

CABINET

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 25 June 2013 at 10.00 am.

PRESENT

Councillors Hugh Evans, Leader; Hugh Irving, Lead Member for Customers and Community; 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, Lead Member for Education.

Observers: Councillors J.R. Bartley, J. Butterfield, J. Chamberlain-Jones, M.LI. Davies, M.L. Holland, H. Hilditch-Roberts, T.M. Parry, D. Simmons and H.O. Williams.

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 Finance and Assets (PM), Head of Customers and Education Support (JW), Head of Adult and Business Services (PG), Head of Education (KE), Head of Business Planning and Performance (AS), Chief Accountant (RW), Education Planning and Resources Manager (CW), Programme Manager Customers and Education (JC), Planning Policy Manager (AL), Rhyl Going Forward Programme Manager (TB), Health and Safety Advisor (VR), General Manager: Cefndy Healthcare (DLH) and Administrative Officer (CIW).

1 APOLOGIES

Apologies for absence were received from Councillors Bobby Feeley

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, 14th May, 2013 were submitted.

RESOLVED:- that the Minutes of the meeting held on Tuesday, 14th May, 2013 be approved as a correct record and signed by the Leader.

5 RUTHIN AREA PRIMARY SCHOOLS REVIEW

Councillor Eryl Williams presented the report, circulated previously, which detailed the findings from the recent review of primary school provision in the Ruthin area and proposed recommendations to be considered for changes to the current provision.

Councillor Eryl Williams outlined the funding framework and structured process adopted by the Council and the relevance of national policies in the decision making process for funding for the improvement of education buildings throughout the County. Reference was made to Denbighshire's considerable investment programme, its bid for 21st Century Schools and the importance of the quality of education buildings in the learning process. He explained that bids made to Welsh Government (WG) for significant capital investment would be influenced by Denbighshire indicating its intention of addressing the issue of surplus places in schools, and he emphasised that this funding could be threatened if they did not address the surplus places issue.

Councillor Williams stressed that he would endeavour to ensure continued improvements in Denbighshire with the provision of improved education facilities, which would create sustainability while maintaining an indigenous core. He made reference to the high number of surplus places in the Ruthin area and the proposals before Cabinet to address the issue. It was explained that the Council had undertaken informal consultation on the future of primary provision in the Ruthin area. Extensive consultation had taken place with the 11 schools in the review, including meetings with parents, staff and governors. A number of issues needed to be addressed which included the reliance on mobile accommodation, poor condition of school sites and above average surplus places in the area.

The findings from the Informal Consultation period had been included in Appendix 1 and the current School capacity and pupil number (PLASC January, 2013) had been included in the report, together with, details of the informal consultation findings and the way forward which included the following proposals:-

Recommendations had been proposed and grouped together, dependent upon their impact on other schools within the area, to enable a more long term sustainable provision in the Ruthin area dependant on financial resources. The Head of Customers and Education Support summarised the proposals which had been included in the report, and the following issues were raised and responses provided:-

Proposal 1 – Creation of new Area School to serve the communities of Clocaenog and Cyffylliog (Appendix 2)

The review process identified a strong desire to retain education provision in the rural areas to the West of Ruthin. Currently 55 full time pupils attend the two schools, Ysgol Clocaenog experiencing a high demand at present, with a drop in numbers at Ysgol Cyffylliog. As neither site was suitable for extending it had been recommended that initially a new area school be created to serve the communities

on the existing sites. This would be a two phased approach with a longer term commitment to create a single site school potentially linked to community facilities. It had been suggested the first phase of change should occur for the start of September, 2014.

A number of concerns were raised by Councillor Huw Jones and the following responses were provided:-

- Appendix 2, 15.5. - The HCES referred to the Council's Transport Policy and explained that as part of any school reorganisation the scope of transport arrangements for the existing pupils would be examined.
- In response to concerns expressed regarding the condition of the road between Ysgol Clocaenog and Ysgol Cyffylliog, Councillor Williams explained that the road from Clocaenog to Bontuchel formed part of the main gritting route.
- The HCES confirmed that Denbighshire would consult with neighbouring Authorities in respect of the proposals. **(JW to Action)**
- With regard to the number of surplus places and future provision in the area, it was explained there would be a 2 phase approach, firstly to create a school on 2 sites and secondly to consider the best site for a new school, subject to the availability of funding. Details of the future provision of Key Stage 1 and 2 education were outlined by the HCES.

Proposal 2 – Closure of Ysgol Llanbedr with the transfer of pupils to Ysgol Borthyn, Ruthin subject to parental preference (Appendix 3)

The Governing Body and others expressed concern that the decline in pupil numbers at Ysgol Llanbedr should not be considered in isolation when considering the future of the school. In considering provision within Ruthin and its close environment, there appeared to be significant over provision of English medium places. Ysgol Llanbedr and Ysgol Borthyn were English Medium Church in Wales Voluntary Controlled Schools. An analysis of parental demand had identified only 20 pupils within the natural catchment area for the school opting for English medium education. At present within close proximity there would be an alternative English medium church school at Ysgol Borthyn, and non –faith provision at Ysgol Gellifor and Rhos Street. In view of the need to reduce the overall supply for such provision, it had been recommended that consultation should commence regarding the recommendation that Ysgol Llanbedr should close at the end of the 2013/2014 academic year.

The Leader provided an assurance that correspondence he had received from parents and teachers at Ysgol Llanbedr highlighting issues and concerns would be considered if the proposals were agreed for consultation. The HCES confirmed that there would be capacity at other schools in the area, such as Ysgol Borthyn, Ruthin, to provide faith based education. It was felt that increased provision at Ysgol Borthyn would maintain choice and strengthen the faith provision making it more sustainable. The officer explained that further work and consultation would be undertaken which would take into consideration projected figures for possible future demand.

The following issues were raised by Councillor Huw Williams and responses provided:-

- It was agreed that the accuracy of the projected figures pertaining to Ysgol Llanbedr and Ysgol Borthyn be reviewed, together with the figures for pre-school provision, be confirmed prior to any further decisions being taken. **(JW to Action)**
- The school had improved and recovered following problems previously experienced, and the excellent location and facilities at the school site were highlighted.
- Councillor Williams referred to parental preference and the possible loss of faith based provision in the area. He suggested that consideration be afforded to retaining Ysgol Llanbedr for the provision of faith based education in the Ruthin area.
- The requirement for education provision to meet the needs of the 71 additional homes predicted in the LDP for the Llanbedr area.

Proposal 3 – Ruthin Town Area (see Appendix 4)

The HCES explained that there had been strong support for the continued provision from all three town schools, whilst acknowledging long term difficulties associated with the Rhos Street and Ysgol Pen Barras site. The site had significant access problems leading to safety issues and the site relied heavily on mobile provision. The review and an assessment of the suitability of the site had suggested that as an immediate priority, the Council identify the suitability for potentially building a new school campus at the Glasdir site. Initial feasibility had suggested that land currently allocated in the LDP for a new school may be able to accommodate the needs of both Rhos Street & Ysgol Pen Barras, and further consideration of the option had been suggested prior to any decisions being made. **(JW to Action)**

The future of Ysgol Borthyn and Ysgol Rhewl had been linked to the proposal. The need to ensure diversity of choice through continued faith provision, should the recommendation to close Ysgol Llanbedr be progressed, had led to the recommendation that Ysgol Borthyn be retained. The study of the Ysgol Rhewl site identified scope to expand the current provision. However, the need for investment in the current buildings would need to be considered.

As it would be difficult to justify significant investment in the Ysgol Rhewl site, should new provision be built on the Glasdir site, it had been suggested that the future of the school be considered in conjunction with the Glasdir development. This would include the option for the closure of Ysgol Rhewl upon completion of the works for the new school(s). Any proposal that may arise to close Ysgol Rhewl, would require formal consultation and the publication of a statutory notice. If either or both Rhos Street and Ysgol Pen Barras moved to the Glasdir site and they did not change significantly in size, there would be no need to publish statutory proposals as the school would transfer sites by less than a mile. Confirmation was provided that there were proposals to provide two new schools each with their own respective Headteacher and they would, with the Chairs of Governors, be involved in the design process.

Councillor David Smith raised the following issues:-

- He expressed his support for the provision of a new school to address problems experienced over the years. However, he requested an assurance that any possible traffic related problems associated with the provision of a new school, including parking provision, were considered and addressed at the outset. **(JW to Action)**

- Councillor Smith supported the proposal that Ysgol Borthyn be retained as a faith school.

- The need to ensure that any site utilised for the provision of a new school at Glasdir would not be subject to flooding in the future, and to ascertain the parental preference of children in the Ysgol Rhewl catchment area if a new school was provided at Glasdir. The Head of Education confirmed that any potential site would be assessed and a flood report provided. **(JW to Action)**

Councillor Merfyn Parry conveyed the concerns expressed by the Governing Body of Ysgol Rhewl that the uncertainty of the future of the school could have a detrimental impact on its future, particularly in terms of prospective pupil numbers. The officers explained that it would be incorrect to omit Ysgol Rhewl from the feasibility study as the proposals could impact on the school, and the importance of being open and transparent about the ultimate objective was emphasised. It was confirmed that the school did not at present form part of the formal proposal. However, officers would be working in conjunction with the school to ensure the education provision for pupils was not placed at risk. In response to concerns expressed by Councillor Parry pertaining to the bilingual categorisation of the school, the Head of Education confirmed that further formal consultation, which would include parent participation, would be undertaken to examine the schools bilingual demands and requirements. The Corporate Director: Customers referred to the recommendation that “further detailed feasibility works be undertaken prior to the confirmation of any formal recommendations for Rhos Street School, Ysgol Borthyn, Ysgol Pen Barras and Ysgol Rhewl” and emphasised that the suggested process was not a formal consultation.

Councillor Huw Hilditch-Roberts declared a personal interest in this item as the Chair of Governors at Ysgol Pen Barras. He welcomed the proposals pertaining to Ysgol Pen Barras, Ysgol Rhos Street and Ysgol Borthyn and highlighted the importance of the involvement and participation of the Governing Bodies and senior teams of the respective schools in the planning process for the development of the proposed new schools site. He highlighted the need to examine closely and transparently the impact of any new school on Ysgol Borthyn and Ysgol Rhewl and to ensure that the standard of the facilities at Ysgol Borthyn were maintained. The HCES confirmed that equality of provision would be paramount when undertaking the feasibility study.

Proposal 4 – Proposed Federation of Ysgol Llanfair Dyffryn Clwyd and Ysgol Pentrecelyn (Appendix 5)

Strong support for the retention of educational provision in the communities around Llanfair DC and Pentrecelyn had been identified. A clear case for investment in facilities had been identified at Ysgol Llanfair D.C and it had been accepted by many that the existing school was not fit for purpose. The importance of the school

in the community had been emphasised at Ysgol Pentrecelyn, alongside the difference between providing Welsh medium and dual stream provision. In considering the needs of the wider area and for significant investment, a phased approach had been suggested.

The first phase to involve retaining both schools and recommending that the Governing Bodies discuss the formation of a federation. Denbighshire would seek an agreement in principal to progress this, by January 2014 with a view to the new federation commencing in September 2014. Long term plans, forming part of Band B proposals for 21st Century Schools, would see progression towards a new area school serving the communities of Pentrecelyn and Llanfair DC. Moves towards a new area school would require formal consultation to be progressed at the appropriate time.

The Leader confirmed that he would support for the option which would provide the maximum benefit to the pupils in the area. With regard to the federation of the two schools, with regard to Ysgol Llanfair being a faith based school, the Head of Education explained that the Leadership Team and Governing Body would examine the ethos and moral values of the respective schools, which she explained were very similar in terms of their outlook. The Head of Education responded to questions from Members and explained the future delivery of education through Key Stages 1 and 2, and outlined the reasons for the differing approaches adopted in other areas. The Corporate Director: Customers explained that the proposal for Clocaenog and Cyffylliog single area school could be delivered earlier due to the scale of the development.

Proposal 5 – Support for Federation of Ysgol Bryn Clwyd & Ysgol Gellifor (Appendix 5)

It had been suggested that Ysgol Bryn Clwyd be included within the Ruthin review because of the implications for any change at Ysgol Gellifor as the schools had combined leadership and management arrangements following their federation in 2011.

Ysgol Gellifor was a popular school, at capacity, which drew pupils from outside its natural area. In terms of the federation arrangements Ysgol Gellifor had 4% of surplus places whereas Ysgol Bryn Clwyd had a surplus of 67.6% and this had implications for the long term sustainability of the federation arrangements.

The language categories of both schools had been questioned, both schools being identified as Category 5, the Welsh language continuum would see the amount of Welsh taught in the schools increase as a response to the views of stakeholders.

The Governors had sought assurances regarding the future of Ysgol Bryn Clwyd as a consequence of the review and a desire that the long term future of the school be linked to any proposals emerging from the Ruthin review. The Council had acknowledged this to prevent any further uncertainty regarding the federation. It had been recommended that the status quo remain, subject to agreement to explore the future language category of Ysgol Bryn Clwyd. The balance of pupils at the schools would need to be addressed through the admissions arrangements.

Councillor Huw Jones referred to the proposal pertaining to Ysgol Llanbedr and highlighted the need for transparency and fairness when considering the proposal in relation to Ysgol Bryn Clwyd. Councillor Merfyn Parry referred to positive work undertaken by the respective schools, and their Governing Bodies, in succeeding with the successful federation of the schools. Councillor Huw Williams referred to the need to undertake building maintenance work at the Ysgol Gellifor site.

Proposal 6 – Retention of Ysgol Bro Famau (Appendix 5)

The school served predominately its local area but there were significant surplus places. Both sites were in good condition and it was recommended that the status quo should remain with the Authority and Governing Body reviewing the current use of space.

Councillor Martyn Holland raised issues relating to the provision of funding from Welsh Government, the need to protect rural schools and the impact of the LDP on schools in rural areas. The HCES explained that education and planning officers had worked together to ensure the inclusion of pupil projections in the forward planning process. She referred to the lack of capital and funds available and highlighted the need to rationalise to allow for future investment in schools.

During the ensuing discussion, it was explained that it had been recommended that any formal consultation should commence in September, 2013 to allow the discussions to commence at the start of the school term with consultation taking place for at least six weeks. The consultation process would enable parents, pupils, governors and staff the opportunity to comment upon the proposals before a decision was made by Cabinet whether to proceed and formally publish proposals for change. It was confirmed that only proposals 1 and 2 would require formal consultation at this stage

The feasibility works for proposal 3 would commence over the summer months, with a view to a preferred option being presented to Cabinet in the late autumn. This work would lead to clarification regarding the variety of options for securing the necessary improvements for the town. This information would enable Cabinet to consider the business case for investment. With regard to proposals 4, 5 and 6, the Head of Education and the Head of Customers and Education Support, subject to approval, would commence discussions with the respective Governing Bodies to secure the necessary agreements to undertake the changes highlighted. Should approval not occur then alternative proposals may be presented to Cabinet in the spring of 2014.

RESOLVED - *that Cabinet:-*

- (a) note the findings of the consultation.*
- (b) approve formal consultation for proposals to close Ysgol Clocaenog and Ysgol Cyffylliog on the 31st August 2014, merging the two schools as a new area school to be opened on the 1st September 2014 on the existing sites.*

- (c) approve formal consultation for proposals to close Ysgol Llanbedr on the 31st August 2014 with existing pupils transferring to Ysgol Borthyn, subject to parental preference.*
- (d) recommend to the Governing Bodies of Ysgol Pentrecelyn and Ysgol Llanfair DC that they form a federation to be in place no later than 1st September 2014, and*
- (e) note the findings of the initial feasibility study to identify potential sites for the provision of primary schools in the Ruthin area and recommend that further detailed feasibility works be undertaken prior to the confirmation of any formal recommendations for Rhos Street School, Ysgol Borthyn, Ysgol Pen Barras and Ysgol Rhewl.*

(JW to Action)

6 FINANCE UPDATE REPORT

Councillor Julian 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.

The report provided a summary of the Council's revenue budget for 2013/14, Appendix 1. The net budget had been £192m at the end of May and there had been a forecast under spend on service and corporate budgets of £45k (0.04%). There had been a positive forecast on school budgets balances of £322k. Non-delegated school budgets had been forecast to be under spent by £150k, the majority relating to the breakfast club initiative, and it had been proposed that it be used as a contribution to fund school formula protection and this had been included as a commitment.

Appendix 2 indicated the progress to date against the savings highlighted in the Medium Term Financial Plan for 2013/13. A savings target of £3.061m had been agreed for the year and 39%, £1.186m, had been reported as achieved. A summary of the Capital Plan and its aims, including the proposed expenditure of £6.8m, had been included as Appendix 3. The 2013/14 budget specifically earmarked resources of £600k to be allocated to the Corporate Plan Reserve. Appendix 4 provided an update of the major capital project within this year's Capital Plan. At the end of May, the Council's borrowing totalled £133.264m at an average rate of 5.77%. Investment balances were £24.1m at an average rate of 0.86%.

Details of the cost and effect on other services had been included in the report as follows:-

Highways & Environment Services – Although the Environment and Highways Services was currently showing a nil variance the following points should be noted:-

- The high value efficiencies currently in progress, These would be monitored closely and progress on achieving the efficiencies would be reported in future. **(PM & RW to Action)**

- The number of school days in the 2013/14 financial year being higher than usual, which was likely to adversely impact on the school transport service area. The projected that any overspend in this area will be able to be maintained within the overall Highways and Environment budget.

Councillor Eryl Williams referred to the future estimated expenditure on capital schemes being nil, particular reference being made to transport in the County. He referred to prudential borrowing, the receipt of Government grants and expressed concern regarding the clarity of the funding process. Councillor Thompson-Hill explained that the figure in the report related to the last financial year and confirmed funding provision for 2013/14 would be reported in future reports. The Chief Account made reference to Appendix 3 and provided details of the figures in relation the general Capital Plan. He explained that only funding which had received confirmation of approval, through the Strategic Investment Group, had been reported.

School Improvement and Inclusion – Detailed work had been on-going to provide a robust estimate for out of County placement costs and recoupment fees. These budgets had under spent in recent years. However, they remained volatile as they were based on both pupil numbers and often complex negotiations between Authorities. Councillor Eryl Williams expressed concern regarding the School Improvement and Inclusion funding structure, the implementation of the new arrangements and emphasised the importance of protecting the interests of the County.

Adults & Business Services - The national requirement to protect social care budgets had resulted in additional funding within the year of £905k. This would be used to fund a number of projects aimed at reducing revenue costs in the future. In reply to a question from the Leader, the officers provided details pertaining to the national requirement to protect additional funding in respect of social care budgets. It was confirmed that funding would be removed in the next financial year to invest in measures which would reduce long-term costs and provide preventative measures in the future.

Schools – The projection for school balances at the end of May had been £3.192m. A positive movement of £322k on the balances brought forward from 2012/13.

The Housing Revenue Account (HRA) budget had been included within Appendix 1. However, HRA resources were separate funds and could only be used in the provision of Council housing services. The HRA budget for 2013/14 had been set assuming that capital expenditure of £890k was funded from revenue resources. It was confirmed that Housing Subsidy payment was likely to reduce and the Housing Capital Plan forecast to spend £8.1m with the Welsh Housing Quality Standard being achieved by the end of 2013/14. Housing Subsidy System reforms were thought likely to be implemented by April, 2014 and there were no further updates on progress at a national level to report.

Councillor Barbara Smith expressed concern regarding the reallocation of funding and suggestions that Welsh Government (WG) would be encouraging Local Authorities utilise their reserves on revenue expenditure. The Chief Executive

informed Members that the WG could not directly intervene in respect of this issue but made reference to the reduction in Local Government revenue provision. The importance of building up reserves was highlighted by the Chief Executive, who explained that Denbighshire had plans for its contingencies, and he made reference to the Council's ambitious Corporate Plan.

Following further discussion, it was

RESOLVED:- *that Cabinet notes the progress against the agreed budget strategy.*
(PM & RW to Note)

7 MENTAL HEALTH PARTNERSHIP

The Leader presented the report, circulated previously, and explained that Adult Mental Health Services were currently provided by the Conwy and Denbighshire Adult Mental Health Partnership. The Partnership was due to end in July, 2013 and a Cabinet decision was required to enable a new partnership arrangement to be agreed between the Council and BCU to deliver the same range of services.

He provided a summary of the background to the Partnership which had been created and underpinned by a formal legal agreement under S31 of The Health Act 1999, which later became the S33 Agreement. The Partnership Agreement provided for agreement on common policies and procedures across the service and a copy of the original report to Cabinet in February, 2005 along with a Cabinet Briefing Paper had been included as Appendix 1 and 2 to the report.

The changes resulting from the creation of BCU and the development of the Clinical Programme Group model had made it increasingly difficult to manage the current partnership alongside arrangements elsewhere within the CPG for mental health services in the rest of BCU's catchment area. This along with the requirement to respond to The Mental Health (Wales) Measure 2010 had prompted a review of the current arrangements with respect to the Partnership in Denbighshire.

The Head of Adult and Business Services confirmed that the ending of the current Partnership and creating a Memorandum of Understanding between the Council and BCU would not have any impact on service delivery. A new Memorandum of Understanding would be clear and require BCU to provide information as part of a more timely and regular process. He informed Members that the standard of service provided within Denbighshire had been extremely high.

RESOLVED:- *that Cabinet agrees:-*

(a) *the current Conwy and Denbighshire Adult Mental Health and Social Care Partnership end on 3rd July, 2013, and*

(b) *Denbighshire remains committed to the model originally developed when creating the Partnership but that this should now be reflected in a Memorandum of Understanding between the Council and BCU for the provision of these services.*

(PG to Action)

8 THE FUTURE OF CEFNDY HEALTHCARE

Councillor Hugh Irving presented the report, circulated previously, on Cefndy's past performance and the need for future investment. It was explained that although financial and service performance had been good, Cefndy had delivered on-going efficiencies which had inhibited the service from investing in its factory infrastructure.

A commitment had been made in the Corporate Plan to support Cefndy's future existence by approving capital investment. The report provided justification for capital investment and outlined options for new plant to enable Cefndy to progress and become sustainable without the need for on-going revenue support from Denbighshire. A summary of Cefndy Healthcare, a Denbighshire supported business, had been included in the report, and a copy of Cefndy's Business Plan had been included as Appendix 1.

In the last 5 years Cefndy had increased sales performance by £1m, to £3.8m, and reduced financial dependency on Denbighshire by over £200k. However, challenges now faced compromised the sustainability of the business/service and at worst, could even threaten Cefndy's viability of existence if not addressed. The officers provided a detailed summary of the Options available which had been included in the report and in Appendix 3:-

- a. Carry on with the existing plan and remove Denbighshire subsidy.
- b. Maintain a level of subsidy for an extended period.
- c. Capital Investment as per the Corporate Plan.

The following information had also been included in the report:-

- How the decision would contribute to the Corporate Priorities.
- Costs and their effect on other services.
- The main conclusions of the Equality Impact Assessment, Appendix 4.
- Consultations undertaken.
- Chief Finance Officer Statement.
- Risks and the measures taken to reduce them.

In response to concerns expressed by Councillor Jeanette Chamberlain-Jones regarding problems experienced by members of staff as a result of the utilisation of out buildings and storage containers on site, the General Manager: Cefndy Healthcare confirmed that the use of the facilities would continue and that the issues of concern raised had been addressed. The Corporate Director: Modernisation and Wellbeing explained that efforts had been made to secure suitable alternative accommodation but these had been unsuccessful.

The achievements attained by Cefndy in reversing the trend of increasing dependency on Denbighshire's financial underpinning, by delivering commercial growth and financial efficiencies, were acknowledged by Cabinet. Councillor Irving highlighted the contribution made by Cefndy to the local economy and in providing employment for people with disabilities.

Members considered the Options and supported the recommendation in the report for Option C, by allowing investment that would lead to financial sustainability without Denbighshire budget. Cabinet also agreed to support an approach to Welsh Government for a Capital Investment Grant to cover the full costs in recognition that the impact of the removal of the business's DWP funding would create a far greater pressure on the benefit system without this investment. **(PG & DLH to Action)**

RESOLVED - that Cabinet:-

- (a) receives the report and notes Members comments.*
- (b) supports the proposal for investment, Option C, subject to agreement from the Strategic Investment Group, and*
- (c) supports an approach to Welsh Government for a Capital Investment Grant to cover the full costs in recognition that the impact of the removal of the business's DWP funding would create a far greater pressure on the benefit system without this investment.*

(PG & DLH to Action)

9 OUTSOURCING ICT SERVICES TO SCHOOLS

Councillor Eryl Williams presented the report, circulated previously, which sought approval to award the Schools Admin and Curriculum ICT contract to GAIA Technologies. The Head of Legal and Democratic Services explained that any discussion pertaining to Appendix 2, the Quality Impact Assessment, would have to be conducted under Part II of the Agenda.

Decisions had been required to approve GAIA Technologies as the mandatory ICT provider for the Admin Network following the recent tender exercise to outsource the existing DCC service, and to approve GAIA Technologies as the optional ICT provider for the Curriculum Network following the recent exercise to re-tender the expired DCC contract previously awarded to GAIA Technologies on behalf of some schools.

The Head of Customers and Education Support explained that the Schools Admin network was currently provided by Central ICT and it was proposed to award the contract to GAIA technologies who had been the successful provider following the recent tender exercise. It was explained that all schools must be part of the mandatory contract as it was vital that it was delivered by one provider across all schools to maintain consistency between Schools and the County. The 4 options for consideration for the Admin network included:-

1. Fully Managed Service – LA managed staff
2. Support Service – LA managed staff
3. Fully Managed service – Full TUPE of staff
4. Support Service - Full TUPE of staff

The existing service with Central ICT was a support service only and based on the pricing schedule shown in Appendix 1. The new service with GAIA technologies was of greater quality at a reduced price. The pricing would still be subject to final

verification of inventory on awarding the contract but the unit costs would remain fixed as per the tender.

The School's Curriculum network was currently outsourced and managed locally by schools through their own contract negotiations with various providers. The Denbighshire framework was due for renewal on 1st April, 2013 and a delegated decision had been sought to approve a contract extension to 31st August, 2013 to allow the new Curriculum contract to form part of the same tender as the Admin network. In response to a question from Councillor David Smith, the HCE explained that the contract was discretionary and schools were not obliged to move their curriculum contracts onto the network and there was currently no indication as to which schools would chose to move on to the new contract.

Providers had been asked to consider the option of a fully managed service, hardware included, or a basic support service, no hardware included, as well as a full TUPE transfer model and a LA retained staffing model. This had created the same 4 options as the Admin network and details of the likely saving compared to the current Central ICT service for schools against each option identified had been included in the report.

Difficulties encountered in providing comparisons and a pricing schedule had been based on a draft inventory and would be subject to change following a full audit of equipment at the school once the contract commences. The full summary schedule for all options had been included in Appendix 1 and had been based on an unaudited inventory and would be subject to change and subject to individual negotiations for each schools dependant on local needs. A confidential copy of the completed EqIA template had been included as Appendix 2 to the report.

RESOLVED:- that Cabinet approves the awarding of the contract to GAIA Technologies for both the Admin and Curriculum networks.
(JW to Action)

10 CORPORATE PLAN QPR: QUARTER 4 2012/13

Councillor Barbara Smith presented the report, circulated previously, which provided an update on the delivery of the Corporate Plan 2012-17 at the end of quarter 4, 2012-13 and presented a summary of each outcome in the Corporate Plan.

The report indicated that good progress had been made in delivering the Corporate Plan and that there was an understanding of the reasons why some elements of the Plan still require improvement. It was important to note that the report still concerns the first year of our 5-year Corporate Plan, and that some elements of the plan had been included specifically as needing improvement. Some areas for improvement would take longer to achieve than others, and the Corporate Improvement Team had worked with Heads of Service and Lead Members to clarify the ambitions for the Plan, and what the expected improvement journey looked like. This work was almost complete and the conclusions had been incorporated into the analysis within this report.

A number of areas highlighted as red within the report indicated that some indicators and performance had been identified as a “priority for improvement”. Some activities had been allocated the lowest possible delivery confidence by the responsible officer and the areas following areas had been summarised in the report:-

- The percentage of pupils leaving school without an approved qualification.
- A number of performance measures within the education priority relating to mobile classrooms and deficit places.
- Percentage of A and B roads that are in overall poor condition.
- Work to formalise plans for dropped kerbs.
- The proportion of the adult population unable to live independently
- Instances of fly tipping in the County
- Percentage of reported fly tipping incidents
- Availability of private affordable housing in Denbighshire

Fourteen core Key Performance Indicators (KPIs) had been identified to benchmark with HouseMark. The most recent data indicated that the Council had seven (50%) within the top quartile, which was the identified threshold for being a “priority for improvement”. The ultimate ambition was to have all core KPIs within the top quartile. The timely completion rate for performance appraisals was also a “priority for improvement”, as the current performance was 92.28%. Corporately it had been agreed that anything below 95% was a “priority for improvement”.

The Head of Business Planning and Performance (HBPP) explained that the report had been considered by Performance Scrutiny Committee and the following areas of concern had been identified:-

- Mobile Classrooms:- Programme in place to replace Mobile Classrooms.
- Dropped Kerbs:- Highways Department to provide update in respect of progress. The Chief Executive expressed concern regarding the reported lack of progress. He explained that this was unacceptable and felt the matter could have wider implications and be perceived as a performance Management issue. **(AS to Action)**
- Fly Tipping:- The HBPP explained that there had been internal issues with regard to the CRM reporting process and clarification on this matter had been sought. In response to concerns raised by Councillor Huw Jones, it was agreed that CRM be requested to investigate any correlation between fly tipping incidents and location in relation to collection provision and times. **(AS to Action)**

- Dog Fouling:- Councillor David Smith explained that the number of dog fouling penalty notices issued should decrease to reflect the impact of the process of educating the public to acknowledge the problem.

In response to a question from the Leader about how the impact of Corporate Plan priorities in the locality could be measured and reported to the Member Area Groups (MAG's). The HBPP explained that figures relating to progress in respect of local activity had been published and this process would be reviewed. The Chief Executive emphasised the importance of ensuring that the MAG's retained control of their respective agendas, and that debate with the Chairs of the MAG's be encouraged.

RESOLVED - that Cabinet:-

(a) receives the report and notes Members comments, and

(b) requests that CRM investigate any correlation between fly tipping incidents and locations in relation to collection provision and times.

(AS to Action)

11 FINAL BUDGET POSITION AND REVIEW OUTTURN 2012/13

Councillor Julian Thompson-Hill presented the report, circulated previously, which provided an update of the final revenue position and the proposed treatment of balances. The first draft of the Annual Statement of Accounts for 2012/13 would be submitted to the external auditors on the 28th June. The audited accounts would be presented to the Corporate Governance Committee in September for formal approval.

The overall financial outturn position for 2012/13 had been an under spend against the approved budget, which together with an increase in the yield from Council Tax strengthened the financial position of the Council. Recommendations for the transfer of funds to specific reserves could be made which would continue to assist the Council in addressing the severe financial pressures of the next few years and begin to establish the cash resources required to deliver the Corporate Plan. The final Revenue Outturn figures had been detailed in Appendix 1. The final position on service and corporate budgets was an under spend of £1.525m, 1.3% of the net revenue budget.

The outturn position for services and corporate budgets had been £530k higher than previously reported to Cabinet in March. The most significant movement had been within School Improvement & Inclusion (£223k). The final position for Legal and Democratic Services had improved by £76k and the position on corporate budgets had improved by £113k from the forecast reported in March. Services had continued to be proactive in planning for savings for future years, and the financial impact of some of those proposals began to take affect toward the end of 2012/13. Services reported commitments against balances of £849k in March. The majority of balances had been forecast because of timing issues and committed service balances now stood at £1.139m with further details provided in the report.

Expenditure on schools had been £1.069m below the delegated budget with Special schools having improved by £490k which formed the majority of the total movement. School balances now stood at £2.870m which equated to an average of £190 per pupil and 4.25% of the net schools budget and details had been included in Appendix 3.

The Council budgeted to make a contribution to balances of £300k, which in keeping with previous reports, had been assumed in the final outturn position. The Council budgeted to make contributions to the funding of the Corporate Plan which required around £25m of cash and £52m of borrowing to deliver the Council's ambitions. The 2012/13 budget assumed £2.073m would be generated through priority funding allocated to services and budgeted provisions within corporate budgets.

Further information regarding final service outturn had been detailed in the report as follows:-

Business Planning & Performance – the final position was an under spend of £60k.

Finance & Assets - under spend of £16k.

Highways & Environment - position of £278k under, an improvement of £15k from the forecast in March.

Planning & Regulatory - proposed to be used to fund restructuring costs as part of delivering savings for 2013/14.

Adult & Business Service - shown as achieving the budget.

Children & Family Service – reported at £148k.

Housing & Community Development - arisen due to a review of external grant funding at the end of the year highlighted additional claimable costs.

Communications, Marketing & Leisure - the final outturn position was an under spend of £37.5k.

ICT/Business Transformation - budget under by £108k.

Customers and Education Support - an under spend of £245k.

School Improvement - an under spend of £349k.

Council Tax - impacted upon by the number of dwellings in the County, together with, a high level of tax collection of over 98%.

Councillor Thompson-Hill explained that given the position overall within services, it was proposed that departments carry forward any net under spends in full to help deliver the 2013/14 budget strategy and meet existing commitments. Services would be required to outline in more detail how the balances brought forward having been used in 2013/14 in the Finance Report to Cabinet in October. The final position meant that the Council had £651k cash funding available. This was a significant achievement and the Council would need to ensure that the funding was used in the most effective way. It had been proposed that this contribute to the cash reserves required to fund the Corporate Plan.

A number of other contributions to and from Reserves and Provisions had been allowed for within the accounts and these had been detailed in Appendix 2 and would require Council approval. Major movements to reserves not already highlighted had been included in the report and related to:-

- £6.2m proposed to be reallocated from existing reserves to fund the Corporate Plan, reported in detail to the Corporate Governance Committee in May, 2013.
- £562k earmarked to fund protection for schools adversely impacted by the recent formula funding changes.
- £185k added to the Insurance Reserve to cover ongoing liabilities in respect of MMI, former insurer of Denbighshire's predecessor authorities, and other potential claims. The Chief Accountant responded to a question from Councillor Hugh Irving and explained that the potential liability and number of claims could increase in the future.
- Funding had moved from the Single Status reserve to a provision to fund equal pay claims

In reply to a question from the Leader, Councillor Thompson-Hill outlined the current and projected impact of the Modernising Agenda on efficiencies and reference was made to the consistent approach adopted by the Authority in relation to service efficiencies. The Chief Account explained that the proposal to plan for the next budget round included meeting with service providers to discuss modernisation targets which would include the various planned projects.

Corporate Director: Customers responded to a question from Councillor David Smith and explained that any surplus funds held by a school which had been closed would be monitored closely and fed back into the central funds. **(RW to Action)**

Councillor Meirick Davies suggested that paragraphs within the reports be numbered to overcome any confusion arising from the difference in page numbers between the English and Welsh versions within the Agenda. Confirmation was provided that additional income generated, which contributed to the small underspend, related to litter in general and not specifically to income from dog fouling fines.

Following further discussion, it was

RESOLVED - that Cabinet recommends to Council the:-

- final revenue outturn position for 2012/13, and*
- treatment of reserves and balances as detailed in the report.*

(PM & RW to Action)

12 REVIEW OF DAY SERVICES

The Leader presented the report, circulated previously, which provided an overview of proposals to remodel day care for older people. The proposals primarily related to changes in North Denbighshire, however the underlying strategic principles for promoting people's independence through reablement, and the use of community resources, applied across the County. The background rationale for the proposals had been provided and the service area had been identified as an area for budget reduction in the medium term financial plan.

Members were informed that the Chief Finance Officer Statement should be amended to read "The report suggests that savings will arise from this review and that these will be reinvested in social care. The proposals will also release space in one of our buildings that will enable it to be used for other purposes."

Appendices 1 and 2 detailed some of the consultation undertaken and highlighted areas where the model had been changed to reflect some of the issues raised. The report recommended in paragraphs 4.10 and 4.13 to approve implementation of the new model.

A detailed summary of the report was provided which included:-

- In 2012 Welsh Government had identified the need for social services across Wales to respond to increased and changing societal expectations, demographic change and a difficult resource environment.
- In 2013 the Social Services and Wellbeing Bill (Wales) laid before Welsh Government.
- The basis for the construction of Denbighshire's model for adult social care.
- In general people wanting to retain their independence and community links rather than attend specialised centres for older people.
- There being well developed community based services which were open to all age groups.
- It being appropriate that people were able to access community resources, an approach consistent with the Social Services and Wellbeing Bill (Wales).
- Denbighshire's reablement strategy having been very successful in enabling people to regain skills and confidence to enable them to live an independent life.
- Llys Nant and Hafan Deg being traditional day centres providing an excellent and much valued service to those people who use them.
- The people using the centres being an extremely small proportion of the total population of older people in the area. This being evidenced in Appendix 3. Most of those attending one of the two centres do so for 2 or 3 days per week as detailed in Appendix 4.

Members' attention was invited to the following revised proposal:-

- To move existing services in Prestatyn from Llys Nant to Nant y Mor - This would provide opportunities for people to develop wider social networks with residents at Nant y Mor as well as the opportunity to become involved in a greater range of activities provided at the Extra Care facility. Existing and new service users with identified eligible needs would be supported 3 days a week with a more "drop-in type" activity aimed at socialization to reduce the risk of isolation on the other 2 days.
- In the medium/long term to explore moving day care provision in Rhyl to Gorwel Newydd - However, we would want to ensure that any plans identify a suitable and sustainable approach for the use of the Hafan Deg building. This includes developing facilities at the centre to enable us to progress our reablement approach i.e. setting up a 'home' kitchen as well as exploring the potential to use the building for a greater range of support and social activity for older people both at War Memorial Court and the wider community.

- Initially move to 3 days provision of traditional day care at Hafan Deg, with 2 days focusing on providing reablement. The original proposal being to stop all traditional day care activity on the site. However, this had been amended in light of the concerns raised by service users, their carers and Local Members, but still allowed the service to support reablement and sustainability.
- Assuming the principles set out in the paper were approved a detailed project plan would be developed for the current arrangements in both Hafan Deg and Llys Nant. Each plan would reflect the need to manage the changes sensitively and in consultation with service users and their carers. The key milestones in relation to each centre had been included at Appendix 5, and an Equality Impact Assessment had been included as Appendix 6.

Details of how the decision would contribute to the Corporate Priorities, the cost and effect on other services, conclusions of the Equality Impact Assessment and the consultations undertaken had been summarised in the report.

The value of the day care facilities to elderly persons in the local community was emphasised by Councillor Jeanette Chamberlain-Jones who stressed that it would be important to be mindful of the services provided at the respective Centres.

Following further discussion, it was:-

RESOLVED - *that Cabinet:-*

- (a) *receives the report and notes Members comments, and*
- (b) *approves implementation of the new model as set out in paragraphs 4.10 and 4.13 of the report.*

(PG to Note)

13 VIBRANT AND VIABLE PLACES - FUNDING BID FOR RHYL TOWN CENTRE PROJECTS

The Leader presented the report, circulated previously, which sought Cabinet's endorsement for the development and submission of a bid for funding under the Vibrant and Viable regeneration programme for Rhyl Town Centre.

He explained that Denbighshire had been successful in securing funding for a number of initiatives and projects including Rhyl Harbour, West Rhyl Housing Improvement Project (WRHIP) and the Bee and Station Hotel refurbishment. However, funding for the programme would end in March, 2014. Future regeneration funding would be secured through a competitive process under the Viable and Vibrant Places Framework.

The Vibrant and Viable Places Bidding Guidance, which had been appended to the report, set out some of the key principles and approaches which would be expected, along with the key priorities for regeneration investment and these had been included in the report. Significant expenditure had been planned in Rhyl through Regeneration, Highways and other services which could be counted as

match. Private sector investment would be eligible as match, and there was already considerable private investment planned in the timeframe of the programme through the new hotel development and the proposed Aquatic Centre. Further private sector investment would be levered through the programme. Given the existing match funding detailed outlined in the report, it was proposed to develop a bid within the existing resource base and as such there would not be a need to allocate further Denbighshire capital funding to support the bid.

Initial discussion at officer level had considered looking at a County wide bid focussed on town centres, but following a very strong steer from Welsh Government officers that this approach was unlikely to be successful, a more focussed approach around one town centre had been considered appropriate. Within the Rhyl Going Forward Programme the town centre had already been identified as a significant issue and the next priority to be addressed. On this basis, and that of the existing published guidance and subsequent steer from Welsh Government, it is considered that a bid focussed around Rhyl town centre would have the strongest chance for the reasons highlighted in the report. The Leader expressed his disappointment that, because of the guidance and strong steer from Welsh Government, other towns in the County would not have the opportunity to benefit from this new programme.

If advanced, it had been proposed that the bid should prioritise business development, entrepreneurship and creating new job opportunities in the town centre. This would focus on retail, particularly within the independent sector and looking at under-represented sectors such as food, but in consideration of the changing retail context would also consider how the town centre can support a more diverse housing offer and a broader range of services. It was explained that funding would be for capital rather than revenue, but this would provide an opportunity to potentially secure funding for property acquisitions and refurbishment, grant schemes, environmental improvements and possibly improvements to car parks. Any capital schemes would need to be supported by appropriate business support and training initiatives.

The report detailed how the decision would contribute to the Corporate Priorities, how costs would affect other services and provided an outline of the risks and the measures implemented to reduce them. Members were informed that further endorsement of the approach would be sought from other relevant Committees and Partner Agencies, and formal approval for the submission of the Stage 2 bid, subject to approval by Welsh Government, would be considered by Cabinet on the 3rd September, 2013, as detailed in Section 7 of the report.

In reply to issues raised by Councillors Barbara Smith and Jeanette Chamberlain-Jones, the Rhyl Going Forward Programme Manager explained that a signage and access strategy for Rhyl was currently being prepared, and that work to address the condition of the road in the Lower High Street had been included in the Highways Maintenance Programme. **(TB to Action)**

In response to a question from Councillor Huw Jones, the Leader explained that details of the submission of the bid had been referred to MAG's in the South of the County with a view to explaining the reasons for the focus of the bid being in Rhyl.

The Chief Executive highlighted the importance of recognising that the decision to include items for consideration on the MAG's agenda should remain with the respective MAG's. The Corporate Director: Economic and Community Ambition explained that the issue of the dissemination of information could be addressed at the Council Briefing in September which had been arranged to consider the Regeneration Economic Development Strategy.

RESOLVED - that Cabinet:-

- (a) supports the development of a bid focussed around Rhyl Town Centre; and
- (b) the submission of a Stage 1, Strategic Outline Programme, by the deadline of the 12th July, 2013.

(TB to Action)

14 REVIEW OF LOCAL DEVELOPMENT STEERING GROUP

Councillor Eryl Williams presented the report, circulated previously, which outlined proposals to revise the membership of the Local Development Plan Steering Group (LDPSG). It had been agreed that a new LDP Steering Group should provide leadership and guidance in taking forward the Local Development Plan through to formal adoption, and to focus on the delivery of the LDP strategy and policies. Terms of Reference and Membership had been agreed and the group had met last year. However, it was acknowledged that membership would have to be reviewed following the local elections in May, 2012 and following LDP adoption.

Following Council's agreement to adopt the LDP it would be important that the revised Group be established to provide a political lead on the development of the suite of Supplementary Planning Guidance notes, development briefs and infrastructure plans urgently required to facilitate the delivery of the LDP. The primary role of the LDPSG Group would be to support the delivery and on-going monitoring and future review of the LDP, together with, supporting the implementation of the Plan Strategy. The Group would have a non-executive role but would report back and make recommendations to Cabinet and or Council as appropriate.

The revised Terms of Reference, Appendix 1, set out the proposed new arrangements for membership of the Group which would still comprise 12 Members, with the aim of achieving a geographical balance and political balance where reasonable and practical. Member Area Groups would be invited to nominate 2 Members to represent their area.

The LDP would have a direct role in achieving the priorities of 'Developing the Local Economy' and 'Ensuring Access to Good Quality Housing' through the policies and proposals within it. The main role of the Group would be to oversee delivery of the LDP, enabling the provision of housing, employment, community facilities and environmental protection throughout the County. A copy of the Equality Impact Assessment Statement had been included as Appendix 2 to the report.

During the ensuing discussion Members approved the revised Terms of Reference and membership of the Local Development Plan Steering Group, as in Appendix 1

to the report, subject to the removal of the reference to political balance. It was also agreed that a request be sent to the Chairs of the MAG's seeking two nominations for Membership on the Steering Group, with responses to be received by the first week in July, 2013. **(AL to Action)**

RESOLVED - *that Cabinet:-*

(a) approves the revised Terms of Reference and membership of the Local Development Plan Steering Group, as in Appendix 1 to the report, and subject to the removal of the reference to political balance, and

(b) agrees that a request be sent to the Chairs of Member Area Groups seeking two nominations for Membership on the Steering Group, with responses to be received by the first week in July, 2013.

(AL to Action)

15 CABINET FORWARD WORK PROGRAMME

The Leader presented the Cabinet Forward Work Programme, circulated with the papers for the meeting.

RESOLVED – *that Cabinet approve the Forward Work Programme.*

The meeting concluded at 2.45 p.m.