

## **CABINET**

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 16 April 2013 at 10.00 am.

### **PRESENT**

Councillors Hugh Evans (Chair), Julian Thompson-Hill, Eryl Williams, Bobby Feeley, Hugh Irving, Huw Jones, Barbara Smith and David Smith.

Councillors Raymond Bartley, Meirick Lloyd Davies, Paul Penlington, Merfyn Parry, David Simmons, Huw Williams and Win Mullen-James attended as observers.

### **ALSO PRESENT**

Chief Executive (MM), Corporate Directors: Economic and Community Ambition (RM), Customers (HW), Modernisation and Wellbeing (SE), Head of Legal and Democratic Services (GW), Head of Business Planning and Performance (AS), Chief Accountant (RW), Corporate Improvement Team Manager (TW) and Administrative Officer (CIW).

#### **1 APOLOGIES**

None received.

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

No Members declared any personal or prejudicial interests in any business identified to be considered at the meeting.

#### **3 URGENT MATTERS**

No items were raised which in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act, 1972.

#### **4 MINUTES**

The Minutes of the Cabinet meeting held on Tuesday, 19<sup>th</sup> March, 2013 were submitted.

**RESOLVED:-** *that the Minutes of the meeting held on Tuesday, 19<sup>th</sup> March, 2013 be approved as a correct record and signed by the Leader.*

#### **5 FINANCE UPDATE REPORT**

Councillor J. Thompson Hill presented the report, circulated previously, which detailed the Council's revenue budget and savings as agreed for 2012/13 as at the end of March 2013, and provided a summary update of the Capital Plan, Housing Revenue Account and Housing Capital Plan.

He explained that the latest revenue budget forecast had been presented as Appendix 1 and indicated an under spend across service and corporate budgets of £994k, £1.1m last month, which represented a variance of 0.86% across the total net budget. Approximately £849k had been committed to fund expenditure early in 2013/14 or had been proposed for use by services next year, with the available under spend being potentially only £111k. The position for schools forecasts positive net movement on balances of £294k, £306k last month, on delegated budgets and £176k on non-delegated school budgets, £161k last month. The movement on non-delegated budgets related to the number of CRB checks required during the year being fewer than planned. The Housing Revenue Account summary had also been included in Appendix 1 for information, but this was not part of the Council's main revenue budget.

The Council included a net saving target for the year of £3.443m in the 2012/13 budget and 99.3% of the savings had either been achieved or replaced amounting to £3.418m. The remaining £25k related to the printer rationalisation project which had been deferred to next year.

The narrative supporting services forecasts in the last three finance reports had referred to several proposals to make contributions to reserves or to carry funding forward to 2013/14. In many cases the timing of expenditure had been the issue. The final outturn report to Council in June would formally approve transfers to or from reserves or balances, including carry-forwards. Appendix 2 provided a summary of the items discussed in previous cabinet reports for information.

Details of notable service variances had been included in the report and were summarised for Members, the key areas and issues included:-

Adult & Business Services - Outturn was currently break-even with any in year over-spend being funded from the Supporting People reserve.

Highways & Environment Services – Under spend had increased by £12k to £205k due a number of small increases in projected income levels. The Highways and Infrastructure under spend had decreased by £116k to £58k with change details being included in the report.

The following responses were provided in reply to questions from the Leader:-

- The increase in income levels had not resulted from an increase in charges but had been based on forecasts of income received.
- As a result of the severe weather conditions experienced the Winter Maintenance budget would be utilised and this would be offset by the general maintenance budget. Confirmation was provided that, in conjunction with neighbouring Authorities, a bid would be submitted for emergency funding. Councillor D.I. Smith explained that all North Wales Authorities would be seeking financial support from Welsh Government to repair the damage caused to the road network by the severe weather conditions. Councillor Smith agreed to convey the concerns expressed by Councillor Feeley regarding the standard of work undertaken by the jetpatcher. The Chief Executive highlighted the importance of increasing the budget available for highway maintenance works.

Councillor E.W. Williams referred to areas of the County, particularly rural areas, where the condition of the roads had deteriorated drastically as a result of the severe weather conditions. He requested that the areas in question be noted and included in the highways forward work programme, and a copy of the programme be circulated to all Members. Councillor D.I. Smith explained that the Section Manager: Network Management would be attending Member Area Group meetings and this would provide Members with the opportunity to convey their concerns and preferences with regard to future projects.

Children & Family Services – The service forecast to under spend by £138k, £35k under last month, due to a £83k saving on the adoption fees budget. The fostering recruitment campaign had been delayed and the £20k earmarked would be carried forward to 2013/14.

Housing & Community Development - Pressure reported related to funding of redundancy costs within Regeneration.

Communications, Marketing & Leisure – There had been an under spend of £27k, £1K last month, however £25k related to a rolled forward under spend from 2011/12 on the Communications & Marketing budget. It was proposed that the £25k be earmarked to fund the review next year.

ICT/Business Transformation – Last month's under spend of £27k had included provision for possible costs associated with a software licence audit by IBM which initially indicated a potential increase to the Council's licensing costs. Costs would not increase as a result of the audit.

Customers & Education Support – There had been a decrease in under spend by £26k from last month to £232k due to the planned transfer of the £35k under spend on School Reorganisations to the Modernising Education Reserve to help fund future school reorganisation costs as highlighted in last month's report.

School Improvement & Inclusion – Minor changes to the projected outturns for Special Education, Behaviour Support and recoupment had resulted in a decrease in the projected under spend from £142k to £126k. The service proposal being for it to be used to contribute to the funding of the protection for schools affected by the recent changes to the funding formula.

Schools – The projection for school balances had been £2.114m, £2.125m last month which was a positive movement of £294k on the balances brought forward from 2011/12. The Council continued to work with two schools in financial difficulty and both schools had been actively working to the targets set out in the plans. Non-delegated school budgets had been forecast to be £176k under spent. The total cost of the protection had been estimated to be £775k in 2013/14.

Corporate Budgets – These had been set assuming £1.7m was transferred to reserves as part of the funding strategy for the Corporate Plan. It had been anticipated that budgets earmarked to generate cash in 2012/13 would generate more than the £1.7m target and £75k had been forecast.

Expenditure to the end of March was £28.1m against an agreed Capital Plan of £31.1m. Accruals for committed expenditure of £3m would mean the forecast expenditure would be achieved. Appendix 3 detailed how the Capital Plan would be financed, and an update of the major projects within the Plan had been detailed in Appendix 4. The capital financing budget forecast outturn had been amended from last month to assume a balanced budget. The movement of £150k had created an opportunity to repay debt which had reduced the Council's capital financing requirement.

The Housing Revenue Account (HRA) forecast had been an in-year surplus of £72k, a £12k deficit reported last month, which compared to a budgeted surplus of £71k. The movement had resulted from expenditure on management and maintenance being less than forecast and rent yields improving and the balance carried forward had been forecast at £943k. The Housing Capital Plan forecast had reduced slightly as planned expenditure would roll forward into 2013/14. The Welsh Housing Quality Standard would be achieved by the end of 2013/14 and a recent review of the Housing Stock Business Plan confirmed it remained financially viable. A summary of the Housing Revenue Account and Capital Plan had been included in the report.

The savings agreed for 2012/13 had been achieved or replaced, with one item deferred to next year. The financial markets remain uncertain and continued to limit the number of institutions with which the Council could invest and the strategy of making short term investments would be likely to continue for the medium term. At the end of March, total borrowing had been £133.27m at an average rate of 5.77% and total investments had been £11m at an average rate of 0.77%.

During the ensuing discussion, it was:-

**RESOLVED:-** that Cabinet notes the progress against the agreed budget strategy.

## **6 WELSH GOVERNMENT CONSULTATION ON 2014 / 2020 ESF AND ERDF STRUCTURAL FUNDS PROGRAMMES**

Councillor Hugh Evans presented the report, circulated previously, which detailed the Denbighshire County Council responses to the Welsh Government Consultations on the new European Funding Programmes for 2014-2020.

It was explained that following a Workshop held on the 20<sup>th</sup> March, 2013, consisting of key Denbighshire Officers and Members including members of the North Wales Economic Ambition Board, Rural Development Plan Partnership and Local Action Group, a draft response had been formulated to the Welsh Government Consultations on the new European Funding Programmes for 2014-2020. Consideration had been afforded to the Corporate Priorities and other Welsh Government Regional Policies, and Cabinet had been requested to confirm support for these responses on behalf of the County Council.

In January, 2013 Welsh Government had launched parallel public consultations on both the Structural Funds and Rural Development Programmes for 2014-2020. The

consultation documents had contained a proposed programme strategy, investment priorities, cross-cutting themes, explored some of the key implementation and delivery issues and included the evidence base. The proposals for the new Structural Fund programmes had been developed with a focus on growth and jobs, which had been in line with Welsh Government policy, and the Europe 2020 goals of smart, sustainable and inclusive growth.

For the programming period 2014-2020 it was expected that West Wales and the Valleys would qualify as a “less developed region”: the highest level of support available under the next round of Structural Funds programmes. The actual amount of EU funding that would become available during the next programming period was subject to the outcome of negotiations on the EU budget by the European Council and the European Parliament. Responses to the consultation questions would play an important part in the preparation of the final text of the Operational Programmes, which WG would submit to the European Commission later in 2013.

Denbighshire had responded to the consultations in order to ensure that in addition to aligning with WG and EU policy the final Operational Programme documents enable them to deliver actions within Denbighshire’s Corporate Priorities. Denbighshire’s responses would be included in a Regional response drafted on behalf of the North Wales Economic Ambition Board, and would also be submitted to the WLGA to form part of their all Wales response. The Denbighshire Consultation responses had been attached to the report as annexes.

The report included details of how the decision would contribute to the Corporate Priorities, costs and their effect on other services, a completed Equality Impact Assessment and an outline of any risks and the actions implemented to reduce them. It was explained that a Key Member and Officer Group had discussed the consultation responses outlined in the report and further consultation exercises would be undertaken as funding opportunities developed.

The Leader stressed the importance of the need to raise the profile of European Structure funds within the corporate context in order to support and progress the Council’s Corporate Plan. The competition within the regions to secure funding was highlighted and he summarised the proposed themes identified by Welsh Government and the key issues incorporated in the response.

Councillor H.LI. Jones referred to the problems experienced with regard to the classification of rural and urban areas and explained that Dyserth had now been classified as a rural area.

In reply to a question from Councillor H.C. Irving regarding the provision of support for small businesses, particularly issues pertaining to match funding, the Corporate Director: Economic and Community Ambition (CD:ECA) referred to the work undertaken by the Task and Finish Group with regard to the development of the Community Ambitions Strategy, which highlighted the need for the provision of improved, more focused and easy to navigate support for businesses. The importance of ensuring that businesses were aware of the support available

through the development of a business advice and support partnership throughout Denbighshire was highlighted.

In response to concerns raised by Councillor M.Ll. Davies regarding the need to make representations to the Welsh Government for the provision of improved road and rail links between North and South Wales, the Leader referred to the work undertaken by the Ambitions Board and Members agreed that the matter be referred to the Senior European and External Funding Officer to progress.

**RESOLVED:-** that Cabinet confirms its support for Denbighshire's responses to the Welsh Government Consultations on European Structural Funds 2014–2020: West Wales & the Valleys; and the Common Agricultural Policy Reform Rural Development Plan 2014-2020: Next Steps.

## **7 MOVING FROM TOWN TO AREA PLANS**

Councillor H.H. Evans presented the report, circulated previously, which sought approval for the process for expanding Town Plans into broader Area Plans incorporating smaller and more rural communities across Denbighshire.

He explained that during 2011/12, Denbighshire had developed and agreed Town Plans for the County's seven principal towns, excluding Rhyl. An exercise had been undertaken in Rhyl to develop the Rhyl Going Forward Delivery Plan. The Town Plans had allowed community needs and priorities to be identified for each major settlement. However, they had not yet addressed the needs and priorities of smaller and more rural communities. In January, 2013 Cabinet had agreed to expand Town Plans into broader Area Plans and the report detailed how this would be implemented. The Town Plans for Corwen, Denbigh, Llangollen, Prestatyn, Rhuddlan, Ruthin and St Asaph had been approved by Cabinet between December, 2011 and March, 2012.

In January, 2013 Cabinet approved an initial allocation of funding for projects identified as Year 1 priorities in the Town Plans and agreed to expand the Town Plans into broader Area Plans. The Town Plans Co-ordination Group had considered the appropriate process for expanding the existing Town Plans into broader Area Plans and had addressed three main questions:-

- i) What was the appropriate 'area' for an Area Plan.
- ii) How should the Area Plans be developed.
- iii) What would the Area Plans look like

The Group had considered two options which included Plans covering Member Area Group (MAGs) areas, or areas incorporating the Towns and the communities which had a traditional or natural affinity to them. As Area Plans were intended to enact the Council's commitment to community based planning and its ambition to be Closer to the Community, Group Members concluded that the second option – Towns and their Associated Communities – was preferred. The Group had considered that such Plans were more easily understood by residents and this

approach would be in line with best practice in community led planning and economic development of market towns.

Appendix 1 set out the communities to be covered by each Plan and these had been discussed and agreed by the MAGs and were believed to represent the 'best fit' natural links between communities and towns. The Town Plan Co-ordination Group decided that in total there should be 9 Plans, the existing 7 Town Plans, the Rhyl Going Forward Programme for Rhyl and a new Plan for Bodelwyddan, to be developed if the proposed Local Development Plan was approved.

The Town Plan Co-ordination Group had recognised that good local consultation must be at the foundation of the new Area Plans if they were to be truly community based and reflective of local needs and priorities. To ensure consistency of approach, the Co-ordination Group had agreed a broad framework for consultation and this had been incorporated in Appendix 2. In keeping with the Town & Community Councils Charter, proposals had been designed to ensure that Community Councils lead consultation and engagement at local level.

The Leader highlighted the importance of the role of the Champions and the Group had recommended that Town Plan Champions, supported by their Support Officers, draw up detailed consultation plans for the smaller and more rural communities to be incorporated into their Area Plan in line with the framework and the MAGs would be required to agree the local consultation arrangements. A small number of Councillors would have communities within their wards incorporated in an Area Plan outside their MAGs and since MAGs would have an important role in the development of the new Area Plans, the Town Plan Co-ordination Group had considered how best to address this and had recommended:-

- Local Members be consulted by the Town Plan Champion on how best to consult with their individual communities
- To inform the local consultation, local Members be invited at the start of the process to identify any key issues or priorities they were aware of within their communities
- Local Members be invited to attend relevant MAG meetings when the Area Plan was being considered for approval. If unable to attend the Lead Member for Tourism, Leisure and Youth, acting in his role as Rural Champion, would ensure the interests of all rural communities, including those not normally covered by a MAG area, were adequately incorporated into the emerging Area Plans.

Area Plans would be developed by the Plan Champions based on the local consultations carried out and would be reviewed by MAGs. Once agreed by the MAG, the Area Plan would be referred to Cabinet for approval and funding for early priorities could be allocated at that stage. Area Plans were likely to come forward at different paces depending on the complexity of local consultation and a target date of September, 2013 for all Area Plans to be agreed had been recommended.

The new Area Plans would have three broad sections. One identifying the vision and priorities for each Town, a second identifying how smaller and more rural communities relate to the Town, and a third setting out any specific needs or priorities for the smaller and more rural communities. The consultation proposals outlined in the report and set out in Appendix 2 would focus on the second and third sections of the Plans.

It was not the intention to revisit the Town Plan section or priorities at this stage, although future phases of consolidation and strengthening of the Plans would allow issues and priorities to be reviewed as circumstances changed. A route map for future stages of development had been suggested in Appendix 3.

An outline of the costs and how they would affect other services and the consultation arrangements for developing the Area Plans had been set out in the report. The risks associated with implementation of the wider Area Plans had been detailed and would be addressed through the process outlined in the report, and specifically the consultation proposals set out in Appendix 2.

Councillor H.LI. Jones emphasised the need to ensure that the rural areas received a fair share of the available funding. He explained that many Town and Community Council's would be appointing new Chairs in May, 2013 and it would be important to ensure that the lines of communication were clear and that consultation responses were received from the appropriate quarters. Councillor E.W. Williams endorsed the concerns expressed that rural communities could lose out with Town Councils assuming control of the Plans. He explained that communities were self-sufficient to an extent but faced difficulties in obtaining funding for projects in their respective areas. The Leader emphasised the importance of ensuring that rural communities received the support in obtaining their entitlements in line with the urban areas of the County. The CD:ECA referred to page 49 of Appendix 3 which highlighted phases 1 and 2 of the work to be undertaken which would assist in addressed the concerns raised by Councillor Williams. An outline of the anticipated timescales for the implementation process for the Plans was provided for Members, and a route map for future stages of the development had been included in Appendix 3.

Details of the consultation process were summarised by the CD:ECA who outlined the Communication Teams suggested suite of approaches which could be adopted to expand on the more traditional methods of consultation. Members agreed that a hard copy of the consultation process be made available to members of the public if requested. In response to a question from Councillor P. Penlington, the CD:ECA referred to sections 4.11 and 4.12 of the report which detailed the structure and outlined the three broad sections of the new Area Plans.

During the ensuing discussion, Councillor H.LI. Jones confirmed that he would be prepared to attend and address all Member Area Group meetings.

***RESOLVED:- that Cabinet approves the process for expanding Town Plans into broader Town based Area Plans as set out in this report, including specifically the:-***

- *communities covered by each Plan, set out in Appendix 1*
- *consultation arrangements, set out in Appendix 2*
- *expectation that Area Plans are completed by September 2013*

## **8 CORPORATE PLAN 2012/17 - QUARTER 3**

Councillor B.A. Smith presented the report, circulated previously, which provided a third quarter update, as at the end of December, 2012, on the delivery of the Corporate Plan 2012-17.



Regular reporting would be an essential monitoring requirement of the Corporate Plan to ensure that the Council exercises its duty to improve. Councillor B.A. Smith introduced the report and provided a summary of the Appendix which detailed each outcome in the Corporate Plan which included:-

- Developing the local economy
- Improving performance in education and the quality of our school buildings
- Improving our roads
- Vulnerable people are protected and are able to live as independently as possible
- Clean and tidy streets
- Ensuring access to good quality housing
- Modernising the council to deliver efficiencies and improve services for our customers

The Corporate Improvement Team Manager (CITM) responded to questions from Members and referred to the colour coding status definition included on page 57. Each indicator and performance measure had been given a status describing the current position and the colour provided a description of the status.

It was explained that this was a five year Corporate Plan and that the status of individual indicators and performance measures were supported by data and based on evidence. The following areas where further work might be required had been highlighted in the report:-

- Work to formalise plans for dropped kerbs had not progressed and had been included in the Council's Strategic Equality Plan and the Corporate Plan. Councillor D.I. Smith agreed to pursue concerns raised by Councillor J.R. Bartley in respect of un-adopted roads and planning issues relating to the provision of dropped kerbs in the vicinity of developments for disabled persons.
- The percentage of pupils leaving school without an approved qualification was a "priority for improvement" and required continued efforts to improve to an "acceptable" status. The CITM confirmed that there would be pupils leaving school without an approved qualification for reasons beyond the control of the Authority and he invited Members' attention to paragraph 4.1.7 of the report. He emphasised that it would be important to provide an assurance that every perceivable action had been taken to address this issue. The CD:C explained that identification of the problems at an early stage would be essential and Councillor E.W. Williams felt the improvements achieved at Rhyl High School would have a positive impact on the figures produced. Councillor Williams responded to concerns raised by Councillor P. Penlington explaining that issues regarding qualification levels would be considered at a Workshop to be held on the 21<sup>st</sup> May, 2013.
- Issuing of fixed penalty notices had exceeded expectation, but the issuing of notices for dog fouling had been highlighted as a "priority for improvement" with data indicating that only 2% of all fixed penalty notices issued related to dog fouling. In response to concerns raised by Councillor D. Simmons that the Rhyl

area had been targeted, the CE explained that resources had focused on areas where anti-social problems had been identified. He confirmed that he had no concerns regarding fixed penalty notices and that the performance framework had been good. The North Wales Police had stated that they were pleased with the work undertaken and had expressed their support for the initiative introduced. There had been a significant reduction in anti-social behaviour and a general improvement in the environment, which emphasised the significance and importance of the project.

- The percentage of initial core group meetings held within 10 days of the initial child protection conference, which was important as it highlighted the safeguarding of children through timeliness of core group meetings, had been identified as a priority for improvement. Performance had improved throughout the year but needed to continue to improve by around 10% to ensure "acceptable" status.

- The timely determination of householder planning applications had worsened demonstrating the need to continue to focus on the determination of planning applications in a timely manner.

The coordination efforts to draw together the information necessary to prepare such a report highlighted some data gaps, and more importantly gaps in the structure of the economic, modernisation and housing priorities. Work would be required to project data forward and clearly express the Council's ambition for the Corporate Plan. The current position for the majority of indicators and performance measures in the Corporate Plan had been understood. However, a better understanding of the Council's ambition for the future would be required. This would assist the Council in understanding and tracking progress towards its ambition and help reporting, as a number of outcomes did not expect immediate improvements. Continually reporting something as a "priority for improvement" without understanding if they were on track to achieve the long-term ambition for improvement could appear unnecessarily critical.

The Leader felt that the Corporate Plan had played a significant role in the Council's success and achievements and emphasised the importance of ensuring that all parties understood their specific roles within the process. He referred to concerns raised at the recent Performance Scrutiny Committee regarding the validity of information within the report and explained that the respective Lead Members and Heads of Service had agreed the Key Objectives and were aware of the Performance Indicators as presented. He highlighted the significant role of Scrutiny in the process and confirmed that any areas of concern should be challenged and monitored through the appropriate channels.

Councillor B.A. Smith made reference to concerns raised at the Performance Scrutiny Committee and provided a detailed summary of the background to the Plan which had been developed by Members and officers. She referred to the indicator within the Plan which demonstrated the success and the measures which assessed activities, both of these elements had been based on data and not subjective opinions. Councillor Smith confirmed that the Corporate Plan would be reviewed annually by the Wales Audit Office (WAO) who had originally agreed the Plan. The HBPP confirmed the Plan had been validated by the WAO and he

agreed to hold further discussions with the Chair of Scrutiny to clarify the concerns and issues raised. He explained that the opportunity for further challenge and discussion would be presented through the Annual Improvement Report, which would be submitted to the Corporate Governance Committee in May, and the Service Challenge process. Councillor D.I. Smith explained that the Corporate Plan would be utilised to assist in identifying and addressing issues which may require attention.

The CE informed Cabinet that the report had transmitted clear messages. He made reference to the need for clarification regarding the lack of progress in respect of dropped kerbs and the necessity to set targets for improvement, and to consideration being afforded to the possible introduction of strategies to address the unacceptable issue of pupils leaving school without an approved qualification.

Following further discussion it was:-

**RESOLVED** - *that Cabinet receive the report and note Members comments regarding the performance related issues highlighted.*

## **9 CABINET FORWARD WORK PROGRAMME**

Councillor H.H. Evans presented the Cabinet Forward Work Programme, circulated with the papers for the meeting.

Members agreed that the following amendments to the Forward Work Programme with regard to future scheduled business items:-

- Adoption of the LDP Steering Group to be rescheduled from May, 2013 to July, 2013.
- The report on Outsourcing ICT Services to Schools be presented to Cabinet in June, 2013 and not in July, 2013.
- A report on Regional Passenger Transport be included in the Forward Work Programme for May, 2013.
- A report on the Response to the Consultation on Town and Area Plans be included in the Forward Work Programme for September, 2013.

**RESOLVED** – *that, subject to the above, Cabinet receive the Forward Work Programme.*

The meeting concluded at 11.50 a.m.