

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin on Tuesday, 30 October 2018 at 10.00 am.

PRESENT

Councillors Hugh Evans, Leader and Lead Member for the Economy and Corporate Governance; Bobby Feeley, Lead Member for Well-being and Independence; Huw Hilditch-Roberts, Lead Member for Education, Children and Young People; Brian Jones, Lead Member for Highways, Planning and Sustainable Travel; Richard Mainon, Lead Member for Developing Community Infrastructure; Tony Thomas, Lead Member for Housing, Regulation and the Environment; Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets, and Mark Young, Lead Member for Corporate Standards

Observers: Councillors Mabon Ap Gwynfor, Alan James, Peter Scott and Graham Timms

ALSO PRESENT

Chief Executive (JG); Corporate Directors: Economy and Public Realm (GB) and Communities (NS); Heads of Service: Legal, HR and Democratic Services (GW), Education and Children's Services and Finance/S.151 Officer (RW); Legal and Procurement Operations Manager (HM); Contracts and Performance Manager (PB); System Support Manager (JH) and Committee Administrator (KEJ)

POINT OF NOTICE

Councillor Richard Mainon was pleased to congratulate the Communications and Marketing Team on winning a Gold Chartered Institute of Public Relations Award. The award recognised excellence in public relations and communications and Councillor Mainon paid tribute to the dedication of the team, particularly with regard to the snow communications, in ensuring clear messages and efforts to communicate topics. The Leader passed on Cabinet's congratulations to the team on their well-deserved success.

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

Councillor Huw Hilditch-Roberts declared a personal interest in Agenda Item 8: Schools ICT Network Contract Framework because he was a Governor and Parent

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 25 September 2018 were submitted.

Matters Arising – Page 12, Minute Item 12: Gypsy and Traveller Site Provision – Councillor Peter Scott asked Cabinet to change their decision with regard to the proposal to locate the sites at Green-gates Farm East, St. Asaph and find an alternative site given the groundswell of local opposition to the proposal. The Leader referred to the comprehensive debate on the subject taking into account work scrutiny had undertaken and confirmed that the decision would stand. The Head of Legal, HR and Democratic Services clarified that Cabinet had made its decision on 15 October 2018 following a call in of the previous decision and there was no further internal process to change that decision. Those sites would now be the subject of pre-planning consultation and members of the public and others would be able to contribute to that debate as part of the statutory planning process.

RESOLVED that the minutes of the meeting held on 25 September 2018 be approved as a correct record and signed by the Leader.

5 COLLABORATIVE PROCUREMENT UNIT

Councillor Julian Thompson-Hill presented the report seeking Cabinet approval to continue the existing collaborative procurement arrangement with Flintshire County Council for a further three years. He introduced the Legal and Procurement Operations Manager who had been in post since September 2017.

Cabinet had approved a merger with Flintshire County Council in May 2014 to create a Collaborative Procurement Unit hosted by Denbighshire as employer in order to realise a number of benefits including efficiencies and economies of scale, improving capacity and resilience, and to maximise relationships with suppliers. The agreement ended in July 2017 and the Head of Legal Services had agreed an extension of the arrangement to enable a joint audit to be commissioned which was reported to Corporate Governance Committee in June 2018. Whilst the audit report had been critical it was largely historical and many of the issues raised had been resolved following the appointment of the Legal and Procurement Operations Manager who had also provided stability for the unit. An action plan had been developed and Cabinet was advised of measures to improve outstanding governance issues and encourage corporate and political buy-in to the service which included strengthening reporting, scrutiny and monitoring arrangements; alignment of the procurement strategy of both Councils, and embedding collaborative procurement within the culture of both Councils across all services and at political level. It was noted that continued delivery of the service had been achieved despite having only one quarter of the employees per £1m of spend recommended by Welsh Government and Wales Audit Office. The unit consisted of highly trained officers working with services to ensure procurement was involved at a much earlier stage leading to services being more familiar with requirements.

Councillor Thompson-Hill acknowledged that more work was required but positive progress had been made with tangible benefits delivered. In response to questions Councillor Thompson-Hill and the Head of Legal, HR and Democratic Services –

- confirmed that Internal Audit would produce a follow up report detailing progress against the action plan for submission to Corporate Governance Committee in January. The action plan included target dates for completion later in the year which would result in a further follow up report to Corporate Governance Committee to ensure full compliance and completion of the action plan following which future monitoring arrangements for the unit would be agreed
- clarified the Cabinet decision in respect of the options for delivering the enforcement of environmental crime together with the involvement of the Collaborative Procurement Unit within that process – at the last Joint Procurement Board meeting Flintshire colleagues had been amenable to future discussions on the possibility of regional or sub-regional collaboration
- advised there was no criticism in the report relating to the size of the unit or number of employees but the focus was on ensuring all services considered collaborative procurement at the outset with detailed actions to deliver that aim
- explained that in considering future savings realised, whilst some savings were easy to quantify other procurement savings proved difficult to determine and work was ongoing as to how to deliver that detail for the purposes of future scrutiny and monitoring
- clarified the role of the Corporate Governance Committee in ensuring correct processes were in place and delivery of the action plan and highlighted the need to ensure an appropriate mechanism for future monitoring and scrutiny of savings and performance by scrutiny committee
- advised that in terms of procurement strategies a suite of key performance indicators had been agreed with both Councils although some figures for the excellence threshold differed in order to reflect the Councils' different aims and objectives; there were also performance measures in place to measure spend for both local authority areas.

The Leader acknowledged the initial teething problems following the merger but highlighted the benefits in terms of a more viable unit and greater staffing resilience. He considered the collaborative arrangement to be the way forward and given the benefits to be realised and assurances provided in terms of actions to address shortcomings and effect improvement he was supportive of the recommendation.

RESOLVED that Cabinet –

- (a) *agrees to enter into a further three year Service Level Agreement with Flintshire County Council for the hosting by Denbighshire County Council of a collaborative procurement service to operate across the counties of Denbighshire and Flintshire, and*
- (b) *that the Head of Legal, HR and Democratic Services has authority to finalise and enter into an appropriate form of agreement with Flintshire County Council.*

6 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 –

- the net revenue budget for 2018/19 was £194.418m (£189.252m in 2017/18)
- an overspend of £1.164m was forecast for service and corporate budgets
- detailed agreed savings and efficiencies worth £4.6m including those which had already been achieved with the assumption that all service efficiencies/savings would be delivered – any exceptions would be reported to Cabinet if required
- highlighted current risks and variances relating to individual service areas, and
- provided a general update on the Housing Revenue Account, Housing Capital Plan and the Capital Plan (including the Corporate Plan element).

Debate focused on the level of overspend on service budgets and concerns in that regard given the movement of projected outturn figures. Cabinet was asked to agree the use of reserves, underspends carried forward, and the release of contingencies to help fund the service overspends. The Chief Executive explained that the figures had been largely driven by demand pressures which could not have been foreseen and she would be working with senior leadership colleagues on potential short term in-year measures to reduce the overspend with any wider impact of those measures being in full consultation with Lead Members.

Highways and Environmental Services was currently projected to overspend by £728k (£98k reported in September) and the main points of debate referred to –

- **School Transport** – despite an additional £300k allocation following operation of the revised transport policy additional pressures had been identified; the new ongoing pressures for 2018/19 amounting to £593k were currently being discussed as part of the Medium Term Financial Plan for 2019/20 onwards. There was some debate as to whether this budget would be best placed in Education and Children's Services for greater clarity and accountability although it was an acknowledged pressure which needed to be resolved wherever it was located. Officers explained the reasoning behind the current position given that Education and Children's Services carried out the assessment process to determine eligibility of a child for school transport but the commissioning arrangement for those eligible for school transport was undertaken in Highways and Environmental Services because of the expertise and skills set required for negotiating the school contracts. Officers would be meeting to discuss the main causes of the overspend following which it may be opportune to consider where School Transport would be best placed
- **Major Projects** – this had been an issue over recent years. The main reason for the income shortfall related to the amount of work and re-imburement coming from the North and Mid Wales Trunk Road Agency (NMWTRA). It was proposed an in-year budget allocation of £140k be released from centrally held contingencies to resolve the pressure on an ongoing basis and a cash reserve of £159k kept to help fund the pressure in future years be released to help fund other pressures in the service. It was clarified that the amount invested in Denbighshire's highway network did not necessarily relate to the amount of work generated via NMWTRA given that highway work was also carried out by other

contractors. Councillor Brian Jones added that budgeted income had been set too high and would be revised in the next financial year to reflect the reduction

- **Streetscene** – Councillor Brian Jones elaborated upon the £200k cost required to remedy an issue with ‘Legacy Tips’ in order to meet statutory requirements
- **Waste** – the pressure in 2018/19 would be funded from the Waste Reserve and a budget pressure of £850k had been included in the Medium Term Financial Plan for 2019/20. A proposed new Waste and Recycling Service Design had been considered by Communities Scrutiny Committee

There was also some discussion on the recently announced provisional budget settlement for Denbighshire and the impact on diminishing reserves and funding going forward. The settlement left the Council with difficult decisions to make in order to deliver the required savings which would be considered by Cabinet and Council in due course. It was noted that further pressure was being put on Welsh Government via the Welsh Local Government Association and Council Leaders to discuss the funding pressures and financial settlement for local government. Reference was also made to the recently announced Autumn Statement and the Head of Finance advised that the headline figures had indicated additional resources for Wales but the detail of the funding announcement and whether it would result in any additional funding for local government was as yet unknown.

Other issues discussed as part of the finance report included the following –

- **Major Capital Projects** –

Rhyl 3 – 16 Faith School – Councillor Huw Hilditch-Roberts and the Head of Education and Children’s Services explained the complexities and difficulties in the recruitment and appointment process for a head teacher for the school and provided assurances that officers were working in partnership with the Diocese and the Governing Body to secure the best appointment for the school and ensuring that preparations for the opening of the new school were robust to deliver the best educational offer for pupils

Rhyl Harbour Development – in terms of the maintenance contract for the Pont y Ddraig bridge it was clarified that the full cost of the maintenance arrangements had not been captured in the original costing for the bridge given its unique design which subsequently needed to be resourced

Rhyl Waterfront and Waterpark – the reasoning behind the relocation of the Tourist Information Centre (TIC) was explained which would enable commercial activity on the vacated Children’s Village and add value to the TIC by co-locating it with Rhyl Museum at Rhyl Railway Station. There was a recognised need for a TIC in Rhyl and a physical presence and it was believed bringing the TIC and Museum together would complement each other and add value to both services. The TIC was provided jointly with North Wales Tourism and the type of offer would be remodelled and adapted as a result of the move

- **Summary of Agreed Savings** – Councillor Mabon ap Gwynfor raised a number of concerns regarding the agreed savings. It was explained that the savings had been agreed the previous year for the current year 2018/19 and had been

reported in the same format to Cabinet since then. It was assumed the savings would be delivered. Preparations were currently underway for next year's savings and suggestions for potential savings to be delivered were welcomed.

RESOLVED that Cabinet –

- (a) note the budgets set for 2018/19 and progress against the agreed budget strategy, and
- (b) note and agree the use of reserves, underspends carried forward and the release of contingencies in order to help mitigate the overall budget pressures that the Council is facing.

7 CABINET FORWARD WORK PROGRAMME

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

- Rhyl Regeneration Programme Re-launch – moved from November to the new year
- Sustainable Drainage Systems Approved Body (SAB) – added to December
- Budget and Capital Plan Reports – to be added for January/February

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 item of business on the grounds that it would involve the likely disclosure of exempt information as defined in Paragraph 13 of Part 4 of Schedule 12A of the Act.

8 SCHOOLS ICT NETWORK CONTRACT FRAMEWORK

Councillor Huw Hilditch-Roberts presented the confidential report regarding the procurement of Denbighshire schools ICT networks.

Cabinet was advised of schools' intention to procure ICT services from a competitive contract framework which would create a closed market of approved and accredited suppliers from which schools could shop safely. Denbighshire ICT had been involved in the process and their potential future involvement in providing services via that framework was also clarified and further discussed. Details of the process had been included within the report and the Lead Member and Head of Education and Children's Services responded to questions in that regard together with the actions to mitigate risks identified, the different expectations and requirements between schools and monitoring/governance arrangements going forward. It was noted that a collaborative procurement had been considered but given the different requirements and timescales of existing contracts no other councils had been able to take advantage of the procurement at this stage.

Cabinet acknowledged the schools' preference to procure ICT services via a contract framework and recognised the benefits of that approach in terms of consistency, quality assurance and value for money. Consequently it was –

RESOLVED that Cabinet –

- (a) *confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1 to the report) as part of its consideration, and*
- (b) *agrees to the framework in order for schools to procure ICT services from approved and accredited suppliers.*

The meeting concluded at 11.40 a.m.