

CABINET

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 28 February 2017 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, Martyn Holland and Jason McLellan

ALSO PRESENT

Chief Executive (MM); Corporate Director: Economy and Public Realm (RM); Heads of Service: Legal, HR and Democratic Services (GW), Finance/S.151 Officer (RW); Public Protection Manager (EJ); Supporting People Team Manager (KN); Accommodation Support Officer (KB); Strategic Planning Team Manager (NK), and Committee Administrator (KEJ)

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 24 January 2017 were submitted.

RESOLVED that the minutes of the meeting held on 24 January 2017 be approved as a correct record and signed by the Leader.

5 WELSH LANGUAGE STRATEGY

Councillor Huw Jones introduced the report and presented the proposed Welsh Language Strategy (2017 – 2022) for approval. He referred to the recent bad press regarding the document and hoped that the progressive actions identified within the strategy would be reported upon more positively in the media.

The strategy had been produced in response to the implementation of the Welsh Language Standards and set out how the authority would promote and enhance the language with a view to increasing the number of Welsh speakers within the county by 0.5% over the next five years. The strategy had been broken down into key themes – strategic planning, children and young people, community, business and the economy, and internal administration within the council. Reference was made to the work already undertaken with partners in preparation and the strategy would be delivered by working with a host of community organisations. The statistical analysis of Welsh speakers in the county was highlighted, including the positive influence of more Welsh being taught to school-aged children.

The Leader commended the establishment of a Welsh Language Steering Group in order to further promote the Welsh Language and welcomed the strategy as a means of reversing the decline in Welsh speakers and exceeding the 0.5% target in the longer term. The council had accepted the Welsh Language Standards but he felt more could be learned from other Welsh speaking authorities and suggested that the Welsh Language Steering Group could look into the matter further.

Cabinet welcomed the strategy and positive actions identified through the key themes in order to protect and promote the Welsh Language and assurances were sought regarding how those actions would be monitored to ensure effective progression. It was explained that actions would be reported to the Welsh Language Steering Group on a quarterly basis and actions would also be included and monitored in service plans. With a view to further promoting the Welsh Language Councillor Eryl Williams highlighted the success of holding Welsh events such as the Urdd National Eisteddfod in less Welsh speaking areas. He also highlighted the increasing demand for Welsh Language education across the county which he felt should be reflected within the strategy together with the importance of pupils retaining the language after leaving school and ensuring that Welsh became a living language outside of the education system. Councillor Meirick Davies welcomed the strategy but sought assurances that resources were in place to ensure its delivery in practical terms. The Leader agreed that a culture change was needed and timely progress of the strategy would require additional funding and would likely be an issue for the new Council and the Welsh Language Steering Group to pursue.

RESOLVED that Cabinet approve the proposed Welsh Language Strategy.

6 PROPOSAL FOR DCC SUPPORTING PEOPLE AND CLWYD ALYN COLLABORATIVE AGREEMENT

Councillor Bobby Feeley presented the report seeking approval of the proposal for a DCC Supporting People (SP) and Clwyd Alyn Housing Association (CAHA) collaborative agreement to deliver the Y Dyfodol supported housing project from October 2018. Cabinet had previously approved a proposal to investigate further the option of developing a partnership agreement with CAHA in November 2016.

The SP funded Y Dyfodol project was delivered by CAHA and provided 35 units of supported housing for young people. The current contract ended on 30 September

2018 following a number of contract extensions in order to remodel Y Dyfodol in collaboration with key stakeholders as part of the development of a broader Young People's Pathway approach. Councillor Feeley elaborated upon the reasoning behind the proposed partnership as opposed to a tender process, which included the fact that the project would support several statutory duties (including the Housing Act 2014 and Social Services and Wellbeing Act 2015) and result in minimal disruption of support. The total three year contract value was £1,179,618 and the annual cost of £393,206 had already been budgeted for in the SP Grant from 2017/18 onwards.

The Lead Member and SP Officers responded to questions as follows –

- confirmed that Rhyl members had been involved with the project but agreed to also submit the proposal to the Rhyl Member Area Group
- advised that the project provided supported housing for young people aged between 16 – 24 and the units were oversubscribed but highlighted the move to improved interventions at an earlier stage in the new pathway for young people which would result in a reduced need for support accommodation units
- explained the remodelled project focused on improved outcomes, particularly around education and employment, with an emphasis on equipping young people with the necessary skills for independence and providing floating support
- elaborated upon the work carried out in securing tenancies in various markets from approved providers when young people moved on from supported housing units to ensure suitable sustainable accommodation and successful tenancies
- elaborated upon the role of the different partners in the Young People's Pathway approach and investment from other services going forward and benefits of a partnership approach
- confirmed that SP worked to local connections guidance and priority was given to local people
- in terms of general homelessness members were advised of the support available confirming that support was actively offered to those sleeping rough
- provided assurances that there was little to be gained in terms of monetary value if the contract went out to tender but there could result in a loss of support provision; reference was also made to the safeguards and legislative processes in place with regard to the collaborative agreement approach
- elaborated upon the community benefits offered by CAHA relating to employment skills as referenced within the Wellbeing Impact Assessment.

RESOLVED that Cabinet approve the proposal, as outlined in the report, for a DCC Supporting People and Clwyd Alyn Housing Association Collaborative Agreement to deliver the Y Dyfodol supported housing project.

7 GROWTH VISION AND STRATEGY FOR THE ECONOMY OF NORTH WALES

Councillor Hugh Evans presented the report setting out progress with the development of the Growth Vision Strategy for the Economy of North Wales and outlining the proposed regional governance model of a statutory Joint Committee.

The Growth Vision had been endorsed by all six North Wales Councils in autumn 2016 and Cabinet was now invited to endorse the proposed governance structure

to develop the strategy into a 'Growth Bid' for national investment. The Leader highlighted the expectations of the Welsh Government for North Wales in terms of regional working to maximise the impact of investment and the UK Government's expectations for cross boundary working and connections to other economies.

The Corporate Director: Economy and Public Realm outlined the terms of reference of the proposed Joint Committee which covered the development of a formal Growth Bid, agreeing an investment plan, and setting and overseeing an implementation plan. If the outline governance model was agreed then further detail and information would be added. Cabinet's attention was also drawn to the Wellbeing Impact Assessment and the Corporate Director elaborated upon the assessments of both benefits and risk factors of those arrangements together with mitigation measures and safeguards to help ensure a positive outcome.

The following matters were discussed further during the ensuing debate –

- transport infrastructure was highlighted as a crucial element in delivering the strategy and the need for a strong vision in that regard, particularly in terms of the road networks including links between rural communities and other economies, to ensure Denbighshire was well placed to benefit at an early stage within the process. It was noted that the A55, A494, A5 and A483 had all been identified as regional priorities. Reference was also made to the Local Transport Plan across the six North Wales councils and it was agreed that it would be timely for the new Council to review the highways strategy going forward. Cabinet was also pleased to note that a regional transport consortium, similar to TAITH, had been proposed as part of the Joint Committee's terms of reference for Transport Planning and Commissioning
- it was noted that if the proposed governance model was approved further work would be undertaken to develop a detailed constitution and inter-authority agreement and be brought back to Cabinet within the first three months of the new Council term. The recommended membership of the Joint Committee was the leaders of each of the six councils
- the importance of ensuring Denbighshire's best interests were served through regional working was emphasised and ensuring that the council was not disenfranchised as a result. The Corporate Director reported upon discussions undertaken in that regard and it was acknowledged that particular schemes may not benefit all six councils and support for those schemes and the financial weightings in terms of council contributions warranted further debate by the Joint Committee. The focus should be about making investment and growing the economy of North Wales allowing access to employment opportunities and ensuring residents had employment skills
- it was clarified that the proposed work of the Joint Committee had been detailed in the terms of reference together with its limitations and individual councils would still have their own work to do in supporting their area's economic development, including regeneration. The allocation of government funding was a complex area and it was important that there was a clear understanding of financial provision to maximise investment priorities
- the positives and potential negatives on Welsh Language had been included in the Wellbeing Impact Assessment together with mitigating actions

- members were advised that HM Prison Berwyn had already been fully engaged in working with the region to ensure positive local impact and once figures had been received regarding the benefits to Denbighshire in terms of construction and employment work the information could be shared with Cabinet
- digitalisation was an important part of the growth vision and included plans to accelerate the roll-out of broadband connectivity and increase ultra-fast broadband together with examining priority areas for investment
- there was a government expectation that there be close joint strategic planning with the immediate North West of England and with the wider Northern Powerhouse network and the region was working closely with Cheshire and Warrington Local Enterprise Partnerships on a cross border basis
- work with education providers was being undertaken to support developing and upskilling the regional workforce and the Joint Committee would be in a position to drive and direct that work more coherently
- reference was also made to the two key strategic employment sites at St. Asaph and Bodelwyddan and progress made in that regard in terms of development, new business and promotion.

Cabinet also discussed the general move to more regional working and the implications of the Local Government White Paper in that regard. There would be a requirement to develop regional delivery mechanisms and organise the council's political and officer structures around regional structures which heralded a fundamental change in working practices to be delivered with less resource.

The Leader moved the recommendations and it was agreed to include reference to 'North Wales' councils for clarity.

RESOLVED that Cabinet –

- (a) *endorse the preferred regional governance model of a statutory joint committee for further development;*
- (b) *instruct officers to work with colleagues in partner North Wales councils to develop a detailed constitution and inter-authority agreement for the proposed Joint Committee and to bring it back for consideration of the Council entering into a statutory joint committee model with the five partner councils, within the first three months of the new Council term, and*
- (c) *that Cabinet confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 3 to the report) as part of its consideration.*

At this point (12.15 p.m.) the meeting adjourned for a refreshment break.

8 DCC'S WELLBEING OBJECTIVES

Councillor Hugh Evans presented the report proposing six Well Being Objectives to be adopted by the Council and setting out the process for incorporating them into the next Corporate Plan.

The report set out the approach taken to align and amalgamate processes in order to meet legislative requirements and identify the Council's objectives. Six potential priority areas had emerged from the public engagement process and the demographic spread of respondents across all areas and age groups ensured a balanced and true reflection of residents' views which was being further tested in the second consultation phase. The Leader highlighted the importance of the new Council in reviewing those priorities and aligning them with the Corporate Plan and in contributing to the Public Service Board Well Being Plan. He further highlighted the importance of local consultation in setting priorities, particularly given the implications for decision making arising from the Local Government White Paper.

The Strategic Planning Team Manager (SPTM) advised that it was a requirement under the Well Being of Future Generations Act 2015 to publish a set of Well Being Objectives by 31 March 2017. It was anticipated that the new Council would review those objectives in July and the new Corporate Plan would be published by the end of October 2017. The Public Service Board (PSB) was in the process of setting their own priorities and it was hoped for some alignment between the Council's and PSB's objectives. The SPTM responded to issues raised by members as follows –

- clarified that legislation referred to Well Being Objectives but in the Denbighshire context they had been called priorities – it was agreed to make that distinction clearer in future documentation
- confirmed that there was no detail at the moment but the proposed set of priorities highlighted green technology in support of carbon reduction – if the objectives/priorities were subsequently approved then plans would be developed with a view to achieving that aim
- in terms of ensuring a healthier Denbighshire the importance of individuals taking responsibility for their own health and wellbeing was acknowledged and prevention and early intervention were key principles when developing plans and personal responsibilities.

RESOLVED that the Well Being Objectives contained in the report be adopted by the Council.

9 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 £0.241m was forecast for service and corporate budgets
- 68% of savings had been achieved to date (target £5.2m) with a further 2% 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).

Cabinet was also asked to approve the transfer of £0.150m from the Facilities, Assets and Housing underspend to a Rhyl Waterfront Development Reserve and to note the proposed use of service underspends where indicated.

The following matters were raised during debate –

- Councillor Eryl Williams highlighted the budget pressures on schools, despite the budget protection of 1.85%, with 24 schools currently projecting deficit balances. Cabinet had previously resolved to set up a task and finish group to review the level of school balances and understand the factors contributing to those levels. The Head of Legal, HR and Democratic Services agreed to provide an update on progress prior to the next Cabinet meeting
- reference to 'Community Services' should read 'Community Support Services'
- Councillor Bobby Feeley referred to the possibility of a further £700k identified savings to contribute to the £2.3m overspend in Community Support Services
- Councillor David Smith highlighted the lack of progress in distributing the limited funding made available from the Welsh Government in order to help meet costs incurred by the Council in the restoration of transport services following the collapse of GHA coaches. A decision had still not been made on the amount of funding for Denbighshire but despite initial assurances it would not be sufficient to cover all additional costs incurred and would be a one off payment with no ongoing provision. Councillor Smith considered the situation unacceptable
- in view of the investment success in leisure services Councillor Hugh Irving asked that revenue details be provided in order to ascertain how those services were performing. It was agreed to provide that information in the next regular Finance Report and Cabinet was advised that the majority of capital investment in leisure facilities had been possible due to self-funding prudential borrowing which had been cost neutral to the council as a whole
- the PFI contract buyout had resulted in significant savings to the authority and maintenance costs had also been reduced. Concerns regarding workmanship to the roof of Ruthin Town Hall and recent storm damage would be referred to property services to investigate.

RESOLVED that Cabinet –

- (a) notes the budgets set for 2016/17 and progress against the agreed budget strategy;*
- (b) approves the transfer of £0.150m from the Facilities, Assets and Housing underspend to a Rhyl Waterfront Development Reserve which will be held centrally and used to help cash-flow a number of projects, some of which have already been approved in principle, and*
- (c) notes the proposed use of service underspends where indicated and that formal approval will be requested when exact figures are known as part of the Final Outturn Report.*

The Cabinet Forward Work Programme was presented for consideration and members noted the addition of an item on Non-Domestic Rates (Business Rates) Write Offs for March.

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 Paragraph 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

11 RHYL WATERFRONT DEVELOPMENT: PHASE 1B COMMERCIAL ELEMENTS

Councillor Hugh Evans presented the confidential report regarding the proposed funding model for Phase 1b of the Rhyl Waterfront Development.

Cabinet was advised of the intensive and ongoing discussions regarding the development and the reasoning behind changes to the original proposals in light of the loss of confidence in property investment following the EU referendum result. It was not a risk free approach and the risks had been clearly set out in the report together with measures to mitigate those risks. However the proposal was considered the only viable option open to the council to take forward that phase of the development. Cabinet raised questions regarding both the legalities of the proposal and financial risks in order to satisfy themselves that the proposal represented the best way forward in this case given the extent of risk to the authority and suggested measures to offset those risks. During consideration of the recommendations it was agreed to remove the reference to the profit rent figure.

RESOLVED that Cabinet approve in principle, subject to final negotiation and legal agreement, the proposal set out to enter into lease agreements to support the development of a 73 bedroom hotel, pub and restaurant as part of the Rhyl Waterfront regeneration scheme. Specifically to approve in principle –

- that the council undertake back to back leasing agreements for 25 years to support the development of a 73 bedroom hotel, family pub and restaurant on the Rhyl Waterfront, subject to final agreement and receipt thereafter of a profit rent rising with RPI inflation every five years
- to delegate authority to complete the final negotiations to the Section 151 Officer and Monitoring Officer, with the final agreement to be approved by the Leader of the Council (as portfolio holder), assuming that the final agreement is not materially worse than the terms set out in this report
- to agree to the transfer of the freehold site at no cost and for the developer to offset the estimated value of the capital receipt resulting from the sale of the pub/restaurant against the cost of developing the entire site and the hotel

- *to agree to the establishment of a reserve into which the profit rent will initially be placed. This will accrue funds that could be used to mitigate the council's future financial risk. The reserve will be reviewed periodically by the S.151 Officer who will make recommendations about its future use.*

The meeting concluded at 1.15 p.m.