

CABINET

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 12 January 2016 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 Ann Davies and Meirick Davies

ALSO PRESENT

Chief Executive (MM); Corporate Directors: Economy and Public Realm (RM) and Communities (NS); Head of Legal, HR and Democratic Services (GW); Supporting People Team Manager (KN); Chief Finance Officer (RW), and Committee Administrator (KEJ)

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

Councillor Meirick Davies declared a personal interest in Agenda Item 6: Budget 2016/17 because he was Chair of the Fire Authority.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 15 December 2015 were submitted.

***RESOLVED** that the minutes of the meeting held on 15 December 2015 be approved as a correct record and signed by the Leader.*

5 DENBIGHSHIRE SUPPORTING PEOPLE LOCAL COMMISSIONING PLAN 2016-19

Councillor Bobby Feeley presented the report seeking Cabinet approval of the Supporting People Local Commissioning Plan 2016 – 19 prior to its submission to the North Wales Regional Collaborative Committee.

Supporting People (SP) was a Welsh Government funding stream providing housing related support to vulnerable people to enable them to live as independently as possible. Councillor Feeley reported upon the good work undertaken within Denbighshire supporting a range of projects via charities and the third sector together with key internal support services which were funded by the SP grant. The Plan detailed priorities and actions over the next three years and reference was made to the funding implications arising from funding cuts, with indicative reductions by provider for 2016/17 contained within a confidential appendix to the main report.

Cabinet considered the priorities detailed within the report together with the proposals to manage the reduction in funding. Members recalled they had called for on-going assistance for the SP Programme at full Council in September 2015 and whilst Welsh Government had not reduced the budget this year, further cuts were expected in the future. Members questioned the sustainability of future projects in light of further cuts and sought assurances regarding plans to mitigate funding reductions. Officers explained the methodology in planning for funding cuts which had mainly been achieved to date through efficiencies and negotiations with service providers which had not yet impacted on frontline services. Members' attention was drawn to the comparison of 2014/15 and 2015/16 spend as detailed in the Plan and officers confirmed that a contingency fund had been established in the event of any in year cuts being applied. A needs mapping exercise was used in order to distribute funding appropriately taking into account Welsh Government direction. Future funding cuts required some services to be decommissioned which would be carried out in line with the Denbighshire SP Decommissioning Strategy. Much work was being carried out in order to evidence outcomes and demonstrate the sustainability of those services commissioned. Responding to questions regarding the Council's response to refugee status, officers reported upon the Government's resettlement programme for Syrian refugees. It was clarified that a different statutory process applied to asylum seekers.

RESOLVED that Cabinet approves the Supporting People Local Commissioning Plan 2016 – 19 prior to its submission to the Regional Collaborative Committee in February 2016.

6 BUDGET 2016/17 (FINAL PROPOSALS - PHASE 6)

Councillor Julian Thompson-Hill presented the report setting out the implications of the Draft Local Government Settlement 2016/17 and proposals to finalise the budget for 2016/17, including the level of Council Tax.

Councillor Thompson-Hill provided an overview of the budget process and latest budget position and elaborated upon the proposals for consideration and recommendation to full Council in order to set the budget for 2016/17. The draft settlement had been much better than expected with an overall cash reduction of 1.2% to Denbighshire which meant a funding reduction of £3.9m less than anticipated. Consequently the latest proposals required no further savings from services in 2016/17 (savings of £5.2m had already been identified) and would allow for a lower level of Council Tax rise from 2.75% to an average of 1.5%. The

proposed budget had also taken into account an increase in funding to schools to meet the national level of protection at 1.85% and to set aside £480k to mitigate risks to delivering the budget.

Cabinet discussed the budget proposals at length and the main areas of debate focused on the following –

- members considered the adequacy of the proposed budget contingency of £480k and discussed the risks associated with delivering the budget given that councils were having to set budgets and Council Tax based on a provisional settlement. A number of revenue grants had not yet been confirmed and some of the savings agreed for 2016/17 may require a longer lead-in time to deliver. There was also scope for the final settlement to change, particularly in light of lobbying from rural councils who had been subject to greater reductions. The role of the Welsh Local Government Association in that process was discussed together with the possibility of councils with more favourable settlements providing subsidies for those worse off. The Chief Executive reported that such an approach was possible but unlikely and it was expected that the funding shortfall for rural councils would more likely be subsidised through other grant funding streams rather than a review of the draft settlements. Based on current assumptions the proposed budget contingency of £480k to mitigate risk was considered appropriate. Any greater shortfall in the budget would lead to further scrutiny of individual budgets and/or the use of corporate reserves. Councillor Barbara Smith felt the council should make it clear that it would not be reversing any previous budgetary decisions in light of the better than expected settlement
- Councillor Eryl Williams felt it would be prudent to consider an average Council Tax increase of 2% in order to protect against future cuts and mitigate financial risks. He noted there had been consensus for a 1.5% average increase at the last budget workshop but due to the low attendance he felt that view may not be truly representative. There was some debate around the pros and cons of such an approach and balancing the need for prudence and contingency over the impact on residents. The majority of members believed that, given the better than expected settlement and affordability of the Council's budget with a 1.5% increase, and given that Denbighshire's Council Tax level was still high compared to other Welsh authorities, a 1.5% increase would be prudent and appropriate. There were also reservations that a contingency reserve would be built up for no specific purpose. It was acknowledged that the issue would likely be subject to further debate at full Council and it was suggested there may be merit in providing a further breakdown of figures for a 2% average increase for consideration at that meeting to put the actual amount for each band into context. It was noted that the council had no control over other elements making up the Council Tax – the Fire Service levy or Police and City/Town/Community Council precepts
- reference was made to the 1.85% increase in funding to schools to meet the national level of protection and members considered whether there would be any merit in seeking a breakdown of the amounts given to individual schools together with evidence of outcomes as a result of the additional funding. Mention was made to the role of the Schools Budget Forum within that process

and as the amounts to individual schools would vary, and given that any additional funding would likely address existing school budget pressures, it was agreed there would be little merit in such an analysis but that the Schools Standards Monitoring Group would be best placed to look into the matter. It was also noted that the impact on schools was unclear in terms of Welsh Government funding, particularly for the foundation phase and Post 16 education. Councillor Eryl Williams advocated a more open and transparent process with regard to schools funding allocations. He felt that more could be done to highlight the funding increase for schools and the fact that spend per pupil in Denbighshire was higher than other local authorities together with the significant investment in schools via the 21st Century Schools Programme

- in terms of the possibility of a further direction from Welsh Government to financially protect social care it was noted that there was an expectation that councils did not cut social care budgets but no clarification given as to how they should meet that expectation in terms of specific care services. Councillor Bobby Feeley elaborated upon the reasoning for re-designing social care services in order to respond to changing needs and demographics and not just as a response to budget pressures, citing in-house care services as an example
- clarity was sought over the impact of the budget on the council's general reserves and members were reminded that last year full Council had approved the use of £500k general balances to support the revenue budget for the next three financial years. The decision had been made following an assessment of balances and it was considered that a managed reduction over three years was an acceptable approach.

The Leader was pleased to acknowledge the better than expected draft settlement. He referred to the open and transparent budget setting process and paid tribute to the work of officers and services involved in that regard. Assurance could be taken from Denbighshire's robust financial planning and the fact that the Cutting Our Cloth Task and Finish Working Group had not found any outstanding issues when reviewing the impact of budget decisions. The Leader was pleased to support the budget proposals in order to deliver a budget which also allowed for investment in the council's priorities. The Chief Finance Officer highlighted the difficulties in financial planning due to the uncertainty over the level of financial settlements and provided some context in terms of budget assumptions going forward.

RESOLVED that Cabinet –

- (a) *notes the impact of the Provisional Local Government Settlement and that no further savings beyond the £5.2m already approved are required from services for 2016/17, and*
- (b) *supports the following proposals and accordingly recommends them to the full Council in order to finalise the 2016/17 budget:*
 1. *to increase funding to schools to meet the national level of protection of +1.85%*

2. to set aside a one-year budget delivery contingency of £480k for 2016/17 to mitigate the risks to the delivery of the budget set out in the report
3. to recommend to Council the resulting average increase in Council Tax of 1.5%.

At this juncture (12 noon) the meeting adjourned for a refreshment break.

7 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 £0.460m was forecast for service and corporate budgets
- 91% of agreed savings had been achieved to date (target £7.3m) and the majority of the remaining savings were projected to be achieved by 2016/17 at the latest
- 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).

Councillor David Smith provided an update on highway matters advising that new parking fees would be operational from 1 March 2016 to alleviate the overspend in this area. He reported upon work currently being undertaken to update parking meters in order to accept card payments and serving legal notice of the new fees. Councillor Smith also reported upon an ongoing legal challenge around the designation of a safe route in the south of the county following implementation of the new school transport policy. The Head of Legal, HR and Democratic Services provided further information regarding the legal process and potential outcomes surrounding the legal challenge in response to questions thereon. In terms of work carried out on behalf of the Trunk Road Agency this remained a risk.

Councillor Huw Jones highlighted the need to address how Town and Area Plans would be progressed in future to ensure their continuation. The Leader referred to a forthcoming meeting at which that matter could be taken forward.

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

8 CABINET FORWARD WORK PROGRAMME

The Cabinet Forward Work Programme was presented for consideration and members noted the contents.

The Chief Executive took the opportunity to provide a verbal update on the potential joint faith school advising that other possible options to those that had been presented would be explored with the outcome reported back to Cabinet briefing.

RESOLVED that Cabinet's Forward Work Programme be noted.

The meeting concluded at 12.30 p.m.