

To: Members of the Cabinet

Date: 13 March 2024

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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, 19 MARCH 2024** in the **COUNCIL CHAMBER, COUNTY HALL, RUTHIN AND BY VIDEO CONFERENCE**.

Yours sincerely

G. Williams
Monitoring Officer

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 5 - 10)

To receive the minutes of the Cabinet meeting held on 20 February 2024 (copy enclosed).

5 RESIDENTIAL AND NURSING CARE HOME FEE SETTING 2024/25
(Pages 11 - 20)

To consider a report by Councillor Elen Heaton, Lead Member for Health and Social Care (copy enclosed) seeking Cabinet approval for the setting of care home fees for the financial year 2024/25.

6 FINANCE REPORT (Pages 21 - 34)

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

7 CABINET FORWARD WORK PROGRAMME (Pages 35 - 38)

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

MEMBERSHIP

Councillor Gwyneth Ellis
Councillor Gill German
Councillor Elen Heaton
Councillor Julie Matthews
Councillor Jason McLellan

Councillor Barry Mellor
Councillor Win Mullen-James
Councillor Rhys Thomas
Councillor Emrys Wynne

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Press and Libraries
Town and Community Councils

LOCAL GOVERNMENT ACT 2000

Code of Conduct for Members

DISCLOSURE AND REGISTRATION OF INTERESTS

I, *(name)*

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

Denbighshire County Council

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

*(*please delete as appropriate)*

Date of Disclosure:

Committee *(please specify)*:

Agenda Item No.

Subject Matter:

Nature of Interest:

*(See the note below)**

Signed

Date

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

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CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin and by video conference on Tuesday, 20 February 2024 at 10.00 am.

PRESENT

Councillors Jason McLellan, Leader and Lead Member for Economic Growth and Tackling Deprivation; Gill German, Deputy Leader and Lead Member for Education, Children and Families; Gwyneth Ellis, Lead Member for Finance, Performance and Strategic Assets; Elen Heaton, Lead Member for Health and Social Care; Julie Matthews, Lead Member for Corporate Strategy, Policy and Equalities; Barry Mellor, Lead Member for the Environment and Transport; Win Mullen-James, Lead Member for Local Development and Planning, Rhys Thomas, Lead Member for Housing and Communities, and Emrys Wynne, Lead Member for Welsh Language, Culture and Heritage

Observers: Councillors Bobby Feeley, Karen Edwards, Jon Harland, Alan James, Gareth Sandilands, and Andrea Tomlin

ALSO PRESENT

Chief Executive (GB); Corporate Directors: Social Services and Education (NS), Governance and Business/Monitoring Officer (GW), and Environment and Economy TW; Heads of Service: Finance and Audit (LT) and Housing and Communities Service (LG); Lead Officer for Housing Property (MC) and Committee Administrators (KEJ & SJ [Webcaster])

POINT OF NOTICE

Unfortunately, the Simultaneous Translator had been unavoidably delayed and therefore simultaneous translation facilities for the meeting would commence once she arrived.

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

No declaration of interest had been raised.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 23 January 2024 were submitted.

Matters Arising – Page 7, Item 5: Outcome of Communities Scrutiny Committee's Review of Cabinet's Decision relating to the Library/One Stop Shop Savings

Proposal – in response to a question from Councillor Gwyneth Ellis, Councillor Emrys Wynne confirmed that work to progress the commitments made in relation to the way forward for the library/one stop shop service had commenced. An informal meeting had taken place with officers to discuss the work of the taskforce and a formal meeting would be held in April to start the process which included monitoring the impact of cutting the opening hours and library usage, alternative delivery models and provision together with any additional opportunities to increase income and maximise the use of library buildings. Ultimately, that work would result in a new Library Strategy.

RESOLVED that the minutes of the meeting held on 23 January 2024 be received and confirmed as a correct record.

5 COUNCIL HOUSING VOIDS REFURBISHMENT FRAMEWORK

Councillor Rhys Thomas presented the report seeking Cabinet approval for the re-tendering of the Council's Housing Voids Refurbishment Framework.

The Housing Service managed approximately 3,480 tenanted properties with around 250 properties becoming void annually (empty while new tenants were allocated). Those properties were refurbished to the new lettable standard resulting in expenditure in excess of £4m per annum. The current framework had been authorised by Cabinet in 2018 to reduce cost and time spent on void housing works whilst maintaining quality standards. The second iteration of the framework had been designed to continue those improvements. The report included details of the framework and specifications including a 60/40 quality/price weighting with an expected value of £16m over four years and tenders split into 4 lots.

The Head of Housing and Communities Service and Lead Officer for Housing Property attended for this item. Cabinet was advised that void properties provided an ideal opportunity to undertake refurbishment works. However, the relatively small turnover of tenants, with some having lived in properties for decades before they were vacated, could result in some major refurbishment works required. There was also a need for works to be carried out as quickly as possible given the loss of rental income whilst properties were unoccupied, and the need to work to the new mandated Welsh Housing Quality Standards (WHQS) going forward. The framework provided an excellent opportunity to provide steady work for local contractors and expand their experience/abilities to meet modern housing needs.

Cabinet had been pleased to note that having nominated local contractors working with Denbighshire over the framework's lifetime had resulted in improved service delivery in terms of quality and value, and using local contractors resulted in monies staying in Denbighshire. It was also noted that the framework helped ensure faster turnaround times for both remedial works and tendering of new void works. The community benefits listed in the report and Wellbeing Impact Assessment was also welcomed with opportunities for training, apprenticeships, and job creation.

Officers responded to questions from Cabinet and other members as follows –

- the council was keen to maximise community benefits wherever possible and there were plans for housing services to be more proactive in measuring community benefits and how they impacted on tenants in particular; work was also ongoing with contractors through Working Denbighshire to support them in offering apprenticeships and workstart scheme placements, etc, together with physical works to community halls/spaces with such work completed at the Phoenix Centre in Rhydwen Drive used as an illustrative example
- the Community Resilience Team also worked with community groups and third sector organisations to help them draw down funding to achieve their ambitions in areas where there was potential to access funding for community benefits
- the Wellbeing Impact Assessment (WIA) had been completed as a group involving the Lead Officer for Housing Property, Principal Investment Housing Officer and Lead Officer – Corporate Property and Housing Stock. Whilst Denbighshire Tenants Association had not been directly involved in developing the WIA, they had been involved in terms of developing the new framework
- assurances were provided that the speed of completion of void housing works was closely monitored and challenged on a regular basis; the age and condition of the property, length of previous tenancy, and the requirements of the WHQS were all factors when considering the works required and impacted turnaround times; a breakdown of the type of work carried out was provided and new WHQS relating to flooring and affordable warmth; whilst the cost averaged £13k – 15k per property, costs of £60k on one property could easily be incurred
- in terms of energy efficiency and improvements, insulated plaster board and loft insulation could be included in void housing works and consideration was given to the EPC (Energy Performance Certificate) in a property due to the target for all homes to be EPC rated C by 2030; external wall insulation would generally be carried out as part of a larger scheme across a housing estate.

Councillor Rhys Thomas thanked the officers for their work. He highlighted that the Housing Revenue Account, which funded the void housing works, had also been impacted by the current economic and financial situation facing local authorities due to UK Government’s mismanagement, with increases in inflation and cost of building materials. Consequently, it would be increasing difficult to deliver all the improvements needed given the finances available to invest in housing works.

RESOLVED that Cabinet –

- (a) *confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1 to the report) as part of its consideration, and*
- (b) *approves the re-tendering of the Council Housing Voids Refurbishment Framework.*

6 RECOMMENDATIONS OF THE CAPITAL SCRUTINY GROUP

Councillor Gwyneth Ellis presented the report seeking Cabinet’s support of projects identified for inclusion in the 2024/25 Capital Plan, as recommended by the Capital Scrutiny Group, for submission to full Council for consideration and approval.

Cabinet was advised of the funding available for block allocations for on-going programmes of work together with the role of the Capital Scrutiny Group (CSG) and their work in reviewing bids for allocations. Details of the CSG's recommendations and reasoning for supporting specific projects had been included in the report. Given the scale of financial challenges facing the council a moratorium on any further DCC funded schemes for 2023/24 had been agreed and Cabinet and the Corporate Executive Team had developed revised principles and criteria for capital schemes in future years as set out in the report. Main points to note were the need for more reliance on grant funding, a focus on invest-to-save schemes, and a commitment to reduce annual borrowing through working towards approving block allocations that equated to the Welsh Government general capital funding available. The capital programme needed to be viewed in the context of the current financial challenges and a reduced programme had been suggested by members for consideration as part of the overall work to set balanced budgets in the future.

Councillor Gill German reported that the Modernising Education Board had acknowledged the huge amount of work carried out to draw down grant funding for school buildings which put the council in good stead. School buildings had also been impacted by the mismanagement of the UK economy with rising costs and inflation, and whilst there was a need to reduce capital expenditure given the financial situation, there had been significant spend on school buildings in recent years and coupled with the continued maximisation of grant funding allocations, there was confidence that a good standard of school buildings could be maintained.

Councillor Elen Heaton advocated the criteria/principles for capital schemes as set out in the report, which she believed helped address relatively immediate needs whilst also underscoring a commitment to long term planning resulting in a sensible and sustainable approach going forward. The Leader agreed, confirming the approach to capital schemes in response to huge financial pressures, particularly with invest-to-save schemes, tied in with both medium and long term planning.

RESOLVED that Cabinet –

- (a) *note the contents of the report;*
- (b) *approves the principles for capital schemes as set out in paragraph 4.3 of the report, and*
- (c) *supports the projects shown in Appendix 1 to the report for inclusion in the 2024/25 Capital Plan and recommends accordingly to full Council.*

7 FINANCE REPORT

Councillor Gwyneth Ellis presented the monthly report detailing the latest financial position and progress against the agreed budget strategy.

A summary of the Council's financial position was provided as follows –

- the net revenue budget for 2023/24 was £250.793m (£233.696m in 2022/23)
- an overspend of £2.840m was forecast for service and corporate budgets

- highlighted current risks and assumptions relating to corporate budgets and individual service areas
- detailed savings and efficiencies and increases in fees and charges (£8.172m)
- provided a general update on the Housing Revenue Account, Treasury Management, Capital Plan and major projects.

The Head of Finance and Audit guided members through the detail of the report. There had been a decrease in the forecasted overspend on service and corporate budgets at £2.840m compared to £3.229m the previous month with a positive movement of just under £390k. Main areas of overspend continued to be in Education and Children's Services, Highways and Environmental Services and Adults Social Care and Homelessness. This month there had been increased costs in winter maintenance and fleet which had been more than offset by further savings found by services and release of some corporate contingencies. The Housing Revenue Account had reported a slight increase in underspend at £126k from £108k due to a reduction in the revenue contribution to capital with a forecast year-end balance of just under £800k. There was no change this month in the forecasted use of reserves for schools which remained at just over £7m. The usual appendices had been included on the Capital Plan and major projects.

The Leader had been pleased to note the reduction in overspend but the council remained in a difficult financial position which had been reflected in the monthly report with obvious challenges ahead. He thanked the Lead Member, Head of Service and Finance Team for their continued hard work at this challenging time.

RESOLVED that Cabinet note the budgets set for 2023/24 and progress against the agreed strategy.

8 CABINET FORWARD WORK PROGRAMME

The Cabinet forward work programme was presented for consideration.

RESOLVED that Cabinet's forward work programme be noted.

The meeting concluded at 10.40 am.

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Report to	Cabinet
Date of meeting	19 th March 2024
Lead Member / Officer	Elen Heaton, Lead Member for Health and Social Care / Ann Lloyd, Head of Adult Social Care and Homelessness
Report author	Katie Newe, Service Manager - Care and Support / Liz Thomas Head of Finance and Audit
Title	Residential and Nursing Care Home Fee Setting 2024/25

1. What is the report about?

- 1.1. The report is about the setting of Residential and Nursing Care Home Fees for financial year 2024/25.
- 1.2. The report excludes the specialist residential and nursing home placements for Complex Disabilities and Mental Health citizens.

2. What is the reason for making this report?

- 2.1. To provide an update on engagement with Older People's residential and nursing home providers in respect of care home fees for financial year 2024/25.
- 2.2. To seek Cabinet approval for the setting of care home fees for the financial year 2024/25.

3. What are the Recommendations?

- 3.1 That Cabinet approve the setting of baseline care home fees for financial year 2024/25 in accordance with Table 1 at paragraph 4.5 of this report representing an 8.8% uplift.

4. Report details

- 4.1. As of December 2023, Denbighshire County Council commissioned 364 placements in 82 homes to provide care and support for Older People in Residential, EMI Residential, Nursing and EMI nursing placements which in this

financial year is projected to cost an estimated £13 million, out of a total of £39 million spent on care packages across the whole of Adult Social Care. A large proportion of these are fully / part-funded by Denbighshire; however, it is of note that some placements may also be joint-funded by BCUHB, including Funded Nursing Care (FNC).

4.2. The Regional Leadership Group (Formal sub-group of the Regional Partnership Board) agreed in 2023 that the Regional Fees Group ('the Fees Group') would work towards a consistent and transparent regional approach with the view to fully implementing it in 2024 / 25. As part of that agreement there were three main objectives agreed:

- to establish the Care Fees Group as a standing committee, of which DCC is a member;
- to agree the priority issues currently affecting the cost of care;
- to develop the evidence gathering process, recommend uplift mechanisms and establish the median cost of care, based on revisions to the current North Wales methodology.

The latter two points are still being worked through by the Fees Group ahead of fully implementing a new regional methodology to inform future fee increases across the Region. Denbighshire is committed to working with and has been fully engaged in meetings with the Fees Group.

4.3. During October 2023, DCC officers undertook an engagement exercise and met with a sample of providers, the key themes from those meetings can be found in Appendix 1.

4.4. A number of fee increase options have been considered together with provider feedback. The options are attached in Appendix 2. This ranged from doing nothing and leaving the care fees at the same level as agreed for 2023 / 24 through to an 8.8% uplift which would enable providers to pay the Real Living Wage to their care staff.

4.5. For 2024/25 fees, the approach used largely mirrors the previous year's regional methodology and includes considerations such as the Consumer Price Index and the Real Living Wage. The preferred option is outlined in table 1 below.

Table 1

	23/24	24/25	Weekly Increase	
Standard Residential	£711.83	£774.47	£62.64	8.80%
EMI Residential	£743.18	£808.58	£65.40	8.80%
Standard Nursing*	£782.91	£851.81	£68.90	8.80%
EMI Nursing*	£845.63	£920.05	£74.42	8.80%

* Including LA-Funded FNC – 2023/24 is £8.37 per person per week

4.6. The fees offer (Table 1) was sent to Providers in early December 2023 and they were invited to engage in an open book exercise between 15th January and the 30th January 2024.

4.7. Since we wrote to providers in December, nine providers (representing eleven homes) have made contact via email or letter. Of these, three have met with us to discuss fees further. There has been no communication from the majority of providers, but the offer of an open book exercise remains, and we can enter into discussions with providers at any point.

4.8. Through these meetings, it has not been possible to draw a conclusion about the reasonableness of individual provider costs due to the limited engagement of providers we commission with, which would give us the 'bigger picture'. We remain optimistic that the regional fees groups will address this issue for future years as it continues to develop fee setting methodology that provides a consistent and transparent regional approach.

5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?

5.1. The decisions around residential and nursing homes fees contributes to the following themes of the Corporate Plan;

5.1.1. A prosperous Denbighshire

Care Home fees are paid to individual providers in the private and third sector, thus supporting the growth of the local social economy and providing local jobs.

5.1.2. A well-run, high performing council

Fee levels are informed and set following engagement with providers, fostering a culture that welcomes fair and appropriate challenge. The process of fee setting ensures value for money is embedded within the organisational culture and decisions are balanced by considering service quality and social value.

5.2. This decision/information has a neutral contribution to the Council becoming Net Carbon Zero and Ecologically Positive by 2030.

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

6.1. Costs of the various options are outlined within Appendix 2. The recommended 8.8% monetary uplift costing £1.023 million and is within the budget provision already made for 2024/25.

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

7.1. N/A

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

8.1. Consultation with providers as detailed in section 4.3 & 4.7.

8.2. Denbighshire Social Work teams were consulted during this process and have confirmed that placements are regularly reviewed in accordance with the Social Services and Wellbeing Act. Consideration is given to choice and control, availability and price.

8.3. CET and Cabinet Briefing have both received regular fee setting updates.

8.4. Views have been sought from finance colleagues throughout the fee setting process.

8.5. A separate report was presented to Communities Scrutiny Committee in September 2023, detailing engagement with Care Forum Wales, who represent some of the care providers in Denbighshire.

9. Chief Finance Officer Statement

9.1. The estimated cost increase of the recommended fee has been factored into the overall budget pressure for 2024/25 Adult Social Care and homelessness;

however, this figure is subject to change as the option to engage in the open book exercise remains open to providers.

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

- 10.1. Due to the limited supply of affordable care homes we are restricted in terms of securing better value for money in the sector.
- 10.2. Not having sufficient care placements could result in an increase of delayed pathways of care from hospital, impacting on citizens and partnership working. We will continue to work with BCUHB colleagues to ensure the prevention of over prescribing care and facilitating preventative interventions wherever possible.
- 10.3. There is risk of a reduction in Denbighshire's Residential and Nursing Home capacity if providers withdraw or decide not to invest in the local care market. Longer term, we would hope we can mitigate against this with the continuing development of the rebalancing social care agenda in Denbighshire.
- 10.4. There is a risk that some providers will choose only to offer bed placements to self-funders or higher paying Local Authorities.

11. Power to make the decision

- Cabinet's powers with respect to this matter are set out in:
- Section 21 of the Local Government Act 2000
- Table 4 Section 13 Council Constitution
- Section 114 b Social Services and Well-Being Act 2014

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Appendix 1 – Feedback from Engagement with Providers Oct 2023

- All providers cited staff pay, recruitment and retention as the largest pressure on costs
- Some providers feel that the requirements for carers to register with Social Care Wales will see more pressures on time/finance as well as some workers leaving the sector.
- There are varied borrowing / finance arrangements for homes, these arrangements, interest rates and business models impact greatly on what providers see as their bottom line.
- Smaller homes have tighter margins, meaning even one or two voids could erode any profits.
- Some homes reported utility costs as having an impact on their running costs. Others said that they were in fixed term contracts, meaning they have yet to feel the impact of any increases.
- Other costs impacting care homes include a rise in insurance premiums and a rise in food costs.
- Queries raised in relation to whether the aspirations of the Social Services and Wellbeing Act are truly reflected in the methodology used to calculate fees, questioning whether Welsh Government are actually willing to pay what it would cost to deliver under the Act.
- There is a genuine appetite for more engagement with the Local Authority, all providers said that they would welcome a relaunch of the Provider Forum.

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Appendix 2 – Fee Uplift Options

OPTION A

Do nothing and continue to pay care fees at the same rate as in 2023 / 24 which will continue to incur costs of circa £13 million per annum based on 364 placements currently commissioned

OPTION B

This option offers a 3% straight uplift across all four care fees which, at the time, mirrored the anticipated inflationary uplift of the Revenue Support Grant funding offer from Welsh Government for 24/25.

Option B	23 / 24	24 / 25	Weekly Increase	
Standard Residential	£711.83	£733.18	£21.35	3.00%
EMI Residential	£743.18	£765.48	£22.30	3.00%
Standard Nursing*	£782.91	£806.40	£23.49	3.00%
EMI Nursing*	£845.63	£870.00	£25.37	3.00%

**Including LA-Funded FNC – 2023 / 24 is £8.37 p/p p/wk.*

This would cost an estimated additional **£348,882**.

OPTION C

This proposal reflects the 6.3% CPI inflation as at September 2023.

Option C	23 / 24	24 / 25	Weekly Increase	
Standard Residential	£711.83	£756.68	£44.88	6.30%
EMI Residential	£743.18	£790.00	£46.82	6.30%
Standard Nursing*	£782.91	£832.23	£49.32	6.30%
EMI Nursing*	£845.63	£898.90	£53.27	6.30%

**Including LA-Funded FNC – 2023 / 24 is £8.37 p/p p/wk.*

This would cost an estimated additional **£732,653**.

OPTION D

This proposal offers a monetary uplift of 8.80%, which takes into account the 10% increase in the Real Living Wage from £10.90 per hour to £12.00 per hour.

Option D	23 / 24	24 / 25	Weekly Increase	
Standard Residential	£711.83	£774.47	£62.64	8.80%
EMI Residential	£743.18	£808.58	£65.40	8.80%
Standard Nursing*	£782.91	£851.81	£68.90	8.80%
EMI Nursing*	£845.63	£920.05	£74.42	8.80%

**Including LA-Funded FNC – 2023 / 24 is £8.37 p/p p/wk.*

This would cost an estimated additional **£1.023m**.

Report to	Cabinet
Date of meeting	19 March 2024
Lead Member / Officer	Councillor Gwyneth Ellis, Lead Member for Finance, Performance and Strategic Assets / Liz Thomas, Head of Finance and Audit
Report author	Liz Thomas, Head of Finance and Audit
Title	Finance Report (February 2023/24)

1. What is the report about?

The report gives details of the council's revenue budget and savings as agreed for 2023/24. 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 2023/24.

3. What are the Recommendations?

3.1 Members note the budgets set for 2023/24 and progress against the agreed strategy.

4. Report details

4.1 The report provides a summary of the council's revenue budget for 2023/24 detailed in Appendix 1. The council's net revenue budget is £250.793m (£233.696m in 22/23). The position on service and corporate budgets is a forecast overspend of £2.780m (£2.840m overspend last month) due mostly to pressures within Adults Social Care and Homelessness, Children's Services, and Highways and Environmental Services. The

budget mitigation reserve will cover this overspend in the current year, however that reduces the resources available to meet unforeseen pressures in future years. Services continue to review expenditure and income in their areas to mitigate the impact of the overall budget overspend. Narrative around the current risks and assumptions underlying this assessment are outlined in Section 6 and Appendix 2.

The 2023/24 budget required service savings and efficiencies of £8.172m to be identified and these have been monitored as part of the overall budget monitoring process.

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 Corporate Budgets – It is estimated corporate contingencies of £893k and capital financing budget of £750k can be released. Contingencies are held until the appropriate time when there is greater certainty on actual outturn costs which will become clearer over the next few weeks.

6.2 Education and Children's Service – Although an additional pressure of £2.7m was included in the budget for 2023/24 this service area remains a risk. The current outturn prediction is £2.494m overspend (previously £2.452m) due to pressures in children's social care (£2.498m), and a small surplus in Education services (-£4k) reduced this month due to increased costs for additional learning needs.

6.3 Adult Social Care and Homelessness – Although an additional pressure of £8.187m was included in the budget for 2023/24 this service remains an area of concern. The current outturn prediction is £1.854m overspend (previously £1.885m) due to pressures in Adult Social Care (£1.196m) and in Homelessness (£0.658m). Increased pressures within Adult Social Care this month are offset by a reduction in Homelessness costs.

6.4 Schools - The budget agreed by Council for 2023/24 included a total net additional investment (excluding increases in Welsh Government grants) in schools delegated budgets of £3.03m. The latest projection for school balances to be carried forward into 2024/25 is a net credit balance of £1.773m, which represents a decrease of £7.166m on the balances brought forward into 2023/24 of £8.939m. Much of the movement is as expected as the high opening balances were mainly due to receipt of one-off funding to be spent on catch-up and recovery programmes in school. There is a small underspend of £140k on non-delegated school budgets.

6.5 The Housing Revenue Account (HRA). The latest revenue position assumes a decrease in balances at year end of £812k compared to £922k at the time the budget was approved. This movement relates to a reduction in estimated rental income offset by a reduced contribution to the HRA capital programme. HRA balances are therefore forecast to be £756k at the end of the year. The Capital budget of £17m is largely allocated between planned improvements to existing housing stock (£9m) and new build developments and acquisitions (£8m).

6.6 Treasury Management – At the end of February, the council's borrowing totalled £300.143m at an average rate of 4.40% and our investments were £9.2m at an average rate of 5.16%.

6.7 A summary of the council's **Capital Plan** is enclosed as Appendix 3. The approved capital plan is £93m with expenditure to date of £65.6m. 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 31 January 2023.

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.

9. Chief Finance Officer Statement

The substantial level of overspend across services is a grave concern. All services were asked to find in-year savings by ceasing non-essential spending and delaying expenditure where possible. The earmarked Budget Mitigation reserve will be used to support the overspend, but the overall position mean continued positive management action is required to reduce in-year expenditure. Significant investment has gone into these specific service areas in recent years and the demand pressures remain for the services. Substantial work has been undertaken to set a balanced budget for 2024/25 and the saving proposals will be closely monitored throughout the year.

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

This remains a particularly challenging financial period and these specific service issues, along with inflationary pressures across all services, are becoming increasingly hard to finance as our funding fails to keep up with inflationary, service, and demographic pressures. The level of budget pressures in year reduces our level of contingencies for the future and puts pressure on the financial resilience of the Council when faced with the financial position projected within the Medium Term Financial Plan. Although the financial outlook looks uncertain, the Council has a robust Budget Process in place which will help identify these pressures and identify savings and methods of funding which will help maintain the Council's financial health going forward.

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

DENBIGHSHIRE COUNTY COUNCIL REVENUE BUDGET 2023/24

Feb-24	Net Budget	Budget 2023/24			Projected Outturn							Variance
	2022/23	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net	Net	Previous Report
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
Housing and Communities	2,755	3,615	-793	2,822	4,237	-1,593	2,644	622	-800	-178	-6.31%	-193
Education and Children's Service	19,160	39,140	-17,124	22,016	37,411	-12,901	24,510	-1,729	4,223	2,494	11.33%	2,452
Corporate Support: Performance, Digital, Assets	6,966	11,854	-3,830	8,024	13,923	-6,291	7,632	2,069	-2,461	-392	-4.89%	-327
Corporate Support: People	3,868	6,304	-1,953	4,351	6,168	-1,994	4,174	-136	-41	-177	-4.07%	-184
Finance and Audit	3,323	5,324	-2,124	3,200	5,668	-2,620	3,048	344	-496	-152	-4.75%	-162
Highways and Environmental Services	17,275	30,928	-12,562	18,366	35,219	-15,698	19,521	4,291	-3,136	1,155	6.29%	1,153
Planning, Public Protection and Countryside	11,168	19,630	-7,480	12,150	20,307	-8,333	11,974	677	-853	-176	-1.45%	-136
Adult Social Care and Homelessness	44,174	74,291	-21,894	52,397	72,458	-18,207	54,251	-1,833	3,687	1,854	3.54%	1,885
Leisure - Retained Budgets	3,654	3,402	0	3,402	3,397	0	3,397	-5	0	-5	-0.15%	-5
Total Services	112,343	194,488	-67,760	126,728	198,788	-67,637	131,151	4,300	123	4,423	3.49%	4,483
Corporate	17,699	47,556	-29,271	18,285	46,663	-29,271	17,392	-893	0	-893	-4.88%	-893
Predictions & Levies	5,381	6,064	0	6,064	6,064	0	6,064	0	0	0	0.00%	0
Capital Financing	15,943	15,243	0	15,243	14,493	0	14,493	-750	0	-750	-4.92%	-750
Total Corporate	39,023	68,863	-29,271	39,592	67,220	-29,271	37,949	-1,643	0	-1,643	-4.15%	-1,643
Council Services & Corporate Budget	151,366	263,351	-97,031	166,320	266,008	-96,908	169,100	2,657	123	2,780	1.67%	2,840
Schools & Non-delegated School Budgets	82,330	93,636	-9,163	84,473	101,988	-10,489	91,499	8,352	-1,326	7,026	8.32%	7,054
Total Council Budget	233,696	356,987	-106,194	250,793	367,996	-107,397	260,599	11,009	-1,203	9,806	3.91%	9,894
Housing Revenue Account	4	19,302	-18,380	922	18,729	-17,917	812	-573	463	-110		-126

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Appendix 2 - Service Variance Narrative

Service	Variance Last Month £000	Variance This Month £000	Change £000	Description
Housing and Communities	-193	-178	15	Underspend due to vacancy management and maximisation of grants offset this month by minor variances.
Education and Children's Service	2,452	2,494	42	See body of report for summary. Overspend in children's social care (£2.498m) due to more complex placements with increased costs and increase in number of independent fostering placements and increasing this month (£8k). All placements have been costed to realistic timescales, however no allowance has been made for any new or changes to placements for this year. Underspend in Education services (-£4k) due to grant maximisation offset by further costs this month (£34k) in Additional Learning Needs.
Corporate Support: Performance, Digital, Assets	-327	-392	-65	Underspend due to in-year savings from vacancy management, reduced spend on supplies and income maximisation further increased this month by income from grants and fees & charges.
Corporate Support: People	-184	-177	7	Underspend due to vacancy management offset this month by minor variances.
Finance and Audit	-162	-152	10	Underspend due to vacancy management and maximisation of grants offset this month by minor variances.
Highways and Environmental Services	1,153	1,155	2	Overspend due to pressures in highways maintenance including winter maintenance, streetscene fleet vehicles cost, and waste services.
Planning, Public Protection and Countryside	-136	-176	-40	Underspend due to vacancy management and higher level of income, further increased this month by in year efficiencies.
Adult Social Care and Homelessness	1,885	1,854	-31	See body of report for summary. The £1.854m overspend is due to an overall pressure in Adult Social Care (£1.196m) and in Homelessness (£0.658m). The pressures in Adult Social Care increased this month (£155k) with further pressure in mental health services. The pressures in Homelessness due to average length of stay and rate per night in temporary accommodation reduced this month (-£186k) due to grant maximisation and reduced staffing costs.
Leisure - Retained Budgets	-5	-5	0	Minor variances
Corporate & Miscellaneous	-893	-893	0	Release of contingencies; pay, energy and general inflation. See body of report for details
Precepts & Levies	0	0	0	See body of report for details
Capital Financing	-750	-750	0	Reduced capital financing costs in-year due to delayed expenditure on some capital projects. The position on capital financing is very much related to progress on capital projects and variances do not fully crystallise until the final outturn is known. Whilst in previous years any underspend on this budget has been carried forward to help support the capital programme, this will not be possible this year due to the level of overspend currently being reported on revenue.
Council Services & Corporate Budget	2,840	2,780	-60	

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Denbighshire County Council - Capital Plan 2022/23 - 2025/26

APPENDIX 3

Position to end February 2024

	2022/23 OUTTURN POSITION £000s	2023/24 ORIGINAL ESTIMATE £000s	2023/24 LATEST ESTIMATE £000s	2024/25 LATEST ESTIMATE £000s	2025/26 LATEST ESTIMATE £000s
<u>Capital Expenditure</u>					
Total Estimated Payments - Other	25,658	22,464	33,422	31,745	5,656
Total Estimated Payments - Major Projects:					
Housing Improvement Grants	1,303	1,500	1,918	1,500	0
Highways Maintenance	4,713	4,713	4,021	3,680	0
Central Prestatyn Coastal Defence Scheme	496	16,420	11,240	9,199	5,159
Central Rhyl Coastal Defence Scheme	626	35,052	31,736	24,340	9,324
Rhyl Queens Market Redevelopment	3,662	2,848	2,621	263	0
Waste Service Remodelling	4,372	8,847	7,687	4,000	0
Contingency		500	329	171	
Total	40,830	92,344	92,974	74,898	20,139
<u>Capital Financing</u>					
External Funding	26,922	21,253	29,422	24,534	5,497
Receipts and Reserves	2,329	3,980	6,862	915	0
Prudentia	11,579	67,111	56,690	49,449	14,642
Unallocated Funding	0	0	0	0	0
Total Capital Financing	40,830	92,344	92,974	74,898	20,139

Note: 2023/24 Original Estimate is the position as approved by Council on 28 February 2023

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Major Capital Projects Update – February 2024

Rhyl Queens Market Redevelopment	
Total Budget	£13.253m
Expenditure to date	£12.850m
Estimated remaining spend in 23/24	£0.140m
Future Years' estimated spend	£0.263m
Funding	WG £8.060m DCC Asbestos £0.272m. DCC £4.921m
Narrative: The Queen's Market was handed over to the Council February 20 th 2024. Negotiations with our preferred operator have ceased, and an alternative option to operating the Queen's Market is being progressed. The Council's Facilities Management Team will be responsible for the building in the interim, with the support of the Housing Maintenance Team.	
Forecast In Year Expenditure 23/24	£2.621m

Waste Service Re-modelling	
Total Budget	£21.992m
Expenditure to date	£16.489m
Estimated remaining spend in 23/24	£0.851m
Future Years estimated spend	£4.652m
Funding	WG £12.022m, DCC £9.970m
Narrative:	
<p>A number of work streams are being taken forward including:</p> <ul style="list-style-type: none"> • Work is ongoing with Phase 2 of the construction of the new waste transfer station (WTS) at the Colomendy Industrial Estate in Denbigh. Completion is currently anticipated c. end of March 2024. • Permit application for new WTS - NRW issued a Permit on 14th December 2023. • In advance of the main service change, a roll out of AHP weekly collections for those who wish to sign up was launched at the end of September 2023 in an initial Pilot area (LL16 / LL17). Sign-up launched County wide in January 2024 for implementation in June 2024 in conjunction with the switch to the new recycling collections model. • Specification and procurement of the new fleet required to support the new model has been completed with delivery of this new fleet from start of 2024 ahead of the roll out of the new service to allow for commissioning and training on the new fleet before it goes operational in June. • A number of mobilisation and communication activities are ongoing to prepare for the service change and include finalising collection routes; recruitment and onboarding new staff required and ongoing engagement and communication with stakeholders and residents. • Procurement of the new containers complete and deliveries to Households commenced 23rd February and will continue through to late May ahead of Go Live in early June. • Go Live of new service model from 03rd June 2024. 	
Forecast In Year Expenditure 23/24	£7.687m

Sustainable Communities for Learning – Band B	
Total Budget	£51.9m
Expenditure to date	£1.176m
Estimated remaining spend in 23/24	£0.295m
Future Years' estimated spend	£50.429m
Funding	WG £36.1m, DCC £15.8m
Narrative:	
<p>The various schemes included within Band B of the Sustainable Communities for Learning Programme in partnership with Welsh Government are progressing as follows.</p> <p>Ysgol Plas Brondyffryn In September 2023 Cabinet approved to proceed to submit a planning application for development on the Ystrad Road site. Work on the project is progressing with a view to a formal submission of the planning application during the spring of 2024 which would enable determination during the summer of 2024.</p> <p>The Denbigh High project is linked to the Ysgol Plas Brondyffryn scheme. The design brief is currently being developed with the view of commissioning concept designs for the site. As part of the process discussions are taking place with the school. The final concept design will not be decided until the outcome of the Ysgol Plas Brondyffryn planning application is known.</p> <p>Ysgol Bryn Collen / Ysgol Gwernant in Llangollen Further design work has been commissioned to progress the project and the findings will be reported to programme board in the summer of 2024.</p> <p>Ysgol Pendref Further feasibility work has taken place with input from the school. The output of this work will be the creation of a concept design which identifies the preferred solution for the project.</p> <p>All the projects under Band B are required to meet Net Carbon Zero requirements and Welsh Government have agreed to meet these additional costs to an agreed benchmark. Discussions have also taken place with Welsh Government regarding likely cost pressures for individual projects and how this will impact on the overall programme affordability.</p> <p>The four Band B projects will be considered as part of the next phase of the delivery of Sustainable Communities for Learning Programme whereby a rolling programme of projects will be submitted to Welsh Government. A report will be presented to Cabinet which seeks approval for the submission of the Strategic Outline Programme for the Sustainable Communities for Learning programme to the Welsh Government for their consideration.</p>	
Forecast In Year Expenditure 23/24	£0.518m

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Cabinet Forward Work Plan

Meeting		Item (description / title)	Purpose of Report	Decision required (yes/no)	Author – Lead member and contact officer	Date Entered / Updated By
23 April	1	North East Wales Archive Project	To update Cabinet in respect of the NLHF application outcome, and to seek a decision re the next steps	Yes	Cllr Emrys Wynne Lead Officer/Report Author – Liz Grieve/ Craig Berry, Sian Lloyd Price	
	2	Denbighshire's draft Local Housing Market Assessment	To seek Cabinet approval of the assessment for submission to Welsh Government	Yes	Cllr Rhys Thomas Lead Officer/Report Author – Angela Loftus/Sue Lewis	
	3	Sustainable Communities for Learning – Rolling Programme	To approve the draft proposals for the next stage of the Sustainable Communities for Learning programme for submission to Welsh Government	Yes	Cllr Gill German Lead Officer/Report Author – Geraint Davies/James Curran	
	4	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author Liz Thomas	Standing Item
	5	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Lead Officer – Scrutiny Coordinators	Standing Item
21 May	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author Liz Thomas	Standing Item
	2	Items from Scrutiny Committees	To consider any issues raised by	Tbc	Lead Officer –	Standing Item

Cabinet Forward Work Plan

Meeting		Item (description / title)	Purpose of Report	Decision required (yes/no)	Author – Lead member and contact officer	Date Entered / Updated By
			Scrutiny for Cabinet's attention		Scrutiny Coordinators	
25 June	1	Council Performance Self-Assessment 2023 to 2024 (year-end)	To consider a report by the Strategic Planning Team for Council to approve the Performance Self-Assessment 2023 to 2024.	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author – Helen Vaughan-Evans / Iolo McGregor, Emma Horan	
	2	Reviewed and updated Denbighshire County Council's Climate and Ecological Change Strategy (2021-2030)	To consider the reviewed and updated Climate and Ecological Change Strategy prior to its submission to Council for approval	Yes	Cllr Barry Mellor Lead Officer/Report Author – Gary Williams / Liz Wilcox-Jones / Helen Vaughan-Evans	
	3	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author Liz Thomas	Standing Item
	4	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Lead Officer – Scrutiny Coordinators	Standing Item
30 July	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author Liz Thomas	Standing Item
	2	Items from Scrutiny Committees	To consider any issues raised by	Tbc	Lead Officer –	Standing Item

Cabinet Forward Work Plan

Meeting		Item (description / title)	Purpose of Report	Decision required (yes/no)	Author – Lead member and contact officer	Date Entered / Updated By
			Scrutiny for Cabinet's attention		Scrutiny Coordinators	
24 Sept	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author Liz Thomas	Standing Item
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Lead Officer – Scrutiny Coordinators	Standing Item
22 Oct	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author Liz Thomas	Standing Item
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Lead Officer – Scrutiny Coordinators	Standing Item
19 Nov	1	Council Performance Self-Assessment Update – July to September (QPR2)	To consider a report by the Strategic Planning Team for Council to approve the Performance Self-Assessment July to September	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author – Helen Vaughan-Evans/lolo McGregor, Emma Horan	
	2	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author Liz Thomas	Standing Item

Cabinet Forward Work Plan

Meeting	Item (description / title)		Purpose of Report	Decision required (yes/no)	Author – Lead member and contact officer	Date Entered / Updated By
	3	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet’s attention	Tbc	Lead Officer – Scrutiny Coordinators	Standing Item
17 Dec	1	Finance Report	To update Cabinet on the current financial position of the Council	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author Liz Thomas	Standing Item
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet’s attention	Tbc	Lead Officer – Scrutiny Coordinators	Standing Item

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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>19 March</i>	5 March	<i>23 April</i>	9 April	<i>21 May</i>	7 May

Updated 26/02/2024 – KEJ

Cabinet Forward Work Programme.doc