

## CABINET

Minutes of the Cabinet meeting held in Conference Room 1, Council Offices, Ruthin on Tuesday 25 January 2005 at 10.00 a.m.

## PRESENT

Councillors P A Dobb, Lead Member for Health & Wellbeing; E C Edwards, Lead Member for Communities; R W Hughes, Leader and Lead Member for Regeneration; P J Marfleet, Lead Member for Finance and Personnel; S Roberts, Lead Member for Promoting Denbighshire; J Thompson Hill, Lead Member for Property and Asset Management and E W Williams, Lead Member for Environment.

Observers: Councillors R E Barton; M LI Davies; G C Evans; K N Hawkins; D Jones; M M Jones; and Ms Louise Fleet, ACiW.

## ALSO PRESENT

Chief Executive; Deputy Chief Executive / Corporate Director: Resources, County Clerk and the Financial Controller.

## APOLOGIES

Councillors S A Davies, Lead Member for Business & Communications; M A German, Lead Member for Children and Young People and D Owens, Lead Member for Lifelong Learning;

### 557. URGENT MATTERS

There were no Urgent Matters.

### 558. MINUTES OF THE CABINET

The Minutes of the Cabinet meeting held on 21 December 2004 were submitted.

**Asset Management Committee** Councillor J Thompson Hill said a seminar for all Members, on the Agricultural Estate, was to be held on Friday 18 March 2005. He hoped that as many Members as possible would attend.

**Item 5 Revenue Budget 2004-2005** Councillor P A Dobb said a meeting was being held at the end of the month between the Headteacher of Brynhyfryd School and the swimmers regarding community access to Ruthin Leisure Centre for early morning swimming and it was hoped a positive outcome would be reached. Councillor S Roberts said good progress was being made in Rhyl High School regarding early morning swimming sessions.

**Item 7 Council Tax Base 2005-2006** The Chief Executive apologised for the misspelling of Llandegla.

**11.2 Finance Directorate Seminar** Councillor R W Hughes paid tribute to the staff and Lead Members for an excellent, informative seminar, arranged at relatively short notice.

**12 Capital Plan 2004-2005** Councillor R W Hughes said she and Councillor P J Marfleet had recently met with Jane Davidson AM, Minister for Education and Lifelong Learning and discussed various projects. The Minister was keen that a meeting be held with both ELWa and the WDA, reporting back to the Minister and Andrew Davies AM, Minister for Economic Development and Transport on discussions on training provision for young people to address skills shortages.

Councillor E C Edwards said he would welcome such provision for young people and would support such a project in Denbighshire.

In response to a query from Councillor M LI Davies, the Corporate Director: Personal Services said many young people were employed by the Authority, including Modern Apprentices.

Councillor E W Williams reminded Members that the provision under discussion was not new to the Authority and was part of the concept of education lifelong learning centres. In response, Councillor R W Hughes said that the learning units were not currently in place and new funding streams were required to address skills shortage training. Councillor Williams said this provision should be linked to 14 year old pupils as this was the whole concept of the Objective 1 / ELWa funding.

Councillor R E Barton said ELWa had attended a Flintshire County Council Lifelong Learning Scrutiny Committee to answer previously submitted questions. The Leader asked Councillor Barton to inform the Chair of Lifelong Learning Scrutiny Committee to discuss whether that Scrutiny required a similar event.

In response to a query from Councillor D Jones, the Acting Director of Education said every pupil was given the opportunity of work experience whilst still at school and was offered a placement, for example at Denbighshire County Council, Glan Clwyd Hospital, or in small businesses in the County.

**RESOLVED** that, subject to the above, the Minutes of the Cabinet meeting held on 21 December 2004 be approved as a correct record and signed by the Leader.

#### **559. DENBIGH TOWNSCAPE HERITAGE INITIATIVE [PHASE II]**

Councillor E W Williams presented the report seeking Cabinet approval to the submission of a Stage 2 application to the Heritage Lottery Fund for a Phase II Townscape Heritage Initiative for Denbigh, in order to secure £1.5m of in-principle Heritage Lottery Fund assistance.

Members agreed with Councillor D Jones when he said he was pleased at the tremendous work being carried out in Denbigh on the Townscape Heritage Initiative.

**RESOLVED** that Cabinet authorise:

- [a] *the submission of a Stage 2 application to the Heritage Lottery Fund for a Phase 2 Townscape Heritage Initiative (THI) for Denbigh*
- [b] *a recommendation to Council for the inclusion of a £30,000 per annum contribution from Denbighshire County Council towards the Phase 2 Denbigh THI, from 2005 onwards for 5 years, within the capital plan*
- [c] *the adoption of a Conservation Area Management Plan framework for Denbigh and for its development through the first year of the scheme*
- [ch] *a commitment by the Cabinet and a recommendation to the Planning Committee to positively use the full range of planning powers to ensure the proper management of Denbigh Conservation Area*
- [d] *in-principle support for the Conservation Area Management Plan subject to further details being brought to Cabinet at a later date for consideration.*

#### **560. REVENUE BUDGET 2004-2005**

Councillor P J Marfleet presented the report for Members, in the light of the budget performance figures for the current financial year as detailed in the appendices attached to the report, to consider any actions necessary to reduce the balance of overspending on services.

Councillor Marfleet said substantial improvements were required if an overspend was not to be carried forward to the next financial year which could lead to erosion of reserves. The Audit Commission in Wales have said the Authority currently does not hold sufficient reserves, however it was unlikely that reserves would be added to at this time.

Lifelong Learning had achieved commendable improvements in the behavioural support figures resulting in a reduced predicted overspend, although a shortfall of income had occurred due to a reduction in out of County placements in special schools. However, Culture and Leisure had an overrun of £80k with the temporary closure of Rhyl Leisure Centre, which could overrun into the following year's budget.

The Acting Director of Lifelong Learning said the refurbishment works at Rhyl Leisure Centre were taking longer than anticipated, partly due to the presence of asbestos, which would result in extra costs and security costs would be higher as a result of vandalism. A phased re-opening would be considered. Management actions, such as delayed appointments, increases in income etc, had increased income by £6k in other areas.

The Environment Directorate budget had improved considerably and it was hoped a figure of up to £100k would be carried forward to the following financial year. However, Councillor E W Williams said not filling posts was not the way to make budget savings. The Corporate Director: Environment said there was an overall shortage of qualified people for certain jobs and some authorities were paying more to ensure posts were filled.

Councillor Marfleet congratulated the Personal Services Directorate who were on target with their budget management, despite facing many pressures and were considering the following year's budget at this time. However, the County was disadvantaged by the adult funding formula used by the Welsh Assembly Government and the Authority were in discussion with the Assembly regarding this.

He reported on the Land Searches Department move to the Environment Directorate. The Corporate Director: Environment said the number of housing market transactions were dropping, therefore the budget would need to be re-profiled.

Councillor E W Williams asked whether the correct funding for education was being allocated to the Authority. Councillor Marfleet said a number of areas were being considered to ensure that funding received adequately represented the Authority. He said the transient nature of the population in the County made it difficult to allocate funding. The Acting Director Education said it was essential to have accurate pupil numbers and schools now submitted figures twice a year to the Authority and the Assembly.

The Financial Controller explained the reasons for changes to the gross expenditure figures.

In response to a query, Councillor J Thompson Hill said most County-owned land of a significant size was now listed and the Legal Services Department hoped to start the process of registering all the land with the Land Registry over the next few years.

**RESOLVED** that Cabinet note the figures in the Appendices and agree the remedial actions to align projected spending levels with approved budgets.

#### **561. HOUSING REVENUE ACCOUNT BUDGET 2004/2005**

Councillor M LI Davies declared an interest in the item.

Councillor P A Dobb presented the report for Members to adopt the Housing Revenue Account Capital and Revenue Budgets 2004-2005 and 2005-2006. Members were also asked to agree the rents for Council dwellings be increased in accordance with the Rent Setting Policy in Section 2.2.6 [average 4.4%] of the report and rents for Council garages be increased by 10p [average 3.3%] per week, both with effect from 04.04.2005.

Councillor Dobb said the balances at year end were forecast at £1,171k. An increase in rents for houses and garages was forecast to lead to a surplus of £306,447. Phasing in of equal rents across the County was ongoing.

Councillor M LI Davies said there were problems with grass cutting around garages in Trefnant and asked whether the surplus funding could be used for grass cutting maintenance. Councillor Dobb said the problem affected only 1 house in Trefnant as the remainder were privately owned. The problem would be given further consideration.

**RESOLVED** that Cabinet agree:

*[a] to adopt the Housing Revenue Account Capital and Revenue Budgets 2004-2005 and 2005-2006*

*[b] rents for Council dwellings be increased in accordance with the Rent Setting Policy in Section 2.2.6 [average 4.4%] of the report with effect from 04.04.2005*

*[c] rents for Council garages be increased by 10p [average 3.3%] per week, with effect from 04.04.2005.*

## **562. REVENUE BUDGET 2005-2006 TO 2007-2008**

Councillor P J Marfleet presented the report seeking Cabinet consideration and recommendation to Council of the budget proposals detailed in Appendix 1 to the report, together with the resulting impact on Council Tax levels in 2005-2006. He said the extra £250k given by Central Government would have a less than 1% impact on Council Tax.

Each department was to be commended for their plans to reduce costs and find savings of 1.5%, with schools finding 0.8% savings.

The Council Tax for Band D, if agreed, would increase by 4.5% for those staying in that Band. However, there would be substantially higher increases for those properties which had been re-evaluated and increased. Residents could appeal to the Valuation Service from April 2005 about their increase in Band levels.

Councillor P A Dobb agreed staff had worked hard to find the savings. She asked what effect the Police precept would have on the final Council Tax figure. Councillor E C Edwards, as the Police Authority representative, said the Police Authority were looking to keeping the increase in the precept in single figures.

Councillor P J Marfleet referred to a letter received the previous day from by Sue Essex AM, Minister for Finance, Local Government and Public Services regarding the Local Government Settlement in which the Minister said Authorities had received a fair settlement which she felt would allow Local Authorities to develop their services and to set reasonable budgets that would limit the effects of Council Tax, even though re-valuation had taken place. She stated that Local Authorities would be expected to be limiting their budget increases to single figures and she would possibly implement the powers available to her as Minister to restrict the Local Authorities budget increases. Councillor Marfleet said the letter was unclear whether the 5% mentioned referred to Council Tax, or the total revenue budget.

Councillor E W Williams said the Authority's credibility would be brought into question by both the Assembly and the public as initially a 17% increase in Council Tax had been mooted, which had now become 4.5%. Councillor R W Hughes said the original figure of 17% was factual, based on the information available at that time. Councillor Marfleet agreed and reminded Members that the media had been given information on the funding allocated by the Welsh Assembly Government and the hard work of officers and Members to fund savings.

The Financial Controller briefly outlined the reasons for the reduction achieved, for example efficiency savings and the impact of increased pension contributions as there are now more staff than 8 years ago.

Councillor S Roberts agreed staff had worked hard. She also said a high Police precept was not acceptable and she felt that 'value for money' was not given in Rhyl, in particular the vandalism problems were not being addressed.

Councillor J Thompson Hill also commended the staff on their hard work but said until the Welsh Assembly Government worked to a 3 year rolling budget, Local Authorities could be in a similar position in 12 months' time.

The Chief Executive said a Police precept increase of over 5% would mean a Council Tax increase of 4.5% for those with homes remaining in the same Band. He agreed with Councillor Marfleet that part of the letter received from the Minister was ambiguous but should the 5% increase not refer to the budgets a strong protest should be made. He stressed that services for vulnerable people should not be affected. With a 3 year budget it would be possible to set a Council Tax figure for year 2 and year 3 but assumptions taken in the first year could change.

Councillor R W Hughes thanked Members and officers across the Directorates for their work.

**RESOLVED** that:

[a] *Members note the service budget proposals detailed in appendix 1, together with the efficiency savings proposals detailed in appendix 2 and recommend the total budget package to County Council for approval.*

[b] *Members recommend the resulting 4.5% impact of the proposals on Band D of Council Tax in 2005/6 to full Council.*

[c] *Members note the likely budget position for 2006/7 & 2007/8 and endorse the proposal to carry out further reviews of service budget requirements to identify additional efficiency savings to boost reserves, fund the development of priority areas and reduce pressure on Council Tax in these years.*

#### **563. CABINET FORWARD WORK PROGRAMME**

Councillor R W Hughes presented the report and asked officers to ensure that Lead Members were fully involved in developing the Cabinet Forward Work Programme and involving Members from the start. She reminded Members the Corporate Quarterly Performance report was on the Agenda for the next meeting of Cabinet and she asked that Members provide brief verbal reports in support of the statements therein.

Councillor P A Dobb said the Improving Housing Stock report would not be available until the March 2005 Cabinet.

**RESOLVED** that Cabinet note the contents of the Forward Work Programme.

#### **564. URGENT ITEMS**

There were no Urgent Items.

At this juncture (11.25 a.m.) 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 8 and 9 of Part 1 of Schedule 12A of the Local Government Act 1972.

#### **PART II**

#### **565. CAPITAL PLAN 2004-2005**

Councillor P J Marfleet presented the report seeking Members' consideration of any actions necessary in the management of the Capital Plan. He detailed the current position and said any slippage would be carried forward to the following year. A new column had been included in the report identifying the level of committed expenditure for the year.

Councillor Marfleet discussed the appendices in detail.

In response to a query, the Acting Director Lifelong Learning informed Members of the latest position regarding refurbishment of Rhyl Leisure Centre. Members agreed that the asbestos found could not have been foreseen and the final overrun estimate would need approval by Full Council. She also detailed the possible relocation of the St Asaph Youth Club to provide an improved, integrated service for young people. Councillor Marfleet said it was imperative that such items as design work were effectively managed on each project under the capital plan.

With regard to schools budgets, Councillor Marfleet said a full programme of work for schools was required as soon as possible which also would take into account the recommendations of the Managing School Places report.

Councillor E W Williams said it was sometimes difficult to find projects which could be carried out at very short notice, due to slippage of other projects. The public wanted to see improvements carried out rather than a roll over of capital monies to the following year. Long term planning was essential.

With regard to improvements required to school buildings, the Head of Development Services said schools were generally adopting a flexible attitude whenever possible.

**RESOLVED** that Cabinet note the updated position in respect of the Capital Plan.

#### **566. THREE YEAR CAPITAL PLAN 2005 - 2006 ONWARDS**

Councillor P J Marfleet presented the report, circulated a revised Appendix to the report, seeking Members' consideration of the capital investment requirements for the 2005-2006 Capital Plan and to recommend to Council the strategy proposals as set out in paragraph 8 of the report.

Members agreed that any surplus would be allocated with an initial discussion on projects held at an Informal Cabinet meeting. They further agreed that the Council's priorities would be followed, unless at some stage Full Council wished to make changes.

Councillor Marfleet said opportunities could become available for prudential borrowing. He stressed the need for block allocations to continue.

Councillor R W Hughes reminded Members the correct name for the Scala was the Scala Community Arts Centre.

**RESOLVED** that Cabinet recommends to Council that:

[a] after allowing for rollover costs of existing schemes, block allocations consistent with earlier financial years form the basis of the initial General Funded Capital Plan for 2005/06

[b] the remaining balance of General Funding resources of £0.265m is allocated to the Care.com project

[c] the potential new Prudential Borrowing schemes listed in Appendix 1 are included in the Capital Plan strategy for 2005/06 and future years

*[ch] surplus assets for disposal must be identified in order to generate the capital receipts that are required to enable further development of the Capital Plan to take place.*

## 567 AGRICULTURAL ESTATE CAPITAL PROGRAMME

Councillor J Thompson Hill presented the report seeking Members' agreement to ringfence part of future receipts generated from the sale of surplus assets on the Agricultural Estate to fund capital spending required on the Estate.

Councillor Thompson Hill said funding needed to be identified for the statutory end of tenancy agreements and a breakdown of works over a 2 year period for both statutory and contractual obligations was included in Appendix 1 to the report. Potential capital receipts were detailed at Appendix 2 to the report which could fund end of tenancy agreements, reinvestment in the agricultural estate and a top-up of reinstated reserves.

Members discussed the report in detail and the Chief Executive reminded Members that the agricultural estate land purchase provision had not been included as part of the Council's priorities.

Councillor P J Marfleet agreed with the Chief Executive and said it was important that the correct amount was paid which was fair to both sides and not excessive. He detailed the single farm payments due to come into force in June 2005 meant that grants would be on a hectare rather than stock carried basis. This could impact on a year's payments for short term grazing agreements. Councillor E W Williams agreed this was a possibility as the Welsh Assembly Government had not yet made clear how the single farm payments would work. Although not included in the Council's priorities, Councillor Williams said long term investment in accommodation land in the agricultural estate was required.

Councillor D Jones said as Chair of the former Agricultural Estates Committee he reminded Members that health and safety on farms must not be overlooked. The Senior Building Surveyor said health and safety remedial works on the agricultural estate were being addressed.

The Head of Development Services said a report would be provided to the Agricultural Estates Committee and then to Cabinet detailing capital requirements for the estate as a whole and its future management.

Members discussed the recommendations in detail and agreed the work detailed in Appendix 1 should not be delayed.

**RESOLVED** that Members agree:

- [a] to utilise the land purchase provision to fund payment of statutory compensation for current end of tenancy matters*
- [b] to set aside £219,500 (including re-instatement of Land Purchase Provision) from future capital receipts generated from the Agricultural Estate to fund essential legislative works, to be undertaken over a four year programme*
- [c] a further report detailing the agricultural estate strategy be provided to the next Asset Management Committee meeting.*

The meeting concluded at 12.40 p.m.

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