

CABINET

Minutes of the Cabinet meeting held at 10.00 a.m. on Tuesday 21 June 2011 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; 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 and E W Williams, Lead Member for Education.

Observers: Councillors M LI Davies; G C Evans and R L Feeley.

ALSO PRESENT

Chief Executive; Corporate Directors: Learning & Communities and Business Transformation & Regeneration; Acting Head of Corporate Governance and the Acting Chief Financial Officer.

95 APOLOGIES

Councillor M M Jones, Lead Member for Welsh Language, Children, Young People and Leisure and the Corporate Director: Demographics, Wellbeing & Planning.

96 DECLARATION OF INTERESTS

Members were asked to declare any personal or prejudicial interests in any business identified to be considered at the meeting.

RESOLVED that Cabinet note there were no declaration of interests.

97 URGENT MATTERS

There were no Urgent Matters.

98 MINUTES OF THE CABINET MEETING 24.05.2011

The Minutes of the Cabinet meeting held on 24 May 2011 were submitted.

Councillor M LI Davies referred to the Welsh version of the minutes – Item 5 Edeyrnion Area Review - in which there was a typing error on the 3rd paragraph of page 6 “roded” should be replaced with “roedd”. A suggestion was made by Councillor Davies that if every child was taught through the medium of Welsh it would alleviate the need for bilingual schools. Councillor E W Williams reminded Councillor Davies of the Council Policy which could not be changed by Cabinet.

RESOLVED that, subject to the above, the Minutes of the meeting held on 24 May 2011 be approved as a correct record and signed by the Leader.

99 FINAL REVENUE ACCOUNTS 2010-2011

Councillor J Thompson Hill presented the report seeking consideration of the final revenue outturn position for 2010-2011 for recommendation to Full Council on 05.07.2010. Cabinet was asked to recommend to Council the treatment of reserves and provisions as detailed in the report. Cabinet were also asked to recommend to Council the most appropriate use of the £300k one-off funding as detailed in Section 4 of the report. The Annual Statement of Accounts for 2010-2011 would be submitted to the external auditors on 30.06.2011 with the audited accounts being presented to Corporate Governance Committee on 28.09.2011 for formal approval.

The overall financial outturn position for 2010-2011 was an underspend against the approved budget which together with an increase in the yield from Council Tax strengthened the Council's financial

position. The final position on service and corporate budgets was an underspend of £998k which excluded spend below budget of £282k on Schools' Delegated funds. The outturn position for other services was largely in line with previous reports to Cabinet. The receipt of £772k additional grant funding late in the year was very welcome but resulted in the revenue position improving too late for services to deal with properly. The Council's budgeted contribution to balances of £300k had been achieved. There was also a significant improvement in the position of the schools in financial difficulty which had contributed towards the overall improved position for schools, with additional grants and some one-off funding delegated to schools contributing to the improved position.

As a result of a possible product recall at Cefndy Enterprises, the Social Services and Housing budget included provision of £83k set aside for repairs or refund. However, this was not a high risk. In-year surpluses on the Supporting People Grant of £650k had been transferred to the capital financing reserve as agreed previously as part of the funding strategy for the Authority's capital plan for social care projects.

The Environment Directorate underspend was as a result of savings on vacant posts across all services, underspends in the Highways & Infrastructure and Planning and Public Protection departments. Contributions to the Highways Winter Maintenance Reserve of £129k during the year had resulted in a £402k reserve.

Denbighshire had the highest rate for collection of Council Tax in Wales, and along with an increase in the number of dwellings in the County, this had yielded a very high level of tax collection at 98.2%. The final level of Council Tax yield of £526k was 1.4% higher than the assumptions made.

Councillor Thompson Hill went on to discuss the restructure in the School Improvement and Inclusion department and the underspend in the Environment Directorate which would be used to fund the costs of restructures in 2011-2012 which had been agreed the year before. Governance & Efficiency underspends had to be earmarked in case of claw back on external grant schemes and the underspend in Business Planning & Performance would be used to fund expenditure on the Council's Big Plan. Appendix 2 to the report detailed the Reserves and Provisions.

Councillor Thompson Hill asked Members for their views on the £300k one-off cash funding available as a result of the final revenue position. There were two options, the first to use the money to defer some budget reductions in 2012-2013 and the second to fund priority projects through the Area Members' Groups with £50k being allocated to each of the 6 Groups. Councillor E W Williams welcomed the £300k underspend and congratulated departments on their work in achieving this. He suggested the 6 Area Members' Group be allocated £50k each and asked whether it could be included in the Community Capital Grant Funding. The Acting Head of Finance and Assets said the Community Capital Grants fund was a separate fund, to be accessed only by community groups whilst this funding was for Members to allocate. He suggested that Mark Dixon, Strategic Regeneration Manager could administer the £300k funding alongside the Community Capital Grants or it could be administered by D W Davies, the Engagement and Consultation Manager who worked closely with the Area Members' Groups. The Acting Head of Finance and Assets agreed with Councillor Evans' suggestion that it was an opportunity for Members to get closer to the community. Responding to comments from Councillor P J Marfleet, the Acting Head of Finance and Assets said monies had been put into reserves, grants were being received and these were all included in the Medium Term Financial Plan.

Councillor S Frobisher welcomed the £300k surplus and said it should be used to get closer to the community. Councillor P A Dobb was also pleased and suggested perhaps the voluntary sector could become involved. It was important to use the funding as quickly as possible. Councillor P A Dobb asked for clarification on the office relocation costs. The Acting Head of Finance and Assets said there was an office accommodation strategy, and when any surplus buildings were sold the capital allocation was used to fund office moves.

Councillor J Thompson Hill responded to queries raised by Councillor M LI Davies and said £1.9m had already been used of the £5.9m for single status and this budget would reduce further and be used in the current financial year. Regarding Council Tax yield, assessments were made 12 months in advance – the Authority had taken a view that as the economy was under pressure the level of Tax collected could have been less. Councillor E W Williams asked that when setting Council Tax in the

future, an analysis of the underspends over the past 4 years be included in the figures provided for Members. The Acting Head of Finance and Assets reminded Members that the Authority had to be prudent with Council Tax collection and that £300k on a budget of £38m was a minimal figure.

Councillor H H Evans thanked Councillor Thompson Hill and the Acting Head of Finance and Assets and his team for their excellent report and said effective monitoring in a difficult economic climate was essential. He also welcomed the £300k going back to the community.

Members agreed the recommendation to Council should be that £300k be split between the 6 Area Members' Groups.

RESOLVED that Cabinet recommend the final revenue outturn position for the year ending 31.03.2011 to Full Council. Cabinet also recommend the movements in reserves and the carrying forward of earmarked balances as detailed in the report and its Appendix 2 to Full Council. Cabinet further recommend Full Council agree the £300k one-off funding support as detailed in Section 4 of the report be split equally and allocated to the 6 Area Member Groups, with the proviso that the funding should not be used to fund any service pressures.

100 FINANCE REPORT 2011-2012

Councillor J Thompson Hill presented the report for Cabinet to note the latest financial position and progress against the agreed budget strategy for 2011-2012 as defined in the Medium Term Financial Plan. The report also included a summary update of the Capital Plan, the Housing Revenue Account and Housing Capital Plan.

The initial revenue budget forecast showed a small overspend of £51k, which was as a result of cost pressures in Housing (homelessness budgets). At this early stage in the year, all other services were forecast to be on budget. Appendix 1 detailed the variances by services whilst Appendix 2 showed work being progressed against savings proposals. The Capital Plan was detailed at Appendix 3.

The savings update showed that 77% of savings had already been achieved with the other 23% being progressed. This meant that 20% more of the savings have been achieved since the last report to Cabinet. The detailed capital plan would be reported on a quarterly basis but £1.5m had been spent from a plan totalling £40m. The Housing Revenue Account (HRA) was forecast to be on budget although the current projected budget pressure of £51k would be resolved through action taken throughout the year. Within Adult Services, it was assumed that a £134k Supporting People grant would be used to fund pressures within the year. There was also an in year pressure in Leisure Services as a result of the review of the Dual Use Agreements. Following a query from Councillor P A Dobb on the Dual Use Agreements, the Acting Head of Finance and Assets said schools now stipulated the hours they wanted the facilities which would leave the remaining hours available for public use and this should create extra revenue once the footfall to the centres had been built up. It was a matter for the headteacher and site manager to ensure pupil safety. Councillor Dobb said work was ongoing with the theatre budgets and it was hoped that there would be phased reductions in grants to the theatres. A special Programme Board was being set up for the 3 Rhyl projects.

Councillor S Frobisher referred to the Highways Depot in Ruthin and said a new hard surface was required for the storage area to ensure watercourses near the site remained unpolluted and it would also enable the Authority to store the Safecoat grit. She said the surface conditions at the depot were extremely poor and employees were working in very trying conditions. Any grit being stored at the depot would be used before any resurfacing took place. Councillor H H Evans said he had also visited the site and agreed a new hard surface was required and suggested this be discussed at the Capital Strategy Group. The Acting Head of Finance and Assets confirmed the Highways and Infrastructure Department would need to consider providing a new hard surface at the Ruthin Depot from their own budget before applying elsewhere and he agreed to discuss the detail with the Head of Highways and Infrastructure.

Following queries from Councillor H H Evans, the Acting Head of Finance and Assets said the Capital Strategy Group was being renamed and would in future have a larger remit in dealing with capital projects, with a clear process to be followed.

RESOLVED that Cabinet note the latest financial position and progress against the agreed budget strategy.

101 MEDIUM TERM FINANCIAL PLAN 2011 - 2014

Councillor J Thompson Hill presented the report seeking Cabinet approval of the Medium Term Financial Plan 2011 - 2014, which set out an overview of the Council's financial position for three years. It detailed the context for future years' budget plans and highlighted assumptions and possible financial pressures facing the Council over the period. The Plan would be discussed at Informal Council in July 2011.

The Medium Term Financial Plan (MTFP) allowed the Authority to plan for savings, inflation, service changes and changes in income for the coming 3 years. Departments held Service Challenge Reviews each summer / autumn where their plans were considered by senior managers and Elected Members. The result of the challenges formed the basis of the MTFP and annual budget. Pressures, such as the new Carbon Tax on energy consumption and increases in National Insurance contributions were detailed as was general inflation at around 4.5-5%. Indicative figures for 2012-2013 showed a possible slight increase in Revenue Support Grant, however, it was likely any increase would be swallowed up by inflation. The Plan assumed a Council Tax increase of 3% each year but the level of increase would be a decision for Elected Members each year.

Although the Council had increased its balances over the years, the figure was still just below what was recommended by the Wales Audit Office.

The Council had to make savings of around £15m over the following 3 years and it was expected that further savings of £561k and £500k would be required in 2012-13 and 2013-14. Finding these savings would become part of the service challenge process. Collaboration had brought many savings and the WAG Compact would help deliver more quickly on collaboration which could lead to further savings.

Capital was funded by external grants from WAG or through prudential borrowing. However, WAG had cut the grant funding by 20%, therefore it was likely that further cuts would take place in future years which would mean the Authority having to fund perhaps 30% of projects. Prudential borrowing had been wisely used by the Council and it had to remain at a sustainable level.

It was for Cabinet to approve the MTFP but the plan would be discussed by all Members at Informal Council.

Councillor E W Williams said highways was one of the Council's priorities and he sought assurances that the works agreed would be carried out during the course of the financial year. He had requested information from the Networks Section Manager but to date had not received a reply. He was concerned that on the list of roads needing repairs, many were rural roads and as winter usually started earlier in rural areas it could lead to works not being carried out. He suggested that works listed for the rural areas should be prioritised, which would fit in with not having to close roads in the coastal areas during the summer season. He asked for proper co-ordination from the highways department. Councillor S Frobisher said she would ensure the information requested by Councillor Williams was provided. She was confident the works would be carried out on time.

The Acting Head of Finance and Assets informed Councillor H H Evans that there was dialogue between the WLGA and WAG, and the WLGA expenditure sub-group did send reports to WAG. However, issues such as carbon tax was a UK Government response to European legislation and there was no dialogue on such issues.

Councillor H H Evans suggested that on occasion the pace of collaboration slowed progress on savings and he asked whether other Authorities also needed collaboration to bring about the required savings.

The Chief Executive supported the 3 year plan and said it was a dynamic document. Corporate priorities could change and if they did, the plan would also change. He reminded Members of the need to find £0.5m savings in 2012-2013 and said this was an added pressure for the Authority. He

supported Members' suggestion to spend the windfall £300k in the communities but said this would not alleviate any difficulties. He said collaboration was critical for the Authority. Not many Authorities were working to 3 year financial plans and some would rather cut services rather than collaborate. The Compact would allow Denbighshire to deliver on the strategy aligned to our priorities. £3.5m of assumptions were tied into collaborative projects to take place in the future. Following Councillor P A Dobb's question on whether there should be principles used alongside capital projects, the Chief Executive said it was for Members to decide a steer for their area and officers would not influence the debate on the use of the £300k. Savings could not be postponed for a year by using the community allocation.

It was suggested by Councillor E W Williams that all Members needed to understand the implications in the plan and as it was election year in 2012, that a message to the public be included in County Voice to inform them of the plan and what would happen in future years and the good work being carried out. He congratulated the Finance team on their work.

Following a query on carbon tax and the lack of detail on it in the plan, Councillor P J Marfleet said continuous work was being done on carbon emissions in office accommodation and schools. Renewable energy was being considered for specific proposals in specific locations. Councillor J Thompson Hill said it was not possible to include all the detail in the plan as it was an overview document. However, those wishing more detail could contact the relevant Lead Member and officer.

Councillor R L Feeley said she was not completely confident on the plan. There were pressures on non statutory items which were being funded and these provided little back for the Authority. Councillor J Thompson Hill confirmed that arms length companies and heritage assets were included in the savings under consideration and that the Heads of Service covering these assets were working on these. These would be discussed during consideration of the plan at Informal Council. The Acting Head of Finance and Assets said a spreadsheet would be provided which would detail the arms length companies and heritage assets at Informal Council.

Councillor H H Evans reminded Members that over the last 4-6 years the Authority had worked hard to keep Council Tax increases as low as possible.

RESOLVED that Cabinet approves the Medium Term Financial Plan 2011 - 2014.

At this juncture (11.45 a.m.) the meeting adjourned for 10 minutes to allow Members to participate in refreshments.

102 ROUTINE REPORT ON PERSONNEL

Councillor P J Marfleet presented the report for Members to note and comment on the content on the overview report on Personnel Statistics which provided Headcount Analysis for the period April 2010 to March 2011 and a comparison of collated data for Sickness Absence within the Authority between April 2009 and March 2011. It should be noted that it had not been possible to compare individual services with 2009/10 data due to recent restructures. He confirmed the data was both reliable and robust and the system worked.

Councillor Marfleet went on to detail some of the figures in the report and said the headcount at the end of April 2011 was 4584. At various times of the year there were increases and decreases to the figures, for example in August there were fewer employees because of school holidays and in November there were increases because of the one-off New Work Connections funding. He said 42 staff had been redeployed in the County. He was concerned about absence rates because this meant lost productivity and could mean more stress for those staff covering the absences. However, he cited Adult Services who had done a particularly good job in reducing sickness absence as had the Head of Environmental Services where real improvements could be seen.

Customer Services' absence figures remained high with most being 1 day absences and the HR Department was looking to help address that issue.

The Authority had good policies in place to deal with sickness absences and Occupational Health and the Authority's appointed physician dealt with referrals. A mechanism was required to identify any

managers who were not taking sickness absence seriously. Councillor Marfleet congratulated those managers who had made real progress with sickness absence. He suggested SLT consider a universal target being set by the Authority, with the target being phased in say over a 6 month period.

Councillor P A Dobb congratulated Environment on their excellent progress and asked whether the improvements had been in part as a result of the restructure. She queried whether the 40 convergence posts were included in the second table in the report. She also queried what was meant by 'incidence'. Councillor Marfleet said incidence was the number of times an employee was on sick leave. Older staff were likely to be off sick for longer periods but took fewer single days sick leave. Small departments needed to be shown in the figures with the absence as a percentage of their workforce. Councillor Dobb said Social Services and Housing had asked the previous year for invest to save and this had helped make huge inroads into reducing the number of absences. Councillor Marfleet said the new Head of Childrens' Services was going to address sickness absence at team meetings, as had successfully been done by Adult Services. Councillor E W Williams referred to the 40 convergence posts and said some were grant funded posts and that those staff would leave at the end of the contract but that some staff who had been on contracts for 3 years would then be in the Authority's employment.

It was suggested by the Acting Head of Finance and Assets that temporary staff and fixed term contract staffing figures should be included in the report. Councillor D A J Thomas also suggested that staff employed through grant aid e.g. European project staff, be shown separately in future reports.

The Chief Executive welcomed Cabinet's views and said the Senior Leadership Team were treating sickness absence seriously and it was about productivity, fair play to all and good management. He said Steve Parker, Head of Environmental Services had done an outstanding job in dealing with sickness absences. HR had worked on sickness absence issues. Where sickness absence figures were high it was not all down to poor management. He was pleased the figure was below 10% and that it was decreasing year on year. Following discussion it was agreed that the Senior Leadership Team consider phasing out differential targets for sickness absence.

RESOLVED that Members note the information in the report and suggest the Senior Leadership Team consider phasing out of differential targets over a period of time.

103 ISSUES REFERRED TO CABINET BY SCRUTINY COMMITTEES

There were no issues referred to Cabinet by Scrutiny Committees.

104 CABINET FORWARD WORK PROGRAMME

Councillor H H Evans presented the Cabinet Forward Work Programme.

The Acting Head of Corporate Governance informed colleagues that the HR / People Strategy would be presented to Cabinet on 06.09.2011.

RESOLVED that Cabinet note the amended Forward Work Programme.

105 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 13 and 14 of Schedule 12A of the Local Government Act 1972.

106 COLLABORATIVE SPARES SUPPLY CONTRACT

Councillor S Frobisher presented the report seeking Cabinet approval to award a contract for the supply of vehicle spares to the company identified in the tender evaluation.

Councillor Frobisher outlined the background to the proposed contract following the commissioning of the new vehicle workshop facilities in Bodelwyddan in 2006 and the revised working schedules which had extended the workshop operating hours.

RESOLVED that Cabinet agree to award a contract for the supply of vehicle spares to the company identified in the tender evaluation.

107 FORMER NORTH WALES HOSPITAL, DENBIGH

Councillor S Frobisher presented the report seeking Cabinet approval to enter into a Deed of Variation as detailed in the report.

The Acting Head of Corporate Governance reminded Members of the background to the report and said the variation to the terms of the Deed of Release would be limited. She also informed Members that contractors had commenced work the previous day at the property, following the Urgent Works Notice which had been served on the owner.

Councillor G C Evans congratulated the Acting Head of Corporate Governance for all her hard work in dealing with issues relating to the site and said local Members had been kept informed throughout.

Councillor D A J Thomas also wished to thank Phil Ebbrell, Conservation Architect for his hard work, energy and persistence over the years.

RESOLVED that Cabinet agrees enter into a Deed of Variation as detailed in the report.

The meeting concluded at 12.40 p.m.
