

CABINET

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 16 February 2016 at 10.00 am.

PRESENT

Councillors Hugh Evans, Leader and Lead Member for the Economy; Bobby Feeley, Lead Member for Social Care, Adult and Children's Services; Huw Jones, Lead Member for Community Development; Barbara Smith, Lead Member for Modernisation and Housing; David Smith, Lead Member for Public Realm; Julian Thompson-Hill, Lead Member for Finance, Corporate Plan and Performance and Eryl Williams, Deputy Leader and Lead Member for Education

Observers: Councillors Ray Bartley, Meirick Davies, Martyn Holland, Huw Hilditch-Roberts, Dewi Owens, Merfyn Parry, Arwel Roberts and Huw Williams

ALSO PRESENT

Chief Executive (MM); Corporate Directors: Economy and Public Realm (RM) and Communities (NS); Heads of Service: Legal, HR and Democratic Services (GW), Education (KE), Finance, Assets and Housing (JG), and Planning and Public Protection (GB); Programme Manager (JC); Lead Officer – Community Housing (GD); Chief Finance Officer (RW), and Committee Administrator (KEJ)

1 APOLOGIES

Councillor Hugh Irving, Lead Member for Customers and Libraries

2 DECLARATION OF INTERESTS

Councillor Meirick Davies – Personal – Agenda Item 9 – rented council garage

Councillor Huw Hilditch-Roberts – Personal – Agenda Items 5 & 6 – Governor Ysgol Pen Barras

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 12 January 2016 were submitted.

Page 9 – Item 6: Budget 2016/17 (Final Proposals – Phase 6) – Councillor Eryl Williams requested an update on grant allocations since the last meeting and highlighted the need for those allocations, including cuts to grant funding, to be clearly recorded by the council for transparency. It was confirmed that no further announcements had been made by the Minister in terms of grant allocations which

tended to be drip fed over a period of months. In terms of rural authorities who had been subject to greater cuts as a result of the draft local government settlement, funding had since been made available from Welsh Government reserves.

RESOLVED that the minutes of the meeting held on 12 January 2016 be approved as a correct record and signed by the Leader.

5 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 –

- a net under spend of £0.418m was forecast for service and corporate budgets
- 91% of agreed savings had been achieved to date (target £7.3m) and the majority of the remaining savings were projected to be achieved by 2016/17 at the latest
- highlighted key variances from budgets or savings targets relating to individual service areas, and
- a general update on the Housing Revenue Account, Housing Capital Plan and the Capital Plan (including the Corporate Plan element).

Cabinet was also asked to approve £4.8m contingency to support Glasdir and Ysgol Carreg Emlyn schemes; £1.5m to the Capital Plan together with the write off of £140k debts owed by The Scala Prestatyn Company Limited.

The following matters were raised during debate –

- Cabinet commended the significant investment in major capital projects, particularly given the difficult financial times, which included investments in Schools, Rhyl Seafront, the Nova Development and West Rhyl Coastal Development Scheme, and congratulated all those involved with those projects
- the investment in the Ruthin Primary Schools 21st Century Schools project was also highlighted and members were pleased to note that the Glasdir and Ysgol Carreg Emlyn schemes were on track for delivery in September 2017 and an update on those projects had been added to Cabinet's regular finance report. It was agreed that, in terms of Glasdir, future reference be made to 'shared site' as opposed to 'shared school' in order to denote the two schools on the site
- following confirmation of the final year-end figures the treatment of underspends would be considered by Cabinet in the financial outturn report – it was anticipated that many services would retain their underspends to continue with planned projects in the next financial year
- it was confirmed that the Corporate Plan was robust and, based on current assumptions, resources were in place to ensure its delivery
- the detrimental impact of severe weather on highways was also discussed and the additional road maintenance required as a consequence of flooding – Welsh Government funding was being sought but if no external funding was available the necessary work would be funded from the Severe Weather Reserve

- the delay in project work and changes in the approach to business planning had contributed to the underspend in the Economic and Business Development service and assurances were given regarding the intention to carry forward funding in the next financial year to progress those planned projects.

RESOLVED that Cabinet –

- (a) *notes the budgets set for 2015/16 and progress against the agreed budget strategy;*
- (b) *approves the allocation of £4.8m contingency to support Glasdir and Ysgol Carreg Emlyn schemes within the 21st Century Schools Programme, to be funded from the release of revenue budgets from within the overall Schools Modernisation Programme;*
- (c) *approves the write-off of debts owed by The Scala Prestatyn Company Limited amounting to £140k, and*
- (d) *approves the allocation of £1.5m from the review of balance sheet provisions and in year contingencies to the Capital Plan.*

6 PROPOSAL TO CLOSE YSGOL LLANBEDR DC AS OF 31 AUGUST 2016 WITH EXISTING PUPILS TRANSFERRING TO YSGOL BORTHYN, RUTHIN SUBJECT TO PARENTAL PREFERENCE

[The Leader sought assurances from Cabinet members who confirmed they were satisfied that they had been given enough opportunity to study all the information relating to this item in order to make a fully informed decision.]

The Head of Legal, HR and Democratic Services referred to the School Organisation Code and explained that Cabinet must determine the proposal with an open mind taking into account the relevant factors as set out in paragraphs 4.5, 4.8 and 4.9 of the report.

Councillor Eryl Williams presented the report detailing the objections received following publication of the statutory notice of the proposal for consideration. He referred to the Council's vision for education and significant investment in schools as part of the modernising education agenda. The proposal had been made as part of the wider Ruthin area review and the case for change had been set out in the report based on the Council's objectives to reduce surplus places, achieve a fairer and more equitable distribution of school funding and provide greater efficiency and effectiveness of the school estate. Educational provision in the area included (1) Welsh Medium Education, (2) English Medium Education, (3) Welsh Medium Faith Based Education, and (4) English Medium Faith Education. He advised that those four elements of provision would continue if the proposal was implemented.

Cabinet considered the objections detailed within the report together with the arguments for the proposal and factors detailed in the School Organisation Code. Members sought clarity over the references to federation within the consultation responses and whether this option would meet the Council's key objectives and

questioned why alternative proposals had not been consulted upon. Questions were also raised regarding Ysgol Borthyn's capacity to accommodate pupils from Ysgol Llanbedr and wrap around childcare provision. Assurances were also sought that the proposal represented the best option to meet the Council's objectives.

Officers responded as follows –

- it was explained that alternatives to the proposal had been considered, including the case for federation, at an earlier stage in the consultation process. Both advantages and disadvantages had been considered and whilst federation had many benefits it did not address the Council's key objectives to tackle surplus places, achieve a fairer and more equitable distribution of school funding, or provide greater efficiency and effectiveness of the school estate
- the School Organisation Code required the Council to work with key partners such as the Diocese and that consultation had taken place in April/May. An analysis of alternative options had been undertaken and reasons given as to why those options, including federation, had not been pursued. These alternative options were included in the formal consultation report alongside the Council's preferred option
- assurances were given that the proposal met the requirements of the School Organisation Code and represented the best option to meet the Council's key objectives to tackle surplus place, decrease the cost per pupil and provide an efficient and sustainable school estate
- it was confirmed that if every child from Ysgol Llanbedr chose to transfer to Ysgol Borthyn there would be capacity to support that transfer – some minor configuration of teaching space could be required
- it was accepted that the current wrap around childcare facility at Ysgol Llanbedr was highly valued but wrap around care provision was available at other schools within the area, including Ysgol Borthyn and if the proposal went ahead officers would work to help support that provision.

Councillor Huw Williams spoke against the proposal and questioned the cost involved, including adaptation of Ysgol Borthyn to accommodate additional pupils. He highlighted that funding to progress the remaining Ruthin area review proposals was not dependent on the school's closure and the closure of the wrap around care childcare facility would result in the loss of four full time jobs. Councillor Williams argued that the federation option should be pursued and pointed to the wealth of opposition to the closure submitting that the school would likely be full if it had not been under threat of closure. Finally he queried whether Cabinet was confident that the Minister would uphold their decision if they decided to close the school.

Councillor Eryl Williams and the Head of Education responded as follows –

- any adaptations to Ysgol Borthyn would involve reconfiguration of learning space and costs would be minimal – no significant capital investment would be required
- officers would work with wrap around childcare providers and offer support as appropriate
- it was accepted that delivery of the remaining Ruthin area review proposals were not financially dependent on any individual school closure but keeping the

school open would not address the key objectives and factors identified in the School Organisation Code in terms of surplus places, sustainable schools and ensuring a fairer distribution of pupil funding

- Cabinet would make a fully informed decision on the merits of the proposal and could not pre-empt actions following that process.

Councillor Dewi Owens also spoke against the proposal believing it had been developed with closure in mind as opposed to saving the school. He blamed the Council for the fall in pupil numbers and felt more should be done to address that. Councillor Martyn Holland also raised concerns arguing that other school closures had resulted in new area schools but this case involved the transfer of pupils to Ruthin and questions had been raised regarding capacity at Ysgol Borthyn. He also submitted that there were costs associated with transferring pupils and the council would not benefit financially from a capital receipt because it did not own the land or school building – federation would result in cost saving. He cautioned against making a decision to close the school at this time because the impact of the new Glasdir schools on the future viability of Ysgol Borthyn was as yet unknown – an exodus of pupils to the new schools could lead to the loss of faith based provision in the area.

Councillor Eryl Williams responded that there was a demand for English medium faith based education in the area which could be met by Ysgol Borthyn and the school was considered sustainable going forward – implementing the proposal would ensure the existing combination of educational provision in both Welsh and English medium schools and Welsh and English medium faith based schools was retained. It was also reiterated that all other options had been considered, including federation, but following an analysis it was decided not to take federation forward as an option because it did not meet the Council's key objectives.

Cabinet was satisfied that appropriate processes had been followed and complied with the requirements of the School Organisation Code. Cabinet accepted that difficult decisions needed to be made in progressing the schools modernisation agenda but considered that implementing the proposal represented the best option to ensure an appropriate mix of sustainable education provision in the Ruthin area for the future. In moving the recommendations Councillor Eryl Williams acknowledged the difficult decision but reiterated his commitment to ensuring high quality sustainable education provision and facilities for every pupil in the county.

RESOLVED that Cabinet –

- note the findings of the objection report, and*
- following consideration of the above, Cabinet approve implementation of the proposal to close Ysgol Llanbedr as of the 31st August 2016 with existing pupils transferring to Ysgol Borthyn, Ruthin subject to parental preference.*

At this juncture (11.10 a.m.) the meeting adjourned for a refreshment break.

7 RHYL WATERFRONT DEVELOPMENT PROJECT UPDATE

Councillor Hugh Evans presented the report updating Cabinet on progress with the Rhyl Waterfront Development project and sought approval to proceed to a more formal development agreement on the terms outlined within the report.

Neptune Development Limited (NDL) had been appointed as preferred development partner to assist the Council in renewing the leisure and facilities offer for the coastal strip of Rhyl. Proposals were now sufficiently developed to move to a more formal agreement which would ensure that the financial viability of individual elements of the scheme and the impact on the wider development could be fully assessed and understood before approvals were granted. Details of the scheme, which had been split into five distinct zones along the coast, had been included in the report. The public response to the proposals had been overwhelmingly positive.

Cabinet welcomed the development project and proposals to regenerate Rhyl noting that significant investment would be required, likely through a combination of government grants, private sector investment and some contribution from the council. It was confirmed that NDL had modelled a potentially viable scheme based on a number of assumptions but detailed businesses cases for each element would need to be developed to assess individual viability and the impact to the overall scheme. In terms of timescales for development members were advised of the flexibility of the overarching agreement which would allow different phases to be brought forward as they progressed. An indicative timeline had been included within the report based on what NDL considered achievable, but more definite timescales would be confirmed as the process progressed. It was noted that the Coastal Facilities Project Board was overseeing the development of the project and Councillor Eryl Williams asked that minutes of those meetings be made publicly available to ensure all members were fully aware of the work being undertaken.

RESOLVED that Cabinet –

- (a) *gives approval to enter into the Overarching Regeneration Agreement on the basis of the funding models set out therein; with each element of the regeneration being phased and subject to further approval (whether by Cabinet or via Delegated Decision dependant on the value) to proceed, and*
- (b) *approves the establishment of a project budget funded by reallocating existing corporate resources.*

8 RECOMMENDATIONS OF THE STRATEGIC INVESTMENT GROUP

Councillor Julian Thompson-Hill presented the report seeking Cabinet's support of projects identified for inclusion in the 2016/17 Capital Plan as recommended by the Strategic Investment Group (SIG) and detailed in Appendix 1 to the report.

Councillor Thompson-Hill guided members through the report and elaborated upon funding available for capital investment to one-off projects and block allocations for on-going programmes of work. Reference was made to the work of the SIG in reviewing bids for allocations and a summary of the recommendations had been provided. Due to insufficient capital funding being available to cover all projects a number of provisional allocations had been made subject to disposal of assets.

In response to questions Councillor Julian Thompson-Hill –

- explained the process of prudential borrowing advising that the council needed to increasingly rely on its own resources to invest due to the continuing reduction in the real value of Welsh Government capital settlements
- confirmed that both the school and non-school capital maintenance bids included provision for essential maintenance such as asbestos removal. Councillor Eryl Williams elaborated upon the Council's leading position in terms of accessing 21st Century Schools funding to invest in school buildings and facilities as part of the schools modernising agenda
- bids for Highway works included improvements to roads and bridges, street lighting and road safety and allocations were prioritised on the basis of need – Councillor David Smith advised that spend on individual schemes was discussed by Member Area Groups and it was suggested that any questions/concerns in that regard be addressed at that forum or raised directly with the Highway Service.

RESOLVED that the projects detailed in Appendix 1 to the report for inclusion in the 2016/17 Capital Plan be supported and recommended to full Council.

9 HOUSING RENT SETTING & HOUSING REVENUE AND CAPITAL BUDGETS 2016/17

Councillor Julian Thompson-Hill presented the report seeking approval of the proposed rent increase for council housing and approval of the Housing Revenue Account Capital and Revenue Budgets for 2016/17.

Councillor Thompson-Hill guided members through the budget figures and income level assumptions which had been calculated taking into account the Welsh Government Policy for Social Housing Rents and mechanism for uplifting rents. The annual review of the Housing Stock Business Plan (HSBP) showed it remained robust and financially viable and there was significant investment in improving current housing stock and the building of much needed new housing stock.

During consideration of the report the following issues were discussed –

- there had been five Right To Buy (RTB) sales in 2015/16 to date and one sale per annum had been forecast for subsequent years, however the HSBP had been tested with the assumption of no sales and there was no detrimental effect. It was clarified that RTB sales were no longer required to fund the plan due to better than expected subsidy settlements over time. Members had previously acknowledged that RTB sales could prove counter-productive to growing housing stock and following a Notice of Motion to Council, officers had been authorised to report back on a business case to suspend RTB sales. Officers confirmed the business case would cover RTB sales across the county and whether any exemptions for particular areas should apply. Currently 25% of RTB sales was reinvested in housing stock and 75% used to pay back debt
- a review of council garages was ongoing and also formed part of the options for new build. The rent did not cover maintenance costs and some garages were

being used as storage facilities and not for their intended purpose – these issues were being considered as part of the review. The importance of retaining council garages in order to keep the highway free from traffic congestion was highlighted and officers confirmed that garages providing valuable car parking places would be considered as such within the review. It was clarified that the rent for non-Council tenants was slightly higher because it included VAT

- it was confirmed that the Denbighshire Tenants and Residents Federation had been consulted and the reason for the rent increase and the impact on the HRA business Plan had been fully explained to the group
- Cabinet was pleased to note the positive feedback from customers in the STAR survey in 2015 which returned high levels of satisfaction with rent and service charge value for money and congratulated officers involved in that regard
- steps were being taken to gradually increase rents in order to meet target rent figures in line with the Welsh Government policy for social housing rents. The rent uplift as confirmed by Welsh Government was 1.4% (CPI+1.5% plus £2) and 22% of tenants would be paying the target rent level in 2016/17 – it was expected that all tenants would be paying the full target rent by 2021.

RESOLVED that –

- (a) the Housing Revenue Account Budget for 2016/17 (Appendix 1 to the report) and the Housing Stock Business Plan (Appendix 2 to the report) be adopted;*
- (b) rents for Council dwellings be increased in accordance with the Welsh Government Policy for Social Housing Rents introduced in April 2015 to an average weekly rent of £77.74 with effect from Monday 4 April 2016, and*
- (c) rents for Council garages be increased in line with the increase in rents for Council dwellings to £6.68 for Council Tenants and £8.02 for other Tenants per week.*

10 UPDATE ON THE GYPSY AND TRAVELLER ACCOMMODATION ASSESSMENT

Councillor Barbara Smith presented the report outlining the findings of the 2016 Gypsy and Traveller Accommodation Assessment for Denbighshire (attached as a confidential appendix to the report) and sought Cabinet approval to submit the Assessment to Welsh Government and to utilise a regional approach to the search for sites to meet any future provision required.

There was a statutory requirement on local authorities to carry out an assessment and make provision for sites when need was identified. An earlier assessment in 2013 called for a shared transit site for Conwy and Denbighshire because a high proportion of unauthorised encampments occurred in the north of the county near the border. A joint assessment had been conducted with Conwy County Borough Council although separate documents would be submitted. The Assessment concluded that there was a need for a transit site or stopping place in the north of the county and the Council was required to address that need.

During the ensuing debate questions were raised regarding the statutory responsibilities on local authorities, the next steps within the process, and whether any additional funding would be provided to enable authorities to meet their statutory obligations. The Head of Legal, HR and Democratic Services outlined the provisions under the Housing (Wales) Act 2014 in relation to Gypsy and Traveller Accommodation and it was noted that some sections of the Act, particularly in terms of sanctions for failing to meet any need identified, were not yet in force. The Development Planning and Policy Manager reported upon the intention to work jointly with Conwy to identify a suitable site and advised that limited Welsh Government funding was available but it did not cover site acquisition costs. In order to apply for funding planning permission was needed on an acquired site and a detailed project plan in place. Conwy had one permanent site and had earmarked a transit site but the latest position was unclear due to local opposition. If a transit site was provided the council would have powers to move on unauthorised encampments to that site. The identified need across Wales would be known once all the assessments had been submitted to the Welsh Government.

RESOLVED that Cabinet approves –

- (a) *the Gypsy and Traveller Accommodation Assessment for submission to Welsh Government, and*
- (b) *utilising a regional approach to the search for sites to meet any future provision required.*

11 CABINET FORWARD WORK PROGRAMME

The Cabinet Forward Work Programme was presented for consideration and members noted the following amendments –

- additional item on the Closure of TAITH – March
- former North Wales Hospital, Denbigh – moved from March to April/May

RESOLVED that Cabinet's Forward Work Programme be noted.

EXCLUSION OF PRESS AND PUBLIC

RESOLVED that under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting for the following items of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

12 AWARD OF CONTRACT FOR DISPOSAL OF RESIDUAL WASTE

This item had been withdrawn due to the withdrawal of one of the tenders. Further work was now required on the tendering process before resubmission to Cabinet.

13 AWARD OF LOCAL BUS SERVICE CONTRACT

Councillor David Smith presented the confidential report seeking Cabinet approval to award a local bus service contract in accordance with the Contract Procedure Rules to the most economically advantageous tenderer.

Officers had tendered a range of options and suppliers had been able to bid for individual contracts or two or more contracts in combination. The contract was the most economically advantageous for the council in maintaining as close to existing services as possible within the budget available. A key change involved the diversion of some resources to operate between Corwen and Wrexham which had been proposed following a public consultation. Councillor Huw Jones thanked the Passenger Transport Manager for all his hard work in this regard and asked that a meeting of the Bus User Forum be arranged following implementation of the changes in order to review the new arrangement and ensure it was working well.

RESOLVED that Cabinet approve the award of the local bus service contract to the most economically advantageous tenderer as detailed within the report.

The meeting concluded at 12.40 p.m.