

CABINET

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 17 February 2015 at 10.00 am.

PRESENT

Councillors Hugh Evans, Leader and Lead Member for Economic Development; Hugh Irving, Lead Member for Customers and Communities; Huw Jones, Lead Member for Leisure, Youth, Tourism and Rural Development; Barbara Smith, Lead Member for Modernising and Performance; Julian Thompson-Hill, Lead Member for Finance and Assets and Eryl Williams, Deputy Leader and Lead Member for Education

Observers: Councillors Bill Cowie, Meirick Davies, Martyn Holland, Gwyneth Kensler, Dewi Owens, Merfyn Parry, Joe Welch and Huw Williams

ALSO PRESENT

Chief Executive (MM); Corporate Director Economic and Community Ambition (RM); Director of Social Services (NS); Heads of Service: Legal, HR and Democratic Services (GW), Customers and Education Support (JW), Adult and Business Services (PG); Chief Accountant (RW); Housing Care and Support Manager (JS); Service Charge Officer (DO); Programme Manager Modernising Education (JC), and Committee Administrator (KEJ)

1 APOLOGIES

Councillors Bobby Feeley (Lead Member for Social Care, Adult & Children's Services) and David Smith (Lead Member for Public Realm)

2 DECLARATION OF INTERESTS

Councillor Meirick Davies – Personal – Agenda Item 7 – rents council garage
Councillor Martyn Holland – Personal – Agenda Item 5 – governor Bro Famau
Councillor Huw Williams – Personal – Agenda Item 5 – child in Pen Barras

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 13 January 2015 were submitted.

***RESOLVED** that the minutes of the meeting held on 13 January 2015 be approved as a correct record and signed by the Leader.*

5 MODERNISING EDUCATION PROGRAMME - RUTHIN PRIMARY AREA - YSGOL LLANBEDR

Councillor Eryl Williams presented the report briefing Cabinet on the recent decision of the Minister for Education and Skills regarding the future of Ysgol Llanbedr and seeking approval to commence consultation with the Church in Wales on the proposal to close Ysgol Llanbedr and report back to members thereon.

The Minister had rejected the proposal to close the school because he concluded that whilst there were sound educational arguments in favour of the proposal the consultation had been flawed. Following a review of the decision letter officers had recommended formal consultation with the Diocese on the school's future. Officers advised that the Diocese had alternative options for the school and further information would be sought during the consultation process to ascertain whether any alternative proposal addressed all the issues identified. Cabinet discussed the way forward in light of the information presented and it was confirmed that the purpose of today's report was not to debate school closure but to seek approval to commence consultation with the Church in Wales. The outcome of those discussions would be presented to Cabinet in April/May. It was also clarified that the outcome would not impact on the rest of the Ruthin area review proposals.

Councillor Huw Williams opposed the school's closure and was disappointed the matter had been brought before Cabinet so soon after the Minister had rejected the proposal. He highlighted that consultation flaws had been identified despite previous assurances in that regard from officers and following call in by Communities Scrutiny Committee. Reference was also made to the stress caused to school staff, parents and pupils as a result. In considering the next steps Councillor Williams advised that pupil numbers were increasing and asked that the school be granted a period of stability in which to flourish – he urged Cabinet not to instigate formal consultation on the school's closure but that the matter be adjourned pending informal discussion with the Diocese in the first instance. Councillor Joe Welch also spoke in support of the school, highlighting that funding to progress the Ruthin area review proposals was in place and not reliant on the school's closure. He was unhappy that officers were minded to re-commence consultation on school closure and raised questions regarding the cost of the consultation process. Councillor Dewi Owens also urged Cabinet to take time to reflect, particularly in light of pupil projections, and advocated wider consultation.

The following responses were provided to the issues raised –

- the Minister had been satisfied that the Council had a coherent educational case for the closure of Ysgol Llanbedr and transfer of pupils to Ysgol Borthyn
- critically the Minister was satisfied that the proposal would ensure a fairer and more equitable distribution of funding between mainstream schools in the county
- Denbighshire had been the first local authority to work to the new School Organisation Code and the consultation flaws identified by the Minister had not been raised previously at any other forum
- officers and members did not necessarily agree with the Minister's findings and although judicial review had been considered, it did not constitute best use of time and resources and the option to re-commence consultation had been recommended instead – the costs of consultation had been met within service budget

- informal discussions would take place with the Diocese in addition to the formal 28 day consultation period. Consideration would be given to alternative proposals which addressed the key issues and the Diocese would be invited to present those proposals to members
- the Council was required to tackle surplus places across the whole of Denbighshire and report back thereon to Welsh Government on an annual basis
- assurances were provided that support to the school would not be diminished in the interim period, regardless of the outcome.

Having considered the Minister's letter and issues raised during debate Cabinet was keen to address the school's future as soon as possible and end the period of instability. Cabinet agreed there was a need for formal consultation with the Church in Wales in the first instance and that the outcome of those discussions be reported back to Cabinet for consideration.

RESOLVED that Cabinet –

- (a) *notes the contents of the Ministerial letter attached at Appendix 1 to the report, and*
- (b) *agrees for officers to commence consultation with the Church in Wales on the proposal to close Ysgol Llanbedr and report back to members.*

6 IMPLEMENTATION OF THE HOUSING ACT WALES 2014

Councillor Hugh Irving presented the report detailing the requirement for Welsh local authorities to determine which groups of homeless persons it would apply the "intentionally homeless" test to following implementation of the Housing (Wales) Act 2014 in April 2015.

The definition of intentionally homelessness under the new Act was provided together with details of those groups to which the test could be applied. Whilst Welsh Government's future intention was to remove the intentionality test for all families from around April 2019 officers considered that, for practical reasons, it would not be timely or appropriate to remove it from any individual grouping at this point. Consequently it was recommended that the Council did not exclude any of those eligible groups but continued to apply the test to all of them.

Officers clarified that approval of the recommendation would result in no change to the Council's current policy but would maintain the existing position until Welsh Government removed the test. The test would remain as a support to people rather than a punitive measure. Cabinet discussed with officers the reasons for not removing the intentionality test at this time and officers provided examples of the types of homeless households presented to the authority, application of the intentionality test in practice, and how positive engagement could benefit both individuals and families and provide sustainable tenancies helping mitigate the business risk to landlords. It was noted that intentionality decisions were rare and represented approximately 5% of all decisions taken in 2014. Cabinet recognised the benefits of taking an interim position until the future removal of the test whereby the test was used in a positive way to encourage cooperation and engagement with

households to address underpinning issues and needs, and develop closer working with partner agencies in order to deliver a joined up multi-agency framework for homeless households with unmet support needs. It was also recognised that this approach would likely relieve pressures on other Council services, in particular Adult and Children's Services. The need to take time to establish an appropriate framework for when the test was removed was also highlighted and assurances were provided that a consistent approach was being taken by neighbouring authorities who did not support removal of the test at this time.

The Leader queried the financial implications arising from the recommendations and officers reported that new responsibilities monies was being provided by Welsh Government as part of the wider additional activities bestowed on local authorities arising from the implementation of the Housing Act. It was confirmed that future reports to Cabinet would contain information on the wider financial context.

RESOLVED that Cabinet agree that Denbighshire County Council does not exclude any of the groups named under section 2 of the report, but rather continues to apply the "intentionality test" to all of them and publishes its intent to do so in accordance with Welsh Government direction as detailed in Appendix 1 to the report.

7 HOUSING RENT SETTING & HOUSING REVENUE AND CAPITAL BUDGETS 2015/16

Councillor Julian Thompson-Hill presented the report seeking approval of the proposed rent increase and introduction of service charges, and approval of the Housing Revenue Account Capital and Revenue Budgets for 2015/16. The report also included reference to the Council's exit from the HRAS system in April 2015 and Councillor Hugh Irving was pleased to report on the positive engagement of the four tenant representatives on the HRAS Working Group and their valuable contribution to that process.

Councillor Thompson-Hill guided members through the budget figures which had been calculated taking into account the new rent policy, de-pooling of service charges, mechanism for uplifting rents and the introduction of a fixed service charge where applicable. The Service Charge Officer reported that a variable service charge had been initially recommended but because 90% of tenants were on fixed term annual contracts it had been more appropriate to introduce a fixed term service charge and pass the subsequent savings onto the tenants.

During consideration of the report the following issues were raised –

- Councillor Huw Jones was keen to ensure that the planned review of council garages was undertaken – it was agreed to include the review in the resolution
- it was highlighted that some council garages were not being used appropriately and officers provided assurances that action would be taken against those using council garages against terms of tenancy
- an explanation was provided regarding the application of the criteria for target rents with steps being taken to gradually increase rents in order to meet Welsh Government target rent figures for each separate property by 2015/16

- there was some dissatisfaction about the Welsh Government's calculation of average rents which did not take into account prosperity within different areas but it was accepted that this element was outside of the Council's control
- members were pleased to note that an element of new build had been factored into the Housing Stock Business Plan which would provide good quality accommodation for Denbighshire residents – the need to publicise this issue as a good news story was reiterated
- officers confirmed there was no reliance on Right to Buy sales as a funding source for the Housing Stock Business Plan with this element having significantly reduced over the years to just one sale forecast per annum.

RESOLVED that –

- (a) *the Housing Revenue Account Budget for 2015/16 (Appendix 1 to the report) and the Housing Stock Business Plan (Appendix 2 to the report) be adopted;*
- (b) *rents for Council dwellings be increased in accordance with the Housing (Wales) Act 2014 to an average weekly rent of £74.93 with effect from Monday 6 April 2015;*
- (c) *rents for Council garages be increased in line with the increase in rents for Council dwellings;*
- (d) *that fixed average service charges of £1.99 per week are introduced where applicable in line with the Housing (Wales) Act 2014, and*
- (e) *a review of garage sites be undertaken in 2015/16 as part of the Asset Management Strategy, the outcomes of the review to be reported back to Cabinet when it is completed and by no later than 31 December 2015 in any event.*

At this juncture (11.40 a.m.) the meeting adjourned for a refreshment break.

8 RECOMMENDATIONS OF THE STRATEGIC INVESTMENT GROUP

Councillor Julian Thompson-Hill presented the report seeking Cabinet's support of projects identified for inclusion in the 2015/16 Capital Plan as recommended by the Strategic Investment Group (SIG) and detailed in Appendix 1 to the report.

Councillor Thompson-Hill guided members through the report and elaborated upon funding available for capital investment to one-off projects and block allocations for on-going programmes of work. Reference was made to the work of the SIG in reviewing bids for allocations together with issues that arose during that process and a summary of the recommendations. Due to insufficient capital funding being available to cover all projects a number of pre-allocations from future capital receipts had been recommended.

Questions were raised regarding the £2m street lighting replacement programme and it was explained that in order to meet the requirement to submit applications for Government Salix funding on an annual basis it was proposed that an annual loan

of approximately £335k be taken out each year over six years on a rolling basis repayable out of the savings made from the previous year. The programme involved replacing existing lanterns with new LEA lanterns which should provide significant savings on energy and maintenance costs. Councillor Bill Cowie reported upon the poor lighting at the Pelican Crossing in St. Asaph (A525) since LEA street lighting had been installed and asked that the matter be investigated before consideration of the proposal at full Council. Councillor Thompson-Hill agreed to liaise with Councillor David Smith, Lead Member for Public Realm directly in that regard. He also responded to further questions regarding carbon emissions confirming that monitoring of the council's buildings was undertaken in that regard and energy efficient schemes had been introduced in some areas.

The Leader felt that the process of reviewing bids and allocating capital was robust but asked that consideration be given how to measure value for money and impact of capital investment in future years. Councillor Thompson-Hill agreed with that suggestion – he also agreed to provide further details regarding membership of the SIG in future reports and confirmed that meetings were generally well attended.

RESOLVED that the projects detailed in Appendix 1 to the report for inclusion in the 2015/16 Capital Plan be supported and recommended to full Council.

9 FINANCE REPORT

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

- a net under spend on the revenue budget of £639k was forecast for service and corporate budgets
- savings of £7.1m were agreed as part of the budget and at this stage 90% had been achieved with 10% in progress
- highlighted other key variances from budgets or savings targets relating to individual service areas, and
- a general update on the Housing Revenue Account, Housing Capital Plan and the Capital Plan (including the Corporate Plan element).

Cabinet was also asked to approve the transfer of £100k funding to a reserve to fund school broadband enhancements in 2015/16.

Discussion focused on the following –

- the Corporate Director Economic and Community Ambition responded to questions regarding Rhyl Harbour Development confirming it had a good uptake during its first year – a more detailed review would be undertaken following its first full year of operation
- concerns were raised regarding Welsh Government's budgetary decisions whereby various grants were being awarded (and in one case removed) at such a late stage in the financial year that it caused difficulties for Councils planning their financial strategies and funding plans – particular reference was made to Welsh Government's late decision to award Councils £1.5m to spend on play

equipment by the end of March 2015 whilst simultaneously imposing significant budget cuts – it was considered that if funding was available it should be allocated beforehand to help shield Councils against the worse cuts

- concerns were also raised regarding the future of TAITH as much of the responsibility of that regional board had been disbanded by the Welsh Government – whilst plans could be made on a regional basis, local authorities would need to bid for funding individually and not on a coherent basis. Councillor Eryl Williams stated that the regional model had worked effectively and discontinuing that work was a retrograde step and out of line with the Welsh Government's vision for regional collaboration – he asked that the matter be raised directly with the Welsh Government
- members also reiterated previous concerns raised over the loss of income from the North and Mid Wales Trunk Road Agency and impact on the revenue budget
- it was noted that changes approved in respect of the School Transport Service would not impact immediately but would be largely resolved long term
- updates on the major capital projects were provided and responses given to questions raised on individual projects. Councillor Eryl Williams felt there would be merit in providing pictures of the major projects at full Council.

RESOLVED that Cabinet –

- (a) *notes the budgets set for 2014/15 and progress against the agreed budget strategy;*
- (b) *approves the transfer of £100k funding to a reserve to fund school broadband enhancements in 2015/16, and*
- (c) *a letter be sent to the Welsh Government regarding the Cabinet's concerns in respect of the Minister's proposals in relation to TAITH.*

10 CABINET FORWARD WORK PROGRAMME

Councillor Hugh Evans presented the Cabinet Forward Work Programme for consideration. Members noted that a report on the Long Term Strategy for the Agricultural Estate would be added to the work programme for March.

RESOLVED that Cabinet's Forward Work Programme be noted.

The meeting concluded at 12.45 p.m.