

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin and by video conference on Tuesday, 22 October 2024 at 10.00 am.

PRESENT

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

Observers: Councillors Joan Butterfield, Jeanette Chamberlain-Jones, Chris Evans, Bobby Feeley, and Andrea Tomlin

ALSO PRESENT

Chief Executive (GB); Corporate Directors: Social Services and Education (NS), Governance and Business/Monitoring Officer (GW), and Environment and Economy TW; Heads of Service: Finance and Audit (LT), and Corporate Support Services: Performance, Digital and Assets (HVE); Public Protection Business Manager (GO); Facilities and Assets Team Manager (DR); Asset Manager (BW); Principal Revenue, Benefits and Contract Manager (PB); Service Delivery Manager – Revenues and Benefits (LG); ICT Business Partners (DB & MJ), and Committee Administrators (KEJ & ED [Webcaster])

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

No declarations of interest had been raised.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 24 September 2024 were submitted.

RESOLVED that the minutes of the meeting held on 24 September 2024 be received and confirmed as a correct record.

5 FEE CHARGING PROVISIONS AND DELEGATED AUTHORITY - MANDATORY LICENSING SCHEME FOR SPECIAL PROCEDURES

Councillor Alan James presented the report seeking Cabinet approval to adopt the national agreed fees structure for the new Special Mandatory Licensing Scheme and delegate powers contained in the Public Health (Wales) Act 2017 to the Head of Planning, Public Protection and Countryside Services.

Some background was provided to the legislative framework which aimed to improve and sustain standards of infection prevention and control in the special procedures industry and assure the safety and health of clients and practitioners. A fee structure for the new scheme had been agreed nationally which had been calculated to ensure consistency of costs for businesses and cost recovery for local authorities. The fees would be reviewed regularly as required by the regulations. Details of the activities covered by the scheme, national agreed fee structure and proposed functions to be delegated to the Head of Service had been appended to the report.

Cabinet raised a number of questions, particularly regarding cost and the Council's capacity to undertake the additional duties and ensure compliance along with matters arising from the Wellbeing Impact Assessment to minimise the impact on businesses.

The Public Protection Business Manager responded to questions as follows –

- no additional staff would be employed to carry out the work which would be shared between the licensing and public protection teams
- there would be some initial set up costs and a review carried out after one year on time spent undertaking the new responsibilities (which was currently being estimated) to ensure cost recovery, along with further reviews every three years
- those premises/practitioners currently registered would be transferred to the new scheme and contact would be made with any others it was suspected required a licence; work was also ongoing to raise public awareness of the new scheme and each business would be subject to a further inspection within the three year licence period to ensure compliance with the new regulations
- elaborated on the potential impact of the new fees on businesses, particularly for those where the special procedures element of their business was minimal and therefore may no longer be deemed financially viable as a result
- businesses had been involved during the formal consultation by the Welsh Government when drafting the new regulations and the Council had actively encouraged businesses to feedback their views as part of that process.

The Lead Member thanked officers for their hard work and highlighted the importance of the new legislation in terms of public health and protection of the public.

RESOLVED that Cabinet –

- (a) *adopt the national agreed fees structure for the new Special Procedure Mandatory Licensing Scheme as set out in Table 1 of Appendix 2 to the report;*

- (b) *delegate the functions under the new Regulations to the Head of Planning, Public Protection and Countryside Services as set out in Appendix 3 to the report;*
- (c) *authorise the Head of Planning, Public Protection and Countryside Services to amend the fees and charges in line with the statutory scheme, as applicable, going forwards, and*
- (b) *confirms that it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix 4 to the report) as part of its consideration.*

6 ASSET MANAGEMENT STRATEGY 2024 - 2029

Councillor Gwyneth Ellis presented the reviewed and updated Asset Management Strategy 2024 – 2029 for adoption. The existing Asset Management Strategy had been adopted by the Council in July 2017 and had been overdue for review.

The new Asset Management Strategy aimed to align asset plans and intended outcomes with the Council's Strategic Themes as outlined in the Corporate Plan to ensure property assets played a key role in delivering on those priorities. Attention was drawn to the underlying principle for the new Strategy as follows –

“We will provide the right assets, in the right place, and in the right condition to meet current and projected future service delivery needs, considering who best to own and operate each asset and opportunities for collaboration”.

Four priority outcomes had been identified in the new Strategy aligned with the Corporate Plan and a thorough consultation had been carried out at both officer and member level with the outcomes of that process included in the report. [As a point of accuracy, the Strategy had been reviewed by Partnerships Scrutiny Committee on 12 September and not 12 May as detailed in the report.]

The Head of Service guided Cabinet through the report and appendices emphasising the importance of the document and hard work of those involved in the Assets team.

The Lead Member and Head of Service responded to questions as follows –

- agreed to include reference to the new school investment in Ysgol Llanfair Dyffryn Clwyd in paragraph 7.1.1 of the new Strategy prior to its publication
- finance and capacity would be the main constraints in delivering the new Strategy
- the Strategy set out intended outcomes and there would be collaborative working within the Council and with partners to attract inward investment and maximise opportunities; the Toilet Block in Corwen was used as an illustrative example of the benefits of such an approach
- referred to the complexities of local government budgeting confirming it would not be possible to sell assets in order to pay for day to day costs. However, any income received from the sale of assets, such as Caledfryn in Denbigh, could be used to fund other capital plans in the Council and was actively considered
- resources and assets, including disposals, were considered on a regular basis by the Asset Management Group which was open for all councillors to attend.

RESOLVED that Cabinet –

- (a) *approve the adoption of the Asset Management Strategy 2024 – 2029 (Appendix 1 to the report), and*
- (b) *confirms that it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix 2 to the report) as part of its consideration.*

7 SECOND HOME / LONG TERM EMPTY COUNCIL TAX PREMIUM

Councillor Gwyneth Ellis presented the report seeking Cabinet’s endorsement of the Council’s Long Term Empty and Second Home Premium charging policy for 1 April 2025 and approval of the proposed timeline to review the policy for 2026/27.

Cabinet was reminded of the charging policy approved by full Council in September 2023 which from 1 April 2025 was 150% over the standard Council Tax charge for the two types of property that had been empty for less than 5 years and an additional 50% on properties unoccupied and unfurnished for 5 years or more. The policy did not cover 2026/27 onwards and plans for a review to understand the impact of the current policy to inform future decisions had been set out in the report along with timelines. It was reiterated that the purpose of the premium was to increase affordable housing in Denbighshire and maintain and grow sustainable communities.

The Head of Finance and Audit, Principal Revenue, Benefits and Contract Manager and Service Delivery Manager – Revenues and Benefits were in attendance.

Cabinet considered the operational plan set out in the report to be a well-structured and sensible approach providing the opportunity for all stakeholders, including the public, to respond as part of the process. Cabinet discussed the detail of the report with officers and raised questions regarding the mechanisms for the review and also the Council’s discretionary powers to waive any premium in specific circumstances. Officers elaborated on the review methodology which would include analysing the wealth of information collected and impact of the changes and learning from other local authorities, comparing data and policy with regional and national partners to provide a comprehensive review to best shape the policy going forward. Officers also provided illustrative examples of cases where discretionary powers could be applied, and it was emphasised that each case was considered on its own merits with a pragmatic approach taken to support individuals where possible. Some members confirmed they had witnessed first-hand the readiness on the part of officers to carefully consider individual cases. It was noted that Welsh Government guidance also sought a pragmatic approach from local authorities when reviewing the premium charge and considering discretionary relief and subsequent data analysis would help inform potential recommendations in terms of exemptions to the premium going forward. It was important enough time was given for the policy to develop in order to fully understand the impacts and ensure the policy could be amended based on the data available, hence the approach taken in the operational plan.

RESOLVED that Cabinet –

- (a) *note and endorse the Council's charging policy for 1 April 2025 as set out in paragraph 4.1 of the report, and*
- (b) *approves the proposed timeline set out within the report to review the policy for 2026/27.*

8 UPDATE TO MEDIUM TERM FINANCIAL STRATEGY AND PLAN FOR 2025/26 - 2027/28

Councillor Gwyneth Ellis presented the report updating Cabinet on the Medium Term Financial Strategy (MTPS) and Medium Term Financial Plan (MTFP) and sought consideration of the early savings proposals for setting the 2025/26 budget.

There had been little change to the MTFS and MTFP documents since the last iteration with no change to the overall picture. However, the position could change following the UK Government Budget on 30 October 2024. In terms of proposed savings there had been a positive outcome as to how the Council responded to delivering homelessness services which would also generate a substantial saving.

The Head of Finance and Audit took members through the report which included –

- the high-level MTFP which contained current budget projections along with a range of assumptions to provide a low, medium, and high estimate of each cost pressure together with the impact of estimated increases in Council Tax and funding from the Welsh Government (Appendix 1 to the report)
- the MTFS compiled with data as at early October setting out the Council's strategic approach to the management of its finances and scale of the financial challenge (Appendix 3 to the report) with key points highlighted in the cover report and changes made to the MTFS highlighted in yellow for ease of reference, and
- progress on service saving proposals that were being developed as part of the budget setting for 2025/26 (Appendix 2 to the report).

Much work was focused on setting the budget for 2025/26 with the cost of delivering services forecasted to increase by £18m. Staff pay increases remained a pressure together with significant service pressures mainly related to demand led services which were both significant and largely outside the Council's control. Working assumptions had been made around the Welsh Government funding settlement at slightly negative reductions and Council Tax at circa 9% which left a forecasted budget gap of £12m which would require significant savings across the authority in order to achieve a balanced budget. Early savings proposals had been brought forward with much work still ongoing to meet the savings required. Future years forecasted a budget gap of £15m and £14m for 2026/27 and 2027/28 respectively.

The Leader thanked the Head of Service for the detailed overview with the documentation having previously been discussed at length by Cabinet. It was also noted that a recent Council Budget Workshop had been held for all members.

Main areas of debate focused on the following –

- an update was provided on the new financial system recently introduced which replaced a number of different systems with the financial forecasting module element in place from September. The new system represented a major change to the operation of the team and provision of financial information; the system would continue to be refined and training and development was ongoing
- Councillor Bobby Feeley referred to Council Tax setting in February and residents' expectation for recompense due to the disruption caused by the roll out of the new waste system. Officers explained that Council Tax funded general services provided by the Council and was not linked to a specific service area; it was a tax which the Council had a legal obligation to set and collect and those served with a Council Tax demand had a legal obligation to pay. It was not a contractual obligation for which individuals could be compensated. Officers agreed to recirculate the member briefing which clarified the position on Council Tax which would help members answer questions from residents in that regard
- whilst it was made clear there was no link between the issues with the roll out of the new waste service and Council Tax, reference was made to the separate issue of the green waste service which was a subscribed and paid for service for which some customers had experienced disruption to collections. That issue was currently under consideration following which further information would be circulated to members on the Council's position
- the estimated pay awards for 2023/24 had been sufficient for the budget and had generated a saving to fund service overspends. The latest position regarding the 2024/25 pay award for both teaching and non-teaching staff was provided with an agreement reached on the teachers' award and negotiations still ongoing with regard to non-teaching staff. If the estimated pay award for non-teaching staff was not sufficient, reserves would need to be used if no additional funding was made available, which would also impact on the base budget for future years.

RESOLVED that Cabinet –

- approves the Medium Term Financial Strategy and Medium Term Financial Plan included at Appendices 1 and 3 to the report;*
- notes the early savings proposals for setting the 2025/26 budget as set out in Appendix 2 to the report, and*
- notes the ongoing work to set a balanced budget in 2025/26.*

9 FINANCE REPORT

Councillor Gwyneth Ellis presented the monthly 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 2024/25 was £271.021m (£250.793m in 2023/24)
- an underspend of £400k was forecast for service and corporate budgets
- current risks and assumptions relating to corporate budgets and service areas
- savings and efficiencies for the 2024/25 budget (£10.384m) and progress in delivering savings approved with ongoing tracking/monitoring

- an update on Schools, Housing Revenue Account and Treasury Management.

The Head of Finance and Audit guided members through the detail of the report. There was a forecasted underspend of £400k (excluding schools) compared to an overspend of £240k last month due to reforming the model for delivering homelessness services and reducing expenditure on emergency accommodation. Services as a whole continued to overspend and areas of service overspend were being compensated by underspending on corporate budgets including pay and energy. High risk areas included residential placements in Children's Services, commissioned care in Adult Social Care and School Transport. The savings tracker had been included in the report and an overview of progress provided with 82% of forecasted savings achieved on major projects and 90% achieved on non-strategic savings. An overall deficit of £2.7m was currently forecast for schools and work was ongoing with schools to try and reduce the extent of balances being used.

Cabinet noted that in addition to their regular monthly report a budget meeting had recently been held for all members and there would be an early debate on the budget at the next Council meeting on 12 November. The Chief Executive and Head of Finance and Audit had also made arrangements to meet with all Political Groups separately to discuss the budget and the Leader stressed the importance of as many members as possible attending those budget discussions to input into that process. Councillor Julie Matthews was also keen to ensure appropriate engagement with the public on the budget process. The Head of Finance and Audit referred to the complexities of the local government budget and work with the Budget Communications Group together with plans to communicate with the public both in terms of raising awareness of the Council's finances and services provided through means such as social media channels, video footage on the Council's website and infographics together with consultation on budget proposals going forward.

RESOLVED that Cabinet note the budgets set for 2024/25 and progress against the agreed strategy.

10 REPLACEMENT OF THE SOCIAL CARE INFORMATION MANAGEMENT SYSTEM - CONTRACT AWARD

Councillor Elen Heaton presented the joint report with Councillors Julie Matthews and Diane King seeking Cabinet approval of the contract award and continued participation in the national connecting care programme. The report included confidential appendices containing financial information and Cabinet was asked to move into private session if they wished to discuss the financial detail.

Cabinet had approved Denbighshire's participation in a procurement process for a replacement social care information management system based on the Business Case presented to its meeting on 30 July 2024. Details of the tender process as part of a cluster of six North Wales local authorities together with the local evaluation process and moderation sessions had been provided. Contracts awarded would have an initial term of 7 years with the option to extend in 2-year intervals up to a maximum of 21 years. A summary of the costs for the tender and draft copy of the contract award had been included in the confidential appendices to the report.

The Corporate Director: Social Services and ICT Business Partners were in attendance for this item. The Corporate Director emphasised the thorough process undertaken both internally, with regional partners and the national procurement process, with engagement from IT expert colleagues and the service who would use the new system if procured. Councillor Julie Matthews stressed the importance of a replacement system and highlighted the rigorous procurement process carried out and also the improved service for residents as a consequence of the new system.

RESOLVED that Cabinet –

- (a) *approves the Contract Award report attached at Appendix 2 to the report, and*
- (b) *continues to support Denbighshire's participation in the national Connecting Care programme.*

11 CABINET FORWARD WORK PROGRAMME

The Cabinet forward work programme was presented for consideration.

Cabinet noted that the item on the Corporate Joint Committee Governance Arrangements may not be ready in time for submission to Cabinet in November.

RESOLVED that Cabinet's forward work programme be noted.

The meeting concluded at 11.30 am.