

CABINET

Minutes of the Cabinet meeting held at 10.00 a.m. on Tuesday 18 December 2007 in Conference Room 1, County Hall, Ruthin.

PRESENT

Councillors P A Dobb, Lead Member for Social Services; E C Edwards, Lead Member for Customer Care and Community Safety; H H Evans, Leader and Lead Member for Education; M A German, Lead Member for Environment; P J Marfleet, Lead Member for Modernisation and Improvement; G O Rowlands, Lead Member for Regeneration and Housing; J A Smith, Lead Member for Business Management, Communications & Personnel and J Thompson Hill, Lead Member for Finance.

Observers: Councillors R E Barton; M LI Davies; G C Evans; S Frobisher; K N Hawkins; C L Hughes and M M Jones.

The meeting was chaired by Councillor J A Smith.

ALSO PRESENT

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

APOLOGIES

Councillor G M Kensler, Lead Member for Promoting Denbighshire.

588 URGENT MATTERS

There were no Urgent Matters.

589 MINUTES

The Minutes of the Cabinet meeting held on 27 November 2007 were submitted.

Item 7 Revenue Budget and summary Capital Plan 2007-2008: With regard to Ysgol Plas Brondyffryn, Councillor P A Dobb had queried whether the Head of Partnership and Inclusion would need assistance with marketing of the facility, bearing in mind how much time the Estyn Action Plan was taking. The Head of Partnership and Inclusion said she had met with the NCH regarding marketing the provision of the 52 week facility at Ysgol Plas Brondyffryn. She had also contacted Alan Lansdown, WAG regarding the need to have a meeting as soon as possible in the New Year.

***RESOLVED** that, subject to the above, the minutes of the meeting held on 27 November 2007 be approved as a correct record and signed by the Deputy Leader.*

590 DRAFT ACTION PLAN IN RESPONSE TO ESTYN

Councillor H H Evans presented the report for Members to approve the revised Action Plan, attached to the report, for submission to Estyn. The comprehensive plan was aimed to raise the standards of achievements in all schools. This had been fully costed and Members had taken political ownership of this. He stressed the need to raise standards in partnership with the schools. He thanked officers and the WLGA Education representatives for their commitment shown. Many elements of the Cambridge Education report had also been considered and it was agreed transparency on the decision making and funding for example was required. The key challenge was to develop a partnership with schools. Many issues had been addressed, for example the Post 16 Education Provision in Rhyl, but some warranted further discussion, such as the bilingual policy and number of schools. In light of the

Authority's statement of intent, consultation with key stakeholders would take place which would then allow the Modernising Education Board to develop a 3 year plan.

Councillor Evans stressed, however, that Estyn requirements were the main focus for the Authority, to ensure officers and Members in partnership with Estyn and WAG were working to ensure school improvements.

Regarding the improvement of overall attendance figures across the Authority, Councillor Dobb queried the support that would be required, both in the community and at home. The Head of Partnership and Inclusion said much work was being carried out, for example with the Local Health Board on a Task and Finish Group with general practitioners (GPs) as there could be medical reasons why pupils were not in school. Consideration would be given to whether GPs could see children out of school hours. School attendance was not just a matter for Education but for the community as a whole.

Councillor E C Edwards praised staff and the Lead Member for the amount of work carried out. In response to his query regarding the assets, the Chief Executive confirmed that the Action Plan dealt solely with the recommendations raised by Estyn and assets were not included at this time.

Councillor P J Marfleet stressed the need for communication with schools and partnership working. There was a need to ensure that the Cambridge report recommendations on school places was not being confused with Estyn school improvements.

The Interim Corporate Director: Lifelong Learning said there were three strands to reviewing education provision in the County – the Estyn report, the Cambridge Education report and the Youth Partnership Inspection. A comprehensive response was required but all three could not be carried out at the same time. Cambridge Education would need a response to those recommendations which were not included in the Estyn Action Plan – addressing the issues on quality of education.

Councillor H H Evans said the Authority had to prioritise its work, and in the short term Estyn would be the focus whilst in the longer term the Cambridge Education requirements would under consideration. The consultation by Cambridge Education ended November 2007 and the report, when received, would be considered by the Modernising Education Board, who would formulate a 3 year action plan.

Councillor G O Rowlands thanked staff for their work in producing the report. He suggested that as the action plan would be in the public domain, was it feasible for the plan to be used by another authority.

The revised page 15 Attainment and Attendance & Exclusion was discussed.

Referring to Schools' entitlement to support, Councillor P A Dobb asked for clarification on the banding system – would some schools have more funding whilst others had more budget pressures? The Interim Head of Education said each school would have a minimum of 3 visits a year to set the agenda and each would also share an evaluation system in relation to 7 key questions raised by Estyn. Of the 5 secondary and 15 primary schools, it would be determined which schools required the most help to go up a quartile. The Head of Partnership and Inclusion said banding was a fairer system to delegate funding to schools for children with special needs. Work was being carried out with Headteachers and Flintshire County Council to ensure parity. Funding would be 'attached' to each child to support their special education needs. A presentation would be made for all Councillors at some point in the future.

Councillor R E Barton informed colleagues that Lifelong Learning Scrutiny Committee had asked for the Cambridge Education consultation period to be extended. He

referred also to the global figure given to Estyn and asked how the costings had been developed. The Interim Head of Education said Lifelong Learning Scrutiny had been informed at their meeting that the consultation carried out by Cambridge Education was part of their report for the Authority and any consultation the Authority may require in the future would be as the result of the report. Councillor H H Evans agreed, as said the focus had to be on Estyn and it would not be possible carry out a consultation in parallel with the Estyn work. Councillor J Thompson Hill reminded Councillor Barton that the report to Resources Scrutiny Committee had detailed the split in the Estyn funding.

The Interim Interim Corporate Director: Lifelong Learning acknowledged Members' commitment to funding the Action Plan and said it was not possible to say how this would impact further until the budget had been set by Full Council.

Referring to Appendix 5, Councillor C L Hughes suggested consideration be given to the position of Scrutiny and whether this should be moved to a more central position. Councillor J A Smith asked the officers to note and give the matter due consideration.

RESOLVED that Cabinet:

- (a) *approve the revised format of the Action Plan*
- (b) *agree the Action Plan be submitted to the Welsh Assembly Government and Estyn, subject to any minor amendments arising from advice from the WLGA and outcomes of the appraisal process.*
- (c) *endorse the approach to the Cambridge Modernising Education recommendations as set out in paragraph 8.3 of the report.*

591 REPORT OF A VISIT BY A DELEGATION FROM DENBIGHSHIRE COUNTY COUNCIL TO VASTERNORRLAND AND BRUSSELS

Councillor G O Rowlands presented the report seeking Cabinet approval that there should be further investigation of EU funding opportunities including social and health care related issues, business regeneration, tourism and ICT. Approval was sought for the range of issues which sprang directly from the delegations' primary visit purpose to be usefully explored, particularly with a view to accessing EU funding resources. These were alcohol and drug abuse rehabilitation; multiple use and funding and buildings; services to the elderly; e-health issues; training programmes for health care workers; continued sharing of best practice. Potential project ideas in the following areas were identified for business regeneration and tourism development.

Councillor P A Dobb outlined her views on the visit to Vasternorrrland and in particular a facility for drug and alcohol rehabilitation which 3 agencies had built and operated. The building had three separate floors totally independent of each other, where older people had flats on the top floor, drug rehabilitation facilities on the second floor part police funded and the ground floor had medical facilities. The residential home had weaving machines and it led to traditional, intergenerational work.

Councillor M A German said there had been value to the Authority in the delegation going to Vasternorrrland and queried whether it was a pre-requisite that travel abroad had to be undertaken to access funding.

Councillor K N Hawkins thanked the Head of Development Services and the Principal European and External Funding Officer for their work and said much had been gained from the visit.

Councillor E C Edwards said the Home Office and Welsh Assembly Government also had funding available for substance misuse, for example the Dewi Sant Centre, Rhyl

and asked the officers to ensure the Safer Communities and Substance Misuse were involved in the transnational work.

Councillor P J Marfleet referred to the knowledge and skill officers had in drawing down European funding but was not convinced there was a link between the travel element and drawing down of funds. He felt there was an issue in the officer time required and public perception of such visits. The report was comprehensive and the projects interesting. He asked how realistic it was for Denbighshire to replicate such projects bearing in mind the Authority's funding position and suggested some projects should be considered on a regional basis. He referred to the visit the previous year to the Christmas markets and asked whether it had resulted in any visits to Denbighshire. He reminded colleagues about the Authority's priorities and asked whether such visits added to those priorities. It was important to remember that tourists not only came from abroad, but from areas such as Liverpool or Manchester.

Councillor H H Evans agreed with some of Councillor Marfleet's comments regarding the public perception of such visits. However, it was important to ensure as much funding as possible came into the County. He suggested a panel be formed, during the current Council's term, to monitor and evaluate future visits which would aid officers in seeking funding, with criteria being set for the panel. Councillor G O Rowlands agreed and said a regeneration steering board should be formed and a report would be presented to Cabinet in January 2008. The Board would consist of 3 Cabinet Members and officers.

The Head of Development Services said it was inevitable that international visits were required at the start of project working. More and more European funding was being set aside for transnational projects. The Authority itself did not have enough funding to invest in regeneration, and even after recourse to the Convergence Programme or the Rural Development Plan, the growing resources in the transnational programmes would be prominent features of future external funding work.

RESOLVED that Cabinet approve the further investigation of EU funding opportunities including social and health care related issues, business regeneration, tourism and ICT; alcohol and drug abuse rehabilitation; multiple use and funding and buildings; services to the elderly; e-health issues; training programmes for health care workers; continued sharing of best practice. Potential project ideas were business regeneration and tourism development.

It was also agreed that any relevant projects on alcohol and drug abuse involve the Safer Communities Department.

It was further agreed that as part of the Regeneration Steering Group report to come to Cabinet in January 2008, the Member Monitoring and Evaluation proposals be included to provide Member scrutiny during the current Council term to evaluate all future visits and proposed projects, with criteria being set for the Panel.

592 PONTCYSYLLTE AQUEDUCT AND LLANGOLLEN CANAL WORLD HERITAGE SITE

Councillor J A Smith presented the report seeking Cabinet approval for submission of nomination documents to the UNESCO World Heritage committee in support of the proposed designation of Pontcysyllte Aqueduct and Llangollen Canal as a World Heritage Site. Lifelong Learning Scrutiny Committee had considered the report on 11.12.2007 and were supportive.

Councillor H H Evans said the project involved 2 other Local Authorities which encouraged collaborative work and was a tourism opportunity. Councillor E C Edwards agreed and said the project was a continuation of the canal basin work. Councillor M A German supported the project as there was little or no cost to the Council and was an advantage to the area.

Councillor K N Hawkins asked that "Institute" in line 6 paragraph 6.1 be amended to read "Institution".

RESOLVED that Cabinet approves the Nomination Document and Management Plan for the proposed Pontcysyllte Aqueduct and Llangollen Canal World Heritage Site to be submitted to the UNESCO World Heritage Committee.

593 HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL PLAN REPORT 2007-2008

Councillor G O Rowlands presented the report for Members to note the latest financial forecast position of the Housing Revenue Account (HRA) for the current financial year.

RESOLVED that Members note the latest financial forecast position of the Housing Revenue Account (HRA) for the current financial year.

594 REVENUE BUDGET AND SUMMARY CAPITAL PLAN 2007-2008

Councillor J Thompson Hill presented the report for Members to note the budget performance figures for the 2007/08 financial year as detailed in Appendix 1 and note the summary capital plan performance for 2007/08 financial year as detailed in Appendices 2 and 3. He discussed various aspects of the report in detail.

Councillor H H Evans referred to paragraph 4.2(i), and said the overspend situation in Lifelong Learning 52 week residential facility at Ysgol Plas Brondyffryn was unacceptable and this was currently under review. The Interim Corporate Director: Lifelong Learning informed Members stressed the need to assess what degree of confidence could be placed in the assumptions around occupancy next year. He also explained that it would not be possible to deliver the efficiency savings shown as not yet in place, during the remainder of the year. He undertook to keep the Lead Member informed of any progress.

Councillor P A Dobb asked that information on the latest position, a business plan and daily losses be provided for the next Cabinet meeting.

Councillor P J Marfleet expressed his disappointment with the demand for the facility and asked for information on the conditions of funding what was a regional centre of excellence. The Chief Executive said the centre had been funded entirely by the Council on a prudential borrowing basis with the site being gifted by the Welsh Assembly Government. It was likely that places at the 52 week facility would need to be filled from anywhere in the U.K. Councillor Marfleet agreed the Authority should go outside of Wales to try and fill places. Councillor H H Evans agreed the demand in Wales be ascertained then the next option should be to extend to the north west to ensure places at the facility were filled as soon as possible. However, the Interim Corporate Director: Lifelong Learning cautioned that a wider approach to other local authorities would not necessarily work as it was possible they would wish to have their children placed nearer home.

Referring to the workload pressures experienced in the Legal Department, Councillor E C Edwards reminded Members that the Legal team were involved in most projects within the Authority and asked that consideration be given to ensuring the department was adequately resourced. The County Clerk said Resources Scrutiny Committee had asked for details of the risks and pressures of the Legal Department work and thanked Councillor Edwards for his concern. Councillor Edwards supported the Scrutiny Committee work but reminded colleagues that any decisions to be taken had to be made by the Executive. Councillor J A Smith agreed and said he was in discussion with the County Clerk regarding the issue. Councillor P A Dobb supported

Councillor Edwards as some issues were being delayed because of staffing pressures in the Legal Department.

Blessed Edward Jones High School continued to be a pressure and it was likely the delegated budget would be overspent with the school having a deficit balance at year end. Councillor Dobb said she had been in discussion with the school and asked whether the school governors were having regular meetings with the school and reporting back to Cabinet. The Interim Head of Education said the Acting Headteacher had the matter in hand and was supported by the LMS Lead Officer in managing the school positively. He was confident that the Headteacher was keeping school governors informed.

The issue had been discussed in both Lifelong Learning Scrutiny and Corporate Governance Committees and Councillor Marfleet asked whether any contribution to the running of the school was made by the Diocese, as they owned the asset. The Chief Executive said the Authority legally had to fund the school and that the Diocese funded some costs and were unlikely to provide further funding.

The Financial Controller advised Members of the potential savings in corporately funded costs which ideally were required to maintain a reasonable level of reserves.

RESOLVED that Members note the budget performance figures for 2007/08 as detailed in Appendix 1 and note the feedback on urgent action to be taken to fill vacant places at the 52 week residential unit at Ysgol Plas Brondyffryn and to also note the summary capital plan performance figures for the 2007/08 financial year as detailed in Appendices 2 and 3.

Councillor H H Evans thanked Tony Byrne, Interim Head of Education for his work in the Authority over the last quarter and said he had gained the respect of both Members and officers during his time in Denbighshire. Tony Byrne thanked Members for their kind words and said he had seen a transformation in the Council and in Lifelong Learning in particular in that time. There now was capacity, unity and a sense of purpose in the Authority's plans.

At this juncture (11.50 a.m.) the meeting adjourned for 15 minutes to allow Members to participate in refreshments.

595 BUDGET SETTING 2008-2009 UPDATE

Councillor J Thompson Hill presented the report for Members to review the budget proposals for 2008-2009 to date and to consider the most appropriate level of additional resources that should be made available for service pressures. Members were asked to consider the savings proposals made by services in Appendix 3 and agree the appropriate level of further savings from the examples identified in Appendix 1. Members were asked to note the impact upon the level of Council Tax next year of the proposals and to consider the most appropriate increase, whilst at the same time considering the likely position for future financial years. Members were asked to consider the proposed content of the response to WAG on the settlement for the next 3 years.

Councillor Thompson Hill discussed the appendices in detail, in particular the proposals at an increase of 2% on Council Tax that would not allow for most of the bids for additional resources. Referring to page 2 Appendix 1, he said with a higher level of support as suggested in column 2 this would allow for some pressures to be funded and about £2m of prudential borrowing. Column 5 would allow for all service bids and pressures to be met. However, it was felt that the figures in column 2 would be more deliverable.

Appendix 5 detailed the Performance Incentive Grant funding, with the first column detailing the current breakdown of how the grant is used, the suggested element to

be retained was shown in column two and the amount which could go towards service bids elsewhere was shown in column 3.

The Chief Executive said the additional waste grant was for food waste recycling.

Councillor Thompson Hill, referring to appendix 2, said the level of further savings to be delivered was £1.5m and by the year 2010-2012 it would be significantly more, therefore, there would be major difficult decisions to be made affecting future years.

Referring to targets for staffing and travel costs within Lifelong Learning, Councillor Dobb asked for clarification on the targets. The Financial Controller said the figures within the targets were for non-schools budgets for staffing and there was a separate efficiency saving target for schools. The Chief Executive confirmed discussions would be held with schools before decisions were made. Councillor Marfleet asked whether any information was available from other Local Authorities as the Education Minister had stated there was no protection for schools from efficiency savings. The Interim Corporate Director: Lifelong Learning said all budget holders should be able to make some efficiency savings. Discussions were required early in the New Year to engage with schools on target setting.

The Corporate Director: Environment reminded Members that increased refuse collection costs were unavoidable and waste procurement costs would form part of the budget discussions. Costs were likely to be up to £300k per year for the next 3 years. Responding to Councillor Dobb's query on £150k for school meals in the base budget, the Corporate Director: Environment said it was hoped the figure would reduce but based on the current year's figures the subsidy for school meals would still be required.

Members discussed various issues, including refuse procurement, landfill tax, Defra funding. It was confirmed that the Price Waterhouse Coopers Phase 2 costs was for implementation of the report recommendations for schools.

In response to Councillor Thompson Hill's question to Members on the level of Council Tax increase, Councillor Marfleet asked whether officers knew what percentage neighbouring authorities were setting and said it was important to explore and implement efficiencies by the start of the next financial year at the latest. He hoped the figure would not be higher than 3.5%. It was also important to consider energy costs to ensure a reduction of between 5% and 10% consumption. The Financial Controller confirmed that to date there was no information from the Welsh Assembly Government on whether they would be applying a 5% cap to Council Tax increases. In regard to the energy efficiencies, a bid for energy reduction schemes was currently being considered by the Capital Strategy Group. The Corporate Director: Environment said a report on the Carbon Trust would be presented to the Cabinet in January 2008.

Councillor H H Evans felt that at the end of the budget setting process, Members were likely to have to increase Council Tax by more than 3.5%. He informed Members that at the recent WLGA meeting, the WLGA had said the Welsh Assembly Government were building their reserves by many millions whilst Local Authorities were struggling to provide services. The WLGA had presented an alternative budget to the Welsh Assembly Government and 3 Authorities were meeting the Minister to try and increase their settlement. Denbighshire, like others, was faced with impossible decisions whilst at the same time wanting to ensure service delivery. He felt unable to raise car park charges which would affect shops and towns, as the public would relate this directly to the Authority and not out of necessity because of a poor settlement by the Welsh Assembly Government. The Financial Controller said some Authorities were likely to increase Council Tax by more than 5%. However, until the final settlement was received after 18.01.2008, it was not possible to set a firm figure. He reminded Members there was no provision for growth or prudential borrowing currently in the figures for later years.

Councillor P A Dobb expressed disappointment that lower Council Tax figures had not been included as she represented an area where many older people were on a fixed income. She could not support a Council Tax increase of 3.5% and felt discussions were starting at too high a level of increase. Councillor H H Evans said he also did not want to have a large increase in Council Tax, but it was important for the Executive to debate the issue, taking into account various levels of increase during the debate and the implications of that increase.

Councillor Marfleet said Members would have to be realistic in setting the level of increase for Council Tax and nothing could be ruled out. Councillor G O Rowlands suggested it was too early to set the level of increase, and that the Council's efficiency savings had to be driven. The Chief Executive reminded Members that unpalatable decisions could possibly have to be made, for example cutting the hours a leisure centre or library were open to achieve a lower level increase.

Members agreed with Appendix 6, the Draft Response to the Welsh Assembly Government on the Provisional Settlement. Members further

RESOLVED that:

- (a) *Members note the budget proposals for 2008/09 to date and agree further options be provided on £0.5m or £1m savings*
- (b) *Members also note the savings proposals made by services in Appendix 3 together with the further savings proposals detailed in Appendix 1*
- (c) *That Members note the likely position for future financial years.*
- (ch) *That Members agree the proposed content of the response to WAG on the settlement for the next 3 years as detailed in Appendix 6.*

596 ROUTINE REPORTING ON PERSONNEL

Councillor J A Smith presented the report for Members to note the information on the staff headcount.

It was agreed the need for robust data and consideration be given to sickness absence on a departmental basis and time of year to see what patterns were emerging.

RESOLVED that *Members note the information in the report.*

597 CABINET FORWARD WORK PROGRAMME

Councillor J A Smith presented the Cabinet Forward Work Programme.

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

598 URGENT ITEMS

There were no Urgent Items.

At this juncture (1.30 p.m.) the meeting adjourned for 30 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 paragraph 14 and 20 of Part 4 of Schedule 12A of the Local Government Act 1972.

PART II

599 CLWYD LEISURE JOINT STUDY

Councillor J Thompson Hill presented the report seeking Members' consideration of the findings and recommendations of the Clwyd Leisure Joint Study carried out by Lawrence Graham LLP on behalf of the Council and Clwyd Leisure Ltd (CLL), and to decide the way forward. Councillor Thompson Hill referred to the Executive Summary attached to the report and in particular the note at the foot of the first page of the Summary.

The Chief Executive informed Members of the comments received from the CLL Chief Executive.

Members discussed the individual assets which form the CLL business and discussed various options which could be available to the Authority and CLL. Members felt it was important to ascertain whether external operators would be interested in any opportunities for the premises.

Councillor H H Evans asked officers to provide the details of any financial and legal implications on different options regarding the way forward with CLL as soon as possible.

The setting up of a Task and Finish Group of Cabinet Members was suggested by Councillor P A Dobb, to discuss key actions and a business plan. Members would need evidence as to the best way forward.

The Financial Controller outlined the likely net financial position of the company at the end of the current financial year.

The Chief Executive said further work was required following receipt of the report and that prudential borrowing could only become available if the Authority was certain that CLL could deliver. It was unlikely any private sector operator would be interested unless all the buildings were in a good state of repair. Councillor Thompson Hill informed Members that CLL had asked that consideration be given to their being given management of another of the Authority's assets.

The Head of Countryside and Leisure Services said the Authority faced a challenge in engineering a change in CLL. He felt some of the proposals in the report could have been implemented over the last 5 years. The Chief Executive stressed the need for dialogue with CLL during the coming weeks. Councillor P A Dobb said if Members agreed with the setting up of a Task and Finish Group, it should include an officer from Legal and Resources, along with Cabinet Members and that options should be put forward to the January 2008 Cabinet. Members felt it was important to have confidence in the CLL management team.

RESOLVED

- (a) *that Cabinet accept the main findings and note the recommendations of the Joint Study, and to evaluate the proposals in more detail with CLL prior to making further recommendations*
- (b) *to take immediate steps to re-establish the working relationship with CLL, notably through the establishment of new Strategic and Operational Liaison Groups*

- (c) *to appoint the Cabinet Members for Promoting Denbighshire, Finance, and Housing and Regeneration, together with the Chair of lifelong Learning Scrutiny Committee to the Clwyd Leisure Strategic Liaison Group.*
- (ch) *to request a Business Plan and Financial Recovery Strategy from CLL as a matter of urgency*
- (d) *to form a Task and Finish Group to include the Cabinet Members for Promoting Denbighshire, Finance, Housing & Regeneration and Modernisation & Improvement, with officers from the Legal and Resources Department*
- (dd) *a further report be presented to Cabinet in January 2008.*

600 CAPITAL PLAN

Councillor J Thompson Hill presented the report for Members to note the latest position on the 2007-2008 element of the Capital Plan.

Members discussed the situation of the current projects and also the Capital Contingency Budget. Members felt use of the Capital Contingency Budget was appropriate to complete the necessary works at the Lon Parcwr Depot.

RESOLVED *that Members note the latest position on the 2007-2008 element of the Capital Plan and agree the use of the Capital Contingency Budget to complete necessary works at the Lon Parcwr Depot.*

The meeting concluded at 3.20 p.m.
