

COUNTY COUNCIL

Minutes of a meeting of the County Council held in the Council Chamber, County Hall, Ruthin LL15 1YN on Tuesday, 24 February 2015 at 10.00 am.

PRESENT

Councillors Brian Blakeley (Chair), Joan Butterfield, Jeanette Chamberlain-Jones, Bill Cowie, Ann Davies, Meirick Davies, Richard Davies, Stuart Davies, Peter Duffy, Hugh Evans, Peter Evans, Bobby Feeley, Huw Hilditch-Roberts, Martyn Holland, Rhys Hughes, Alice Jones, Huw Jones, Pat Jones, Gwyneth Kensler (Vice-Chair), Geraint Lloyd-Williams, Jason McLellan, Win Mullen-James, Peter Owen, Paul Penlington, Arwel Roberts, Gareth Sandilands, Barbara Smith, David Smith, Bill Tasker, Julian Thompson-Hill, Joe Welch, Cefyn Williams, Cheryl Williams and Eryl Williams

ALSO PRESENT

Chief Executive (MM); Corporate Director Economic and Community Ambition (RM); Director of Social Services (NS); Head of Legal, HR and Democratic Services (GW); Chief Accountant (RW); Democratic Services Manager (SP) and Committee Administrator (KEJ)

1 APOLOGIES

Councillors Ian Armstrong, Ray Bartley, Carys Guy, Colin Hughes, Hugh Irving, Barry Mellor, Dewi Owens, Merfyn Parry, David Simmons and Huw Williams

2 DECLARATIONS OF INTEREST

The following members declared a personal interest in Agenda Item 6 –

Councillor Meirick Lloyd Davies – Governor Ysgol Trefnant & Cefn Meiriadog
Councillor Bobby Feeley – Governor Rhos Street School
Councillor Huw Hilditch-Roberts – Parent & Governor Ysgol Pen Barras
Councillor Jason McLellan – Parent & Governor Ysgol Bodnant
Councillor Win Mullen-James – Governor Rhyl High School & Christchurch School
Councillor Paul Penlington – Parent & Governor Ysgol y Lllys
Councillor Julian Thompson-Hill – Governor Ysgol Clawdd Offa

The Head of Legal, HR and Democratic Services advised that members only needed to declare an interest in those schools mentioned within the report.

3 URGENT MATTERS AS AGREED BY THE CHAIR

No urgent matters had been raised.

4 MINUTES

The minutes of the Council meeting held on 3 February 2015 were submitted.

Accuracy – Page 10 Item No. 6 Budget 2015/16 – Councillor Joan Butterfield felt that the minute should be amended to fully reflect the budget debate and identify which councillors moved particular proposals. Councillor Paul Penlington advised that he had proposed the four recommendations be dealt with individually and not Councillor Julian Thompson-Hill. Councillor Meirick Davies asked that “as shown in Appendix 1” be added to resolution 6(i) as approved at the last meeting and for consistency with the report recommendation.

Matters Arising – Page 8 Item No. 6 Budget 2015/16 – Councillor David Smith advised that since the last meeting responses had been received from Assembly Members Ken Skates (Clwyd South) and Ann Jones (Vale of Clwyd) regarding the removal of the Local Government Borrowing Initiative (LGBI) funding and allocation of funding for the M4 relief road. Both Assembly Members had advised that LGBI had not been removed to fund the M4 relief road. Councillor Paul Penlington asked that the responses be read out in full and following a brief discussion it was agreed that they be circulated to members at the meeting.

RESOLVED that, subject to the above, the minutes of the meeting held on 3 February 2015 be confirmed as a correct record and signed by the Chairman.

5 COUNCIL TAX 2015/16 AND ASSOCIATED MATTERS

Councillor Julian Thompson-Hill, Lead Member for Finance and Assets presented the report (previously circulated) seeking approval of the necessary resolutions in order to set the levels of Council Tax for 2015/16. He particularly referred to –

- the main features of the budget as approved on 3 February 2015
- observations of the Section 151 Officer on the robustness of budget estimates and adequacy of reserves
- a breakdown of the precepts from Town/Community Councils and the Police & Crime Commissioner for North Wales, and
- recommendations for the levels of Council Tax for 2015/16.

Councillor Eryl Williams referred to the difficult financial decisions made by the authority and raised concerns that Welsh Government was awarding various grants and monies to Councils at such a late stage in the financial year whilst simultaneously imposing severe cuts. The result was causing difficulties for Councils planning their financial strategies and it was considered that if funding was available it should be allocated beforehand to help Councils shield against the worse cuts. Members noted it was usual practice for Welsh Government to award monies in the last 4/6 weeks of the financial year and acknowledged the difficulties for financial planning as a result of that approach, particularly given the current financial situation. Members discussed the way forward and felt it was a matter for constructive scrutiny with a view to changing the way funding was allocated in order to improve financial management. Consequently it was agreed that the matter be passed to the Scrutiny Chairs and Vice Chairs Group to be appropriately timetabled for scrutiny. Councillor Stuart Davies was keen for the relevant Minister to be called to account but was advised that the authority had no power to summon a Minister

before the scrutiny committee. In terms of the recent £1.5m allocation to be spent on play equipment by the end of the financial year, Councillor Huw Jones provided assurances that arrangements were being made with a view to spending Denbighshire's £48k share as soon as possible.

Members considered the precepts from the Town/Community Councils and the Police & Crime Commissioner for North Wales and Councillor Bobby Feeley asked for a breakdown of what had been achieved and would likely be achieved based on the Police precept amount. It was agreed to write to the Police Commissioner's Office for that breakdown together with a copy of the Action Plan produced for the region and it was also suggested that members may seek to scrutinise that information to ascertain what had been delivered for the precept. Members took assurance from the Section 151 Officer's statement in which he considered the budget proposals to be sensible and robust and in the adequacy and appropriateness of general balances. Finally consideration was given to the recommended levels of Council Tax and reference was made to the work of the Caravan Sites Strategy Working Group in terms of the potential to raise council tax revenue for future years. It was noted that once that work had been completed the findings would be reported back to full Council.

Members voted on the report recommendations as follows –

31 votes for, 0 against and 0 abstentions

RESOLVED that Council unanimously approve the following recommendations –

- (a) *County Council, as Billing Authority, considered the precepts received from the Police & Crime Commissioner for North Wales and the Town/Community Councils and declared the Council Tax levels for the 2015/16 financial year;*
- (b) *the amounts calculated by the Council for the 2015/16 financial year, in accordance with Sections 32 to 34 (1) of the Local Government Finance Act 1992 (the Act) and Alteration of Requisite Calculations (Wales) Regulations 2008 be as Appendix A section 3;*
- (c) *the amounts calculated by the Council for the 2015/16 financial year, in accordance with Sections 34 (2) to 36 (1) of the Local Government Finance Act 1992 (the Act) be as Appendix section 4;*
- (d) *the amounts of Council Tax for the 2015/16 financial year for each of the categories of dwellings be as shown in Appendix C to the report, and*
- (e) *the level of discount for Class A, B, and C as prescribed under the Council Tax (Prescribed Class of Dwellings) (Wales) Regulations 2004 be set at zero for the financial years 2015/16 and 2016/17 being the term of this Council with the caveat that this is dependant on no changes to legislation or local conditions.*

Councillor Julian Thompson-Hill, Lead Member for Finance and Assets presented the report (previously circulated) updating members on the 2014/15 element of the Capital Plan and seeking approval of the 2015/16 Capital Plan together with projects identified for inclusion as recommended by the Strategic Investment Group and capital allocations arising from the Ruthin primary area review proposals. He guided members through the report and drew attention to the following sections –

- a summary of the General Capital Plan and the Corporate Plan element
- a summary of capital projects by service area and individual schemes
- updates of major capital projects
- recommendations of the Strategic Investment Group including the reasoning behind the pre-allocation of capital receipts for particular projects, and
- Ruthin area primary provision – funding was in place as part of the Corporate Plan but Council approval was required for actual allocation.

Councillor Thompson-Hill responded to questions raised regarding various aspects of the Capital Plan and specific allocations, including progress with various schemes. Main areas of discussion focused on the following –

- reference was made to the complexities of external funding and it was agreed to include a members' briefing on European funding and other external funding at a future Council briefing session – the amount of external funding secured for particular projects was included in Cabinet's monthly finance reports
- it was requested that Local Members be made fully aware of the sale of assets and capital receipts generated in their areas
- in terms of the street lighting programme it was explained that the scheme aimed to replace existing lanterns with LED lanterns on a like for like basis. Whilst the new lanterns provided better quality directional light minimising light pollution, it was accepted there would be merit in reviewing existing provision to ascertain whether a reduction was warranted in particular areas
- the merits of the provisional allocation of £1.615m to deliver a programme of urban regeneration through the supply of modern business accommodation was discussed with approximately 7/8 schemes currently being considered, including Cil Medw. Reference was also made to the transformation of the former Bee & Station Hotel into office space and the need for that enterprise to be fully utilised
- the reasoning behind previous, current and future investment in specific schools was discussed together with the Council's aim of improving standards in education and buildings across the whole county and an acknowledgement of the significant achievements already made in that regard over recent years. An explanation of the Welsh Government's 21st Century Schools funding was provided and although the Council was in a position to progress the school building proposals for the Ruthin area without reliance on 21st century schools funding, in view of the Council's foresight and planning there was a possibility that Band A funding could be secured for those projects
- during consideration of the capital allocations for primary provision in the Ruthin area the proposal for the two schools (relocation of Rhos Street/Ysgol Penbarras) on a shared site at Glasdir was clarified. There was some discussion about the Minister's decision to reject the proposal to close Ysgol

Llanbedr despite concluding that there was a coherent educational case for the proposal which would result in a fairer distribution of funding across the county's schools. The Chief Executive responded to questions and comments raised in that regard advising that he did not agree with the Minister's decision and there was a clear case in favour of the proposal. Assurances could not be provided regarding future consultation processes in light of Welsh Government dynamics but assurances were given that future consultations would be as watertight as possible. It was confirmed that consultation costs were met from within the modernising education service budget

- members were advised of the policy to offer former school buildings to the local community in the first instance and appropriate timescales were being prepared for those business cases before buildings were offered on the open market. Capital receipts generated from the sale of former school buildings would be earmarked for modernising education projects but current projects were not dependent on schools capital receipts to be financially viable
- Councillor Eryl Williams proposed an amendment to the recommendations, seconded by Councillor Julian Thompson-Hill to include an additional resolution to reflect the Council's proactive financial planning in relation to funding from windfarm developments for future capital investment.

Tribute was paid to the work of officers and the Strategic Investment Group within the process which had resulted in equitable recommendations being put forward for capital investment across the whole county.

Members voted on the report recommendations and amendment as follows –

32 votes for, 0 against and 1 abstention

RESOLVED that Council –

- (a) note the latest position on the 2014/15 element of the Capital Plan and the update on major projects;*
- (b) support the recommendation of the Strategic Investment Group as detailed in Appendix 5 and summarised in Appendix 6 to the report;*
- (c) approve the 2015/16 Capital Plan, and*
- (d) approve business cases and capital allocation for the Ruthin Area Primary provision:*
 - the replacement of the existing Rhos Street/Ysgol Pen Barras provision at the Glasdir site*
 - a new school building for Ysgol Carreg Emlyn*
 - a new school building for the Llanfair and Pentrecelyn area school, subject to the outcome of the school organisation proposals, and*
- (e) recommends that officers look proactively at the use of funding from windfarm developments within the county in future capital plans.*

At this juncture (11.55 a.m.) the meeting adjourned for a refreshment break.

7 TREASURY MANAGEMENT STRATEGY STATEMENT 2015/16 AND PRUDENTIAL INDICATORS 2015/16 TO 2017/18 & TREASURY MANAGEMENT UPDATE REPORT 2014/15

Councillor Julian Thompson-Hill, Lead Member for Finance and Assets presented the report seeking approval of the Treasury Management Strategy Statement (TMSS) for 2015/16 and setting of Prudential Indicators for 2015/16, 2016/17 and 2017/18, and to note the Treasury Management (TM) update report. Council was required to approve the TMSS and Prudential Indicators annually.

Members were guided through the TMSS which detailed how the Council would manage its investments and borrowing for the coming year and also set the policies within which the Treasury Management function operated. It also included Prudential Indicators which set limits on the Council's TM activity and demonstrated that the Council's borrowing was affordable. Particular attention was drawn to the Housing Revenue Account Subsidy (HRAS) buyout which involved the Council borrowing £40m to become self-financing and would result in significant savings to the Housing Revenue Account. It was noted that the TMSS was overseen by the Corporate Governance Committee and as Chair, Councillor Jason McLellan thanked officers for their hard work and stressed the importance of the document which reflected the Council's prudence and care during the current financial times.

Council considered the report and the following issues were discussed –

- reference was made to the abolition of the Public Works Loan Board (PWLB) and assurances sought over its successor and future lending – officers responded that the reform and quality of the replacement service would need to be taken at face value
- the impact of other global financial markets, including the Eurozone, Middle East and the banking situation in America was discussed and assurances were provided that the Council was well served in terms of Treasury Management Advisers who were in constant touch with world markets – the TMSS set out a list of institutions with which the Council could invest but at present it was not considered prudent to invest with foreign banks, instead the Council invested in specific UK banks – however safer investments resulted in lower returns
- there was support for some work to be undertaken to ascertain value for money from the Council's investments in economic development, particularly in terms of job creation and employment in Denbighshire – this suggestion was welcomed by Councillor Hugh Evans, Lead Member for Economic Development who highlighted a more focused approach to priorities in the Corporate Plan. Economic development was focused on creating wealth, well paid jobs and increasing household income and he advised that the authority's investment in this area, and in school buildings, would have a positive impact on the economy.

Members voted on the report recommendations as follows –

30 votes for, 0 against and 0 abstentions

RESOLVED that Council approves –

- (a) *the Treasury Management Strategy Statement for 2015/16 detailed in Appendix 1 to the report;*
- (b) *the setting of Prudential Indicators for 2015/16, 2016/17 and 2017/18 detailed in Appendix 1 Annex A to the report;*
- (c) *the Minimum Revenue Provision Statement as detailed in Appendix 1 Section 6 to the report, and*
- (d) *notes the Treasury Management update report 2014/15.*

8 COMMITTEE TIMETABLE 2015/16, ANNUAL REVIEW OF POLITICAL BALANCE AND APPOINTMENT OF SCRUTINY CHAIRS

The Democratic Services Manager presented a report covering a number of committee related issues as follows –

- approval of the committee timetable for 2015/16
- annual review of political balance and committee membership
- appointments to the Democratic Services Committee for 2015/16, and
- the procedure for appointment of chairs of Scrutiny Committees.

Councillor Paul Penlington was disappointed to note that no evening meetings had been scheduled and he was advised that the committee timetable had been prepared in line with members' guidance. It was noted that some members training sessions had been held in the evenings and the Democratic Services Manager agreed to provide attendance figures for those sessions on request. Whilst members' attendance figures for most formal committee meetings were available on the Council's website it was accepted that attendance at informal meetings was not. Councillor Barbara Smith suggested that this information could be included by members within their annual reports. Members also discussed the political balance of committees and agreed that Group Leaders advise of any changes in accordance with their Group's political balance. It was also agreed that the current membership of the Planning Committee be retained until the Rhyl South West by-election had been held on 19 March 2015.

Members voted on the report recommendations as follows –

30 votes for, 0 against and 0 abstentions

RESOLVED that Council –

- (a) *approves the draft committee timetable for 2015/16 as detailed in Appendix 1 to the report, and*
- (b) *re-appoints the existing chair and membership of the Democratic Services Committee for the 2015 / 2016 municipal year, subject to any changes notified by the Groups.*

9 COUNTY COUNCIL FORWARD WORK PROGRAMME

The Council's Forward Work Programme was submitted for consideration and members noted that an additional Council Briefing meeting had been scheduled after full Council on 14 April 2015. It was agreed that arrangements for the election of Chair and Vice Chair of Council also be considered at full Council in April. Councillor Jason McLellan asked that the members briefing on European and other external funding as agreed earlier in the meeting be scheduled as soon as possible.

RESOLVED that, subject to the above, Council's Forward Work Programme be noted.

The meeting concluded at 12.55 p.m.