

CABINET

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 26 July 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; 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 Martyn Holland, Arwel Roberts, Huw Williams and Mark Young

ALSO PRESENT

Chief Executive (MM); Corporate Director: Communities (NS); Head of Legal, HR and Democratic Services (GW); Lead Business Partner – Organisational Development (AM); Programme Manager – Modernising Education (JC); Senior Valuation and Property Surveyor (MJ); Chief Finance Officer (RW), and Committee Administrator (KEJ)

ANNOUNCEMENTS

The Leader –

- (i) updated members on the recovery of Councillor Huw Jones who had recently been taken ill and confirmed interim arrangements to realign his responsibilities to other Cabinet Members to ensure all areas of his portfolio would be covered in his absence together with, as far as possible, his community responsibilities, and
- (ii) congratulated Wales football team on their success in Euro 2016 and thanked officers involved in arranging the fan zone at Rhyl events arena for Wales' Euro semi-final match at such short notice which had proved popular and had been well received.

1 APOLOGIES

Councillor Huw Jones, Lead Member for Community Development

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 28 June 2016 were submitted.

RESOLVED that the minutes of the meeting held on 28 June 2016 be approved as a correct record and signed by the Leader.

5 PART 9 OF THE SOCIAL SERVICES AND WELL-BEING (WALES) ACT 2014 - REGIONAL PARTNERSHIP BOARD

Councillor Bobby Feeley presented the report setting out the requirements to establish a Regional Partnership Board in each health board region in Wales, and the steps being taken to establish this Regional Partnership Board in North Wales.

The purpose of Part 9 was to improve outcomes and wellbeing of people as well as improving the efficiency and effectiveness of service delivery. The new statutory Regional Partnership Boards would promote integrated working and take an overview of a range of regional funding streams as directed by Welsh Government. A Shadow Board had been established to facilitate the process with formal establishment of the Board in September following agreement of statutory partners which included the six local authorities and Betsi Cadwaladr University Health Board. Councillor Feeley believed the Act had been a necessary catalyst for change in responding to increasing demographics, living longer and better lives.

The Lead Member and Corporate Director responded to questions as follows –

- the issue of resources (cash, people, assets, facilities, etc.) for partnership arrangements was not clear at this stage and would be a matter for the Board to consider; the Shadow Board had co-opted S.151 representation from the region, with the Council's S.151 Officer taking the lead, which gave assurances regarding the financial aspects of the arrangements
- the cooperation and partnership elements would help progress the integration of social services and health and the regional needs assessment would help identify priority areas for delivering integrated working locally which would include both regional and sub regional projects
- the Board would be responsible for ensuring an equitable and appropriate distribution of funding stream allocations from the Welsh Government to benefit the region
- third sector organisations would also be represented and become statutory partners when the formal Board was established.

RESOLVED that Cabinet –

- (a) *endorses the proposals of the Shadow Regional Partnership Board the establishment of the Regional Partnership Board subject to a continuing two way dialogue between the Board and partners on the work programme and operating arrangements for the Board;*
- (b) *nominates its statutory Director and lead member for Social Services to sit on the Board, and*

(c) *supports the structural option where –*

- (i) *the Leadership Group of Officers supports the Board by providing strategic advice and directing operational work*
- (ii) *the Board works in partnership with area arrangements to deliver integrated services and pooled budgets (where appropriate).*

6 EMPLOYMENT AND ICT POLICIES

Councillor Barbara Smith presented the report recommending adoption of four employment policies which had been developed/revised. The report detailed the two new policies and highlighted proposed changes within the existing policies and reasons therefore. Unions had been consulted and were in agreement.

The four policies referred to the following –

- (1) ICT Information Security Policy (Revised Policy)
- (2) Wellbeing and Support Policy (New Policy)
- (3) Phased Return to Work Procedure (New Procedure)
- (4) Travel Policy (Revised Policy)

It was noted that the Local Joint Consultative Committee (LJCC) had again been inquorate on the employees' side. Assurances were given that the Unions had been consulted on the policies outside of the LJCC meeting which had resulted in revised wording to the Wellbeing and Support Policy to satisfy them with regards to the treatment times when accessing counselling support and physiotherapy/osteopathy services. All final revisions had been agreed by the Unions prior to submission of the policy documents to Cabinet.

RESOLVED *that Cabinet adopt the employment policies as detailed within the report.*

7 STRATEGY FOR THE PREVENTION AND DETECTION OF FRAUD, CORRUPTION AND BRIBERY

Councillor Barbara Smith presented the revised strategy for the prevention and detection of fraud, corruption and bribery for approval. The previous strategy had been adopted in 2006 and the latest draft had been updated to take into account new legislative, technological and professional developments and included a clear message that the Council would not tolerate impropriety.

During debate questions were raised regarding actions to deal with a range of fraudulent activities together with any revisions in terms of identified best practice.

The Head of Legal, HR and Democratic Services responded as follows –

- explained that the Council would continue to adopt a proactive approach to countering fraudulent activities with the revised strategy clearly setting out the Council's position in that regard and the management controls in place

- advised that the Department of Work and Pensions was responsible for dealing with prosecutions relating to benefit fraud but for the sake of completeness housing/council tax benefit fraud had been referenced with the strategy
- since adoption of the policy in 2006 CIPFA had published new guidance with a greater emphasis on the identification of risk. Reference was now made in the Corporate Risk Register to promote vigilance and minimise risk and work had also been undertaken to create an effective counter fraud culture with a range of other strategies in place promoting vigilance together with measures to be taken should fraudulent activities be identified
- the Council had a range of measures to safeguard against internet fraud including secure IT and electronic procurement systems and identification checks. As part of the Public Sector Network the Council had to satisfy stringent government standards in terms of security on an annual basis.

RESOLVED that Cabinet approves the draft Strategy for the Prevention and Detection of Fraud, Bribery and Corruption as attached at Appendix 1 to the report.

8 ANNUAL TREASURY MANAGEMENT REPORT 2015/16

Councillor Julian Thompson-Hill presented the report updating Cabinet on the performance of the treasury management function and demonstrating compliance with treasury limits and Prudential Indicators during 2015/16.

In summarising the report Councillor Thompson-Hill referred to the economic background and impact on treasury management activities. He highlighted the main points for members in terms of borrowing and investment activity including the buyout of the County Hall PFI agreement and the Housing Revenue Subsidy buyout, both of which would result in significant savings to the authority. He also confirmed compliance with all prudential indicators set and guided members through those indicators as detailed in Annex B to the report. The Chief Finance Officer reminded members that the Council's borrowing was driven by its capital expenditure linked to the capital plan. Following the vote to leave the European Union there had been some fluctuation in financial markets which had since settled. Cabinet noted that the Corporate Governance Committee received a regular update on treasury management activities.

The following matters were raised during the ensuing debate –

- the recent announcement that banks may introduce negative interest rates, which would effectively mean they would start charging to accept deposits from business customers, was discussed. It was confirmed that such a measure would affect cash in the Council's current account and, if introduced, the risk would need to be carefully managed in order to limit exposure for holding money in current accounts and may result in modifying the current strategy in order to deposit more cash with the treasury than in banks
- the treasury management strategy was based on balancing risk with return on investment and over the last eight years returns had been very low compared to pre 2008 and a cautious approach was taken in that regard
- reference was made to the current borrowing strategy as a means of determining borrowing amounts and repayment periods – it was explained that

the strategy was governed by the current debt portfolio and maturity dates together with capital financing requirements; the debt profile was considered over a fifty year term

- assurances were sought over banks credit ratings and the Chief Finance Officer reported upon real time updates provided to the Council from its treasury advisers, Arlingclose Ltd to ensure immediate action could be taken to safeguard cash in those circumstances and the situation was constantly monitored. The latest advice in that regard was that no action was necessary.

Cabinet also expressed concern over the future financial uncertainties for both local government and the wider local and national economy and the impact of the vote to leave the European Union. Assurances were sought that members would be kept abreast of any developments in that regard as they emerged and that the Council would be in a position to influence and respond quickly in order to maximise any benefits to the county.

RESOLVED that the Annual Treasury Management Report for 2015/16 be noted.

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 overspend of £0.402m was forecast for service and corporate budgets
- 42% of savings had been achieved to date (target 5.2m) with a further 25% making good progress – a number of savings were being reviewed and the results would be included in future monitoring reports
- highlighted current risks and assumptions relating to individual service areas
- 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 David Smith referred to the need for the continual overspend on the School Transport budget to be addressed in the next budget round with a view to providing additional funding to meet the full cost of provision
- additional cost was also being incurred by the Council as a result of GHA Coaches going into administration as the Council tried to cover as many of those bus services as possible. Councillor Smith reported upon a forthcoming meeting with the Minister for Economy and Infrastructure to discuss what support would be available from the Welsh Government in that regard. Members discussed the implications both in terms of cost and future viability of particular bus routes and it was suggested that concerns regarding the potential loss of bus services, particularly in rural areas, also be raised with the Minister. Officers provided assurances regarding the robustness of the Council's tendering process for services, including price and quality criteria, and contractors would need to meet rigorous due diligence tests prior to the contract award. Unfortunately in the current financial climate the position of companies could change quite rapidly. In terms of future transport provision a revised

model or more innovative approach involving communities may be required. The Leader recommended that the Rural Transport Forum be resurrected, or a similar transport forum be established, to discuss the concerns and the way forward

- reference was made the pressures around the North and Mid Wales Trunk Road Agency (NMWTRA) contract with some staff having been moved to other service areas to reduce cost pressures and works had been limited to snow clearance and gritting. Concerns regarding the role of NMWTRA could be raised with the new Minister at the next meeting in October to ascertain whether he shared the view of the previous Minister. Councillor Huw Williams highlighted his concern regarding the poor condition of the A5 and Councillor David Smith explained that responsibility lay with the Welsh Government and recommended he contact the Minister directly in that regard
- Councillor Eryl Williams referred to Cabinet's decision to set up a task and finish group to review school balances and advised that work had started in that regard. He also referred to the Ruthin Primary Schools project as detailed in Appendix 4 to the report and asked that, for transparency, future reports also include the total overall project cost in addition to the feasibility/design element
- it was noted that inflationary pressures such as implementation of the National Living Wage and increase in care home fees would be met through service reserves in 2016/17 but it was a short term fix which would need to be addressed over the longer term
- in response to a question regarding other school refurbishment projects requiring capital investment, Councillor Eryl Williams reported that work had been carried out to identify areas for investment in anticipation of Band B funding which would be launched shortly.

RESOLVED that Cabinet notes the budgets set for 2016/17 and progress against the agreed budget strategy.

10 CABINET FORWARD WORK PROGRAMME

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

- Faith Based Secondary Provision – moved from September to October
- Town and Area Plans Funded Projects Update – September
- Former North Wales Hospital (CPO) – October
- LDP Annual Monitoring Report 2016 and LDP Review – October

RESOLVED that Cabinet's Forward Work Programme be noted.

EXCLUSION OF PRESS AND PUBLIC

RESOLVED that under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting for the following items of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 12, 13 and 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

11 GLASDIR EDUCATIONAL DEVELOPMENT (REPLACEMENT SCHOOL BUILDINGS AND FACILITIES FOR RHOS STRET SCHOOL AND YSGOL PEN BARRAS, RUTHIN)

Councillor Eryl Williams presented the confidential report seeking Cabinet approval to award the construction contract for the Glasdir educational development. The project included the construction and subsequent completion of the replacement school buildings and facilities for Rhos Street School and Ysgol Pen Barras.

During consideration of the report members noted the project procurement process together with funding requirements and projected timescale for completion. Councillor Williams responded to various issues raised regarding the development and reported upon the robustness of the process for calculating current and future pupil numbers with sufficient means for future expansion if the need arose. Assurances were also provided regarding the budget allocation for the project and flexibility in terms of contingency costs. Reference was also made to the future aspirations for the existing schools' site which had been well documented in terms of extra care housing provision. Councillor David Smith advised that he was seeking clarification regarding measures to be put in place to ensure a safe route to school, the cost of which should be met by the developer.

RESOLVED that Cabinet approves the final decision to enter into a formal contract with the named contractor as specified within the report for Phase 3 of the contract related to the Glasdir Educational Development project in accordance with the Council's Financial Regulations, subject to the overall funding package approved by full Council not being exceeded.

12 TYN Y CELYN, LLANBEDR DYFFRYN CLWYD, RHUTHUN

Councillor Julian Thompson-Hill presented the confidential report recommending Cabinet approved the declaration of the farm and land as surplus to requirements and its subsequent disposal on the open market.

Cabinet considered the merits of the proposal noting that disposal conformed with the Council's agricultural estates strategy and would generate a capital receipt providing finance for capital projects. The retention of approximately 25 acres would provide an opportunity to let that land to a new entrant to farming. Members welcomed the opportunity for new entrants and Councillor David Smith was keen that preference be given to candidates with an agricultural qualification and for local colleges to be actively involved to support the new entrant. Councillor Eryl Williams also mentioned that other organisations were providing opportunities in Snowdonia. Officers reported that discussions had previously taken place with a college regarding ways of assisting new entrants and that research had been carried with regard to other opportunities that were available. The need for an open selection process was highlighted and that the proposal was still in the development stages, but that the Agricultural Estate Working Group would be inputting into the selection process.

Councillor Eryl Williams stressed the need to ensure value for money with a minimum reserve price being set and asked that further consideration be given to

dividing the land into lots to ensure maximum income generation. He expressed concern that without the correct lotting, land could subsequently be sold by the new owner at inflated prices in the short term. Officers detailed the rigorous valuation and disposal process and use of an overage clause to protect the council's future interests with regard to any planning consent over the property. The reasoning behind the proposed division of land was further elaborated upon but in response to concerns raised, it was agreed to give further consideration to lotting of the site, and Cabinet agreed to amend the resolution to reflect that action.

RESOLVED that Cabinet approves –

- (a) *the declaration of Tyn y Celyn Farm amounting to circa 10.32 ha (25.47 acres) as shown edged red on Appendix A to the report as surplus to requirements and approves the disposal of the farm on the open market, having given due consideration to the lotting of the site and professional valuation advice as to the most advantageous proposal for the Council;*
- (b) *the retention of circa 10.42 ha (25.74 acres) of bare land and shown hatched in red on Appendix A to the report in order to let this land to a new entrant to farming;*
- (c) *that a portion of the capital receipts of circa £50,000 arising from the disposal should be retained and utilised so as to enable an agricultural building/base for the operations to be provided as part of the bare land letting, and*
- (d) *approves the declaration of the remaining 10.42 ha (25.74 acres) of land shown hatched in red on Appendix A to the report as surplus to requirements and approves the disposal of this land on the open market should it not have been possible to let this land to a new entrant within a period of 12 months.*

13 LODGE FARM, DENBIGH

Councillor Julian Thompson-Hill presented the confidential report recommending Cabinet approved the declaration of the farm and land as surplus to requirements and its subsequent disposal as detailed within the report.

Cabinet considered the merits of the proposal which complied with the Council's agricultural estates strategy and noted the safeguards in place to protect the Council's future interest in the site via overage conditions. It was also noted that the land designated in the LDP for housing would be retained.

RESOLVED that Cabinet approves the declaration of Lodge Farm, Denbigh (as edged red on Appendix A attached to the report) as surplus to requirements and approves the disposal of the farm as detailed within the report.

The meeting concluded at 12.35 p.m.