

## **CABINET**

Minutes of a remote meeting of the Cabinet held on Tuesday, 30 June 2020 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, Ellie Chard, Jeanette Chamberlain-Jones, Ann Davies, Meirick Davies, Martyn Holland, Hugh Irving, Alan James, Barry Mellor, Peter Scott, Rhys Thomas, Graham Timms, 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 and Property (SG), Democratic Services Manager (SP) and Committee Administrator (KEJ)

The Local Democracy Reporter was also in remote attendance to observe proceedings.

### **POINT OF NOTICE**

Due to the current restrictions on travel and requirement for social distancing as a result of the coronavirus pandemic the meeting was held remotely by video conference and not open to the general public. All members had been given the opportunity to attend as observers and the Local Democracy Reporter had also been invited to observe.

#### **1 APOLOGIES**

There were no apologies.

#### **2 DECLARATION OF INTERESTS**

No declaration of interest had been raised.

#### **3 URGENT MATTERS**

No urgent matters had been raised.

#### **4 MINUTES**

The minutes of the Cabinet meeting held on 26 May 2020 were submitted.

**Matters Arising** – Page 6, Item No. 4 Minutes: – Following issues raised by Councillor Peter Scott regarding recent storm damage in the county Councillor Brian Jones advised that a response had yet to be received from the Welsh Government regarding funding for specific projects. The Corporate Director Economy and Public Realm added that a report was being produced to review issues arising from the recent storms which would be circulated to members to consider how to proceed.

**RESOLVED** that the minutes of the meeting held on 26 May 2020 be received and confirmed as a correct record.

## **5 DENBIGHSHIRE COUNTY COUNCIL CORONAVIRUS RESPONSE**

Councillor Hugh Evans introduced the report updating Cabinet on the management of the impacts of the coronavirus pandemic in Denbighshire and North Wales and seeking agreement on the process for managing recovery as set out in the report.

The Leader highlighted the united and innovative approach taken in responding to coronavirus. He paid tribute to all those involved in working collaboratively in the face of difficult challenges in order to achieve the best outcomes, the adaptation of democratic and governance arrangements, and to ensure quick decision making and timely responses to ministerial announcements. In looking forward to recovery a number of broad themes had been proposed together with measures to secure members' engagement in the formation and delivery of the recovery plan and subsequent re-establishment of more usual democratic processes such as scrutiny.

The Chief Executive also paid tribute to staff and members for their work and support in recent times. She guided members through the report detail as follows –

- outlined the emergency planning arrangements and role of the Strategic Emergency Management Team in tackling both strategic and operational issues and the development of new services and approaches to service delivery
- detailed the regional response overseen by the Strategic Command Group
- advised that the nature of the pandemic meant that the response phase was likely to continue for some time alongside the recovery phase
- explained the recovery phase would involve restarting services safety and collaborating regionally on planning future recovery of the impact of Covid-19
- proposed that internal governance around recovery would focus on a number of key themes each with a designated lead officer and lead member
- confirmed that regionally the recovery process would be led by a multi-agency Recovery Co-ordination Group around key regional recovery themes, and
- provided details of the financial impact of Covid-19 which had already been significant and confirmed regular updates would be provided to members.

Councillor Richard Mainon referred to his report to Group Leaders (Appendix 3 to the report) detailing proposed interim arrangements for involving the wider council membership in the recovery response, with an emphasis on inclusion, taking into account both the need for effective challenge and quick and efficient decision making. He had been heartened by the response to the proposals which had been

well received by members and Group Leaders as they looked to work collectively and flexibly to address different circumstances and the need for urgent decisions.

The following issues were raised during the ensuing debate –

- Councillor Bobby Feeley highlighted the valued work of Denbighshire Leisure Limited (DLL) during lockdown, including the redeployment of staff to help other service areas, and paid tribute to their hard work during a difficult time for the service. Cabinet acknowledged and appreciated the part played by DLL staff
- Councillor Mark Young thanked those staff from Planning and Public Protection for all their hard work, dedication and professionalism in carrying out the Test, Track and Protect (TTP) Programme and their other duties. The valuable advice and support provided had also been recognised regionally in their response to the cluster of cases in Anglesey and Wrexham. Given the obvious importance of the TTP Programme he asked for a commitment to help ensure sufficient funding for the department to continue that work. The Leader acknowledged the key role of the TTP Programme and expressed his appreciation for the work undertaken by officers in that regard which was over and above their usual duties. Given the future uncertainties in terms of resource required and potential impact on other services there would likely be challenges in delivering that regional priority. The Chief Executive added that the regional group had re-evaluated the level of funding required for the TTP Programme to provide for additional staff over an eighteen month contract which should enable existing staff to return to their normal roles in a phased way. Due to future uncertainties the situation would be closely monitored. Councillor Bobby Feeley expressed her disappointment that Public Health Wales had not instigated the TTP Programme at an earlier stage
- Councillor Huw Hilditch-Roberts paid tribute to all staff who had gone above and beyond to support residents, particularly those on the frontline. As Lead Member for Education he thanked all those staff for their efforts in making it possible to re-open schools over the next three weeks and benefits that would bring. In considering the recovery response and members' involvement he expressed concern that a number of recent projects, which had come about because of Covid-19, had not been subject to the usual democratic process and level of scrutiny. He referred to the funding secured through the Local Sustainable Transport Covid Response Fund as an illustrative example. The Leader accepted the point made and explained that the Council had been required to react very quickly to ministerial statements in order to secure funding for specific Covid projects as a consequence of the current circumstances. Given those circumstances and the need for quick decisions, there had not been time to go through the usual processes in scrutinising effectiveness, and it was also accepted that in some cases the approach may create problems but in others would be really effective such as the business grant funding. In responding specifically to the Local Sustainable Transport funding secured Councillor Brian Jones had been supportive of the project and reported upon how some of the project proposals had been communicated with local members, predominately through the Member Area Groups, together with engagement of the wider business community. Other members also confirmed the nature and outcome of the consultations on the proposals in their local areas

- Councillor Graham Timms referred to the climate and ecological emergency agenda and hoped that there would be some provision for that in the recovery plan. The Leader and Chief Executive acknowledged that adapting to different ways of working as a result of the pandemic had provided opportunities in progressing that agenda, with a positive effect on carbon reduction, which would be embedded in future practice. Monitoring carbon emissions and working to meet those targets would be carried out through the recovery process
- in response to Councillor Martyn Holland's request for data on coronavirus hotspots within North Wales, the Chief Executive confirmed that some information had been received that morning from Betsi Cadwaladr University Health Board in that regard which would be discussed with the Lead Member prior to circulation of a briefing note to all members thereon.

**RESOLVED** that Cabinet note the contents of the report, support the actions taken and agree the next steps as set out within the report.

## **6 FINANCE REPORT (2019/20 FINANCIAL OUTTURN)**

Councillor Julian Thompson-Hill presented the report on the final revenue outturn position for 2019/20 and proposed treatment of reserves and balances.

Members were guided through the detail of the report and appendices. In brief the final outturn position on service and corporate budgets (including schools) was an overspend of £0.928m (0.46% of the net revenue budget). The majority of service positions and reasons for variances had been highlighted. Other areas to note included 89% of assumed savings in 2019/20 had been achieved with an approved allocation to offset non-achieved savings equating to 11% together with an overall school deficit balance of £1.388m to be carried forward. Reference was made to the transfers to and from earmarked reserves and planned use of funds which had been budgeted for or approved previously. Underspends relating to corporate budgets (£2.401) had also been reported together with the Budget Mitigation Reserve (£1.426m) to further mitigate the budget position. Given the overall position within services and the availability of corporate funds, it was proposed that services carry forward the net underspends listed as committed service balances to help deliver the 2020/21 budget strategy and meet existing commitments.

During consideration of the report it was noted that given UK lockdown had been imposed mid-March there had been no significant financial impact on the outturn position for 2019/20. Cabinet discussed the increase in schools deficit balances and assurances were provided regarding the established process for dealing with schools in financial difficulty with individual recovery plans in place. Past experience had demonstrated that the current practices worked and there was confidence within those processes. An update was also provided on the work carried out with those individual schools projecting deficits. In terms of the financial impact of Covid-19 on schools, there was no proposal to take savings from schools with regard to reductions in NDR charges which would remain in schools delegated budgets, and it was anticipated that grant funding would be claimable to recover other relatable costs incurred. Whilst not strictly related to the current report the Lead Member responded to a question from Councillor Bobby Feeley regarding Council Tax, advising that a sympathetic view had been taken in terms of those

residents in Council Tax arrears but there was a clear expectation from the Welsh Government that the arrears be collected over the remainder of the year. The possibility of a reduction in Council Tax for residents had not been considered given that a lesser income would involve cuts to services and a realignment of budgets.

**RESOLVED** that Cabinet –

- (a) notes the final revenue outturn position for 2019/20;
- (b) approves the proposed treatment of reserves and balances as described in the report and detailed in Appendices 1, 2 and 3, and
- (c) notes the details of transfers to and from Earmarked Reserves as set out in Appendix 4.

## 7 FINANCE REPORT

Councillor Julian Thompson-Hill presented the report detailing the latest financial position and progress against the agreed budget strategy as outlined below –

- the net revenue budget for 2020/21 was £208.302m (£198.538m in 2019/20)
- an overspend of £7.393m was forecast for service and corporate budgets (the overspend did not assume any 'income loss' grant that may be received)
- highlighted current risks and assumptions relating to individual service areas together with the financial impact of coronavirus and Leisure ADM budgets
- detailed required savings and efficiencies of £4.448m to be identified and agreed including corporate savings relating to triennial actuarial review of Clwyd Pension Fund (£2m); 1% school savings (£0.692m); service savings (£1.756m)
- provided a general update on the Capital Plan, Housing Revenue Account and Housing Capital Plan.

The Lead Member elaborated upon the latest financial position taking into account the financial impact of Covid-19 but it was noted that the significant uncertainties made it extremely difficult in terms of financial planning. In highlighting the projected overspend it was hoped that the figure would reduce during the course of the year following confirmation of grant allocations and as lockdown restrictions eased and a number of other measures were also actively being considered.

The Head of Finance stressed that it remained a fast changing situation. Up to £78m had been announced in the supplementary budget for losses of income in Quarter 1 against which a 'dummy claim' totalling £68m had been prepared for submission by local authorities across Wales (reductions in expenditure had to be offset against loss of income reducing the overall claim amount). No formal announcement had been made regarding losses of income in Quarter 2. It was also reported that the social care grant had been formally extended to June 2020.

Cabinet discussed the following matters in further detail –

- with regard to the £78m announced in the supplementary budget for losses of income in Quarter 1, Councillor Mark Young expressed his disappointment that

the full amount would not now be available with Welsh Government using some of that funding for other purposes. The Lead Member and Head of Finance explained how the estimated level of income loss for local authorities had been calculated and highlighted the various changes made to those calculations since the original estimations which had resulted in a reduced 'dummy' claim of approximately £68m. It was understood that a proportion of the £78m would be allocated for other recovery purposes and a decision was awaited on whether the local authorities' claim for loss of income would be paid in full

- the Leader referred to the work undertaken and financial pressures faced by local authorities which had been acknowledged by the Minister for Local Government. He also highlighted the need for appropriate financial support to deliver Welsh Government initiatives, such as the Track, Trace and Protect (TTP) Programme, which had also been raised with the Minister via the Welsh Local Government Association. The Minister had provided some assurance that local authorities would be fully reimbursed for delivering those new initiatives.

In response to a question from Councillor Barry Mellor regarding the process for signing off the statement of accounts, the Head of Legal, HR and Democratic Services confirmed that the usual process would be followed. The draft statement of accounts would be considered by Corporate Governance Committee in July and again in September for final approval.

***RESOLVED*** that Cabinet notes the budgets set for 2020/21 and progress against the agreed budget strategy.

## **8 CABINET FORWARD WORK PROGRAMME**

The Cabinet forward work programme was presented for consideration and members noted the items scheduled for forthcoming meetings.

***RESOLVED*** that Cabinet's forward work programme be noted.

The meeting concluded at 11.40 hrs.