

CABINET

Minutes of the Cabinet meeting held in Canolfan Cae Cymro, Clawddnewydd on Tuesday 21 October 2003 at 1.35 p.m.

PRESENT

Councillors P A Dobb, Lead Member for Health and Wellbeing (Chair); M A German, Lead Member for Sustainable Development and Environment; G M Kensler, Lead Member for Promoting Denbighshire; R W Hughes, Lead Member for Lifelong Learning; D M Morris, Lead Member for Communications; E A Owens, Lead Member for Finance, J A Smith, Lead Member for Social Inclusion; W R Webb, Lead Member for Property and Asset Management and E W Williams, Lead Member for Economic Wellbeing.

Observers: Councillors M.Ll. Davies, I.M. German, K.N. Hawkins, G. Jones, M.M. Jones, R.E. Jones, R.J.R. Jones, A.J. Tobin, C.H. Williams

ALSO PRESENT

Chief Executive; Deputy Chief Executive / Corporate Director: Resources; Corporate Director: Environment; Corporate Director: Lifelong Learning; Corporate Director: Personal Services; Financial Controller and the County Clerk.

APOLOGIES

Councillor E C Edwards, Lead Member for Safeguarding our Communities.

ANNOUNCEMENT

Councillor J A Smith thanked all involved in the preparation of the excellent venue and the refreshments provided at the meeting.

554 URGENT MATTERS

- [i] Part 2 - Preserved Rights and Residential Care Allowances - to update Cabinet following receipt of correspondence from Sue Essex AM, Minister for Finance, Local Government and Communities.

555 MINUTES OF THE CABINET [CABINET 2003 - 135]

The Minutes of the Cabinet meeting held on 25 September 2003 were submitted for accuracy and the following amendments were agreed:

Item 4 - Managing School Places:-

- (i) Councillor R W Hughes referred to the last sentence of the 2nd paragraph and felt that there was no need for this sentence to be included. It was agreed that the sentence commencing with "*She said the Welsh Assembly Government*" be deleted.
- (ii) Councillor G M Kensler referred to the last sentence of the 5th paragraph and queried her quote as saying the schedule would be referred to the Asset Management Committee. Councillor W R Webb said that the note reflected the decision taken.

Item 6 - Summary Report for the future of Greenspace Management in Denbighshire - Councillor M A German asked that his name be deleted as he was not present at the meeting.

Item 9 - Ysgol Plas Brondyffryn - Councillor R W Hughes advised Members that the funding was in the form of a loan and therefore needed to be recorded in the Resolution. The Corporate Director: Resources agreed, and the Minute would be amended accordingly.

RESOLVED that subject to the above amendments, the Minutes of the Cabinet meeting held on 25 September 2003 be approved as a correct record and signed by the Deputy Leader.

The following matters arising were discussed:

Item 5 - Sport and Recreation Best Value Review: Initial Options Appraisal - it was confirmed that the Lifelong Learning Committee had agreed the options, as previously approved by Cabinet.

Item 10 - Revenue Budget Monitoring 2003-04: Councillor E A Owens referred to the School and College Transport Report and asked if a copy could be made available. The Financial Controller advised Members that an electronic copy of the report had been sent to Members late afternoon of the previous day.

Item 13 - Disposal of Morfa Hall: Councillor W R Webb advised Members that the sale of Morfa Hall was moving ahead.

It was agreed that item 12 on the agenda - Customer Care Strategy be discussed first due to Councillor Morris' presence being required at another meeting with the Audit Commission.

556 CUSTOMER CARE STRATEGY [CABINET 2003 - 160]

The Chief Executive presented the report seeking Members' agreement to:-

- (i) agree that work on improving customer services needed to be driven forward more quickly and with stronger co-ordination, and
- (ii) allocate funding for the proposed post of Assistant Chief Executive (Customer Service).

The Chief Executive explained that this had been the subject of discussion at Cabinet over several months, and that there was now a need to bring together the different strands.

Councillor E A Owens owing to the fact that the order of the agenda had changed, referred Members to 4.1 of the report and indicated that she proposed to delay the allocation of the full costs of the new post until an appointment had been made.

Councillor R W Hughes said that she had no argument with the reason for decision, but discussions on this subject had always been based around the post. In her view, no information had been provided on costings, options, where it would fit, and its implications on other services. Councillor Hughes referred to the postholder being responsible for managing 7 members of staff and as to whether £65k needed to be spent on an Assistant Chief Executive post to carry out this function.

Councillor E W Williams said that there was a need to have the responsibility for Customer Care within the Authority clear, and that the post needed to have an alignment to the Corporate Executive Team. He added that the Complaints system was insufficiently co-ordinated across the Authority, and the postholder would secure systems across services and improve the Authority's Customer Care.

Councillor P A Dobb understood why the post was required and what its objectives were, but wondered whether partnership arrangements as per the BT presentation were included.

Councillor D M Morris reminded Members that the post required had been the subject of previous discussions as part of the Strategy to improve Customer Care within the County. The new post would undertake work presently being carried out by other Officers within the County.

Councillor R W Hughes agreed that progress needed to be made, but felt that the recommendation needed to be evidenced specifically with regard to the information on costings and the impact on services.

Councillor E W Williams explained that the Council did not have all the expertise in-house to undertake the work required to deliver better services to the residents of Denbighshire.

In response to Councillor G M Kensler's reference to a meeting due to be held in the coming weeks, Councillor D M Morris advised Members that a meeting had been arranged for 11 November 2003 where a presentation would be given by Caryl Wright from Surrey County Council on her experiences of setting up a Call Centre. This meeting will provide Members with the opportunity to ask any questions.

Councillor G M Kensler asked each Member if they knew how the Complaints system in each of their Directorates worked. If Members could all indicate the current position, then it would make it easier to say where we wanted to be.

The Chief Executive explained that the content of the report was clear, but as Members required further information and discussion, the paper could be deferred until after a further informal meeting of the Cabinet.

Councillor P A Dobb suggested that in order to assist Members, a pictorial mapping of what the County can provide in-house and what we need to go external for would be useful.

RESOLVED that the report be deferred until after a future meeting of the Informal Cabinet.

557 JOINT REVIEW [CABINET 2003 - 151]

Councillor P A Dobb presented the report seeking Members' approval of the draft action plan for consultation following the presentation by the Joint Review Team to Council.

Councillor Dobb commended staff on their work and reported the importance for the Authority to begin the process of responding to the findings of the Joint Review Team. A total of 53 objectives need to be achieved by the Authority over the next 3 years. The vision for Denbighshire is to make the Social Services Department the best in Wales.

Councillor E A Owens asked that in order to provide clarity and guidance to non Social Services colleagues on what the Authority wants to achieve, a 2 page précis of the report be prepared for distribution.

RESOLVED that:-

- (a) Cabinet approves the Draft Action Plan for consultation, and
- (b) a 2 page précis of the action plan be prepared for distribution.

558 REGULATORY PLAN [CABINET 2003 - 152]

Councillor P A Dobb welcomed Mr Rod Alcott and Mr Kevin Emmitt from the Audit Commission in Wales to give Members a presentation on the Audit Commission's Regulatory Plan for the Authority for 2003/04.

Members were asked to note the contents of the draft summary and to agree to ensure that the necessary response from the Authority is forthcoming in order to help deliver the plan's objectives.

Mr Alcott circulated handouts to Members which covered the following areas:-

The Regulatory Plan - Where does it fit in?
Regulatory Plan - What's new?

Audit and Inspection Fees

Audit and Inspection - what happens next?

Regulatory Plan - The longer term

Mr Alcott provided Members with the background information as to the production of the Plan following discussion with the Authority. He advised Members that a work programme which listed the areas of regulation, the Lead Officer and timescale, was being prepared and would be distributed once completed.

He explained that there are issues occurring across Wales which would be subject to mandatory regulatory work in each Authority.

Denbighshire would be the first Authority to be inspected and would be the pilot for Arts and Culture as this is an area of good practice. Communication and Regeneration are also mandatory pieces of work.

Mr Alcott explained that all of the work to be undertaken by the Audit Commission would be done in agreement with Denbighshire to discuss when would be the most suitable time.

The Audit Commission is aiming a programme of audit/inspection over the next 8 months which will inform their opinion of revised risks in Denbighshire and a document outlining Denbighshire's Improvement Journey will be produced next year.

Councillor E W Williams thanked both Mr Alcott and Mr Emmitt for the presentation and for the comment that Denbighshire was improving. Councillor Williams also asked whether Local Authorities were treated the same as the Health Board when it came to Inspection fees.

Mr Emmitt explained that Local Authorities and the Health Boards were treated in the same way when it comes to fees. He explained that the Audit Commission in Wales is appointed to the Health Board the same way as it is appointed to Local Authorities, and both had similar risk based plans.

Councillor E Williams reported that the Authority would be willing to share any areas of good practice with other Welsh authorities but acknowledged that it was not always easy for other authorities to adopt each other's practices.

Rod Alcott in response to Councillor Williams' comment admitted that the Audit Commission in Wales was not as good as it should be in sharing good practice, and that mandatory work was being undertaken to improve this to share more effectively. Denbighshire's Arts and Culture Department had been chosen for a pilot scheme because it is an area of good practice.

RESOLVED that Members ensure that the necessary response from the Authority is forthcoming in order to help the Audit Commission in Wales to deliver the Regulatory Plan for Denbighshire.

559 IMPROVING THE COUNCIL HOUSING STOCK [CABINET 2003 - 153]

Councillor E A Owens presented the report and sought Members' views and general comments on the progress on reviewing options for the funding of the improvements to the housing stock and to determine which of the three options to support.

Councillor Owens provided Members with background details in relation to the three options available:-

- (a) to recommend to proceed to Stock Transfer;
- (b) to recommend deferment for 3 months until further information had become available, and
- (c) to pursue Prudential Borrowing.

Councillor Owens advised Members that the prudential borrowing model could not be completed until all the information had been received from the Welsh Assembly Government on the calculation of the Housing Revenue Account debt charges and the Housing Revenue Account Subsidy.

Councillor Owens thanked the Head of Housing Services and the Senior Management Accountant for disseminating the ideas and for moving the WAG Officials forward.

Councillor Owens explained that the Prudential Borrowing model would mean a significant rent increase for tenants. Stock Transfer alternatively would have an implication for Council Tax payers. Meaningful discussions had been taking place with tenants and that their involvement should continue under either option.

Councillor Owens asked whether Members had any questions on the modelling.

Councillor E W Williams asked that if the Authority opted for Stock Transfer, would the rent increase remain at 3.97%.

The Head of Housing Services explained that the rent increase would average 3.97% for the next 9 years, which would include 2.5% for inflation. The Prudential Borrowing model implied an average 8.89% increase for the same period including 2.5% for inflation. In some years the rent increase could be as high as 14%. Over 50% of tenants were eligible for Housing Benefit.

By opting for the Prudential Borrowing model, the cost to the Council Fund would be up to £180k. The cost to the Council Fund if the Authority opted for Stock Transfer would be £600k - £1m - on a worst case scenario basis.

However, in the Stock Transfer model Denbighshire would receive a share of capital receipts from the Preserved Right to Buy Council houses of approximately £1m per annum. The Chief Executive explained that these receipts would reduce over a period of 14 years whereas revenue consequences might continue. Councillor Owens explained that a capital receipt could not necessarily be used to off set a revenue cost.

Councillor P A Dobb asked if the revenue impacts of the stock transfer model could be met through cut backs in service rather than increases in Council Tax.

The Chief Executive referred Members to Appendix 1 and explained that there is scope over time to reduce staffing costs. For example, £115k is spent on finance services, but the Authority is unsure as to how much of these services Dyffryn Community Housing would want to buy. However certain costs could not be reduced if stock transfer went ahead, such as the director's salary.

Councillor R W Hughes thanked Officers for the report and was pleased to see more options available. She explained said that she opposed Stock Transfer in principle. She criticised the Welsh Assembly Government for the length of time the exercise had taken.

In response, the Head of Housing Services explained that the Welsh Assembly Government had also been constrained on this policy, and that the overall drift of the policy had been from the Treasury.

Councillor E W Williams asked if Cabinet were to agree to defer the decision for 3 months, what would be the timescale for ballot to tenants.

The Head of Housing Services explained that there were 2 stages to the process. Firstly, it would go to formal consultation to tenants and they would be given 4 weeks to comment. Secondly, the Authority would have 2-3 weeks to consider the comments received followed by a 3 week postal ballot. All of the above could take place in the Spring, but the timescale was very tight.

Councillor P A Dobb referred to the meeting of the Working Party Group held on 16 October 2003 and reported that Members of the Working Party had opted for Option A.

Councillor E W Williams explained that this report was for Cabinet to look at the process and make a recommendation to Council. The decision of which option to adopt would be for Council to debate and agree.

Councillor R W Hughes proposed that Cabinet agreed Option B to recommend to Council that the decision as to the option to be adopted to improve the housing stock be deferred for 3 months.

Councillor J A Smith proposed that Cabinet agreed Option A to recommend to Council that stock transfer is progressed in order to fund improvements to the housing stock.

Councillor G M Kensler felt that given the estimates provided and the significant assumptions being made, it was not possible to make such an important decision without the further information and seconded Councillor R W Hughes' proposal.

Upon being put to the vote, it was:-

RESOLVED that Cabinet agree Option B and recommend to Council on 18 November 2003 that the decision as to the option to be adopted to improve the housing stock be deferred for 3 months i.e. until January 2004.

560 ADOPTION OF CORPORATE PROCUREMENT STRATEGY [CABINET 2003 - 154]

Councillor E W Williams presented the report seeking approval from Cabinet to adopt the Corporate Procurement Strategy. He commended the work which had been done by the Performance Management Unit on producing the Strategy.

Councillor E A Owens congratulated the Performance Management and Business Planning Manager and her Team for producing some very imaginative material. The Plan should be seen as a workable tool which through the inclusion of procurement objectives would strengthen the Authority's procurement priorities and procedures.

Councillor G M Kensler referred to 1.8 and 1.9 of the Strategy and asked whether this included Welsh Language and Equal Opportunities.

The Chief Executive referred Members to 2.7 of the Strategy which provided the response *that fair employment is an integral part of the Council's approach to service planning and delivery.*

Councillor G M Kensler asked the following questions:-

- (i) could the Authority insist that external bodies who are funded by the Authority meet the requirements of the Procurement Strategy?
- (ii) Objective 2.5 - Item 7 - is the Authority putting enough emphasis on fresh produce produced by local growers?
- (iii) Objective 2.5 - Item 16 - ethical vending machines. At present schools benefit from the income that is raised from vending machines. If the Council is proposing to remove chocolate and fizzy drinks from vending machines in schools, the schools may suffer from a loss of income.

The Chief Executive in response to Councillor G M Kensler's question in (i) and (iii) above explained that the Authority could not insist that external bodies adopt the Council's Procurement Strategy. The Authority could only ask, not instruct, the schools to use more ethical vending machines, as they have an independent budget.

The Corporate Director: Resources, in response to question (ii) explained that whilst the Council could, for example, specify in contracts that fresh/seasonal produce should be used, it was against EC regulations to favour local suppliers.

Councillor P A Dobb referred to 2.7 - Item 3 and asked whether the Strategy ensured that the elderly were included in the procurement process.

The Chief Executive explained that all equalities issues need to be considered, so it was agreed that the word Race be deleted.

RESOLVED that:-

- (a) *the word "Race" be removed from 2.7 of appendix 1 and amended to read "Ensure Equality issues are incorporated into the procurement process" , and*
- (b) *that Members approve the adoption and implementation of the Corporate Procurement Strategy.*

561 BIDS FOR ADDITIONAL BUDGET 2003-2004 [CABINET - 155]

Councillor E A Owens presented the report seeking Members' approval to the bids made by Directorates for additional funding in the current financial year for one off expenditure or spend to save initiatives.

Councillor Owens reported that the County Council at its meeting in June agreed the recommendation taken by Cabinet to seek bids from Directorates for additional revenue budget allocations for the current year. Taking account of the current information in relation to the collection of Council Tax, which was up by 1% on last year, and the likely level of Assembly support through the Performance Improvement initiative, Councillor Owens advised Members that an estimated additional £400k of resources would be available for the whole of the current financial year.

Councillor Owens expressed her thanks to the Principal Local Taxation Manager and his Team for their excellent work in the collection of Council Tax.

Councillor Owens reported that the bids contained in the appendix, some of which had been agreed by Cabinet, had been reviewed by the Corporate Executive Team and herself and recommendations had been made as indicated in the appendix.

Councillor Owens explained that the County Council wished the bids list to be reviewed by service Scrutiny Committees. Each of the 4 Scrutiny Committees had reviewed the list, but of the 4, only 2 had submitted additional proposals namely Lifelong Learning and Personal Services which would give the Authority an overall overspend of £120k.

Councillor Owens proposed that it was only fair to the Resources and Environment Committees to remove the additional proposals by Lifelong Learning and Personal Services from the list. In order to reduce the remaining overspend, Councillor Owens also proposed that the monies allocated to bids that involve staffing costs be restricted to the actual costs to take account of slippage in appointments.

RESOLVED that:-

- (a) *the total sum to be made available for additional funding in 2003/04 be increased by £400k;*
- (b) *the monies allocated to bids that involve staffing costs be restricted to the actual costs to take account of slippage in appointments, and*
- (c) *subject to the removal of the additional proposals of £40k by Lifelong Learning and £32k by Personal Services, all other bids listed within the Appendix be approved.*

562 REVENUE BUDGET MONITORING REPORT [CABINET 2003 - 156]

Councillor E A Owens presented the report informing Members' that all the pressures which had been identified in the latest budget performance figures for the current financial year should be absorbed by services in order to deliver the Council's agreed budget strategies.

Councillor Owens advised Members that because of the decision taken in the previous report the overspend on Lifelong Learning had been reduced from £404k to £204k leaving an overall overspend of £331k.

Councillor Owens indicated that spend within Personal Services was causing concern due to the service having to respond to homelessness.

Councillor P A Dobb reported that the Directorate was in negotiation to lease a property to house the homeless and was confident that the Directorate would be projecting a nil variance by the end of the financial year.

The Corporate Director: Personal Services explained however, that this would not eradicate the current projection on homelessness costs, but measures being taken would have an impact.

Councillor Owens reported that the virement between budgets within Personal Services is high. It needs to be reviewed to ensure budgets are in line with spending patterns.

RESOLVED that:-

- (a) Members note the figures in the appendices, and
- (b) Directorates take appropriate actions to monitor spend and absorb pressures.

563 SOCIAL CARE ELECTRONIC RECORD [CABINET 2003 - 157]

Councillor J A Smith presented the report seeking Cabinet approval to enter into a contract with the Development Partner of the Welsh ICT Systems Consortium to enable Social Services to further develop their Social Care Electronic Record system.

RESOLVED that Cabinet agrees to the contract being signed with Bridgend and the 'Preferred Supplier'.

564 GENERAL PROPERTY MATTERS - DELEGATED POWERS [CABINET 2003 - 158]

The Chief Executive presented the report seeking Cabinet agreement to grant him the delegated powers to undertake the operational running of the Council's property portfolio as set out in Appendix 2 of the report.

The Chief Executive explained the reason for reviewing the delegation was to reflect changes in the structure of the Council since delegations had been agreed in 1996. The main addition was to delegate all operational issues of the agricultural estate to Officers in order to bring them in line with council housing and business units, which would result in the removal of a significant amount of work which was now currently being submitted to the Asset Management Committee. Any decisions that involved financial implications, would, unless covered by delegated powers, continue to require the agreement of the Asset Management Committee.

The Chief Executive referred Members to paragraph 4 of Appendix 2 and advised Members that it needed to be deleted because it duplicated material in paragraph 5.

A copy of the paper had been circulated to Members of the Asset Management Committee for comments prior to the Cabinet meeting: Councillor Owens had responded to say that she was content.

Councillor E W Williams differed from the Chief Executive's view regarding the agricultural estate arguing that there was a difference between taking decisions on housing stock/business units. Decisions required on the agricultural estate could change the rural identity of the area, and that it was up to Members of the Authority to decide the type of rural activity needed.

The Chief Executive explained these concerns could be easily addressed through an allocation Policy. Members should not directly control tenancies.

Councillor E W Williams reiterated his comments that there was a very big difference when it came to farm lettings.

Councillor W R Webb apologised that he had not responded to the letter from the Chief Executive which had asked for comments on the proposed delegation. Councillor Webb expressed his concern that the agricultural estate was being compared to housing stock/business units and was certain that the letting of farms should remain the responsibility of the Asset Management Committee. As the current system was working well, why was there a need to change it?

Councillor E A Owens shared with Members her involvement in the decision on two letting applications. Councillor Owens commented that because of the length of the agenda on the Asset Management Committee it was sometimes difficult to set aside the time required to discuss the applications in detail. Delegations needed to be looked at as whole and the paper was the first valid attempt at doing that. If Members agreed, the policy could be monitored.

In response to Councillor Owens' comment about the discussion of letting applications, Councillor W R Webb advised Members that when a decision was required in respect of lettings, a day was set aside for the Asset Management Committee to discuss.

Councillor G M Kensler expressed her view that Members had lost something by not being able to be involved in the decisions on tenancies. Councillor Kensler referred to tenancy decisions taken on Business Units and that in the past Members were able to provide local knowledge. Councillor Kensler asked whether it would be possible for Officers to consult with Members on any tenancy applications within their locality.

The Chief Executive agreed that if Members wished to be consulted on free tenancies within their locality and provide Officers with comments, this could be done.

Councillor P A Dobb asked Councillor W R Webb as Chair of the Asset Management Committee on the policy that the Committee followed when agreeing tenancies.

Councillor W R Webb responded that a policy is followed and referred to a recent decision taken by the Asset Management Committee to appoint 2 sons to 2 tenancies at what was a fair and sensible hearing. Councillor Webb also expressed his personal opinion that far too much had been delegated to Officers.

The Chief Executive explained that there was a need to protect Members from accusations of patronage.

Councillor R W Hughes disagreed that Members would act unprofessionally when looking at applications.

In his response, the Chief Executive explained the paper did not suggest that inference, but that there had been occasions in the past in Local Government when decisions had been taken on Council Housing tenancies in particular, and the process had not been dealt with impartially.

Councillor M A German referred to the recent consultation which had been undertaken on the Ffrith Beach and that Officers had consulted with all Prestatyn Members, and not just the ward Councillors. When consulting there is a need to look at the wider picture and consult all Members within the area in question.

RESOLVED that Members agree the granting of delegated powers (except in respect of the agricultural estate) as outlined in Appendix 2.

565 YSGOL PLAS BRONDYFFRYN [CABINET 2003 - 159]

Councillor R W Hughes presented the report seeking Cabinet approval to authorise the Leader, the Lead Member for Finance, herself as Lead Member for Lifelong Learning to make further payments of up to £20k as a loan to Plas Brondyffryn Trust to cover its operating costs for a further 2 months, and to approve an interim partnership agreement in principle with the Brondyffryn Trust.

RESOLVED that the Leader, Lead Members for Finance and Lifelong Learning and Finance be authorised to make further payments to Plas Brondyffryn Trust of up to £20k as a loan to cover its operating costs for a further 2 months, and approve an interim partnership agreement in principle with the Brondyffryn Trust.

566 URGENT ITEMS [CABINET 2003 - 161]

There were no Part I urgent items.

QUESTION AND ANSWER SESSION

Councillor R E Jones presented three questions as follows:

- (i) Number of teacher redundancies in Denbighshire - Councillor E W Williams said that there had been 2 redundancies this financial year in Denbighshire, but that this had been due to falling numbers.
- (ii) Appointment of L.E.A. Governors - Councillor R E Jones pointed to inconsistencies in the advertising of school governor vacancies. Councillor R W Hughes advised Councillor Jones that the Authority is moving to a more open process on appointing Governors, but that she would check on the information to ensure consistent information is available. Councillor E W Williams said if people want to become a L.E.A. Governor, then they should be putting their names forward rather than wait for a vacancy to arise.
- (iii) Delegated Decisions - not all Members have access to the Authority's intranet database and are therefore not aware of important decisions being taken. Agreed to provide all Members with a list of all delegated decisions taken.

At this juncture the meeting adjourned for 10 minutes to allow Members to participate in refreshments.

EXCLUSION OF PRESS AND PUBLIC

RESOLVED under Section 100A(4) of the Local Government Act 1972 the Press and Public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 5,7,8 and 9 of Part 1 of Schedule 12A of the Local Government Act 1972.

PART II

567 RHYL: 68 WELLINGTON ROAD [CABINET 2003 - 162]

Councillor P A Dobb presented a report seeking Members' approval to the sale of 68 Wellington Road, Rhyl to a named party at an open market value.

RESOLVED that Members approve the sale of 68 Wellington Road, Rhyl to a named party at an open market value, on terms to be agreed by the Corporate Director: Environment in consultation with the County Clerk.

568 AGRICULTURAL ESTATE - URGENT CAPITAL EXPENDITURE [CABINET 2003 - 163]

Councillor W.R. Webb presented the report seeking Members' approval to recommend to Council that further funds be made available for capital works on the Agricultural Estate.

***RESOLVED** that Members recommend to Council that further funds be made available for officers to undertake capital works on the Agricultural Estate, to be funded from the first available capital receipts and that an equivalent amount of funding from the first capital receipt from an agricultural property be transferred back for general capital purposes.*

569 EXTENSION OF CONTRACT: DECRIMINALISATION [CABINET 2003 - 164]

Councillor M A German presented the report seeking Members' agreement to vary the contract tendering procedure and to appoint Consultants on a contract extension.

***RESOLVED** that Members agree to vary the contract tendering procedure and to appoint Consultants on a contract extension.*

570 SOCIAL SERVICES COMMUNITY LIVING SERVICE FOR PEOPLE WITH LEARNING DISABILITIES: DECISION TO AWARD CONTRACTS FOR TWO SCHEMES [CABINET 2003 - 165]

Councillor P A Dobb presented the report seeking Members' approval to award two contracts for the provision of services to two Community Living Schemes following tendering.

***RESOLVED** that Members accept the recommendations for the awarding of the two contracts as contained in the appendix.*

571 CONVERSION GRANT: HOTEL MARINA, EAST PARADE, RHYL [CABINET 2003 - 166]

Councillor P A Dobb presented the report requesting a forward commitment of a maximum of £188k housing grant in 2004-05 towards the cost of converting the Hotel Marina, East Parade, Rhyl into 20 good quality self-contained flats. The project is a very important regeneration project within the Rhyl Going Forward process and for improving East Parade.

Councillor Dobb explained that the Hotel Marina is rapidly falling into disrepair and the Council had granted planning permission for the conversion into flats. The Welsh Development Agency (WDA) have agreed in principal to grant aid 80% of the cost of external works and the Authority would cover the remainder of the costs.

Councillor Dobb informed Members that the WDA has insisted that a percentage of the costs are spent during the current financial year. The developer has also requested a housing grant from the Authority towards the costs of the internal works. In order for the project to proceed the Authority has to make a commitment from next year's capital budget, which has yet to be set.

Councillor E A Owens advised Members that there was insufficient information to make a decision; that the capital allocation from the Welsh Assembly Government was changing next year and she was concerned at committing Strategic Housing funds to this extent when the amount to be allocated from the Welsh Assembly Government was uncertain.

The Corporate Director: Environment advised Members that private sector housing issue is far wider than that contained in the report. The project is very important, because the Authority has had to deal with a twilight zone in Rhyl comprising of flats and houses in multiple occupation.

The Corporate Director accepted the concerns raised by Councillor E A Owens in relation to the allocation of budget for next year, but conveyed his fear that because of the impositions by other partners, the project may fail. The Head of Housing Services also supported this view.

Councillor P A Dobb said that more 2 bedroom homes in Rhyl were required, and that this project would provide for this type of accommodation.

The Chief Executive said the Authority could not overlook the regeneration issues of the Rhyl Going Forward process and the improvement of East Parade and pointed out that, if the costs had fallen within the current year and could have been met, there would have been no need for a report to Cabinet.

The Corporate Director: Personal Services said that this is a regeneration project and is not only meeting high priority housing but also meeting regeneration needs.

Following a lengthy debate it was

RESOLVED that:-

- (a) *Cabinet approve a commitment of a maximum of £188k of housing grant in 2004-05 towards the cost of converting Hotel Marina, East Parade, Rhyl into 20 self contained flats;*
- (b) *Cabinet recommend to Council that it notes the forward commitment of the 2004/05 capital allocation for private sector housing; and that greater flexibility needs to be built into the capital plan in order to address the inflexibility in order to allow decisions such as this to be taken in future, and*
- (c) *the Chief Executive and the Corporate Director: Resources to prepare a proposed 3 year capital plan.*

572 CLWYD LEISURE LEASE GUARANTEE [CABINET 2003 - 167]

Councillor E A Owens presented the report and a supplementary paper from the Corporate Director: Resources seeking delegated powers to act as a guarantor for an operating lease to Clwyd Leisure Ltd for the development of the Sun Centre as a fitness centre.

The request for a guarantee had emerged at a late stage, at the end of September after the Asset Management Committee had considered an approved Landlord Consent. In addition Clwyd Leisure Ltd had indicated that a different funding option may be available, but had not been fully evaluated. As a consequence a supplementary paper had been circulated seeking delegation of the decision to the Leader, Lead Member for Finance and Lead Member for Promoting Denbighshire, in consultation with the County Clerk and Corporate Director: Resources, authority to enter into an agreement to act as a guarantor for the Fitness Centre project, subject to Clwyd Leisure Ltd providing a suitable funding option and that the funding agreement provides the Authority with the level of protection it needs.

Members expressed their concern that the Sale and Transfer Agreement had not yet been signed and that the Council would have to underwrite any debts in the event of Clwyd Leisure Ltd ceasing to operate.

Councillor E A Owens referred Members' to Clause 2 of the Sale and Transfer Agreement which provides:

'The Council agrees to give good faith consideration to providing continuing support to Clwyd Leisure Ltd including acting as guarantor or surety of for Clwyd Leisure Ltd in respect of such projects and/or contracts as are agreed between the parties as at the Completion Date or as may from time to time be agreed by the parties'.

Although Members were supportive of the project, it appeared that the guarantee sought in respect of the Operating Lease would expose the Council to an unacceptable financial risk, having regard to the 7 year term and possible interest charges.

Following a lengthy discussion, it was

RESOLVED that the County Council should not be exposed to a substantial financial risk and that the need for a guarantee was not proven and that the request to act as guarantor for an operating lease to Clwyd Leisure Ltd. be refused.

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TRANSFER FOR PRESERVED RIGHTS/RESIDENTIAL CARE ALLOWANCE 2002/03

The Corporate Director: Personal Services circulated copies of various correspondence relating to the Transfer for Preserved Rights and Residential Care Allowance.

The Chief Executive referred Members to the letter from Sue Essex AM, Minister for Finance, Local Government and Public Services dated 10 October 2003, contents of which did not provide the Authority with a satisfactory answer to the questions raised.

The Chief Executive sought views from Members as to whether or not they felt the Authority's attempts had amounted to nothing and as to whether they wished to mount a legal challenge against the Welsh Assembly Government.

The County Clerk referred to a similar challenge mounted by Liverpool City Council, and advised Members to seek Counsel's opinion before mounting a legal challenge.

Following a discussion, it was:-

RESOLVED that:-

- (a) the County Clerk seeks the opinion of Counsel on mounting a legal challenge, and
- (b) report back Counsel's advice and recommendations to the November meeting of Cabinet.

The meeting concluded at 4.50 p.m.
