

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin and by video conference on Tuesday, 24 January 2023 at 10.00 am.

PRESENT

Councillors Jason McLellan, Leader and Lead Member for Economic Growth and Tackling Deprivation; Gill German, Deputy Leader and Lead Member for Education, Children and Families; Gwyneth Ellis, Lead Member for Finance, Performance and Strategic Assets; Elen Heaton, Lead Member for Health and Social Care; Julie Matthews, Lead Member for Corporate Strategy, Policy and Equalities; Barry Mellor, Lead Member for the Environment and Transport; Win Mullen-James, Lead Member for Local Development and Planning, Rhys Thomas, Lead Member for Housing and Communities, and Emrys Wynne, Lead Member for Welsh Language, Culture and Heritage

Observers: Councillors Karen Edwards, Pauline Edwards, Justine Evans, Bobby Feeley, Huw Hilditch-Roberts, Alan James, Terry Mendies, Merfyn Parry, Peter Scott, Gareth Sandilands and Andrea Tomlin

ALSO PRESENT

Chief Executive (GB); Corporate Directors: Communities (NS); Governance and Business/Monitoring Officer (GW), and Environment and Economy (TW); Head of Finance and Property (SG); Head of Customers, Communications and Marketing (LG); Interim Joint Head of Business Improvement and Modernisation (NK); Interim Head of Community Support Services (DS); External Funding Manager (AS); Business Coordinator: Leader's Office (SE), and Committee Administrators (KEJ & SJ [Webcaster])

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

No declaration of interest had been raised.

3 URGENT MATTERS

At this point, and following a late request from Councillor Peter Scott to ask a question, the Leader exercised his discretion and allowed the question to be put.

Councillor Scott put his question to the Leader as follows –

“Thank you Leader, for this opportunity. I know you have been in conversation with James Davies, MP; could I confirm that you will work with James to try and get this levelling up fund sorted for North Denbighshire for the interests of Denbighshire?”

The Leader responded to the question as follows –

“Thanks Peter. I haven’t spoken to James recently; I have exchanged emails with him. I will be meeting him later this week to discuss the levelling up fund agenda and round 3, full details of which we are unaware. As is known to everyone present, I’ve got views on how the levelling up agenda hasn’t worked for the Vale of Clwyd. James is aware of those views. I am quite sure we will have a candid exchange and move on to round 3.”

Councillor Scott thanked the Leader for his reply.

4 MINUTES

The minutes of the Cabinet meeting held on 13 December 2022 were submitted.

Accuracy – Page 12, Item 9 Recommendations of the Regional Fee Setting Group – Councillor Bobby Feeley referred to the following accuracy points in the second paragraph: “2023/34” should read “2023/24” and “Inform” should read “Infirm”.

Matters Arising – Page 12, Item 9 Recommendations of the Regional Fee Setting Group – The Corporate Director: Governance and Business advised that the decision was subject of a call in to scrutiny and had been considered the previous week by Communities Scrutiny Committee. The outcome had been not to refer the matter back to Cabinet meaning the decision would stand and be implemented.

RESOLVED that, subject to the above points of accuracy, the minutes of the meeting held on 13 December 2022 be received and confirmed as a correct record.

5 YEAR 1 APPLICATIONS TO THE SHARED PROSPERITY FUND, AND A GENERAL UPDATE REGARDING THE PROCESS AND TIMESCALES FOR FUTURE APPLICATION ROUNDS

Councillor Jason McLellan presented the report seeking Cabinet approval of the applications to the Shared Prosperity Fund as recommended, and consideration of the information on processes and timescales for future applications and next steps.

The Shared Prosperity Fund was part of the UK Government’s Levelling Up suite of investment with £21.2m available to Denbighshire communities between 2022 and March 2025 across three investment priority themes (1) Communities and Place; (2) Supporting Local Business, and (3) People and Skills.

The Interim Joint Head of Business Improvement and Modernisation detailed the application process for spending year 1 funding which had been restricted to local authority only due to the tight timescales for delivery and funding terms between UK Government and local authorities not yet being agreed, thereby carrying some financial risk. In line with guidance, a Partnership Group had been set up to advise on strategic fit and deliverability, and projects recommended to receive funding had been detailed in Appendix A to the report with a breakdown of the allocation summary which equated to an underspend of almost £604k in 2022/23. That underspend could be reprofiled for years 2 and 3 and therefore would not be lost.

The Head of Customers, Communications and Marketing guided Cabinet through the process and timelines for further invitations to apply for funding as outlined in Appendix B to the report together with any risks and proposed mitigations. It was recognised that timescales were challenging and guidance was being issued beforehand to give prospective bidders time to start developing their bids prior to opening invitations for funding of £250k and above, to include bids to host Key Funds (through which smaller projects would be delivered) by the end of January, with a closing date of 24 February for stage 1 applications. The Partnership Group would review applications and make recommendations to Cabinet.

The Leader commended the recommended projects which were wide ranging in nature and would make a real difference to people across the county. In welcoming the report and investment opportunities, Cabinet elaborated on the value of specific projects within communities and different sectors of society, and the wealth of benefits they would bring, resulting in a real and positive impact in those areas, particularly with regard to tackling deprivation and improving wellbeing.

The following points were raised during the ensuing debate –

- technical discussions relating to memorandums of understanding between Gwynedd Council, who were leading on behalf of the region, and UK Government were ongoing but productive. It was important funding could be drawn down efficiently whilst also ensuring robust governance and monitoring arrangements were in place; there was no risk to project spend or delivery
- discussions with external partners relating to hosting Key Funds to ensure funding was available for smaller projects across the county were also ongoing, and the intention was to report back thereon to Cabinet the following month
- the prioritisation process for projects was discussed and it was noted that Denbighshire's priorities had been included in the Regional Investment Plan with further work undertaken locally and a thematic approach in line with the Corporate Plan to ensure bids were invited in line with those corporate priorities
- whilst year 1 funding had been restricted to the local authority due to timescales and financial risk, years 2 and 3 would also be opened up to external bidders and there would be a mix of internal and external applications considered by the Partnership Group with subsequent project recommendations to Cabinet; it was likely that some projects benefitting from year 1 funding would also submit bids for years 2 and 3 to continue and/or further progress the project in future years
- the need for full member engagement in the process was highlighted and Councillor Huw Hilditch-Roberts was keen for Member Area Groups (MAGs) to be involved, noting also there would likely be projects which could be replicated or relevant across different areas. The requirement for a robust needs and evidenced based methodology for prioritisation was also highlighted in order to respond to local need across the county and provide transparency in decision making linked to corporate priorities and corporate plan themes. Officers welcomed local member input and confirmed a member update was imminent
- officers elaborated on the support available to help applicants prepare bids and ensure effective project delivery, in particular the role of the Senior Leadership Team in engaging with local authority applications and supporting MAGs in that process. It was considered the open application bids for over £250k would be from organisations well-resourced in that regard and early conversations had

been held with likely candidates on the process with further work around due diligence. In terms of projects under £250k, funding would be available in those Key Funds to provide support for applicants and project delivery

- for prospective applicants for shared prosperity funding it was important to ascertain whether potential projects related to the investment priority themes and met the necessary criteria in that regard. However, the council wanted to engage and work closely with communities and community organisations to help applicants draw down appropriate and relevant funding, whether shared prosperity funding or other funding streams, in order to facilitate and maximise funding opportunities and successful project delivery across the county
- further details relating to the role of the Partnership Group was provided based on the UK guidance which included both core and advisory members to ensure a wide variety of organisations informed deliberations and recommendations to Cabinet. It was agreed that an overview of all applications should be presented to Cabinet, not just those projects recommended by the Partnership Group.

RESOLVED that Cabinet –

- (a) *approves the applications as detailed in Appendix A to the report, based on the recommendations from the Core Partnership Group, and*
- (b) *notes the information on processes and timescales for future applications as detailed in Appendix B to the report and next steps.*

6 DENBIGHSHIRE LEARNING DISABILITY SUPPORTED LIVING SCHEMES

Councillor Elen Heaton presented the report seeking Cabinet approval to the temporary extension of contracts and the process for retendering of contracts in relation to Denbighshire Learning Disability Supported Living Schemes. The report also included a confidential appendix which contained information that could potentially lead to the identification of individuals and commercially sensitive information, and Cabinet was asked to move into private session in the event they were minded to discuss the confidential elements of the documentation.

Cabinet had approved similar extensions and a process for mini-tenders under the North Wales Regional Supported Living Framework for the contracts in September 2021. However, work had not progressed as quickly as anticipated, largely due to Covid-19, and further consultation was currently being carried out on the option of direct payments for citizens in supported living, with first tenders to be advertised in April 2024. For contracts where direct payments were not appropriate, mini tenders would be run on a patch basis between April 2024 and July 2026. A further contract extension had been requested to enable that work to be undertaken.

The Interim Head of Community and Support Services explained that citizens and carers, particularly in learning disabilities, found the regular retendering of contracts upsetting, and discussions were currently ongoing with citizens and carers around the option of commissioning care and support through direct payments resulting in contracts not having to be reviewed as regularly. Direct payments would not be insisted upon and schemes would be retendered as required. It was clarified that the retendering process would involve grouping care packages together where

appropriate to streamline the process and facilitate an easier and quicker process for citizens and carers. Councillor Julie Matthews highlighted the importance of continuity of care and familiarity for the wellbeing of residents, particularly in supported living, and was fully supportive of the approach and recommendations.

RESOLVED that Cabinet approve the issuing of temporary extensions to 41 learning Disability Supported Living contracts for a maximum period to 30 September 2026. The contract details and the proposed revised timetable for the retendering of the contracts had been attached as Appendix 1 to the report.

7 BUDGET 2023/24 - FINAL PROPOSALS

Councillor Gwyneth Ellis presented the report setting out the implications of the draft Local Government Settlement 2023/24 and proposals to finalise the budget for 2023/24, including the level of Council Tax. The Leader referred to the Council Budget Workshop held the previous week which had been well attended and Councillor Ellis added that members had worked well together on the budget setting process and commended the Head of Finance and his team on that work.

Councillor Ellis and the Head of Finance provided an overview of the budget process and latest financial position and elaborated on the proposals for consideration and recommendation to full Council in order to set the budget for 2023/24. The draft settlement had resulted in a positive settlement of 8.2% (compared to the Welsh average of 7.9%) with a final settlement expected early March 2023. The settlement included all pay increases for teaching and non-teaching posts and responsibility to pay social care staff the Real Living Wage. Pressures amounting to £25.116m had been detailed and the +8.2% settlement generated £14.231m leaving a funding gap of £10.885m with proposals to bridge that gap identified in the report and further explained at the meeting. A Council Tax rise of 3.8% had been proposed to generate £2.13m additional revenue. Due to the lateness of the final settlement it was recommended that authority be delegated to enable cash adjustments in the budget proposals of up to £500k. The draft settlement had also included an indicative average settlement increase of 3.0% for 2024/25. Finally, the extensive consultation on the budget setting process and involvement of all members in that process was reiterated.

Cabinet paid tribute to the work of the Head of Finance and his team on the budget and commended the wider engagement with all stakeholders and elected members as part of the budget setting process which had been clear, transparent and inclusive. The better than expected settlement from the Welsh Government was also welcomed to address some of the identified pressures and the effective budget management proposed to bridge the funding gap which enabled a proposed 3.8% Council Tax rise which was at the lower end of indicative increases across Wales.

During consideration of the report there was a lengthy debate on highways spend. Councillor Emrys Wynne sought assurances regarding the sufficiency of the £4m increased investment in the highways capital programme going forward as proposed by Council. Councillor Bobby Feeley referred to the severe damage caused to some of the county's roads as a result of the extreme adverse weather over recent months, which could not have been foreseen, and had created a huge

backlog of repair works that would require funding. Councillor Terry Mendies highlighted the impact of inflation on the £4m spend and the desperate need for investment in rural roads, providing examples of near impassable roads in the Alyn Valley ward, with some roads providing a single route, and therefore lifeline, for those communities. He suggested that the budget be revisited and, as a minimum, highway spend be increased by 3.8% in line with the proposed rise in Council Tax.

The Lead Cabinet Members and relevant officers responded to the issues raised, and subsequent questions and comments on highway maintenance as follows –

- the £4m investment in the highways capital programme proposed by Council had been included in the budget for 2023/24 in line with the original commitment to fund the investment over five years. However, that increased investment required approval on an annual basis as part of the budget setting process
- reported on the strategy and prioritisation of highway spend, with a draft capital highway programme for the next financial year being discussed with members in the current round of Member Area Group (MAG) meetings to gain feedback before the draft was finalised – whilst the rise in inflation had an impact on what could be achieved, the additional funding was already making a difference and if the increased investment was maintained over a number of years it would make a significant difference to the quality of the county's road network
- Councillor Barry Mellor acknowledged the poor condition of some of the county's roads and accepted an offer from Councillor Mendies to accompany him on a tour of his ward; any extra investment in highways would be welcomed but there was a need to balance the demands and pressures across all of the council's services when setting the budget and keep Council Tax rises to a minimum
- the increased investment of £4m in the highways capital programme was funded through additional borrowing, with an estimated additional borrowing of £235k capital funding in 2023/24; there was scope as part of the budget to use £131k to fund capital projects in year which would equate to capital investment of £2.2m – that mechanism could be used to bid for additional highway investment and would be subject to the usual decision making processes
- Councillor Gwyneth Ellis acknowledged the decline in road conditions in some areas but also the improvements as a result of the extra investment. Given the extensive process undertaken to inform budget setting and decision making she did not consider it appropriate to decide on allocating specific budget elements for services in this forum and at this stage, and had been disappointed the matter had not been raised previously as part of that comprehensive process
- it was acknowledged that the weather had an impact on road conditions and there were many roads across the county in poor condition. The £4m investment had not been a scientific calculation by the service to ensure all roads were in good condition, that would require significantly more funding. Whilst the service would clearly like more in terms of capital allocation it also understood the limitations of the council's overall budget situation. Prior to the £4m allocation the service received around £2.5m which meant that minor roads did suffer because the focus was on those roads that presented greatest risk and most used. The £4m allocation had enabled a greater focus on minor roads with around £1.5m earmarked for both rural and urban minor roads.

Councillor Huw Hilditch-Roberts asked that, for clarity, it be recorded in the minutes that any levelling up funding awarded to the Council had no relevance to the budget setting for 2023/24 which was completely separate. In response to various other questions raised on the report, the Lead Member and officers clarified that –

- the increased pressures on the rollout of the Universal Primary Free School Meals programme related to the grant for those pupils not eligible for free school meals; due to the data lag that element could not be claimed back from the Welsh Government until the following year when the actual figure was known
- the increase in the daily recharge rate for project management was in line with the going rate and related mainly to one off costs across the council, mostly grant funded, and unlikely to impact the base budget
- right sizing care and support and the reduction in number of double-handed care calls was possible due to the use of equipment and adaptations which provided a more dignified and cost effective service; the increase in micro-providers and volunteers in the overall care system was also a positive step, providing greater choice for citizens and a good practice way of working
- housing benefit write offs generally related to overpayments where assumptions had been made upfront when someone entered the benefit system in order to avoid delays in payment pending data from the Department of Work and Pensions; the Revenues and Benefits Service had performed well under Civica and the Council would build on that work now the service was back in-house.

In closing the item, the Leader highlighted the good debate and contributions made to the budget setting proposals which would be considered by full Council on 31 January. He welcomed the better than expected settlement from the Welsh Government who had recognised the pressures on local government, and paid tribute to the work of the Welsh Local Government Association (WLGA) in that lobbying process and also to the former Leader Councillor Hugh Evans from whom he had inherited, via the WLGA, an open dialogue with the Welsh Government.

RESOLVED that Cabinet –

- notes the impact of the Draft Local Government Settlement 2023/24;*
- supports the proposals outlined in Appendix 1 to the report, and detailed in Section 4 of the report, and recommends them to the full Council in order to finalise the budget for 2023/24;*
- recommends to Council the average Council Tax rise of 3.8% proposed;*
- recommends to Council that authority is delegated to the Head of Finance and Property in consultation with the Lead Member for Finance to adjust the use of cash included in the budget proposals by up to £500k if there is movement between the draft and final settlement figures in order to allow the setting of Council Tax in a timely manner, and*
- confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 5 to the report).*

At this point (12 noon) the meeting adjourned for a refreshment break.

8 FINANCE REPORT

Councillor Gwyneth Ellis presented the report detailing the latest financial position and progress against the agreed budget strategy.

A summary of the Council's financial position was provided as follows –

- the net revenue budget for 2022/23 was £233.696m (£216.818m in 2021/22)
- an overspend of £2.305m was forecast for service and corporate budgets (£2.189m overspend last month)
- highlighted current risks and assumptions relating to corporate budgets and individual service areas together with the impact of coronavirus and inflation
- detailed service savings and fees and charges increases (£0.754m); no savings having been requested from Community Support Services or Schools
- provided a general update on the Housing Revenue Account, Treasury Management, Capital Plan and major projects.

Cabinet was also asked to approve plans to spend a capital grant (£1.107m) for a homelessness leasing scheme to acquire extra private rented sector properties.

The Head of Finance highlighted that the main movement since the previous month's report had been in Children's Services, with a slight increase in the overspend due to an increase in new residential placements. Since the report had been written he was pleased to report that the Welsh Government had confirmed a homelessness grant of £400k which would reduce the overspend by that amount. There were also indications from Welsh Government that more in year funding may be released over the next two/three months and any developments in that regard would be reported back to Cabinet. Finally, approval was sought for the business case relating to the Homelessness Wales Leasing Scheme which was 100% grant funded by the Welsh Government and would allow the lease of private properties for homelessness purposes. Councillor Rhys Thomas welcomed the grant funding for the scheme which he fully supported to benefit homeless people in the county.

RESOLVED that Cabinet –

- (a) note the budgets set for 2022/23 and progress against the agreed budget strategy, and*
- (b) approve the plans to spend a capital grant (£1.107m) to implement a homelessness leasing scheme to achieve additional private rented sector properties as detailed in Section 6.9 of the report and Appendix 5 to the report.*

9 CABINET FORWARD WORK PROGRAMME

The Cabinet forward work programme was presented for consideration.

RESOLVED that Cabinet's forward work programme be noted.

At this juncture, the Leader advised that it was the last Cabinet meeting to be supported by Sharon Evans, Business Coordinator: Leader's Office, who would be leaving her current post to work for another service in the Council. The Leader paid tribute to the valuable work and excellent support she had provided to both himself as Leader and the Cabinet as a whole. On behalf of the Cabinet, he thanked her for all her hard work and wished her all the very best for the future.

The meeting concluded at 12.20 pm.