

Budget Summary Report 2022 to 2023

Budget Summary 2022-23

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Budget Summary 2022-23

Introduction and Summary

The purpose of this Budget Book is to highlight to Members, Officers and other interested parties, how Denbighshire County Council proposes to spend its Revenue and Capital budgets. It will also give details of the Housing Revenue Account and the Housing Capital Budget for 2022/23.

The information presented in this booklet provides details of the direct costs of services which are under the control of budget holders. The 2022/23 budgets include items that have yet to be apportioned to services such as some inflationary contingencies and budgets to cover repairs and maintenance spend.

The Council's financial strategy is laid out in the Medium Term Financial Plan (MTFP). This is a rolling three-year financial strategy and helps provide the context for the current year's activity.

Welsh Government (WG) Settlement 2022/23

The Provisional Local Government Settlement for 2022/23 was received by the council on 21 December 2021 and resulted in a positive settlement of +9.2%, compared to the Welsh average position of +9.4%. The Final Settlement received on 2 March 2022 confirmed this position. Within the announced figure Welsh Government have advised that there are a number of new responsibilities, not all of which have clear funding consequentials within the data. Those expectations that we are required to fund include the following:

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

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As promised by WG the draft settlement includes indicative average settlement increases of 3.5% for 2023/24 and 2.4% for 2024/25 (estimated DCC figures would be 3.3% and 2.2%). Although this is very welcome from a planning perspective it does represent a real terms decrease in funding when inflationary pressures are taken into account. It is clear that difficult decisions will continue to be required over the coming years.

The Final Settlement showed a decrease in capital funding of £0.933m to £5.103m.

Revenue Budget 2022/2023

At the Council meeting on the 25 January 2022 members considered and approved Cabinet's budget proposals and resulting impact on Council Tax for next financial year.

The main features of the proposal included:

- A positive settlement of +9.2% in the Council's Local Government revenue settlement from Welsh Government.
- A decrease in Welsh Government general capital funding of £0.933m.
- Included in the Settlement are 'transfers in' (items previously funded by grant) of £0.275m which have been passported to the relevant service areas as in previous years:
 - Gate Fees for Regional Waste Recycling £0.109m
 - Social Care Workforce Grant £0.166m.
- Pay pressures (including impact of increase in National Insurance) of £3.000m.
- Price and energy inflation of £0.250m.
- Fire Service Charge of £0.321m.
- Allowance for increase in Council Tax Reduction Scheme of £0.350m.
- Schools inflationary pressures are recognised amounting to £3.769m.
- Schools demographic pressure of £0.606m.
- £3.127m to recognise demand pressures and forecasts in Community Support Services as part of the council's long term strategy to manage care budgets as well as recognising the agenda to ensure all care staff are paid the Real Living Wage

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- £0.750m to recognise existing pressures in Education and Children's Services relating to Out of County Placements and Recoupment.
- £0.500m pressure to meet the increased costs within School Transport which is becoming evident in the monthly monitoring.
- Investment in priorities amounting to £1.281m:
 - Further investment in Carbon Zero Project of £0.440m, £0.233m of this is for additional staff to undertake the necessary work and the remaining £0.207m is to fund the revenue impact of capital spend (prudential borrowing)
 - Final increase required for the Rhyl Flood scheme amounting to £0.081m
 - Increased Investment in Highways Capital Programme as proposed by Council (£4m capital) – requires an estimated £0.235m in Capital Finance Budget
 - £0.175m is required in order to maintain the existing levels of Capital Spend within the Block Allocations to make up for a shortfall in WG funding this year
 - This leaves £0.350m which it is proposed will be used in year to start to fund capital projects in year (eg those that were brought forward by the Horizon Scanning exercise or that come out of the new Corporate Plan).
- Service non-strategic pressures of £1.111m – pressures and requirements for investments identified by services themselves and summarised in Appendix 2.
- An estimated pressure of £0.300m has been included to pay for DCC's element of the ongoing budget requirement for the new Corporate Joint Committee.
- In light of the scale of the draft settlement indicating that there will be no general Covid Hardship Fund next financial year (but that funds have been included within the settlement) a Covid contingency of £1.988m has been included. It is hoped that this will be used for one-off unavoidable costs next financial year but that we would look to release this the following year to help balance the budget.

The pressures identified above amount to £17.628m. A settlement of around 11% would have been required in order to fund all these pressures. The net +9.2% settlement

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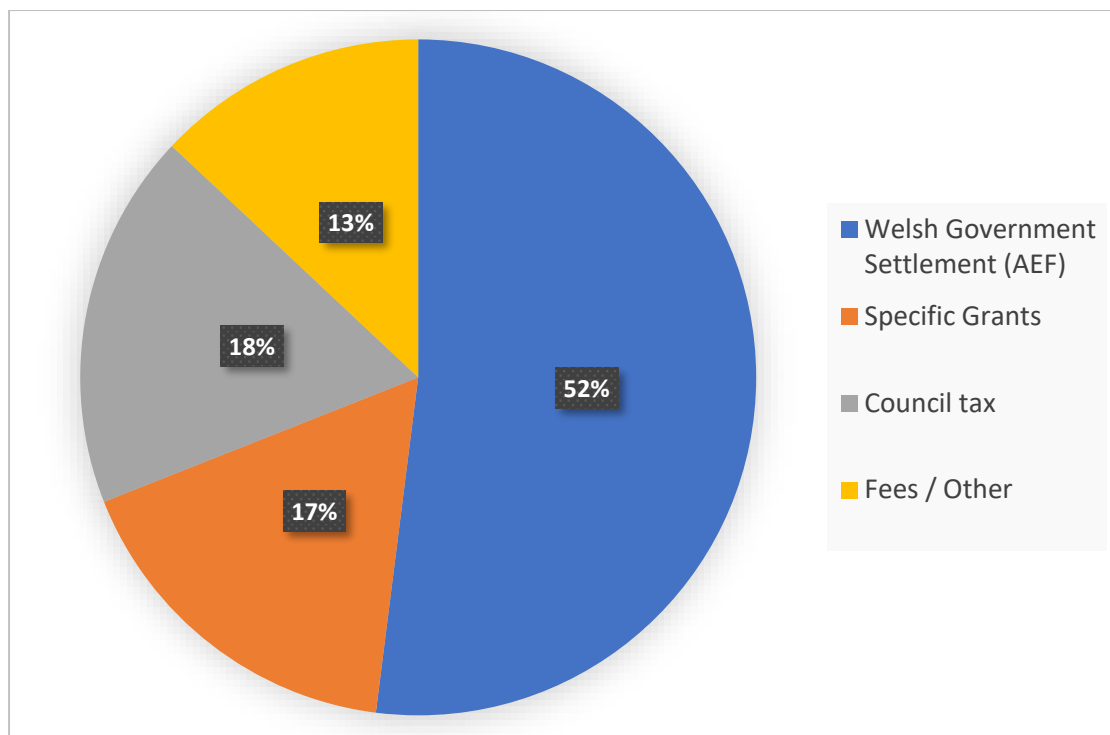
generates £15.005m additional revenue leaving a funding gap of £2.623m. The following items are included in the proposals in order to bridge that gap:

- Fees and Charges Income Budgets have been inflated in line with agreed Fees and Charges policy which increases external income by £0.120m.
- Operational efficiencies amounting to £0.634m have been identified which are within Head Service delegated responsibility in consultation with Lead Members (see Appendix 2 for summary by category).
- No savings have been requested from Community Support Services or Schools.
- It is recommended that the Council Tax increases by 2.95% which, along with minor changes to the Council Tax Base, will generate £1.869m additional revenue. This compares to last year's increase of 3.8% and 4.3% the year before that.

The gross revenue budget for 2022/23 is £331.545m. The Council will generate or receive £41.914m in fees and charges and other income and receive £55.935m in specific grants, leaving a net revenue budget of £233.692m to be met from the Welsh Government and Council Tax payers. The Revenue Support Grant (RSG) for 2022/23 is £139.190m and the council's allocation from the National Non Domestic Rating (NNDR) pool is £34.451m, giving a total Aggregate External Finance figure of £173.641m. The expected yield from Council Tax is £60.055m. The budget of £233.696m is £0.810m above the Standard Spending Assessment of £232.886m – the Welsh Government's estimate of what is needed to provide a 'standard level of service'.

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Denbighshire Revenue Funding 2022 / 2023



The build up for the budget is as follows:

Area of revenue	Percentage
Welsh Government Settlement (AEF)	52%
Specific Grants	17%
Council tax	18%
Fees / Other	13%

Budget areas and their financial allocations

Budget area	Financial allocation
2022 / 2023 Base Budget	216,819,000
Protection and Inflation	3,801,000

Budget Summary 2022-23

Budget area	Financial allocation
Service Pressures	4,677,000
Schools Budget Increase	4,375,000
Grants now included within or transferred out of the settlement	275,000
Investment in priorities and contingencies	2,392,000
Contingency	1,988,000
Service-specific savings and efficiencies	-634,000
Net Revenue Budget 2022 / 23	233,693,000

Page 13 shows the summary revenue budget by service for 2021/22 and 2022/23 with the following pages giving a more detailed breakdown of each service.

Balances

The council has built up general balances of £7.135m at 31st March 2022, as well as a prudent level of specific reserves. Due to the better than average financial settlements from WG in the last three years the 2022/23 budget has been able to be set without using cash reserves. This will be reviewed as part of the ongoing annual budget process. The use of cash would have to be recovered over future years but can and has been used to smooth the impact of funding reductions in a planned way.

Council Tax

This year elected members agreed a Council Tax increase of 2.95%. Council Tax payable for each property band for services provided by Denbighshire County Council is detailed below:

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Tax Band	2022/23	2021/22
A	986.11	957.84
B	1,150.46	1,117.48
C	1,314.81	1,277.12
D	1,479.16	1,436.76
E	1,807.86	1,756.03
F	2,136.56	2,075.31
G	2,465.27	2,394.59
H	2,958.32	2,873.51
I	3,451.37	3,352.43

Capital Plan 2022/23

The Council has to account for its investment in its fixed assets separately from the day to day running of the organisation. Capital projects will buy, repair, refurbish and develop assets so they can continue to be used in the future.

The Welsh Government's Capital Settlement for 2022/23 has seen a decrease of 15.45% (£0.933m) compared to 2021/22. This continues the poor capital settlements provided by the Welsh Government over the past ten years.

The Final Settlement showed a decrease in capital funding of £0.933m to £5.103m. This increase in specific Grant Funding needs to be seen in the context of year-on-year reductions in capital investment from the Welsh Government meaning that the Council still has to continue to rely on its own resources to invest in key projects and local priorities. This means earmarking resources to generate cash, using prudential borrowing or even selling assets to generate receipts.

Each year the Council produces a 3 year capital plan that details where it is likely to spend its funds. Every bid for capital resources is reviewed by the Strategic Investment Group (a group made up of elected members and senior officers) before being considered for inclusion in the Capital Plan. The Capital Plan for 2021/22 to 2024/25 was agreed by Council at its meeting on 23 February 2022. The Capital Plan summary is shown on page 23-24, together with a breakdown by service on page 25-33.

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Housing Stock

The Council has two roles in housing. The first is a statutory role to address homelessness in the County. The second is as the landlord of the Council's housing stock of approximately 3,378 dwellings. While the homelessness budget is included in the Council's general revenue budget, the housing stock has to be accounted for separately.

The budget for the housing stock is held in the Housing Revenue Account (HRA). By law this must be kept completely separate from other services. Council Tax cannot be used to fund any HRA expenditure nor can housing rents be used for anything other than housing services. The 2022/23 HRA Budget was approved by Cabinet on 18 January 2022. It is estimated it will spend £17.585m, funded by housing rents of £16.862m other income of £0.719m and the use of general balances of £0.004m. The housing capital plan for 2022/23 totals £22.823m to be spent on improving the housing stock, investment in acquisitions and new builds and other improvements.

The current Housing Stock Business Plan assumes a balance of £1m is maintained over the mid-term to mitigate against any future risks. This level of retained balance equates to 5.7% of the annual revenue turnover and is deemed prudent and sensible in the current economic climate, allowing some scope in the event of any unforeseen circumstance arising over the short to mid-term of the Plan. Maintaining the balance at a manageable level reduces the need to extend the current level of borrowing with the resultant savings in annual capital financing costs. This strategy also allows for further scope in future years of the Plan to extend the borrowing requirement if needed.

The Council achieved the Welsh Housing Quality Standard to all the Housing Stock in September 2014. Capital spend has been included in the HSBP which ensures sufficient resources are available to continue to maintain this standard over the 30 year plan. The stock condition survey has identified repairs, maintenance and improvement costs for the next 30 years which have subsequently been built into the business plan.

A summary of the Housing Revenue Account is included in this Budget Book.

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Conclusion

The aim of the budget process is to ensure that the council delivers a balanced budget. The uncertainty over the level of financial settlements in recent years has made financial planning in already difficult circumstances even more challenging.

Although recent increases in the funding received from Welsh Government is welcome, the settlement fail to keep pace with the pressures facing local authorities in Wales and therefore are effectively a reduction in funding in real terms. Schools and social care represent the most significant elements of the council's budget and the cost of these is growing beyond the resources available. Pressures are also growing in other areas. While the council will always endeavour to be more efficient to save money it is no longer possible to address the funding gap through efficiency savings alone and a careful balance between service savings and local taxation has to be struck. The current Medium Term Financial Plan extract shows a saving requirement of over £2.2m in 2023 and £2.6m the following year. This will have a significant impact on the future shape of the council and the services it delivers.

It is likely that future local government funding settlements will fail to keep pace with inflationary pressures which results in a real terms reduction in funding. Whilst there is uncertainty about the precise levels of reduction each year, it is inevitable that some hard decisions will have to be taken to ensure the Council lives within its means and continues to deliver its priorities. However, the Council's record of delivery in identifying and achieving savings while managing reserves and balances carefully results in a high degree of confidence that the Council will continue to deliver effective services while providing some investment in Council Priorities during this challenging period.

There will be no general Covid Hardship Fund in 2022/23 and the overall settlement recognised the ongoing impact of the pandemic on services which the council will need to manage. It is anticipated that Welsh Government specific financial support towards additional costs in respect of the pandemic will continue for the following:

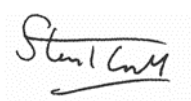
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- Self-Isolation Payments – 30th June 2022
- Statutory Sick Pay enhancement – 30th June 2022
- Free School Meal Payments – end of the summer 2022 school holiday

A 3/5 Year Budget Process and Medium Term Financial Plan was agreed last year to help ensure that the Council is in the best shape possible to meet the challenge. The process is reviewed and refined on an annual basis and the key aspects and aims of the Budget Process for 2023/24 and beyond include:

- Capture service based budget pressures (under £100k)
- Identify key strategic budget pressures (over £100k)
- Identification of Service Efficiency Targets
- 5 year Savings Plan – concentration on key projects identified during the budget process last year
- Invest to Save Fund to help pump prime efficiency projects
- Communications and Engagement Plan

The co-operation and hard work of officers and members in preparing the budget is gratefully acknowledged.



Steve Gadd

Head of Finance and Property (Section 151 Officer)

Budget Summary 2022-23 Summary Council Revenue Budget

Department	2022/23	2021/22
Communities and Customers	3,437,138	3,463,095
Education and Children's Services	18,540,391	17,933,811
Schools	81,649,262	76,606,793
Business Improvement and Modernisation	5,140,884	4,659,570
Legal, HR & democratic services	2,520,069	2,418,199
Finance and Property	5,961,538	4,757,416
Highways & Environmental Services	16,510,509	16,185,781
Planning & Public Protection	10,271,734	9,805,245
Community Support Services	43,299,858	40,012,650
ADM - Leisure Residual Budgets	3,273,174	3,408,749
Total services	190,604,557	179,251,309
Corporate & miscellaneous	21,754,655	16,991,951
Precepts & levies	5,381,432	5,060,195
Capital financing	15,955,545	15,514,545
Total council budget	233,696,189	216,818,000

Communities and Customers

Service Area	2022/23	2021/22
Management and support	138,323	139,152
Working Denbighshire	162,549	163,940
Destination Marketing & Communication		
Corporate Communication	406,882	362,434
Llangollen International Eisteddfod	1,000	16,143
Tourism	243,053	246,552
Public Engagement	168	23,000
Total Destination Marketing & Communications	651,103	648,129
Libraries & One Stop Shops		
Libraries	1,169,876	1,172,721
Home Library Service	24,862	24,853
Bibliography	20,939	20,939
Y Capel	36,783	35,603
One stop shops	733,084	742,172
Total Libraries & One Stop Shops	1,985,544	1,996,288

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Youth Service	499,619	515,586
Total Customers, Communication and Marketing	3,437,138	3,463,095

Education and Children's Services

Service Area	2022/23	2021/22
Education		
Management & support	380,282	380,931
Core Staffing Team	268,432	271,496
Asset Management	166,032	165,821
Business Support	232,724	233,600
Modernising Education	72,400	73,658
Governor Support	2,383	2,763
School Reorganisation Costs	144,146	159,146
ALN & Inclusion	2,700,944	2,670,038
Recoupment & OCC	-186,405	-186,405
SI & I Grants	386,626	386,626
School Improvement	1,561,659	1,557,948
Total Education	5,729,223	5,715,622
Children's Services		
Family Support Services	1,015,296	1,015,705
Looked after Children Services	7,451,709	6,701,709
Other Children's Services	450,781	475,519
Safeguarding & Reviewing	415,636	417,599
Service Strategy	3,183,718	3,314,033
Youth Offending	294,028	293,624
Total Children's Services	12,811,168	12,218,189
Total Education and Children's Services	18,540,391	17,933,811

Schools

Service Area	2022/23	2021/22
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Schools - Delegated	85,855,102	81,504,377
Schools – Non delegated		
Primary	-1,693,215	-2,724,106
Secondary	-2,517,017	-2,180,760
Special schools	4392	7282
Total Schools – Non delegated	-4,205,840	-4,897,584
Total schools	81,649,262	76,606,793

Business Improvement and Modernisation

Service Area	2022/23	2021/22
Business Improvement and Modernisation		
Information Management	338,638	338,731
BIM Management Team	344,678	384,325
Strategic Planning	321,101	321,563
Corporate Programme Office	47,317	104,364
Audit	198,918	199,182
Community Safety	32,701	32,578
Climate and Ecological Change	832,052	392,573
Total Business Improvement and Modernisation	2,115,405	1,773,316
ICT		
Business Transformation and ICT management	2,403,947	2,263,915
Service Delivery Support	601,532	601,532
ICT Projects	20,000	20,807
Total ICT	3,025,479	2,886,254
Total Business Improvement and Modernisation	5,140,884	4,659,570

Legal, HR & Democratic Services

Service Area	2022/23	2021/22
Legal and Democratic Management & Support		
	161,388	161,963

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Administration	481,140	408,340
County Solicitors	619,813	623,215
Civics	4,950	5,050
Translation	150,000	150,000
Procurement	226,958	226,683
Registrar – births/deaths/mar	-32,847	-27,980
Registration of electors	119,983	119,926
Total legal & democratic services	1,731,385	1,667,197

Strategic Human Resources

Management & Support	-125,189	-125,189
Training	45,157	45,133
Occupational Health	-14,699	-14,771
Employee Resources & Relations	883,415	845,829
Total strategic human resources	788,684	751,002

Total Legal, HR & Democratic Services	2,520,069	2,418,199
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Finance and Property

Service Area	2022/23	2021/22
Corporate Finance		
Treasurer & support	197,753	148,181
Accounts	1,184,547	1,153,377
Exchequer	366,929	383,988
Total Corporate Finance	1,749,229	1,685,546

Revenues & Benefits

Revenues	1,518,649	1,518,649
Cost of Collection	-281,981	-281,981
Total Revenues & Benefits	1,236,668	1,236,668

Property and Asset Management

Asset Management	197,348	109,160
Community Buildings	147	-7,422
Office Accommodation	1,140,754	1,058,630
School Facilities Management	2,454	2,369
Reception	38,796	38,693

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Building Compliance	50,004	100,648
Development and Investments	45,062	47,014
Corporate Health and Safety	180,321	183,768
Strategic Assets Manager	76,498	77,194
Valuation and Estates	-404,647	-408,633
Management and Support	222,584	230,586
Facilities Maintenance	1,241,844	219,036
Design and Construction	13,548	13,231
Property Health and Safety	170,928	170,928
Total Property and Asset Management	2,975,641	1,835,202
Total Finance and Property	5,961,538	4,757,416

Highways & Environmental Services

Service Area	2022/23	2021/22
Service Management		
Management	446,741	446,966
Stores	59,148	59,149
Depots	204,968	161,738
Total Service Management	710,857	667,853
Strategic Highways		
Coast	251,562	242,231
Bridges and Structures	347,475	347,550
Emergency Planning	87,791	87,791
Flood Risk Management	36,211	36,888
Highways Asset Management	2,244,735	2,104,948
Rights of Way	257,923	257,908
Street Works	-155,526	-147,554
Total Strategic Highways	3,070,171	2,929,762
Streetscene		
Management & Administration	-176,622	-295,236
Streetscene North	2,001,686	2,002,241
Streetscene South	890,738	890,610
Winter Maintenance	676,431	676,431
Total Streetscene	3,392,233	3,274,046

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Service Improvement and Fleet

Fleet	-66,465	-46,105
Quality and Performance	233,268	234,601
Total waste & fleet	166,803	188,496

Works Unit

Major Projects Group	-83,194	-83,085
Street Lighting	1,090,865	1,038,204
Total Works Unit	1,007,671	955,119

Catering, Cleaning and Public Conveniences

Building Cleaning	260,275	295,231
Catering	778,188	867,920
Public Conveniences	257,655	252,373
Total Facilities	1,296,118	1,415,524

Waste Services

Refuse Collection	921,115	931,030
Waste Disposal	1,805,012	1,805,742
Recycling	2,171,678	2,126,448
Transfer Stations	-162,477	-161,327
Trade Waste	-20,127	-20,127
Garden Waste Service	206,399	224,093
Waste Management and Administration	776,547	796,578
Kerbside Collection (Co-mingled)	6,153	0
Food Waste	1,115,404	1,005,492
Trade Recycling	-31,192	-31,084
Bulkies and Deliveries	78,144	78,136
Total Waste Services	6,866,656	6,754,981

Total Highways and Environmental Services	16,510,509	16,185,781
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Planning & Public Protection

Service Area	2022/23	2021/22
Countryside, Culture and Heritage		
Countryside	894,256	801,609
Heritage	316,704	377,388

Budget Summary 2022-23

Total Countryside, Culture and Heritage	1,210,960	1,178,997
Traffic & Parking		
Traffic & Parking Management	116,092	116,475
Parking Services	-831,070	-798,105
Highways Development Control	48,135	48,918
Road Safety	317,988	317,140
Traffic Management	185,399	187,911
Total Traffic & Parking	-163,456	-127,661
Transport		
Public Transport	525,678	525,511
School Transport	6,304,332	5,804,009
Total Transport	6,830,010	6,329,520
Economic & Business Development	314,084	341,963
Planning		
Housing Strategy	61,993	62,160
Housing Renewals	21,639	24,639
Management & Support	262,076	262,109
Development Plan & Policy	248,446	239,115
Conservation & Implementation	69,102	69,943
Development Control	73,974	94,225
Building Control	89,325	87,949
Land Charges	-21,565	-21,465
Total Planning	804,990	818,675
Public Protection		
Management and Support	200,579	202,499
Food Safety	222,077	224,630
Community Enforcement	83,145	63,788
Health & Safety – Enforcement	101,406	101,556
Public Health	210,245	210,133
Licensing	-44,711	-44,506
Trading Standards	246,606	247,167
Housing Enforcement	269,810	272,064
Parking Enforcement	-14,011	-13,580
Total Public Protection	1,275,146	1,263,751
Total Planning & Public Protection	10,271,734	9,805,245

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Community Support Services

Service Area	2022/23	2021/22
Community and Business Services		
WD & administration	767,519	768,840
Court of Protection	1,587	1,549
Customer Connections	109,994	110,079
Homelessness Prevention	775,729	775,963
Telecare Stores	257,400	257,661
Total Community and Business Support	1,912,229	1,914,092
Client Services		
Contract and Commissioning	829,625	832,462
Work Opportunities	652,869	651,322
Provider	2,293,649	2,227,235
Voluntary Organisations and Grants	383,919	383,919
Reablement	1,200,535	1,202,796
Supported Independent Living	0	-28
Carers	399,584	399,984
Total Client Services	5,760,181	5,697,690
Localities		
Edge or Care	158	249
Locality North	9,849,231	9,864,129
Locality South	5,954,305	5,971,433
Single Point Of Access	94,735	94,674
Step Down and Reviewing	237,941	241,668
Talking Point	1,192	2,183
Total Localities	16,137,562	16,174,336
Specialist services		
Mental health	2,799,889	2,807,728
Complex Disabilities	10,084,673	10,088,562
Safeguard, Substance Misuse	938,655	959,162
Total specialist services	13,823,217	13,855,452
Cefndy healthcare	0	-5,500
Adult Central Services		
Adult services	5,658,113	2,366,524
ICF – Integrated Care Fund	8,556	10,056

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Total Adult Central Services	5,666,669	2,376,580
Total Community Support Services	43,299,858	40,012,650

ADM - Leisure Residual Budgets

Service Area	2022/23	2021/22
Premises	17,019	152,594
Management Fee	1,522,583	1,522,583
Service Level Agreements	298,660	298,660
Prudential Borrowing	1,434,912	1,434,912
Total ADM - Leisure Residual Budgets	3,273,174	3,408,749

Corporate & Miscellaneous

Service Area	2022/23	2021/22
Council Tax Benefits	10,811,200	10,922,939
Corporate Budgets		
Contingency	236,632	597,888
Economic Development and Regeneration	685,152	385,152
Chief Executive – Secretariat	177,184	181,594
Unison	24,184	27,061
Coroners	180,066	180,162
Corporate Directors	271,487	272,293
Members	1,184,574	1,022,676
Elections	26,660	26,660
Corporate Emergency Planning	1,500	1,500
Corporate Subscriptions and Audit Fees	545,700	545,700
Corporate Investment and Inflation (eg contingencies held centrally until required by services such as NNDR, Energy, Pay)	4,412,587	1,663,552
Centrally held budgets - (eg historic pension costs)	3,197,729	1,164,774

Budget Summary 2022-23

Total Corporate Budgets	10,943,455	6,069,012
Total Corporate & Miscellaneous	21,754,655	16,991,951

Appendix 2: Denbighshire county council capital plan 2021/22 – 2024/25

General Capital Plan

Budget	2021/22 Original Estimate	2021/22 Latest Estimate	2022/23 Latest Estimate	2023/24 Latest Estimate	2024/25 Latest Estimate
Capital expenditure					
Total est. payments – other	24,699	25,553	23,771	100	350
Total est. payments – major projects					
Housing improving grants	1,200	1,575	1,200		
Rhyl, new 3-16 catholic school	366	391			
Ysgol Llanfair, new school		75			
Ysgol Carreg Emlyn, new school		61			
Highways Maintenance	2,960	3,830	4,710		
East Rhyl coastal defence scheme	8,150	5,250	3,575		
Rhyl Waterfront and Waterpark		44			
Rhyl Queen's Market Redevelopment	3,128	2,282	3,493	121	121
Waste Service Remodelling	13,472	2,103	11,428		
Contingency	500	0	500	500	500
Total	54,475	41,164	48,677	721	971

Budget Summary 2022-23

Budget	2021/22 Original Estimate	2021/22 Latest Estimate	2022/23 Latest Estimate	2023/24 Latest Estimate	2024/25 Latest Estimate
Capital financing					
External funding	28,332	22,973	19,399	6,036	6,036
Receipts & reserves	6,610	8,812	7,944	121	
Prudential borrowing	19,533	9,379	21,334	100	350
Unallocated funding	0	0	0	-5,536	-5,536
Total capital financing	54,475	41,164	48,677	721	850

Budget Summary 2022-23

Capital plan services

Budget	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<u>Capital programme summary</u>				
Legal, HR and democratic services	218	0	0	0
Finance and Property	6,101	7,673	121	0
Planning and Public Protection	4,593	1,524	0	0
Business Improvememnt and Modernisation	777	241	100	350
Community Support Services	1,427	5,333	0	0
Highways and Environmental Services	20,312	21,561	0	0
Education and Children Services	7,736	11,845	0	0
Contingency	0	500	500	500
Total Service Summary	41,164	48,677	721	850

Budget Summary 2022-23

Budget	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<u>Legal, HR and Democratic Services</u>				
Relocation of Coroners Accommodation, County Hall, Ruthin	81			
Relocation of Registration Service to County Hall, Ruthin	137			
Total Legal, HR and Democratic Services	218	0	0	0
<u>Finance and Property</u>				
Agricultural Estates	58	173		
Asbestos	266	400		
Equalties	11	70		
Property, Capital Maintenance Works - Block Allocation	799	2,199		
Fire Risk Assessment Works - Public Buildings	81	160		
Reduction in Carbon Emmissions from Council Assets	69			
Demolition of building on former Rhos Street/Ysgol Penbarras school site	68			
County Hall Improved Utilisation - Upgraded Building Management System	10			
County Hall Improved Utilisation - Relocation of Y Bont	62	8		
Corwen Pavilion Development	4	15		
Gypsy and Traveller Site Accommodation - feasibility		20		

Budget Summary 2022-23

Budget	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Rhyl Waterfront Development - retentions	44			
Rhyl, Queen's Building Redevelopment	2,282	3,493	121	
West Rhyl Housing Improvement Programme	152			
Former Costigans Building , Rhyl - Tech Hub (Retentions)	22			
West Rhyl Regenration Area Ph 2 (3-23 Edward Henry Street)	932			
Electric Vehicle Infrastructure - Public Charging Points	55	100		
Energy Efficiency/Reduction at Ysgol Dinas Bran	249			
Energy Efficiency/Reduction at Pavilion Theatre, Rhyl	90	320		
Energy Efficiency/Reduction at County Hall, Ruthin	204	300		
Corporate Fleet Electric Vehicle Charging Infrastructure	492	400		
Land acquisition at Glan Elwy	111			
Rhyl Leisure Centre - All Weather Pitch Replacement	9	15		
Rhyl Pavilion Theatre - Refurbishment	17			
Corwen Leisure Centre - Pool Hall & Changing Rooms Refurbishment	14			
Total Finance and Property	6,101	7,673	121	0

Budget Summary 2022-23

Budget	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<u>Planning, Public Protection and Countryside Services</u>				
Housing Improvement Grants	1,575	1,200		
Renewals - Town Centre Development Fund	132			
Housing Renewal Theme Project	63			
Enable - 2020-21	13			
27 - 29 High Street, Denbigh - Targeted Regeneration Investment grant to third party	250			
Town Centres Covid Response - Grant Assistance	108			
Traffic and Car Parks	711	324		
Safer Routes in Communities	60			
Local Transport Fund	360			
Active Travel Fund	910			
Local Sustainable Transport - Covid Response	108			
Local Road Safety	71			
Woodland Creation on land owned by the Council	202			
Greengates - Tree Nursery	30			
Total Planning, Public Protection and Countryside Services	4,593	1,524	0	0

Budget Summary 2022-23

Budget	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<u>Business Improvement and Modernisation</u>				
ICT Strategy Phase 2	700	241	100	350
Green Recovery Initiative - WLGA Grant 20-21	74			
Business Development Grants (Final Payment)	3			
Total Business Improvement and Modernisation	777	241	100	350
<u>Community Support Services</u>				
Minor Adaptations, Community Equipment and Telecare	394	240		
Integrated Care Fund - Various Initiatives	97			
Adaptation of 17 Middle Land, Denbigh	165			
Acquisition of Accommodation - Llys Awelon, Ruthin	430			
Llys Awelon Extra Care Development Ph 2		4,993		
Corwen Health, Social Care and Housing - Feasibility	101	100		
Denbigh Health and Social Care - Feasibility	25			
Acquisition of Extra Care Unit at Awel y Dyffryn, Middle Lane, Denbigh	215			

Budget Summary 2022-23

Budget	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Total Community Support Services	1,427	5,333	0	0
<u>Highways, Facilities and Environmental Services</u>				
Highways Maintenance	2,437	4,710		
Highways Maintenance - Capital Displacement	528			
Public Highways Refurbishment Grant 18-19 to 21-22	943			
Bridges	1,397	403		
Rights of Way	134			
Rights of Way - Access Improvement Grant	78			
Rhyl Harbour/Marine Lake - Works to revetments	20			
Recovery from February 2020 Flooding	53			
Street Lighting	41			
Street Lighting - Sustainable LED Lighting (Salix)	185			
Coastal Defence - Inspections and Essential Maintenance	330			
Prestatyn Coastal Defence - Outline Business Case	1,125			
Prestatyn Coastal Defence - Repairs to Open Stone Asphalt Revetment 2	4			
Rhyl Central Coastal Defence - Outline Business Case	2,198			

Budget Summary 2022-23

Budget	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
East Rhyl Coastal Defence Scheme	5,250	3,575		
Flood Prevention Scheme - General	285			
Natural Flood Management in Denbighshire	1,000			
Urban Catchment Management in Prestatyn	130			
Urban Catchment Management in Rhyl	110			
Vehicles, Plant & Equipment	1,000			
Electric Taxis Green Fleet Pilot	285			
Botanical Gardens,Rhyl - New Accommodation	245	445		
New Central Waste Depot, Denbigh	59	1,000		
Remodelling Waste Service	2,103	11,428		
All Wales Play Accessibility	9			
Rhyl Green Infrastructure - Transforming Towns Funding	251			
HRC Re-Use Shop, Rhyl	58			
Denbighshire's Circular Economy 'Social Supermarket'	44			
Denbighshire Textile Repair and Reuse Partnership	10			
Total Highways, Facilities and Environmental Services	20,312	21,561	0	0

Budget Summary 2022-23

Budget	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<u>Education and Children's Services</u>				
Schools Capital Maintenance Block Allocation	3,493	7,505		
Schools Maintenance Grant - Welsh Government 2021-22	1,799			
School Workplace Transport	100	856		
Equalities	45	59		
Ysgol Tir Morfa - Outdoor Play Area Improvements	10	82		
Ysgol Emmanuel - Entrance Improvements	83	100		
Welsh Language Centre at Ysgol Glan Clwyd, St Asaph (Retention)	23			
Oaktree Centre - Expansion of 'Little Acorns' - WG Childcare Grant	331	817		
Ysgol Twm o'r Nant - Relocate Cylch Bodawen to Ysgol Twm o'r Nant - WG Childcare Grant	40	750		
Ysgol Dewi Sant - Relocation of 2 cylch groups - WG Childcare Grant	66	1,072		
Ysgol Penmorfa, Extension to Flying Start Accommodation	394			
21c Schools Band A - Ysgol Bro Dyfrdwy - New Area School (Final Retention)	33			
21c Schools Band A - Rhos Street and Ysgol Penbarras - Additional school yard	164			
21c Schools Band A - Ysgol Llanfair - New School (Final Retention)	75			
21c Schools Band A - Ysgol Carreg Emlyn - New School (Final Retention)	61			

Budget Summary 2022-23

Budget	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
21c Schools Band A - Rhyl, Christ the Word - New School	391			
21c Schools Band B - Ysgol Bryn Collen/Gwernant	99			
21c Schools Band B - Ysgol Pendref	122			
21c Schools Band B - Ysgol Plas Brondyffryn	371			
Rhyl Youth Centre - Refurbishment Works	36	100		
Ysgol y Castell, Rhyl - Classroom Extension		504		
Total Education and Children's Services	7,736	11,845	0	0
Contingency		500	500	500
Total Capital Plan Services	41,164	48,677	721	850

Appendix 3: Housing Revenue Account & Housing Capital Plan

Introduction

At its meeting on 18 January 2022, Cabinet adopted the revenue budget and capital plan for the Housing Revenue Account. By adopting the budget, rent increases for dwellings and garages were agreed in accordance with rent setting policy with effect from Monday 4 April 2022.

Housing Revenue Budget

The 2022/23 HRA budget adopted by Cabinet is shown in the next page. The budget has been calculated to ensure we can deliver our revenue services, the capital investment programme to maintain the quality standard of our homes and develop our new build programme.

We are anticipating significant additional costs in future years due to expected new decarbonisation standards for our existing stock. All social landlords in Wales are anticipating additional funding from WG to support this. In addition, Local Authorities are now able to bid for Social Housing Grant (SHG) for new build programmes. Our current programme of 170 additional homes has been incorporated within the HSBP.

Welsh Government Rent Policy

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

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

This means that:

- The overall total increase across all stock is 3.1%.

Budget Summary 2022-23

- The average weekly rent will be £97.27
- The average weekly rent increase will be £2.92

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

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

Housing Capital Plan

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

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

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

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

Budget Summary 2022-23

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

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

Housing Revenue Account - Budget 2022/23

Budget	2021/22 Original Budget	2021/22 Projected Outturn (M9)	2022/23 Proposed Budget
Expenditure:			
Supervision & Management – General	2,668,895	2,638,719	2,734,769
Supervision & Management – Service Charges	544,105	559,633	580,003
Repairs and Maintenance	4,929,000	5,225,909	5,327,541
Total Housing Management	8,142,000	8,424,261	8,642,313
Item 8 capital charges	6,501,000	6,219,000	6,631,000
Capital funded from revenue	1,871,000	3,469,000	1,831,000
Capital Funded from Revenue - AHG	0	135,000	135,000
Provision for bad debts	319,000	345,000	346,000
Total Expenditure	16,833,000	18,592,261	17,585,313
Income:			
Rents (net of voids)	16,023,974	15,995,772	16,862,000
Service charges	399,000	393,304	397,000
Garages	191,000	176,560	182,000
Affordable Housing Grant	0	135,000	135,000
Interest on balances & other income	135,152	9,000	5,000
Total income	16,749,126	16,709,636	17,581,000
Surplus / Deficit (-) for the Year:			
General Balances	1,787,126	1,721,375	1,826,687
Balance as at start of year ~ General	2,756,568	2,756,568	1,008,944
Earmarked Balances	-1,871,000	-3,469,000	-1,831,000
FRS Adjustment	0	0	0
Balance as at end of year ~ General	2,672,694	1,008,944	1,004,630

Summary

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