

To: Members of the Cabinet

Date: 16 October 2024

Direct Dial: 01824712568

e-mail: democratic@denbighshire.gov.uk

Dear Councillor

You are invited to attend a meeting of the **CABINET** to be held at **10.00 am** on **TUESDAY, 22 OCTOBER 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 7 - 12)

To receive the minutes of the Cabinet meeting held on 24 September 2024 (copy enclosed).

5 FEE CHARGING PROVISIONS AND DELEGATED AUTHORITY - MANDATORY LICENSING SCHEME FOR SPECIAL PROCEDURES (Pages 13 - 38)

To consider a report by Councillor Alan James, Lead Member for Local Development and Planning (copy enclosed) seeking Cabinet approval to adopt the national agreed fees structure for the new Special Mandatory Licensing Scheme and delegate powers contained in the Public Health (Wales) Act 2017 to the Head of Planning, Public Protection and Countryside Services.

6 ASSET MANAGEMENT STRATEGY 2024 - 2029 (Pages 39 - 84)

To consider a report by Councillor Gwyneth Ellis, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) presenting the Asset Management Strategy 2024 – 2029 for adoption.

7 SECOND HOME / LONG TERM EMPTY COUNCIL TAX PREMIUM (Pages 85 - 90)

To consider a report by Councillor Gwyneth Ellis, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) seeking Cabinet's endorsement of the Council's charging policy for 1 April 2025 and approval of the proposed timeline to review the policy for 2026/27.

8 UPDATE TO MEDIUM TERM FINANCIAL STRATEGY AND PLAN FOR 2025/26 - 2027/28 (Pages 91 - 116)

To consider a report by Councillor Gwyneth Ellis, Lead Member for Finance, Performance and Strategic Assets (copy enclosed) seeking Cabinet approval of the Medium Term Financial Strategy and Medium Term Financial Plan, and consideration of the early savings proposals for setting the 2025/26 budget.

9 FINANCE REPORT (Pages 117 - 134)

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.

10 REPLACEMENT OF THE SOCIAL CARE INFORMATION MANAGEMENT SYSTEM - CONTRACT AWARD (Pages 135 - 150)

To consider a joint report **(which includes confidential appendices)** by Councillors Julie Matthews, Deputy Leader and Lead Member for Corporate Strategy, Policy and Equalities, Elen Heaton, Lead Member for Health and Social Care, and Diane King, Lead Member for Education, Children and Families (copy enclosed) seeking Cabinet approval of the contract award and continued participation in the national Connecting Care Programme.

11 CABINET FORWARD WORK PROGRAMME (Pages 151 - 156)

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

MEMBERSHIP

Councillor Gwyneth Ellis
Councillor Elen Heaton
Councillor Alan James
Councillor Diane King
Councillor Julie Matthews

Councillor Jason McLellan
Councillor Barry Mellor
Councillor Rhys Thomas
Councillor Emrys Wynne

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LOCAL GOVERNMENT ACT 2000

Code of Conduct for Members

DISCLOSURE AND REGISTRATION OF INTERESTS

I, *(name)*

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

Denbighshire County Council

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

*(*please delete as appropriate)*

Date of Disclosure:

Committee *(please specify)*:

Agenda Item No.

Subject Matter:

Nature of Interest:

*(See the note below)**

Signed

Date

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

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CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin and by video conference on Tuesday, 24 September 2024 at 10.00 am.

PRESENT

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

Observers: Councillors Michelle Blakeley-Walker, Joan Butterfield, Justine Evans, Bobby Feeley, Huw Hilditch-Roberts, Brian Jones, and Cheryl Williams

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 Corporate Support Services: Performance, Digital and Assets (HVE); Climate Change Manager (JH), and Committee Administrators (KEJ & NPH [Webcaster])

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

No declarations of interest had been made.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 30 July 2024 were submitted.

Matters Arising – Page 9: Item 7 UK Government Levelling Up Funding Award (Round 3) – Vale of Clwyd Constituency – in response to a question from Councillor Brian Jones, the Leader advised that an announcement would be made in October as part of the UK Government's Spending Review in relation to funding and timelines.

RESOLVED that the minutes of the meeting held on 30 July 2024 be received and confirmed as a correct record.

5 DENBIGHSHIRE'S LOCAL AREA ENERGY PLAN

Councillor Barry Mellor presented the report seeking Cabinet's endorsement of the Denbighshire Local Area Energy Plan (LAEP) Main Report and Technical Report. The LAEP had been developed as part of a Welsh Government Project.

The LAEP was a data driven, whole energy system setting out a route for the local area towards meeting net zero targets as part of a coordinated approach. Ambition North Wales were managing a contract with consultants developing the LAEP for Denbighshire and other North Wales counties and the plans would fall under the ownership of each local authority in Wales. All LAEPs would be aggregated to inform the development of the National Energy Plan. The LAEP had been reviewed by the Greener Denbighshire Board, the Cross-Party Political Working Group (Climate Change and Ecological Emergency), Strategic Planning Group and Communities Scrutiny Committee and the report included that feedback. Next steps included a Members Briefing on the LAEP, the development of a delivery/monitoring mechanism to progress LAEP actions, and a review of the Plan in approximately five years' time.

Cabinet was advised that the LAEP included high-level indicative costs with actions assigned to many organisations. The actions assigned to the Council aligned with Climate and Nature Strategy and were subject to securing and maintaining necessary funding. Delivery of the actions would be for a wide range of stakeholders and subject to sufficient political and financial support.

The Head of Corporate Support Services: Performance, Digital and Assets and the Climate Change Manager were also in attendance for this item.

Cabinet considered the comprehensive report acknowledging the importance of the LAEP and collaborative approach in delivering on the ambitions for net zero targets.

Main areas of debate focused on the following –

- whilst there was one Wellbeing Impact Assessment (WBIA) covering the whole plan it was a high level assessment focused on broad areas whereas individual projects would likely require a further WBIA and suitability sized or specific feasibility study to identify what needed to be done and the impacts
- questions were raised regarding the uptake of particular energy systems in private properties, such as rooftop solar panels, etc. and assurances sought that they were accurately captured to be included in future reports. Officers confirmed that, as part of the process, the Carbon Trust had used open source data to ensure insulation in private properties was included as part of the baseline of the report. However, the report had highlighted the need for a level of monitoring and oversight of those energy systems and as a North Wales region further work was intended to explore tracking with the Welsh Government through Ambition North Wales to inform that work and engagement with private home developers and private homeowners. The need to have mechanisms in place to allow all people the opportunity to contribute was highlighted
- the fast pace of change was acknowledged and given the number of different factors and variables feeding into the LAEP the data that informed it would quickly

change. The intention was to review and update the LAEP in approximately five years' time as the 2030 target date for net carbon zero approached but there would also be annual monitoring and links with regional energy strategies and national policies which would be carried out much earlier and more frequently

- much work had been planned in terms of both offshore and onshore windfarms and further work would be carried out to increase capacity of the grid to capture the extra electricity generated as a result. The difficulty moving forward in terms of storage of renewable energy was discussed and the need for more innovative approaches in that regard to be at the forefront of such developments. The potential around land take for some of those technologies had been discussed and the LAEP provided an evidence base for pathways in the region towards an energy safe future and a means for energy companies to inform their own investment plans and grid upgrades together with local area energy systems
- the need to join energy generators to energy users across sectors and the region and Wales was highlighted together with the potential for the dual use of land for solar energy production and agriculture and how that could be managed for the best outcomes
- in terms of the next steps attention was drawn to the summary of deployment of critical energy components across Denbighshire and the importance of tracking those changes and inward investment into Denbighshire and the region.

Councillor Rhys Thomas hoped that the document would enable the use of the resources in Wales in such a way as to be at the cutting edge of energy production and energy storage. The Leader added that the joined up approach would aid delivery of the LAEP in working towards meeting net zero targets.

RESOLVED that Cabinet –

- (a) *endorses the Denbighshire Local Area Energy Plan (LAEP) Main Report and Technical Report (Appendix 1 and 2 to the report), understanding that the LAEP actions assigned to Denbighshire County Council were subject to securing and maintaining necessary funding, and*
- (b) *confirms that it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix 3 to the report) as part of its consideration.*

6 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 2024/25 was £271.021m (£250.793m in 2023/24)
- an overspend of £240k was forecast for service and corporate budgets
- current risks and assumptions relating to corporate budgets and service areas
- savings and efficiencies for the 2024/25 budget (£10.384m)
- an update on Schools, Housing Revenue Account and Treasury Management.

Councillor Gwyneth Ellis proposed an amendment to the report recommendation to include Cabinet's approval of the intended use of the one-off receipt from the Council's share of the refinancing of the North Wales Residual Waste Treatment Partnership to off-set the additional costs in the Waste Service as outlined in paragraph 6.2 of the report, seconded by Councillor Julie Matthews.

The Head of Finance and Audit guided members through the detail of the report. There was a forecasted overspend of £240k at this early stage in the financial year compared with no underspend when last reported in July. The main areas of overspend were in Education and Children's Services and Highways and Environmental Services and to a lesser extent Adult, Social Care and Homelessness which were being offset by underspending on corporate budgets for items including pay and energy which initially occurred late in the financial year 2023/34 and were forecast to recur in 2024/25. It was stressed that much could change in some of the higher risk areas in the next few months, particularly changes to residential placements in Children's Services, numbers of homelessness, commissioned care in Adult Social Care and School Transport. The Housing Revenue Account had reported a slight underspend in year with a forecasted balance to just under £1.3m. A forecasted fall in school balances had been reported and work was ongoing with schools to try and reduce the expense of some of the use of balances forecasted.

The Lead Member and officers responded to questions raised regarding the one-off receipt which the Council had received from its share of the refinancing of the North Wales Residual Waste Treatment Partnership (NWRWTP). It was explained that the risks associated with the NWRWTP had diminished since it was set up and as the project progressed from the developmental phase to the operational phase. The refinancing of the NWRWTP at that later stage given the lesser risk and way they were financed on capital markets had resulted in all five local authorities involved receiving a gainshare. Work in that regard had been ongoing for some time but given the technical nature of the work required the funds had only been received in the last two weeks. As it was a one-off receipt it was for Cabinet to decide on its use. In terms of additional funding required for the Waste Service going forward, the matter would be further debated at Council Workshop on 26 September, a special Cabinet on 1 October, and Communities Scrutiny Committee on 24 October thereby providing opportunities to consider and discuss the detail around service provision and additional resources required.

Having considered the report and amendment to the recommendation it was –

RESOLVED that Cabinet –

- (a) *note the budgets set for 2024/25 and progress against the agreed strategy, and*
- (b) *confirms that the gainshare of £1.2m received from the refinancing of the North Wales Residual Waste Treatment Partnership as set out in paragraph 6.2 of the report be treated as income for the Waste Service and used to offset additional costs.*

7 CABINET FORWARD WORK PROGRAMME

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

- Draft Management Response to Panel Performance Assessment – November
- North Wales Domiciliary Care Agreement – January

It was also noted that the item on the Corporate Joint Committee Governance Arrangements scheduled for October may be delayed pending receipt of the report detail from Gwynedd County Council as lead authority for dissemination to all local authorities in North Wales.

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

The meeting concluded at 10.50 am.

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Report to	Cabinet
Date of meeting	22 nd October 2024
Lead Member / Officer	Alan James, Lead Member for Local Development and Planning
Head of Service	Emlyn Jones, Head of Planning, Public Protection and Countryside Services
Report author	Glesni Owen, Public Protection Business Manager
Title	Fee Charging Provisions and Delegated Authority - Mandatory Licensing Scheme for Special Procedures

1. What is the report about?

- 1.1. The report is about the setting of appropriate fee structure and a scheme of delegated authority for the Public Health (Wales) Act 2017 ("the Act") in respect of Special Procedure Mandatory Licensing. The activities covered by Special Procedures Mandatory Licensing are outlined in Appendix 1.

2. What is the reason for making this report?

- 2.1. To seek Cabinet approval to adopt the national agreed fees structure for the new Special Procedure Mandatory Licensing Scheme coming into force on the 29th of November 2024 in accordance with Public Health (Wales) Act 2017.
- 2.2. For Cabinet to delegate the powers contained in the Public Health (Wales) Act 2017 to the Head of Planning, Public Protection and Countryside Services.

3. What are the Recommendations?

- 3.1. That Cabinet adopt the national agreed fees structure for the new Special Procedure Mandatory Licensing Scheme as set out in Table 1 of Appendix 2.

- 3.2. That Cabinet delegate the functions under the new Regulations to the Head of Planning, Public Protection and Countryside Services as set out in Appendix 3.
- 3.3. That Cabinet authorise the Head of Planning, Public Protection and Countryside Services to amend the fees and charges in line with the statutory scheme, as applicable, going forwards.
- 3.4. That Cabinet 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 current legislative framework for Special Procedures is inadequate. The Local Government (Miscellaneous Provisions) Act 1982 ("the 1982 Act") is the primary means of enforcing standards in this sector through the application of a registration scheme. However, the requirement for local authorities to adopt this scheme is voluntary and those that have adopted it cannot refuse registration of the individual or premises unless they have been convicted of an offence under Part VIII of the 1982 Act. Importantly, the 1982 Act does not require a 'competency test' for those performing the procedures to demonstrate an appropriate knowledge of hygiene and infection control.
- 4.2. The Public Health (Wales) Act 2017 received Royal Assent on 3 July 2017. Part 4 of the Act set out the requirements for a mandatory licensing scheme for practitioners carrying out 'special procedures' in Wales.
- 4.3. The intention of the licensing scheme is to improve and sustain standards of infection prevention and control in the special procedures industry and assure the safety and health of clients and practitioners alike.
- 4.4. Section 76 of Part 4 of the Public Health (Wales) Act 2017 allows local authorities that have issued a Special Procedures Licence or an Approved Premises Certificate to charge a fee. The amount of fee to be charged by a local authority is to be determined having had regard to the costs incurred or expected to be incurred by the authority. The national fees for new application and renewal fees were endorsed by Directors of Public Protection Wales (DPPW) in November 2023,

the variation and other fees were endorsed by DPPW in August 2024. DPPW is the collective organisation of officers responsible for leading local authority public protection services in Wales. As required by regulations these fees will collectively be reviewed after one year from implementation and at the end of each subsequent three-year period.

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

- 5.1 A nationally agreed fees structure ensures consistency of costs for businesses which may operate within this authority and beyond. The new scheme allows for a level playing field for all businesses undertaking special procedures.
- 5.2 Ensuring that we recover our costs in implementing the new licensing scheme and that powers are delegated to the most appropriate Officers who are knowledgeable and trained in implementing this new legislation.

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

- 6.1 The national fees concerning the new licensing scheme have been calculated based on the principles of cost recovery. As required by regulations these fees will collectively be reviewed after one year from implementation and at the end of each subsequent three-year period. The licence fees can be adjusted where a deficit or surplus is identified.
- 6.2. The work will be contained within existing resources in Public Protection and there will be no impact on other services.

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

- 7.1. The new legislation allows local authorities to charge a fee to those businesses and individual who wish to undertake special procedures. These fees are charge on a cost recovery basis and will be reviewed in 12 months' time to ensure those fees are proportionate to the work undertake to implement the scheme. Business and individuals impacted by the new legislation may decide to stop undertaking these treatments, however this could increase business for other within the sector.

7.2. Could increase unlicensed premises/practitioners which could increase the need for enforcement intervention.

7.3. Officers duly authorised with appropriate powers to take enforcement action as necessary

7.4. Drive up standards in existing and new businesses.

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

8.1. Fees for the special procedure licensing regime have been calculated by the Special Procedures Implementation Group ("SPIG") and approved by Director of Public Protection Wales ("DPPW") to be consistently applied by local authorities across Wales.

9. Chief Finance Officer Statement

9.1. As set out within the report the revised fee structure is designed to ensure consistency of costs for businesses, but also principles of cost recovery for local authorities in line with our own fees and charging policy. It will be important to review income and costs after the first year of implementation and to feed that information into the national review of fees.

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

10.1. The risk could be that the costs of licensing could make some practitioners decide to stop undertaking special procedure treatment if the cost out ways the income from those treatments.

11. Power to make the decision

11.1. Section 76 of Part 4 of the Public Health (Wales) Act 2017 allows local authorities that have issued a Special Procedures Licence or an Approved Premises Certificate to charge a fee

11.2. Section 13 of the Local Government Act 2000, executive function of Cabinet to delegate powers.

APPENDIX 1 - GLOSSARY OF TERMS

Electrolysis

A technique used to remove unwanted hair, skin tags and blemishes from the face or body. This procedure works by sending an electric current through the skin, targeting the cells that are responsible for the growth and development of these blemishes.

Tattooing

A tattoo is a marking made by inserting ink into the layers of skin to change the pigment for decorative or other reasons. It is done with a tattoo machine.

Semi-permanent skin colouring

Semi-permanent colouring or cosmetic tattooing is a method of implanting pigmentation into the upper layer of the skin to create a cosmetic enhancement.

Cosmetic piercing

Piercing or cutting part of the human body to create an opening in which jewellery may be worn.

Acupuncture

Fine needles are inserted at certain points of the body for therapeutic or preventative purposes, most commonly for pain control.

Dry Needling

Dry needling is a technique that acupuncturists, physical therapists and other trained healthcare providers use to treat mainly musculoskeletal pain and movement issues. The needles used for dry needling are thicker than those used for acupuncture.

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Appendix 2 – Proposed Fee Structure - Mandatory Licensing Scheme for Special Procedures

1.1 Each local authority is required to approve fees as per the following table. Total fees for practitioners and premises are divided into application fee and compliance fee which is payable once the application has been granted. The application fee covers the cost of processing the application, inspection and issuing documentation. The compliance fee is a reasonable contribution to the running of the licensing scheme, advising licence holders, following up complaints, additional inspections, and ongoing support.

Table 1		
Licence Type	New	Renewal
Special Procedures Licence (3yr licence)	£203 (£159 Application / £44 Compliance)	£189 (£148 Application / £41 Compliance)
Approved Premises Certificate (3yr licence)	£385 (£244 Application / £141 Compliance)	£345 (£204 Application / £141 Compliance)
Other Fees		
Special Procedure Licence - Variation (Add Procedure)	£131	
Special Procedure Licence - Variation (Change of Detail)	£26	
Special Procedure Licence - Replacement Licence	£13	
Temporary Special Procedure Licence	£92	

Approved premises / Vehicle - Variation (Add Procedure)	£189
Approved Premises / Vehicle - Variation (Structural Change	£189
Approved Premises / Vehicle - Change of Detail	£26
Approved Premises / Vehicle - Replacement Certificate	£13
Approved Premises / Vehicle - Temporary Approval (Ancillary Event)	£385
Approved Premises / Vehicle -Temporary Approval (Convention / Main Purpose)	£680

Appendix 3

Delegated Authority

- 1.0 In order to deal efficiently with applications and enforcement, it is proposed that the powers listed below be delegated to The Head of Planning, Public Protection and Regulatory Services:

Section 65(2) - Power to issue a refusal notice for a special procedure licence

Section 65(3) - Power to issue a Special Procedures Licence where all the applicable licensing criteria is met.

Section 66(3&6) - Power to issue a refusal notice for a special procedure licence (in the case of a relevant offence)

Section 67 - Power to renew a Special Procedures Licence where all the applicable licensing criteria is met.

Section 68 - Power to issue a revocation notice for a special procedure licence

Section 70(1) - Power to issue an approval certificate for a premises or vehicle.

Section 70(1) - Power to renew an approval certificate for a premises or vehicle.

Section 70(1) - Power to refuse an approval certificate for a premises or vehicle.

Section 72(4) - Power to take reasonable steps for bringing a voluntary termination notice to the attention of appropriate persons.

Section 77(2) - Power to issue a stop notice.

Section 78(1) - Power to issue a remedial action notice in respect of a Special Procedures Licence.

Section 79(1) - Power to issue a remedial action notice in respect of an Approved Premises Certificate.

Section 80(2) - Power to issue a completion certificate in respect of a Special Procedure Licence or an Approved Premises Certificate.

Section 97 - Power to carry out enforcement action and consultation in respect of intimate piercing.

Schedule 3 Paragraph 15(3) - Power to issue a warning notice.

- 2.0 The officer specified above be deemed authorised officer for the purposes of Sections 98 to 107 and shall have the power to nominate any supplementary officers as appropriate.

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Adoption of the nationally agreed Fee Structure for Mandatory Licensing of Special Procedures and Delegation of Powers: 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: 1395

Brief description: Proposal to adopt a fee structure and scheme of delegated authority for the Public Health (Wales) Act 2017 ("the Act") in respect of special procedure licensing.

Date Completed: 25/09/2024 10:20:31 Version: 1

Completed by: Glesni Owen

Responsible Service: Planning, Public Protection and Countryside Services

Localities affected by the proposal: Whole County,

Who will be affected by the proposal? Businesses and individual who undertake special procedures will be affected by the introduction of the licensing fees, which is an increase costs compared to the current Registration scheme. Likely the additional costs maybe passed onto their customers through increase in cost of treatments.

Was this impact assessment completed as a group? Yes

Summary and Conclusion

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

Score for the sustainability of the approach

2 out of 4 stars

Actual score : 21 / 36.

Summary for each Sustainable Development principle

Long term

This report is only to approve an appropriate fee structure and scheme of delegated authority for the Public Health (Wales) Act 2017 in respect of special procedure licensing. The national fees concerning the new licensing scheme have been calculated based on the principles of cost recovery. As required by regulations these fees will collectively be reviewed after one year from implementation and at the end of each subsequent three-year period.

Prevention

Fees have been agreed national on a cost recovery basis. The proposal has neutral impact of climate and nature

Integration

A nationally agreed fees structure ensure consistency of costs for businesses which may operate within this authority and beyond. The new scheme allow for a level playing field for all businesses. The scheme ensure higher standards with a skilled workforce within the sector. Standard fees ensuring that we recover our costs in implementing the new scheme and that powers are delegated to the most appropriate Officers who are knowledgeable and trained in implementing this new legislation.

Collaboration

Fees for the special procedure licensing regime have been calculated by the Special Procedures Implementation Group, made up of the 22 local authorities and approved by Public Protection Wales to be consistently applied by local authorities across Wales.

Involvement

Business were involved during the formal consultation by Welsh Government when drafting the new regulations. The setting of fees were the responsibility of local authorities, businesses were not consulted as the exercise to agree the fees were undertaken by the local authorities in Wales to ensure cost recovery in implementing the scheme. The fees will be reviewed as per regulation after 12 months of implementation to ensure cost incurred by the authority are consistent to the fees charged.

Summary of impact

Well-being Goals	Overall Impact
A prosperous Denbighshire	Neutral
A resilient Denbighshire	Neutral
A healthier Denbighshire	Neutral
A more equal Denbighshire	Neutral
A Denbighshire of cohesive communities	Neutral
A Denbighshire of vibrant culture and thriving Welsh language	Neutral
A globally responsible Denbighshire	Neutral

Main conclusions

he nationally agreed Fee Structure for Mandatory Licensing of Special Procedures and Delegati

ensure costs recovery and review as per regulation.

keep a log of time spent to feed into the review

Business and individuals deciding to stop undertaking SP, therefore less licensing practitioners.

Could increase unlicensed premises/practitioners which could increase the need for enforcement intervention

Officers duly authorised with appropriate powers to take enforcement action as necessary

Drive up standards on existing and new businesses

The likely impact on Denbighshire, Wales and the world.

A prosperous Denbighshire

Overall Impact

Neutral

Justification for impact

Higher standards of businesses and practitioners working within the sector due to implementation of the licensing scheme. However there is the potential that some business or individual could cease to undertake some of these treatment due increase in fees for licensing, therefor less suitably trained and licensed practitioners in the sector.

Further actions required

The fees will be collectively reviewed in 12months to ensure they are calculated on the principals of cost recovery.

Positive impacts identified:

A low carbon society

N/A

Quality communications, infrastructure and transport

N/A

Economic development

Higher standards within the sector

Quality skills for the long term

N/A

Quality jobs for the long term

skilled workforce within the sector

Childcare

N/A

Negative impacts identified:

A low carbon society

N/A

Quality communications, infrastructure and transport

N/A

Economic development

Fees could inhibit some to licence special procedures

Quality skills for the long term

N/A

Quality jobs for the long term

N/A

Childcare

N/A

A resilient Denbighshire

Overall Impact

Neutral

Justification for impact

No impact as this proposal relate to setting of fees and delegating of powers

Further actions required

NA

Positive impacts identified:

Biodiversity and the natural environment

N/A

Biodiversity in the built environment

N/A

Reducing waste, reusing and recycling

N/A

Reduced energy/fuel consumption

N/A

People's awareness of the environment and biodiversity

N/A

Flood risk management

N/A

Negative impacts identified:

Biodiversity and the natural environment

N/A

Biodiversity in the built environment

N/A

Reducing waste, reusing and recycling

N/A

Reduced energy/fuel consumption

N/A

People's awareness of the environment and biodiversity

N/A

Flood risk management

N/A

A healthier Denbighshire

Overall Impact

Neutral

Justification for impact

No impact as this proposal relate to setting of fees and delegating of powers, however the actual licensing scheme will ensure those undertaking these special procedures are knowledgeable in infection prevention and control ensuring these treatment are undertaken safely.

Further actions required

N/A

Positive impacts identified:

A social and physical environment that encourage and support health and well-being

N/A

Access to good quality, healthy food

N/A

People's emotional and mental well-being

N/A

Access to healthcare

N/A

Participation in leisure opportunities

N/A

Negative impacts identified:

A social and physical environment that encourage and support health and well-being

N/A

Access to good quality, healthy food

N/A

People's emotional and mental well-being

N/A

Access to healthcare

N/A

Participation in leisure opportunities

N/A

A more equal Denbighshire

Overall Impact

Neutral

Justification for impact

Business may decide to pass on increased costs to their customers, however customers would be reassured that the treatment which they are paying for is undertaken by practitioners which have complied with the licensing standards

Further actions required

The fees will be collectively reviewed in 12 months to ensure they are calculated on the principles of cost recovery.

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

Higher Standards within businesses achieved through the licensing scheme

People who suffer discrimination or disadvantage

N/A

People affected by socio-economic disadvantage and unequal outcomes

N/A

Areas affected by socio-economic disadvantage

N/A

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

N/A

People who suffer discrimination or disadvantage

N/A

People affected by socio-economic disadvantage and unequal outcomes

Businesses may increase treatment costs to recoup the licensing fees

Areas affected by socio-economic disadvantage

N/A

A Denbighshire of cohesive communities

Overall Impact

Neutral

Justification for impact

No impact as this proposal relate to setting of fees and delegating of powers

Further actions required

N/A

Positive impacts identified:

Safe communities and individuals

N/A

Community participation and resilience

N/A

The attractiveness of the area

N/A

Connected communities

N/A

Rural resilience

N/A

Negative impacts identified:

Safe communities and individuals

N/A

Community participation and resilience

N/A

The attractiveness of the area

N/A

Connected communities

N/A

Rural resilience

N/A

A Denbighshire of vibrant culture and thriving Welsh language

Overall Impact

Neutral

Justification for impact

Welsh Language Standards will be adhered to when implementing the new licensing scheme through bilingual communication with businesses and practitioners.

Further actions required

N/A

Positive impacts identified:

People using Welsh

Document produced for the scheme will be available bilingually.

Promoting the Welsh language

Document produced for the scheme will be available bilingually.

Culture and heritage

N/A

Negative impacts identified:

People using Welsh

N/A

Promoting the Welsh language

N/A

Culture and heritage

N/A

A globally responsible Denbighshire

Overall Impact

Neutral

Justification for impact

No impact as this proposal relate to setting of fees and delegating of powers

Further actions required

N/A

Positive impacts identified:

Local, national, international supply chains

N/A

Human rights

N/A

Broader service provision in the local area or the region

N/A

Reducing climate change

N/A

Negative impacts identified:

Local, national, international supply chains

N/A

Human rights

N/A

Broader service provision in the local area or the region

N/A

Reducing climate change

N/A

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Report to	Cabinet
Date of meeting	22 nd October 2024
Lead Member / Officer	Cllr Gwyneth Ellis (Lead Member for Finance, Performance and Strategic Assets) / Helen Vaughan-Evans (Head of Corporate Support Services- Performance, Digital and Assets)
Head of Service	Helen Vaughan-Evans (Head of Corporate Support Services- Performance, Digital and Assets)
Report author	Bryn Williams (Asset Manager)
Title	Asset Management Strategy 2024 - 2029

1. What is the report about?

- 1.1 The report outlines the proposed Asset Management Strategy 2024 – 2029 (Appendix 1).

2. What is the reason for making this report?

- 2.1. To present the reviewed and updated Asset Management Strategy document for Cabinet for a decision to be made on its adoption.

3. What are the Recommendations?

- 3.1 That Cabinet approve the adoption of the Asset Management Strategy 2024 – 2029 (appendix 1).
- 3.2 That Cabinet confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 2) as part of its consideration.

4. Report details

- 4.1 The existing Asset Management Strategy was adopted by the Council in July 2017 with a review due after 5 years – 2021. As such, a revised Asset Management Strategy is now overdue and the impact of the pandemic on priorities and work programmes has led to some delay.
- 4.2 The proposed Asset Management Strategy 2024-2029 is attached as Appendix 1.
- 4.3 The new Asset Management Strategy has sought to align asset plans and the outcomes being sought by the Strategy with the Council's Strategic Themes as outlined in the Corporate Plan, making sure that our property assets play a key role in delivering on these priorities. For this strategy, we are proposing that a slightly amended first outcome from the 2017-2021 strategy document becomes an underlying principle with regard to decisions we make about our property portfolio. That is as follows: ***We will provide the right assets, in the right place, and in the right condition to meet current and projected future service delivery needs, considering who best to own and operate each asset and opportunities for collaboration.***
- 4.4 The following four priority outcomes have been identified in the Asset Management Strategy 2024-2029 aligning with the Council's Corporate Plan:
- **Climate Action and Natures Recovery** – which would include improving energy performance of buildings, reducing the overall building footprint, facilitating reduced travel, increasing carbon sequestration from existing and new properties, improving biodiversity on our sites, etc. In addition to increasing the understanding of, and improving, our assets resilience to climate impacts.
 - **Modernising Education** – delivered primarily by Education but will involve significant investment in our school buildings over the next five years.
 - **Regeneration** – where the council is directly intervening in the property market to promote regeneration and economic development, particularly in town centres.
 - **New Ways of Working (NWOW) and Collaboration** – looking specifically at our office portfolio and how this needs to change considering significant increase in home working (post-COVID), along with progressing collaboration

opportunities to create an asset ownership and operation model that is sustainable.

- 4.5 Delivery of the outcomes outlined in this strategy will be dependent on securing the necessary funding, through leveraging opportunities to bring in external funding and prioritising the limited resource we hold as a Council.

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

- 5.1. This strategy supports the Greener Denbighshire Theme of the Corporate Plan, as better energy management and the potential for the further introduction of renewable energy generation within the entire portfolio will help the council reach its target of becoming Net Carbon Zero and Ecologically positive by 2030.
- 5.2. The strategy also supports the Prosperous Denbighshire Theme as our asset portfolios have the potential to improve economic prosperity if surplus office space can be used as accommodation for small businesses or disposed of for example.
- 5.3. The strategy supports the Learning and Growing Denbighshire Theme by supporting the creation of sustainable communities for learning by support new build and major refurbishment of the school estate.
- 5.4. The underpinning principal of 'right buildings, in the right place' also supports the Well run, high performing Council Theme of the Corporate Plan- using assets to support agile and partnership working.

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

- 6.1. Development of the strategy has been undertaken in-house and has not incurred any additional costs for the council. Clearly, decisions made about property usually have a cost associated with them. Delivery of the outcomes outlined in this strategy will be dependent on securing the necessary funding, through leveraging opportunities to bring in external funding and prioritising the limited resource we hold as a Council.
- 6.2. All property decisions are made through existing mechanisms, including Asset Management Group (AMG), Capital Scrutiny Group (CSG), Cabinet, etc., to ensure they are properly considered and scrutinised.

- 6.3. All services will be affected, as all services use and occupy property. Services will always be consulted in relation to any property decisions that will affect them or the way they deliver their services.

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

- 7.1 The overall conclusion of the Well-being Impact Assessment is positive (appendix 2). Score for the sustainability of the approach is 3 out of 4 stars. Contribution to 4 out of 7 wellbeing goals was assessed as positive and 3 assessed as neutral.

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

- 8.1. Consultation has been carried out at officer level through the various Portfolio Plans, which group land and buildings with similar types of property, rather than along services lines. These Portfolio Plans have been developed through a series of meetings and discussions with several council officers who either occupy or manage land or buildings in the portfolio, and through an analysis of a few performance measures relating to the properties.
- 8.2. The Strategy was tabled at Chief Executive Team in April where it was accepted with amendments. The Strategy has been circulated to Senior Leadership Team for wider comment. The Strategy was considered at the Asset management Group on 1st May where it was accepted with amendments. The Lead Member has had input into the draft strategy along with wider Cabinet via briefing. Partnership Scrutiny considered the strategy on 12th May and provided positive feedback.
- 8.3. The Corporate Landlord has been consulted and provides the following statement:
Property represents a high expenditure and carbon production liabilities for the Council going forward. It is a strategic resource for Denbighshire County Council and the Asset Management Strategy is therefore a core strategic document that will play a vital role in the delivery of services to the people of Denbighshire now and in the future. The Asset Management Strategy will ensure that the Council is utilising its assets efficiently and sustainably and will need to be and scrutinised and updated on a regular basis as relevant information becomes available via the Portfolio Plans.

9. Chief Finance Officer Statement

9.1 Given the financial constraints upon the council now and in the medium term it is crucial that the council maximises the value and efficiency from the assets it owns and has the use of. The Asset Management Strategy sets out the need to prioritise limited resources, leverage opportunities to bring in external funding where possible, consider the impact of new ways of working on our asset base and progress opportunities for collaboration where possible.

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

10.1 There are no significant risks associated with the development and adoption of an Asset Management Strategy.

11. Power to make the decision

11.1 Local Government Act 1972.

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Asset Management Strategy 2024 - 2029



DRAFT

FINAL DRAFT – August 2024

FOREWORD

Like all Councils across Wales, the Council is dealing with significant financial pressures resulting from insufficient government funding, inflation and growing demand for the services the Council provides. Our physical assets are critical to our financial resources, and to delivering our corporate objectives, without which our corporate objectives could not be successfully delivered. We need to make savings, and a fundamental part of this will be ensuring that we utilise our assets wisely and strategically. In this context, our Asset Management Strategy is more important than ever. It is imperative that we manage our assets responsibly to ensure we obtain value for money for our residents and support our wider corporate objectives.

The strategy has set out four key outcomes which are there to help guide all our asset management activity and ensure that it is undertaken legally, transparently and with a proper understanding of the impact on our local communities – now and into the future. The strategy also has a specific outcome around reducing the environmental impact of our assets and outlines how we will reduce our energy consumption/carbon emissions by improved insulation, energy reduction initiatives and pro-active facilities management. We will also reduce our carbon footprint through the investigation of and investment in renewable energy.

We acknowledge that delivering the four key outcomes will require some significant changes in the way we currently manage our assets, and will result in new ways of working and, in some cases, changing responsibilities. The Council is committed to making this change and will provide the clear leadership and support that will be needed to ensure success.

This integrated approach will enable us to make informed choices regarding the utilisation of our property holdings and acquisitions to deliver national policies, including the 'Wellbeing of Future Generations (Wales) Act 2015'. The Act has set out the parameters whereby we must ensure our actions meet the needs of today and do not compromise the needs of future generations. We must take account of the long-term implications and benefits that can result from our asset management, investment and delivery, as part of our ongoing drive to deliver more for less.

Asset management is a key part of business planning and an important tool in meeting the current and future fiscal challenges. Through this unified approach we will ensure the value and importance of our assets is clearly recognised within all our future delivery plans and programmes.

Councillor Gwyneth Ellis
Lead Member for Finance, Performance and Strategic Assets

1. CONTEXT

- 1.1 Along with Finance, People and ICT, Property is one of the four principle corporate resources that support the delivery of all services. As such, how that resource is utilised can have a significant impact on the Council's delivery of services and financial standing. The effective and efficient management of the Council's property portfolio will help ensure that the Council is not wasting money on assets that are not required to meet service needs or are unnecessarily costly to run but are providing buildings that are of good physical quality and make services easy for the public to access.
- 1.2 The strategy is underpinned by a series of Portfolio Plans, which will group land and buildings with similar types of property, rather than along services lines. These Portfolio Plans have been developed through a series of meetings and discussions with several council officers who either occupy or manage land or buildings in the portfolio, and through an analysis of a few performance measures relating to the properties. In developing the Portfolio Plans, the review of properties in each portfolio are tested against the following high-level outcomes which underpin the Asset Management Strategy.

2. OUR LAND AND BUILDINGS

- 2.1 Like all local authorities, Denbighshire County Council owns and operates a significant property estate, with 669 buildings distributed across 519 sites. This figure excludes our housing portfolio and highways infrastructure, but does include schools, libraries, offices, depots, care facilities and heritage buildings. The value of this estate, with those exclusions of housing and highways infrastructure, was estimated to be £426,884,849 in March 2023. In total, the estate covers an area of 2,274.58 hectares and provides 295,756m² of gross internal area (GIA).
- 2.2 To help manage our land and buildings, our assets have been organised into the following portfolios:
 1. **Corporate Support** – those properties held to support mainstream service delivery, including offices and corporate stores.
 2. **Education** – those properties held to support the provision of education services, including Primary Schools, High Schools, Special Schools and Integrated Centres.
 3. **Community** – those properties from which services to the community are delivered, including Town Halls, Community Centres, Libraries/one-stop-shops, Youth Centres, Public toilets and car parks.
 4. **Countryside, Parks & Open Space** – those properties which are characterised by land rather than buildings, including parks, playing fields, open spaces, cemeteries and countryside properties.

5. **Commercial** – those properties that generate rent or income, and often have important local economic impact, including agricultural estate, economic development estate and Coastal properties.
6. **Care** – those properties that provide specialist care to vulnerable residents, including Residential & Care Homes, Supported Businesses and Equipment Stores.
7. **Maintenance** – those properties held to ensure the ongoing maintenance and upkeep of the county, including Main/Sub Highways Depots and Waste Facilities
8. **Denbighshire Leisure Limited** – those properties leased to the council’s arm’s length company for the delivery of sports and recreation services
9. **Surplus/Other** – miscellaneous properties that do not fit neatly into any of the above, including quarries and surplus/vacant land & property.

Excluded from this approach are:

10. **Council Housing** – those properties and land held specifically to support and provide public housing, which have separate management arrangements to other Council land and building assets; and.
11. **Highways infrastructure** - that held specifically to support and provide the highway infrastructure and covered for management purposes by the Local Transport Plan.

3. KEY ACHIEVEMENTS SINCE 2017

3.1 During the last Asset Management Strategy period – 2017 to 2023, several key property projects were delivered, including:

- Continued investment in our school estate, including a new school building in Llanfair Dyffryn Clwyd, funded 50% through the Welsh Government 21st Century Schools Band A grant funding programme.
- Continued investment in improving the energy efficiency of our buildings, reducing energy costs and carbon emissions.
- The development of SC2 – an indoor water park operated by Denbighshire Leisure Limited – as part of the wider regeneration programme for Rhyl funded in part through external Town Council contribution and Welsh Government grants and loans.
- The acquisition and demolition of Queens Buildings – a significant complex of dilapidated and predominantly vacant buildings in Rhyl town centre – which have been replaced with the recently completed major mixed-use development ‘Queens Market’ to drive the regeneration of the town centre. The demolition and construction phases were funded in part by Welsh Government grants.
- Establishment of Community Resource Team in County Hall – a shared space for Health and Social Care staff to help deliver more joined up, client focussed services.

- Improved utilisation of County Hall through the development of a dedicated Coroners Court which was funded by all of North Wales’s Local Authorities, new accommodation for Y Bont (a supported enterprise run by Community Support Services) which was funded in part by Welsh Government Integrated Care Fund, and the relocation of Registrars from Ruthin Town Hall into County Hall.
- Ongoing delivery of our Agricultural Estates Strategy – selling our farms to existing tenants – which has raised significant capital receipts.
- Establishment of a county tree nursery to produce trees of local provenance, funded by a combination of Welsh Government – Local Places for Nature Funding and UK Government Shared Prosperity Fund.

3.2 It is also worth noting that the Asset Management Team have played an important role during the COVID-19 pandemic, helping to facilitate accommodation for COVID testing and vaccination centres.

4. CORE UNDERLYING PRINCIPAL

4.1 All decisions made in relation to council properties are guided by the following underlying principle:

We will provide the right assets, in the right place, and in the right condition to meet current and projected future service delivery needs, considering who best to own and operate each asset and opportunities for collaboration.

4.2 The Council has a Portfolio Plan Review and Challenge process as the core mechanism to deliver upon this underlying principle and the priority areas identified in Section 5. For further information on our Portfolio Plan Review and Challenge process please see appendix 1.

5. STRATEGIC ALIGNMENT

5.1 The Corporate Plan for 2022 – 2027 was officially adopted in October 2022 and include several new priorities. In relation to our land and building portfolio, the following four priorities have been identified:

1. **Climate Action & Nature Recovery** – which would include improving energy performance of buildings, reducing the overall building footprint, facilitating reduced travel, increasing carbon sequestration from existing and new properties, improving biodiversity on our sites, etc. In addition to increasing the understanding of, and improving, our assets resilience to climate impacts.

2. **Modernising Education** – delivered primarily by Education but will involve significant investment in our school buildings over the next five years.
 3. **Regeneration** – where the council is directly intervening in the property market to promote regeneration and economic development, particularly in town centres.
 4. **New Ways of Working (NWOW) and Collaboration** – looking specifically at our office portfolio and how this needs to change considering significant increase in home working (post-COVID) , along with progressing collaboration opportunities to create an asset ownership and operation model that is sustainable.
- 5.2 In property terms these are corporately the most important priorities to be addressed in the next 5 years. More detailed information on each of these priorities is contained in the following sections, but we also recognise that there are some links and inter-dependencies between these priorities. For example, reducing the office footprint as part of NWOW also serves to reduce carbon emissions.
- 5.3 Delivery of the outcomes outlined in this strategy will be dependent on securing the necessary funding, through leveraging opportunities to bring in external funding and prioritising the limited resource we hold as a Council.

6. PRIORITY 1: CLIMATE ACTION AND NATURE RECOVERY

6.1 Why is this a priority?

- 6.1.1 As the amount of carbon dioxide human society has emitted into the earth's atmosphere has increased so to have global temperatures. Without reducing CO2e emissions the earth will get warmer and warmer. This rise in global temperature is causing our climate and planet to change. These changes to our climate include; hotter drier summers, warmer wetter winters, more extreme weather events and sea level rise. This causes: more drought and wildfire, stronger storms, more heat waves, flooding, damaged corals, less snow and ice, thawing of permafrost, changes in plant life cycles and changes to animal migration and life cycles.
- 6.1.2 At the same time, nature is in decline with a reported 68% decline in the world's wildlife population between 1970 and 2020. Human activity is reducing the quality and the amount of habitat available for wildlife and habitats are increasingly fragmented reducing the ability of species to migrate to stay in their required climate to sustain life. As temperatures continue to rise, and habitats extent and connectivity continue to decline, climate change will become an increasing driver for species losses.
- 6.1.3 The climate is changing everywhere on our planet including here in North Wales. The region has experienced in recent years wider and more frequent flooding, extreme heat and stronger and more frequent storms. 354 of species known to be present in Wales are at risk of extinction.

6.1.4 The realisation that time is fast running out has resulted in a climate emergency being declared by many organisations including Denbighshire County Council in July 2019, and we have subsequently developed the Carbon and Ecological Change Strategy which was adopted by the council in February 2021. The two goals set out in this strategy are:

- For the total carbon emitted by the Council minus the total carbon absorbed from Council owned and operated land to equal zero by 31st March 2030. This is our net carbon zero ambition; and
- To protect, manage and restore our land as well as create new spaces for nature so that the ecosystems in Denbighshire are diverse, connected, big in scale and extent, in a healthy condition and adaptable and thus not only maintains biodiversity but enhances it. This is our Ecologically Positive Council goal.

6.1.5 In 2023/24 the Council completed the Year 3 update of the Strategy which is being tabled at Council in July 2024 for adoption. A new area of focus for the Council in the Year 3 Updated version of its Climate and Ecological Change Strategy is increasing climate risk resilience as a Council and across the County. This is in recognition that even if emissions are dramatically decreased over the coming decade, further warming is now unavoidable, and adaptation is needed to deal with the climatic changes we are already experiencing and further changes that are now already 'baked in'. This second iterative of the strategy includes actions on the Council to increase the understanding of the Council's climate risk resilience and putting plans and actions in place to increase its resilience to climate impacts.

6.1.6 To achieve our Net Carbon Zero goal, the Council needs to reduce the amount of carbon it emits and increase the amount of carbon it absorbs, and our property portfolio has a major contribution to make to both these goals, given that emissions from our buildings currently represent 60% of the councils total emissions (excluding the supply chain), and more land will be required to offset the carbon we still expect to be emitting by our 2030 target date. Efforts to reduce energy use and carbon emissions also save the Council money in our utility bills. Based on delivered and modelled projects the financial benefit appears to consistently be - £2 of financial benefit for every £1 invested.

6.1.7 Similarly, property will play a fundamental role in helping to achieve our Ecologically Positive goal, as we will need to restore and change how we manage land that we currently own and operate to increase species diversity, and increase our land ownership to creating new spaces (ecological niches) for nature.

6.2 What outcomes are we trying to achieve?

6.2.1 The Carbon & Ecological Change Strategy is broad in scope and ambition, but from a property perspective we aim to achieve the following outcomes:

1. **Reducing Carbon Emissions** - By the end of March 2030, we will have reduced carbon emissions from the electricity, gas, LPG, oil, biomass and water we use in council owned buildings by 60% (from 2019/20 baseline).
2. **Increasing Carbon Sequestration** - By the end of March 2030, we will have increased the amount of carbon sequestered from property the council owns and operates by 575% (from 2019/20 baseline) through additional planting to existing property and the acquisition of new sites.
3. **Improving Biodiversity** - By the end of March 2030, we will have used the land and property we own and operate – both existing and new sites – to create diverse, connected, and large ecosystems which enhance biodiversity in the county.
4. **Increasing Our Resilience to the Impacts of Climate Change** - Build on exploratory work conducted in 2023/24, we will have increased our knowledge of the climate impact on property and the subsequent resilience of services utilising those assets. We will have capitalised on opportunities to utilise our land across the county for multiple objectives e.g. natural flood risk management via tree planting.

6.3 How will we measure progress towards these outcomes?

6.3.1 We will measure progress through the following set of performance indicators:

- i. Net Tonnes CO² of emissions and absorption from council buildings and operations.
- ii. Tonnes CO² of emissions through staff commuting.
- iii. Tonnes CO² of emissions through business travel.
- iv. Tonnes CO² of emissions through supply chains.
- v. Percentage of council owned and operated land categorised as “Highest Species Richness”.

6.3.2 Appendix 2 outlines the base data for the above performance measures. A report will be taken annually to the ‘Asset Management Group’ to report and monitor the above data.

6.4 What are we going to do to achieve the outcome?

6.4.1 The outcomes will be achieved through a combination of activities which may include:

- Improving the energy efficiency of our buildings.
- Converting buildings to low carbon heat solutions like ground and air source heat pumps.
- Designing and constructing all new buildings to be low carbon in their operation.
- Increasing the amount of on-site renewable energy generation.
- Disposing of redundant buildings which are no longer required.

- Increase tree cover in sites already owned by the council.
- Acquire additional sites to achieve our carbon absorption target and help achieve our net carbon zero and ecologically positive target.
- Undertake works to improve the biodiversity of sites already owned by the council.
- Review and change how we design new buildings to maximise the biodiversity potential (e.g. hedging rather than fencing, hedgehog tunnels, bat/bird boxes, etc.)
- Support the reintroduction of indigenous species on council owned sites where suitable habitats exist.
- Build on exploratory work conducted in 2023/24 around social care climate resilience to increase knowledge and implement improvements to resilience of services.

7. PRIORITY 2: MODERNISING EDUCATION

7.1 Why is this a priority?

7.1.1 After decades of under-investment, the Modernising Education programme has started to reverse the decline in the condition and suitability of our school buildings. With significant financial contributions from both the Welsh Government and the council, the first phase of this programme – Band A – delivered £95 million of investment in improving our school estate. This investment included new primary schools in Ruthin and Clocaenog, a new extension and major refurbishment of Ysgol Glan Clwyd in St Asaph, and a brand new High School building in Rhyl.

7.1.2 The next stage of investment in the school estate has seen Welsh Government move away from 5 year bands of investment to a more flexible approach over a longer 9 - year time period with the 9 years divided into 3 blocks of 3 years each. All local authorities have been requested to create a Rolling Programme. Denbighshire's approach for the Rolling Programme is focused on providing high quality buildings and facilities that meet the needs of pupils, families, and their wider community, including working with the Welsh Government's Sustainable Communities for Learning Programme. The broader strategy also reflects wider targets such as the role education can play in delivering the national target for Cymraeg 2050 and delivering Net Carbon Zero.

7.2 What outcomes are we trying to achieve?

7.2.1 Creating Sustainable Communities for Learning is multi-faceted, but from a property perspective we aim to achieve the following outcomes:

1. **Surplus Pupil Places** – by the end of March 2029, we will have ensured that the overall level of surplus pupil places is reduced by 25% (from 2019/20 baseline).
2. **Building Condition** - by the end of March 2029, we will have improved condition of school buildings with a 35% reduction in the number of buildings considered poor (from 2019/20 baseline).

3. **Reducing Carbon Emissions** - By the end of March 2030, we will have reduced carbon emissions from the electricity, gas, LPG, oil, biomass and water we use in school buildings by 60% (from 2019/20 baseline).

7.3 How will we measure progress towards these outcomes?

7.3.1 We will measure progress through the following set of performance indicators:

- i. Number of surplus school places across the school portfolio
- ii. Number of surplus Primary school places
- iii. Number of surplus Secondary school places
- iv. Number of school buildings categorised as poor in physical condition terms (Grade C or D)
- v. Tonnes CO₂ of emissions from school buildings

7.3.2 Appendix 2 outlines the base data for the above performance measures. A report will be taken annually to the 'Asset Management Group' to report and monitor the above data.

7.4 What are we going to do to achieve the outcomes?

7.4.1 The outcomes will be achieved through a combination of activities which may include:

- Physical improvements to school buildings, including extensions and refurbishments, to accommodate forecast school numbers and improve learning environments.
- Construction of new school buildings.
- Works to improve energy efficiency and reduce carbon emissions from school buildings.

8. PRIORITY 3: REGENERATION

8.1 Why is this a priority?

8.1.1 The decline in the fortunes of town centres across the UK is well documented, and the impact of the COVID-19 pandemic has exacerbated the problems in many places. Denbighshire has a number of town centres, all of which are feeling the impact of changing retail patterns to some degree. Some, like Prestatyn and Ruthin – which came first and second in a “vitality index” of Welsh town centres in 2021 – seem to be faring relatively well in the circumstances. Others, like Rhyl, are faring less well, with high vacancy rates and poorly maintained buildings combining to create a poor shopping environment and deterring people from visiting.

8.1.2 The private sector has lost confidence in these areas and is not investing in property, either in terms of new builds or refurbishment of existing buildings. In order to restore private sector confidence, the council may wish to proactively intervene in the property market, dependent on funding being available, to improve the visual appearance of our towns, create new opportunities for businesses and more generally deliver our regeneration objectives. We already have a track record in doing this with our acquisition of Queens Building and other

High Street properties in Rhyl, maximising on the draw down of external funding, but other interventions may be needed going forward in order to create new, high quality public realm spaces, upgrade buildings to set a new benchmark for quality design in our town centres and introduce a better mix of uses.

8.2 What outcomes are we trying to achieve?

8.2.1 Regeneration is wide-ranging and multi-faceted, but from a property perspective we aim to achieve the following outcomes:

1. **Physical Appearance** – by the end of March 2029 we will have significantly improved the physical appearance of some of our town centres as a result of intervening in key properties and either refurbishing them for new uses or demolishing and redeveloping them with new buildings or public spaces.
2. **New businesses and jobs** – by the end of March 2029, through refurbishment or redevelopment, we will have created quality commercial spaces in some town centres that will be occupied by new businesses creating new jobs.
3. **New Homes** – by the end of March 2029, through refurbishment or redevelopment, we will have created quality new homes, attracting new residents to come and live in some of our town centres.

8.2.2 Note that in relation to outcome 3 we will be working closely with the private sector, Registered Social Landlords and the council's own housing department to create a balanced mix of housing types and tenures, but with a real focus on trying to attract young professional singles/couples into our town centres.

8.3 How will we measure progress towards these outcomes?

8.3.1 In terms of the property elements of our regeneration efforts, we will measure progress through the following set of performance indicators in relation to properties where we have been directly involved as a council:

- i. m² of unused/dilapidated floorspace demolished
- ii. m² of commercial floorspace created
- iii. number of businesses accommodated
- iv. m² of residential floorspace created
- v. Number of residential units created

8.3.2 Appendix 2 outlines the base data for the above performance measures. A report will be taken annually to the 'Asset Management Group' to report and monitor the above data.

8.4 What are we going to do to achieve the outcomes?

8.4.1 The outcomes will be achieved through a combination of activities which may include:

- Reviewing the future uses for the Queens Market with the aim of starting in 2024.
- Refurbishing town centre properties acquired for the “Contemporary Living” project.
- Refurbishing 26 Wellington Road.
- Identifying and acquiring other town centre properties in either poor condition or in key locations, and subsequently refurbishing or redeveloping them.
- Identifying and acquiring any properties that may be required to improve traffic circulation in town centres.

9. NEW WAYS OF WORKING AND COLLABORATION

9.1 Why is this a priority?

9.1.1 The COVID-19 pandemic demonstrated that the majority of Denbighshire County Council office-based staff can work very successfully from home. For the whole of the lockdown periods very few office-based staff attended the workplace. This has demonstrated that the council can operate the majority of its office-based functions with officers working from home. As such, the expectation is that home working will remain an integral part of working life going forward for many office-based staff.

9.1.2 Having established that the majority of office functions can be undertaken successfully at home, there are opportunities to rethink the office environment to suit a more “blended” approach to working – with some time being spent in the office but a much greater incidence of home working than pre-COVID levels, with perhaps between 30% to 50% of staff attending the workplace on any working day. Furthermore, the reasons people attend the workplace is more likely to be driven by the need to meet and collaborate with others rather than to undertake day to day transactional operations which can be undertaken at home.

9.1.3 This change in ways of working is being experienced across business and the public sector in North Wales. Opportunities to collectively rationalise estates in localities and across sectors are likely in the next 5 years with the establishment of multi-use / multi agency assets releasing surplus sites to be repurposed for other requirements and priorities (e.g., Housing, Community Resilience etc).

9.1.4 To consider and deliver a broad range of benefits that could derive from an increase in staff working from home, the council undertook a New Ways of Working (NWOW) review and from a property perspective we need to reconsider what we provide in terms of office accommodation, specifically:

- Changing the layout and organisation of our offices to improve utilisation;

- Considering the number and type of meeting spaces we provide, if one of the prime reasons for people attending the office is to meet others and collaborate; and
- Reducing the overall amount of space dedicated to office uses.

Delivery upon these conclusions and proactively seeking opportunities to collaborate will continue to feature for the coming 5 years.

9.2 What outcomes are we trying to achieve?

9.2.1 The New Ways of Working in the Council is broad in its scope, but from a property perspective we aim to achieve the following outcomes:

1. **Workplace Design** – By the end of March 2029 we will have reduced the amount of floorspace dedicated for office use and redesigned those spaces to meet the needs of a workforce which will spend a significant proportion of time working from home.
2. **Property Utilisation** – By the end of March 2029 we will have rationalised our property portfolio and achieved revenue savings through the improved utilisation of our office buildings facilitated by an increase in home working by office-based staff and collaborative working with other public bodies.

9.2.2 Collaboration in assets can take many forms, but from an asset management perspective we aim to achieve the following outcomes:

3. **Sustainable Asset Ownership and Operation** – By the end of March 2029 we will have completed a review of our assets utilising the Portfolio Plan and Challenge process to question who best to own and operate each asset and how the ownership and operation model can best service residents and corporate priorities, along with working collaboratively across the public and third sector and within localities to explore opportunities for multi-use/ multi- agency asset collaboration.

9.3 How will we measure progress towards these outcomes?

9.3.1 We will measure progress through the following set of performance indicators:

- i. m² of space allocated for office use and associated (storage, meetings, reception, etc.) across our portfolio
- ii. £ income achieved through shared costs, rented out space and/or specific revenue grant funding (e.g. for establishment of Remote Working Hubs) facilitated by improved utilisation of offices
- iii. £ revenue savings achieved through property disposals facilitated by improved utilisation of offices
- iv. m² of Gross Internal Area (GIA) in the overall DCC corporate property portfolio

9.3.2 Appendix 2 outlines the base data for the above performance measures. A report will be taken annually to the 'Asset Management Group' to report and monitor the above data.

9.4 What are we going to do to achieve the outcomes?

9.4.1 The outcomes will be achieved through a combination of activities which may include:

- Considering the number and location of DCC buildings office-based staff will be able to operate from, and making changes to those buildings where required to enable remote working.
- Liaising with public sector partners in the North Wales region to agree reciprocal / collaborative arrangements for staff to work in partners' office buildings.
- Agree the basis on which a reduced number of desks will be allocated going forward (i.e. team rotas or hot-desking) and implement required system for allocating space accordingly.
- Re-allocating space in our offices to reduce the number (and possibly size) of desks.
- Reviewing dedicated single or double occupancy office spaces where they currently exist and consider the establishment "management suites" as an alternative to improve space utilisation.
- Reviewing the requirement for formal meeting spaces (and associated video conferencing facilities and booking systems) and implementing any agreed changes.
- Designing and providing more informal meeting/collaboration spaces.
- Consider scope for improving staff welfare facilities (e.g. more showers to encourage cycling to work, improved kitchen/dining areas, etc.).
- Consider opportunities to bring some service functions into the Administration portfolio (e.g. libraries, Registrars, etc.) and implement where feasible.
- Consider options for sharing or leasing out space in our office buildings to other public sector partners, and collaborative working, where feasible.
- Consider options for leasing out space in our office portfolio commercially, and implement where feasible.
- Consider the use of some of DCC's buildings for the establishment of WG's "Remote Working Hubs" concept of shared space, and implement where feasible.
- Identify and implement opportunities to dispose of buildings in DCC ownership reduce the number of buildings DCC own and operate.

10. DAY TO DAY MANAGEMENT

10.1 Over and above the strategic elements outlined above, there are a number of "day to day" activities where there is scope for improvement which need to be addressed over this next Asset Management Strategy period, including:

1. More robust and programmed process for condition surveys and ensuring they have value for maintenance teams;

2. Better information and knowledge of listed buildings in our ownership;
3. Ensure all properties have clear and understood managing service;
4. Review properties in Environmental Services – currently outside property maintenance regimes and thus inconsistent with Corporate Landlord model;
5. Improve compliance monitoring and processes;
6. Continue EDRMS programme for lease information;
7. Review Acquisition /Disposal process;
8. Review and communicate Community Asset Transfer process;
9. Review Asset Management Group (AMG) Terms of Reference (and ensure consistency with Capital Strategy Group [CSG]);
10. As part of the Asset Challenge Process proactively explore collaboration opportunities with other Public Sectors.

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APPENDICES

Appendix 1 – Portfolio Plan Review and Challenge Process

A1.1 Portfolio Plans will have been established for all portfolio areas by the end of 2024. Following this, a property review process will be instigated using these plans for the basis of initial challenge at service level, escalating to area asset reviews once portfolios and service need are established.

A1.2 Portfolio plans will

- Be completed in conjunction with the relevant services
- Identify links between our buildings
- Scrutinise building utilisation, performance and condition
- Give services an opportunity to highlight their challenges
- Trigger the Asset challenge process

A1.3 Portfolio plans will be categorised as follows:

- **Corporate Support** – those properties held to support mainstream service delivery, including offices and corporate stores.
- **Education** – those properties held to support the provision of education services.
- **Community** – those properties from which services to the community are delivered, including Leisure Centres, Town Halls, Libraries/one-stop-shops, Youth Centres, public toilets and car parks.
- **Countryside, Parks & Open Space** – those properties which are characterised by land rather than buildings, including parks, playing fields, open spaces, cemeteries and countryside properties.
- **Commercial** – those properties that generate rent or income including agricultural estate, economic development estate, Coastal & Maritime properties.

- **Care** – those properties that provide specialist care to vulnerable residents, including Residential & Care Homes, Supported Businesses and Equipment Stores.
- **Maintenance** – those properties held to ensure the ongoing maintenance and upkeep of the county, including Main/Sub Highways Depots, Roadside Highways Depots, Street Scene Depots and Waste Facilities
- **Surplus/Other** – miscellaneous properties that do not fit neatly into any of the above, including quarries and surplus/vacant land & property.

A1.4 Initial review at the Council's Asset Management Group will form the basis of more in depth challenge at service level which will be largely based on Sufficiency, Suitability and Condition/Performance. It is unlikely that every asset will be subject to challenge, with some being obviously required to deliver essential/statutory services.

A1.5 Where potential alternative/shared use or vacation and disposal are identified, the established policies, consultation and approval processes will be implemented to bring proposals forward. This will include presenting findings and proposals to the relevant Member Area Groups for consideration and comment.

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Appendix 2 – Performance Indicators

Priority 1: Climate Action and Nature Recovery

We will measure progress through the following set of performance indicators:

- i. Net Tonnes CO² of emissions and absorption from council buildings and operations.
- ii. Tonnes CO² of emissions through staff commuting.
- iii. Tonnes CO² of emissions through business travel.
- iv. Tonnes CO² of emissions through supply chains.
- v. Percentage of council owned and operated land categorised as “Highest Species Richness”.

Measure	2019-2020 Baseline	2022–2023 Data	2023–2024 Data	2024–2025 Data	2025–2026 Data	2026–2027 Data	2027–2028 Data	2028-2029 Data	2029-2030 Data	2030 Target
Net Carbon Zero – Total carbon tonnage emitted and absorbed by the council (excluding supply chain) – Benchmarked Locally	14,030	12,062								0
Total carbon tonnage emitted through staff commuting. – Benchmarked Locally	1,848	2,860								1,478
Total carbon tonnage emitted through business travel. – Benchmarked Locally	550	251								110
Total carbon tonnage emitted through supply chains. – Benchmarked Locally	25,125	36,912								16,311
Percentage of council owned and operated land in the highest categories of species richness. – Benchmarked Locally	37.6	42.0								51

Priority 2: Modernising Education

We will measure progress through the following set of performance indicators:

- i. Number of surplus school places across the school portfolio
- ii. Number of surplus Primary school places
- iii. Number of surplus Secondary school places
- iv. Number of school buildings categorised as poor in physical condition terms (Grade c or D)
- v. Tonnes CO2 of emissions from school buildings

Measure	2024 Baseline	2025 Data	2026 Data	2027 Data	2028 Data	2029 Data
Number of surplus school places across the school portfolio– Benchmarked Locally	2,492					
Number of surplus Primary schools – Benchmarked Locally	1,170					
Number of surplus Secondary schools – Benchmarked Locally	1,322					
Number of school buildings categorised as poor in physical condition terms (Grade c or D)– Benchmarked Locally	0					
Tonnes CO2 of emissions from school buildings– Benchmarked Locally	3,362					

Priority 3: Regeneration

In terms of the property elements of our regeneration efforts, we will measure progress through the following set of performance indicators in relation to properties where we have been directly involved as a council:

- i. m² of unused/dilapidated floorspace demolished
- ii. m² of commercial floorspace created
- iii. number of businesses accommodated
- iv. m² of residential floorspace created
- v. Number of residential units created

Measure	2023-2024 Baseline	2024-2025 Data	2025-2026 Data	2026-2027 Data	2027-2028 Data	2028-2029 Data
m ² of unused/dilapidated floorspace demolished – Benchmarked Locally	0					
m ² of commercial floorspace created – Benchmarked Locally	1,500					
Number of businesses accommodated – Benchmarked Locally	0					
m ² of residential floorspace created – Benchmarked Locally	0					
Number of residential units created – Benchmarked Locally	0					

Priority 4: New Ways of Working and Collaboration

We will measure progress through the following set of performance indicators:

- i. m² of space allocated for office use and associated (storage, meetings, reception, etc.) across our portfolio
- ii. £ income achieved through shared costs, rented out space and/or specific revenue grant funding (e.g. for establishment of Remote Working Hubs) facilitated by improved utilisation of offices
- iii. £ revenue savings achieved through property disposals facilitated by improved utilisation of offices
- iv. m² of Gross Internal Area (GIA) in the overall DCC corporate property portfolio

Measure	2023-2024 Baseline	2024-2025 Data	2025-2026 Data	2026-2027 Data	2027-2028 Data	2028-2029 Data
m ² of space allocated for office use and associated (storage, meetings, reception, etc.) across our portfolio	8,132					
£ income achieved through shared costs, rented out space and/or specific revenue grant funding (e.g. for establishment of Remote Working Hubs) facilitated by improved utilisation of offices	TBC					
£ revenue savings achieved through property disposals facilitated by improved utilisation of offices	0					
m ² of Gross Internal Area (GIA) in the overall DCC corporate property portfolio	11,165					



Asset Management Strategy 2024-2029: 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: 1358

Brief description: Asset Management Strategy

Date Completed: 09/10/2024 11:09:12 Version: 4

Completed by: Bryn Williams

Responsible Service: Corporate Support Service: Performance, Digital and Assets

Localities affected by the proposal: Whole County,

Who will be affected by the proposal? All DCC Services

Was this impact assessment completed as a group? Yes

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

We will provide the right assets, in the right place, and in the right condition to meet current and projected future service delivery needs, considering who best to own and operate each asset and opportunities for collaboration. To this end, the new Asset Management Strategy has sought to align asset plans with the council's longer term strategic wellbeing objectives, making sure that our property assets play a key role in delivering on these priorities.

Prevention

Climate Action & Nature Recovery is a core objective of this strategy – which would include improving energy performance of buildings, reducing the overall building footprint, facilitating reduced travel, increasing carbon sequestration from existing and new properties, improving biodiversity on our sites, etc. In addition to increasing the understanding of, and improving, our assets resilience to climate impacts. All action in relation to this objective is subject to necessary funding.

Integration

The new Asset Management Strategy has sought to align asset plans with the council's longer term strategic priorities/wellbeing objectives, making sure that our property assets play a key role in delivering on these priorities. For example through its regeneration and modernising education

objectives

Collaboration

Consultation has been carried out at officer level through the various Portfolio Plans, which group land and buildings with similar types of property, rather than along services lines. These Portfolio Plans have been developed through a series of meetings and discussions with several council officers who either occupy or manage land or buildings in the portfolio, and through an analysis of a few performance measures relating to the properties.

Involvement

Services will continue to shape and contribute to asset decisions through portfolio plans and asset challenges. Councillors will be involved via discussions at MAGs. Any major changes to front line service assets e.g. schools will be subject to significant internal and external involvement and engagement conducted by the service 'holding' the asset.

Summary of impact

Well-being Goals	Overall Impact
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

Well-being Goals	Overall Impact
A globally responsible Denbighshire	Positive

Main conclusions

The strategy aligns well with the Wellbeing Goals providing positive contribution to 4 of the goals and neutral for the rest. This is particular evident in the underlying principle for the strategy and the core priorities of the strategy. The ethos of collaboration supports delivery against the Wellbeing of future generation sustainable development principles and will only grow during the term of this strategy and public sector finances continue to retract.

Interaction and collaboration between services is key in identifying and addressing areas of success and opportunities for improvement. Periodic review of the report content will also ensure it remains relevant and applicable.

In order to manage any actions arising from this impact assessment, we regularly meet with Ystadau Cymru, which is a North Wales regional property officers forum to ensure there is regular and effective communication between key partner organisations and opportunities for joint working are identified and delivered.

The likely impact on Denbighshire, Wales and the world.

A prosperous Denbighshire

Overall Impact

Positive

Justification for impact

The strategy is designed to contribute well to the Council contributing to a prosperous Denbighshire. Particularly through its objectives around climate action and nature recovery and regeneration.

Further actions required

Action around this is subject to securing necessary funds and there could be possible missed opportunities due to limited resource/capacity to make connections and leverage impact within property and other key teams across the Council. Continuing close working across the Council and with our partners should help with these potential barriers.

Positive impacts identified:

A low carbon society

Climate Action & Nature Recovery is a core objective of this strategy – which would include improving energy performance of buildings, reducing the overall building footprint, facilitating reduced travel, increasing carbon sequestration from existing and new properties, improving biodiversity on our sites, etc. In addition to increasing the understanding of, and improving, our assets resilience to climate impacts.

Quality communications, infrastructure and transport

Using assets for broad objectives through collaboration is a feature of this strategy e.g. how our assets can support the roll out of Internet of Things technology through wifi / LoRoWan infrastructure. Also how our open space portfolio can improve access to open green space and biodiversity hot spots.

Economic development

Regeneration is one of the strategies objectives – where the council is directly intervening in the property market to promote regeneration and economic development, particularly in town centres.

Quality skills for the long term

none anticipated

Quality jobs for the long term

none anticipated

Childcare

none anticipated

Negative impacts identified:

A low carbon society

All action in relation to this objective is subject to necessary funding. Working directly with services should reduce any missed opportunities to leverage as much funding as possible

Quality communications, infrastructure and transport

Possible Missed opportunities due to limited resource/capacity to make connections and leverage impact

Economic development

Possible missed opportunities due to limited resource/capacity to make connections and leverage impact

Quality skills for the long term

None anticipated

Quality jobs for the long term

None anticipated

Childcare

None anticipated

A resilient Denbighshire

Overall Impact

Positive

Justification for impact

Climate Action & Nature Recovery is one of the core priorities in the strategy – which would include improving energy performance of buildings, reducing the overall building footprint, facilitating reduced travel, increasing carbon sequestration from existing and new properties, improving biodiversity on our sites, etc. In addition to increasing the understanding of, and improving, our assets resilience to climate impacts.

Further actions required

Action around this is subject to securing necessary funds and there could be possible missed opportunities due to limited resource/capacity to make connections and leverage impact within property and other key teams across the Council. Continuing close working across the Council and with our partners should help with these potential barriers. Equally to continue to develop staff awareness and knowledge about biodiversity risk, mitigation and enhancement opportunities.

Positive impacts identified:

Biodiversity and the natural environment

Climate Action & Nature Recovery is one of the core priorities in the strategy – which would include increasing carbon sequestration from existing and new properties and improving biodiversity on our sites.

Biodiversity in the built environment

Climate Action & Nature Recovery is one of the core priorities in the strategy – which would include increasing carbon sequestration from existing and new properties and improving biodiversity on our sites.

Reducing waste, reusing and recycling

The portfolio plan approach referenced in this strategy takes a legislative lens so that collective compliance with regulation such as the Workplace Recycling Regs can be progressed through asset challenge and portfolio plan updating process annually.

Reduced energy/fuel consumption

Climate Action & Nature Recovery is one of the core priorities in the strategy – which include improving energy performance of buildings, reducing the overall building footprint, facilitating reduced travel.

People's awareness of the environment and biodiversity

none anticipated

Flood risk management

Climate Action & Nature Recovery is one of the core priorities in the strategy – which includes increasing the understanding of, and improving, our assets resilience to climate impacts. This includes flood risk and cascading risk linked to this. Portfolio plan approach advocated in this strategy Provides service managers with an opportunity to discuss issues / potential issues around flooding and gives the Asset management team an opportunity to review and mitigate risk

Negative impacts identified:

Biodiversity and the natural environment

Potential lack of knowledge from individual services. Possible missed opportunities due to limited resource/capacity to make connections and leverage impact

Biodiversity in the built environment

Potential lack of knowledge from individual services. Possible missed opportunities due to limited

resource/capacity to make connections and leverage impact

Reducing waste, reusing and recycling

None anticipated

Reduced energy/fuel consumption

All action in relation to this objective is subject to necessary funding. Working directly with services should reduce any missed opportunities to leverage as much funding as possible

People's awareness of the environment and biodiversity

None anticipated

Flood risk management

Potential lack of knowledge from individual services. Possible missed opportunities due to limited resource/capacity to make connections and leverage impact

A healthier Denbighshire

Overall Impact

Neutral

Justification for impact

Limited impact in this goal apart from the underlying principle of the strategy applying to the leisure facilities in DCC ownership and run by DLL. That principle is: We will provide the right assets, in the right place, and in the right condition to meet current and projected future service delivery needs, considering who best to own and operate each asset and opportunities for collaboration.

Further actions required

Continued engagement by DLL in our portfolio plan discussions will be key to continue to work well together.

Positive impacts identified:

A social and physical environment that encourage and support health and well-being

N/A

Access to good quality, healthy food

N/A

People's emotional and mental well-being

none anticipated

Access to healthcare

none anticipated

Participation in leisure opportunities

Leisure Centres are part of the Council's assets run by DLL with some being dual use sites at High Schools where the centre is used to deliver physical education curriculum. The Strategies core principle supports the continued safe, efficient management and use of these leisure facilities which in turn supports participation opportunities.

Negative impacts identified:

A social and physical environment that encourage and support health and well-being

None anticipated

Access to good quality, healthy food

none anticipated

People's emotional and mental well-being

None anticipated

Access to healthcare

none anticipated

Participation in leisure opportunities

Continued engagement by DLL in our portfolio plan discussions will be key to continue to work well together.

A more equal Denbighshire

Overall Impact

Neutral

Justification for impact

Beside the strategy ensuring asset management and facilities management of property complying with Equalities Act and other duties this strategy has a neutral impact for equalities.

Further actions required

none anticipated

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

Beside the strategy ensuring asset management and facilities management of property complying with Equalities Act and other duties this strategy has a neutral impact for equalities

People who suffer discrimination or disadvantage

none anticipated

People affected by socio-economic disadvantage and unequal outcomes

none anticipated

Areas affected by socio-economic disadvantage

none anticipated

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

none anticipated

People who suffer discrimination or disadvantage

none anticipated

People affected by socio-economic disadvantage and unequal outcomes

none anticipated

Areas affected by socio-economic disadvantage

none anticipated

A Denbighshire of cohesive communities

Overall Impact

Positive

Justification for impact

By providing the right buildings, in the right places for the right service delivery considering who best to own and operate each asset and opportunities for collaboration; the strategy identifies opportunities for community interaction, resilience through exploring opportunity for CAT transfers and

collaborative ownership and management of assets. New Ways of Working (NWOW) and Collaboration is one of the core priorities of the strategy – looking specifically at our office portfolio and how this needs to change considering significant increase in home working (post-COVID) , along with progressing collaboration opportunities to create an asset ownership and operation model that is sustainable.

Further actions required

Continuous collaboration with all concerned parties and services. Continued work on the CAT transfer process for the Council to ensure it is clear and widely understood.

Positive impacts identified:

Safe communities and individuals

none anticipated

Community participation and resilience

By providing the right buildings, in the right places for the right service delivery considering who best to own and operate each asset and opportunities for collaboration; . The strategy identifies opportunities for community interaction , resilience through exploring opportunity for CAT transfers and collaborative ownership and management of assets.

The attractiveness of the area

none anticipated

Connected communities

By providing the right buildings, in the right places for the right service delivery . The report identifies opportunities for community interaction and education.

Rural resilience

none anticipated

Negative impacts identified:

Safe communities and individuals

None anticipated

Community participation and resilience

None anticipated. Is reliant on capacity within the property department to facilitate CAT transfers which tend to be resource intensive.

The attractiveness of the area

None anticipated

Connected communities

None anticipated

Rural resilience

None anticipated

A Denbighshire of vibrant culture and thriving Welsh language

Overall Impact

Neutral

Justification for impact

Beside the strategy ensuring asset management and facilities management of property complying with Welsh Language Standards and other Welsh language duties (e.g. bilingual signage and verbal notifications in lifts etc) this strategy has a neutral impact for welsh language. Limited impact in the culture part of this goal apart from the underlying principle of the strategy applying to the culture and heritage assets/sites in DCC ownership. That principle is: We will provide the right assets, in the right place, and in the right condition to meet current and projected future service delivery needs, considering who best to own and operate each asset and opportunities for collaboration.

Further actions required

Keeping abreast of changes in Welsh language standards and being proactive in opportunities to work collaboratively to ensure longevity of culture and heritage attractions.

Positive impacts identified:

People using Welsh

None anticipated

Promoting the Welsh language

Strategy ensuring asset management and facilities management of property complying with Welsh Language Standards and other Welsh language duties (e.g. bilingual signage and verbal notifications in lifts etc)

Culture and heritage

Underlying principle of the strategy applying to the culture and heritage assets/sites in DCC ownership. That principle is: We will provide the right assets, in the right place, and in the right condition to meet current and projected future service delivery needs, considering who best to own and operate each asset and opportunities for collaboration.

Negative impacts identified:

People using Welsh

None anticipated

Promoting the Welsh language

None anticipated

Culture and heritage

None anticipated

A globally responsible Denbighshire

Overall Impact

Positive

Justification for impact

Both the underlying principle, the climate action and nature recovery priority and the NWOW and collaboration priority directly looks to contribute to this well being goal.

Further actions required

Interaction with service professionals as to minimise any unintended negative impacts.

Positive impacts identified:

Local, national, international supply chains

None anticipated

Human rights

None anticipated

Broader service provision in the local area or the region

The underlying principle in the strategy includes “considering who best to own and operate each asset and opportunities for collaboration” as well as New Ways of Working (NWOW) and Collaboration being a core priority– “along with progressing collaboration opportunities to create an asset ownership and operation model that is sustainable”. This is about using our assets creatively to support public sector partners, third sector and private partners to deliver public good for Denbighshire and the region.

Reducing climate change

Climate Action & Nature Recovery is one of the core priorities in the strategy – which would include improving energy performance of buildings, reducing the overall building footprint, facilitating reduced travel, increasing carbon sequestration from existing and new properties, improving

biodiversity on our sites, etc. In addition to increasing the understanding of, and improving, our assets resilience to climate impacts.

Negative impacts identified:

Local, national, international supply chains

None anticipated

Human rights

None anticipated

Broader service provision in the local area or the region

None anticipated

Reducing climate change

None anticipated

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Report to	Cabinet Briefing
Date of meeting	7 th October 2024
Lead Member / Officer	Cllr Gwyneth Ellis Lead Member for Finance, Performance and Strategic Assets/ Head of Finance and Audit
Report author	Principal Revenues, Benefits and Contract Manager / Quality & Performance Manager // Service Delivery Manager
Title	Second Home / Long-term Empty Council Tax Premium

1. What is the report about?

- 1.1 The council's policy for council tax premium charging on second homes and long term empty properties, including preparations for reviewing the policy so that any amendments can take place at the start of the 2026/27 financial year.

2. What is the reason for making this report?

- 2.1 In September 2023 the council set a charging policy that covered financial years 2024/25 and 2025/26. This report seeks your endorsement to the policy in readiness for the new financial year (2025/26).
- 2.2 To seek approval from Cabinet to review the charging policy for 2026/27 with proposed timescales set out in 4.5

3. What are the Recommendations?

- 3.1 To note and endorse the council's charging policy for 1st April 2025 as set out in para 4.1.

- 3.2 To consider and approve the proposed timeline set out within this paper to review the policy for 2026/27.

4. Report details

- 4.1 On the 5th September 2023 at Full Council, the Long Term Empty and Second Home Premium charging policy was approved for 2024/25 and 2025/26. The charges agreed were confirmed:

From 1 April 2024

- 100% over the standard Council Tax charge from April 2024 for all Second Homes and Long-Term Empty properties, that have been empty for less than 5 years and;
- An additional 50% on properties that have been unoccupied and unfurnished for 5 years or more

From 1st April 2025

- 150% over the standard Council Tax charge from April 2025 for all Second Homes and Long-Term Empty properties, that have been empty for less than 5 years and;
- An additional 50% on properties that have been unoccupied and unfurnished for 5 years or more;

The decision to develop a two-year charging policy was intended to provide those tax payers impacted by the premium with an element of financial certainty.

- 4.2 The policy did not cover financial year 2026/27 onwards and it is therefore necessary to begin planning a review to understand the impact of current policy to inform future decisions.
- 4.3 We are proposing to analyse management information and compare data and policy with regional and national partners. This will include reviewing any feedback received and discretionary policies/exemptions that have been developed elsewhere to support certain groups e.g. First-Time Buyers.

4.4 We have developed an operational plan with key milestones aligned to the timelines in section 4.5. This will allow enough time to gather nine months of data on the impact of the 2024/25 premium increase for Cabinet review.

4.5 Communication to Members will be made prior to the commencement of the Public Consultation.

Timescales:	
3 rd March 2025	Present outcome of 2024/25 data analysis and proposals to Cabinet briefing.
26 th March 2025	Advance notice of public consultation to SLT/Cllrs/Members/Key Partners
28 th March	Press Release/ Social Media/ Comms to identified Long Term Empty & Second Home Owners.
3 rd April to 2 nd May 2025	Public consultation.
26 th June 2025	Present proposals and outcome of public consultation to Communities Scrutiny Committee.
7 th July 2025	Present outcome report and Wellbeing Impact Assessment to Cabinet Briefing.
29 th July 2025	Present outcome report and Wellbeing Impact Assessment to Cabinet.
9 th September 2025	Present outcome & proposal report for 2026/27 and going forward to Full Council.

Please note, that at full Council in September 2023 the following resolution was passed in relation to income generated by the premium -

(vi) the extra funding generated by this proposal is allocated for local communities, amenities and to tackle homelessness

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

5.1. The purpose of the premium charge is to increase affordable housing within Denbighshire and to maintain and grow sustainable communities. The scheme has a neutral effect on 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 Increasing the premium will impact staff resources, leading to higher customer engagement and appeals for the council tax team. The property inspector will need to conduct more visits to minimise fraud and tax avoidance. However, raising the premium percentage will generate additional revenue, supporting the Empty Homes Team's goal to reduce long-term empty properties and positively affecting Homeless Prevention efforts. Any additional resource needs for the Revenues team will be addressed in the Spring 2025 report.

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

7.1 A wellbeing impact assessment was carried out as part of the previous consultation in July 2023. It is proposed that another will be undertaken before this is taken back to cabinet in June 2025

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

8.1. The authority previously undertook a public consultation in May 2023 and would propose to repeat this in April 2025. We have plans to engage with the scrutiny process in June 2025.

9. Chief Finance Officer Statement

9.1 It is appropriate that the council reconfirms the position with regard to council tax premiums on second homes and long-term empty properties for 2025/26. This will raise awareness with residents and those affected. It is necessary to begin planning to review the policy going forward based on evidence on the impact the policy has had in terms of changing behaviours etc to date.

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

10.1 A risk of varying the rate of premium at this stage before a full evaluation of the current increase could have potential negative impact on the authority, tourism industry, and detrimental financial impact to individuals.

11. Power to make the decision

- *Housing (Wales) Act 2014.*
- *The Council Tax (Exceptions from Higher Amount) Wales Regulations 2015.*
- *The Council Tax (Long-term Empty Dwellings and Dwellings Occupied Periodically (Wales) Regulations 2022.*

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Report to	Cabinet
Date of meeting	22 nd October 2024
Lead Member / Officer	Lead Member for Finance, Performance and Assets / Head of Finance and Audit
Report author	Head of Finance and Audit
Title	Update to Medium Term Financial Strategy and Plan for 2025/26 – 2027/28.

1. What is the report about?

- 1.1. The report provides an update to the Medium-Term Financial Strategy and Plan for 2025/26 – 2027/28.

2. What is the reason for making this report?

- 2.1. The report updates Cabinet on

- proposed budget strategy for setting the budget for 2025/26 as set out in the Medium-Term Financial Strategy (MTFS)
- financial projections for the 3-year period 2025/26 to 2027/28 in the Medium Term Financial Plan (MTFP)
- progress on savings proposals that are being developed.

3. What are the Recommendations?

- 3.1. Cabinet approves the MTFS and MTFP included at Appendices 1 and 3
- 3.2. Cabinet reviews and considers early savings proposals for setting the 2025/26 budget as set out in Appendix 2.
- 3.3. Cabinet notes the on-going work to set a balanced budget in 2025/26.

4. Report details

4.1. Cabinet has agreed to receive periodic updates of the MTFS and MTFP 2025/26 – 2027/28 throughout the year. The first iteration was considered by Cabinet in April with a second iteration considered in July. Both versions of the MTFS and MTFP have been considered by the Governance and Audit Committee and Performance Scrutiny Committee. Feedback (iteration 1) from both these committees was summarised in the July report, with no further feedback offered from iteration 2.

Medium Term Financial Strategy and Plan 2025/26 – 2027/28 – Appendices 1, 2 and 3

4.2. Appendix 1 sets out the current budget projections for 2025/26 – 2027/28 along with the assumptions that underpin the projections. As we move closer to setting our budget for 2025/26 cost pressures have been refreshed to reflect current information available in the MTFP. The table continues to include a range of assumptions to provide a low, medium and high estimates of costs for each pressure, illustrating both the uncertainty of the figures and the ongoing work to continue refresh and refine these projections over the coming months. The impact of estimated increases in Council Tax and funding from Welsh Government is also included in the MTFP.

4.3. Appendix 3 is the MTFS which sets out the Council's strategic approach to the management of its finances and outlines the financial issues that will face the Council over the next three years.

4.4. This is the third iteration of these documents and has been compiled with data and information available as at early October 2024. The documents will continue to be updated as set out in the MTFS as the Council prepares to set its budget for 2025/26 in February 2025.

4.5. The Council has faced a significant financial challenge in setting its 2024/25 budget, which is set to continue in the medium term due to a combination of no increases in funding from Welsh Government (working assumption), the continued impact of inflation and increases in demand for and complexity of needs for services. The scale of the financial challenge facing the council should not be underestimated. Key points are:

- Pressures are difficult to forecast but are currently ranging from £12m to £26m in 2025/26 with a mid-range of £18m. Similar ranges are forecast for 2026/27 and 2027/28.
- The 2024/25 funding settlement from Welsh Government provided no future indication of funding as it has done in the past couple of years. Future funding within the MTFP is based on assessments by Wales Fiscal Analysis at slightly negative reductions in the absence of anything else.
- Assumptions made about Council Tax increases range from 6% - 12% for 2025/26 with a 5.5% long term average thereafter for both years. It is important to note that no decisions have been made yet. A mid-range assumption of a Council Tax increase of 9% for 2025/26 yields an additional £6.8m but only addresses a third of the funding gap, the remaining gap is substantial at £12m.

4.6. Changes made to the MTFP are highlighted in yellow in appendix 3 for the ease of Cabinet and are summarised below;

- Budget pressures have been updated to include latest forecasts
- Risks – updates on pay awards
- Fees and Charges section has been updated along with the capital section.

4.7. As set out within the MTFP the approach to setting balanced budgets over the next few years will need to both identify savings and invest in transformational projects. In terms of 2025/26 savings, target percentage service reductions have been issued which services have been working towards achieving alongside considering the impact on service delivery. Included at Appendix 2 for Cabinet's consideration are early savings proposals that Heads of Service consider are sufficiently developed to be brought forward now for consideration. This provides a level of reassurance that progress is being made to all.

4.8. Whilst significant savings have been developed to date in Appendix 2, these are not sufficient alone to bridge the funding gap as it stands. There continues to be much uncertainty around at present that could change the size of the gap, for example pay assumptions may need to change, funding from Welsh Government may change. Every Head of Service continues to develop further savings proposals which will need to be considered alongside all other options available to set a balanced budget

including decisions around Schools' Budgets and Council Tax as the Council gets closer to setting its budget for 2025/26.

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

5.1. 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?

6.1. As set out within the budget reports to date for 2025/26. Financial and other implications for future budgets will become clearer as we progress the budget strategy.

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

7.1. A Well-being Impact Assessment (WIA) was completed for each major savings proposal in setting the 2024/25 budget. All assessments were collated and reviewed by strategic planning and performance officers to highlight any themes and patterns emerging to provide regular updates on the aggregate impact in respect of each of the well-being goals and whether the savings were disproportionately affecting any particular protected group. These were collated to form an overall WIA of the combined budget reduction measures. This has been updated throughout 2024/25.

7.2. A similar process is being implemented for 2025/26 budget setting.

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

8.1. A Communication Plan has been developed for the budget to ensure that the following groups are consulted at the appropriate times: Governance and Audit Committee, SLT, Cabinet, Group Leaders, all Council Members, the School Budget Forum, Trade Unions, our employees, local businesses, and our residents.

9. Chief Finance Officer Statement

9.1. The Council, along with all other Welsh councils, faces unprecedented financial challenges. The aim of the MTFS is to ensure that the council delivers future balanced budgets. Setting out the projections and strategy in this report will help ensure that the Council is informed and prepared to set a budget at this challenging time.

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

10.1. 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 not achieving a balanced budget for 2025/26.

10.2. A detailed section on risk is included in the MTFS in appendix 3.

10.3. As highlighted previously there are risks regarding the capacity of the Finance team that Members need to be aware of. A new financial system was brought into use from 1st April. As with the introduction of any new system there has been some disruption as a result with teams needing to work to find solutions to these issues.

10.4. The Council had over time developed an efficient automated way of producing the monthly finance update to Cabinet quickly. These monthly reports are usually up and running by June in any new financial year. The development of automated budget monitoring from the new system, was planned for the summer and would not be in place until September. Whilst good progress has been made, it is still under development currently which is a risk to the Council. To mitigate the risk, the finance team are reviewing budgets manually, focusing on high-risk areas, to update Cabinet on areas of significant risk of overspend and have worked with all Heads of Service to update the savings tracker.

11. Power to make the decision

11.1. 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

MTFP Summary	Forecast 2025/26			Forecast 2026/27			Forecast 2027/28		
	Low Gap	Medium Gap	High Gap	Low Gap	Medium Gap	High Gap	Low Gap	Medium Gap	High Gap
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Pay Pressure	2,769	3,462	4,154	2,880	3,635	4,403	2,995	3,817	4,668
Pay Grades Pressure	-1,760	-1,760	-1,760	1,760	1,760	1,760	1,300	1,300	1,300
Price Inflation	250	250	250	250	250	500	250	250	500
CTRS	500	500	950	350	500	700	350	500	700
Fire Levy	500	600	700	200	300	400	200	300	400
Adults Social Care	2,565	4,165	5,969	1,500	2,000	4,000	1,500	2,500	3,500
Childrens Services	2,600	4,284	5,900	2,000	3,000	4,000	2,000	3,000	4,000
Schools Inflation	3,000	4,000	5,000	3,000	4,000	5,000	3,000	4,000	5,000
Schools Demography	350	700	800	350	700	800	350	700	800
Investment in Priorities	0	250	500	967	967	1,500	892	892	1,000
Additional Service Pressures	1,000	1,875	3,197	1,000	1,500	2,000	1,000	1,500	2,000
Total Pressures	11,774	18,326	25,660	14,257	18,612	25,063	13,837	18,759	23,868
Inc/dec in Revenue Support Grant	-2,008	602	2,008	-2,002	1,001	2,002	-2,002	0	2,002
Council Tax Increase	-8,944	-6,822	-4,700	-4,764	-4,764	-4,764	-5,055	-5,055	-5,055
Total Increase in Revenue	-10,952	-6,219	-2,692	-6,766	-3,763	-2,762	-7,057	-5,055	-3,053
Annual Budget Gap	822	12,107	22,968	7,491	14,849	22,301	6,780	13,704	20,815
Cumulative Budget Gap	822	12,107	22,968	8,313	26,955	45,269	15,093	40,659	66,084

Note on Main Assumptions:

- Pay: based on 4% (L), 5%(M) and 6% (H) increase for each year
- Pay Grading: Pressure has been moved 2 years due to WG commitment to a revised national pay spine
- Priorities: 25/26 - Carbon Project only
26/27 - Carbon (£250k), and Coastal Schemes (£717)
27/28 - Carbon (£250k), Schools Building (£506k) and Archives (£136k)
- Childrens Pressure: 25/26 - Forecasts updated in October based on current placements and estimates for inflationary uplifts. Worst case assumes additional new complex placements will occur
- Adults Social Care Pressure: 25/26 - Forecasts updated in October assuming real living wage increase Oct 2024 at 3.75% and CPI at 2.2%. Includes pressures for Complex Disabilities - re-contracting and a forecast increase in demand, and Extra Care Housing at Llys Awelon Ruthin
- Additional Service Pressures: 25/26 - Waste (£1.067m), Winter Maintenance (£600k), Indexation on corporate contracts (£165k), Strategic Assets cost increases (£45k)
- Schools Pressure: No detailed calculation done yet but broadly in line with pay pressure elsewhere (most of inflation is pay)
- Revenue Support Grant: Based on Wales Fiscal Analysis data (-0.3%, -0.5%, 0%). Further analysis likely available after UK Gov Budget in
- Council Tax: 25/26: 6% (L), 9% (M) & 12% (H)
26/27 and 27/8: all scenarios based on the long term average of 5.5%

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Appendix 2 : 2025/26 Budget - Early savings proposals

Service	Brief Description	Estimated Saving (£k)	Category	Service Total
Adult Social Care and Homelessness	Reforming the model for delivering homelessness services. Focus on prevention and moving away from temporary emergency accommodation through use of hotels and B&Bs. Moving towards the use of leased accommodation, dispersed, primarily within the private rented sector.	1,100	Transformation project	1,168
	Voluntary exit scheme - reduction in employees	68	Reduction in service delivery	
Corporate Support, Performance Digital and Assets	ICT rationalising contracts/ licensing	61	Efficiency	263
	Recharging more ICT support costs to grants	60	Grant maximisation	
	Climate and ecological change service - cost recovery	50	Internal fee income	
	Property budget reduction	36	Efficiency	
	Service redesign - property condition surveys	10	Efficiency	
	Property service - cost recovery	46	Internal fee income - capital projects	
Corporate Support Services: People	Recharging of management costs of procurement	10	Increase in income - fees and charges	10
Education	Review of local authority school improvement services	300	Efficiency	338
	Review of contracts and contributions to third parties in light of changes to grants and other income streams available.	38	Reduction in service delivery	
Finance and Audit	Reduction in Accountancy team - part year effect of voluntary exit scheme	45	Reduction in service delivery	87
	Reduction in Revenues and Benefits Service by deleting vacant posts	42	Reduction in service delivery	
Capital and Corporate	2023/24 Pay Awards - reduction of budget in line with costs	1,000	Reduction in budget not required	2,000
	Energy - reduction of budget in line with forecast costs	1,000	Efficiency	
Housing and Communities	Restructuring with Youth Services and Community Resilience Team	14	Efficiency	72
	Charging for street naming	14	Increase in income - fees and charges	
	Review of external contracts within libraries service	23	Efficiency	
	Removal of base budget - working denbighshire	21	Grant maximisation	
Planning, Public Protection and Countryside Services	Further reduction in Economic and Business Development Team through not recruiting to a vacant lead officer post. Impact - further deminishment of service unable to bid for external funding such as Level Up Funds etc.	57	Reduction in service delivery	76
	New income from the issuing of licenses for certain procedures eg acupuncture, tattooing, etc	10	Increase in income - fees and charges	
	Review of fees charges for administering Home to college transport for Post 16 Learners	9	Increase in income - fees and charges	

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Medium Term Financial Strategy 2025/26 – 2027/28 (Oct 2024 Update)

The Medium-Term Financial Strategy (MTFS) sets out the Council's strategic approach to the management of its finances and outlines some of the financial issues that it will face over the next three years.

This is the **third** iteration of the MTFS 2025/26 – 2027/28 and it has been compiled with data and information available as at **October** 2024. The document will be subject to refinement as the financial year 2024/25 progresses and updated as workstreams identified progress during the year.

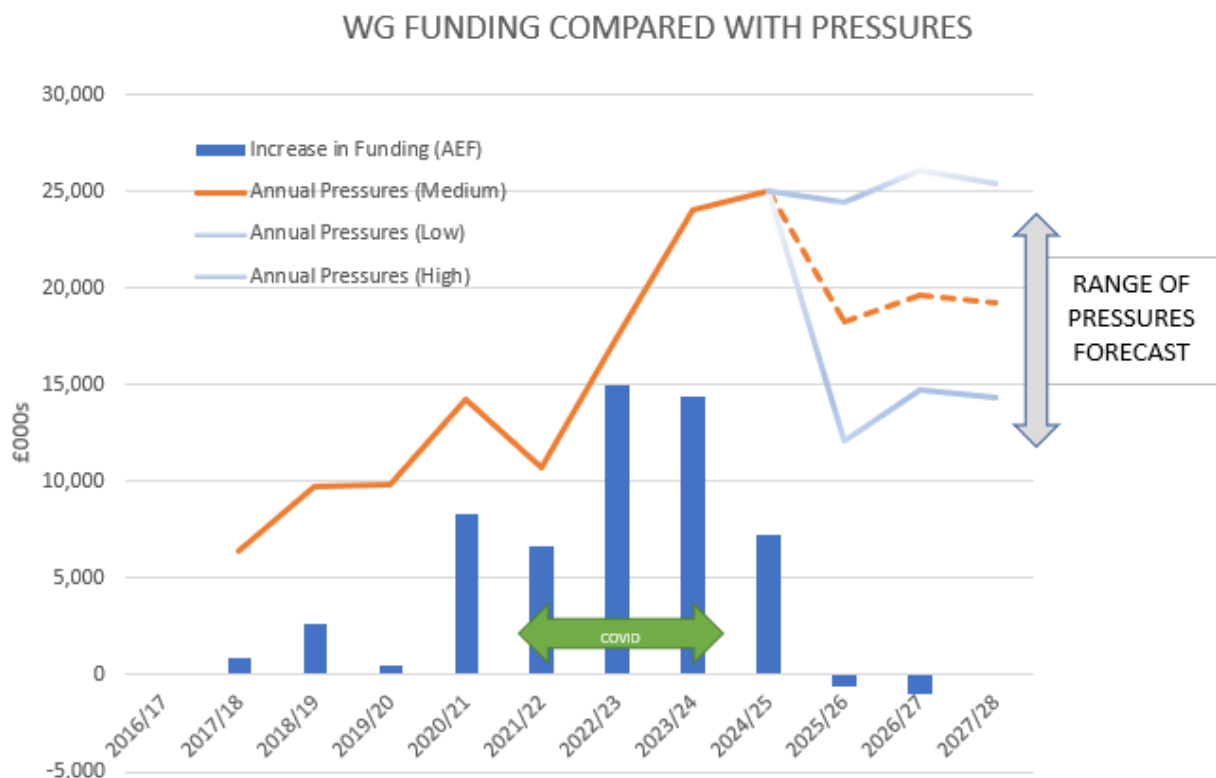
Summary of the Financial Outlook

The medium term economic and political environment within which the Council operates remains extremely uncertain making forecasting budget projections with accuracy difficult. Demand for services from our communities continues to grow and the complexity of needs has intensified in areas such as education and children's services and adult social care. Whilst inflation has eased it will continue to have an impact by increasing costs of service delivery by exerting pressure on pay, commissioned care, food and fuel prices etc. There is often a time lag between the headline rate of inflation and the increase in cost of the expenditure that the Council incurs, particularly on pay related expenditure which feeds through to expenditure on commissioned care.

The 2024/25 funding settlement from Welsh Government provided no future indication of funding as it has done for the past 2 years. As circa 75% of the council's budget (net) is funded by the settlement this adds a level of uncertainty. **The current predictions for future funding from Welsh Government are based on forecasts from the Wales Fiscal Analysis for cash flat and even slightly negative funding settlements. More recent forecasts from the Wales Fiscal Analysis reflecting the post-election fiscal outlook for Wales look slightly more positive, however this will not materially alter the Council's financial outlook.**

The graph below shows how funding received from Welsh Government compares with the cost pressures the council is subject to. It covers a 10-year period, looking back to

2017/18 and forecasts forward to 2027/28 using current Medium Term Financial Plan (MTFP) estimates of pressures using a range of cost assumptions from low to high.



The council has faced a significant financial challenge in setting recent budgets as outlined in the table below:

	Pressures requiring additional budget (£m)	Council Tax (£m)	AEF (Funding from WG) (£m)	Savings (£m)
2023/24	25	3 (3.8%)	14 (8.2%)	8
2024/25	25	7 (9.34%)	7 (3.8%)	11

The significant financial challenge is set to continue in the medium term due to a combination of no increase in funding from Welsh Government (working assumption), increases in demand for and complexity of needs for services and the continued impact of inflation. At the time of updating the strategy the Council awaits the incoming UK governments first budget statement on 30th October. This will be followed by the Welsh Government publishing its budget and draft funding settlement for local government in

early December. It is possible that the Council will receive a higher than forecast funding settlement, but this is highly unlikely to change the scale of the financial challenge facing the Council in the medium term, which should not be underestimated.

Appendix 1 sets out the current budget projections in the Medium-Term Financial Plan (MTFP) for 2025/26 – 2027/28 (revised at October 2024) along with the assumptions that underpin the projections. The MTFP has been updated to reflect latest estimates of known pressures whereas the impact of increases in Council Tax and funding from Welsh Government remain as high-level estimates. The table includes a range of assumptions to provide a low, medium and high estimate of costs for each pressure, illustrating both the uncertainty of the figures and that work will continue to refine these projections.

Budget Pressures

Corporate pressures currently included in the MTFP;

- Pay pressure - Non-Teaching Pay Awards. Current estimates are on the high side, when compared with current rates of inflation and these may be revised down in future updates.
- Pay Grades Pressure - In recent years increases to the National Living Wage driven by high levels of inflation has had an impact on the Council's pay structure. Grades have compressed at the lower end of the structure due to the removal of some spinal points and there is an increasing need to review the structure. The pressure whilst still included in the MTFP has been pushed back reflecting the commitment made by the national employers in recent pay negotiations to redesign the national pay spines and the time that may take. The Council recognises the need to review its pay structure, but it would not be feasible to complete that review when changes to the national pay spine are planned.
- General price inflation
- Council Tax Reduction Scheme - Funding for CTRS transferred into the Local Government settlement a number of years ago and has not changed. Additional costs as a result of increases in Council Tax fall on the council
- Levy from North Wales Fire and Rescue Authority
- Schools inflation – covering teaching and non-teaching pay awards for those employees working in schools, and price inflation.

- Schools Demography – reflecting changes in overall pupil numbers.
- Investment in Priorities - impact of capital programme repayment of borrowing and interest costs.

Service Pressures currently included in the MTFP;

- Adult Social Care – updated to reflect current estimates for increases in inflation, demand / complexity.
- Children’s Services – updated to reflect current estimates for increases in inflation, demand / complexity.
- Additional Service Pressures – added to reflect short, focused business cases submitted by Head of Service and approved by CET.

All pressures will continue to be reviewed and refined as the year develops to reflect updated demands. Demands for some service provision is increasing in Adults and Childrens Services but also the complexity of care required by individuals is increasing.

The majority of the pressures faced by the council are outside of its control, for example pay inflation is set nationally.

Risks

This section of the MTFs provides details of the strategic risks that the council is facing that it has not been possible to quantify in the MTFP at this stage, or there is still a degree of uncertainty if it will materialise.

- Pay Award (non-teaching) – The 2024/25 pay award has yet to be confirmed. Should it be settled at an amount in excess of what has been set aside in the 2024/25 budget, with no additional funding available from government, then the council would need to use reserves in year to fund and to correct the base budget in 2025/26 which adds to the overall pressures in the MTFP for 2025/26. In negotiations to date the employees’ side requested 10% or a lump sum of £3,000 whichever the greater, the employers have responded with a final offer of a lump sum of £1,290 on all pay spines up to point 43 with a 2.5% increase to those above point 43. The 3 trade unions balloted their members over the summer, 2 of 3 trade

unions rejected the offer and are currently balloting their members on industrial action. The Council has budgeted for 5% in 2024/25.

- Teachers Pay Award – The Cabinet Secretary has indicated that the Teachers Pay Award for September 2024 is 5.5%, higher than most Councils would have budgeted for. Denbighshire Schools budgets were increased by 5% (full year) to cover the teachers' pay award. We await confirmation of additional funding from Welsh Government. Should no funding to cover the additional costs be available the Council would need to correct the base budgets in 2025/26 which adds to the overall pressure in the MTFP for 2025/26.
- Clwyd Pension Fund Triennial Review – revised employer contributions would take effect from 2026/27.
- Children's Services Placements – demand is difficult to forecast, complexity of needs coupled with inflation have driven up costs significantly in recent years. WG have set a priority of eliminating private profit from the care of looked after children, this could have an impact on the market in Wales.
- Adult Social Care – care fees and an increase in the number of complex cases could be in excess of budgeted levels.
- Homelessness – The general lack of social and affordable housing coupled with changes in legislation during the pandemic has seen a significant increase in the number of people presenting as homeless in recent years. This has led to significant additional cost, particularly in relation to temporary accommodation. Whilst there are a number of workstreams being progressed with positive results to reduce the costs and numbers in temporary accommodation the situation can change quickly.
- Council Tax Reforms – WG consulted on plans to reform the way CT is calculated and charged, this has the potential to impact on how much funding the council receives. Changes will now not take place until 2028 which therefore reduces the immediate risk.

Funding Additional Pressures

The net revenue budget is funded from Aggregate External Finance (AEF) (75%) and Council Tax (25%). The AEF is made up of Revenue Support Grant (RSG) and Non Domestic Rates Pool funding (NDR).

Aggregate External Funding - Projected funding from Welsh Government.

The 2024/25 funding settlement from Welsh Government provided no future indication of funding as it has done for the past 2 years. Future funding within the MTFP is based on assessments by Wales Fiscal Analysis at slightly negative reductions of -0.3% in 2025/26, -0.5% in 2026/27, and 0% in 2027//28 in the absence of anything else. **More recent forecasts from the Wales Fiscal Analysis reflecting the post-election fiscal outlook for Wales look slightly more positive, however this will not materially alter the Council's financial outlook in the medium term.**

At the time of updating the strategy the Council awaits the incoming UK governments first budget statement on 30th October. This will be followed by the Welsh Government publishing its budget and draft funding settlement for local government in early December. It is possible that the Council will receive a higher than forecast funding settlement if recurring funding for the increase in Teacher Pensions in April 2024, any recurring funding for above inflation pay awards is included in the settlement, etc. At this point in the year there is no certainty that this will happen and therefore we have been cautious and have not increased the funding forecast in the MTFP.

It is essential that we continue advocating for more resources from national governments especially considering increasing demand in services or rising costs as a result of policy decisions. It is worth noting that a 1% increase in AEF equates to an additional c£2m in funding.

Council Tax

In 2024/25, Denbighshire's Band D Council Tax is £1,679 which compares to the Welsh average of £1,631 and the North Wales average of £1,666. Across Wales, Band D Council Tax varies between £1,446 (Caerphilly) and £1,975 (Merthyr Tydfil) and in North Wales between £1,572 (Ynys Mon) and £1,755 (Gwynedd). The Band D Council Tax of our immediate neighbours is £1,733 at Conwy and £1,658 at Flintshire. We are the 3rd highest in North Wales.

Assumptions made about Council Tax increases in the MTFP range from 6% - 12% for 2025/26 and a 5.5% long term average thereafter for both years though it is important to note that no decisions have been made yet. A mid-range assumption of a Council Tax

increase of 9% for 2025/26 yields an additional £6.8m but only addresses a third of the funding gap, the remaining gap is substantial at £12m.

To the extent that increases in AEF and Council Tax are insufficient to meet the financial demand, then the Council is faced with the need to make budget reductions, generate income or use its one-off reserves and balances to fund any remaining resource shortfall.

Budget Reductions, Savings and Efficiencies

Given the scale of the Council's current financial position and the cumulative impact of finding annual efficiencies for over a decade, no service can be protected in its entirety from the need to find savings, and this unfortunately includes front line services.

Prioritisation of services will need to feature in future discussions.

- We will need to invest more in provision of statutory services to our most vulnerable (eg children and adults needing social care), the demand for these services are going up and the costs are increasing. These are services we need to prioritise in terms of additional year on year investment.
- Other services are highly valued, and we will need to continue to provide additional funding, their budgets will increase year on year in cash terms, but in real terms additional funding may not keep pace with inflation. For example, the position with schools this year.
- Other services will receive less budget than last year. For example, as seen with libraries this year.
- It will be necessary to remove the budgets for some functions entirely and therefore we will either cease to provide that service or work with partner organisations, if possible, for them to run the service or at least pay the full costs for delivering it. For example, the current position with public toilets.

It is important to understand that there are some budgets within the overall net revenue budget where it is not possible to implement any savings, for example the Levy to the North Wales Fire and Rescue Authority, Members' allowances etc. The council cannot operate without support services functions; however they will need to be reshaped so that they operate effectively and as efficiently as possible.

The scope for efficiencies is limited given the scale of budget reductions over the past ten years, which has delivered a wide range of efficiencies. However, technologies and other practices continue to evolve, and we therefore need to work hard to identify and deliver further efficiencies where we can in order to preserve services for residents.

There is a need to develop a more transformational approach to the council's need to reduce its costs (see below). Our approach to transformation is a priority and is under development but it will take time and investment. For the next few years, the approach will be to identify savings and invest in transformational projects. In terms of 2025/26 savings, target percentage service reductions have been issued which services are working towards achieving and considering what services will look like as a result. The combined percentage reduction to budgets will equate to the Council's funding gap. Percentages are being treated in a broad sense, and it is not considered appropriate to apply a consistent level of budget reductions across all services. Appendix 2 provides an update of savings proposals to date, though the work continues.

Budgetary control measures introduced covering recruitment, and use of overtime and agency will continue into 2025/26.

Fees and Charges

Annual work on fees and charges has always been undertaken every year as part of budget setting. The fees and charges policy is under review and will be updated as necessary. A more focused review of fees and charges had been planned this year. Whilst it has not been possible to conduct that review due to capacity within the Finance team, Heads of Service in developing savings proposals are actively considering ways of generating income and these will be clearly identified in savings proposals brought to Members.

Capital

The Council's capital plan has an impact on its revenue budget. Schemes funded from borrowing have associated interest and debt repayment costs (minimum revenue provision) which must be charged to the revenue account. There is also the additional day to day running costs associated with large capital schemes that develop additional / new services. The Council has a well-developed process for assessing individual capital

business cases and associated revenue costs. In setting its revenue and capital budgets for the current year the Council recognised the need to limit the impact of the capital plan on the revenue budget as much as possible and introduced the additional principles.

- The Council should work towards capping the annual block allocations at the level of the capital funding received from Welsh Government.
- Urgent Health and Safety issues should be prioritised.
- Consideration given to Invest-to-save schemes, even if the benefit is reducing pressures in the medium term.
- Capital receipts or delays to other projects will be the only source of funding available for 2024/25 and 2025/26
- Grant Funded Schemes – more reliance on using grant funding as effectively as possible. 100% grant funded schemes are obviously preferable, but it is recognised that sometimes match funding will be required. Consideration should also be made on any ongoing revenue impact of capital grant, on-going maintenance costs for example.

A workstream **continues** to review how the block allocations are funded in the capital budget. All block allocations are being reviewed, including those funded from capital receipts or prudential borrowing, with the aim that in total they match available funding from Welsh Government through the settlement, as far as possible. The results of the review will be brought forward for Members **discussion as part of setting the Capital Plan for next year**. Affordability and links to the Council Plan will guide those discussions and outcomes. We are also reviewing the policy for repaying debt and have engaged our Treasury Management advisors to assist with the review whilst also undertaking an independent review of the impact of the capital plan on the revenue budget. The results of these reviews will be available for wider consideration in the autumn.

Schools

The approach, as it has been in recent years, will be to continue to fully fund inflationary pressures including pay awards, pension contributions, energy, etc and demography, and then apply a budget reduction. In 2024/25 this equated to a gross increase to schools of £7.616m before we applied savings of 3% which equated to £2.7m. The net position was

an increase of £4.916m a 5.82% increase in the schools' budget. The schools' budget is our biggest budget, the council cannot fund all inflationary pressures without expecting our schools to contribute to the savings effort. The additional level of funding the Council received from WG in broad terms at 3.8% in 2024/25, did not cover inflationary costs including that of our schools. The impacts of decisions and changes in 2024/25 will need to be assessed and considered in reaching decisions on the percentage reduction for schools in 2025/26. A range of between 3 – 5% is under consideration.

Reserves and Balances

The Council will hold many different reserves at any point in time, though the amounts are only confirmed at the end of a financial year. The Statement of Accounts will split reserves into 2 categories usable and unusable reserves. As the name suggest unusable reserves cannot be used and relates to technical reserves associated with timing of accounting adjustments relating to fixed assets and pensions. Usable reserves are split into capital and revenue reserves. This section of the MTFs focuses on the revenue reserves and the strategy for their use over the medium term.

The table below set outs the useable reserves held by the Council as at the end of financial years 2022/23 and 2023/24.

Useable Reserves	1st April 2023 (£m)	1st April 2024 (£m)	Purpose
Council Fund balance	5.577	5.577	Sums set aside for more general purposes to meet any unforeseen costs pressures and unexpected events outside of the council's control.
Earmarked Revenue Reserves – Services	14.514	14.178	Sums set aside for specific purposes to support Service needs.
Earmarked Reserves - Corporate	17.147	17.607	Sums set aside for specific purposes to support corporate needs.
Earmarked Revenue	8.939	3.681	School reserves which are delegated to school governing bodies.

Reserves - Schools			
Housing Revenue Account Reserve	1.566	1.178	Housing reserves which are ringfenced for housing purposes as required in law.
Earmarked Capital	19.240	22.186	Capital monies set aside for funding ongoing capital schemes per the Capital Plan.
Capital Reserves (capital receipts reserve and capital grants unapplied account reserve)	15.122	12.845	Capital receipts and grants to fund ongoing capital schemes per the Capital Plan. These sums generally cannot be used to support Revenue expenditure.
Total Useable Reserves	82.107	77.252	

The Council Fund balance currently stands at £5.6m. In setting its 2024/25 budget the council agreed to keep this minimum £5.6m unearmarked reserve, to meet any unforeseen cost pressures and unexpected events outside of the council's control. Should there ever be a call on this reserve, there would need to be a plan to replenish the reserve to its level of £5.6m.

There is no determined level of reserves that is necessary for councils to hold as that is a matter of judgement for each council to make. Previously £5m has been the level for some years and as the council's net revenue budget has increased (due to high levels of inflation) in recent years its value has been eroded. £5m is 1.84% of the current net revenue budget (2024/25) and it is an aim to increase the level of unearmarked reserves over the medium term. Given the scale of the financial challenge it is not be feasible to plan to build our general balance by earmarking budget however the intention is to increase the balance should any opportunity arise, e.g., from windfall income etc.

The Council also has earmarked reserves which are set aside for specific purposes, to fund a known future pressure, loss of income or to mitigate against a possible risk. Some are restricted in their use by, for example, the terms and conditions of grants where their source is government funding. Earmarked reserves are also used by services to manage

their budgets and are regularly reviewed and challenged as part of budget monitoring and work on setting annual budgets.

The Council holds limited centrally held earmarked reserves including its budget mitigation reserve which is used to fund any in year overspend. In setting the 2024/25 budget the council approved targeted use of corporate earmarked reserves to cover one-off exit costs, and as mitigation for risks from ongoing discussions around reviewing the Council's pay structure which is necessary given the unprecedented financial position faced.

A workstream to review the council's policy for reserves **continues and includes a** review and challenge of both corporate and service reserves held to confirm that they are still needed for the purpose they were set aside for.

Transformation

The Council **has** a Transformation Programme of coordinated, accelerated activity to deliver change projects across the Council's services and functions to enable the organisation to respond to the current and future financial and demand challenges. The Programme will reshape the way in which services are delivered, ensuring they operate as efficiently as possible, while also investigating creative ways to best serve our residents. The Programme's financial targets will align with the Council's MTFS / MTFP with the goal to be a financially sustainable Council.

Projects within this Programme will take some time to develop and, in all probability, may not materialise in time for 2025/26 budget setting.

The projects within the Programme will be organised into 3 main workstreams with each Corporate Director providing day to day cross-council challenge and strategic direction. The workstreams are as follows;

- Commercialisation and Enterprise
- Collaboration and Partnership
- Influencing Demand and Digital

The programme will be managed by the Budget and Transformation Board which consists of Cabinet Members and the Corporate Executive Team (CET). The Board meets regularly and will review and decide on which projects should progress through various project gateways, allocation on funding, etc.

Although most decisions in respect of transformation proposals will be taken by the Executive arm of the Council, i.e., officers, lead members and Cabinet, there will be regular engagement with the wider membership of the Council as proposals are developed. There will be opportunities for all members to be briefed informally in a workshop setting but there will also be a need for formal consideration of more significant proposals by Scrutiny Committees.

Processes for keeping Members informed and Governance of the Budget

The process for setting the 2024/25 budget evolved during the last financial year reflecting the severity of the budgetary situation.

Heads of Service came forward with proposals for budget reductions following discussions with Lead Members. Proposals were categorised into 2; Major Savings Proposals and Non-Strategic Savings.

Each Major Savings Proposal was reviewed by CET for deliverability before being reported informally to Cabinet for political challenge/acceptability. If a project was informally supported by Cabinet, the relevant Lead Member ensured that all Members were advised of the project by sharing a brief report and a Wellbeing Impact Assessment. Each project was the subject of a virtual Teams meeting for all Members so the proposal could be further explained, and any initial questions answered. Some projects needed to be reported to Scrutiny and were the subject of a public consultation. Final decisions were taken as appropriate e.g. at Cabinet, Lead Member Delegated Decision, Head of Service delegated decision etc.

Heads of Service also proposed a range of non-strategic efficiencies/smaller scale reductions to budgets. These efficiencies/reductions to budget were discussed with Lead Members and in most cases were progressed via a Head of Service delegated decision.

These processes for sharing information with Members will continue going forward as in general feedback from Members has been that they did feel informed about the budget.

Regular Council Workshops/Member Briefings will be arranged to update Members on development of MTFs (overall budget approach), latest projections in MTFP, progress on delivery regarding closing the budget gap and the transformation agenda.

There will also be more reporting to update the MTFS and MTFP this year, with updates for Cabinet planned in July, October and January, before the budget is set a month later in February. These reports will be the subject of agenda items for Governance and Audit Committee for assurance that the council has robust processes in place to make effective decisions in a timely manner to deliver balanced budgets in future and a scrutiny committee to review those decisions. It is also planned to debate budget setting proposals at Council much earlier on than in recent years and a report is planned for November. Final budget proposals will need to be approved with Council Tax setting at a Council meeting in February, when the settlement from WG is known.

Communications Plan

The communications plan for the budget is as follows:

- Elected Members – as per processes for keeping Members informed section (above).
- The Leader, Chief Executive and Corporate Director Governance & Business meet regularly with Group Leaders, who update their Groups. Groups can invite Chief Executive, Corporate Directors and Section 151 Officer to any of their meetings to discuss the budget proposals.
- Employees - Regular updates on budget are provided at the monthly Staff Council meetings. Staff roadshows **took place** on 12th March – 1st May to give employees an opportunity to better understand the Council's financial position and to ask questions / offer feedback. Further briefing sessions will be arranged as necessary.
- Trade Unions - Senior Officers meet regularly with the Unions to update them on saving proposals.
- Schools - Senior Officers attend the School Budget Forum on a regular basis to update them on saving proposals, particularly regarding implications for schools. Senior Officers attended the annual Headteachers conference to discuss the Council's financial position and school budgets.
- Public / residents - Major projects have and will continue to be subject to specific public consultation e.g. reduction in library opening hours, and public conveniences. Engagement with the public last year focused on developing budgetary information on the council's website which was shared through our social media channels.

Further work is needed this year to develop our residents understanding of the council's financial challenges and the impact it will have on our ability to deliver services.

- City, Town and Community Councils – We held an information session with all of our City, Town and Community Councils to fully brief them of the council's financial situation in July. Further briefing sessions will be arranged as necessary.

Wellbeing impact assessments were completed on all major savings proposals along with an overarching assessment for the whole of the budget. This is being updated periodically as proposals are refined and reported to the Strategic Equalities and Diversity Group.

Timetable

Table below includes a timetable of likely budget activity for the year;

Budget Activity	Date
Staff Roadshows - Budget	12 th March – 1 st May
Members Budget Workshop - Governance and Business	13 th March
Members Budget Workshop – Economy and Environment	15 th March
Members Budget Workshop – Social Service and Education	11 th April
Cabinet – Medium Term Financial Strategy (including MTFP update) and assessment of financial resilience report.	23 rd April
Governance and Audit Committee - Medium Term Financial Strategy (including MTFP update) and assessment of financial resilience report.	24 th April
Budget discussion with Chairs and Vice Chairs of Scrutiny	20 th May
Performance Scrutiny – Medium Term Financial Strategy (including MTFP update) and assessment of financial resilience report.	6 th June
Members Workshop - Transformation	6 th June
Members Budget Workshop – MTFS / MTFP update	19 th June
Cabinet MTFS / MTFP update	30 th July
Governance and Audit Committee MTFS / MTFP update	24 th July

Performance Scrutiny MTFS / MTFP update (For information)	26 th September
Members Budget Workshop – MTFS / MTFP update	16 th October
Cabinet MTFS / MTFP update	22 nd October
UK Government Budget	30 th October
Members Budget Workshop – MTFS / MTFP update	6 th November
Full Council – Early debate – Budget 2025/26	12 th November
Governance and Audit Committee MTFS / MTFP update	20 th November
Performance Scrutiny MTFS / MTFP update	28 th November
Welsh Government Budget and LG Draft Settlement	Early December
Members Budget Workshop – MTFS / MTFP update	December / January
Cabinet MTFS / MTFP update	21 st January
Governance and Audit Committee MTFS / MTFP update	22 nd January
Cabinet – Set budget 2025/26 and proposed Council Tax	18 th February
Full Council – Set Budget 2025/26 and Council Tax	20 th February

Conclusion

The Medium Term Financial Plan (MTFP) sets out the financial forecast for the next three years. It is based on a range of assumptions, most of which at this stage are uncertain and are likely to change. However, the level of uncertainty, in terms of the UK economic outlook, funding from governments and service demands, leaves us with significant risk. As a result of the volatility, the plan will be reviewed and updated on a regular basis.

Whilst the plan does not provide us with any real certainty, it nonetheless does provide a clear indication of the direction of travel and scale of the financial pressures, to determine actions and strategic considerations we need to take in the immediate term (to set the 2025/26 budget) and mid-term (to set the 2026/27 and 2027/28 budgets) and sets out the need for transformation.

Report to	Cabinet
Date of meeting	22 October 2024
Lead Member / Officer	Councillor Gwyneth Ellis, Lead Member for Finance, Performance and Strategic Assets / Liz Thomas, Head of Finance and Audit
Report author	Rhian Evans, Chief Accountant (Deputy s151 Officer)
Title	Finance Report (September 2024/25)

1. What is the report about?

The report gives details of the Council's revenue budget and savings as agreed for 2024/25 as well as the Housing Revenue Account and Housing Capital Plan.

2. What is the reason for making this report?

2.1 The report provides an update on the Council's current financial position and confirms the agreed service budgets for 2024/25.

3. What are the Recommendations?

3.1 Members note the budgets set for 2024/25 and progress against the agreed strategy.

4. Report details

4.1 The Council's net revenue budget is £271.021m (£250.793m in 23/24) as detailed in Appendix 1. The position on service and corporate budgets is a forecast under spend of £400k (£240k overspend last month). The movement this month relates mainly to pressures within parking services offset by reduced costs of Homelessness. It is early in the financial year and the budget position in some service areas will not become evident until later in the year. High risk areas include changes to residential placements in

Children's Services, Adult Social Care placements and school transport. Narrative explaining the current risks and assumptions underlying this assessment are outlined in Section 6 and Appendix 2.

4.2 In setting its budget for 2024/25 the Council faced pressures of £24.6m from inflationary increases such as pay and increases in demand and costs of providing social care. The increase in Welsh Government funding and in the level of Council Tax meant the 2024/25 budget required service savings and efficiencies of £10.384m to be identified, as summarised below:

- **Major Savings Proposals** – large-scale saving projects (£2.388m)
- **Non-Strategic savings** – Operational efficiencies/smaller scale savings within Head of Service delegated responsibility in consultation with Lead Members. These include both the proposals already identified in the budget setting report, as well as the further £3m target given to Heads of Service at the time of setting the budget to enable a balanced budget to be set (£5.296m)
- **Schools** received funding to cover all inflationary pressures including pay awards, pension contributions and energy, and an increase for demography. Given the scale of the challenges, schools were asked to find savings of 3% (£2.7m). The net position was an increase of £4.916m (5.82%).

4.3 **Monitoring Delivery of Savings** - progress in delivering savings approved as part of setting the 2024/25 budget is being tracked and a current status update is provided in Appendix 3. One of the major saving proposals has been achieved and the remaining are progressing. 66% of the non-strategic savings have been achieved and progress updates for the remaining non-strategic saving proposals will continue to be reported to Cabinet on a regular basis. Due to the timing of implementation, some of the proposals will not realise a full year saving in 2024/25 which creates an in-year budget pressure for those services. These in-year pressures are monitored with the service budget.

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 2024/25 budget include allocations to continue to support both corporate and service priorities, but the Council will need to reflect on the

future financial outlook and consider realistically what can be achieved within available funding.

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

Significant service narratives explaining pressures and risks of over- and under-spend are detailed in Appendix 2, however the following should also be noted:

6.1 Education and Children's Service – Although an additional pressure of £2.0m was included in the budget for 2024/25 this service area remains a risk. The current outturn prediction is £1.968m overspend (previously £1.961m) due to pressures in Children's Social Care (£1.546m) and in Education services (£422k).

6.2 Highways and Environmental Services – The current outturn prediction for the service as a whole is £1.124m overspend (previously £1.124m) due to pressures on the winter maintenance budget and not achieving full year savings from the budget proposals. The roll out of the new waste model has resulted in temporary additional resources needing to be deployed, over and above budget, during an extended implementation phase from June to September and revised recycling routes agreed from October. These combined additional in-year costs for waste are forecast at £1.200m however this is netted off by a one-off receipt which the Council has received from its share of the refinancing of the North Wales Residual Waste Treatment Partnership, bringing the waste service into balance for the year.

6.3 Adult Social Care and Homelessness – Additional pressures of £7.969m were included in the budget for 2024/25, this service remains an area of concern. The current outturn prediction is £510k underspend (previously £390k overspend) due to an underspend (-£1m) in Homelessness from reduced emergency temporary accommodation placements netted off by an overspend in Adult Social Care (£490k) due to changes to some packages in mental health services, complex disabilities and community living.

6.4 Corporate Budgets – Centrally held contingency budgets are difficult to forecast with certainty as their very nature is to be unknown until actual costs are incurred and the final position confirmed at year end. It is estimated that £3.26m can be released; contingency for pension costs (£500k) and energy (£1m) and the contingency held for the pay and grading review (£1.76m) can be released due to delays in the process nationally.

6.5 **Schools** - The budget agreed by Council for 2024/25 included a total net additional investment (excluding increases in Welsh Government grants) in schools delegated budgets of £4.9m. School balances carried forward into 2024/25 of £3.681m are low compared to recent years. Schools forecast a reduction to school balances of £6.340m resulting in a net debit balance of £2.659m carried forward into 2025/26. Discussions are continuing with schools to support the work required to reduce the extent of projected use of balances.

6.6 **The Housing Revenue Account (HRA)**. The HRA revenue balances brought forward to 2024/25 of £1.180m are budgeted to increase to £1.288m at the end of the year. The HRA capital budget of £20m is largely allocated between planned improvements to existing housing stock (£12m) and new build developments and acquisitions (£8m).

6.7 **Treasury Management** – At the end of September, the Council's borrowing totalled £302.114m at an average interest rate of 4.44%. Investment balances were £3m at an average interest rate of 4.88%.

6.8 A summary of the Councils' **Capital Plan** is enclosed as Appendix 4. The approved capital plan is £96.1m with expenditure to date of £22.6m. Appendix 5 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 Assessment (WIA) encompassing the combined budget reduction measures and impact for the Council Tax rise was presented to Council on 30 January.

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

In addition to regular reports to the Governance and Audit 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

9.1 The Council, along with all other Welsh councils, face unprecedented financial challenges. Cost pressures for high-risk areas, based on forecast of demands and costs at the time, were included within the 2024/25 budget to build in resilience. The pressures included in the Medium Term Financial Plan will be kept under review. Whilst there is a budget under-spend currently projected, the level of pressures on services overall remains a concern and will need to be closely monitored as further risks and pressures are expected in the coming months.

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

10.1 The Council faced a significant financial challenge in setting its 2024/25 budget which is set to continue in the medium term due to a combination of funding from Welsh Government not increasing sufficiently to keep up with continued inflationary pressures, increased service demand and complexity of needs for services. The Council's Medium Term Financial Strategy forms the basis of approach to managing these risks.

10.2 Despite careful monitoring of budgets and tracking of saving proposals, if a significant in-year overspend materialises in 2024/25 this will lead to reserves being called upon. This will reduce the Council's level of financial resilience and sustainability going forward. The financial situation is extremely challenging and effective and disciplined in-year financial management is essential by all budget holders.

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 2024/25

Sep-24	Net Budget	Budget 2024/25			Projected Outturn			Projected Variance				Variance
	2023/24	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	2,822	3,073	-744	2,329	4,722	-2,291	2,431	1,649	-1,547	102	4.38%	118
Education and Children's Service	22,016	35,066	-11,508	23,558	39,055	-13,529	25,526	3,989	-2,021	1,968	8.35%	1,961
Corporate Support: Performance, Digital, Assets	8,024	11,247	-3,787	7,460	11,253	-3,787	7,466	6	0	6	0.08%	6
Corporate Support: People	4,351	5,944	-1,953	3,991	5,892	-1,953	3,939	-52	0	-52	-1.30%	-99
Finance and Audit	3,200	5,068	-2,274	2,794	5,068	-2,274	2,794	0	0	0	0.00%	0
Highways and Environmental Services	18,366	29,576	-11,635	17,941	24,973	-5,908	19,065	-4,603	5,727	1,124	6.26%	1,124
Planning, Public Protection and Countryside	12,150	18,810	-8,195	10,615	19,178	-8,341	10,837	368	-146	222	2.09%	0
Adult Social Care and Homelessness	52,397	80,786	-21,642	59,144	76,968	-18,334	58,634	-3,818	3,308	-510	-0.86%	390
Leisure - Retained Budgets	3,402	3,402	0	3,402	3,402	0	3,402	0	0	0	0.00%	0
Total Services	126,728	192,972	-61,738	131,234	190,511	-56,417	134,094	-2,461	5,321	2,860	2.18%	3,500
Corporate	18,285	53,032	-29,271	23,761	49,772	-29,271	20,501	-3,260	0	-3,260	-13.72%	-3,260
Precepts & Levies	6,064	6,780	0	6,780	6,780	0	6,780	0	0	0	0.00%	0
Capital Financing	15,243	20,534	0	20,534	20,534	0	20,534	0	0	0	0.00%	0
Total Corporate	39,592	80,346	-29,271	51,075	77,086	-29,271	47,815	-3,260	0	-3,260	-6.38%	-3,260
Council Services & Corporate Budget	166,320	273,318	-91,009	182,309	267,597	-85,688	181,909	-5,721	5,321	-400	-0.22%	240
Schools & Non-delegated School Budgets	84,473	92,734	-4,022	88,712	86,394	-4,022	82,372	-6,340	-0	-6,340	-7.15%	-6,722
Total Council Budget	250,793	366,052	-95,031	271,021	353,991	-89,710	264,281	-12,061	5,321	-6,740	-2.49%	-6,482
Housing Revenue Account	922	19,831	-19,770	61	19,831	-19,770	61	0	0	0		0

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Appendix 2 - Service Variance - Overspend and Underspend Risks Narrative

Service	Variance Last Month £000	Variance This Month £000	Change £000	Description
Housing and Communities	118	102	-16	Budget overspend due to libraries saving proposal being implemented two months into the financial year and pressure across the service in-year from implementation of the non-strategic savings being in progress and not achieving a full-year saving. Reduction this month due to increase in projected income.
Education and Children's Service	1,961	1,968	7	Budget pressure in Children's Social Care (£1.546m) due to a significantly complex placement after budget was set. All placements have been costed to realistic timescales, however no allowance has been made for any new or changes to placements for this year. Budget pressure in Education services (£422k) and the increase this month, due to education placements and additional learning needs and the service is looking to maximise grant income and find smaller-scale efficiencies to mitigate this.
Corporate Support: Performance, Digital, Assets	6	6	0	Minor variances
Corporate Support: People	-99	-52	47	Budget underspend from non-replacement of staff which enables early achievement of savings required for 2025/26, reduced this month due to timing differences of contract end dates. This underspend offsets a pressure from increased translation costs for 2024/25.
Finance and Audit	0	0	0	Balanced budget projected
Highways and Environmental Services	1,124	1,124	0	Budget overspend from not achieving full-year savings from the saving proposals from across the service (£554k) and on winter maintenance (£570k) based on the level of costs incurred in 2023/24; the extent of the pressure from additional support to safeguard highways during severe weather conditions will become clearer during the winter months up to the year-end. Costs associated with the roll-out of the new waste collection model are being monitored carefully to assess the costs that are one-off in nature, and the recurring costs of the revised model to determine the impact on future years budgets. The estimated cost in-year is netted off by a windfall payment (£1.2m) as a result of the refinancing of the North Wales Residual Waste Treatment Partnership contract. A review of the Council's fleet will help further identify the extent of a budget pressure due to increasing fuel costs.
Planning, Public Protection and Countryside	0	222	222	Budget pressure this month (£222k) reflects a predicted shortfall against the major saving proposal for 2024/25 for car parking and traffic income. There are risks, outside of the Council's control, in under-achieving income budgets for both planning and parking fees. There are also risks around School Transport budget. The position will become clearer by the November monitoring period as the Autumn term contracts are agreed but with a degree of uncertainty continuing thereafter due to emergency and/or discretionary transport requirements throughout the school year.
Adult Social Care and Homelessness	390	-510	-900	The £510k underspend is due to a budget underspend in Homelessness (-£1m) netted off by overspend in Adult Social Care services (£490k). The pressures in Adult Social Care are due to placement costs for Complex Disabilities, Mental Health and increased this month (+£100k) due to new Community Living costs. Good progress is being made with implementing the saving proposals which helps to offset the pressures. A risk remains this early in the financial year as new demand on the service may create a budget pressure where that increased demand also has more complex need requirements. The underspend in Homelessness this month (-£1m) is due to a reduction in emergency temporary accommodation placements.
Leisure - Retained Budgets	0	0	0	Balanced budget projected
Corporate & Miscellaneous	-3,260	-3,260	0	Budget saving from release of contingencies with the savings achieved in 2023/24 projected to recur; pension costs (£500k) and energy (£1m) and a release of the contingency held for the pay and grading review (£1.76m) due to delays in the process nationally. Uncertainties remain on budgets held for impact of pay awards and general inflation. A grant is anticipated to be received towards the costs of Teachers' pension costs which formed part of the budget pressures in setting the 2024/25 budget; the level of funding is unknown at the moment but will be available to mitigate against the risk, remaining on services, which will not crystallise until later in the year.
Precepts & Levies	0		0	Balanced budget projected
Capital Financing	0		0	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.
Council Services & Corporate Budget	240	-400	-640	

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Appendix 3: Major Savings Proposals 2024/25

Service: Title	Brief Description	Original Budget Saving £'000	JULY CABINET EST. £000	Current Status	Current Update	OCTOBER CABINET EST. £000
Childrens' Services: Fostering Care	Project to invest to save in the fostering service - aim to reduce reliance on external agencies and increase in house foster carers.	141	141	In Progress	Recruitment officer (grant funded) has seen an upturn in enquires; 2 general approvals made (target to year end is 5), 9 Connected Person Foster Carers approved. Monitoring analysis of savings/cost avoidance for these new carers ongoing. Project to improve the corporate offer to foster carers is ongoing.	141
PPP: Car Parking fees and project to review provision	Report detailing proposals went to Scrutiny in October - main aspect to review fees that has been delayed due to the pandemic.	700	700	In Progress	New charges implemented from the 4th of March. Saving achievement reduced due to delay in implementing some service changes (eg implementation of charging in some carparks) and a less than predicted increase in parking fees over the summer.	478
H&C: Review of Libraries Provision	Reduction in opening hours but keeping all libraries open.	360	300	In Progress	New model went live on 2 June as planned; part year savings to be achieved in 2024/25 (full-year savings in 2025/26) Total cost of redundancies = £79k	300
ASC&H: Social Care Packages	Review of adult social care packages.	416	416	In Progress	Revised practice guidance for adult services' packages of care implemented to support the right-sizing of care packages. Work has continued on reducing double-handed care packages to single and revised processes put in place to approve care fees.	470
ASC&H: Homelessness prevention	Homelessness Prevention Service - Rapid rehousing plan	421	421	Achieved	Homelessness activity has seen a reduction in numbers in emergency accommodation through targeted intervention.	421
CSSPDA: Asset Strategy	Review of all aspects of asset management. Revenue savings on a number of properties already agreed for disposal. Consideration to reduce office accommodation and possible alternative uses.	150	150	In Progress	Caledfryn decant project progressing well. Caledfryn has now closed with all staff & storage being relocated to County Hall, Russell House, Bodelwyddan Depot or new Waste depot in Denbigh. Estimated saving figure assumes 'moth balling' the site. Removal of running cost base budget will only come once DCC vacated so only 6 months worth of saving expected in 2024/25. Opportunity is to not only remove running costs but also increase income coming in via capital receipt. Informal tenders closed on 27th September 2024.	150
HES: Public Conveniences	Project to review provision	200	-	Deferred	Consultation undertaken on the needs analysis and will inform an updated PC Strategy. The strategy will be consulted upon in due course, and a report to Cabinet in Spring. The delay to the needs analysis consultation due to the election period has meant a delay to the decision process and any potential savings deferred to 2025/26.	-
		2,388	2,128			1,960

Not reported as major project:

HES: Reduction to capital investment in highways	Highways capital budget is funded by prudential borrowing, by reducing the capital budget the associated costs of borrowing (revenue) also reduce.	150		Achieved
CSSPDA: Reduce net carbon zero and ecologically positive council 2030 pressure	During 2024/25 prioritise workstreams that reduce costs as well as carbon (buildings and fleet) at an investment level that enables the prudential borrowing costs in 2024/25 and 2025/26 for new projects initiated in 2024/25 to be funded from reserves held.	200		Achieved

Appendix 3: £3m Savings and Non-Strategic Savings 2024/25

Service	Category	JULY CABINET EST. £000	Current Status	OCTOBER CABINET EST. £000	Service Total £'000	Service Target (Budget Report) £'000	Shortfall / Over (-/+) £'000
Education & Childrens Service	Service Change	62	Achieved	62			
	Voluntary Exit Scheme	23	In Progress	23			
	Insourcing of contracts	22	In Progress	22			
	Service Change	13	In Progress	13			
	Service Review	15	Achieved	15			
		11	Not Achieved or Replaced	11			
		93	Achieved	93			
Adult Social Care and Homelessness	Other	104	Review	104			
	Service Review	20	In Progress	20			
	Service Review	54	Not Achieved	0			
	External Income Maximisation	36	In Progress	36			
		0	Not Achieved or Replaced	0			
		223	Achieved	223			
Corporate Support Services: Performance Digital and Assets	Technical Budget Reduction	60	In Progress	60			
	Review of vacant posts	22	In Progress	22			
	Technical Budget Reduction	3	Achieved	3			
	Technical Budget Reduction	7	Achieved	7			
	Technical Budget Reduction	20	Achieved	20			
	Other	6	Achieved	6			
	New Ways of Working	50	Achieved	50			
		0	Not Achieved or Replaced	0			
		515	Achieved	515			
Corporate Support Sevices: People	Systems Changes	4	Replaced	4			
	External Income Maximisation	20	In Progress	20			
	Systems Changes	5	Replaced	5			
		0	Not Achieved or Replaced	0			
		298	Achieved	298			

Service	Category	JULY CABINET EST. £000	Current Status	OCTOBER CABINET EST. £000	Service Total £'000	Service Target (Budget Report) £'000	Shortfall / Over (-/+) £'000
Finance and Audit	Service Review	65	In Progress	65	407	407	0
	External Income Maximisation	150	In Progress	150			
		0	Not Achieved or Replaced	0			
		192	Achieved	192			
Capital and Corporate	Technical Budget Reduction	300	In Progress	300	928	928	0
		0	Not Achieved or Replaced	0			
		628	Achieved	628			
Housing and Communities	Service Review	0	Deferred	0	138	190	-52
		0	Not Achieved or Replaced	0			
		138	Achieved	138			
Highways and Environment Service	Service Review	244	In Progress	213	803	1,157	-354
	Service Review	100	Review	0			
	External Income Maximisation	140	In Progress	100			
	Voluntary Exit Scheme	100	Review	0			
	Review of vacant posts	73	Review	0			
	Service Review	60	In Progress	60			
		0	Not Achieved or Replaced	0			
		430	Achieved	430			
Planning, Public Protection and Countryside Services	Service Review	51	Achieved	51	835	835	0
		0	Not Achieved or Replaced	0			
		784	Achieved	784			

TOTALS

TOTALS

4,743

5,296

-553

By Status	Oct Est and Target	%age
Achieved	3,515	66.4%
In Progress	1,104	20.8%
Shortfall / Not Achieved	553	10.4%
Review	104	2.0%
Replaced	20	0.4%
Total	5,296	100.0%

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Appendix 4

Denbighshire County Council - Capital Plan 2023/24 - 2026/27

Position to end September 2024

	2023/24 OUTTURN POSITION £000s	2024/25 ORIGINAL ESTIMATE £000s	2024/25 LATEST ESTIMATE £000s	2025/26 LATEST ESTIMATE £000s	2026/27 LATEST ESTIMATE £000s
Capital Expenditure					
Total Estimated Payments - Other	30,859	27,361	51,269	6,399	2,308
Total Estimated Payments - Major Projects:					
Housing Improvement Grants	1,693	1,500	1,725	0	0
Highways Maintenance	4,366	3,217	3,329	0	0
Central Prestatyn Coastal Defence Scheme	10,741	9,199	8,144	6,713	0
Central Rhyl Coastal Defence Scheme	28,270	24,340	26,161	10,969	0
Waste Service Remodelling	6,932	0	4,982	0	0
Contingency		171	500		
Total	82,861	65,788	96,110	24,081	2,308
Capital Financing					
External Funding	23,349	22,230	39,741	6,240	506
Receipts and Reserves	3,715	738	4,408	0	0
Prudential Borrowing	55,797	42,820	51,961	17,841	1,802
Unallocated Funding	0	0	0	0	0
Total Capital Financing	82,861	65,788	96,110	24,081	2,308

Note: 2024/25 Original Estimate is the position as approved by Council on 27 February 2024

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Major Capital Projects Update – September 2024

Central Prestatyn and Central Rhyl Coastal Defence Schemes – Construction Phase	
Total Budget	Prestatyn £26.094m Rhyl £66.026m
Expenditure to date	Prestatyn £13.465m Rhyl £36.661m
Estimated remaining spend in 24/25	Prestatyn £5.916m Rhyl £18.396m
Future Years' estimated spend	Prestatyn £6.713 Rhyl £10.969m
Funding	Prestatyn: WG £22.18m; DCC £3.914m Rhyl: WG £56.122m; DCC £9.904m
Narrative:	
<u>Prestatyn</u>	
<p>Through the Summer a new beach access has been constructed while the settlement period for phase two of the bund was taking place. Piles for phase three will be delivered shortly and installation of these will commence in October. The scheme is approximately six months ahead of schedule overall.</p>	
<u>Rhyl</u>	
<p>Work is progressing well and the scheme is a little ahead of the programme. Most revetment units are in place and construction of the main access ramp is ongoing. Placement of the rear wall units begins w/c 30/9/24. Demolition of the SeaQuarium building will take place in October.</p>	
Forecast In Year Expenditure 24/25	Prestatyn £8.144m Rhyl £26.161m

Waste Service Re-modelling	
Total Budget	£21.992m
Expenditure to date	£21.977m
Estimated remaining spend in 24/25	£0.562m
Future Years estimated spend	£0m
Funding	WG £12.022m, DCC £9.955m
Narrative:	
<p>The new Service launched in June 2024:</p> <ul style="list-style-type: none"> • The new Waste Transfer Station was completed in May 2024 and ahead of Go Live of the new Service, a number of trials and operational training exercise on the Sortline and Balers, tipping sequences and general operations were undertaken on site. • NRW have conducted their first site visit in August 2024 under the remit of the Permit awarded to the site with no issues reported. • Various issues experienced since launch of the new service. Residual rounds have been tweaked and recycling rounds have been redesigned. Original AHP trial now opened up to the whole county. 	
Forecast In Year Expenditure 23/24	£4.982m

Report to	Cabinet
Date of meeting	22 nd October 2024
Lead Member / Officer	Lead Member for Corporate Strategy, Policy and Equalities, Lead Member for Health and Social Care, and Lead Member for Education, Children and Families / Corporate Director: Social Services and Education
Head of Service	Heads of Adult Social Care and Homelessness; Education and Children's Services; and Corporate Support: Performance, Digital and Assets
Report author	Corporate Director: Social Services and Education and ICT Business Partners
Title	Replacement of the Social Care Information Management System – Contract Award

1. What is the report about?

1.1. Cabinet approved Denbighshire's participation in a procurement process for a replacement social care information management system based on the Business Case presented to its meeting of 30th July 2024. This report seeks authorisation to award a contract to the successful bidder.

2. What is the reason for making this report?

2.1. To seek approval for the contract award and continued participation in the national Connecting Care programme.

3. What are the Recommendations?

That Cabinet:

3.1. approves the Contract Award report attached as Appendix two.

3.2. Continues to support Denbighshire's participation in the national Connecting Care programme.

4. Report details

- 4.1. Further to the Cabinet report of 30th July 2024, Denbighshire, as part of a cluster of the six north Wales authorities advertised the opportunity to contract for a social care information management system with a second cluster of authorities. The advertisement was managed by Rhondda Cynon Taff.
- 4.2. Tenders closed on 26th August 2024 and a local evaluation process took place internally. The scores from that process were taken forward to a regional moderation session on 18th September 2024.
- 4.3. A further moderation session with the other cluster took place on 2nd October and both clusters' scoring was similar and we were able to reach consensus on those which varied. This means that both clusters will seek to award contracts to the same successful bidder.
- 4.4. To date, each authority has been participating in the programme on a 'no obligation' basis, but we have now reached the point where we need to decide whether to award a contract to the preferred supplier. The current timeline shows that RCT will be advising the bidders of the outcome on 24th October and the outcome of the discussions and selection process remain confidential and commercially sensitive until then.
- 4.5. The current timeline sees contracts awarded on 5th November following a 10-day standstill period.
- 4.6. Contracts awarded as a result of the tender process will have an initial term of 7 years, with the option to extend in 2-year intervals up to a maximum of 21 years. Each authority will award its own contract and will be responsible for its own contract management arrangements.
- 4.7. A summary of the costs for the tender is included in appendix one which is an updated version of the table presented to Cabinet as part of the Business Case.
- 4.8. A draft copy of the Contract Award report as required by the Contract Procedure Rules is available at appendix two.

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

5.1. The replacement of the Social Care Information Management System will contribute to the following themes within the Corporate Plan:

- A healthier and happier, caring Denbighshire
- A learning and growing Denbighshire
- A fairer, safe and more equal Denbighshire

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

6.1. Costs are included in Appendixes one and two.

6.2. There is a high level of confidence that Welsh Government will make some financial contribution towards the costs of the system, and we are currently working with the WLGA on a national business case to underpin the bidding process. However, we can fund the costs involved in this procurement with funding from the Social Care Transformation Fund should any separate Welsh Government funding not be forthcoming.

6.3. We will report back to Cabinet at a later date with an updated business case and progress report.

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

7.1. The replacement of the Social Care Information Management System does not require a Well-being Impact Assessment because it is replacing one system with another. However, following implementation of the new system it is envisaged that Local Authorities will work together to explore future opportunities to develop the system to enable direct interaction with citizens. Should this be the case then DCC would work with the national Connecting Care Programme to develop a Wales-wide Well-being Impact Assessment.

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

8.1. The Business Case will be presented to the Capital Scrutiny Group.

8.2. DCC is a member of the WLGA Connecting Care Local Government SRO Advisory Group whose aim is to provide expertise, guidance, and decision making to ensure the voice of local government is represented appropriately, and its requirements are met, in the implementation of the national Connecting Care Programme.

9. Chief Finance Officer Statement

9.1. As set out within section 6 of the report a reserve has been set aside to fund the one-off costs associated with the implementation of the new social care information management system set out in Appendix 1. As timescales become clearer the increase in recurring revenue budgets as set out within Appendix 1 will need to be included within the Medium Term Financial Plan.

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

10.1. There is a detailed risk register contained within the Business Case which will be updated in due course.

11. Power to make the decision

11.1. s111 Local Government Act 1972

11.2. s151 Local Government Act 1972

11.3. Rule 2.7.2 Contract Procedure Rules

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

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

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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
19 Nov	1	Disposal of Caledfryn	To seek approval for the disposal of Caledfryn as part of the savings proposals	Yes	Cllr Gwyneth Ellis Lead Officer/Report Author – Helen Vaughan-Evans / Daniel Roebuck	23.05.24 KEJ deferred from Sept to Nov 02.07.24
	2	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	
	3	Housing Support Grant – Keep My Home Project	To seek Cabinet approval to award the contract for the new service	Yes	Cllr Rhys Thomas Lead Officer/Report Author – Ann Lloyd / Nigel Jones / Sharon Whalley	03.09.24 KEJ
	4	Housing Support Grant – Domestic Abuse Safety Unit	To seek Cabinet approval to award the contract for the new service	Yes	Cllr Rhys Thomas Lead Officer/Report Author – Ann Lloyd / Nigel Jones / Alison Hay	03.09.24 KEJ
	5	Corporate Joint Committee Governance Arrangements	To approve updated governance arrangements	Yes	Cllr Jason McLellan Lead Officer/Report Author – Gary Williams	26.04.24, rescheduled 11.06.24, 10.09.24,

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
						02.10.24 KEJ
	6	Public Services Ombudsman for Wales Annual Letter	To provide an overview of Denbighshire's summary of performance from the PSOW and actions required	Yes	Cllr Julie Matthews Lead Officer/Report Author – Ann Lloyd / Kevin Roberts	10.09.24, rescheduled 02.10.24 KEJ
	7	Finance Report	To update Cabinet on the Council's current financial position for 2024/25	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author Liz Thomas	Standing Item
	8	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	Panel Performance Assessment Response	For Cabinet to approve the Council's management response to the Panel Performance Assessment Report	Yes	Cllr Gwyneth Ellis Lead Officer – Helen Vaughan-Evans / Report Author – Iolo McGregor	12.04.24 KEJ
	2	Housing Rent Setting & Housing Revenue and Capital Budgets 2025/26	To seek approval for the proposed annual rent increase for council housing and to approve the Housing Revenue Account Capital & Revenue Budgets for 2025/26 and Housing Stock Business Plan	Yes	Cllr Rhys Thomas Lead Officer/Report Author – Geoff Davies	28.06.24 KEJ
	3	Denbighshire County Council Draft Local Toilet Strategy	To approve the draft Strategy for Public Consultation	Yes	Cllr Barry Mellor Lead Officer/Report Author – Paul	14.10.24 KEJ

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
					Jackson/Hayley Jones	
	4	Finance Report	To update Cabinet on the Council's current financial position for 2024/25	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 Jan	1	North Wales Domiciliary Care Agreement	Contract Award Agreement of the formal tender	Yes	Cllrs Elen Heaton & Diane King Lead Officer/Report Author – Nicola Stubbins / Ann Lloyd / Llinos Howatson	17.09.24 KEJ
	2	Revenue Budget Setting 2025/26	To review and approve the budget proposals for forthcoming financial year 2025/26	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author Liz Thomas	15.05.24 KEJ
	3	Capital Plan 2025/26 – 2027/28	To review and approve proposals for inclusion in the Capital Plan	Yes	Cllr Gwyneth Ellis Lead Officer/Report Author Liz Thomas	15.05.24 KEJ
	4	Finance Report	To update Cabinet on the Council's current financial position for 2024/25	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

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
18 Feb	1	Economic Strategy	Outline of Denbighshire’s new Economic Strategy & Action Plan and request for Cabinet to approve the final documents.	Yes	Cllr Jason McLellan Lead Officer/Report Author – Emlyn Jones / James Evans	27.09.24 KEJ
	2	Revenue Budget and Council Tax Setting 2025/26	To review and approve the budget and Council Tax setting proposals for the forthcoming financial year 2025/26	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author Liz Thomas	15.05.24 KEJ
	3	Finance Report	To update Cabinet on the Council’s current financial position for 2024/25	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
25 March	1	Residential Care Fees 2025/2026	To seek Cabinet approval for the setting of care home fees for the financial year 2025/26.	Yes	Cllr Elen Heaton Lead Officer/Report Author – Nicola Stubbins / Ann Lloyd	25.09.24 KEJ
	2	Finance Report	To update Cabinet on the Council’s current financial position for 2024/25	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author Liz Thomas	Standing Item
	3	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet’s attention	Tbc	Lead Officer – Scrutiny Coordinators	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
29 April	1	Denbighshire County Council Local Toilet Strategy	To approve the Local Toilet Strategy	Yes	Cllr Barry Mellor Lead Officer/Report Author – Paul Jackson/Hayley Jones	14.10.24 KEJ
	2	Finance Report	To update Cabinet on the Council's current financial position for 2024/25	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author Liz Thomas	Standing Item
	3	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention	Tbc	Lead Officer – Scrutiny Coordinators	Standing Item

FUTURE ITEMS 2025

24 June 2025		Council Performance Self-Assessment 2024 to 2025 (year-end)	To consider a report on the Performance Self-Assessment	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author – Helen Vaughan-Evans / Emma Horan	03.10.24 KEJ
18 November 2025		Council Performance Self-Assessment Update - April to September (QPR1&2) 2025	To consider an update report on the Performance Self-Assessment April to September	Tbc	Cllr Gwyneth Ellis Lead Officer/Report Author – Helen Vaughan-Evans / Emma Horan	03.10.24 KEJ

Cabinet Forward Work Plan

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 November</i>	<i>5 November</i>	<i>17 December</i>	<i>3 December</i>	<i>21 January</i>	<i>7 January</i>

Updated 14/10/2024 – KEJ

Cabinet Forward Work Programme.doc