

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin on Tuesday, 22 January 2019 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, Meirick Davies, Martyn Holland, Alan James, Gwyneth Kensler, Arwel Roberts, Peter Scott, Glenn Swingler, Rhys Thomas, Graham Timms, Huw Williams and Emrys Wynne

ALSO PRESENT

Chief Executive (JG); Corporate Directors: Communities (NS) and Economy and Public Realm (GB); Heads of Service: Legal, HR and Democratic Services (GW), Finance/S.151 Officer (RW), and Community Support Services (PG); Service Manager – Community Support Services (AP); Lead Officer Community Housing (GD) and Committee Administrator (KEJ)

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

Members declared a personal interest in the following –

Councillor Meirick Davies – Agenda Item 6 as Chair of the North Wales Fire Authority and Agenda Item 8 because he rented a council garage

Councillor Glenn Swingler – Agenda Item 5 as a Support Worker for people with learning disabilities and Agenda Item 8 because he was a Denbigh Town Councillor

Councillor Rhys Thomas – Agenda Item 8 because he was a Denbigh Town Councillor

3 URGENT MATTERS

No urgent matters had been raised requiring a decision.

A question had been received from Councillor Rhys Thomas which the Leader had agreed could be dealt with under urgent matters.

Councillor Rhys Thomas submitted the following question –

“In the light of the news that Hitachi have put on hold their work at Wylfa Newydd due to escalating costs, has the Cabinet considered the implications of this news on the North Wales Growth Bid relying heavily as it does on two other major projects connected to the nuclear industry?”

The Leader responded to the question advising that because the announcement had only been made at the end of the previous week the Cabinet had not yet had opportunity to consider the matter. However the North Wales Economic Ambition Board (NWEAB) had met with representatives from Welsh Government and Horizon Nuclear Power the previous day and had issued the following statement –

“The Board fully supports the development of a new nuclear power station at Wylfa on Anglesey and the economic benefits this will deliver for the entire region.

We are committed to building on the close working relationships already established with the UK and Welsh Governments, the private sector and Horizon Nuclear Power, and together are exploring next steps and the best way forward.

The Board would like to make it clear the decision to suspend work on Wylfa Newydd will in no way impact on any projects in the North Wales Growth Deal. Those projects stand alone with approved business cases and will be crucial to the further economic prosperity of the area.

We will now enter into further discussions with the UK and Welsh Governments to look at additional support and funding opportunities in light of this decision.”

A supplementary question was permitted and Councillor Rhys Thomas asked whether there would be opportunity for other renewable energy projects for North Wales more advantageous to Denbighshire if the project did not proceed. The Leader responded that the NWEAB continued to support the development and discussions were ongoing with those involved to progress the project as originally intended if possible. If that could not be achieved there would be opportunities to revisit existing projects within the Growth Bid which might not require so much focus on nuclear energy for the region. There was also an opportunity to seek additional funding from the UK Government for the Growth Deal which if successful would enable other projects to emerge.

4 MINUTES

The minutes of the Cabinet meeting held on 18 December 2018 were submitted.

Matters Arising – Page 8, Item 4 Minutes – Cabinet 30 October 2018 (Gypsy and Traveller Site Provision) – Councillor Peter Scott queried progress with analysing the pre planning consultation responses and given the rumours circulating about the issue he requested clarity for St. Asaph residents. Councillor Tony Thomas

confirmed that the analysis was nearing completion, no decision had yet been made, and a report would be presented for a decision in the Spring. To address the rumours the Leader agreed that the Council publicly confirm the current position.

RESOLVED that the minutes of the meeting held on 18 December 2018 be received and confirmed as a correct record.

5 NORTH WALES LEARNING DISABILITY STRATEGY

Councillor Bobby Feeley presented the report enclosing the North Wales Learning Disability Strategy 2018 – 2023 and seeking Cabinet approval of the involvement of the Council in that Strategy.

The Strategy had been developed jointly by Betsi Cadwaladr University Health Board and the six North Wales councils and was supported by Public Health Wales. It involved a regional approach working towards integrated learning disability services in North Wales and had been informed by people with a learning disability and their carers with a view to achieving a better quality of life for those with learning disabilities. The Strategy included five work areas and was in line with the Council's corporate priorities. The costs of delivery had been supported by £1.7m Welsh Government funding and should not create an additional pressure locally.

Cabinet discussed the documents with the Lead Member and officers who –

- provided assurances with regard to equality issues and accessing services
- confirmed the challenges presented in meeting the needs in rural areas which had been identified and much work was ongoing in that regard to mitigate negative impacts in terms of safeguarding and promoting independence
- confirmed that a regional approach would strengthen services not dilute them
- explained the grant funding provision which continued for future years and the need to keep up with increasing demand for services.

Responding to questions from non-Cabinet members the Lead Member and officers –

- confirmed that services could be provided through the medium of Welsh
- reported upon the position with regard to the response of bus companies in terms of fair play for people with learning disabilities through self-advocacy
- advised that safeguarding and the digital age was a wider issue and there were clear protocols around internet abuse which was a separate issue
- confirmed that relevant training could be arranged for councillors
- explained that the regional funding must be used for specific purposes and one of the five work areas in the Strategy focused on workforce development
- indicated that the Strategy was currently being translated and a Welsh version would be made available as soon as possible.

RESOLVED that Cabinet approves the involvement of Denbighshire County Council in the Regional Learning Disability Strategy.

6 HOUSING RENT SETTING & HOUSING REVENUE AND CAPITAL BUDGETS 2019/20

Councillor Julian Thompson-Hill presented the report seeking Cabinet approval for the Denbighshire Housing annual rent increase, the Housing Revenue Account Capital and Revenue Budgets for 2019/20 and Housing Stock Business Plan.

Councillor Thompson-Hill guided members through the budget figures and income level assumptions which had been calculated taking into account the Welsh Government Rent Policy for social housing rents and mechanism for uplifting rents. The uplift for 2019/20 was 2.4% and would leave 40% of homes at target rent levels. The current policy ended in 2018/19 and the increase for 2019/20 was a one year interim policy with an announcement from Welsh Government on future rent policy expected in April 2019. The annual review of the Housing Stock Business Plan showed it remained robust and financially viable and there were sufficient resources to support the management and supervision of the housing service and the investment needs of the stock.

During consideration of the report the following issues were discussed –

- the requirement to include bad debt provision was explained together with the impact of Universal Credit and the Council's proactive approach in that regard and providing financial advice and support to tenants – it was noted that rent collection rates remained high and arrears were amongst the lowest in Wales
- in terms of the loss of income on Voids it was acknowledged that time was taken for completion of works to ensure the empty property was of a high standard – benefits included minimum disruption to future tenants and a high quality home with less repairs costs going forward which was appreciated by tenants
- it was noted that garages were not dealt with in the report because they were not subject to the Welsh Government Rent Policy and would be reviewed by the Head of Service under delegated authority – historically garage rents tended to be increased in line with housing rents. Councillor Huw Hilditch-Roberts felt there would be merit for Cabinet to set garage rent levels when setting housing rent levels. The review of garages was nearing completion and the Leader asked that members be informed on conclusion of the review which would also be an opportune time to consider the point raised by Councillor Hilditch-Roberts
- it was accepted that the Denbighshire Tenants and Residents Federation could be more representative however a good relationship existed with tenants and there was a detailed engagement plan to gain feedback and inform future plans
- it was appreciated that any increase in rent could have an impact on some tenants' ability to meet their financial commitments and officers would continue to help customers manage their finances effectively and maximise their income. The need to ensure affordability and value for money was acknowledged and initial feedback from the latest STAR survey indicated 89% of tenants considered their home provided value for money.

RESOLVED that –

- (a) *the Housing Revenue Account Budget for 2019/20 (Appendix 1 to the report) and the Housing Stock Business Plan (Appendix 2 to the report) be adopted, and*
- (b) *rents for Council dwellings be increased in accordance with the Welsh Government Policy for Social Housing Rents to an average weekly rent of £89.77 with effect from Monday 1 April 2019.*

7 RECOMMENDATIONS OF THE STRATEGIC INVESTMENT GROUP

Councillor Julian Thompson-Hill presented the report seeking Cabinet's support of projects identified for inclusion in the 2019/20 Capital Plan as recommended by the Strategic Investment Group (SIG) and detailed in Appendix 1 to the report.

Councillor Thompson-Hill guided members through the report and explained the funding available for block allocations for on-going programmes of work which also included provisional allocations pending confirmation of additional general capital grant funding of £1.680m. The additional grant funding had since been confirmed by Welsh Government and therefore the provisional allocations could also be confirmed. The work of the SIG in reviewing the bids for allocations was highlighted and the summary of their recommendations was elaborated upon further at the meeting. In response to a question from Councillor Gwyneth Kensler it was confirmed that part of the block allocation for highways did contain an element for footway repair which would be prioritised as appropriate by that department.

RESOLVED *that the projects detailed in Appendix 1 to the report for inclusion in the 2019/20 Capital Plan be supported and recommended to full Council.*

At this juncture (11.30 a.m.) the meeting adjourned for a refreshment break.

8 BUDGET 2019/20 - FINAL PROPOSALS

Councillor Julian Thompson-Hill presented the report setting out the implications of the Local Government Settlement 2019/20 and proposals to finalise the budget for 2019/20, including the level of Council Tax.

Councillor Thompson-Hill provided an overview of the budget process and latest budget position and elaborated upon the proposals for consideration and recommendation to full Council in order to set the budget for 2019/20. The final settlement had resulted in a cash-flat funding position but for the funding position to have remained neutral in terms of minimum funding pressures the settlement would have needed to be closer to +5%. Pressures included pay, pension, National Living Wage, price/energy inflation, fire service levy, allowances for increases to the Council Tax reduction scheme, reduction in DWP Administration Grant and central contingencies. Local budget pressures in priority areas had also been recognised including social care, schools and transport. A 6.35% rise in Council Tax had been proposed to raise an additional £797k compared to the Council Tax rise in 2018/19, to be used as part of the overall package to address the budget deficit – this included an additional £2m to social care.

The Chief Executive thanked Cabinet members and officers for putting the package of savings together which protected frontline services as far as possible whilst also recognising demand pressures. The package had been achieved by focusing on efficiencies and developing alternative delivery models. It was acknowledged that difficult choices had been made, including around the level of Council Tax, and it was also recognised that future years would likely be equally challenging.

During consideration of the report Cabinet members discussed the proposals at length and, along with officers, also responded to various questions which related to specific areas within their portfolios covering a wide range of different issues.

Main areas of debate focused on the following –

- the rationale behind the proportion of proposed additional funding allocation to Community Support Services (CSS) and Children and Education Services (CES) was discussed given the differential in the base budgets. It was noted that funding proposals had been based on demand projections for the individual services in order to appropriately address the immediate issues in each service area. The strategy for dealing with CSS also included the use of a specific reserve to manage the pressure and the likely availability of additional grant support for 2019/20 had also been considered. CSS and CES were both statutory services but whereas the majority of services for adults could be delivered within the county, the needs for some children had to be met outside of the county in specialist provision at a significant cost. An additional £750k had been allocated to CES in the last financial year and an additional £1.5m was proposed for 2019/20 – it was hoped that the approach to raise the base budget would address the issue long-term
- the Council continued to support schools by funding pay and related inflation and movement in pupils numbers. Schools had been asked to identify savings of 2% and although difficult, a positive response had been received from head teachers via the Schools Budget Forum and there was confidence that the savings would be achieved. It was up to individual schools to assess the impact of the savings and implement them which would be different in every school
- in terms of the proposed £23k saving relating to the running costs of Denbigh Town Hall it was clarified that the building had been considered for disposal because it was surplus to the Council's requirements. Given that it was an important asset for Denbigh and that Denbigh Town Council operated from there, the Town Council had been approached and confirmed they would be interested in taking on the freehold subject to its affordability and investigations were currently ongoing in that regard. As an interim measure the Town Council had agreed to contribute to the running costs on a pro rata basis pending a decision. On that basis the proposal to save £23k was achievable in 2019/20 and was not reliant on the Town Council's decision to take the freehold. If the Town Council did not take on the freehold then the Council would consider other options for the building. Councillor Glenn Swingler raised concerns over the possibility of losing an important community asset for the sake of £23k, particularly when investment was being made in similar facilities elsewhere in the county. In response reference was made to the transfer of Llangollen Town Hall to Llangollen Town Council under similar circumstances and to the investment in Denbigh's library and leisure centre

- concerns were expressed regarding uncertainty over the availability and amount of future grant funding which created difficulties for future financial planning and budget setting. In terms of the position for the next financial year the level of reductions seen in previous years was not expected and additional capital grant funding was expected for highway maintenance and also additional revenue grants for social care. However the consensus from local government was that it would better aid financial planning if more grant funding was available on a permanent unhypothecated basis to enable spend to be determined locally
- Councillor Meirick Davies advised that the full Fire Service Levy (£237k) had been identified as a pressure and the money provided by Welsh Government in the financial settlement towards that levy had not been taken into account. It was explained that whilst an element of funding for the Fire Service Levy was included in the overall level of settlement there was nothing specifically passported to fund an increase in the fire precept of this scale, consequently the additional cost of the precept had to fall as a pressure to be funded locally. It was highlighted that the Fire level element of the settlement had increased by a much lower percentage than the amount of the levy charged
- with regard to the proposed £200k reduction in the revenue budget for Streetscene the intention was to mitigate the impact by replacing some of that element with a budgeted capital allocation to support highway maintenance work which would also provide greater surety for the service and confirmation was awaited on the potential for additional grant funding for highways
- the Head of Finance/S.151 Officer agreed to provide written responses to questions raised from Councillor Meirick Davies regarding Council Tax on empty properties and Councillor Gwyneth Kensler regarding the percentage increase in the different energy costs.

Cabinet noted the challenging settlement received from Welsh Government and the acute pressures facing the authority. It was accepted that a higher Council Tax increase would be required to deliver funding for all the pressures identified and continue with an effective and reasonable level of service to residents.

RESOLVED that Cabinet –

- notes the impact of the Local Government Settlement 2019/20;*
- supports the proposals outlined in Appendix 1 to the report which were in line with the proposals presented at the members budget workshop held on 11 January 2019, and accordingly recommends them to the full Council in order to finalise the 2019/20 budget;*
- approves the savings totalling £223k listed in Appendix 2 as part of the budget package;*
- recommends to Council the average Council Tax rise of 6.35%, which recognises a range of significant pressures, including the increasing cost pressures in adults and children’s social care and supports the allocation of £2.0m of additional funding across the two services, and*

- (e) *confirms that it has read, understood and taken account of the Well-being Impact Assessments submitted as part of the report.*

9 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 £0.756m 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).

Cabinet members responded to a number of questions raised elaborating upon the reasoning behind the overspend in Customers, Communications and Marketing and Highways and Environmental services. In terms of school transport the issue as to whether the budget would be best placed in Highways and Environment or Education and Children's Services had been debated previously although it was an acknowledged pressure which need to be resolved wherever it was located.

RESOLVED *that Cabinet note the budgets set for 2018/19 and progress against the agreed budget strategy.*

10 CABINET FORWARD WORK PROGRAMME

The Cabinet Forward Work Programme was presented for consideration and it was noted that the following item would be added to the future work programme for March – Implementation of an Alternative Delivery Model for various leisure related activities/functions (to approve the business case).

RESOLVED *that Cabinet's Forward Work Programme be noted.*

11 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 12, 14 and 15 of Part 4 of Schedule 12A of the Act.*

12 IMPLEMENTATION OF AN ALTERNATIVE DELIVERY MODEL (ADM) FOR VARIOUS LEISURE RELATED ACTIVITIES/FUNCTIONS

Councillors Bobby Feeley and Julian Thompson-Hill presented the joint confidential report seeking Cabinet approval of the Alternative Delivery Model (ADM) Project Brief, to enable the full business case for the project to be progressed.

The value and importance of the Council's leisure service provision was highlighted and there had been significant investment in its facilities. The reasoning behind the project was explained in order to maintain and hopefully improve that provision given the financial constraints facing the authority and the significant savings which could be generated by such an approach. The purpose of the project brief was to consider the scope in relation to which leisure related activities/functions should be progressed to business case at this stage whilst also acknowledging potential opportunities to add functions/activities in the future as appropriate. The rationale behind the elements of provision proposed to be included within the scope of the project brief was explained in order to reflect the core leisure business and those elements which lent themselves to a more commercial approach.

Cabinet discussed the merits of the project brief and scope of leisure related activities to be included as part of the next stage. Councillor Huw Hilditch-Roberts asked that a scoring matrix be used to assess those elements for inclusion to ensure clear reasoning behind the decision to include or exclude particular elements together with detailed costings. Assurances were provided that the level of detail would be included within the business case. Further discussion focused on the staffing and resource elements of the proposal and it was clarified that although further work was required in terms of developing the operational costs which would be included as part of the business case, savings could be delivered immediately in terms of business rate relief and VAT exemptions. In terms of the impact on the Welsh Language assurances were given that the issue would be dealt with as part of any future governance arrangements and adherence to the Council's policy would be included in the terms and conditions of the new alternative delivery company. Further assurances were also provided in terms of ensuring that leisure services remained affordable to residents given the focus on a more commercial approach. With regard to timescales the intention was to provide information on the business case to Cabinet Briefing in February, followed by a Members Workshop in March, a decision on the business case being considered by Cabinet post the Members Workshop with the final decision being made by Council in April.

RESOLVED that Cabinet –

- (a) *approves the Project Brief attached to the report to enable the full Business Case for the Project to be progressed, and*
- (b) *confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix B to the report) as part of its consideration.*

The meeting concluded at 14.15 hrs.