

CABINET

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 27 September 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 Ray Bartley, Bill Cowie, Meirick Davies, Martyn Holland, Huw Hilditch-Roberts, Gwyneth Kensler, Jason McLellan, Arwel Roberts and Mark Young

ALSO PRESENT

Chief Executive (MM); Corporate Director: Economy and Public Realm (RM); Heads of Service: Legal, HR and Democratic Services (GW), Highways and Environmental Services (TW), Facilities, Assets and Housing (JG), Planning and Public Protection (GB); Passenger Transport Manager (PD); Commercial Development Team Manager (DM); Programme Manager (RV); Built Environment Manager (GR); Chief Finance Officer (RW), and Committee Administrator (KEJ)

STATEMENT ON THE JUDICIAL REVIEW REGARDING YSGOL LLANFAIR AND YSGOL PENTRECELYN

Councillor Eryl Williams, Lead Member for Education made the following statement –

“Members will be aware that the High Court handed down judgement in August in respect of the judicial review challenge brought by Ymgyrch Pentrecelyn against the decision to close Ysgol Llanfair and Ysgol Pentrecelyn and open a new category 2 Church in Wales school on two sites.

The Court decided that the decision should be quashed on procedural grounds. The Court also said that it was not saying that the Council's decision was wrong on the merits. It would be open to the Council to make a similar decision in the future, if it wished, following a further consultation exercise.

We will now take time to reflect on the findings of the court and consider the best way forward. We will seek to engage both Governing Bodies. Officers will work on this and report back to Cabinet with the results of that consideration.

I would like to make it clear that this judgement does not affect any other decision the Council has taken with respect to any other school in the Ruthin area.”

1 APOLOGIES

Councillor Huw Jones, Lead Member for Community Development

The Chair reported upon the recovery of Councillor Jones who was looking forward to returning once his health had improved sufficiently.

2 DECLARATION OF INTERESTS

Councillor Eryl Williams declared a Personal Interest in Agenda Item 6: Town and Area Plans Funded Project Update because he was Chair of Canolfan Cae Cymro.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 26 July 2016 were submitted.

***RESOLVED** that the minutes of the meeting held on 26 July 2016 be approved as a correct record and signed by the Leader.*

5 LOCAL BUS AND EDUCATION TRANSPORT SERVICES

Councillor David Smith presented the report detailing actions taken following the collapse of GHA Coaches Ltd in July 2016 and sought agreement on the future strategy for passenger transport services.

Councillor Smith explained that statutory school transport had been immediately reinstated following the collapse of GHA coaches and local bus services progressively restored, at least in part, pending a decision as to the forward strategy. He paid tribute to the Passenger Transport Team on their tireless work in restoring school transport at short notice and the significant efforts made in ensuring that affected communities continued to benefit from some form of local bus service provision. However the costs incurred had been considerable with an additional £175k for school transport in the current financial year. The budget for local bus services would also be overspent and in light of future costs it was proposed that members debate the future strategy for those services and future level of budget for local bus services as part of the forthcoming budget workshop. Councillor Smith also updated members on discussions with the Minister for Economy and Infrastructure advising that Welsh Government would offer financial help for costs incurred in restoring local bus services but no contribution had been offered for school transport which represented the biggest proportion of the additional financial burden for the Council.

The following matters were discussed during the ensuing debate –

- Cabinet endorsed the action taken by the Passenger Transport Team in restoring bus services and paid tribute to their hard work and efforts to ensure minimum disruption

- whilst the offer of financial assistance from the Welsh Government for local bus services was welcomed concerns were raised regarding the additional significant financial pressures on school transport provision and Cabinet asked that officers contact Welsh Government to seek further financial assistance in that regard
- officers responded to questions and elaborated upon the different provision in more populated areas with growth and investment in private sector services in contrast to more rural sparsely populated areas where growth was unlikely
- the future of the public transport budget was discussed together with the financial situation and implications as set out within the report and some debated focused on potential options for consideration as part of the future strategy with a view to ensuring sustainable services going forward. Officers acknowledged concerns regarding potential impacts in rural areas and responded to questions regarding specific routes and the future management of services in order to ensure sustainable solutions when considering the future strategy. Officers confirmed that various models were being explored including the development of community transport services. Cabinet supported the proposal by Councillor Eryl Williams that the Council approach the Rural Development Plan for funding in order to develop community based provision. Cabinet also agreed that the budget needed to be considered in its entirety as part of the overall budget setting process
- some concern was raised that the cost to passengers using the new services had increased in some cases and officers advised that the Council had no control over the cost of bus fares for commercially operated services and some fare adjustment may be required to ensure future viability of the service – however for regular passengers it would be more cost effective to purchase weekly/monthly or annual bus passes which was a benefit not offered previously by GHA Coaches – officers were asked to raise awareness of that option.

RESOLVED that Cabinet –

- endorse the actions taken by officers to fill service gaps following the collapse of GHA, i.e. support the criteria (highlighted in paragraph 4.5 in the report) used to reinstate services until the end of the financial year;*
- agree that the council will use reserves to contribute to some of the additional costs incurred during 2016/17 (on the assumption that Welsh Government will also make an additional financial contribution);*
- agree that discussions about the future budget for local bus services should form part of the forthcoming budget workshops;*
- notes and is grateful for the offer of financial assistance from the Welsh Government in respect of the additional costs incurred by the Council in the restoration of local bus services following collapse of GHA coaches. Cabinet would respectfully urge the Minister to consider further financial assistance in respect of the additional costs incurred in the current financial year in the statutory provision of school transport services which represents the biggest proportion of the additional financial burden imposed on the Council due to this company's demise;*

- (e) *instructs officers to enter into discussions with Government officials in respect of the school transport element of these additional costs, and*
- (f) *that officers approach the Rural Development Plan to seeking funding for the development of community transport services.*

6 TOWN AND AREA PLANS FUNDED PROJECT UPDATE

Councillor Hugh Evans presented the report recommending approval of funding for specific Town and Area Plan (TAP) projects as detailed within the report and as recommended by the Town Champions Group.

In the absence of Councillor Huw Jones, the Leader reported upon his attendance at a number of meetings of the Town Champions Group. He highlighted the approach taken by the Council to investing in its towns and communities and the thorough evaluation process which had been applied consistently to all projects based on a clear criteria and scoring mechanism. Details of the evaluation of projects, including the assessment of potential new projects, and recommended funding allocations had been set out within the report. It was expected that all the allocated funding proposed would be spent by the end of May 2017.

Councillor Eryl Williams expressed some disappointment with the process for submitting the latest tranche of projects for assessment without involvement of the Member Area Groups given the merit in discussing potential schemes locally. The Leader advised that there should have been discussion between town champions and local members on potential projects before submission. It was noted that the timescale for submission of projects in order to utilise the under-spend had been short on this occasion. Councillor Meirick Davies was disappointed that the Trefnant project had not been supported and the Leader advised that the same mechanism for evaluation had been applied consistently to all proposed projects.

RESOLVED *that the uncommitted funding totalling £100,000 be used to support the schemes identified in the report.*

7 GROWTH VISION FOR THE ECONOMY OF NORTH WALES

Councillor Hugh Evans presented the report seeking approval of the 'Growth Vision for the Economy of North Wales' as a basis for negotiations with the UK and Welsh Governments over a Growth Deal Bid for the region.

The Growth Vision document was the result of a collaborative approach and set out a clear ambition for North Wales, especially in relation to infrastructure development, skills and employment and business growth. If business was secured to deliver the action plan of projects, the region would experience sustainable economic growth and the value of the North Wales economy would grow from £12.8 billion in 2015 to £20 billion by 2015 and generate at least 120,000 new employment opportunities. The Leader believed Denbighshire was well placed logistically to benefit from investment and the Vision document would complement the Council's own work in developing the local economy. The Corporate Director

Economy and Public Realm provided an overview of the document setting out the vision and strategy for growth across the region, including a package of projects, in order to deliver sustainable economic and employment growth and provide a basis for investment discussions with the UK and Welsh Governments.

Cabinet welcomed the Growth Vision as a means of providing a strategic framework and context in order to guide investment and deliver growth across the region and noted the broad support from other sectors and organisations.

The following matters were discussed further during the ensuing debate –

- members discussed the strategy to capitalise on connection to the economies of the Northern Powerhouse and Ireland, particularly in light of changes within current administrations, and noted that there remained a continued commitment to strengthen and develop the economy and the Vision would ensure the region was best placed to capitalise on investment
- developing a Growth Deal for North Wales had been included in the Welsh Government's Programme for Government and the Vision would form the basis for those negotiations – it was noted that the Minister for Economy and Infrastructure had been positive about the Vision and would have a key role in developing the North Wales economy
- Councillor Eryl Williams had been disappointed that the agricultural industry had not been specifically mentioned with the Vision document given its importance in North Wales and the Leader referred to the difficulties in raising the profile of one particular industry over another, particularly when other industries created more jobs. It was noted that some products of agriculture, such as the food and drink sector had been identified
- the importance of transport infrastructure was highlighted and Councillor David Smith reported upon the work of the Transport Advisory Forum in influencing future transport plans to benefit and support economic growth in the region
- reference was made to the skills agenda and ensuring people had the necessary skills and access to jobs when they were created and Councillor Eryl Williams reported upon work within schools regarding future careers to ensure young people were equipped with the skills employers need through various initiatives such as the Pathway+ programme. Worklessness would be tackled through specific programmes focusing on the individual's circumstances.

RESOLVED that Cabinet –

- approve the "Growth Vision for the Economy of North Wales" (attached as appendix to the report) and endorse its use as the basis for negotiations by the North Wales Economic Ambition Board with the UK and Welsh Governments over a Growth Deal Bid for the region, and*
- note that any formal Growth Deal Bid arising will be presented for decision by Council prior to any commitment being made by Denbighshire County Council.*

Councillor Julian Thompson-Hill presented the report detailing the latest financial position and service budgets for 2016/17. He provided a summary of the Council's financial position as follows –

- a net overspend of £0.351m was forecast for service and corporate budgets
- 60% of savings had been achieved to date (target 5.2m) with a further 10% making good progress; 25% would be deferred and achieved in 2017/18 with only 5% of savings not being achieved within the timeframe
- 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).

Councillor Thompson-Hill elaborated upon other financial matters within the report and Cabinet was asked to approve the draft Medium Term Financial Plan; actions to mitigate the effects on the financial outturn of savings either being deferred or not achieved, and the recommendation of the Strategic Investment Group to invest £4.4m in the first phase of the waterfront development project in Rhyl.

The following matters were raised during debate –

- Councillor Eryl Williams highlighted the impact on the Council's budget arising from cuts to grant funding from the Welsh Government which were outside the Council's control – he asked that details of those funding cuts be included within the Medium Term Financial Plan for transparency (page 71, Table 4 Welsh Government Budget). Officers indicated that the treatment of grants had been included in the submission to the Local Government Finance Commission as part of the finance review
- Cabinet was pleased to note the significant investment in major projects including Rhyl Waterfront and also highlighted the Nova's success. Councillor Eryl Williams was pleased to report on progress with major projects in terms of the 21st Century Schools Programme advising that Denbighshire was at the forefront in terms of investing in modernising schools which was in contrast to other councils who were not in a position to invest. He gave credit to both previous council and current council for the long term strategic vision for schools and its realisation. In terms of future funding availability the Welsh Government's Programme for Government had committed to investing nearly £2 billion in new and refurbished schools which would provide an opportunity to continue the modernisation programme
- Councillor David Smith referred to the need to address the continual overspend on the School Transport budget with a view to providing additional funding to meet the full cost of provision in the base budget – there was also a need to meet the additional £175k cost incurred following the collapse of GHA coaches
- Councillor Jason McLellan voiced his concerns regarding the budget setting process and timetable. Councillor Thompson-Hill and officers submitted that the budget process was robust and responded to the concerns raised detailing the budget process to date and proposed next steps in order to set the budget for 2017/18. It was noted that the budget process would be discussed in greater detail at the next meeting of the Corporate Governance Committee.

RESOLVED that Cabinet –

- (a) *notes the budgets set for 2016/17 and progress against the agreed budget strategy;*
- (b) *approve the draft Medium Term Financial Plan (attached at Appendix 5 to the report)*
- (c) *approve the recommended actions to mitigate the effects on the financial outturn of savings either being deferred until 2017/18, or not being achieved at all as detailed in the table in paragraph 6 of the report, and*
- (d) *approve the recommendation of the Strategic Investment Group to invest £4.4m in the first phase of the waterfront development project in Rhyl. The recommendation incorporates approval of a funding package that includes earmarking the capital receipt anticipated from the sale of the former Honey Club site in Rhyl (as detailed in tables in paragraph 6 of the report).*

At this juncture (12 noon) the meeting adjourned for a refreshment break and the Leader – Councillor Hugh Evans left the meeting. Upon resuming the proceedings the Deputy Leader – Councillor Eryl Williams took the Chair.

9 CABINET FORWARD WORK PROGRAMME

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

- Draft LDP Monitoring Report (October) – may be removed
- Faith Based Secondary Provision (October) – removed
- Rhyl Waterfront Development Phase 1b commercial elements – October
- Final Budget Proposals 2017/18 – January

The Chief Executive referred to the removal of the Faith Based Secondary Provision report originally scheduled for October and advised that the item could be reinstated if necessary once the position became clearer. He reported upon the difficulties in progressing the proposal to close Blessed Edward Jones Catholic High School and open a new faith school and advised that discussions were currently ongoing in order to find an agreeable way forward to all parties concerned.

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 14, 16 and 17 of Part 4 of Schedule 12A of the Local Government Act 1972.

10 RHYL WATERFRONT DEVELOPMENT HOSPITALITY PHASE AGREEMENT

Councillor Julian Thompson-Hill presented the confidential report updating Cabinet on progress with the Rhyl Waterfront Development project and seeking approval to complete the Hospitality Phase Agreement. Further details of the legal agreement had been circulated at the meeting.

Neptune Development Limited had been appointed as the preferred development partner for the Rhyl Waterfront and the Council and Neptune completed an Exclusivity Agreement in February 2015 to progress negotiations further. The Master Development Agreement was completed in July 2016 and the first phase of the development agreement was ready to be signed. Reference was made to the status of the different phases within the hospitality zone with funding for Phase 1a (Pavilion Theatre and Car Park) and Phase 1c (Demolition and reinstatement of former Sun Centre) having been secured. Funding options were currently being explored for Phase 1b (East Parade Leisure, Food and Drink Commercial) and a funding model would be submitted to the next Cabinet meeting for consideration.

Cabinet welcomed the re-development and investment in Rhyl Waterfront demonstrating the Council's commitment to the scheme. The Lead Member and officers responded to questions regarding the legalities and contractual elements within the scheme and reported upon the affordability and risk elements together with plans to improve and refurbish the Underground Car Park.

RESOLVED that Cabinet approves that the Hospitality Phase Agreement is entered into with Neptune Developments with this Agreement containing a condition that the Phase 1b will only proceed when detailed funding terms are approved by the Council with such approval being at the Council's absolute discretion.

11 FORMER NORTH WALES HOSPITAL, DENBIGH - COMPULSORY PURCHASE ORDER

Councillor David Smith presented the confidential report detailing the necessary steps to take ownership of the site and complete the Compulsory Purchase Order (CPO) process.

Cabinet was apprised of the options to consider in order to progress the CPO of the site which had been detailed within the report together with the recommended option and reasons therefore. It was noted that Cabinet support for the preferred option was sought prior to submission to the Planning Committee for determination in November/December.

Members discussed the different options with officers and raised questions regarding the robustness of the mitigation measures proposed in order to minimise risk to the Council arising from the process. Officers detailed the potential scenarios arising from the different options and elaborated upon the process for determining the compensation payable if the Council took ownership of the site. In terms of the site's future if the Council took ownership assurances were given that a fully costed deliverable scheme was in place.

Cabinet agreed that it was important to act and maintain momentum and that the recommended option was the best way forward in this case.

RESOLVED that Cabinet support the making of the General Vesting Declaration (GVD) and progressing to Planning Committee for final approval when the Head of Planning and Public Protection, Head of Legal, HR and Democratic Services, Chief Finance Officer and the Lead Member are satisfied that reasonable mitigation measures regarding the financial risk have been secured as set out in Appendix 1 to the report.

The meeting concluded at 1.00 p.m.