

CABINET

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 25 October 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 Gwyneth Kensler, Jason McLellan, Merfyn Parry and Mark Young

ALSO PRESENT

Corporate Directors: Economy and Public Realm (RM) and Communities (NS); Heads of Service: Legal, HR and Democratic Services (GW), Community Support Services (PG), Facilities, Assets and Housing (JG); Strategic Planning Team Manager; Chief Accountant (SG) and Committee Administrator (KEJ)

1 APOLOGIES

Councillor Huw Jones, Lead Member for Community Development

Mohammed Mehmet, Chief Executive

2 DECLARATION OF INTERESTS

Councillor Mark Young declared a personal interest in agenda item 5 because his father was a resident in Dolwen, Denbigh

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 27 September 2016 were submitted.

Accuracy –

The Corporate Director: Communities had been omitted from the list of those present at the last meeting.

Matters Arising –

Page 9, Item 5: Local Bus and Education Transport Services, resolution (d) – Councillor David Smith advised that an application for additional funding had been made to the Minister for Economy & Infrastructure but a response was still awaited.

RESOLVED that, subject to the above, the minutes of the meeting held on 27 September 2016 be approved as a correct record and signed by the Leader.

5 IN HOUSE CARE SERVICES UPDATE

[Councillor Mark Young declared a personal interest in this item in so far as it referred to Dolwen, Denbigh as his father was resident there.]

Councillor Bobby Feeley presented the report informing Cabinet of progress to date regarding externalising in house care service provision in respect of Hafan Deg (Rhyl), Dolwen (Denbigh), Cysgod y Gaer (Corwen) and Awelon (Ruthin), and sought members' agreement to the recommendations made by the Elected Member Task and Finish Group (established to examine the delivery of in-house social care services) and supported by Performance Scrutiny Committee. She acknowledged the time taken in progressing the proposals and highlighted that Community Support Services had been working tirelessly to ensure the best services that were fit for purpose and sustainable in the future, and to ensure that the process was not called into question.

Cabinet was provided with a brief summary of events leading up to the latest report during which the work of the Task and Finish Group and Performance Scrutiny Committee was highlighted together with their recommendations to Cabinet. Significant progress had been made in respect of Hafan Deg and Dolwen and recommendations had been made to undertake procurement activity in relation to those services. Exploratory work was still ongoing in relation to proposals for Awelon and Cysgod y Gaer and would be reported back to members in due course. It was reiterated that the report recommendations had been developed by the Task and Finish Group and scrutinised by Performance Scrutiny Committee prior to submission to Cabinet.

The options for Hafan Deg and Dolwen were considered individually as follows –

Hafan Deg (Rhyl)

Cabinet was positive about the modernisation of provision and believed the proposals to be of benefit of Rhyl residents. The building was significantly underused at present and it was hoped to expand services and operate it to its full capacity, supporting independence, resilience and reducing social isolation.

In response to questions members were advised that –

- in terms of timescale it was anticipated that if Cabinet approved the recommendations tenders would go out in February 2017 and it would take approximately five months for the Task and Finish Group to evaluate and

finalise proposals and recommendations to be presented to Performance Scrutiny Committee and Cabinet

- further work was required to prepare for the tender exercise involving Legal, Asset Management, HR and Procurement to ensure the service specification, contract and lease arrangements were secure and met the Council's needs – tenders would be analysed through the corporate procurement process and assessed on the basis of which was the most advantageous
- members noted that there were many positive proposals from potential providers regarding suggestions on future use arising from the engagement event and market testing questionnaire – as part of the tender process some of those ideas would be included in the service specification and potential providers would be asked to expand on those suggestions and provide costing to enable more detailed evaluation and analysis
- there were no Rhyl members present at the meeting but it was noted that the Chair of the Task and Finish Group was a Rhyl member and there was at least one Rhyl member on Performance Scrutiny Committee
- any transfer of the building would be subject to proper legal agreement with appropriate terms in order to protect the Council's interests and service provision.

Dolwen (Denbigh)

Cabinet was advised that the same timescale would apply to Dolwen with tenders going out in February 2017. Tender bids would be evaluated and analysed by the Task and Finish Group prior to their recommendations on future service provision being presented to Performance Scrutiny Committee and Cabinet.

Councillor Gwyneth Kensler was disappointed to note that only one provider had attended the engagement event and felt that more work needed to be done. She emphasised the importance of Dolwen within the local community and as such felt that there should be more representation from local members on the Task and Finish Group. Officers advised that, although potential providers did not attend on the day of the event, indications from informal discussions with them showed that they may be interested in submitting a full tender bid, hence the recommendation that a formal tender process be undertaken. Assurances were also given that if none of the tenders submitted met the Council's requirements then no tender would be awarded and current services would still continue.

Councillor Jason McLellan expressed concern regarding the recommendations to undertake a formal tender process for care provision given that the recent CSSIW report on domiciliary care had highlighted weaknesses in the commissioning and procurement process for care services. Officers advised that they were totally different issues and explained that the domiciliary care report had raised issues in terms of day to day procurement of care for individual service users whereas Cabinet was asked to consider undertaking a formal tender process following EU regulations on the commissioning of a large residential service. Reference was also made to the Procurement Strategy which set out clear definitions for commissioning and procurement services. Councillor McLellan felt that further clarification was required and it was noted that the domiciliary care report would be considered at the next meeting of the Corporate Governance Committee.

Having received assurances from officers regarding the robustness of the tendering process and given that the issues raised in the domiciliary care report had no relevance to the report recommendations it was –

RESOLVED that Cabinet request Officers to undertake –

- (a) *a formal tender process with respect to the provision of services at Hafan Deg (Rhyl) with a view to transferring the building to an external organisation, commissioning a day care service within the building and, in addition, enabling 3rd sector agencies to provide early intervention activities for older people that reduce social isolation, support independence and promote resilience;*
- (b) *a formal tender process with respect to the provision of services at Dolwen (Denbigh) with an external organization with a view to transferring the building and the whole service to an external organisation that will register Dolwen to provide elderly mental health (EMH) day and residential care;*
- (c) *that all tender documentation specify requirements to evidence the quality of care and Welsh language provision that would be provided at both establishments, and*
- (d) *that at the conclusion of the tender process the bids are evaluated and analysed for potential impacts by the Task & Finish Group before being presented to Performance Scrutiny and Cabinet with recommendations of the preferred Provider, before appointment, in order to gain Cabinet's full approval and to achieve the most advantageous outcome. (Any appointments would be subject to Cabinet being satisfied that the transfer of assets and the planned provision of services at those establishments would be in the best interest of service-users, residents and the Council).*

6 LEISURE DEVELOPMENT PARTNER FRAMEWORK

Councillor Julian Thompson-Hill presented the report seeking Cabinet approval to appoint Alliance Leisure Services Limited (Alliance) as the Council's development partner on a four year framework for the development of new facilities and the refurbishment of existing leisure facilities. The framework required Cabinet approval due to its size and value – a UK-wide framework up to a maximum £750m. A legal summary of the framework contract had been attached to the report.

The report outlined the success of the previous framework with Alliance as development partner and the further improvement offered under the new framework which provided the opportunity for the Council to earn significant income which could be used to support the continued development and investment in Denbighshire's leisure facilities. Details of the tender and evaluation process for the new framework had also been included within the report leading to the recommendation to appoint Alliance as the Council's development partner.

Cabinet commended the approach taken to invest in the Council's leisure facilities for the benefit of residents and visitors, despite the difficult financial circumstances, highlighting the successful projects at Ruthin and Denbigh Leisure Centres and redevelopment of the Nova. During consideration of the report members raised questions regarding the tender and evaluation process; tender specification including community benefits, and how the Council could further benefit as lead authority under the new framework. The Lead Member and Head of Facilities, Assets and Housing responded to questions as follows –

- a Prior Information Notice (PIN) had been issued to test the market which attracted significant interest from major construction companies and when the full OJEU tender went out a number of companies had been in dialogue with the Council but only Alliance had submitted a full tender
- during the PIN process it had been made clear to interested companies that the Council wanted a relationship with a specialist and completion of tender submissions required companies to visit and understand the local market needs and demand as opposed to submission of a 'desktop return' – only Alliance had provided all the information as part of the tender process and went through to the final stage and their merits had been detailed within the report
- the role of both Denbighshire as lead authority and Alliance was clarified together with their responsibilities and elements of risk – it was noted that management and marketing of the framework was the responsibility of Alliance and in addition to an annual fee of £25k paid by Alliance as the winning provider, every project commissioned through the framework would generate a fee paid to Denbighshire as the lead authority. Alliance would also carry out concept design work at their own risk with no cost to the Council and all projects would be subject to the normal Council approvals based on affordability and sustainability. Members' attention was also drawn to Legal Services summary of the framework contract which had been appended to the report
- the officer elaborated upon the good relationship with Alliance and strong commercial model within the framework; the framework included elements covering the actual development and partnering and whilst Denbighshire had not taken up a partnering approach, other local authorities could take up that option which would generate further income for Alliance in addition to income generated via construction contracts and funding packages
- community benefits clauses had been inserted into the new framework for Denbighshire contracts to ensure that spend remained local and analysis on previous projects had revealed high levels of local spend with further work being undertaken in that regard to ensure all local spend elements were recorded.

RESOLVED that Cabinet approves the proposal to appoint Alliance Leisure Services Limited as the Council's development partner on a four year framework to enable the continued development of new facilities and the refurbishment of existing leisure facilities within Denbighshire. Any additional revenue generated will be considered as part of the service budget strategy.

At this juncture Councillor Barbara Smith left the meeting.

Councillor Julian Thompson-Hill presented the report providing an update on the delivery of the Corporate Plan 2012 – 17 as at the end of quarter 1 of 2016/17.

The report included three main elements –

- Executive Summary – detailed achievements and key exceptions with good performance overall. Only one outcome had been assessed as Red: Priority for Improvement – Outcome 7 Students achieve their potential
- Full quarterly report – provided an evidence based assessment of the current position focusing on key exceptions
- Local Government Data Unit (LGDU) Performance Bulletin for 2015 – 16 – largely positive performance for Denbighshire ranking 3rd overall and areas where performance had declined from the previous year had been highlighted along with commentary from appropriate services.

The draft Annual Performance Report 2015/16 had been considered by full Council the previous week and had been subject to much debate. There had been little movement since the previous quarter and all outcomes had been assessed as acceptable or better with the exception of Outcome 7 in terms of educational performance. This priority had been recently scrutinised by Performance Scrutiny Committee and was being continually monitored. Cabinet noted that some elements of the priority were performing well.

RESOLVED that Cabinet receives the report and notes the progress in delivering the Corporate Plan as at the end of quarter 1 of 2016/17.

At this juncture (11.00 a.m.) the meeting adjourned for a refreshment break

8 FINANCE REPORT

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 underspend of £0.545m 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).

The following matters were raised during debate –

- it was confirmed that the merger of Education and Children's Services had not been the cause of the overspend which had been due to tribunal and legal costs. The situation regarding placement costs was being closely monitored as the current projection had increased significantly and would see a considerable reduction in the Placement Reserve and the ability of the service to cope with

placement numbers and costs. Councillor Eryl Williams added that the merger had resulted in reduced spend on out of county placements

- the provisional financial settlement by Welsh Government had been better than expected at 0.5% however there were a number of pressures to be addressed and investment needed in particular services, and significant savings would need to be made in future years
- part of the savings generated from the PFI buy out would help meet the corporate savings target and had been included in the Medium Term Financial Plan which would be brought forward in the members budget workshop together with the additional funding elements from Welsh Government announced as part of the budget settlement, including town centre car parking and social services
- it was confirmed that in year cash savings would generally be put into the budget mitigation reserve
- in terms of treasury management the Council set its borrowing limits annually and the amount of revenue used to support borrowing was approximately 6%; borrowing was structured in such a way as to minimise large payment fluctuations in any one year – business cases for projects had to be considered on their individual merits and demonstrate affordability and sustainability.

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

9 CABINET FORWARD WORK PROGRAMME

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

- Rhyl Waterfront Development Phase 1b commercial elements – moved from November to December
- Housing Rent Setting & Housing Revenue and Capital Budgets 2017/18 – January

RESOLVED that Cabinet's Forward Work Programme be noted.

The meeting concluded at 11.30 a.m.