

CABINET

Minutes of the Cabinet meeting held at 10.00 a.m. on Tuesday 16 February 2010 in Conference Room 1, County Hall, Ruthin.

PRESENT

Councillors P A Dobb, Lead Member for Health, Social Care and Wellbeing, H H Evans, Leader; S Frobisher, Lead Member for Environment and Sustainable Development; R W Hughes, Lead Member for Customers and Communities; M M Jones, Lead Member for Welsh Language, Children, Young People and Leisure; P J Marfleet, Lead Member for Modernising the Council; D A J Thomas, Lead Member for Regeneration and Tourism, J Thompson Hill, Lead Member for Finance and Efficiency.

Observers: Councillors W L Cowie; M LI Davies and G C Evans.

ALSO PRESENT

Chief Executive; Corporate Director: Environment; Corporate Director: Social Services and Housing, Corporate Director: Governance and Efficiency; Head of Corporate Governance, Head of Business Planning and Performance and the Chief Financial Officer.

APOLOGIES

Councillor E W Williams, Lead Member for Education and the Corporate Director: Lifelong Learning.

Councillor H H Evans welcomed Romy Salvador, whom he was mentoring as part of the WAG Stepup Cymru Mentoring Scheme. Mr Salvador wished to increase his knowledge of community engagement. Councillor P A Dobb was also pleased to be reacquainted with Mr Salvador, as they had previously worked together on the Caledfryn Credit Union.

733 URGENT MATTERS

There were no urgent items.

734 MINUTES OF THE CABINET MEETING 26.01.2010

The Minutes of the Cabinet meeting held on 26 January 2010 were submitted.

Item 4 Revenue Budget and Summary Capital Plan: In response to a query from Councillor W L Cowie, the Corporate Director: Environment explained how estimated earnings from car parking charges were down. There was a target for car park income generation across the Authority and this was set in the budget as income generation. The target for income generation had not been reached.

***RESOLVED** that, subject to the above, the Minutes of the meeting held on 26 January 2010 be approved as a correct record and signed by the Leader.*

735 MODERNISING EDUCATION – CLOSURE OF YSGOL LLANTYSILIO

In Councillor E W Williams' absence, Councillor H H Evans presented the report seeking Members' agreement to implement the proposal to close Ysgol Llantysilio as of 31.08.2010 and also to delegate future decisions, in instances of no objections being received to school organisation proposals, to the Chief Executive. Councillor Evans said proper and open consultation had been carried out and Local Members, staff, governors and parents supported the closure of the school.

Referring to consultation, Councillor Evans said the length of time taken by the Welsh Assembly Government of the process to approve any closure had become a national issue. The Head of Corporate Governance informed Members that in the absence of any adverse responses following the appropriate consultation, the decision for closure should be a delegated decision. He stressed the need to work closely with the Assembly to speed up some of the processes. The Chief Executive suggested that the Assembly did not need to be involved in similar decisions. If no objections to

closure were received, the Authority should be able to implement the decision. He informed Members that in some areas, independent local boards were concerned if objections were received.

The Head of Modernising Education assured Councillor M M Jones that all staff from the school would be redeployed.

RESOLVED that Cabinet agree to implement the proposal to close Ysgol Llantysilio on 31.08.2010. Cabinet further agree to amend Part 9 of the Constitution – Delegations to grant a power to the Chief Executive to include in paragraph 3.18 “and also to determine the Authority’s decision in respect of school organisational proposals and school closure proposals in respect of which either there have been no objections or any objections received have been resolved”.

736 MONITORING PERFORMANCE AGAINST THE AUTHORITY’S CORPORATE PLAN

Councillor H H Evans presented the report for Cabinet to consider performance against the Corporate Plan 2009-2012 as detailed in the report of performance for the third quarter of 2009/10 (Appendix I) and agree where action needs to be taken in response to current slippage against targets for 2009/10. Appendix II provided an exceptions report: i.e. those Programmes, Projects, Actions and Performance Indicators where performance was currently below target.

Councillor Evans said the partnership governance framework would be further considered when the outcome of the Change Programme was known. He referred to the number of programmed inspections which were less than anticipated (page 5/5 Appendix II) and said the work programme of inspections had been put in place to ensure all premises were inspected by the end of the year by rolling over 14 inspections into the fourth quarter. Turning to the number of working days / shifts per full time equivalent lost due to sickness absence, Councillor Evans said the figures had increased since the last quarter but the total days lost was lower than last year. He also referred to the percentage of eligible staff who had had a performance appraisal and said all appraisals should be carried out and entered into Trent by the end of quarter 4. Councillor Evans said he wanted to see appraisals on track before the end of quarter 3 in future.

By focusing on the Red indicators, the Authority was reacting to issues. Councillor Evans suggested colleagues ask questions sooner in the process when considering the Amber indicators. It was also important to look at trends, comparing year on year and ensuring improvements year on year.

Councillor P J Marfleet agreed it was beneficial for indicators which were not on target being discussed by the Focused Agenda Board (FAB) e.g. performance appraisals and sickness absence. He referred to the sickness absence figures in the report he would be presenting later in the meeting on Personnel Statistics and said those figures were cumulative whilst the figures in the indicator report were a snapshot of part of a month. The gap would catch up with itself by the year end. It was important for the Authority not to overstate any ‘poor’ performance. He would be discussing with the Head of Personnel various issues regarding performance appraisals and sickness absence and its recording.

Councillor D A J Thomas asked for an awareness session for Members on sickness absence and how the system works to ensure that all Lead Members were aware of how the system worked, as sickness absence formed part of all their Portfolios. Councillor H H Evans said he would consider the request and how best it could be addressed.

The Head of Business Planning and Performance referred to setting targets and said it was hoped that Ffynnon would help as it could provide more sophisticated information and include seasonal variations. Performance data would be considered. The current monitoring report contained much factual information but it was hoped over the next 6 months or so to make the reports more focused. Two changes would be made – the first would still supply the figures but it would also include more information on outcomes and how things could be measured as a result. Also, it was agreed a list of targets relating to where the Authority was to be in 2012 and how the Authority could measure its success. Information on current progress and what still needed to be done would be provided.

Responding to a query from Councillor G C Evans, the Head of Personnel said managers could enter information onto Trent immediately an appraisal had been carried out – either at the 6 or 12 month stage – however, some managers leave data inputting to the end of the process. She also reassured

Councillor S Frobisher that the information was accurate and that the majority of appraisals were carried out in the last 3 months, before the end of March deadline.

RESOLVED that Cabinet notes the Quarterly Performance Report and that Sickness Absence and Performance Appraisals not meeting targets would be considered by the Focused Agenda Board.

737 HOUSING REVENUE ACCOUNT BUDGET & CAPITAL PLAN UPDATE 2009-2010

Councillor D A J Thomas presented the report for Members to note the forecast outturn of the Housing Revenue Account (H.R.A.) and Housing Capital Plan for 2009/10.

The figures on the revenue report (Appendix 1) show the final position last year and the balance carried forward to this, the original budget set in February 2009 and the latest expenditure forecast. Also shown are figures reported last month, for reference. A surplus of £238k was forecast for the year, which was £55k less than originally forecast - the main reason being the estimated subsidy payable to the Government turned out to be higher than planned, as has already been reported to Cabinet. There were a number of minor movements but 2 more significant changes were the reduction for the amount of rent rebate subsidy limitation payable to the Department of Work and Pensions by £50k and also the reduced amount of interest payable to the HRA balances of £48k to more realistically reflect current interest rates.

As a result of a change in contractor, the capital programme had slipped but the programme would catch up the following year and was still expected to achieve the Welsh Housing Quality Standard by the end of 2012. The slippage benefitted the business plan financially and the tendering exercise had delivered significant savings.

RESOLVED that Members note the forecast outturn of the Housing Revenue Account (H.R.A.) for the current financial year.

738 HOUSING REVENUE ACCOUNT BUDGET PROPOSALS 2010-2011

[Councillor D A J Thomas declared a personal but non-prejudicial interest in this matter as a Council tenant.]

Councillor D A J Thomas presented the report seeking Members' agreement to adopt the Housing Revenue Account Budget [Appendix 1] and Capital Programme [Appendix 3] for 2010/11. Members were also asked to agree to increase the rent for Council dwellings in accordance with the Rent Setting Policy in Sections 2.2.7 and 2.2.8 (average 2.1% in line with the Assembly's Guideline Rent Increases), increases in rents for Council garages by £0.20 to £5.50 (3.8%) per week and increases in heating charges be increased by 10% in accordance with section 2.6.3, all with effect from Monday 5th April 2010.

Scrutiny Committee had raised questions about the rise in heating charges but the amounts charged were still significantly lower than the average household energy costs.

The expenditure budget had been set using a standard inflation uplift of 1.6%, except where a specific calculation had been applied (such as for the subsidy, capital charges and bad debt provision). The uplift was in-line with the assumptions built into the Housing Stock Business Plan. The capital budget for the following year included around £4m of work rolled-forward from this year (following the re-tendering exercise). It was worth stating that re-tendering had proved beneficial as savings had been achieved. The delays did not affect achievement of the Quality Standard by the end of 2012.

The Housing Stock Business Plan had been updated and had an external review and a due diligence assessment, both of which confirmed it remained financially viable and in a healthier position than previously. The Assembly were currently reviewing the Plan and it was likely to be approved as they had 'set aside' the capital major improvement grant of £2.4m which was dependent upon having a viable plan.

Referring to older people and the proposed increase in heating charges, Councillor P A Dobb asked whether the Authority had consulted with the Tenants' Association on that issue. The Head of Housing Services said they had been consulted and that many received the winter fuel allowance

from the Department of Work and Pensions. The increase was just recovering the cost of gas where there were properties with a communal boiler.

Councillor R W Hughes asked whether a survey of Council owned garages had been carried out. The Head of Housing Services said some surveys had been carried out but it had not been possible to enter all garages. Most of the garages were used as stores rather than for vehicle use. If complaints were received about usage, these were investigated immediately. Councillor H H Evans asked whether it was possible to address the issue of garages being rented to people from outside Denbighshire. The Head of Housing Services said such instances were rare and were usually where a Denbighshire tenant had moved away. It was not possible to terminate a tenancy unless there was a good reason for so doing. He said it was not possible to leave garages untenanted as costs had to be covered.

Councillor D A J Thomas discussed the need for producing the HRA report on a monthly basis to Cabinet and whether this should now be a quarterly report, once approval of the current plan had been received, unless there were significant changes. The Corporate Director: Social Services and Housing suggested the information could be included in the monthly Revenue report to Cabinet unless there were significant changes and Members supported a decision on the proposed change being included as part of the following month's report. The Head of Housing Services confirmed he awaited comments from the Wales Audit Office and the Welsh Assembly Government on the housing stock business plan, before considering a change.

RESOLVED that Cabinet adopt the Housing Revenue Account Budget [Appendix 1] and Capital Programme [Appendix 3] for 2010/11. Cabinet also agree to increase the rent for Council dwellings in accordance with the Rent Setting Policy in Sections 2.2.7 and 2.2.8 (average 2.1%), increase in rents for Council garages by £0.20 to £5.50 (3.8%) per week and increase in heating charges by 10% in accordance with section 2.6.3, all with effect from Monday 5th April 2010.

739 REVENUE BUDGET AND SUMMARY CAPITAL PLAN 2009-2010

Councillor J Thompson Hill presented the report for Members to note the latest estimate of the likely outturn figures for the 2009/10 financial year as detailed in Appendix 1 attached to the report and the summary capital plan performance for 2009/10 as detailed in Appendices 2 and 3 attached to the report.

An overall underspend of £446k was forecast, excluding the schools' delegated budgets. Social Services and Housing was forecasting an underspend of £699k, mainly due to the Continuing Health Care funding, and the Environment Directorate was forecasting an underspend of £204k mainly due to successful vacancy control procedures. The capital expenditure was at £20.9m against a plan total of £31.4m. Opportunities have arisen in the Authority's money market investments which are likely to result in an underspend of up to £300k at the year end.

An update on the winter maintenance spend was provided by the Corporate Director: Environment. An overspend of £196k was currently forecast and it was assumed that this would be charged to the Winter Maintenance Reserve at the year end.

RESOLVED that Members note both the latest projected outturn figures for 2009/10 as detailed in Appendix 1 attached to the report and the summary Capital Plan performance figures for the 2009/10 financial year as detailed in Appendices 2 and 3 attached to the report.

740 ROUTINE REPORT ON PERSONNEL

Councillor P J Marfleet presented the report for Members to note information on Personnel Statistics, Sickness Absence, Single Status, Voluntary Redundancies, HR Review, Senior Leadership Restructuring and Modern Apprenticeships.

Councillor Marfleet said he was concerned at the increase in the number of staff as he was expecting to see a larger reduction in the headcount following the use of the vacancy control and early retirement and voluntary redundancies in the Authority. The figures shown do not include the 77 agency staff employed across the Authority. He said it was important to ensure the agency staff numbers did not rise and suggested agency staff figures could be included as a separate line in the

report. Voluntary redundancies had resulted in a lower headcount but it was essential that the jobs were not filled in elsewhere.

Councillor Marfleet also expressed concern on the number of days lost in a year with sickness absence which cost in the region of £3m in productivity. Sickness absence had to be taken very seriously and if a small department had 1 staff member on sick leave long term, it had a bigger impact on their figures. Occupational Health should be involved at an early stage and stress related illnesses identified to ensure workplace stress was not the cause.

Social Services and Housing was still a risk but improvements had been made to the level of absence over the past year.

The Modern Apprentice Scheme had been an excellent way of contributing to improving the long term problem of an ageing workforce. However, this had been partly funded with PIG funding until 2008/09. However, the demographic makeup of the workforce was still not young enough.

Councillor DAJ Thomas reminded colleagues that opportunities would become available through external funding with the European programme.

Councillor R W Hughes referred to the savings of £100k made as a result of handling the recruitment process of the Senior Leadership Team in-house.

The Chief Executive said morale was very important and good attendance by staff should be celebrated - some departments managed sickness absence very well. However, he reminded colleagues that in his small department his sickness absence figures were high as 3 were away following major surgery and were genuinely ill. It was important to have a balance and be a good employer. However, as the Authority was trying to reduce the headcount, it was possible that each new starter would have to be justified by the Corporate Executive Team.

Councillor P A Dobb reminded colleagues the Authority was aiming to achieve a gold standard with corporate health and any improvements would help with the assessment. The Working Group could consider this.

RESOLVED that Members note the information in the report.

741 CABINET FORWARD WORK PROGRAMME

Councillor H H Evans presented the Cabinet Forward Work Programme. He reported that the report on the Village Green Application, Ffordd Elan, Rhyl was unlikely to be presented to Cabinet before April 2010.

Councillor D A J Thomas said an Update and Review on the Community Capital Projects would be presented in June with the Community Capital Projects Decision being presented in September.

The next Routine Report on Personnel would be presented in June 2010.

RESOLVED that Cabinet note the amendments to the Forward Work Programme.

742 ISSUES REFERRED TO CABINET BY THE SCRUTINY COMMITTEES

There were no issues referred.

743 NORTH WALES RESIDUAL WASTE PROJECT: APPROVAL OF OUTLINE BUSINESS CASE AND INTER AUTHORITY AGREEMENT

Steffan Owen, Jonathan Bebb and Stephen Perring, Flintshire County Council Lead Officers were welcomed to the meeting by Councillor S Frobisher.

Councillor S Frobisher presented the report seeking approval of the Outline Business Case (OBC) and Inter-Authority Agreement (IAA) for the Residual Waste Treatment procurement project. This was

a partnership between Anglesey, Gwynedd, Conwy, Denbighshire and Flintshire Councils set up to jointly manage residual (non recyclable) waste generated in the 5 Local Authorities.

The Welsh Assembly Government (WAG) encouraged joint working by providing additional financial assistance to partnerships. Working together was cost effective, as it made the most of economies of scale.

Residual waste was the rubbish collected in the black bins, which until now had been sent directly to landfill. WAG had now set targets to reduce the amount of waste being sent to landfill and Councils would be penalised for not meeting their targets, at the rate of £200 per tonne. All the North Wales Councils would have to treat their residual waste if they wanted to avoid incurring the fines. The project was designed to provide the necessary treatment infrastructure. The procurement process was due to commence in the summer of 2010 and a contractor would be appointed 2 years later, with new facilities expected to be operational by the summer / autumn of 2016.

An OBC had been developed by the partnership which would need approval by Cabinet, as would the IAA which set out how the Councils would work together on the project and what their individual liabilities were towards each other. Once the OBC was approved, WAG would provide significant additional financial support to the Partnership if and when the OBC was approved. The OBC does not specify what technology would be used to treat the waste nor where any treatment plant would be situated. However, in order to compare 'do something' against 'do nothing', it had been necessary to cost out a viable 'reference solution'. The chosen reference solution was an Energy from Waste plant with combined heat and power, located at a Flintshire site. However, this did not mean that Energy from Waste would be the final solution or that it would be located in Flintshire. Bidders would bring forward various solutions at different sites, with the Partnership selecting the solution which would provide the best overall match to its requirements.

The OBC compared the cost of going ahead with the project against the cost of doing nothing. Carrying on with existing methods would result in extra fines being incurred and the future cost of doing nothing would be more expensive than the reference solution. It made financial sense for the Authority to commit to the joint project and the Chief Financial Officer's statement supported this course of action. However, the financial modelling indicated that the new arrangements were likely to cost around 15% more than existing methods currently cost.

Councillor P J Marfleet said he was pleased to receive the report and a tremendous amount of work had been carried out to date, resulting in a well thought out project. It was also pleasing to see the IAA in detail. He asked what commitment was being made by the other Authorities and would the construction of a site in one area have an adverse effect on another. S Owen said all 5 Authorities were considering the approvals during the course of the week and all were expected to approve the process by the end of the week. Regarding the site, J Bebb said there would continue to be a reception point at each Authority and it was likely that existing collection points would remain in situ. A transfer station would be in place and the costs would remain the same as payment would be on volume and not on geographical remoteness from the new site. He confirmed the timeline of OJEU in June 2010, 2 years for the procurement process with construction starting after 2012 with the site open in 2016.

Responding to a query from Councillor P A Dobb, J Bebb said the contract would start when the facility went live, however, there would be the procurement costs to be met by each Authority equally each year and Denbighshire had already made budgetary provision for this cost. He also responded to a query from Councillor G C Evans, and said if one Authority withdrew from the Partnership, that Authority would have to compensate the Partnership. It would purely depend on the time of any withdrawal. He also confirmed that there was no provision for additional waste and that the procurement was based on current levels. The market had been tested by way of a questionnaire and off-the-record discussions and this had elicited considerable interest in the project. As Wales was slightly behind England with procurement of residual waste, there should be no adverse effect on tender prices.

Regarding Scrutiny of the whole project, the Corporate Director: Governance and Efficiency said Group Leaders would discuss the issue and already established Partnership Scrutiny Committees could consider the issue.

RESOLVED that Cabinet approves the report, noting that the detailed Outline Business Case (OBC) is contained as a Part 2 item on the Cabinet Agenda of 16.02.2010 which will require specific Member approval. Members also note that future Cabinet approval will be sought for moving to preferred bidder stage of the procurement process, for approval of the Final Business Case to WAG, and for contract award following the completion of the procurement process. Cabinet approve the draft OJEU notice attached at Appendix 3 to the report and the Inter Authority Agreement attached at Appendix 4 to the report, and give the Head of Corporate Governance delegated powers to make amendments to the draft which do not significantly affect the content of the agreement, in consultation with the Project Director and the Executive Member for Environment and Sustainable Development.

744 URGENT ITEMS

There were no Urgent Items.

PART II

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

745 NORTH WALES RESIDUAL WASTE PROJECT: APPROVAL TO PROCEED TO THE NEXT PHASE OF PROCUREMENT

Councillor S Frobisher presented the report seeking Cabinet approval for the North Wales Residual Waste Partnership to proceed with the submission of the Outline Business Case (OBC) to WAG on the basis of a Total Base Case Unitary charge for the figure stated in the report, net of WAG funding and within the stated range, for the assumed contract period of April 2015 to March 2041 as set out in Section 6 of the OBC and in Appendix 5 of the report. The Council was requested to confirm its commitment to meet its share of the cost, as per the estimated details in the report, over the proposed contract period.

Cabinet were asked to agree the Leader of the Council, Chief Executive and Section 151 Officer, be authorised to endorse an appropriate letter(s) to WAG supporting the OBC, with other partner authorities, to support the application for funding and to achieve the timetable detailed in the submitted report.

That subject to approval of the OBC and funding provision, as contained within the OBC by WAG, approval is given by the Council to the North Wales Residual Waste Treatment Partnership (NWRWTP) Joint Committee to commence procurement of the residual waste treatment services.

Councillor Frobisher said the report details the financial consequences of the project for the Council, including details of the 'affordability envelope', which Cabinet were asked to approve. If the tender prices eventually received fall within the agreed affordability envelope, the Authority would be committed to proceeding with the project. Withdrawing from the project at that stage would cause the Authority to incur significant financial penalties in the form of compensation to the other Councils in the Partnership. However, if the tender results fall outside the affordability envelope, the Council could choose to pull out of the project without incurring a penalty. The affordability envelope details remained strictly confidential.

S Owen confirmed to Councillor P A Dobb that if the cost over the proposed contract period was higher than stated in the report, each Authority would have to be consulted as this was a ceiling figure being worked to. The Corporate Director: Environment informed Members that it was not viable for Denbighshire to 'do nothing' and high landfill costs and fines would be imposed by WAG.

The Chief Executive said that the figures in the last column in the Appendix to the report was the Affordability Gap. If the figures remained at the stated level or less then Denbighshire would go ahead with the scheme but if the figures were higher, further discussion and approval by Cabinet would be required. J Bebb confirmed the figures were as per the cost on the date the agreement was signed and that doing nothing would cost more to the Authority.

Councillor P A Dobb suggested that pressure be put upon businesses to produce less packaging so that overall tonnage of waste would reduce and then the revenue would be less which would lead to a change. J Bebb said there would be some risk as the predictions were for 20 – 30 years hence. However, if there was less waste there would be an obligation on the contractor to get similar waste from households to fill the gap. Officers would try and minimise any risks.

Councillor D A J Thomas, referred to line 26 of the table in Appendix 1 to the report, and asked why there was a gap in the amounts of the figures and had this resulted as the result of a typographical error. He said this would need to be resolved satisfactorily before proceeding further. J Bebb said this was likely to be a typographical error and should not have been included, as did the Chief Financial Officer. Councillor H H Evans agreed with Councillor Thomas and said an explanation on the figures had to be provided before approval to proceed to the next stage could be given.

RESOLVED that Cabinet approve the North Wales Residual Waste Partnership to proceed with the submission of the Outline Business Case (OBC) to WAG on the basis of a Total Base Case Unitary charge for the figure stated in the report, net of WAG funding and within the stated range, for the assumed contract period of April 2015 to March 2041 as set out in Section 6 of the OBC and in Appendix 5 of the report, once satisfactory written confirmation of the query on Appendix 1 as stated above had been received. The Council confirms its commitment to meet its share of the cost, as per the estimated details in the report, over the proposed contract period.

Cabinet agree the Leader of the Council, Chief Executive and Section 151 Officer, be authorised to endorse an appropriate letter(s) to WAG supporting the OBC, with other partner authorities, to support the application for funding and to achieve the timetable detailed in the submitted report.

That subject to approval of the OBC and funding provision, as contained within the OBC by WAG, approval is given by the Council to the North Wales Residual Waste Treatment Partnership (NWRWTP) Joint Committee to commence procurement of the residual waste treatment services.

The meeting concluded at 12.15 p.m.
