

## **CABINET**

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 15 January 2013 at 10.00 am.

### **PRESENT**

Councillors Hugh Evans, Leader and Lead Member for Economic Development; Bobby Feeley, Lead Member for Social Care and Children's Services; Hugh Irving, Lead Member for Customers and Communities; Huw Jones, Lead Member for Tourism, Leisure and Youth; Barbara Smith, Lead Member for Modernising and Performance, David Smith, Lead Member for Public Realm, Julian Thompson-Hill, Lead Member for Finance and Assets, and Eryl Williams, Deputy Leader and Lead Member for Education

**Observers:** Councillors Raymond Bartley, Joan Butterfield, Jeanette Chamberlain-Jones, Bill Cowie, Meirick Lloyd Davies, Huw Hilditch-Roberts, Rhys Hughes, Pat Jones, Gwyneth Kensler, Margaret McCarroll, Win Mullen-James, Dewi Owens, David Simmons and Huw Williams

### **ALSO PRESENT**

Chief Executive (MM); Corporate Directors: Economic and Community Ambition (RM), Customers (HW), Modernising and Wellbeing (SE); Head of Legal and Democratic Services (RGW); Head of Finance and Assets (PM); Head of Communication, Marketing and Leisure (JG); Rhyl Going Forward Programme Manager (TB); ICT Delivery Manager (LE), and Committee Administrator (KEJ)

#### **1 APOLOGIES**

There were no apologies.

#### **2 DECLARATION OF INTERESTS**

No declaration of personal or prejudicial interest had been raised.

#### **3 URGENT MATTERS**

No urgent matters had been raised.

#### **4 MINUTES**

The minutes of the Cabinet meeting held on 18 December 2012 were submitted.

***RESOLVED** that the minutes of the meeting held on 18 December 2012 be approved as a correct record and signed by the Leader.*

#### **5 RHYL COASTAL FACILITIES**

Councillor Hugh Evans, Leader and Lead Member for Economic Development presented the report seeking Cabinet's approval of proposals for Rhyl Coastal

Facilities and urgent works to the Sky Tower. The report included plans for the town's coastal facilities looking at the future aquatic offer, the Sun Centre, Pavilion Theatre and Children's Village. Initial recommendations had also been made for the future of the Nova Centre, Prestatyn.

Councillor Evans wished to clarify the references to Clwyd Leisure within the report advising that the Council also had a responsibility for the leisure offer and he reported upon the difficulties in maintaining and investing in the Sun Centre for various reasons. The proposals hailed the start of a new era for Rhyl leading to a new leisure offer, the creation of new jobs and stimulating further private investment in the town. The development of the project would proceed with the Council's development partner, Alliance Leisure with a complete package of projects to complement each other and which both residents and tourists would benefit from.

The Rhyl Going Forward Manager (RGFM) delivered a power point presentation on the proposals for consideration arising from an initial feasibility study of the projects. The RGFM elaborated upon –

- background leading to the current report including reference to previous studies and key changes since that time
- the creation of a new flagship aquatic leisure offer with reference to location, facility design, wet leisure (mix of leisure and formal swimming), fitness, café, climbing and possible beach sports together with illustrations of the type of facilities and buildings which would be generated by the projects
- urgent works required for the Sky Tower together with future options
- a recommendation to demolish the Sun Centre and either landscape the site, seek to attract a hotel development, or develop new car parking
- recommendations to improve the Pavilion Theatre and consider the potential for conference and banqueting business growth
- subsequent closure of the existing Rhyl Leisure Centre Pool with the Centre serving school/college and local sports needs in the future
- wider Rhyl Going Forward Plan considerations including: relocation of the skate park; development of a new hotel; improvements to the underground car park and investment in the Crescent Road car park together with an overarching operational management approach coordinated between leisure and regeneration, and
- proposals for a specific review to consider future options for the Nova which would not undermine the success of the new Rhyl front and aquatic offer.

In closing his presentation the RGFM indicated that the creation of a new aquatic and leisure offer could play a vital part in the overall regeneration of the coastal belt and Rhyl as a visitor destination. Finally he reported upon the next steps should Cabinet approve the recommendations contained within the report.

Cabinet welcomed the report in providing a means of transforming Rhyl through a coherent package of projects to benefit both residents and visitors alike. It was recognised that the proposals would boost private sector confidence and investment creating new job and business opportunities. The potential for that investment to impact positively on Rhyl Town Centre was also highlighted. Members referred to their own memories and experience of Rhyl as a busy seaside

resort and acknowledged that the once iconic Sun Centre had reached the end of its beneficial life and a new attraction was needed fit for the 21st century. In considering the ambitious nature of the proposals members expressed their views on various aspects of the report and took the opportunity to raise questions. A number of assurances were also sought as follows –

- that the Sun Centre continued operating until a replacement facility was opened
- that the Nova Centre would not be disadvantaged as a result of the proposals
- further consideration be given to include a 50 metre pool within the specifications to attract competitions
- the skate park should not be lost as a facility and its relocation be given careful consideration given its popularity
- the new build and facilities needed to be functional and fit for purpose with reasonable operating and maintenance costs
- to ensure the new Rhyl offer contributed to wider regeneration in the area, particularly the Town Centre, and
- the accuracy of costs provided for the project and funding models.

In responding to members officers advised that –

- the Council had made it clear that it wished for the Sun Centre to continue operating as long as possible until the development of any new proposals
- Clwyd Leisure had visions for the Nova Centre and there were clear plans to take those forward with Prestatyn members
- an illustration of how pools could be laid out had been provided which Alliance Leisure had indicated that they would be prepared to fund and it was important sufficient pool space was provided to meet demand. Further consideration could be given to include a 50 metre swimming pool within the facility if members' wished
- the skate park had been acknowledged as an important facility and appropriate alternative sites would be considered
- it was important to provide an iconic structure which would be recognised and provide a catalyst for regeneration but the need for affordability was a key consideration in its design to ensure a sustainable facility for the future
- the Council had invested sensibly in its own leisure stock which had been maintained to a good standard which would be applied to any future projects
- indicative costs only had been provided at this stage and the next stage of the process would provide the real cost of the projects
- as Rhyl's Little Theatre was a community facility it had not been considered as part of the theatre offer which focused on commercial viability
- work had been carried out with the Rhyl Business Group and Town Council to direct the future of the Town Centre which was a very challenging environment
- car parking requirements were being considered and the business case would consider how best to provide parking and whether it would be concessionary
- confirmed that the development partner, Alliance Leisure was reviewing those Council facilities which were underused or could generate more income.

Cabinet also stressed the need to ensure economic viability of the project for the future and discussed with officers the potential funding streams which would be included within the business case. The Head of Finance and Assets reminded

members that they were not agreeing to the project today and that a detailed business case would have to be submitted and carefully reviewed before any decision could be made about the project. The need to keep employment locally was also highlighted. Councillor Hugh Irving cautioned that conditions may be attached to grant funding which needed to be carefully considered. Additional funding had already been secured from the Welsh Government in order to explore the feasibility of public realm and car parking issues associated with the project.

At this point the Leader invited non Cabinet members to speak and was particularly keen to hear the views of the Rhyl Members. Councillors Joan Butterfield and David Simmons advised that they fully supported the proposals as a positive step forward for the future of Rhyl detailing the benefits of the proposals for both residents, tourists and in the wider regeneration of Rhyl. Rhyl Members had been fully briefed on the proposals and were keen for the exciting plans to be progressed to the next stage. Other members were pleased to note that on-going revenue and maintenance costs would be a big consideration in the development of the new facilities. The beach was also commended as a huge asset and the need to ensure its visibility and easy access was highlighted together with the need for a more holistic approach in order to integrate the new Rhyl offer with other projects in Rhyl to offer a complete package. In response those comments and further questions the Lead Member and officers –

- agreed that a coordinated approach had been lacking in the past but much work had been undertaken recently to provide a more integrated approach
- elaborated upon possible options to include a hotel as part of the proposals together with car parking options which would be fully explored at stage 2
- acknowledged the complexities involved within the development of such facilities advising that structural surveys had been carried out during the feasibility study with further investigations to be undertaken at stage 2
- advised that once the project had been fully costed the process of funding would be considered which would likely come from a variety of sources
- confirmed the project was a huge undertaking which would need to be completed before other large scale initiatives would be considered, such as the suggestion of a stream train from the Nova Centre to Rhyl
- members could be briefed on the proposals at Council Briefing if desired and the project could be called into scrutiny for further consideration; the process and timescales to implement the proposals had been detailed within the report.

Officers reported upon the appointment of the development partner, Alliance Leisure as an innovative approach in managing leisure stock and the significant improvements and benefits which had been achieved as a result which should give members confidence in the proposals. Councillor Huw Jones added that other local authorities were considering closing or transferring leisure facilities and highlighted how Denbighshire had benefited from this pioneering approach which was now being considered by others with a delegation expected from Cardiff City Council. Councillor Jones also took the opportunity to thank the Leisure and Rhyl Going Forward teams on their hard work in developing the proposals.

The Leader referred to the recommendations and in light of the support for consideration being given to a 50 metre swimming pool within the feasibility study

this was proposed as an amendment by Councillor Julian Thompson Hill and seconded by Councillor Huw Jones. Upon being put to the vote it was –

**RESOLVED** that Cabinet –

- (a) *approve the proposed projects in principle and the Stage 2 development of a business case/justification and Stage 2 fees of up to £30,000 to:*
- *progress the design development and feasibility study for the new aquatic centre in the proposed location adjacent to the existing paddling pool;*
  - *include specific consideration of a 50 metre swimming pool within the feasibility study;*
  - *incorporate the sustainability of the Sky Tower structure into these plans and develop proposals for its future use/enhancement;*
  - *acknowledge the principle of the existing Sun Centre structure being demolished leading to the development of designs and feasibility for improvements to the Pavilion Theatre;*
  - *agree to develop the whole package (as one project) to a detailed business case;*
  - *appoint Alliance Leisure Ltd under the terms of the existing framework agreement to assist with the development of the project*
  - *ensure that the approach is progressed in conjunction with the wider Rhyl Going Forward plans and to ensure the project's impact on those plans;*
  - *establish a Project Board to monitor and direct progress, and*
- (b) *approve urgent works to the Sky Tower to reduce existing health and safety risks and make the structure safe – up to a budget ceiling of £35,000.*

## **6 DELIVERING DENBIGHSHIRE'S TOWN AND AREA PLANS**

Councillor Hugh Evans, Leader and Lead Member for Economic Development and Councillor Huw Jones, Lead Member for Tourism, Leisure and Youth jointly presented the report seeking Cabinet's confirmation of the process for consolidating and expanding the Town Plans and approval of the initial allocation of funding for priorities identified in 2012/13 and 2013/14.

The report set out measures which had been introduced to address the needs and priorities of smaller and more rural communities which included broadening the Town Plans into wider Area Plans (including the appointment of Town Champions and officer support and the establishment of a Town Co-ordination Group). Councillor Huw Jones also elaborated upon his role in looking after the rural development aspect to ensure the needs in the rural areas were also being addressed and the work carried out to date in order to identify priority areas within those communities. Members' attention was drawn to the funding proposals to implement identified priorities together with the recommendations of the Town Plan Co-ordination Group on initial allocation of funding as detailed within the report.

During consideration of the report Cabinet emphasised the importance of introducing an effective mechanism to address the needs of the rural communities and discussed the governance arrangements in developing the town plans into

broader area plans highlighting the mutual benefits of those arrangements for both towns and communities. Members also reported upon progress being made in delivering the town plans for their individual areas through the Area Member Groups and their relationship with the surrounding communities. The following matters were discussed in more detail –

- members considered whether Bodelwyddan should be categorised as a town in light of the proposals identified in the Local Development Plan (LDP) and the large numbers employed there. The consensus was that the matter be considered further once a final decision had been made on adoption of the LDP
- the Corporate Director Economic and Community Ambition (CD:ECA) agreed to circulate a list of communities and the towns they were to be associated with
- to provide assurances regarding progress the CD:ECA advised that progress reports for each town would be produced
- the Leader and CD:ECA would be attending each Area Member Group to discuss delivery of the plans
- the Chief Executive felt that the current town plan structure needed to evolve into more logical areas to cover the whole of the county which he suggested should be made explicit in the resolution
- Councillor Eryl Williams felt that in addition to the inclusion of rural communities in broader Area Plans, the establishment of a Rural Area Group would be beneficial in order to generate ideas, good practice and learn about what was happening in other areas. The Leader suggested that the former Rural Group be re-established and asked Councillor Huw Jones to take the matter forward
- it was noted that particular ward areas covering rural communities would likely be associated with different towns which may cause some difficulty and was highlighted as an area of concern. The CD:ECA confirmed the need to consider both the Council's organisational boundaries and those made by the communities to ensure the most appropriate transition from Town to Area Plans
- Cabinet agreed that a progress report on implementing the arrangements detailed within the report be submitted to their meeting in May.

Cabinet approved the funding proposals to implement priorities and was pleased to note that funding had been withheld to address priorities subsequently identified within the rural communities. Councillor Joan Butterfield added that funding would also be sought for projects identified in the Rhyl Going Forward Delivery Plan when finalised. Overall Cabinet was reassured that the arrangements to broaden the Town Plans into Area Plans as detailed within the report provided an appropriate mechanism to integrate the needs of the smaller communities and an amendment was made to the recommendation to clarify those arrangements. Upon being put to the vote it was –

**RESOLVED** that –

- (a) *the arrangements established to consolidate Town Plans be developed to broaden them into wider Area Plans incorporating Town Plan Champions, the Town Plan Co-ordination Group and the associated officer support*
- (b) *the funding available to implement the priorities in the Town and broader Area Plans coming from the following sources be confirmed:*

- *Corporate priority funding for 'Improving the local economy'*
- *Community funding revenue budget*
- *Community capital and match funding capital allocation*

(c) *the recommendations from the Town Plan Co-ordination Group on initial allocation of funding in 2012/13 and 2013/14 be approved.*

## **7 PENSION AUTO ENROLMENT (EMPLOYER RESPONSIBILITIES & COST IMPLICATIONS)**

Councillor Julian Thompson-Hill presented the report detailing the Council's proposed response to the requirements of the Pensions Act 2008, implementation options and recommendations that Cabinet was requested to approve.

Members were advised of the employers' duty to automatically enrol eligible workers into a qualifying workplace pension scheme and the measures being implemented by the Council in order to meet the new requirements. The Council had to commence auto enrolling staff with effect from 1 May 2013 (the "staging date") although employers could apply a transitional delay to full implementation until 1 October 2017. After the staging date new eligible employees would be enrolled at the time of eligibility and would not be delayed. It was explained that auto enrolment would have financial implications for the Council which were difficult to predict but applying the transitional delay would reduce the immediate financial impact. The rules relating to non-teaching relief and casual staff had also changed becoming more complex and the administrative burden associated with the changes may be significant with options being considered to mitigate the impact. Finally members' attention was drawn to the action taken to date in responding to the new regulations together with proposed future implementation options.

Councillor David Smith queried the position for elected members and was advised that, barring any future changes to the legislation, councillors could still opt into the pension scheme if eligible. Councillor Meirick Davies sought clarification on the impact of the changes to Town and Community Councils and highlighted his concerns that it may prove cost prohibitive for those councils to employ clerks as a consequence. The Head of Finance and Assets advised that smaller employers also had a duty (at a later date) to enrol employees if eligible and would likely need to manage their own payroll services in future as a result. Further discussions would be undertaken with the Council's Payroll Service regarding the impact on other organisations using the service, including Town and Community Councils, and how it would be addressed.

**RESOLVED** that Cabinet approves the recommendations to –

- (a) *begin auto enrolling all new staff or those who become eligible into the relevant pension scheme from 1 May 2013;*
- (b) *delay auto enrolling staff who have previously decided not to join the relevant scheme until 1 October 2017, and*

(c) *notes the cost implications associated with the implementation of the new regulations.*

## **8 2013/14 BUDGET**

Councillor Julian Thompson-Hill presented the report detailing the budget proposals for 2013/14 and resulting 2% increase in the level of Council Tax. Budget Saving Proposals for 2013/14 (Appendix 1); Grants transferred into the General Settlement 2013/14 (Appendix 2), and Denbighshire's Budget 2013/14 (Appendix 3) had been attached to the report.

Members were advised of a lower than expected final settlement from the Welsh Government which included a cut in capital funding which was a significant loss. The implications on the Medium Term Financial Plan (MTFP) were highlighted together with the savings required over the next three years and the latest forecasts in terms of pressures previously identified. Reference was also made to –

- the Welsh Government's expectation that Schools and Social Care Budgets would be protected from savings which would put additional strain on other services that had to find additional savings to compensate [for 2013/14 approximately 56% of the budget was ring fenced and protected]
- financial implications arising from the Council Tax Support Scheme
- an update on the outcomes of the budget workshops held for members in November and December 2012 (regarding savings, priorities and council tax)
- based on the current proposals the resultant increase in Council Tax was 2% and the base assumption for the future years was that Council Tax would continue to rise at around 2%

During consideration of the report members were pleased to note the transparency in the budget setting process with ample opportunity for members' input. The imaginative approach taken to managing finances in such challenging financial times was also commended. In response to questions Councillor Thompson-Hill and the Head of Finance and Assets (H:FA) advised that –

- despite protection for schools and social care budgets those services were still expected to make efficiency savings but they would be reinvested back into that service
- most collaboration savings had been removed from the MTFP because they could not be delivered which put pressure on savings to be made in house
- there were potentially huge implications arising from the Health Board's reorganisation of health services but much was unknown at this stage
- the current budget proposals showed the authority was investing in its priorities and protecting front line services whilst keeping Council Tax as low as possible
- the Fire Service levy had been confirmed at £70k below the planned level but the Police precept had not yet been set (Councillor Cowie advised that the Police Commissioner would be presenting budget proposals to the Crime Panel the following week)
- reference to the National Eisteddfod in the savings proposals would be removed as the base funding was provided by the Welsh Government.



Councillor Eryl Williams referred to greater financial challenges to be faced by local authorities in the future and to uncertainty regarding future finances. He proposed that the level of Council Tax for 2013/14 be increased to 2.5% with the additional revenue to be set aside in a Revenue Relief Fund which would be used to offset future financial difficulties faced by the authority. He felt such an approach would be prudent in the current economic climate and help safeguard against more dramatic rises in Council Tax in the future. The proposal was seconded by Councillor Huw Jones. During consideration of the proposal the H:FA agreed that the Council would continue to face financial challenges for some time to come but advised that reasonable assumptions had been included with the MTFP to address pressures as they became known to the authority. The Chief Executive spoke against the proposal and felt it sent the wrong message if Council Tax was to be set at a level higher than was needed adding that money had been set aside in reserves and balances to deal with future contingencies. He stated that 2% was an achievable and responsible level. Councillor Barbara Smith highlighted that Denbighshire had one of the highest rates of Council Tax and felt the level should be addressed with a view to parity with other authorities. Whilst recognising that the original assumption for financial planning purposes was for a 2.75% rise, the Leader felt that the proposal to build in a future financial safeguard should have been debated at an earlier stage in the budget planning process. He was confident that the budget setting was robust and achievable. Councillor Hugh Irving highlighted that in the current economic climate many residents were struggling financially and agreed a level of 2% to be reasonable. He believed the Council would be criticised if it set a higher level of Council Tax than was needed.

Upon being put to the vote the amendment to increase the level of Council Tax by 2.5% was LOST and the original proposal to increase the level by 2% was CARRIED.

**RESOLVED** that Cabinet –

- (a) *supports the budget proposals for 2013/14 as shown in the appendices and recommends accordingly to full Council, and*
- (b) *recommends the resulting 2.0% increase in the level of Council Tax for 2013/14 to full Council.*

[Councillors Huw Jones and Eryl Williams abstained from voting on resolution (b) above.]

## **9 FINANCE REPORT**

Councillor Julian Thompson-Hill presented the report detailing the latest financial position and progress against the agreed budget strategy. He provided a brief summary of the Council's financial position as follows –

- an under spend of £453k was forecast across service and corporate budgets with the forecast for schools being a positive movement on balances of £121k
- £2.834m (82%) of agreed savings had been achieved with £584k (17%) being progressed and £25k (1%) being deferred to next year

- highlighted key variances from budgets or savings targets and details of individual service budgets
- a general update on the Capital Plan and Housing Revenue Account.

It was noted that, due to the intervening Christmas and New Year period, there had been little financial movement since the last report to Cabinet.

**RESOLVED** that the budgets and savings targets for the year and progress against the agreed budget strategy be noted.

## **10 CABINET FORWARD WORK PROGRAMME**

Councillor Hugh Evans presented the Cabinet Forward Work Programme for consideration.

**RESOLVED** that Cabinet's Forward Work Programme be noted.

## **EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that under Section 100A 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 it involved the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

## **11 AWARD OF FRAMEWORK AGREEMENT FOR THE PROVISION OF MULTI FUNCTIONAL DEVICES**

Councillor Barbara Smith presented the confidential report seeking Cabinet's approval to award the Multi Functional Device Framework to a named supplier on the basis that the use of the framework by corporate and schools would make significant savings; full costings had been contained within the report. She clarified that Multi Functional Devices were large network devices that could print, scan, photocopy and email documents and could therefore incorporate both the photocopying and printing requirements for the authority. The contract was for a five year period.

The Corporate Director: Modernisation and Wellbeing advised that printer rationalisation was one of a number of modernising projects being undertaken. The effect of change would be significant for some services and she highlighted the need for training and guidance in order to support staff. In supporting the recommendation Councillor Julian Thompson-Hill commended the collaborative work between ICT and Procurement. He added that schools should also be recommended to make use of the contract in light of the savings to be made. The Chief Executive thought there should be an expectation for schools to make use of the contract as an efficiency saving. Councillor Eryl Williams highlighted that ICT budgets for smaller schools did not allow them to develop IT services and they may not be able to afford to opt into the scheme. He asked for further information on how the contract could be implemented within schools.

**RESOLVED** that Cabinet authorise the award of the Multi Functional Device framework to the supplier named within the report.

The meeting concluded at 2.05 p.m.