

PERFORMANCE SCRUTINY COMMITTEE

Minutes of a meeting of the Performance Scrutiny Committee held in COUNCIL CHAMBER, COUNTY HALL, RUTHIN LL15 1YN on Thursday, 19 July 2018 at 10.00 am.

PRESENT

Councillors Ellie Chard, Ann Davies, Rachel Flynn, Martyn Holland, Hugh Irving (Vice-Chair), Huw Jones (Chair), Geraint Lloyd-Williams, Bob Murray and Arwel Roberts

Lead Members, Councillors Brian Jones and Julian Thompson-Hill attended at the Committee's request.

Observers – Councillors Mabon ap Gwynfor, Meirick Lloyd Davies, Graham Timms, Huw Williams and Emrys Wynne

ALSO PRESENT

Corporate Director: Economy & Public Realm (GB), Corporate Director: Communities (NS), Head of Highways & Environmental Services (TW), Head of Community Support Services (PG), Section Manager – Network Management (TT), Commercial Service Manager, Cefndy (SR), Strategic Planning Team Manager (NK), Principal Manager – Support Services (AL), Scrutiny Co-ordinator (RE), Committee Administrator (SLW)

Dewi Rowlands – Welsh Government Head of Transport Planning

The Corporate Director: Economy & Public Realm, Graham Boase was in attendance as a substitute for the Chief Executive, Judith Greenhalgh, who was unable to attend the meeting.

1 APOLOGIES

Apologies for absence were received from Councillors David Williams and Bobby Feeley (Lead Member for Well-being and Independence)
Apologies were also received from the Chief Executive.

2 DECLARATION OF INTERESTS

No declarations of interest.

3 URGENT MATTERS AS AGREED BY THE CHAIR

No urgent items.

4 MINUTES OF THE LAST MEETING

The minutes of the meeting of the Performance Scrutiny Committee held on 7 June 2018 were submitted.

Matters Arising:

Page 6 – Item 6 – The Chair, Councillor Huw Jones, confirmed he had attended the meeting in Flintshire County Council at which representatives from Kingdom were in attendance. A further report was to be presented at the Cabinet meeting due to be held in September. The Chair confirmed he would attend to update Cabinet members following the meeting in Flintshire.

Councillor Arwel Roberts requested it be noted that he was extremely disappointed Kingdom did not attend the Scrutiny meeting.

RESOLVED that, subject to the above, the minutes of the Performance Scrutiny Committee meeting held on 7 June 2018 be received and approved as a correct record.

5 DEVELOPING A HIGHWAY MAINTENANCE STRATEGY

The Lead Member for Highways, Planning and Sustainable Transport introduced the Highways Asset and Risk Manager's report (previously circulated). This was a follow-up report to the one presented to the Committee in December 2017 about the County's Highway Maintenance Strategy.

At the conclusion of the discussion on the Strategy at the December 2017 meeting, the Committee had extended an invitation to the Welsh Government's Cabinet Secretary for Economy and Transport to attend a future meeting of the Committee to discuss capital funding for highways projects. Unfortunately, the Cabinet Secretary had not been able to accept the invitation but had offered that one of his officials be invited to discuss the matter with the committee. Mr Dewi Rowlands, the Welsh Government's (WG) Head of Transport Planning had accepted the Committee's invitation and was welcomed to the meeting by the Chair. The Lead Member expressed his gratitude to Mr Rowlands' department and the WG for awarding Denbighshire the £1.2m Road Refurbishment Grant, as well as an additional £100K to help address some of the extra maintenance work required on the county's roads following the severe winter weather.

The Head of Highways and Environmental Services reminded the Committee that highways had been one of the corporate priorities in the 2012-17 Corporate Plan. This had resulted in some considerable amount of investment being made in the county's road network which had seen the condition of the roads improve markedly. The challenge during the current Council term would be to wisely invest continually dwindling financial resources in the road network in an attempt to ensure that the benefits of previous investment was not lost, and that other roads did not deteriorate to a point where they were no longer passable. He confirmed that the receipt of the additional £1.2m Road Refurbishment Grant had been greatly appreciated and had been earmarked for the four projects detailed in the report. Nevertheless, due to the costs associated with road maintenance projects whilst the four schemes listed in the report would be realised, there were a number of other schemes which would not benefit from this one-off grant.

The WG's Head of Transport Planning thanked the Committee for the invitation to attend the meeting to discuss highways capital funding matters and conveyed the Cabinet Secretary's apologies for not being able to attend. During his introduction he outlined the WG's vision for the highways network in Wales emphasising that it was important to reflect on what had happened in the past to understand the context of what was proposed for the future. A recent Welsh Local Government Association (WLGA) survey had indicated positively that the extent of Wales' highway network in poor condition had been reducing year on year between 2011/12 until 2016/17, which was the latest data available. There was a recognition within the WLGA's evidence that the funding injection to local authorities from WG had contributed towards the improvement in the quality of the highways network nationally. He explained that the Local Government Borrowing Initiative (LGBI), which operated for three financial years between the 2012/13 and 2014/15 represented an added allocation within each local authority's Revenue Support Grant (RSG) which increased the councils' potential to borrow money to fund capital projects. It was stressed that this initiative had not come to an end but that there had been a change in approach with the WG now servicing local authorities' borrowing costs and would continue do so until the 2034/35 financial year, subject to councils giving a commitment to improve their highway assets.

In respect of the £1.2m Road Refurbishment Grant and the additional funding allocated to address additional maintenance work, following the severe winter weather, the WG expected local authorities to report to it in March 2019 on the impact of money spent in their area. From thereon, local authorities were to report to WG annually on the management of their highways network and the impact of their investment in the network. Denbighshire was not alone in having a backlog of investment required in its highways network, as every local authority in Wales had a backlog, together with the WG itself. The WG had recently reported to the Assembly's Economy, Infrastructure and Skills Committee that it had a backlog of maintenance work amounting to £83m on its highways, motorways and trunk road network, with an additional £39m worth of investment required on its network structures. The challenge to WG and local authorities alike was how to effectively manage the risk of deterioration in order not to lose the benefits of the investment already made in the network. With a view to addressing these challenges representatives from the WG, WLGA and the County Surveyors' Society Wales (CSSW) had recently agreed to work together with a view to sourcing the right evidence to demonstrate the need for investment in specific network projects. Production of consistent robust evidence would be key for highways authorities submitting bids for funding from WG to substantiate their applications when competing for scarce public finances against other public bodies with equally important priorities. Consistent and realistic performance measures would need to be developed in order to support the delivery of a stable state network that would maintain its asset value whilst aligning to the aims and long-term values of the Well-being of Future Generations (Wales) Act 2015 .

The WG's representative informed the Committee that he was impressed with what he had seen to date of Denbighshire's Highways Asset Management Plan. He was of the view that this important document contained all assets relating to the county's highways network, including carriageways, bridges, drains, footways, signage etc. and adopted a holistic approach towards their maintenance for the benefit of the

entire network. This Plan would be an invaluable document for the Wales-wide group looking at developing an evidence base to support future highway network funding bids. The detail in the Plan and any obstacles identified as part of the plan's implementation would assist the all-Wales group with its work of developing a toolkit to assist stakeholders to compile robust evidence-based bids. Sharing best practice across Wales would benefit all. He had also been impressed by the Council's Annual Status and Option Report and to see that the capital and revenue spend was in line with the national highway maintenance element of the Standard Spending Assessment (SSA). Denbighshire's performance in maintaining its 'A' roads had progressed well, whilst 'B' and unclassified roads were satisfactory. However, performance in relation to 'C' roads was not as well. The overall picture was also positive i.e. the length of the network in overall poor condition was reducing. Nevertheless, there were now roads currently identified as 'amber' which were in danger of moving into a 'red' status without investment in the near future. A decision to invest in these roads at an early stage would be a 'spend to save' approach as it would mitigate against further deterioration and the possibility of 'losing' parts of the network for ever and its consequential impact on the economy and on communities. No highway authority in Wales could afford to allow the value of its assets to reduce. Stability in asset value was key if the economy was to flourish for the benefit of all, hence the importance of all authorities working with the WG, WLGA and CSSW to realise the most effective use of public funds to manage the highways network for the future.

Responding to members' questions the WG's representative, Lead Member for Highways, Planning and Sustainable Transport, Head of Highways and Environmental Services and the Highways Asset and Risk Manager:

- advised that it was the Council's responsibility to prioritise revenue spending on its network, this was determined based on a risk assessment prioritisation process. However, whilst transport funding had drastically reduced in recent years there was some grant funding available i.e. across Wales £4m for supporting public transport over four years and £60m for improving walking and cycling on designated routes over a three year period subject to specific criteria being met. The WG representative undertook to discuss with the Lead Member and officers whether the A547 Abergele Straights project would meet any of the set criteria;
- informed members that the Council had a strategy for the installation of dropped kerbs across the county. Work was currently underway on drawing up a list of locations across the county where dropped kerbs needed to be installed. A similar list of small drainage schemes across the county was also being compiled. Both lists would be given to the appointed contractor in the near future for them to commence the work on both projects;
- confirmed that whilst no reference was included in Appendix A to the report, 'A review of the condition of Denbighshire's roads since 2011/12' to 'B' roads in the county they were most definitely included in the Council's highways maintenance programme for 2018/19;
- confirmed that the 'A' and 'B' roads condition survey was a WG funded independent survey, which entailed a non-evasive technique examination called Scanner, which was undertaken during the summer to determine the proportion of the network that was deemed to be in poor condition;

- advised that in 2016/17 WG spent £155m on highway network maintenance;
- confirmed that WG was exploring different materials, including recycled products, when commissioning highway maintenance work and had been involved in a number of pilots to test such products. However, highways were only one part of the infrastructure and transport arrangements, hence the need to explore better ways of working and travelling. With a view to contributing to the de-carbonisation agenda, making effective use of technology and devising sustainable travel solutions the WG was working closely with the office of the Future Generations Commissioner for Wales on developing a sustainable travel strategy. Data was already available on the economic value of effective transport links and a well maintained highway network. Work was currently being undertaken in conjunction with Bangor University to better understand the social and cultural value of good quality transport links in relation to connected communities. The UK Cabinet Office had published a document called 'A guide to Social Return on Investment' on this particular topic;
- advised that in relation to realising best value in terms of borrowing for highways capital investment the Council was guided by Finance Officers' expertise. In terms of additional borrowing to fund revenue spending on highway maintenance work the Council was governed by prudential borrowing rules and borrowed any additional funding required from the Public Works Loan Board (PWLB);
- confirmed that the WG under the former LGFI scheme, which operated for three years, provided money to local authorities to support capital borrowing for highways work. Over three years a total of £172m had been borrowed across Wales for highways maintenance work. The final payment to local authorities via the RSG to service the borrowing costs would be made in 2034/35 ;
- advised that the Council was currently in the process of developing a footway condition survey, similar to the Highways Asset Management Strategy, which would fit in well with WG's vision for highways asset management plans to include all carriageways;
- confirmed that the Council received very few complaints or compensation claims in relation to accidents due to the condition of footways. Statistics relating to the number of claims made against the Council's insurance due to the accidents occurring because of the condition of footways would be provided to members;
- advised that utility companies could temporarily re-instate surfaces to paths or carriageways subject to a full re-instatement taking place within six months. Members were advised to contact the Council if they became aware of any accidents occurring due to temporary re-instatements, or if they were concerned about the quality of any re-instatements. Officers monitored the quality of re-instatement work on a regular basis and if the work was not up to the required standard the Council would fine the utility company concerned;
- confirmed that a guidance was issued by WG annually in the autumn to help local authorities submit applications for funding for highways projects. This guidance contained the criteria for applications as approved by the Cabinet Secretary. If applications met the set criteria WG would then determine the level of funding it could provide for the schemes submitted. There was no

'set' percentage figure allocated to each authority for highways funding, each application was determined on its own merits whilst one-off allocations such as the recent Road Refurbishment Grant were shared out using a pre-determined formula;

- confirmed that the list of roads contained in Appendix 'A' did not contain 'A' roads;
- described different types of recycled materials used by the Council during recent years for road maintenance work. This work was partly experimental to enable the authority to evaluate whether these materials would be durable in the long-term and reap financial benefits for the Council through not having to pay the cost of disposing of contaminated waste etc. Some of the pilots had been more successful than others, whilst it was too early yet to draw conclusions on the long-term benefits and resilience of more recent projects;
- confirmed that the Council's Chief Finance Officer would be able to advise members on the Council's borrowing limits;
- advised that legal rights to close or de-commission roads or rights of way lay within the powers of the local authority; and
- advised that if the Authority wished to apply for funding allocated for cycle route improvements the roads in question would already need to be designated on the network map as cycle routes and the proposed improvements would need to meet the set criteria for such routes.

During the discussion members emphasised the need for utility companies to liaise and communicate more effectively with local businesses and residents when planning to undertake necessary maintenance work, to enable them to plan for any disruption that may be caused to their business or their daily lives. With respect of the B4401 road in the Cynwyd area the WG representative indicated his willingness to discuss with the local member and officers if funding for improvements to that particular road could be sourced from a variety of WG transport specific funding streams, now that capital funding for such improvement schemes had reduced significantly.

The Chair thanking Mr Dewi Rowlands and Council Officers for attending and answering members' questions stressed the importance of the county's highways network to the entire county, using the analogy that the county's roads represented the arteries and veins that carried blood to all parts of the body to keep it healthy and functioning. It was, therefore, important that sufficient investment was made in all parts of the network to ensure that the county thrived on all levels, be it economically, culturally or socially. For this to be realised, the local authority and WG transport strategies needed to complement each other and be integrally linked.

Following and in-depth discussion the Committee:

RESOLVED that subject to the above observations to –

- (i) receive the report and appendix; and*
- (ii) to support the work underway nationally to develop all-encompassing highways asset management plans that would assist all stakeholders to effectively prioritise funding for highways projects and maintenance work*

with a view to realising optimum value for money as well as realising the aims of the Well-being of Future Generations (Wales) Act 2015

At this juncture (11.30 a.m.), there was a 20 minute break.

The meeting reconvened at 11.50 a.m.

6 CORPORATE PLAN PERFORMANCE REPORT QUARTER 4 - 2017-18

The Lead Member for Finance, Performance & Strategic Assets introduced the Strategic Planning Team Manager's report (previously circulated) which presented Members with the first update report on the delivery of the 2017-22 Corporate Plan.

Attached to the report was an Executive Summary which detailed the achievements to date along with the key exceptions (Appendix 1), and the full quarterly performance report for the fourth quarter of the 2017-18 year generated by the Verto Performance Management System (Appendix 2). During his introduction the Lead Member drew the Committee's attention to the main difference in the approach taken towards reporting on performance in delivering the new Corporate Plan compared to its predecessor, which was the inclusion of two pieces of commentary:

- Performance Status : which provided a narrative and an assessment on what the performance indicators currently implied about the communities; and
- Programme Progress Status: which outlined how projects identified in support of each priority were developing

The programme of work to deliver the Corporate Plan was still in its infancy, therefore the 'programme progress status' would reflect this. As projects established to realise the priorities in the Plan started to be delivered the 'programme progress status' column in the report would eventually reflect this, with the colour of the column eventually turning to 'green'. The 'performance status' column indicated the Council's performance to date against targets set for delivery of each priority. Whilst it was possible to have a 'poor' performance status, but a strong programme progress status during the timespan of the Corporate Plan, it was anticipated that as the Council's term progressed that both statuses would match positively to indicate that the Plan would successfully be delivered. Future Executive Summary reports would be exceptions reports rather than a full narrative on performance against all targets and indicators.

The Lead Member proceeded to explain that two programme boards, whose membership comprised of Lead Members, a Corporate Director and Heads of Service, had been established for the purpose of progressing the delivery of the five corporate priorities and ultimately the Plan itself. Both Boards, the Communities and Environment Board and the Young People and Housing Board, were chaired by a Corporate Director with one Board responsible for progressing the delivery of two of the corporate priorities whilst the other was charged with progressing the delivery of three. Of the five corporate priorities the performance status for two of the priorities had a 'red' priority for improvement status at present. These were the

priorities relating to 'Resilient Communities' and 'Young People' which entailed the delivery of a broad range of projects, some in partnership with external organisations, if they were to be realised. Therefore they were not entirely within the Council's control to deliver. An overview of the projects which underpinned each corporate priority was given to the Committee by the Lead Member. Members were advised by the Strategic Planning Team Manager that, in addition to the Verto generated report, the Performance Status and Programme Progress Status commentary were important information for Scrutiny to focus on when examining future Corporate Plan performance reports and deciding on its future work programme. She also confirmed that if members were not familiar with the Verto system that she would be willing to demonstrate to them how they could use it for their scrutiny work.

The Chair drew to members' attention to the fact that a number of the topics covered in the Corporate Plan were already on the Committee's forward programme, these included the draft sustainable travel plan and the draft fleet management strategy.

Responding to members questions the Lead Member, Corporate Director and Strategic Planning Team Manager advised that:

- the Council and GwE were working closely together with a view to improving school attendance figures. In addition other projects were being developed to try and address school absences, projects such the parenting project and the educational attainment project. The effectiveness of these projects would be reported to members in due course as part of the Corporate Plan performance report. However, if members wanted more information about the projects they could contact officers in Education and Children's Services;
- data on superfast broadband coverage ranking was currently only available based on a UK Parliamentary constituency basis and not on a county boundary basis. As the county spanned a number of parliamentary constituencies data for Denbighshire as a single entity was not available. As far as they were aware data was not available on the availability of broadband in rural areas in comparison to urban areas, but the Lead Member undertook to make enquiries on whether this type of data could be sourced;
- broadband and digitalisation were very complex areas and extremely broad. Members could bring this topic to scrutiny later on in the year or early next year and for that purpose were encouraged to complete a Member Proposal form setting out exactly what aspects of the subject they would wish to scrutinise i.e. they may wish to invite the WG's chief officer in charge of broadband and digitalisation in Wales to discuss future plans and/or connectivity and its impact on rural deprivation;
- the Council had recently approved a tree management procedure and published a guide to the public which was available on the Council's website;
- the project in the Corporate Plan relating to the planting of trees in specified urban areas was aimed at improving the well-being of residents in those areas. The Lead Member undertook to check with the relevant Service whether funding had been set-aside within the tree planting project for future maintenance costs for the trees;

- as part of the Young People Priority within the Plan work was taking place to grow local businesses and to try and entice employers into the county that would provide well paid employment opportunities for young people with a view to retaining young people in the area;
- the 'Working Denbighshire Project' was aimed at helping people to acquire the necessary skills to help them into employment. Other projects would entail mentors going into schools to help pupils with careers advice and developing softer skills such as inter-personal skills;
- work was underway with the Council's Customers, Communications and Marketing Service to produce a quarterly bilingual headlines bulletin on progress in delivering the Corporate Plan. This mailshot would be aimed at the public

The Scrutiny Co-ordinator suggested to members that the Committee may wish to invite Programme Board representatives to a future meeting to discuss their Board's work, remit and the projects they were responsible for delivering as a means of determining the key areas which the Committee may wish to focus on in future.

The Chair requested that for clarity purposes future reports should be consistent in their references to the United Kingdom or Great Britain and not contain a mixture of both, and that paragraphs of narrative required to be written in a clear and concise manner for ease of understanding.

At the conclusion of the discussion the Committee:

RESOLVED that subject to the above observations, and the provision of the requested information, to receive the report on the Council's performance in delivering its Corporate Plan for 2017-2022 as at the end of Quarter 4 of the 2017-18 year.

7 DIRECTOR OF SOCIAL SERVICES' ANNUAL REPORT 2017-18

The Corporate Director: Communities introduced the report (previously circulated) which presented the Committee with the Director of Social Services' Annual Report for 2017-18. It was explained that it was a statutory requirement for each Director of Social Services in Wales to produce an annual report summarising their assessment of the Service's effectiveness in delivering social care services during the year and outlining the priorities for improvement identified during the course of the year that would require focus going forward.

During her introduction the Director paid tribute to the commitment of the workforce, both paid, and unpaid volunteers, whose dedication had resulted in the Annual Report being a positive one overall. She drew members' attention to the Services' key achievements during the year and highlighted the areas that required further work. The guidelines for the presentation of the Annual Reports stipulated that they should not exceed a specified number of words, consequently it had not been possible to include all aspects of adult social care and children services work in the report. Nevertheless, having reviewed all the evidence, the Director was confident that Denbighshire continued to provide good quality social services for children,

adults and carers from cradle to grave, and in doing so had achieved some excellent performance in areas which were important for residents and communities. The Director advised that whilst legislation relating to social care had changed significantly during the last five years the principles of the legislation were actually what Denbighshire's social care services aspired to, delivering positive outcomes for individuals based on what mattered to them and providing early intervention and prevention at the right time to mitigate against the risk of needs escalating to require more intensive services. Despite the significant pressures faced by adult and children's social care services during the year the Service had performed well but as always there was more to do, particularly in light of the growing demographic, financial challenges and pressures that lay ahead.

The Chair referred to the excellent Estyn report received earlier in the year on the county's Education and Children's Services. He also referred to the fact that a report on the 'Provision of Respite Care across Denbighshire', focussing in particular on the availability of respite facilities to ease the burden on carers in line with the aims of the Council's Carers Strategy, would be presented to Partnerships Scrutiny Committee in September 2018.

Responding to members' questions the Director and the Principal Manager:
Support Services:

- advised that support for carers was provided in a variety of different ways dependent upon their needs i.e. at home, in a residential/nursing home, at a hotel or an alternative location away from their normal environment. Carers were entitled to receive a carers needs assessment, but were not obliged to have one. The Authority was working very closely with the North East Wales Carers Information Service (NEWCIS) in a bid to understand carers' concerns, the types of services they required and how services to carers could be improved;
- advised that information on the aims and implications of the Social Services and Well-being (Wales) Act 2014 had been presented to carers through a variety of different channels e.g. training/workshops, community and voluntary groups information sharing events and communications, as the Council realised that not all carers could attend events held due to their caring duties;
- confirmed that the Council was working closely with domiciliary care agencies examining the individual outcomes to be achieved when commissioning domiciliary care packages. The regional framework for commissioning domiciliary care had recently been renewed and the Council now had a list of which domiciliary care agencies wanted to provide services, including double-handed care services, in Denbighshire;
- advised that before a patient could be discharged from hospital a suitably qualified medical professional would have to certify that the patient was medically fit to be discharged. Hospital discharge care package assessments were not always undertaken by social workers, they were performed by the most suitably qualified professional dependent upon the individual patient's needs and requirements. Once a care package had been agreed steps would then be taken to commission the service(s) required for the individual. Wherever possible care packages were aimed at supporting

the individual to regain as much independence as possible in order to improve their quality of life;

- agreed that safeguarding was everyone's responsibility, members and officers across all services alike. In a bid to highlight to all Council staff their own individual responsibilities in relation to Safeguarding a mandatory training programme had been rolled-out across the authority during 2017-18; and
- confirmed that if service-users' mental capacity to take informed decisions about the services they required was impaired the Council/family members/carers could apply for Court of Protection (CoP) orders

During the discussion members referred to the pressures faced by health and social care services due to people living longer and the increasing levels of mental health related problems being recorded, even in primary school age pupils. They also noted the success of the Single Point of Access (SPoA) Service.

Officers undertook to make enquiries with regards to the delay encountered in providing young carers with free leisure cards and to confirm that GPs throughout the county were referring patients to the County's Leisure Services, in light of concerns raised that neither St. Asaph nor Llangollen were referenced in the report.

At the conclusion of the discussion members:

RESOLVED:

- (i) subject to the above observations and the provision of the requested information to confirm that the report provided a clear account of performance during 2017-18; and*
- (ii) to confirm that those areas which were either underperforming or of concern were already listed on a scrutiny committee forward work programme for further examination*

8 SCRUTINY WORK PROGRAMME

The Scrutiny Co-ordinator introduced the report (previously circulated) seeking Members' review of the Committee's work programme and providing an update on relevant issues.

A copy of the "Member's proposal form" had been included in Appendix 2. The Scrutiny Co-ordinator requested that any proposals be submitted to herself. The Cabinet Forward Work Programme had been included as Appendix 3, the table summarising recent Committee resolutions, advising on progress with their implementation, had been attached as Appendix 4.

The Chair and Corporate Director stressed to members the importance of attending all meetings of the Service Challenge Groups to which they had been appointed by the Committee as its representative, and to report back to the Committee on the conclusions of those meetings. If representatives were unable to attend they should notify the Chair of the Committee immediately to enable another member to

be appointed to attend in their absence. A list of the Committee's representatives on the Service Challenge Groups along with the schedule of Group meetings for 2018-19 had been included in the "Information Brief" document for members' information.

RESOLVED that subject to the above, the Forward Work Programme be approved.

9 FEEDBACK FROM COMMITTEE REPRESENTATIVES

There was no feedback to be presented.

EXCLUSION OF PRESS AND PUBLIC

The Chair advised the next item of business contained confidential information and the Committee subsequently:

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 14 of Part 4 of Schedule 12A of the Act.

10 CEFNDY HEALTHCARE ANNUAL REPORT 2017/18 AND BUSINESS PLAN

The Lead Member for Well-being and Independence had been unable to attend the meeting but the Lead Member for Finance, Performance & Strategic Assets attended in her place.

The Lead Member for Finance, Performance & Strategic Assets introduced the confidential report by the Commercial Service Manager – Cefndy and the Operational Services Manager (previously circulated) which presented the Committee with information on Cefndy Healthcare's performance during 2017-18 and its business plan for 2018-22.

The report was presented to the Committee for it to examine Cefndy Healthcare's performance and future strategic direction following the disbanding of the Advisory Board which had overseen its work in the past. Members were advised that the purpose of the business was "to provide meaningful well paid employment to disadvantaged members of the community". The loss of the Department of Work and Pensions (DWP) Work Choice funding on 31 March 2019 would affect Cefndy's financial standing going forward. With a view to mitigating the risks associated with the loss of DWP funding the Council's Community Support Services (CSS) had assumed the management of the Gwent Wide Integrated Community Equipment Services (GWICES), a social enterprise comprising five local authorities and the Aneurin Bevan University Health Board (ABUHB) in the Newport area, which operated on a similar basis to Cefndy Healthcare. By operating both enterprises CSS could reduce unnecessary administration costs whilst expanding its product lines and potential to generate sufficient income to continue to provide valuable, meaningful, well-paid employment to disadvantaged individuals on a cost neutral basis.

Responding to members' questions the Lead Member, Head of Community Support Services and Cefndy's Commercial Services Manager:

- described the competitive market within which Cefndy operated, in particular the difficulties encountered when competing against cheaper imports from developing economies across the world;
- confirmed that Cefndy's operating costs were slightly higher than a number of its competitors as its priority was to keep disadvantaged people in productive employment rather than claiming benefits;
- advised that Cefndy Healthcare was a department within Community Support Services, consequently it was not permitted to make a significant profit nor apply for social enterprise funding/investment;
- advised that no employees had been made redundant during 2017-18, the reduction in employee numbers were due to retirement, leaving for other employment etc.;
- confirmed that Cefndy Healthcare was tendering for new contracts on a monthly basis;
- advised that a number of Cefndy's employees had been with the 'company' for 30 years or more which was a testament to the business' community value. Similar to all Council employees those that worked at Cefndy were subject to the local government staff terms and conditions of employment and, therefore, entitled to sickness and pension schemes, which in turn gave them long-term financial security;
- advised that Cefndy's involvement with GWICES had opened up new marketing opportunities and access to marketing forums which would hopefully benefit the business in the long-term by enabling it to expand and diversify its business with a view to securing its long-term sustainability;
- confirmed that the investment made five years ago in specialist bending machinery had enhanced the business' manufacturing ability and would benefit the work undertaken in partnership with GWICES;
- outlined the membership of the former advisory board advising that the business had originally been established by the former Clwyd County Council and transferred to Denbighshire County Council on local government reorganisation due to the location of its factory being in Rhyl. Denbighshire County Council established the advisory board to monitor the business' performance etc. because it provided a subsidy to the business. That subsidy had ceased some years ago therefore a decision was taken by the Head of Service, under powers delegated to him, to disband the Board and seek Scrutiny to monitor the business' performance in future;
- confirmed that the Commercial Service Manager and the Operational Services Manager were responsible for the day to day running of the business and any operational and business decisions taken;
- advised that it was envisaged that the benefits to Cefndy Healthcare of the CSS's assuming the management of GWICES would be fully realised in 2019 when the DWP Work Choice funding ceased; and
- advised that the ratio of disadvantaged employees to other employees at Cefndy was 70:30. This ratio included management and manufacturing staff as the business developed career pathways for its staff to enable them to realise their full potential

Committee members congratulated the Council on making sure that the business continued to operate for the purpose of securing positive life outcomes for its employees. Members suggested that all county councillors should be invited to attend Cefndy Healthcare to see the work undertaken at the factory and that the Council's Customers, Communications and Marketing Team be informed of the visit to enable a press or media release to be issued highlighting the business and its purpose. It was:

RESOLVED that subject to the above observations that

- (i) the Annual Report on Cefndy Healthcare's Performance during 2017-18 (Appendix 1) and its Business Plan for 2018-2022 (Appendix 2) be received;*
- (ii) Cefndy's Annual Performance Report and Annual Plan be presented to the Committee on an annual basis, with a half-yearly performance report being provided to the Scrutiny Chairs and Vice-Chairs Group (SCVCG) for information purposes unless circumstances necessitated an earlier report to the Committee; and*
- (iii) a visit be arranged for all county councillors to Cefndy Healthcare to familiarise them of the business and its aims*

The meeting concluded at 2.00 p.m.