

## **CABINET**

Minutes of the Cabinet meeting held in Conference Room 1, County Hall, Ruthin at 10.00 a.m. on Tuesday 16 January 2007.

### **PRESENT**

Councillors S A Davies, Lead Member for Business, Communications and Personnel; P A Dobb, Lead Member for Health & Wellbeing; E C Edwards, Lead Member for Communities; M A German, Lead Member for Children and Young People; D Owens, Lead Member for Lifelong Learning; S Roberts, Lead Member for Promoting Denbighshire; G O Rowlands, Lead Member for Finance, 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 and M M Jones.

### **ALSO PRESENT**

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

### **APOLOGIES**

Councillor R W Hughes, Leader and Lead Member for Regeneration and the Chief Executive.

### **ANNOUNCEMENT**

Councillor S Roberts informed Members of the two newly designed North Wales Borderlands and Rhyl & Prestatyn Funtime 2007 tourism brochures which had been introduced by the Tourism Unit to promote Denbighshire to visitors. These have been praised by the Department of Enterprise, Innovation and Networks and a member of the public on the web site. Cabinet congratulated the Tourism team on their continued work.

Councillor S Roberts also informed Members that the Dick Whittington pantomime at Rhyl Pavilion had come third in the Times On Line top five national theatres, ahead of top musicals. Cabinet congratulated the Theatre on their continued good work.

### **781 URGENT MATTERS**

Addendum to Item 3 Child Trust Funds circulated.

### **782 MINUTES OF THE CABINET**

The Minutes of the Cabinet meeting held on 19 December 2006 were submitted.

Item 3 Review of Car Parking Charges - Councillor E W Williams had proposed no car parking charges in Corwen, but this had not been seconded.

Item 9 Revised Policy for Issuing Refuse Collection Sacks – 6<sup>th</sup> para replace “found” with “used”.

Councillor E W Williams informed Members that he had asked Alan Roberts, Waste Management Department to prepare a brief report for distribution to all Councillors on various recycling facilities available and possible future provision in villages.

Councillor S A Davies asked Councillor R E Barton to discuss the various issues he had raised at the last Cabinet meeting with the relevant Lead Member.

Item 10 Capital Plan – Councillor R E Barton asked when the Head of Development Services would provide the update report on the current status of the Community Projects.

Add - Councillor E W Williams received confirmation that a scheme already commenced would not lose the allocation of funding given.

Item 14 Lifelong Learning Directorate Restructuring – The Corporate Director: Lifelong Learning updated Members on the latest situation and said that the Modernising Education process was not linked to the Directorate Restructuring. Council had agreed to extend the Modernising Education process and agreed with Members that this should be linked to the budget for the next financial year and beyond. Cambridge Education would report to Council in July 2007 and the Corporate Director: Lifelong Learning agreed to make available to all Members their initial report which would be produced for the Headteachers' Conference in March 2007.

**RESOLVED** that, subject to the above, the Minutes of the Cabinet meeting held on 19 December 2006 be approved as a correct record and signed by the Leader.

### 783 CHILD TRUST FUNDS

Councillor M A German presented the report seeking Members' agreement to make additional contributions into Child Trust Funds for Denbighshire's Children who are Looked After. He also circulated an addendum to the report and said the Child Trust Fund was a very worthwhile scheme to ensure the children have a financial asset at the start of their adult life.

Councillor P A Dobb seconded the report and said this would be a wonderful programme for the children.

**RESOLVED** that Members agree to make additional contributions into Child Trust Funds for Denbighshire's Children who are Looked After; to approve the proposals detailed in the report at 2.20. The financial overall impact is anticipated to be reasonably limited as indicated in Section 4 – Cost Implications, to achieve the maximum by 2020. Given the high level of attention being paid by Children and Family Services to limiting placement periods and planning for permanence coupled with the fact that Child Trust Funds are likely to continue to attract some additional subsidy from the WAG for a period, Members also agree to making an annual payment of £50 for each Child Looked After and to access the £50 WAG grant for each eligible child per year, which will also be paid into their existing Child Trust Fund savings account.

### 784 BUDGET FOR 2007-2008 TO 2009-2010

Councillor G O Rowlands presented the report for Members which sought to:

- [1] discuss the current budget proposals as outlined in Appendices 1 to 4
- [2] seek the views of Scrutiny Committees on the budget bids and proposed efficiencies relating to their Directorate; for the committees to advise Cabinet of any proposed amendments, with an indication of priorities
- [3] to ask Resources Scrutiny in addition to consider the overall proposals
- [4] to reconsider the budget at its meeting on 30 January 2007 with a view to making its recommendations to Council.

Councillor Rowlands reminded Members that Single Status and equal pay back pay claims would cause financial difficulties. Much hard work would be required if the Authority was to achieve Council Tax increase next year of less than 5%.

Councillor S A Davies said officers required a steer from the three scenarios outlined in the paper. He said inflation factors used to increase pensions was running at 3.6% and reminded Members that many of the elderly in Denbighshire were on fixed incomes. The report listed the Directorate pressures and Members were asked to consider those pressures.

The Deputy Chief Executive / Corporate Director: Resources suggested consideration be given to the items in the bids and pressures and then have a further detailed debate, that would need to be in Part 2, on Single Status which was putting significant pressure on the Authority's finances.

The Financial Controller referred to the previous debate at the Members' Awayday, the anticipated special funding from the Welsh Assembly Government [WAG] to compensate for reducing the efficiency savings needed from schools which in the end did not materialise as additional resources for improvement and energy costs had been given directly to schools. He informed Members that 1% on Council Tax was equal to approximately £333k and the WAG had set a cap of 5% on Council Tax increases for all Authorities. He informed Members that a Council Tax of 3.5% for example, would require additional budget bid reductions of nearly £500k across services.

Councillor S A Davies suggested a 2% Council Tax could possibly have been achievable except for the Single Status/Equal Pay costs and the public needed to be made aware of the situation. All Authorities in Wales were facing this issue.

Concern was expressed by Councillor P A Dobb regarding the possible 5% Council Tax, when possibly up to 3% of that would be required for Single Status. It was important that the public understood and were given the full reasons for the Council Tax rise when the final figure was agreed by Council as they were unlikely to understand the concept of Single Status. Councillor E W Williams agreed and said WAG had the necessary powers in place to allow capitalisation of Equal Pay back pay costs and he suggested that contact be made with the main political parties regarding this.

Councillor Williams outlined the importance of healthy school meals options and suggested that some form of procedure from balances should be put in place for this pressure for the Environment Directorate to use to fund the impact of healthy school meal options. The Directorate in this instance should be viewed in the same way as an outside contractor where cost increases etc would need to be considered for additional funding.

Councillor S A Davies said representations had been made to Sue Essex AM, Minister for Finance, Local Government and Public Services following the last Cabinet meeting and she was having a meeting with the Leader and officers on 19.01.2007 where Single Status and other issues would be discussed.

The Deputy Chief Executive / Corporate Director: Resources said decisions on the funding implications of healthy school meals had to be evidence based and provision was required in the budget to address the issues as they were currently not being addressed adequately in the budget proposals. A Task Group had been formed to consider the way forward for school meals. Councillor P A Dobb agreed the need to fund healthy school meals and suggested a budget for a 3 year plan was required and should be included as a pressure in the budget proposals.

The Financial Controller said £70k had been made available as a subsidy for healthy school meals in the budget bids. Members felt this would not be sufficient to cover the current year's deficit and it was important that the uptake on school meals was pursued.

In response to Councillor E C Edwards' question, the Deputy Chief Executive / Corporate Director: Resources confirmed that a budget could not be set until the school meals pressure was funded. He also confirmed that the costs could not be capitalised. At the end of the process, the Deputy Chief Executive / Corporate Director: Resources said a deliverable budget was required. The £70k set aside would cover school meal needs until the Task Group reported their findings. Councillor Edwards said the Task Group needed to report their findings by the next Cabinet discussions on the budget. Councillor E W Williams said much of the schools meals provision in Denbighshire was running at a loss and he agreed with Councillor Edwards that a figure had to be included in the budget.

Members discussed inflation at 3.6% and to achieve a 3.5% Council Tax, funding allocated for pressures would need to be reduced.

Detailed discussions followed on Appendix 2, the Budget Pressures and Bids for 2007-2008 . The Financial Controller said Members had given officers a steer at the evening feedback session. He said the County Clerks' department were unable to reduce their pressures as much of their work covered the Highways and Social Services expansion of work.

Councillor D Owens expressed his disappointment with the budget process regarding schools and said performance was not improving in some areas. He discussed the WAO Relationship Manager's letter and asked for information on the comparison of the likely Education budget and the element of SSA for 2007/2008. The Financial Controller clarified the position regarding the gap between IBA for education and the budget. Councillor Owens went on to remind Members that Council's role was to seek an appropriate level of the Council's resources for Education. Councillor G O Rowlands said the onus was on the Lead Member for Lifelong Learning to assist in formulating an affordable budget for Education and he felt this could be afforded at 5%. The Corporate Director: Lifelong Learning said special funding was allocated by a formula for all schools and the main difficulty was with funding for the large secondary schools. A Council Tax of 5% would address the issues whilst a Council Tax set at 3.5% would lead to more pressure on the budget. Councillor Owens said the Authority's priorities were to provide higher and better education and he felt that WAG was not providing adequate funds.

Members discussed the proposed reduction in the Scala Charitable Company bid to £5k and Councillor S Roberts said Scrutiny Committee were minded to support the original £25k as the revenue budget would still be required for the year. The Financial Controller suggested that the nature of costs meant that they could be capitalised. Councillor J Thompson Hill linked the item to the Ffrith which also had no budget. The Financial Controller said there was a budget of £40k for the Ffrith for building maintenance, business rate etc. The Head of Countryside and Leisure Services said the Ffrith devolved budget of £24k could, if a successful tenant was found for the Ffrith, allow reallocation of £15k to the Scala budget.

Members agreed, following discussion on school transport, that a review of school transport policy was required and that transport costs were only one element of the policy and further consideration should be given to transport to the nearest local school, Welsh medium or religious denomination.

Discussion followed on the Youth Service provision which Members felt was underfunded. The GP referral scheme was a further pressure and Members strongly felt that the WLGA should press the WAG regarding funding for this and similar initiatives which they introduced without full funding. WAG put immense pressure on Local Authorities to fund initiatives and Members felt WAG should fully fund such initiatives within the settlement for Local Authorities.

Translation costs for the Authority are running ahead of budget and therefore this was another risk. Councillor E C Edwards suggested that translation provision was an ideal collaboration item and asked that contact be made with the North Wales Police regarding provision of translation for the Authority. It was reported that a review is currently in hand including consideration of collaboration potential.

At this juncture (12 noon) the meeting adjourned for 15 minutes to allow Members to participate in refreshments.

Turning to item 33 Office Accommodation, Members were asked to note the figure should be "0". Also the second narrative in item 39 Regeneration should be omitted; whilst the narrative in item 42 Highways Landfill Tax should read Asset Management.

The Financial Controller agreed to provide Councillor E C Edwards with information regarding the funding of the Community Safety Agenda and the need to address the transfer of funding from the Corporate Budget.

Councillor P A Dobb said the total figure for bids for Social Services and Housing should be £590k. She outlined the problems with the Older People Demography and said the 1% above inflation increase for providers would be insufficient. The required allocation of Supporting People Grant at £423k was for adults and older people but the Service was absorbing all increases for children and housing.

The Deputy Chief Executive / Corporate Director: Resources outlined the increases due in the statutory Coroner Service work, the development of the IT network and the need to address feasibility work for projects which had emerged from the Capital Task Group work.

The Deputy Chief Executive / Corporate Director: Resources summarised the two main issues discussed – the first was an increase in funding for school meals and the second was the potential reduction of £104k to the School Delegated budget funding. Members did not indicate support to reinstate the £104k.

Members agreed with Councillor E C Edwards that the budget needed full consideration by the political groups and also by all the Scrutiny Committees with a recommendation being made by Cabinet on 30.01.2007 to Full Council.

Turning to Appendix 3 Savings 2007/08, Members discussed the possible reduction in the volume of photocopying and Councillor E W Williams suggested Town and Community Councils, for example, should be asked whether paper copies of all agendas were required. Councillor S Roberts expressed her support for the removal of travel expenses for observers at meetings, however Councillor G C Evans said this could result in less observers attending meetings. Referring to Civics, Councillor M LI Davies asked whether the cost of departments sending staff abroad for meetings etc was also being considered. He felt paper copies of agendas and reports were required by Members until such time that a 24 hour ICT line was available. Councillor R E Barton informed Members that Resources Scrutiny had set up a working group to consider provision of papers for Members.

With regard to efficiency savings, the Financial Controller suggested that one or two large savings per Directorate were required for future years rather than a long list of small savings and agreed with the Corporate Director: Lifelong Learning that a joined up approach was essential. However, the Corporate Director: Social Services and Housing said much work was taking place on preventative strategies and felt that one or two large efficiency savings for the following year was optimistic. The Corporate Director: Environment reminded Members that small savings were just as valid and it was important to carry on with improvements in the way the Authority worked.

In response to a query from Councillor E C Edwards regarding the financial contribution to the North Wales Economic Forum, the Corporate Director: Environment said it was likely this would be revisited, reinstated and substituted.

The Deputy Chief Executive / Corporate Director: Resources received Members' agreement that no changes had been identified for this section.

***Members voted to move into Part 2 to discuss further matters.***

Members discussed in detail the impact of Single Status and noted that figures included in the regular report on head count to Cabinet showed higher numbers and increased pay costs being incurred. Councillor S A Davies said a future report to Cabinet would detail how the increased numbers were being funded. Councillor J Thompson Hill suggested agency figures should also be provided to ensure a full picture of the workforce was provided.

The Corporate Director: Lifelong Learning discussed one of the County's secondary schools and said an action plan was currently being prepared on the way forward. He urged Members to consider this as a special case for consideration for additional one off funding.

The Deputy Chief Executive / Corporate Director: Resources informed Members that Single Status / Equal Pay was having a significant impact on the budget position. At present, the figures were also highly estimated. He confirmed WAG were currently restricting the level of capitalisation direction, meaning that additional costs had to be covered through Council Tax and by using reserves. Reserves would then need to be replenished over 3 years and a strategy to rebuild reserves would be needed to be demonstrated. The Trade Unions were being kept informed and involved at every stage.

Single Status would be payable from 01.04.2007.

**RESOLVED** that Members having discussed the current budget proposals as outlined in Appendices 1 to 4, and having excluded the Press and Public during consideration of Appendix 4 pursuant to Section 100A(4) and para 23, Part 4, Schedule 12A, Local Government Act 1972:

- [1] seek the views of Scrutiny Committees on the budget bids and proposed efficiencies relating to their Directorate; for the Committees to advise Cabinet of any proposed amendments, with an indication of priorities
- [2] ask Resources Scrutiny in addition to consider the overall proposals
- [3] reconsider the budget at its meeting on 30 January 2007 with a view to making its recommendations to Council.

**785 CABINET FORWARD WORK PROGRAMME**

Councillor S A Davies presented the Cabinet Forward Work Programme.

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

**786 URGENT ITEMS:**

There were no Urgent Items.

The meeting concluded at 2.00 p.m.

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