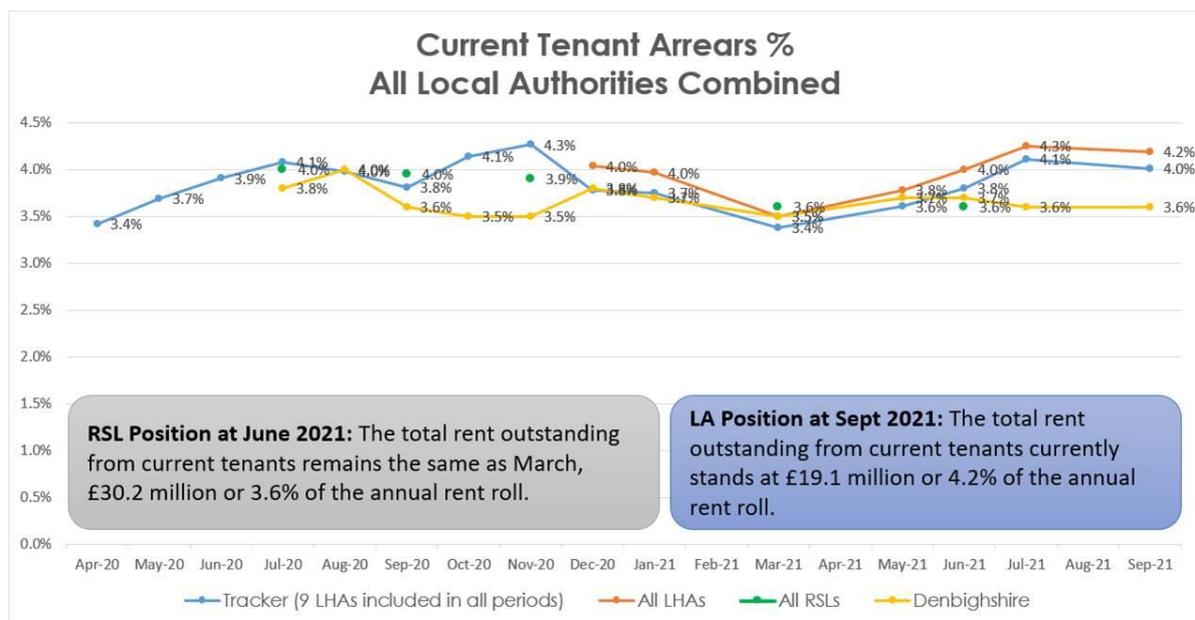
We know costs will rise and our income needs to keep pace over the course of our business plan but also fully appreciate that household incomes may not increase whilst other household costs will.

We currently have 72% of households in receipt of some support to meet their weekly rent, either through Housing Benefit or Universal Credit Housing Costs. Any increase in weekly rent charge will be met by the housing costs support for these households.

3.1 Rent Arrears

We closely monitor all households rent accounts and offer comprehensive advice and support.

The graph below shows that our current rent income owed of 3.6% (of total annual rent income) is below the Wales average for Local Authorities (4.2%).



3.2 Advice & Support to Promote Affordability

We offer as much advice and support as we can for households with affordable repayment terms should families fall into arrears, offer budgeting advice and make appropriate referrals for specialist support.

In addition to the Council's contract for Welfare Rights advice with Citizens Advice Denbighshire (CAD) we have entered into an additional project, **Key To Advice**, which enables the housing team to benefit from a specific worker from CAD to provide support to tenants. This includes a focus on fuel poverty to assist our tenants with their fuel bills and tariffs.

Highlights of April 2021 to November 2021 of the Key to Advice project are:

- 277 tenants supported
- £1,604,826 annual income gains
- Advice on £680,514 debt
- 105 tenants removed from income poverty
- 18 tenants removed from fuel poverty

3.3 Working Denbighshire

We also have a dedicated Housing Employment Mentor in partnership with Working Denbighshire. This focuses on working closely with tenants to enable them to be employment ready, provide access to job searches and provide work placements and training opportunities.

Highlights from April 2021 to September 2021 of this project are:

- 26 council tenants have been referred for advice
- 19 have enrolled on to the Communities for Work project
- 3 employment outcomes
- 2 qualification outcomes

3.4 Communication with Tenants

- We provide information to our tenants on how their rent money is spent. Each year with the rent increase notification letter we send all tenants a booklet which explains -
- How the average weekly rent is spent with a breakdown of our management, maintenance and finance costs.
- A breakdown of planned Income and expenditure
- Our average weekly rent compared to other North Wales Social Landlords.

4) Impact Assessment

We complete a well-being impact assessment annually with tenant representatives to consider the balance of an inflationary rent increase alongside the benefits this can have for the whole group of tenants through investment in the quality of homes, improving the energy efficiency of homes and services and projects to support families.

The positive aspects of the assessment conclude that we need to maintain pace with inflation and rising costs in order to be able to maintain the level of investment for all our households.

5) Conclusion

This report outlines that Denbighshire Housing is able to demonstrate efficiency when managing and maintaining our housing assets, that our tenants believe that we offer value for money and that we provide homes that our affordable for households in the county.

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Housing Rent Setting

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:	993
Brief description:	Increasing council house weekly rents
Date Completed:	09/12/2021 10:16:19 Version: 1
Completed by:	Geoff Davies
Responsible Service:	Customers, Communications & Marketing
Localities affected by the proposal:	Whole County,
Who will be affected by the proposal?	council tenants and households
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 : 35 / 36.

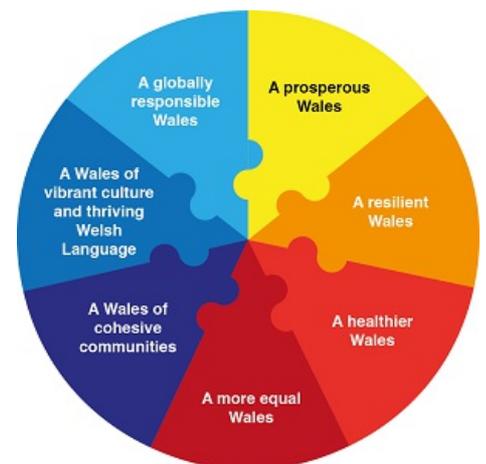
Summary for each Sustainable Development principle

Long term	The rent increase, whilst impacting on households weekly finances, will support the wider long term development of our service to our tenants. The additional income will be invested in our homes and support the long term quality of homes and services and ensure we can adapt and deliver on supporting decarbonisation of social homes in Wales.
Prevention	The business plan relies on keeping pace with inflation to ensure we can continue to develop tenants to support those that need, build resilience in others and tackle the energy performance issues of our homes. This impacts on the climate and also tackles fuel poverty for households
Integration	The Business Plan will enable us to deliver high quality homes and services for tenants and their communities. we can also build new council homes to meet the significant need.
Collaboration	The HRA 30 year Business plan supports the Asset Management Plan and our approach to improving the lives of our communities.
Involvement	we consult the Tenants Federation on the rent increase each year. Whilst they accept it is not popular they acknowledge the investment needs and the longer term view.

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

Whilst a rent increase can present challenges for some households particularly due to the additional pressure brought on household finances during Covid 19 we need to continue to invest in our housing stock to ensure our homes are quality and efficient to live in particularly with regards to energy efficiency. In addition we provide and fund support serves, partnerships and projects to support households, if we did not increase our rent with inflation we would not be able to maintain these levels of significant investment.

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

Overall Impact	Positive
Justification for impact	This will have a positive impact because a sustainable HRA will support the provision of quality social housing for people in Denbighshire into the long term. Whilst any increase in weekly out goings could have an impact on households failure to invest could jeopardise our future growth.
Further actions required	We have a Financial Inclusion Action Plan which will help mitigate the impact on households through a series of actions. The increased income will enable us to increase our investment in our stock, neighbourhoods and support services.

Positive impacts identified:

A low carbon society	Increasing our income will allow us to investigate and invest in better ways to provide homes including low carbon homes and investing in improving the efficiency of existing stock.
Quality communications, infrastructure and transport	This will enable us to continue to invest in areas we own including open spaces and neighbourhoods
Economic development	A sustainable HRA business plan will support local businesses into the future
Quality skills for the long term	Increasing our income will help us to meet staffing costs and develop future opportunities
Quality jobs for the long term	This will enable us to continue to invest in skills through improvement works and community benefits.
Childcare	

Negative impacts identified:

A low carbon society	
Quality communications, infrastructure and transport	
Economic development	An increase in weekly rent could have an adverse effect on families weekly income and ability to manage their childcare and work balance
Quality skills for the long term	
Quality jobs for the long term	
Childcare	An increase in weekly rent could have an adverse effect on families weekly income and ability to manage their childcare and work balance

A resilient Denbighshire

Overall Impact	Positive
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Justification for impact	We are able to invest in promoting healthier communities for our tenants and residents.
Further actions required	We are able to invest in additional services such as community development staff to significantly increase our work to promote health and well being. The negative is increased could increase arrears / debt issues but our resources allow us to invest in projects to mitigate this and far reaching actions to tackle financial exclusion and debt.

Positive impacts identified:

Biodiversity and the natural environment	Investment in housing stock including new build will enable us to consider community benefits including these factors
Biodiversity in the built environment	Investment in lower quality stock will enable us to demolish and replace homes and consider biodiversity in this process.
Reducing waste, reusing and recycling	Investment in housing stock including new build will enable us to consider community benefits including these factors
Reduced energy/fuel consumption	Investment in our housing stock is required to ensure we can maximise energy efficiency and reduce fuel use and carbon through poor performing homes.
People's awareness of the environment and biodiversity	Investment in housing stock including new build will enable us to consider community benefits including these factors
Flood risk management	Ensuring that new build schemes will achieve flood mitigation works by design

Negative impacts identified:

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

A healthier Denbighshire

Overall Impact	Positive
Justification for impact	We are able to invest in promoting healthier communities for our tenants and residents.
Further actions required	We are able to invest in additional services such as community development staff to significantly increase our work to promote health and well being. The negative is increased could increase arrears / debt issues but our resources allow us to invest in projects to mitigate this and far reaching actions to tackle financial exclusion and debt.

Positive impacts identified:

A social and physical environment that encourage and support health and well-being	This will allow us to continue to invest in health and well being including physical assets such as play areas and also working with our communities
Access to good quality, healthy food	We have staff resources to help our communities develop resilience and promote healthy lifestyles including projects to support healthy eating
People's emotional and mental well-being	We have staff resources to help our communities develop resilience and promote health and well being. We have a Financial Inclusion action plan to tackle debt and financial exclusion issues which will support emotional well being.
Access to healthcare	Through having staff resources available we are supporting a Public Health Wales project on Tackling health inequality and can continue with similar work
Participation in leisure opportunities	This will allow us to continue to invest in health and well being including physical assets such as play areas and also working with our communities to enhance access to leisure activities.

Negative impacts identified:

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

A more equal Denbighshire

Overall Impact	Positive
Justification for impact	Continued investment in line with inflation will support our business plan to able to continue to offer social housing and related services to those who are not served by the private housing market.
Further actions required	We will mitigate the negatives of the rent increase, which could disproportionately effect households with the protected characteristics through investment in financial inclusion initiatives and support services which will also benefit wider tenant population

Positive impacts identified:

<p>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</p>	<p>Continued investment in line with inflation will support our business plan to able to continue to offer social housing and related services to those who are not served by the private housing market.</p>
<p>People who suffer discrimination or disadvantage</p>	<p>Continued investment in line with inflation will support our business plan to able to continue to offer social housing and related services to those who are not served by the private housing market.</p>
<p>People affected by socio-economic disadvantage and unequal outcomes</p>	<p>A sustainable HRA will enable us to continue to provide quality housing and also invest in support initiatives that tackle poverty and provide opportunity in our communities,</p>
<p>Areas affected by socio-economic disadvantage</p>	<p>An increase in rent could have an adverse effect on households but the rise is on line with CPI inflation and will be offset by significant investment in support services in this area.</p>

Negative impacts identified:

<p>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</p>	
<p>People who suffer discrimination or disadvantage</p>	
<p>People affected by socio-economic disadvantage and unequal outcomes</p>	
<p>Areas affected by socio-economic disadvantage</p>	

A Denbighshire of cohesive communities

Overall Impact	Positive
Justification for impact	A sustainable HRA business plan will enable us to maintain adequate resources to support communities.
Further actions required	The Business Plan has enabled us to deliver increased work with communities to focus on additional areas of work which will support community participation and resilience in the long term.

Positive impacts identified:

Safe communities and individuals	A sustainable HRA business plan will enable us to maintain adequate resources to promote safe communities and tackle issues and individuals. These resources can support partnership working to work together to take a strategic approach to promoting safe neighbourhood's and also joint working to tackle issues.
Community participation and resilience	The Business Plan has enabled us to deliver a community development team to focus on additional areas of work which will support community participation and resilience. We are developing this through a Community Investment strategy and related work plans.
The attractiveness of the area	We are able to invest significantly in improving the appearance of our neighbourhoods through the HRA
Connected communities	The Housing team and community development work enables us to ensure that people are connected to services and network as well as through digital inclusion work
Rural resilience	The Housing team and community development work enables us to ensure that people are connected and ensure that our homes in rural areas are able to contribute to the rural economy by providing quality homes and investment projects and opportunities.

Negative impacts identified:

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

A Denbighshire of vibrant culture and thriving Welsh language

Overall Impact	Positive
Justification for impact	The service adheres to the Welsh language standards but a sustainable HRA will enable us to consider opportunities to further promote the Welsh Language
Further actions required	This work can include providing community development activities through the Welsh language will be integral with in our Community Development Strategy

Positive impacts identified:

People using Welsh	A sustainable HRA enables us to continue to promote the Welsh Language and support staff to work in the medium of Welsh so people can use their first language to access the service. We also adopt a local lettings policy which gives priority in rural areas to people from the community to help with protecting the future use of the Welsh language in our communities.
Promoting the Welsh language	The service adheres to the Welsh language standards but a sustainable HRA will enable us to consider opportunities to further promote the Welsh Language. This work can include providing community development activities through the Welsh language.
Culture and heritage	A sustainable HRA enables us to continue to promote the Welsh culture and heritage and support organisations and projects in our communities

Negative impacts identified:

People using Welsh	
Promoting the Welsh language	
Culture and heritage	

A globally responsible Denbighshire

Overall Impact	Positive
Justification for impact	Good quality social housing is key to ensuring that the local economy can thrive in Denbighshire and North Wales. The continued growth of the business plan will support future provision to meet growing need. The service will be able to develop partnerships and support other organisations who are providing services to our tenants.
Further actions required	The service supports the Council's corporate objectives in addition to the more specific plans such as the Housing Strategy and Homelessness Prevention Strategy. Wider health & well being is promoted in addition to the investment in the local economy.

Positive impacts identified:

Local, national, international supply chains	The HRA commits significant investment through stock and neighbourhood improvement programmes. In addition new build homes will add significantly to this and we have awarded a significant contract for new homes components that will be manufactured in North Wales. This supports the local economy. Community Benefits are integral to all contracts to ensure employment and training opportunities are mandatory and the impact is captured as evidence.
Human rights	The HRA investment enables us to provide jobs and opportunities which promote excellent employment practices and working conditions.
Broader service provision in the local area or the region	Good quality social housing is key to ensuring that the local economy in Denbighshire and North Wales is sustainable and supports the economic activity of the area by providing affordable housing options in the area. In addition the provision of social housing with increasing stock numbers will support a number of services which seek to support households with settled and secure accommodation in safe neighbourhoods.

Reducing climate change	The HRA Business Plan will invest in existing homes and new homers to deliver the highest standards of energy performance and use of renewable energy sources in our homes.
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Negative impacts identified:

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

Report to	Cabinet
Date of meeting	18 th January 2022
Lead Member / Officer	Julian Thompson Hill
Report author	Steve Gadd, Head of Finance and Property
Title	Budget 2022/23 - Final Proposals

1. What is the report about?

The report sets out the implications of the Local Government Settlement 2022/23 and proposals to finalise the budget for 2022/23.

2. What is the reason for making this report?

2.1 The Council is legally required to set a balanced and deliverable budget before the start of each financial year and to set the resulting level of Council Tax to allow bills to be sent to residents.

2.2 To provide an overview of the budget process and the impact of the Local Government Settlement and to approve the budget for 2022/23, including the level of Council Tax.

3. What are the Recommendations?

3.1 To note the impact of the Draft Local Government Settlement 2022/23.

3.2 That Cabinet supports the proposals outlined in Appendix 1, and detailed in Section 4, and recommends them to the full Council in order to finalise the budget for 2022/23.

3.3 To recommend to Council the average Council Tax rise of 2.95% proposed.

3.4 To recommend to Council that authority is delegated to the Head of Finance and Property in consultation with the Lead Member for Finance to adjust the use of cash

included in the budget proposals by up to £500k if there is movement between the draft and final settlement figures in order to allow the setting of Council Tax in a timely manner.

3.5 That Cabinet confirms that it has read, understood and taken account of the Well-being Impact Assessment.

4. Report details

4.1 The Draft Local Government Settlement for 2022/23 was received by the council on 21st December and resulted in a positive settlement of 9.2%, compared to the Welsh average of 9.4%. The Final Settlement is expected on the 1st March but Welsh Government (WG) have indicated that there should be very few changes. Within the announced figure Welsh Government have advised that there are a number of new responsibilities, not all of which have clear funding consequentials within the data. Those expectations that we are required to fund include the following:

- All pay increases for both teaching and non-teaching posts are included within the RSG.
- The responsibility to pay both our own Social Care and the private sector Social Care sector the Real Living Wage.
- The core operational costs in connection with the new Corporate Joint Committee.
- Mitigation for the fact that the Covid Hardship Fund will cease as from the end of the existing financial year.

4.2 As promised by WG the draft settlement includes indicative average settlement increases of 3.5% for 2023/24 and 2.4% for 2024/25 (estimated DCC figures would 3.3% and 2.2%). Although this is very welcome from a planning perspective it does indicate that difficult decisions will be required over the coming years.

4.3 As part of the settlement there were 'transfers in' of £0.275m which have been passported to the relevant service areas as in previous years:

- Gate Fees for Regional Waste Recycling £0.109m
- Social Care Workforce Grant £0.166m

4.4 The final proposals to balance the 2022/23 budget are shown in the Medium Term Financial Plan (MTFP) in Appendix 1. The main areas of growth and pressures are:

- Pay pressures (including impact of increase in National Insurance) of £3.000m
- Price and energy inflation of £250k
- Fire Service Charge of £321k
- Allowance for increase in Council Tax Reduction Scheme of £350k
- Schools inflationary pressures are recognised amounting to £3.769m
- Schools demographic pressure of £606k
- £3.127m to recognise demand pressures and forecasts in Community Support Services as part of the council's long term strategy to manage care budgets as well as recognising the agenda to ensure all care staff are paid the Real Living Wage
- £0.750m to recognise existing pressures in Education and Children's Services relating to Out of County Placements and Recoupment.
- £500k pressure to meet the increased costs within School Transport which is becoming evident in the monthly monitoring
- Investment in priorities amounting to £1.281m:
 - Further investment in Carbon Zero Project of £0.440m, £0.233m of this is for additional staff to undertake the necessary work and the remaining £0.207m is to fund the revenue impact of capital spend (prudential borrowing)
 - Final increase required for the Rhyl Flood scheme amounting to £0.081m
 - Increased Investment in Highways Capital Programme as proposed by Council (£4m capital) – requires an estimated £235k in Capital Finance Budget
 - £0.175m is required in order to maintain the existing levels of Capital Spend within the Block Allocations to make up for a shortfall in WG funding this year
 - This leaves £0.350m which it is proposed will be used in year to start to fund capital projects in year (eg those that were brought forward by the Horizon Scanning exercise or that come out of the new Corporate Plan)
- Service non-strategic pressures of £1.111m – pressures and requirements for investments identified by services themselves and summarised in Appendix 2.
- An estimated pressure of £0.300m has been included to pay for DCC's element of the ongoing budget requirement for the new Corporate Joint Committee.
- In light of the scale of the draft settlement indicating that there will be no general Covid Hardship Fund next financial year (but that funds have been included within the settlement) a Covid contingency of £1.988m has been included. It is hoped that this will be used for one-off unavoidable costs next financial year but that we would look to release this the following year to help balance the budget.

4.5 The pressures identified above amount to £17.628m. A draft settlement of around 11% would have been required in order to fund all these pressures. The net +9.2% settlement generates £15.005m additional revenue leaving a funding gap of £2.623m. The following items are included in the proposals in order to bridge that gap:

- Fees and Charges Income Budgets have been inflated in line with agreed Fees and Charges policy which increases external income by £0.120m.
- Operational efficiencies amounting to £634k have been identified which are within Head Service delegated responsibility in consultation with Lead Members (see Appendix 2 for summary by category).
- No savings have been requested from Community Support Services or Schools.
- It is recommended that the Council Tax increases by 2.95% which, along with minor changes to the Council Tax Base, will generate £1.869m additional revenue. This compares to last year's increase of 3.8% and 4.3% the year before that.

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

Effective management of the council's budgets and delivery of the agreed budget strategy underpins activity in all areas. The proposals include allocations to continue to support both corporate and service priorities.

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

Details are set out in Section 4.

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

Well-being Impact Assessments for the Council Tax increase is included in Appendix 4.

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 has continued to 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 2023/24.

9. Chief Finance Officer Statement

9.1 The aim of the budget process is to ensure that the council delivers a balanced budget. The proposals set out in this report offer a balanced approach which takes into account the principles of the new budget process:

- Aim to recognise and remedy in year and forecast service pressures as much as possible in order to build in resilience.
- Ensure services are challenged to deliver efficient services, but to try and minimise the impact of proposals on services users and staff.
- Keep Council Tax increases as low as practicable.
- Limit the use of Cash which only delays the need to identify savings.
- Maintain funding for corporate priorities.

9.5 Due to the very late date for the Final Settlement it is recommended that Cabinet and Council delegate authority to the Head of Finance and Property in consultation with the Lead Member for Finance to adjust the use of cash included in the budget proposals by up to £500k. WG has indicated that there are unlikely to be any material changes, however it is sensible to have a contingency plan agreed beforehand.

9.4 If the proposals in this report are not accepted, alternative proposals must be submitted to balance the budget.

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

The budget process itself is a risk management measure with the aim of identifying, assessing and agreeing budget proposals in a planned and timely way. Failure to agree these proposals without viable alternatives will risk achieving a balanced budget for 2022/23.

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.

Appendix 1 Proposed Budget - as at January 2022

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Funding				
Revenue Support Grant & NNDR (RSG)	158,632	173,637	179,367	183,313
Council Tax	58,187	60,055	62,881	65,703
SSA / Budget Requirement	216,818	233,692	242,248	249,016
Use of Balances				
Total Funding	216,818	233,692	242,248	249,016
Expenditure				
Base Budget	208,302	216,819	233,693	240,062
Inflation / Pressures:				
Pay	870	3,000	1,019	1,019
Price - targeted	100		100	100
Price - NSI Energy	150	250	150	150
CTRS	350	350	350	350
Fire Service Charge	162	321	100	100
Income Inflation	(462)	(120)	(250)	(250)
Social Services	2,397	3,127	1,000	1,000
Childrens Service	750	750		
Other Service Pressures	286	500		
CJCs		300		
Waste Pressures	250			
Schools Inflation	1,205	3,769	1,000	1,000
Schools Investment	1,353			
Schools Demography Adjustment	718	606	700	700
Covid / Brexit Contingency	683	1,988		
Other known items:				
Investment in Priorities 1		81		
Investment in Priorities 2		1,200	700	700
Service Non-Strategic Pressures	176	1,111	1,500	1,500
NWEAB Growth Deal	64			
Carbon Zero Project	389			
Transfers into/out of Settlement	1,280	275		
EFFICIENCIES / SAVINGS:				
Service Efficiencies - BAU - 1%	(690)	(634)		
Service Savings	(781)			
Schools Efficiency Target	(733)			
Total Expenditure	216,819	233,693	240,062	246,431
Funding Shortfall / (Available)	0	0	(2,186)	(2,585)
Annual increase/(decrease) in shortfall	0	(0)	(2,187)	(399)
Key Assumptions				
Settlement %	3.60%	9.20%	3.30%	2.20%
Council Tax Increase % Band D	3.80%	2.95%	3.80%	3.80%

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Non Strategic Service Pressures

Service Area	Pressures £'000
Investment in Services:	
IT Services	140
Democratic Services	92
HR - Recruitment and Retention	41
Streetscene	115
Highways Revenue	162
Contract Management	50
Facilities Management	45
Strategic Financial Research	50
Countryside Services	50
ALN Reforms	89
Children's Counselling Services	26
Website Development	40
Blue Badges	41
Other Unavoidable Pressures	170
TOTAL	1,111

Service Efficiencies by Category

Saving Type	Savings £'000
Procurement	42
Technical budget reduction (eg decrease in costs)	165
Service Restructures	175
Maximisation of grant/external income	48
Removal of Corporate Contingencies	200
Service Change / Other	5
TOTAL	634

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Council Tax Sensitivity Analysis

2022/23	Increase %	Increase in Band D £	Proposed Band D £	Total Funding £000	Inc/Dec in Funding £000
	0.00%	0.00	1,436.76	58,333	0
	0.50%	7.18	1,443.94	58,625	292
	1.00%	14.37	1,451.13	58,917	584
	1.50%	21.55	1,458.31	59,209	876
	2.00%	28.74	1,465.49	59,501	1,168
	2.50%	35.92	1,472.68	59,793	1,460
	2.75%	39.51	1,476.27	59,939	1,606
Proposed 2022/23 Level	2.95%	42.38	1,479.14	60,055	1,723
	3.00%	43.10	1,479.86	60,085	1,752
	3.25%	46.69	1,483.45	60,231	1,898
15 Year Average	3.31%	47.56	1,484.31	60,266	1,933
	3.50%	50.29	1,487.04	60,376	2,044
	3.75%	53.88	1,490.64	60,522	2,190
2021/22 Increase	3.80%	54.60	1,491.35	60,552	2,219
6 Year Average	3.91%	56.18	1,492.94	60,616	2,283
	4.00%	57.47	1,494.23	60,668	2,336
2020/21 Increase	4.30%	61.78	1,498.54	60,844	2,511
	4.50%	64.65	1,501.41	60,960	2,628
	5.00%	71.84	1,508.60	61,252	2,920
	5.50%	79.02	1,515.78	61,544	3,212
	6.00%	86.21	1,522.96	61,836	3,504
2019/20 Increase	6.35%	91.23	1,527.99	62,041	3,708
	6.50%	93.39	1,530.15	62,128	3,796
	7.00%	100.57	1,537.33	62,420	4,087

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Council Tax Level for 2022/23

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:	998
Brief description:	Proposal is to increase Council Tax by 2.95%
Date Completed:	11/01/2022 11:24:32 Version: 1
Completed by:	Steve Gadd
Responsible Service:	Finance
Localities affected by the proposal:	Whole County,
Who will be affected by the proposal?	All Council Tax Payers and service users within the County
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.

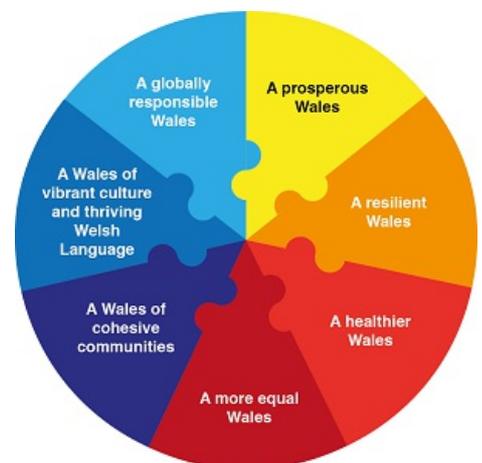
Summary for each Sustainable Development principle

Long term	Proposed increase is to ensure that the Council can continue to improve services and invest in people and infrastructure. The proposals form part of a five year budget process to manage resources.
Prevention	The proposals include significant investment in zero Carbon and Biodiversity project. There is also significant investment in Social Care and Childrens' Services and Schools. The Council Tax Reduction Scheme helps ensure that those in most need are protected from the increase to Council Tax.
Integration	The increase form part of a balanced set of budget proposals that ensures investment in Corporate Priorities.
Collaboration	Full consultation of the overall proposals have taken place with Cabinet, Council, Budget Board, Unions, School Budget Forum and the Senior Leadership Team.
Involvement	A Communication plan with the public was agreed with the Comms Team in the Autumn to ensure that full involvement and consultation will take place next year. Full consultation has been undertaken this year with Cabinet, Council, SLT, Trade Unions, Group Leaders and the School Budget Forum. Press releases have clearly shown the level of Council Tax proposed and highlighting how to access the full report prior to both Cabinet and Council meetings.

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	Positive
A Denbighshire of vibrant culture and thriving Welsh language	Neutral
A globally responsible Denbighshire	Positive



Main conclusions

The impacts are broadly positive. This is because the Council Tax rise proposed supports a budget that protects existing service levels and increases investment in social care, schools and in investment in key priorities such as highways and the environment. This year the proposed increase of 2.95% is below inflation and the lowest increase for five years. Clearly the impact is the increased

tax paid by residents. The main mitigation is that around 25% of tax payers receive financial support through the Council Tax Reduction Scheme. However, it is recognised that for some taxpayers, the proposed rise will create an additional financial burden, particularly for those with relatively fixed incomes or little disposable income.

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

Overall Impact	Positive
Justification for impact	The budget process and the setting of Council Tax is an enabling activity which should allow services to develop proposals and services which will help achieve the Wellbeing goals. I believe the proposals for 2022/23 are a balanced package that allow for investment in services alongside ensuring that unavoidable pressures are funded. Hopefully this allows services to deliver on their plans.
Further actions required	Negative impacts on services have been minimised this year. Social Care and School have been protected completely and only efficiencies of 1% requested from other services. A thorough process led by the Budget Board scrutinised all proposals.

Positive impacts identified:

A low carbon society	Proposals continue the investment in Carbon Zero 2030 target
Quality communications, infrastructure and transport	Proposals include large investment in Highways infrastructure and flooding schemes
Economic development	Investment above will aid Economic development - further commitments include match funding for the Levelling-up Exercise
Quality skills for the long term	Investment for HR to help with recruitment and retention included
Quality jobs for the long term	
Childcare	

Negative impacts identified:

A low carbon society	High impact schemes such as Highways and flood defences obviously increase Emissions, especially during the construction phase
Quality communications, infrastructure and transport	
Economic development	
Quality skills for the long term	
Quality jobs for the long term	
Childcare	

A resilient Denbighshire

Overall Impact	Positive
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Justification for impact	The budget process and the setting of Council Tax is an enabling activity which should allow services to develop proposals and services which will help achieve the Wellbeing goals. I believe the proposals for 2022/23 are a balanced package that allow for investment in services alongside ensuring that unavoidable pressures are funded. Hopefully this allows services to deliver on their plans.
Further actions required	Negative impacts on services have been minimised this year. Social Care and School have been protected completely and only efficiencies of 1% requested from other services. A thorough process led by the Budget Board scrutinised all proposals.

Positive impacts identified:

Biodiversity and the natural environment	Proposals continue the investment in Carbon Zero 2030 and Biodiversity target
Biodiversity in the built environment	Proposals continue the investment in Carbon Zero 2030 and Biodiversity target
Reducing waste, reusing and recycling	
Reduced energy/fuel consumption	Proposals continue the investment in Carbon Zero 2030 and Biodiversity target
People's awareness of the environment and biodiversity	Proposals continue the investment in Carbon Zero 2030 and Biodiversity target
Flood risk management	Proposals include large investment in flood defences

Negative impacts identified:

Biodiversity and the natural environment	
Biodiversity in the built environment	
Reducing waste, reusing and recycling	
Reduced energy/fuel consumption	High impact schemes such as Highways and flood defences obviously increase Emissions, especially during the construction phase
People's awareness of the environment and biodiversity	
Flood risk management	

A healthier Denbighshire

Overall Impact	Neutral
Justification for impact	The Budget supports the key services to help deliver a healthier Denbighshire.
Further actions required	Negative impacts on services have been minimised this year. Social Care and School have been protected completely and only efficiencies of 1% requested from other services. A thorough process led by the Budget Board scrutinised all proposals.

Positive impacts identified:

A social and physical environment that encourage and support health and well-being	Proposals include £3.1m above inflation investment in Social Care
Access to good quality, healthy food	
People's emotional and mental well-being	
Access to healthcare	
Participation in leisure opportunities	Funding for DLL has been maintained at existing levels which will hopefully allow DLL to flourish, especially if Covid restrictions come to an end in 22/23

Negative impacts identified:

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

A more equal Denbighshire

Overall Impact	Neutral
Justification for impact	Whilst the Council Tax rise will increase the amount paid, it also allows the Council to increase funding to provision in key areas such as social care, waste services, children's services and schools and maintain service levels broadly. It also allows funding of a number of corporate priorities including Carbon Neutral targets, Flood Defence and investing in regeneration.
Further actions required	There will be an impact on the personal budgets of those who will not qualify for support: residents will pay more Council Tax - however there is support via the Council Tax reduction scheme for those who qualify for such support.

Positive impacts identified:

Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation	
People who suffer discrimination or disadvantage	
People affected by socio-economic disadvantage and unequal outcomes	Budget also includes provision to increase spending on the Council Tax Reduction Scheme which helps protect vulnerable residents from Council Tax
Areas affected by socio-economic disadvantage	

Negative impacts identified:

Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation	
People who suffer discrimination or disadvantage	
People affected by socio-economic disadvantage and unequal outcomes	Any Council Tax increase will impact on residents budgets, however the most vulnerable are protected
Areas affected by socio-economic disadvantage	

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

Positive impacts identified:

Safe communities and individuals	
Community participation and resilience	
The attractiveness of the area	The funding for biodiversity projects should help with attractiveness of the area.
Connected communities	Large investment in Highways infrastructure will help ensure communities feel connected
Rural resilience	Highways investment is particularly aimed to help the quality of the rural network

Negative impacts identified:

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

A Denbighshire of vibrant culture and thriving Welsh language

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

Positive impacts identified:

People using Welsh	The Council tax collection service and all correspondence is available through the medium of Welsh.
Promoting the Welsh language	
Culture and heritage	

Negative impacts identified:

People using Welsh	
Promoting the Welsh language	
Culture and heritage	

A globally responsible Denbighshire

Overall Impact	Positive
Justification for impact	The proposal to raise Council Tax supports a budget that allows service levels to be broadly maintained in 2021/22 and so should not therefore adversely impact supply chains. Significant investment also included for reducing climate change and coping with its impact.
Further actions required	Residents will pay more Council Tax - however there is support via the Council Tax Reduction Scheme for those who qualify for such support. For those who do not qualify for Council Tax Reduction Scheme support, the Council works closely and proactively with Citizens Advice to provide help and support with personal budgeting to those residents who may require it. Flexible payment options are available over ten or twelve months.

Positive impacts identified:

Local, national, international supply chains	The proposal allows for service levels to be broadly maintained during 2022/23.
Human rights	
Broader service provision in the local area or the region	It also allows funding of a number of corporate priorities including Carbon Neutral targets, Schools, Social Care, Flood defences and match funding for the Levelling-Up fund.
Reducing climate change	The budget continues the significant investment in trying to reduce climate change through the 2030 targets and also ensuring the Council is resilient to change which we already know is happening (eg flood defences)

Negative impacts identified:

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

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Report to	Cabinet
Date of meeting	18 th January 2022
Lead Member / Officer	Julian Thompson Hill
Report author	Steve Gadd, Head of Finance and Property
Title	Finance Report (December 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.

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 £1.641m (£1.349m 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 £2.666m 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 continues to ensure significant grant funding to help with Covid related pressures. So far eight expenditure claims for April to November have been submitted amounting to £5.85m. Two income claims amounting to £3.15m for quarters 1 and 2 have 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. Obviously this will depend on the still changing situation regarding the Omicron variant.

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 in future months.

- 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. However it should be noted that the non-teachers’ pay offer still has yet to be agreed and therefore remains a risk.

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 £4.179m, which represents a decrease of £1.491m on the balances brought forward into 2021/22 of £5.670m. There is a small underspend of £120k 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 £1.316m, which is £0.663m more than the £653k at the time the budget was approved. The Capital programme for 2021/22 currently stands at £29.3m is largely allocated between planned improvements to existing housing stock (£13m) and new build developments and acquisitions (£16m).

6.5 Treasury Management – At the end of December, the council’s borrowing totalled £241.621m at an average rate of 3.68%. Investment balances were £18.9m at an average rate of 0.04%.

6.6 A summary of the council's **Capital Plan** is enclosed as Appendix 3. The approved capital plan is £47.72m with expenditure to date of £22.3m. Appendix 4 provides an update on the major projects included in the overall Capital Plan.

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 Covid financial assistance has been confirmed for the whole of 2021/22 by Welsh Government. However it should be noted that some of the criteria have been tightened which may mean that services have to fund some additional pressures.

Monitoring continues to show 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 finalised as part of the on-going budget process.

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.

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Appendix 1

DENBIGHSHIRE COUNTY COUNCIL REVENUE BUDGET 2021/22

Dec-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	4,623	-1,362	3,261	5,517	-2,255	3,262	894	-894	0	0.00%	0
Education and Children's Service	17,145	32,994	-15,206	17,788	29,377	-10,986	18,391	-3,617	4,220	603	3.39%	529
Business Improvement and Modernisation	4,309	5,716	-1,121	4,595	6,447	-1,883	4,564	731	-762	-31	-0.67%	-37
Legal, HR and Democratic Services	2,384	3,988	-1,622	2,366	3,945	-1,624	2,321	-43	-2	-45	-1.90%	-45
Finance and Property	4,664	10,332	-4,603	5,729	10,422	-4,693	5,729	90	-90	0	0.00%	0
Highways and Environmental Services	17,074	30,149	-14,436	15,713	27,659	-11,292	16,367	-2,490	3,144	654	4.16%	442
Planning and Public Protection	9,748	16,794	-7,183	9,611	17,849	-7,774	10,075	1,055	-591	464	4.83%	464
Community Support Services	38,118	57,266	-17,399	39,867	58,964	-19,097	39,867	1,698	-1,698	0	0.00%	0
Leisure - Retained Budgets	3,346	3,273	0	3,273	3,269	0	3,269	-4	0	-4	-0.12%	-4
Total Services	100,113	165,135	-62,932	102,203	163,449	-59,604	103,845	-1,686	3,327	1,641	1.61%	1,349
Corporate	16,231	47,709	-29,271	18,438	47,719	-29,281	18,438	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
Total Corporate	34,854	67,945	-29,271	38,674	67,955	-29,281	38,674	10	-10	0	0.00%	0
Council Services & Corporate Budget	134,967	233,080	-92,203	140,877	231,404	-88,885	142,519	-1,676	3,317	1,641	1.16%	1,349
Schools & Non-delegated School Budgets	73,335	85,277	-9,336	75,941	87,109	-9,797	77,312	1,832	-461	1,371	1.81%	1,382
Total Council Budget	208,302	318,357	-101,539	216,818	318,513	-98,682	219,831	156	2,856	3,012	1.39%	2,731
Housing Revenue Account	213	17,606	-16,953	653	17,889	-16,573	1,316	283	380	663		663

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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	529	603	74	This Pressure all relates to high cost residential and Independent Fostering placements. The increase from last month's figure reported to Cabinet all relates to additional high cost residential and Independent Fostering placements. However the figures remain volatile at this stage and the service may well receive additional Welsh Government grant funding which may lower the overspend. 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.
Business Improvement and Modernisation	-37	-31	6	Underspend due to a vacancy savings. 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	-45	-45	0	The underspend relates the net effect of the detailed monitoring (eg vacancies).
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	442	654	212	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. The increase from last month relates mainly to an increase in increase in disposal fees with utilising Parc Adfer. Funding for this element of the pressure has been transferred into the settlement for next year and will be passported top the service.
Planning and Public Protection	464	464	0	As noted in previous reports the position with school transport wasn't going to be clear until the contracts for September school re-opening were finalised. the financial implications of those changes have been investigated in detail over the last few weeks and the current estimated overspend is estimated to be £464k. This is largely as a result of shortages of staff and increase in fuel prices which have meant that there are fewer providers and contract costs have increased. A pressure for School Transport has been included in the budget proposals going to Cabinet and Council in January. Planning income is still down on pre-pandemic levels but it is hoped this will increase over the coming months.
Community Support Services	0	0	0	Although an additional pressure of £2.4m was included in the budget for 2021/22 Homelessness in particular remains an area of pressure which is largely being claimed from teh Covid Hardship Fund. 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. There is a great deal of uncertainty around grant funding for pressures in the sector which will be monitored closely over the coming months, however the financial position in year indicates that financial pressures are being kept within current budget allocations this financial year.
Leisure - ADM	-4	-4	0	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 outturn is known. Any spare capacity this year is likely to be required to fulfill the investment target in Highways agreed by Council. It can now be confirmed that due to capital receipts received in year that £900k additional investment in Highways has been allocated.
Council Services & Corporate Budget	1,349	1,641	292	

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

APPENDIX 3

Position to end December 2021

	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
Capital Expenditure					
Total Estimated Payments - Other	24,699	31,641	10,597	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	3,830			
East Rhyl Coastal Defence Scheme	8,150	5,250	7,575		
Rhyl Waterfront and Waterpark		24			
Rhyl Queens Market Redevelopment	3,128	2,282	3,493	121	
Waste Service Remodelling	13,472	2,103	11,428		
Contingency	500	500	500	500	500
Total	54,475	47,721	33,593	971	500
Capital Financing					
External Funding	28,332	26,359	16,826	6,036	6,036
Receipts and Reserves	6,610	11,394	4,885	121	
Prudential Borrowing	19,533	9,968	17,418	350	
Unallocated Funding	0	0	(5,536)	(5,536)	(5,536)
Total Capital Financing	54,475	47,721	33,593	971	500

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

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Appendix 4 - Major Capital Projects Update – December 2021

21st Century Schools Programme – Ysgol Llanfair	
Total Budget	£4.964m
Expenditure to date	£4.962m
Estimated remaining spend in 21/22	£0.002m
Future Years estimated spend	£0.000m
Funding	WG £0.180m; DCC £4.784m
Narrative:	
<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. DCC Legal are awaiting confirmation from the diocese regarding the former sites registered title. We are currently awaiting further details on this matter before Legal will progress.</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

21st Century Schools Programme – Glasdir

Total Budget	£11.714m
Expenditure to date	£11.569m
Estimated remaining spend in 21/22	£0.145m
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, is 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
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21st Century Schools Programme – Rhyl, Christ the Word School	
Total Budget	£23.440m
Expenditure to date	£23.081m
Estimated remaining spend in 21/22	£ 0.359m
Future Years estimated spend	£ 0.000m
Funding	WG £5.541m; DCC £17.899m
Narrative:	
<p>This scheme is within the Band A proposals for 21st Century Schools Programme.</p> <p>There are still some outstanding snags; we are working closely with the contractor to get these items rectified as soon as possible.</p> <p>The football pitch at the front of the school continues to be monitored – this has not been handed over to us yet as we continue to work with the contractor to bring it up to a suitable standard.</p> <p>The programme and budget continues to be monitored closely as the project comes to an end.</p>	
Forecast In Year Expenditure 21/22	£0.391m

Rhyl Queens Market Redevelopment	
Total Budget	£10.922m
Expenditure to date	£6.204m
Estimated remaining spend in 21/22	£1.104m
Future Years estimated spend	£3.614m
Funding	WG £7.270m DCC Asbestos £0.252m. DCC £3.400m
Narrative:	
<p>The demolition contractor started on site in January 2021 but due to a number of issues including the identification of additional asbestos and structural/safety concerns bring all of the buildings down, the demolition is now scheduled to complete January 20th 2022.</p> <p>Wynne Construction have been appointed through the NWCP framework to deliver Phase 1 and are currently working up the detailed design. The initial cost plan received was significantly over budget and we are working with the design team to bring this down to a more reasonable figure. This will inevitably result in the project requiring further funding from Welsh Government and the Council.</p> <p>A report is due to go to the February 2022 Cabinet (and Briefing) seeking approval to let the contract for the development of Phase 1, but there will need to be a lot of work done beforehand to finalise the cost plan and source the remaining funding. If successful, work will start on site March 2022.</p>	
Forecast In Year Expenditure 21/22	£2.282m

Waste Service Remodelling	
Total Budget	£17.749m
Expenditure to date	£4.393m
Estimated remaining spend in 21/22	£0.541m
Future Years estimated spend	£12.815m
Funding	WG £9.544m , DCC £8.205m
Narrative:	
<p>A number of work streams are being taken forward to include:</p> <ul style="list-style-type: none"> • 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 5th 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/summer 2023 to support a subsequent roll out of the proposed new service model in 2023. • Specification of the new fleet required to support the new model has been completed following a number of trials / tests and routing of the new rounds with a tender for the new fleet issued in December 2021 for return in January 2022 to enable a subsequent award of contract to supply the new fleet in time for manufacture and delivery of the new fleet leading up to the planned new service roll out. <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

East Rhyl Coastal Defence Scheme	
Total Budget	£27.528m
Expenditure to date	£17.998m
Estimated remaining spend in 21/22	£1.955m
Future Years estimated spend	£7.575m
Funding	WG £23.400m; DCC £4.128m
Narrative:	
<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 95% complete. Top soiling and landscaping works are around 90% complete.</p>	
Forecast In Year Expenditure 21/22	£5.250m

Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
15 Feb	1	Regional Memory Assessment Service Invitation Tender	To seek final approval of the tender award	Yes	Councillor Bobby Feeley / Catrin Roberts / Catrin Perry
	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	Contract Award approval for new Waste Fleet to support new Waste Service Model	To award the contract for the new Waste Fleet	Yes	Councillor Brian Jones / Tony Ward / Chris Brown / Joanne Taylor
	4	Contract Award - Renovation of terraced houses at 2-16 Aquarium Street in Rhyl	To award a construction contract for housing development	Yes	Councillors Tony Thomas and Julian Thompson-Hill / Mark Dixon
	5	Proposed scheme of delegated decision making for land acquisition (freehold and leasehold) for carbon sequestration and ecological improvement purposes	A decision is required on whether or not to introduce the new scheme of delegated decision making as proposed	Yes	Councillor Brian Jones / Tony Thomas and Julian Thompson-Hill / Andrew Cutts / Alan Smith / Steve Gadd
	6	Recommendations of the Strategic Investment Group	To seek support of projects identified for inclusion in the 2022/23 Capital Plan.	Tbc	Councillor Julian Thompson-Hill / Steve Gadd / Richard Humphries
	7	Housing Support Programme Strategy	To seek approval of the Strategy.	Yes	Councillor Bobby Feeley / Ann Lloyd / Claire Owens / Nigel Jones

Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
	8	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Steve Gadd
	9	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
22 March					
	1	Contract Award approval for Phase 2 Construction Works – DCC Waste Transfer Station to support new Waste Service Model	To award the contract for Phase 2 construction works	Yes	Councillor Brian Jones / Tony Ward / Peter Clayton
	2	Denbighshire and Flintshire Joint Archives Project	To request Cabinet's authorisation in respect of Denbighshire County Council's proportion of the match funding contribution to the project, and authorisation to enter into a contract with Flintshire County Council relative to the future collaborative service arrangements, both of which are subject to the Heritage Lottery Fund's acceptance of	Yes	Councillor Tony Thomas / Craig Berry / Alan Smith

Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
			the recent grant submission		
	3	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Steve Gadd
	4	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
26 April					
	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Councillor Julian Thompson-Hill / Steve Gadd
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Scrutiny Coordinator
7 June					
	1	Council Performance Self-Assessment	To consider the Council's self-assessment of its performance in delivering against the council's strategic plan and services	Tbc	Iolo McGregor
	2	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Steve Gadd
	3	Items from Scrutiny Committees	To consider any issues	Tbc	Scrutiny Coordinator

Cabinet Forward Work Plan

Meeting	Item (description / title)	Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
		raised by Scrutiny for Cabinet's attention		

FUTURE ITEMS

22 Nov	Council Performance Update – July to September	To consider the Council's performance in delivering against the council's strategic plan and services	Iolo McGregor
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Note for officers – Cabinet Report Deadlines

<i>Meeting</i>	<i>Deadline</i>	<i>Meeting</i>	<i>Deadline</i>	<i>Meeting</i>	<i>Deadline</i>
<i>February</i>	<i>1 February</i>	<i>March</i>	<i>8 March</i>	<i>April</i>	<i>8 April</i>

Updated 11/01/2022 - KEJ

Cabinet Forward Work Programme.doc