

## CABINET

Minutes of the Cabinet meeting held in Conference Room 1, County Hall, Ruthin at 10.00 a.m. on Tuesday 30 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; R W Hughes, Leader and Lead Member for Regeneration; 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 J R Bartley, R E Barton, M LI Davies; G C Evans, N Hugh Jones, M M Jones, G M Kensler and P J Marfleet.

## ALSO PRESENT

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

## APOLOGIES

Councillor M A German, Lead Member for Children and Young People.

## ANNOUNCEMENT

The Corporate Director: Environment informed Members that the Authority's street lighting team had been named one of the top four in the UK, out of the 410 Local Authorities who are members of the national organisation, the Association of Public Service Excellence (APSE). Members congratulated the staff concerned.

### 839 URGENT MATTERS

There were no Urgent Matters.

### 840 MINUTES OF THE CABINET

The Minutes of the Cabinet meeting held on 16 January 2007 were submitted.

Councillor S A Davies, referring to the penultimate paragraph on the page of Item 4 Budget for 2007-2008 to 2009-2010 said he had asked for figures on funding of increased numbers.

**RESOLVED** that, subject to the above, the Minutes of the Cabinet meeting held on 16 January 2007 be approved as a correct record and signed by the Leader.

### 841 REVIEW OF AUTHORITY PROCEDURES REGARDING RENT COLLECTION FOR LEASED BUILDINGS

Councillor J Thompson Hill and Councillor G O Rowlands presented the report for Members to note the content of the report on the administration of rental units and to agree that Revenues administer and collect the rents. Councillor J Thompson Hill clarified the Action Plan and explained the proposal related also to agricultural and buildings portfolios.

**RESOLVED** that Members note the content of the report and approve the action plan detailed in the report, as amended above.

## 842 COMMISSIONING STRATEGY FOR ADULTS WITH LEARNING DISABILITIES

Councillor P A Dobb presented the report for Members to approve and endorse the findings and the commissioning intentions outlined in the Commissioning Strategy for Adults with Learning Disabilities at Appendix 1 to the report. She praised the Commissioning Officer and team on their hard work in producing the Strategy.

Councillor Dobb outlined the report in detail and reminded Members that as the population was living longer, more support and accommodation were required for longer period. The growing groups of users were a strain on both staff and financial resources. The Authority had acted in good faith and followed the rules set down but costs now had to be reduced. The Authority had approached the Social Services Improvement Agency (SSIA) and asked for best practices in use in other areas.

In response to queries from Councillor G M Kensler (Observer), Councillor Dobb agreed close co-operation between health and education services and partnerships was essential and informed Members that a joint Social Services / Education / Leisure services meeting had been convened earlier in the day. Councillor Dobb also noted the information provided by Councillor Kensler on the See Saw Trust.

The Head of Adult Services, following a query from Councillor E W Williams, said Denbighshire had one respite place for Denbighshire residents and one for use by a broader group and it was hoped improvements would be made to the service. Any shortages in specific areas should be reported and he emphasised the importance of adult respite services.

Councillor E C Edwards asked the Head of Adult Services to provide Cabinet with report on general respite facilities available within the County, encompassing the different groups but particularly the facilities available for the elderly. This was agreed.

Councillor P J Marfleet (Observer) informed Members that Social Services and Housing were in the process of identifying a bungalow as a day resource for people with learning difficulties, to be located at Llanrhaeadr. Any concerns by local residents had been addressed and the facility would also be a small learning centre for users.

Councillor J R Bartley (Observer), as the Authority's Champion for Learning Disabilities said he would be visiting various groups within the community and would report his findings.

**RESOLVED** that Cabinet adopts the Commissioning Strategy, including the action plan for Adult Learning Disability Services in Denbighshire, as the future direction of services commissioned for that client group.

## 843 WARM WALES – DENBIGHSHIRE INITIATIVE

Councillor P A Dobb presented the report seeking Members' support in principle for officers to continue to work with Warm Wales to develop a Business Plan for Denbighshire to help eradicate fuel poverty within the County. She reported that the Authority had achieved a 9% reduction in carbon dioxide emissions from dwellings and were on course to achieve the 12% target.

Councillor Dobb reminded Members that energy efficient windows and doors were being installed in the Authority's housing stock. By 2010 fuel poverty in households had to be eradicated. It was important to develop an affordable warmth strategy and partnership working was being undertaken with various companies e.g. Transco. Much had been achieved to date with very little in the way of resources.

The Head of Planning and Public Protection agreed the use of biodiesel as part of the initiative, for use in schools for example, could form part of the business plan which would be considered by Cabinet later in the year. Cross directorate working would also be included.

Councillor E W Williams said providers of systems also had a big role to play when providing systems and they should also be providing coherent strategies.

**RESOLVED** that Cabinet authorise officers to continue to work with Warm Wales to develop a business plan to help eradicate fuel poverty in Denbighshire.

**844 MANAGING THE SUPPORTING PEOPLE GRANT (FIVE YEAR STRATEGY 2008-2009 TO 2012-2013)**

Councillor P A Dobb presented the report seeking Cabinet approval of the proposed strategy to deal with potential significant reductions in the Supporting People Grant from 2008-2009 onwards. She stressed that the full impact of the cuts were not known and the Authority had assumed a £2m cut, over 5 years. All the schemes would be reviewed by the Directorate.

Councillor Dobb outlined the split of the funding into two streams: the Supporting People Grant (SPG) and the Supporting People Revenue Grant (SPRG). The total amount of funding of SPG for the Authority was £3.8m with the remaining £2.8m ring fenced and distributed both by Council and the Welsh Assembly Government. She detailed the use of Supporting People accrued Reserves which would be included and informed Members that Finance colleagues were working towards additional revenue support. She said that she and the Leader would be lobbying the Assembly Government to reconsider the proposed reductions in funding.

Councillor Dobb asked Members to support a change in the recommendation at (a) to approving the Strategy in principle.

In response to a query from Councillor S A Davies on staffing numbers, the Corporate Director: Social Services and Housing agreed to contact him regarding the issue.

The Chief Executive reminded Members that the problems which will result from the cut in funding were due to the Welsh Assembly Government. Central Government had encouraged Authorities to provide the service and Authorities would now be penalised because of a change in policy by the Assembly. The cuts would need to be taken into account in the 3 year budget planning process.

The Corporate Director: Social Services and Housing said this was of great concern and the plan was to share the risk along with making savings. Reserves would help but approximately £600k of existing services would be de-commissioned over the period. There would also be an impact on the Council's Revenue Budget.

Both Councillors S Roberts and E W Williams said the Authority wanted to provide a better quality of life for vulnerable people and with such cuts in services this could not be achieved. Councillor Williams suggested that no one from WAG was politically fighting the case and the cuts could be down to WAG administration.

**RESOLVED** that:

- a) *Cabinet approves in principle the strategy to manage the Supporting People grant cuts;*
- b) *Cabinet continues to lobby the Assembly Government against making proposed reductions in Council funding;*
- c) *a Supporting People reserve is established to assist with meeting future potential cuts;*
- ch) *balances accrued in previous financial years (£224k) and the final Supporting People underspends in 2006/07 and 2007/08 are transferred to the reserve;*
- d) *balances already held for Supporting People are applied to the strategy when required, and*
- dd) *the potential future revenue budget pressure be noted.*

## 845 HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL PLAN REPORT 2006-2007

Councillor P A Dobb presented the report for Members to note the financial forecast position (revenue and capital) of the Housing Revenue Account for the current financial year, as at the end of December 2006. The outturn projection at the end of November showed a net surplus at the year end of £844k against a budgeted surplus of £333k. This was an increase of £74k in the projected surplus at the end of November.

Right to Buy sales were still slow which meant more stock attracting negative subsidy but offset by more rent income than planned. The Repairs and Maintenance expenditure was being capped with about £100k worth of work capitalized as part of the improvement programme. The Business Plan had been updated and would be reviewed by an external specialist to ensure the forecasts were reasonable and the requirement to meet the Welsh Housing Quality Standard by 2012 was on target.

**RESOLVED** that Cabinet note the latest financial forecast position [revenue and capital] of the Housing Revenue Account for the current financial year.

## 846 HOUSING REVENUE ACCOUNT: REVENUE BUDGETS AND CAPITAL BUDGETS 2007-2008

[Councillor M LI Davies declared an interest in the item and left the room when discussion took place on garage rents].

Councillor P A Dobb presented the report seeking Members' agreement to adopt the Housing Revenue Account budget and Capital Programme for 2007-2008. Members were asked to agree, from 02.04.2007, to increase rents for Council dwellings in accordance with the Rent Setting Policy in section 2.2.7 (average 6%); the rents for leased properties be fixed in accordance with paragraph 2.4.3; the rents for Council garages be increased by £1.70 to £5.00 (51.5%) per week and that heating charges be increased in accordance with section 2.6.3.

Councillor Dobb said there were anomalies throughout the County and in order to avoid huge increases for some a phased approach had been agreed and no tenant would pay more than a £5 increase. Rents above target rent would be reduced to the target rent and all new tenants would pay the target rent. This would result in a surplus for the year of £776,647.

An initial review of the Housing Stock Business Plan had concluded that it remained affordable but there could be longer term concerns if Right to Buy sales remained slow or WAG suspended the Right to Buy. Therefore external consultants had been commissioned to prepare a due diligence report.

In response to a query from the Deputy Chief Executive / Corporate Director: Resources, the Head of Housing Services said the amendments to rent increases as proposed by Scrutiny Committee and the rent setting policy were as near the business plan as possible and were not outside the remit given. Any significant deviations would have to be approved by Council.

The Chief Executive, discussing the Right to Buy scheme, said it was possible this could be suspended following the WAG elections in May 2007. He informed Members that if the policy framework changed they would need to consider further rents and improvements. The Head of Housing Services said currently the proposal was to allow Councils to suspend the Right to Buy scheme and not require Councils to suspend the scheme.

Councillor E W Williams said the Authority had many different issues which it could discuss with current Assembly Members and suggested a formal question time where WAG candidates could be questioned, with the public also being invited.

Councillor E C Edwards asked about the progress on the garage review carried out. The Head of Housing Services said it was currently under discussion and would be discussed with Local Members

also. Councillor Edwards any decisions to be taken on garages must be considered in conjunction with the Local Development Plan and he would welcome the report as soon as possible.

**RESOLVED** that Cabinet agree:

- 1 the Housing Revenue Account budget [Appendix 1] and Capital Programme [Appendix 3] for 2007 – 2008 be adopted;
- 2 rents for Council dwellings be increased in accordance with the Rent Setting Policy in Section 2.2.7 (average 6%) from Monday 2nd April 2007, and that rents currently above target rent will be reduced to the target rent figure and with new tenants paying target rent;
- 3 rents for leased properties be fixed in accordance with paragraph 2.4.3;
- 4 rents for Council garages be increased by £1.70 to £5.00 (51.5%) per week with effect from Monday 2nd April 2007, and
- 5 heating charges be increased in accordance with section 2.6.3 with effect from Monday 2<sup>nd</sup> April 2007.

#### **847 REVENUE BUDGET AND SUMMARY CAPITAL PLAN**

Councillor G O Rowlands presented the report for Members to note the latest revenue budget performance figures for 2006-2007 and the summary capital plan performance for 2006-2007, all as detailed in the appendices to the report. He said Single Status and Equal Play would need continuing consideration.

Councillor J Thompson Hill, referring to paragraph 4.2 on Council Tax revaluations, asked whether this had been finalised. The Financial Controller said the unused part of the provision would be used to fund the equal pay implications.

**RESOLVED** that Members note the revenue budget performance figures for 2006-2007 and the summary capital plan performance figures for 2006-2007, all as detailed in the appendices to the report.

#### **848 THREE YEAR REVENUE BUDGET 2007-2010**

Councillor G O Rowlands presented the report seeking Members' consideration of the budget pressures and savings as shown in Appendices 1, 2 and 3 and to recommend the budget package to County Council for approval. Members were asked to recommend the resulting 3.5% impact of the proposals on Band D of Council Tax in 2007/2008 to Full Council. Members were also asked to note the indicative budget position for 2008/09 and 2009/10 as detailed in Appendix 4.

Councillor Rowlands said he had been on a steep learning curve as the new Lead Member for Finance, and had attended the budget round and Scrutiny Committee budget meetings along with the Financial Controller. He urged Members to recommend a reasonable Council Tax that the public could afford and to be responsible as Councillors for the future of the Authority. He thanked the staff in all Directorates for their work and in particular the Financial Controller. He felt the Welsh Assembly Government settlement was reasonable and what the Authority deserved. He went on to refer to Single Status and said that without this the Council Tax position would be more favourable, with all the past hard work putting the Authority in a strong position. He reminded Members there would be Council elections in 16 months' time and with the problems caused by Single Status this could stop Councillors achieving the service development they wished within Denbighshire.

Although a 5% increase in Council Tax had appeared likely 2 weeks earlier, he felt that the latest position suggesting 3.5% was a more acceptable outcome. He referred to the proposed provision for the school meals subsidy that is increased to £150k compared with the original bid of £80k and the impact on the

bids from the Schools Budget Forum of the special WAG grant funding. Additional WAG funding had been made for Social Services and Environment Directorates. Bids for additional resources had been reviewed and some reduction achieved.

It was reported that Sue Essex AM, Minister for Finance, Local Government and Public Services had been sympathetic to the Council's request for a capital direction in the current year to part fund equal pay back pay costs. The cumulative impact of all the issues in the report would mean it was possible to have Council Tax at 3.5% whilst the Authority's objectives would be either met or broadly maintained. However, Members needed to be aware that the figures for Single Status were only provisional and the final settlement figure could be greater or lower. Some budget pressures were not covered, for example the Community Learning Centres. An ongoing approach was required in regard to efficiencies and only large scale efficiencies were to be sought next year. It was important to have cross Directorate efficiencies improvements.

Councillor Rowlands felt the collaboration agenda was not delivering as much as it could and it was important for the Authority to put 'its own house in order' prior to further joint working.

Councillor Rowlands said he had tried to continue with the work started by Councillor P J Marfleet (Observer), with the budget being considered by Scrutiny Committees. He had included a Members' Awayday and had also consulted with the Town and Community Councils. The following year he hoped to consult with the public over the budget.

In summary, Councillor Rowlands said 3.5% Council Tax would potentially means things would be very tight. It would be important to stay focussed and officers had tried to minimise impact on services. Capital funding through prudential borrowing for the highways and school buildings priorities would be available and also for the Members' Community Capital Fund. A 3.5% Council Tax increase would be below inflation and would be one of the lowest in North Wales, if agreed.

The Financial Controller clarified the Ruthin Craft Centre and Scala Charitable Company requirements, in response to a query from Councillor S Roberts. He agreed with Councillor Roberts that an incorrect figure had been inserted in column 7 of Appendix 4 Culture and Leisure. Neither the Craft Centre nor the Scala would be open for business during 2007/8 and any setting up costs should be capitalised. However, the Head of Countryside and Leisure said the £25k bid for the Craft Centre was a revenue pressure for 2007/2008. The Financial Controller agreed to discuss and resolve the issue with the Head of Countryside Services.

Councillor J Thompson Hill, referring to Appendix 2, Health and Safety expressed his concern as the Authority had only recently come out of an Improvement Notice. However, the Corporate Director: Environment said this could be funded from spare resources in a specific H & S reserve for 2007/8 and included in the base budget from the following year.

Following a query from Councillor P A Dobb regarding the new Business Rate Relief scheme as compared to the former Rural Rate Relief scheme, the Deputy Chief Executive / Corporate Director: Resources said the new scheme would be applied from 01.04.2007 to a certain kind of small business. Some businesses currently eligible under the Rural Rate Relief would not benefit under the new arrangements. The Welsh Assembly Government had changed the rules and the Authority could be faced with the backlash. The Chief Executive agreed, and said that the Authority could give discretionary relief in case of hardship which meant the Authority paid a quarter of the cost of the relief. Non hardship discretionary relief falls 100% on the Council.

The Corporate Director: Lifelong Learning agreed to provide information on bilingualism costs in the Schools Delegated Budget for Ysgol Dinas Bran in response to a query from Councillor S A Davies.

Councillor R W Hughes, referring to the £66k assorted efficiencies across the Lifelong Learning Directorate asked that the efficiencies/figure be detailed.

*Councillor P J Marfleet said as inflation was approximately 4.4% an increase of £8.1m in the budget would result in a Council Tax of 5.38%, asked how this could be reconciled at the same time as making efficiencies. He also asked whether Cabinet would acknowledge that inflation and Council Tax increases hits pensioners at a higher rate than any other Council Tax payers and pensioners accounted for over 20% of the Council Tax payers in the County. The Financial Controller referred to Appendix 4 and said an additional £1.5m was available from WAG and that £4m was half of the increase. Councillor G O Rowlands said the Council Tax increases was the same for all and that pensions could increase by 3.6%.*

Councillor G M Kensler (Observer) said other Authorities appeared to be setting Council Tax at more than 3.5% and asked whether the actual figures were available. She also agreed with much that had been discussed regarding WAG but reminded Members that WAG frequently moved the goalposts, for example with the Learning Centre funding. Councillor G O Rowlands said 3 North Wales Councils were possibly looking at a Council Tax increase of 5% whilst the other 2 were considering 3.5%. In response to her query on the half salary officer saving by moving an officer from Environment to Leisure Services, the Corporate Director: Environment confirmed that discussions between Departments on money adjustments had been held and the Environment Directorate would incorporate the work of the half post in tasks to be undertaken by other officers.

Councillor M LI Davies (Observer) said the County should help small businesses in any way possible. The Chief Executive agreed all the points made in the discussions would be pursued.

The Chief Executive, referring to Appendix 4 service pressures and growth, said some allocations had been included for prudential borrowing. There was a need for forward planning and it was important to include those figures in which would still allow a 2% Council Tax increase to be delivered in future years.

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

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

Members discussed the financial impact of Single Status and the implementation of Equal Pay in detail. Sue Essex AM, Minister for Finance, Local Government and Public Services had agreed in principle that an element of the costs for Single Status back pay could be capitalised in the current year, however this would still involve the Council in capital finance costs.

The Deputy Chief Executive / Corporate Director: Resources discussed the current position on Single Status. He informed Members that if the full impact and costs of Single Status became known before the budget was finally set, any changes required would be included in the figures. However, it was unlikely that this information would be available before the Council meeting at the end of February 2007.

Councillor P A Dobb expressed her disappointment that figures of costs at various levels of potential settlement that she had requested had not been made available. Having outlined the case of a constituent and said that many others were struggling to make ends meet. As the Champion for Older People, she urged Members and officers to be as accurate as possible with the final figures. The Deputy Chief Executive / Corporate Director: Resources reminded Members that they were all also responsible for the financial wellbeing of the Authority as a whole and as the Section 151 Officer he had to ensure that budget proposals were deliverable, reserves as reasonable as possible and all funding assumptions could be substantiated. He said that reaching agreement on capitalisation before the end of March 2007 would be difficult to achieve but both the Council and Unions were committed to make it happen. The Chief Executive said there was nothing included in legislation on capitalisation direction for it being tied to a specific financial year.

***Members voted to move into Part 1 to discuss further matters.***

After further discussion it was agreed to include "no more than" in resolution 2.

**RESOLVED** that Cabinet:

- 1 *having considered the budget proposals, recommend the budget package to County Council for approval;*
- 2 *recommend no more than the resulting 3.5% impact of the proposals on Band D of Council Tax in 2007/8 to full Council, and*
- 3 *note the indicative budget position for 2008/9 and 2009/10 including the planned continuation of the strategy to improve school buildings and the highway network through the use of prudential borrowing.*

#### **849 REVISED CAPITAL PROCEDURES**

The Deputy Chief Executive / Corporate Director: Resources presented the report seeking Members' recommendation to Council the proposed changes to the management of the Capital Plan as shown in section 6 of the Capital Task Group report (appendix 1) with a review of the revised procedures in 6 months.

The Deputy Chief Executive / Corporate Director: Resources referred Members in particular to the flow chart at Appendix 1 which detailed the concept of the Capital Strategy Group which meant that four people would review schemes in detail before they could progress to the formal decision making process. Although the formalised procedure would be held twice a year, the work of the Group would be ongoing. The changes had been discussed and agreed by Resources Scrutiny Committee but they suggested a defined link be established to Scrutiny Committee in the process. They had also proposed a review of the process in 6 months.

Councillor S A Davies supported the report but asked that Local Member input be included in section 1 Pre-feasibility and Scrutiny Committee input at sections 3-4 and at 6-7.

Councillor E W Williams urged that whenever possible 100% funding for new schemes be included at the start of the process. He also felt that the priority list could not always be rigidly followed.

In response to a query regarding membership of the Group, the Chief Executive said that a review at 6 months would allow this to be considered should the need arise. Councillor P J Marfleet (Observer) said the main concern regarding membership of the Group was the under representation as there was no rural representatives included and this should be addressed. He said the Asset Management Committee had been discussed by the Scrutiny Committee and the last two meetings had been cancelled. He strongly felt that the Asset Management Committee had a role to play to free up capital receipts and the Authority were losing the focus on freeing up assets. He felt that this should be included in the flow chart.

**RESOLVED** that Members recommend to Council the proposed changes to the management of the Capital Plan as shown in section 6 of the Capital Task Group report with a review of the revised procedures in 6 months.

#### **850 ROUTINE REPORTING ON PERSONNEL**

Councillor S A Davies presented the latest report on staff headcount. Reports for the data included in the report could not be run until payroll had been closed and cross checks undertaken to ensure all the data had been captured. The reports were normally ready by approximately the 16<sup>th</sup> of every month. Therefore there are difficulties in getting the reports to Cabinet within the timescale stated. Permission was therefore requested to submit the report as a late report to allow for the cross checking. This would only be for a short period (approximately 3 months) at which time the situation would be reviewed.



Councillor Davies said the report should be used as a management tool and would be included in the key performance indicators. In 2005-2006 10.23 days had been lost per employee but the figures were reducing.

**RESOLVED** that Cabinet note the information in the report and agree the request for future reports to be submitted as a late report if required.

**851 CABINET FORWARD WORK PROGRAMME**

Councillor S A Davies presented the Cabinet Forward Work Programme.

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

**852 URGENT ITEMS:**

There were no Urgent Items.

**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 paragraph 20 of Part 4 of Schedule 12A of the Local Government Act 1972.

**PART II**

**853 SARN LANE / A525 SIGNAL CONTROLLED JUNCTION**

Councillor E W Williams presented the report seeking Members' agreement to award a contract in accordance with Contract Procedure Rules (CPR) in respect of the procurement of the above contract.

**RESOLVED** that Cabinet approve the award of the Contract to the tenderer named in the report in accordance with Contract Procedure Rules 25.4.

**854 CAPITAL PLAN**

Councillor G O Rowlands presented the report for Members to note the latest position on the 2006-2007 element of the Capital Plan.

The Corporate Director: Lifelong Learning informed Members that the annual element of SBIG funding had been restored to £2.82m. He went on to detail the latest position regarding improvements and costs at Ysgol Dinas Bran and asked for Members' agreement to the cost increases. Major DDA requirements would be included in the project and the school hall would be extended. The increase could result in the current Asset Management Plan not being added to. He confirmed that this would not have an effect on the school improvements required in Rhyl.

Councillor E C Edwards said much more transparency was required, particularly as some projects were 3-4 years old.

Members agreed that the Community Capital Fund would be in the region of £330k in 2008/9.

**RESOLVED** that Members note the latest position on the 2006-2007 element of the Capital Plan.

The meeting concluded at 1.45 p.m.

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