

Budget Summary Report

2021 to 2022

Budget Summary 2021-22

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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 2021/22.

The information presented in this booklet provides details of the direct costs of services which are under the control of budget holders. The budgets for 2020/21 have been restated here to take account of service re-structures in order to make comparisons more meaningful. The 2021/22 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 2021/22

Due to the Covid Pandemic the funding announcements from WG were very much later than usual. The Provisional Local Government Settlement for 2021/22 was received on 22 December 2020 and resulted in a positive settlement of +3.6%, compared to the Welsh average position of +3.8%. The Final Settlement received on 2 March 2021 confirmed this position. Although the positive settlement was welcome for the funding position to have been neutral, in terms of taking into account of inflation and service demand pressures, the Settlement would have had to be at least +8%. The Final Settlement showed an increase in capital funding of £0.037m to £6.036m.

Revenue Budget 2021/2022

At the Council meeting on the 26 January 2021 members considered and approved Cabinet's budget proposals and resulting impact on Council Tax for next financial year.

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The main features of the proposal included:

- A positive settlement of +3.6% in the Council's Local Government revenue settlement from Welsh Government.
- An increase in Welsh Government general capital funding of £0.037m.
- Included in the Settlement are 'transfers in' (items previously funded by grant) of £1.280m which have been passported to the relevant service areas as in previous years:

Teachers Pay Grant £0.135m

Coastal Risk Management Programme £1.145m

- Pay pressures of £0.870m
- Price and energy inflation of £250k
- Fire Service Charge of £162k
- Allowance for increase in Council Tax Reduction Scheme of £350k
- Schools inflationary pressures are recognised amounting to £1.205m
- Schools investment in Additional Learning Needs £1.192m
- Schools investment in small schools' sustainability £161k
- Schools demographic pressure of £718k
- £2.4m to recognise demand pressures and forecasts in Community Support Services as part of the council's long term strategy to manage care budgets
- £0.750m to recognise existing pressures in Education and Children's Services relating to Out of County Placements and Recoupment.
- £250k pressures in Waste Services have been recognised based on estimates of ongoing year pressures
- Impact of previous by Council/Cabinet decisions (eg Rhyl Flood Scheme, North Wales Economic Ambition Board): £0.276m
- £389k pressure for investment in Carbon Zero Target required in order to the 2030 target agreed by Council.
- Investment of £250k in the Ash Die-Back problem. This would make permanent the one-off funding identified in last year's budget.

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- In light of the scale of the pressures and the Covid and Brexit impact still unresolved a contingency of £683k has been included

The pressures identified above amount to £9.903m. The impact of using £685k of cash in 20/21 (which has the effect of just delaying the need to identify savings) means that the total shortfall amounted to £10.588m. A settlement of around 8% would have been required in order to fund all these pressures. The net +3.6% settlement generates £5.42m additional revenue leaving a funding gap of £5.167m. The following items are included in the proposals in order to bridge that gap:

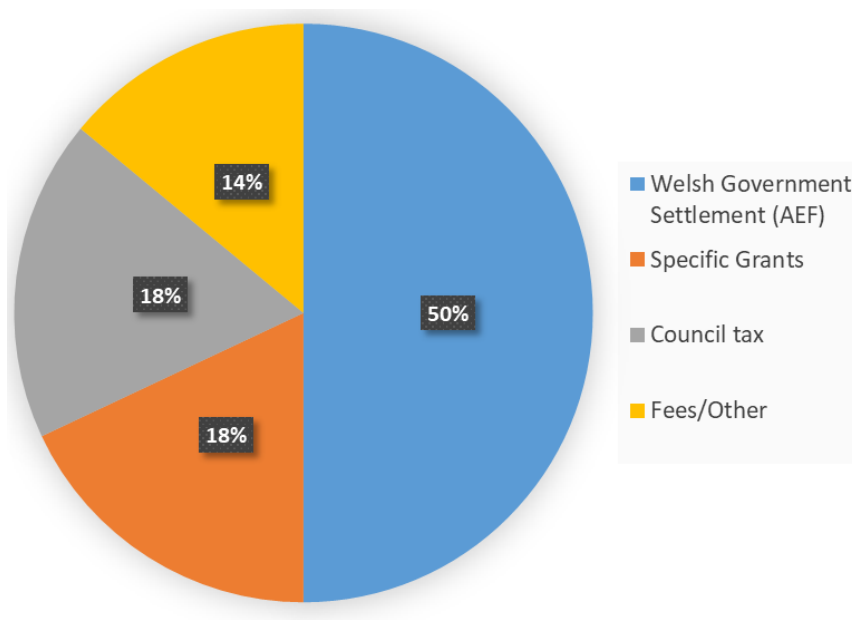
- Fees and Charges Income Budgets have been inflated in line with agreed Fees and Charges policy which increases external income by £0.462m.
- Operational efficiencies amounting to £690k mostly identified by services throughout the year and within Head Service delegated responsibility in consultation with Lead Members.
- Savings of £0.781m have also been identified which change service provision in some way and which were shared in detail with Cabinet and Council in the December briefings.
- 1% (£0.733m) Schools efficiency target from Schools Delegated Budgets. As school budgets are devolved, it will be for each governing body to determine how the savings will be delivered.
- It is recommended that the Council Tax increases by 3.8% which will generate £2.132m additional revenue. This compares to last year's increase of 4.3% and 6.35% the year before that.
- Finally, the Council Tax Base has increased more than expected this year which means that additional Council Tax of £369k is projected.

The gross revenue budget for 2021/22 is £317.132m. The Council will generate or receive £44.447m in fees and charges and other income and receive £55.867m in specific grants, leaving a net revenue budget of £216.818m to be met from the Welsh Government and Council Tax payers. The Revenue Support Grant (RSG) for 2021/22 is £127.022m and the

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council's allocation from the National Non Domestic Rating (NNDR) pool is £31.610m, giving a total Aggregate External Finance figure of £158.632m. The expected yield from Council Tax is £58.187m. The budget of £216.818m is £1.066m above the Standard Spending Assessment of £215.752m – the Welsh Government's estimate of what is needed to provide a 'standard level of service'.

Denbighshire Revenue Funding 2021 / 2022



The build up for the budget is as follows:

Area of revenue	Percentage
Welsh Government Settlement (AEF)	50%
Specific Grants	18%
Council tax	18%
Fees/Other	14%

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Budget areas and their financial allocations

Budget area	Financial allocation
2021 / 2022 Base Budget	208,302,000
Protection and Inflation	1,170,000
Service Pressures	3,683,000
Schools Budget Increase	2,543,000
Grants now included within or transferred out of the settlement	1,280,000
Investment in priorities and contingencies	629,000
Contingency	683,000
Service-specific savings and efficiencies	-1,471,000
Net Revenue Budget 2021 / 22	216,819,000

Page 13 shows the summary revenue budget by service for 2020/21 and 2021/22 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 2021, as well as a prudent level of specific reserves. Due to the better than average financial settlements from WG in the last two years the 2021/22 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.

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Council Tax

This year elected members agreed a Council Tax increase of 3.8%. Council Tax payable for each property band for services provided by Denbighshire County Council is detailed below:

Tax Band	2021/22	2020/21
A	957.84	922.77
B	1,117.48	1,076.57
C	1,277.12	1,230.37
D	1,436.76	1,384.16
E	1,756.03	1,691.75
F	2,075.31	1,999.34
G	2,394.59	2,306.94
H	2,873.51	2,768.32
I	3,352.43	3,229.71

Capital Plan 2021/22

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 2021/22 has seen a small increase of 0.6% (£0.037m) compared to 2020/21. This continues the poor capital settlements provided by the Welsh Government over the past ten years.

The Final Settlement showed an increase in capital funding of £0.037m to £6.036m. 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.

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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 2020/21 to 2023/24 was agreed by Council at its meeting on 23 February 2021. The Capital Plan summary is shown on page 23-24, together with a breakdown by service on page 25-33.

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 2019/20 HRA Budget was approved by Cabinet on 19 January 2021. It is estimated it will spend £17.606m, funded by housing rents of £16.372m other income of £0.581m and the use of general balances of £0.653m. The housing capital plan for 2021/22 totals £20.663m 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 5.9% 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.

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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.

Conclusion

The aim of the budget process is to ensure that the council delivers a balanced budget. The uncertainty over the level 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 therefor are effectively a reduction in finding 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 £3m in 2020 and £2.2m 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

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degree of confidence that the Council will continue to deliver effective services while providing some investment in Council Priorities during this challenging period.

It is anticipated that Welsh Government financial support towards additional costs in additional costs in respect of the pandemic and loss of income will continue for the first half of the 2021/22 financial year.

A 3/5 Year Budget Process and Medium Term Financial Plan has been agreed to help ensure that the Council is in the best shape possible to meet the challenge.

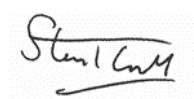
Key aspects and aims of the Budget Process for 2022/23 and beyond include:

- Capture 'small' scale budget flaws (under £100k)
- Identify key strategic budget pressures (over £100k)
- 1% Service Efficiency Target
- 5 year Savings Plan – starting in the autumn service budget meetings
- Invest to Save Fund to help pump prime efficiency projects
- Communications and Engagement Plan

Further details can be found in the report presented to Governance and Audit Committee on the 28 April.

[Denbighshire County Council - Agenda for Governance and Audit Committee on Wednesday, 28 April 2021, 9.30 am](#)

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)

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Appendix 1: Departmental Budget Summaries

Summary Council Revenue Budget

Department	2021/22	2020/21
Communities and Customers	3,261,055	3,402,995
Education and Children's Services	17,715,277	17,160,481
Schools	76,013,139	73,761,018
Business Improvement and Modernisation	4,205,965	4,329,327
Legal, HR & democratic services	2,366,672	2,454,041
Finance and Property	5,718,690	5,070,320
Highways & Environmental Services	15,763,215	15,846,478
Planning & Public Protection	9,613,125	9,755,405
Community Support Services	39,863,163	38,104,370
ADM - Leisure Residual Budgets	3,273,174	3,488,375
Total services	177,793,475	173,372,810
Corporate & miscellaneous	18,788,785	16,176,227
Precepts & levies	5,060,195	4,898,654
Capital financing	15,175,545	13,854,309
Total council budget	216,818,000	208,302,000

Communities and Customers

Service Area	2021/22	2020/21
Management and support	135,706	143,969
Working Denbighshire	32,683	32,829
Destination Marketing & Communication		
Corporate Communication	304,679	315,565
Llangollen International Eisteddfod	1,000	70,795
Tourism	244,594	254,384
Public Engagement	59,235	59,217
Total Destination Marketing & Communications	609,508	699,961
Libraries & One Stop Shops		
Libraries	1,130,197	1,136,367
Home Library Service	24,451	24,442
Bibliography	38,744	38,744
Y Capel	35,016	46,980
One stop shops	742,657	742,373
Total Libraries & One Stop Shops	1,971,065	1,988,906

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Youth Service	512093	537330
Total Customers, Communication and Marketing	3,261,055	3,402,995

Education and Children's Services		
Service Area	2021/22	2020/21
Education		
Management & support	377,240	376,806
Core Staffing Team	268,322	267,726
Asset Management	166,032	166,032
Business Support	230,289	230,249
Modernising Education	70,668	70,563
Governor Support	2,763	2,763
School Reorganisation Costs	159,146	159,146
ALN & Inclusion	2,633,331	2,718,894
Recoupment & OCC	357,595	-392,405
SI & I Grants	343,268	345,853
School Improvement	1,480,174	1,447,621
Total Education	6,088,828	5,393,248
Children's Services		
Family Support Services	928,050	950,729
Looked after Children Services	6,237,709	6,248,709
Other Children's Services	441,732	499,874
Safeguarding & Reviewing	411,675	411,886
Service Strategy	3,313,255	3,429,105
Youth Offending	294,028	226,930
Total Children's Services	11,626,449	11,767,233
Total Education and Children's Services	17,715,277	17,160,481

Schools		
Service Area	2021/22	2020/21
Schools - Delegated	81,449,771	78,772,185
Schools – Non delegated		
Primary	-3,043,647	-2,744,310
Secondary	-2,396,347	-2,293,332
Special schools	3362	26,475
Total Schools – Non delegated	-5,436,632	-5,011,167

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Total schools	76,013,139	73,761,018
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Business Improvement and Modernisation		
Service Area	2021/22	2020/21
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Business Improvement and Modernisation		
Information Management	321,212	395,937
BIM Management Team	376,651	376,967
Strategic Planning	309,027	310,001
Corporate Programme Office	296,918	336,457
Audit	171,700	171,546
Community Safety	29,939	29,816
Total Business Improvement and Modernisation	1,505,447	1,620,724
ICT		
Business Transformation and ICT management	2,124,068	2,106,148
Service Delivery Support	558,644	584,313
ICT Projects	17,806	18,142
Total ICT	2,700,518	2,708,603
Total Business Improvement and Modernisation	4,205,965	4,329,327
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Legal, HR & Democratic Services		
Service Area	2021/22	2020/21
<hr/>		
Legal and Democratic		
Management & Support	129,762	139,233
Administration	400,278	400,020
County Solicitors	601,081	628,407
Civics	5,050	5,050
Translation	150,000	155,000
Procurement	262,814	262,627
Registrar – births/deaths/mar	-36,350	710
Registration of electors	119,156	129,121
Total legal & democratic services	1,631,791	1,720,168
Strategic Human Resources		
Management & Support	-125,189	-125,189
Training	44,388	44,363
Occupational Health	-14,599	-14,949
Employee Resources & Relations	830,281	829,648
Total strategic human resources	734,881	733,873

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Total Legal, HR & Democratic Services	2,366,672	2,454,041
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Finance and Property		
Service Area	2021/22	2020/21
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Corporate Finance		
Treasurer & support	145,376	155,013
Accounts	1,127,500	1,157,521
Exchequer	375,129	383,639
Total Corporate Finance	1,648,005	1,696,173
 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	180,595	180,511
Community Buildings	-5,225	17,456
Office Accommodation	1,136,510	1,099,753
School Facilities Management	1,428	1,507
Reception	38,420	63,369
Building Compliance	66,374	66,400
Development and Investments	45,453	45,405
Corporate Health and Safety	179,642	179,390
Strategic Assets Manager	74,357	82,600
Valuation and Estates	-466,464	-461,730
Management and Support	233,966	259,501
Facilities Maintenance	1,189,373	394,024
Design and Construction	660	50,365
Property Health and Safety	158,928	158,928
 Total Property and Asset Management	2,834,017	2,137,479
 Total Finance and Property	5,718,690	5,070,320
<hr/>		
Highways & Environmental Services		
Service Area	2021/22	2020/21
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Service Management		
Management	444,854	193,975
Stores	31,005	30,948
Depots	204,752	194,528

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Total Service Management	680,611	419,451
Strategic Highways		
Coast	258,220	245,608
Bridges and Structures	345,122	344,894
Emergency Planning	87,791	87,791
Flood Risk Management	34,987	34,936
Highways Asset Management	1,124,252	1,154,215
Rights of Way	255,216	255,178
Street Works	-150,112	-100,152
Total Strategic Highways	1,955,476	2,022,470
Streetscene		
Management & Administration	-271,561	-274,831
Streetscene North	2,283,530	2,299,903
Streetscene South	2,214,120	2,213,878
Total Streetscene	4,226,089	4,238,950
Service Improvement and Fleet		
Fleet	-54,393	-39,481
Quality and Performance	231,238	231,193
Total waste & fleet	176,845	191,712
Works Unit		
Major Projects Group	-90,136	-90,408
Street Lighting	1,084,834	1,040,674
Total Works Unit	994,698	950,266
Catering, Cleaning and Public Conveniences		
Building Cleaning	223,620	245,331
Catering	796,364	897,710
Public Conveniences	266,985	264,695
Total Facilities	1,286,969	1,407,736
Waste Services		
Refuse Collection	865,720	915,018
Waste Disposal	1,994,635	1,803,080
Recycling	2,042,891	2,239,797
Transfer Stations	-16,701	-16,660
Trade Waste	-143,663	-128,814
Garden Waste Service	40,838	151,454

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Waste Management and Administration	561,944	562,040
Kerbside Collection (Co-mingled)	6,071	1
Food Waste	986,678	986,029
Trade Recycling	-31,847	-31,891
Bulkies and Deliveries	135,961	135,839
Total Waste Services	6,442,527	6,615,893
Total Highways and Environmental Services	15,763,215	15,846,478

Planning & Public Protection Service Area	2021/22	2020/21
Countryside, Culture and Heritage		
Countryside	742,065	750,771
Culture	31,993	0
Heritage	310,585	318,952
Total Countryside, Culture and Heritage	1,084,643	1,069,723
Traffic & Parking		
Traffic & Parking Management	115,380	115,344
Parking Services	-820,744	-743,226
Highways Development Control	46,411	62,207
Road Safety	313,854	313,675
Traffic Management	185,856	184,120
Total Traffic & Parking	-159,243	-67,880
Transport		
Public Transport	524,725	524,725
School Transport	5,787,790	5,790,060
Total Transport	6,312,515	6,314,785
Economic & Business Development	296,294	315,736
Planning		
Housing Strategy	61,098	61,062
Housing Renewals	50,752	50,452
Management & Support	258,646	288,290
Development Plan & Policy	235,290	260,197
Conservation & Implementation	68,821	68,785
Development Control	85,310	48,888
Building Control	84,668	84,394
Land Charges	-22,206	-22,227

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Total Planning	822,379	839,841
Public Protection		
Management and Support	197,864	197,999
Food Safety	220,603	220,678
Community Enforcement	83,470	83,797
Health & Safety – Enforcement	99,938	99,877
Public Health	207,662	207,442
Licensing	-47,808	-47,842
Trading Standards	242,986	242,750
Housing Enforcement	267,602	267,445
Parking Enforcement	-15,780	11,054
Total Public Protection	1,256,537	1,283,200
Total Planning & Public Protection	9,613,125	9,755,405
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Community Support Services		
Service Area	2021/22	2020/21
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Community and Business Services		
WD & administration	754,943	772,235
Court of Protection	-344	-479
Customer Connections	108,161	119,005
Homelessness Prevention	765,494	766,516
Telecare Stores	248,072	248,104
Total Community and Business Support	1,876,326	1,905,381
Client Services		
Contract and Commissioning	868,508	867,961
Work Opportunities	648,928	646,958
Provider	2,349,776	2,383,359
Voluntary Organisations and Grants	392,887	392,887
Reablement	1,180,802	1,218,302
Supported Independent Living	2,704	2,728
Carers	399,352	399,398
Total Client Services	5,842,957	5,911,593
Localities		
Locality North	9,840,245	10,092,227
Locality South	5,957,534	6,209,708
Single Point Of Access	86,158	85,801
Step Down and Reviewing	238,154	237,734

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Talking Point	1,551	1,538
Total Localities	16,123,642	16,627,008
Specialist services		
Mental health	2,796,618	2,804,193
Complex Disabilities	9,989,231	9,991,552
Safeguard, Substance Misuse	931,988	959,786
Total specialist services	13,717,837	13,755,531
Cefndy healthcare	0	0
Adult Central Services		
Adult services	2,301,420	-96,849
ICF – Integrated Care Fund	981	1706
Total Adult Central Services	2,302,401	-95,143
Total Community Support Services	39,863,163	38,104,370
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ADM - Leisure Residual Budgets		
Service Area	2021/22	2020/21
Premises	17,019	232,220
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	3,488,375
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Corporate & Miscellaneous		
Service Area	2021/22	2020/21
Council Tax Benefits	10,659,000	10,309,000
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Corporate Budgets		
Contingency	1,058,823	393,303
Economic Development and Regeneration	385,152	321,152
Chief Executive – Secretariat	179,695	178,926
Unison	26,592	26,565
Coroners	179,425	179,471
Corporate Directors	269,222	268,933
Members	1,003,842	1,002,118
Elections	26,660	26,660
Corporate Emergency Planning	1,500	1,500
Corporate Subscriptions and Audit Fees	545,700	605,700
Corporate Investment and Inflation (eg NNDR, Energy, Pay)	2,759,687	1,808,412

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Carbon Zero Project	389,000	0
Ash Die-back	250,000	0
Centrally held budgets - (eg historic pension costs)	1,054,487	1,054,487
Total Corporate Budgets	8,129,785	5,867,227
Total Corporate & Miscellaneous	18,788,785	16,176,227

Appendix 2: Denbighshire county council capital plan 2018/19 – 2021/22

General Capital Plan

Budget	2020/21 Original Estimate	2020/21 Latest Estimate	2021/22 Latest Estimate	2022/23 Latest Estimate	2023/24 Latest Estimate
Capital expenditure					
Total est. payments – other	13,293	19,938	24,699	3,339	350
Total est. payments – major projects					
Housing improving grants	1,200	1,200	1,200		
Rhyl, new 3-16 catholic school	1,010	939	366		
Ysgol Llanfair, new school	399	148			
Ysgol Carreg Emlyn, new school	822	119			
Highways Maintenance	3,253	4,292	2,960		
East Rhyl coastal defence scheme	11,660	13,803	8,150	5,575	
Rhyl Waterfront	36	73			
Rhyl Queen's Market Redevelopment		1,152	3,128	2,630	121
Waste Service Remodelling	9,475	700	13,472		
Contingency	500		500	500	500
Total	41,648	42,364	54,475	12,044	971
Capital financing					
External funding	18,163	19,304	28,332	7,776	6,036

Budget Summary 2021-22

Budget	2020/21 Original Estimate	2020/21 Latest Estimate	2021/22 Latest Estimate	2022/23 Latest Estimate	2023/24 Latest Estimate
Receipts & reserves	3,874	7,171	6,610	3,879	121
Prudential borrowing	19,611	15,889	19,533	5,925	350
Unallocated funding				-5,536	-5,536
Total capital financing	41,648	42,364	54,475	12,044	971

Budget Summary 2021-22

Capital plan services

Budget	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Capital programme summary				
Legal, HR and democratic services	128	151	0	0
Finance and Property	4,855	6,284	2,630	121
Planning and Public Protection	3,560	2,049	0	0
Business Improvement and Modernisation	324	250	350	350
Community Support Services	857	3,668	2,500	0
Highways and Environmental Services	24,760	32,665	5,575	0
Education and Children Services	7,880	8,908	489	0
Contingency	0	500	500	500
Total Service Summary	42,364	54,475	12,044	971

Legal, HR and Democratic Services

Relocation of Coroners Accommodation, County Hall, Ruthin	67	97
Relocation of Registration Service to County Hall, Ruthin	61	54

Budget Summary 2021-22

Budget	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Total Legal, HR and Democratic Services	128	151	0	0
Finance and Property				
Agricultural Estates	40	228		
Asbestos	243	220		
Equalties	46	70		
Property, Capital Maintenance Works - Block Allocation	359	1,741		
Fire Risk Assessment Works - Public Buildings	59	190		
Reduction in Carbon Emissions from Council Assets	90	65		
Demolition of building on former Rhos Street/Ysgol Penbarras school site	28	40		
County Hall Improved Utilisation - Upgraded Building Management System	26			
County Hall Improved Utilisation - Relocation of Y Bont	70	112		
Corwen Pavilion Development	11	10		
Gypsy and Traveller Site Accommodation	2	20		
Rhyl Waterfront Development	73			
Rhyl, Queen's Building Redevelopment	1,152	3,128	2,630	121
West Rhyl Housing Improvement Programme	22	150		
Former Costigans Building , Rhyl - Tech Hub	270	10		

Budget Summary 2021-22

Budget	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
West Rhyl Regeneration Area Ph 2 (3-23 Edward Henry Street)	932			
The Buttermarket, Denbigh - Welsh Government Grant for Acquisition	250			
Town Centre Loan - Braga Hotel, Rhyl	326	300		
Ruthin Leisure Centre - Changing Room Refurbishment	19			
Rhyl Leisure Centre - All Weather Pitch Replacement	24			
Rhyl Pavilion Theatre - Refurbishment	305			
Kinmel Park Depot, Bodelwyddan - Toilet refurbishment	19			
Corwen Leisure Centre - Pool Hall & Changing Rooms Refurbishment	489			
Total Finance and Property	4,855	6,284	2,630	121
Planning, Public Protection and Countryside Services				
Housing Improvement Grants	1,200	1,200		
Renewals - Town Centre Development Fund	46	100		
Housing Renewal Theme Project	42			
Enable - 2020-21	134			
Empty Homes - Corporate Plan	30			
27 - 29 High Street, Denbigh - Targeted Regeneration Investment grant to 3rd party	175	75		

Budget Summary 2021-22

Budget	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Town Centres Covid Response - Grant Assistance	108			
Town and County Planning - Section 106	11			
Traffic and Car Parks	125	674		
Local Transport Fund	65			
Active Travel Fund	258			
Local Sustainable Transport - Covid Response	981			
Local Road Safety	255			
Acquisition of land at Castell Dinas Bran	70			
Greengates - Tree Nursery	60			
Total Planning, Public Protection and Countryside Services	3,560	2,049	0	0
Business Improvement and Modernisation				
ICT Strategy Phase 2	321	250	350	350
Business Development Grants (Final Payment)	3			
Total Business Improvement and Modernisation	324	250	350	350
Community Support Services				
Minor Adaptations, Community Equipment and Telecare	240	240		

Budget Summary 2021-22

Budget	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Integrated Care Fund - Various Initiatives	407			
Adaptation of 17 Middle Land, Denbigh	165			
Acquisition of Accommodation - Llys Awelon, Ruthin		430		
Llys Awelon Extra Care Ph 2		2,500	2,500	
Replace Care.Com (PARIS)		45		
Cysgod y Gaer - Biomass	10	73		
Corwen Health, Social Care and Housing	10	133		
Denbigh Health and Social Care	10	47		
Acquisition of Extra Care Unit at Awel y Dyffryn, Middle Lane, Denbigh	15	200		
Total Community Support Services	857	3,668	2,500	0
Highways, Facilities and Environmental Services				
Highways Maintenance	1,874	2,960		
Highways Maintenance - Capital Displacement	597			
Public Highways Refurbishment Grant 18-19 to 20-21	1,821			
Bridges	703	648		
Rights of Way	32	67		
Recovery from February 2020 Flooding	1,020			

Budget Summary 2021-22

Budget	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Street Lighting	84			
Street Lighting - Sustainable LED Lighting (Salix)	200	185		
Coastal Defence - Inspections and Essential Maintenance	80	210		
Prestatyn Coastal Defence - Outline Business Case	638	1,000		
Prestatyn Coastal Defence - Repairs to Open Stone Asphalt Revetment 2	15			
Rhyl Central Coastal Defence - Outline Business Case	848	2,000		
East Rhyl Coastal Defence Scheme	13,803	8,150	5,575	
Harbour Empowerment	7			
Acquisition of Boat Crane, Rhyl Harbour	170			
Flood Prevention Scheme - General	72	263		
Natural Flood Management in Denbighshire	70	930		
Urban Catchment Management in Prestatyn		130		
Urban Catchment Management in Rhyl		110		
Vehicles, Plant & Equipment	1,000	1,000		
Botanical Gardens, Rhyl - New Accommodation	109	600		
New Central Waste Depot, Denbigh	139	940		
Remodelling Waste Service	700	13,472		

Budget Summary 2021-22

Budget	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Rhyl Green Infrastructure	300			
HRC Re-Use Shop, Rhyl	169			
Pilot Charity Shop Refurbishment Scheme	190			
Denbighshire's Circular Economy 'Social Supermarket'	44			
Denbighshire Textile Repair and Reuse Partnership	74			
Public Conveniences - Refurbishment Programme	1			
Total Highways, Facilities and Environmental Services	24,760	32,665	5,575	0
Education and Children's Services				
Schools Capital Maintenance Block Allocation	4,068	4,651		
Schools Maintenance Grant - WG 2019-20	1,487			
School Workplace Transport	50	737		
Equalities	64			
Ysgol Tir Morfa - Outdoor Play Area Improvements	120			
Welsh Language Centre at Ysgol Glan Clwyd, St Asaph	451			
Ysgol Bro Cinmeirch - Extension (Final Retention)	4			
Childcare Grants	95			
Childcare - Small Grant Scheme Covid 19	80			

Budget Summary 2021-22

Budget	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Oaktree Centre - Expansion of 'Little Acorns'	90	1,093	55	
Ysgol Twm o'r Nant - Relocate Cylch Bodawen to Ysgol Twm o'r Nant	59	757	33	
Ysgol Dewi Sant - Relocation of 2 cylch groups	17	737	401	
Ysgol Penmorfa, Extension to Flying Start Accommodation		337		
Ysgol Bro Dyfrdwy - New Area School (Final Retention)	33			
Rhos Street and Ysgol Penbarras - Additional school yard	52	148		
Ysgol Llanfair - New School (Final Retention)	148			
Ysgol Carreg Emlyn - New School (Final Retention)	119			
Rhyl, Christ the Word - New School	939	366		
21c Schools Band B - Denbigh and Rhyl Area Reviews	4			
Adaptations to Foster Carer Homes		82		
Total Education and Children's Services	7,880	8,908	489	0
Contingency		500	500	500
Total Capital Plan Services	42,364	54,475	12,044	971

Appendix 3: Housing Revenue Account & Housing Capital Plan

Introduction

At its meeting on 19 January 2021, 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 5 April 2021.

Housing Revenue Budget

The 2021/21 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, we expect Local Authorities to be able to bid for Social Housing Grant (SHG) for new build programmes the first time in 2021. 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. For 2021/22 this is 1.5% (CPI at 0.5% +1%).

To enable landlords to restructure rents if required, up to an additional £2 per week can be charged to individual homes, on condition that the total rent income collected increases by

Budget Summary 2021-22

no more than CPI +1%. We are not proposing to add the additional £2 to any property.

This means that:

- The overall total increase across all stock is 2.64%.
- 44% of properties are at target rent following the 1.5% uplift/
- Of 3,377 properties, 1,478 properties had an uplift less than 2.7% as they met target rent within the uplift.

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 2020 has been a difficult year for household finances we are satisfied that affordability of our weekly rents with the rent increase has been considered as we have to balance our ability to invest in our housing stock for the benefit of all our tenants, consider well managed growth through our new build and 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

Budget Summary 2021-22

Government to remove the borrowing cap from HRA's as per the Deed of Termination of HRA Subsidy Voluntary Agreement 20th March 2019. This repealed the previously agreed cap introduced by the Housing Act 2014 settlement payment.

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

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

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

Housing Revenue Account - Budget 2021/22

Budget	2020/21 Original Budget	2020/21 Projected Outturn (M9)	2021/22 Proposed Budget
Expenditure:			
Supervision & Management – General	2,668,895	2,675,507	2,748,583
Supervision & Management – Service Charges	544,105	547,774	562,838
Repairs and Maintenance	4,929,000	5,030,388	5,103,000
Total Housing Management	8,142,000	8,253,669	8,414,421
Item 8 capital charges	6,501,000	6,220,730	6,362,000
Capital funded from revenue	1,871,000	2,581,000	2,485,000
Provision for bad debts	319,000	319,000	345,000
Total Expenditure	16,833,000	17,374,399	17,606,421
Income:			
Rents (net of voids)	16,023,974	15,791,780	16,372,000
Service charges	399,000	390,052	394,000
Garages	191,000	175,202	180,000
Interest on balances & other income	135,152	10,000	7,000
Total income	16,749,126	16,367,034	16,953,000
Surplus / Deficit (-) for the year	-83,874	-1,007,365	-653,421
Balance as at start of year – general	2,666,827	2,666,827	1,659,462
Balance as at end of year – general	2,582,953	1,659,462	1,006,041

Summary

Area	2020/21	2021/22	2022/23	2023/24	2024/25
Capital Expenditure					
Planned improvements	6,942,000	6,702,506	6,491,513	6,712,342	6,813,947
New build construction	7,008,000	12,717,822	10,468,430	7,840,467	0
Acquisition of Properties	500,000	500,000	499,950	499,849	0
Acquisition of Land	0	0	0	0	0
Other improvements	426,000	742,758	784,765	414,993	421,217
Total	14,876,000	20,663,086	18,244,657	15,467,650	7,235,164
Capital Funding					
Major Repairs Allowance	2,401,000	2,401,000	2,401,000	2,401,000	2,401,000
Usable Capital Receipts	422,000	2,020,000	1,200,000	920,000	0
Borrowing	7,332,000	12,545,315	11,742,660	10,793,000	3,493,490
Other Funding Sources	2,140,000	1,212,000	1,055,000	0	0
Capital Exp. funded by HRA	2,581,000	2,484,770	1,845,857	1,354,368	1,340,675
Total	14,876,000	20,663,086	18,244,517	15,468,368	7,235,164
Revenue expenditure					
Management	3,223,000	3,310,889	3,440,849	3,572,884	3,671,372
Repairs & Maintenance	5,030,000	5,102,635	5,216,932	5,409,337	5,563,229
Interest	3,155,000	3,308,809	3,681,312	4,004,884	4,132,139
Capital Financing Charge	3,277,000	3,188,655	3,167,369	3,793,375	4,379,273
Total	14,685,000	14,910,988	15,506,462	16,780,480	17,746,013
Revenue Income					
Gross Rental Income	16,209,000	16,660,781	17,272,445	18,062,354	19,023,838
Garages	175,000	179,894	185,290	190,849	196,575
Service Charges	390,000	393,953	397,892	401,871	405,890
Voids	-417,000	-288,771	-298,891	-312,093	-328,509
Bad Debts	-319,000	-344,525	-346,100	-348,150	-350,688
Affordable Housing Grant	210,000	135,000	135,000	135,000	135,000
Interest on Balances	10,000	6,649	5,017	5,013	5,014
Total	16,258,000	16,742,979	17,350,653	18,134,844	19,087,119
Balances					
Surplus / Deficit (-) For Year	1,573,000	1,831,991	1,844,192	1,354,364	1,341,106
Cap Exp funded by HRA	2,581,000	2,484,770	1,845,857	1,354,368	1,340,675
	2,667,000	1,659,000	1,006,220	1,004,555	1,004,551
Balance Brought Forward					
Surplus / - Deficit after CERA	-1,008,000	-652,780	-1,666	-4	431
Balance carried forward	1,659,000	1,006,220	1,004,555	1,004,551	1,004,982