

## **CABINET**

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 24 November 2015 at 10.00 am.

### **PRESENT**

Councillors Hugh Evans, Leader and Lead Member for the Economy; Bobby Feeley, Lead Member for Social Care, Adult and Children's Services; Hugh Irving, Lead Member for Customers and Libraries; Huw Jones, Lead Member for Community Development; Barbara Smith, Lead Member for Modernisation and Housing; David Smith, Lead Member for Public Realm; Julian Thompson-Hill, Lead Member for Finance, Corporate Plan and Performance and Eryl Williams, Deputy Leader and Lead Member for Education

**Observers:** Councillors Meirick Davies and Martyn Holland

### **ALSO PRESENT**

Chief Executive (MM); Corporate Director: Communities (NS); Head of Legal, HR and Democratic Services (GW), Chief Finance Officer (RW), and Committee Administrator (KEJ)

### **ONE MINUTE SILENCE**

The Leader referred to the two recent tragedies in Corwen and lives lost and members stood in silent tribute.

#### **1 APOLOGIES**

There were no apologies.

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

No declarations of interest had been raised.

#### **3 URGENT MATTERS**

No urgent matters had been raised.

#### **4 MINUTES**

The minutes of the Cabinet meeting held on 27 October 2015 were submitted.

Matters Arising – Page 6, Item 5: Proposals relating to Ysgol Llanfair DC and Ysgol Pentrecelyn – The Head of Legal, HR and Democratic Services reported upon the call in of the decision on this item which had been considered by the Communities Scrutiny Committee on 16 November 2015. A motion to refer the matter back to Cabinet had been defeated and the Cabinet decision stands.

Councillor Eryl Williams acknowledged scrutiny as an integral part of the process and some discussion took place about how Cabinet and Scrutiny could work better together to ensure scrutiny of importance matters were more effective. It was agreed that this matter be referred to the Scrutiny Chairs and Vice-Chair's Group for further consideration.

**RESOLVED** that the minutes of the meeting held on 27 October 2015 be approved as a correct record and signed by the Leader.

## **5 CORPORATE PLAN - FINANCIAL UPDATE**

Councillor Julian Thompson-Hill presented the report providing an updated financial position on the Corporate Plan.

The Corporate Plan was launched in 2012 and set out an ambitious programme of capital investment in schools, roads, social care and modernisation. Delivery of the Plan was reliant on securing budget to fund borrowing and maintaining cash reserves together with government grant to help deliver the 21st Century Schools programme, and in previous years government grant had also supported the funding of additional highways investment. The Plan had developed since 2012 and to make it affordable some revisions had been necessary alongside changes in planning assumptions.

Councillor Thompson-Hill elaborated upon the financial elements of the Corporate Plan, including key assumptions, particularly referring to –

- council's agreement to prioritise delivery of the Plan in future budget rounds
- key changes to the original Plan being the removal of the Office Accommodation project and a reduced estimated cost of the 21st Century Schools programme
- Cabinet having agreed in June 2015 to increase Highways expenditure by £3.2m to £18.4m through the additional allocation of £800k per year
- the latest position regarding funding of the 21st Century Schools programme with confirmation having recently been received from Welsh Government that the revised Strategic Outline Programme submitted in June 2015 was acceptable and all schemes (including the faith school project, Ruthin Town School, Ysgol Carreg Emlyn, Llanfair/Pentrecelyn Areas and Ysgol Pendref in Denbigh) would be funded at 50%
- total estimated capital costs being £126m and a snapshot of current cashflow and spend up to 2019/20 had been included at Appendix 1 to the report.

In conclusion Councillor Thompson-Hill advised that the Plan was robust and, all things being equal, resources were in place for the Plan to remain deliverable.

During consideration of the report the following matters were discussed –

- Councillor Eryl Williams reiterated that Denbighshire was at the forefront in terms of investing in school buildings and that strategy was now coming to fruition with Welsh Government funding all schemes at 50%. He gave credit to the previous council for their long term vision for schools and to the current

council for continuing that investment – he highlighted that Denbighshire's position was in contrast to other councils who were not in a position to invest

- it was clarified that the original assumption for the faith school was based on council funding 15% and for the Ruthin area schools council funding 100% – by combining those elements and agreeing a new 50% funding package with the Welsh Government the council was now benefitting from an extra £6m funding
- assurances were sought regarding delivery of the extra care housing projects and Councillor Bobby Feeley reported upon timescales for delivery and progress made and she highlighted that progress was also reliant on external partners
- members highlighted the need to keep the progress of projects under close review in order to avoid slippage and Councillors Eryl Williams and Julian Thompson-Hill reported upon the work of the Modernising Education Board in ensuring timely delivery of the school projects – a progress report on the faith school project would be submitted to the next Council Briefing meeting
- Councillor David Smith responded to questions regarding highways funding and confirmed an additional £800k had been allocated to highways to try and maintain standards for priority roads but despite that additional investment it was likely that levels would slowly deteriorate
- in responding to questions on prudential borrowing Councillor Thompson-Hill confirmed the PFI and HRA subsidy buy outs had resulted in financial gains. Prudential indicators were agreed annually by council including the borrowing ratio and he was comfortable with the current level of borrowing. It was noted that Corporate Governance Committee also had a role in monitoring those figures.

Cabinet noted that not all projects in the Corporate Plan were due for completion during the current council term and asked whether there were any safeguards to ensure the Plan would be fully delivered following the local elections in 2017. Cabinet was advised that, based on current projections, most projects would be at an advanced stage and contractually obliged to proceed. However there was a risk of slippage, particularly in terms of extra care housing. Consequently Cabinet felt this matter should be kept under close review and every endeavour made to ensure the Corporate Plan was delivered in full. The Chief Executive referred to the different stages and complexities of the projects within the Plan, the challenge of implementation, and his view that Cabinet should be more involved in that regard. It was agreed that Cabinet receive regular progress reports on the various projects.

Cabinet was pleased to note the robustness of the Plan and mechanisms in place to oversee and ensure its successful delivery going forward. The Leader highlighted the difficult and unpopular decisions made over recent times and was pleased to highlight the positive difference that the Plan's delivery would make to the county.

**RESOLVED that –**

- Cabinet confirm the assumptions noted within the Plan, and*
- members request further reports to Cabinet in January 2016 and at regular intervals thereafter on the progress being made on each of the projects identified in Appendix 1 to the report.*

## 6 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 of £0.298m was forecast for service and corporate budgets
- 91% of agreed savings had been achieved to date (target £7.3m) and details of progress towards achieving the remaining 9% had also been provided
- highlighted 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).

The following matters were raised during debate –

- Councillor Eryl Williams referred to the policy of offering redundant school buildings to the local community as a first option but highlighted the number of long standing empty school buildings and costs incurred as a result – consequently work was underway to tighten the policy and ensure the community use offer did not remain open-ended
- Councillor David Smith explained the implications of the reductions in fee income from the North and Mid Wales Trunk Road Agency and the allocation of investment and level of work in this area. Councillor Huw Jones highlighted that the A5 trunk road was in particular need of investment
- particular reference was made to the progress in achieving the remaining 9% (£638k) of savings for 2015/16 and some projected to be achieved by 2016/17 – any shortfall caused by delay in implementation would be met from other sources in the services concerned.

Councillor Julian Thompson-Hill also responded to questions raised by non-Cabinet members as follows –

- approximately £900 savings had been identified from not paying travelling expenses to members attending meetings as observers
- the framework agreement used for supply teachers had delivered savings
- elaborated upon emerging risks regarding the council's liabilities relating to historical claims in respect of the former Mutual Municipal Insurance Company
- advised there had been a press release highlighting the benefits of the termination of the PFI agreement but specific terms remained confidential – in addition to significant savings the buyout provided greater flexibility over the buildings and car parks and work had commenced on investigating possibilities in terms of future use. Councillor Bobby Feeley reported that she was preparing some literature for local residents to update them on the PFI buyout and associated issues as they progressed
- confirmed that any future rent freeze by the Welsh Government would have an impact and be contained in the Housing Revenue Account budget.

The Chief Executive reported upon the relatively healthy financial position at this stage in the financial year and he was confident of a balanced budget. He referred to the imminent Autumn Financial Statement and implications for Wales and raised concerns that local government could lose out to other areas of the public sector.

***RESOLVED*** that Cabinet notes the budgets set for 2015/16 and progress against the agreed budget strategy.

## **7 CABINET FORWARD WORK PROGRAMME**

The Cabinet Forward Work Programme was presented for consideration and members noted the following amendments –

- an additional item for December on the Development of West Parade, Rhyl
- an additional item for January on Treasury Management Strategy
- an additional item for February on the Capital Programme
- former North Wales Hospital, Denbigh rescheduled from December to February
- a progress report on Corporate Plan projects for January and at regular intervals as agreed by Cabinet earlier on the agenda.

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

The meeting concluded at 11.30 a.m.