

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin on Tuesday, 30 July 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's Services and Public Engagement; Brian Jones, Lead Member for Waste, Transport and the Environment; Richard Mainon, Lead Member for Corporate Services and Strategic Direction; Tony Thomas, Lead Member for Housing and Communities; Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets, and Mark Young, Lead Member for Planning, Public Protection and Safer Communities

Observers: Councillors Joan Butterfield, Meirick Davies, Alan James, Barry Mellor, Arwel Roberts, Rhys Thomas, Graham Timms, and Emrys Wynne

ALSO PRESENT

Chief Executive (JG); Corporate Director Communities (NS); Heads of Service: Legal, HR and Democratic Services (GW), Facilities, Assets and Housing (JG), Highways and Environmental Services (TW); Chief Accountant and S.151 Officer (SG); Flood Risk Engineer (WH); Lead Business Partner – Organisational Development (AM) and Committee Administrator (KEJ)

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

Councillor Tony Thomas declared a personal interest in agenda item 6 because he lived in close proximity to the area affected by flooding although his property had not been affected.

Councillor Meirick Davies declared a personal interest in agenda item 9 because he was a School Governor at Ysgol Cefn Meiriadog and Ysgol Trefnant.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 25 June 2019 were submitted.

RESOLVED that the minutes of the meeting held on 25 June 2019 be received and confirmed as a correct record.

5 EMPLOYMENT POLICIES

Councillor Richard Mainon presented the report recommending adoption of two new employment policies which had been developed in consultation with the recognised Trade Unions which covered (1) Redundancy, and (2) Trans and Gender Equality.

A brief summary of each policy was provided and Councillor Mainon explained that following feedback a review of the current Redundancy Policy had been undertaken to provide a more structured policy with clearer roles, responsibilities and timescales (the current redundancy calculation would remain the same), and a Trans and Gender Equality Policy had been formulated to provide general guidance and advice about Trans and gender reassignment issues within a clear framework. Both policies had been produced following positive collaboration through the agreed consultation process and had been well received and subsequently approved by the Joint Consultative Committee for Health and Safety and Employee Relations. It was also confirmed that the new policies were more aligned with those of other local authorities.

RESOLVED that Cabinet –

- (a) *approves the employment policies as detailed within the report for adoption within the Council, and*
- (b) *confirms that it has read, understood and taken account of the Well-being Impact Assessments (appended to the report) as part of its consideration.*

6 EAST RHYL COASTAL DEFENCE SCHEME

Councillor Brian Jones presented the report on the proposal for a coastal defence scheme at East Rhyl and sought Cabinet agreement to the scheme and funding requirements and to recommend to Council accordingly.

East Rhyl was the Council's highest priority area for a coastal defence scheme given that it was more likely to experience severe flooding than anywhere else in the county. In making the case for the proposed scheme Councillor Jones referred to the devastation of the December 2013 floods and future vulnerability of the area in terms of flood risk. An investigation into the 2013 floods showed that properties could be flooded during a 1 in 20 year event and the scheme would provide an appropriate standard of flood protection for approximately 1650 properties with a defence against a 1 in 200 year event. However the cost of the project was estimated at £27.5m and would place an additional revenue burden on the Council.

Details of the estimated revenue implications and financial assumptions based on current borrowing rates had been detailed within the report. Councillor Julian Thompson-Hill supported the recommendation and confirmed that the Strategic Investment Group had approved the scheme. In terms of the financials he highlighted the change to the funding regime and revenue impact of that change.

Whilst the scheme was eligible for 75% Welsh Government grant funding the Council would be expected to fund the whole amount, with 75% of the cost of borrowing repaid to the Council annually via the Revenue Support Grant over 25 years. A contribution of £6.87m was required from the Council and the majority of that funding would need to be borrowed (£2m general funding had already been earmarked for the scheme) at an estimated cost of £29k in 2020/21, £205k in 2021/22 rising to £286k a year from 2022/23. Assuming the revenue budget position did not improve the repayment amount would have to be ring-fenced which would impact on future savings/cuts.

Cabinet accepted that a case had been made for the project from a flood defence perspective given the significant risk to the community and further considered the funding element and financial implications of progressing the scheme, noting the long term commitment required in terms of repayment of the loan and impact on the revenue budget. The following issues were further discussed –

- Councillor Mark Young queried the risk of overspend given that Welsh Government would not consider requests for increased grant where costs had increased above the approved sum and it was confirmed the Council would be liable for any overspend. However the risk had been mitigated by using a robust procurement framework which resulted in a high level of cost certainty and £4m risk contingency had been built into the £27.5m budget with an allowance for inflation; subject to Council approval the works would commence in April 2020
- Councillor Bobby Feeley highlighted other areas within the county prone to flooding and queried the impact on funding other flood schemes given the substantial funding required in this case. Officers reported upon flood management in other areas of the county, including both coastal and fluvial schemes which were at various stages in development and would be progressed via the Programme Board. It had been suggested that a Flood Risk Project Board be established to oversee the East Rhyl scheme and also to consider options for other schemes. The scheme would be brought back to Council for further consideration should the final target cost exceed £27.5m
- in recalling the devastation of the 2013 floods Councillor Tony Thomas spoke in favour of the scheme, highlighting the potential threat to life and destruction of property from future flooding events and the need to protect the community
- Councillor Mark Young sought assurances regarding community benefits arising from the proposed scheme and officers confirmed that element was referenced within the report and included in the procurement framework
- officers responded to questions from Councillor Meirick Davies advising that the Shoreline Management Plan supported the actions of the proposal, reference to which could be included in the Council report. It was also confirmed that reducing the scope of the scheme would reduce the standard of protection
- Councillor Barry Mellor spoke in support of the scheme, commending the way the Council dealt with the 2013 floods, and he felt the Council should be more proactive generally in relation to flood issues. Councillor Alan James also spoke for the scheme highlighting the wellbeing and financial impact on residents
- in terms of timescales, should Cabinet be minded to support the recommendations, a report would be submitted to Council on 10 September.

RESOLVED that Cabinet –

- (a) *confirms that it has considered the content of the Well-being Impact Assessment (attached at Appendix 1 to the report);*
- (b) *supports the proposal to progress the scheme to the construction phase, using the grant aid funding model set out by the Welsh Government, and recommends to Council that the proposal be approved, and*
- (c) *recommends to Council that authority be delegated to the East Rhyl Coastal Defence Scheme Project Board (the Project Board to be established following confirmation of Cabinet approval to proceed to the construction phase) to deliver the scheme, as long as the final target cost does not exceed £27.5m. The project should be brought back to Council for further consideration should the final target cost exceed £27.5m.*

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

Councillors Bobby Feeley and Julian Thompson-Hill presented the joint report seeking Cabinet approval of the implementation cost of the project to deliver a not for profit Local Authority Trading Company Limited by Guarantee (LATC) and to advise Cabinet of the revised net saving to the Council in the first year 2020/21.

Council had agreed to support the creation of a LATC on 30 May 2019 and the report was another stage within that process. Councillor Julian Thompson-Hill reported that work had been ongoing with regard to the financials which had been determined as far as possible. To enable the LATC to be operational by 6 April 2020 a one off implementation cost of £391k had been projected and associated net revenue savings in year 1 had been reassessed and projected to be £785k. Councillor Thompson-Hill also elaborated on the cost breakdown and range of factors contributing to the final cost projections which resulted in £18k less savings than originally anticipated. Consequently Cabinet was asked to agree the one off implementation cost and note the slightly reduced saving target in the first year.

Officers responded to a question from Councillor Mark Young, advising that Council had approved the creation of the ADM and because the operation of leisure services was an executive function Cabinet had been asked to approve the finances for its implementation. Consequently there was no intention for the specific report on implementation costs to go to scrutiny although the overall project may be subject to scrutiny at some point. Any member could make a request for scrutiny to the Scrutiny Chairs and Vice Chairs' Group. Officers also responded to questions from non-Cabinet members regarding the operational and strategic responsibilities relating to the LATC together with controls and safeguards in place and financial liabilities. In terms of VAT and NNDR specialist advice had been received confirming that the savings identified in the report could be realised in line with current legislation.

RESOLVED that Cabinet support the implementation of the project to deliver a not for profit Local Authority Trading Company Limited by Guarantee.

8 POOLED BUDGET AGREEMENT FOR CARE HOME ACCOMMODATION FOR OLDER PEOPLE 2019-2020

Councillors Bobby Feeley and Julian Thompson-Hill presented the joint report regarding the establishment of a single, non-risk sharing regional pooled fund for care homes accommodation functions for older people.

Councillor Feeley provided some background and referred to the establishment of the Regional Partnership Boards under Part 9 of the Social Services and Well-being (Wales) Act 2014 to take forward effective integration of health and social services. She outlined the proposed regional approach to fulfilling the legal requirement in relation to the establishment and maintenance of a regional pooled fund for care home accommodation, with Denbighshire County Council acting as host authority on behalf of the six North Wales Councils and Betsi Cadwaladr University Health Board. A legal agreement had been prepared to reflect the agreed arrangements with partners in respect of the pooled fund for a term of three years. It had been established that the overall regional spend in 2018/19 was £111m.

Councillor Julian Thompson-Hill explained the methodology for the pooled fund with each of the seven partners providing strictly segregated contributions equivalent to the costs they incurred thereby ensuring no risk sharing or cross subsidisation between partners. He clarified that £20k regionally administered transformation funding would be paid to Denbighshire in recognition of the cost of hosting the pooled budget and therefore operation of the fund would be cost neutral.

RESOLVED that Cabinet –

- (a) note the progress made regionally in meeting the Part 9 requirements of the Social Services and Well-being (Wales) Act 2014 which includes a legal requirement to establish a regional pooled fund for care homes accommodation for older people;*
- (b) approve the establishment of a non-risk sharing pooled fund for care homes accommodation for older people as set out in the report with Denbighshire County Council acting as Host Authority and for the arrangements to be effective for the financial year 2019/20;*
- (c) approve the Council entering into a legal agreement between Betsi Cadwaladr University Health Board and the six local authorities across North Wales, regulating the establishment, operation and governance arrangements in respect of the pooled fund for a period of 3 years, and*
- (d) confirms that it has read, understood and taken account of the Well-being Impact Assessment attached at Appendix 1 to the report as part of their consideration.*

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 2019/20 was £198.538m (£194.418m in 2018/19)
- an overspend of £0.912m was forecast for service and corporate budgets
- detailed required savings and efficiencies of £5.672m including corporate savings identified in 2018/19 (£0.5m), schools savings of 2% (£1.32m) and service efficiencies and savings (£3.852m)
- highlighted current risks and variances relating to individual service areas, and
- provided a general update on the Capital Plan, Housing Revenue Account and Housing Capital Plan.

Cabinet was also asked to approve the construction of apartments at The Dell in Prestatyn as recommended by the Strategic Investment Group.

Cabinet discussed the projected overspends in Adult Social Care and Education and Children's Services (despite an increase to the base budget) which remained a cause for concern. The Chief Executive reported upon ongoing work with Lead Members and the Senior Leadership Team to manage those costs which would also be discussed as part of the overall budget setting process. The Lead Members for those services also elaborated upon the difficulties faced and need to prioritise services for vulnerable adults and children. In terms of future cuts the Corporate Director Communities confirmed the priority for meeting the needs of children and vulnerable adults which came at a cost but it was important to consider all aspects of the business and it was right to question the appropriateness of the actions and interventions taken. The Leader highlighted that the pressures identified were not unique to Denbighshire and were faced by all local authorities in Wales and there was a role for the Welsh Local Government Association to lobby Welsh Government on their behalf to ensure appropriate funding provision.

Councillor Meirick Davies queried why the deficit for Blessed Edward Jones High School could not be carried over to the new school. It was explained that two schools were merging to become one different school thereby creating a new legal entity, consequently neither a deficit nor surplus balance could be carried over. The new school would essentially start with a zero balance and its new budget would be determined in accordance with the usual criteria, i.e. pupil numbers, etc.

RESOLVED that Cabinet –

- note the budgets set for 2019/20 and progress against the agreed budget strategy, and*
- approve The Dell Apartments Development, Prestatyn as recommended by the Strategic Investment Group and detailed in Appendix 5 & 6 to the report.*

10 CABINET FORWARD WORK PROGRAMME

The Cabinet forward work programme was presented for consideration and members noted the following additions/amendments –

- Strategic Planning Group: Proposed changes to Terms of Reference – to be added for September
- North Wales Growth Bid Governance Agreement 2 – to be moved from September to January

RESOLVED that Cabinet's forward work programme be noted.

The meeting concluded at 11.25 hrs.