

CABINET

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 28 June 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; Hugh Irving, Lead Member for Customers and Libraries; 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, Bill Cowie, Ann Davies, Meirick Davies, Arwel Roberts, Huw Williams and Mark Young

ALSO PRESENT

Chief Executive (MM); Corporate Director: Economy and Public Realm (RM); Heads of Service: Legal, HR and Democratic Services (GW) and Business Improvement and Modernisation (AS); Property Manager (DL); Chief Finance Officer (RW), and Committee Administrator (KEJ)

1 APOLOGIES

Councillor Huw Jones, Lead Member for Community Development

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 May 2016 were submitted.

RESOLVED that the minutes of the meeting held on 24 May 2016 be approved as a correct record and signed by the Leader.

5 LEAD MEMBER SCHEME OF DELEGATION

The Head of Legal, HR and Democratic Services presented the report seeking Cabinet's agreement to changes to the way in which delegated decisions were taken and the nature of the delegation to Lead Members.

The reasoning behind the proposed changes was explained in order to make the process for delegated decisions more transparent. Cabinet's attention was drawn to the main changes proposed for delegated decisions and the extent of other members' involvement within that process. As previously agreed the recently approved Officer Scheme of Delegation had been circulated to all members for comment, however no feedback had been received.

Cabinet welcomed the proposed changes to the delegated decisions process to ensure greater transparency of decision making and the involvement of all members at an earlier stage in the process, providing an opportunity to input and influence outcomes. During debate further clarification was sought on a number of issues including urgent decisions, confidentiality, and the wider involvement of members prior to 'key' decisions being made.

The Head of Legal, HR and Democratic Services responded as follows –

- elaborated upon existing provisions in respect of urgent decisions outside normal timescales in cases where there was a risk of significant impact together with exemption from the 'call in' procedure
- explained that information regarding delegated decisions would be published on the Council's intranet with restricted access and the usual rules regarding confidentiality would apply; Contract Procedure Rules contained a specific set of authorisations with regard to tenders and contract awards
- the revised process would provide the flexibility to better engage members within the decision making process, particularly non-Cabinet members, and allow Lead Members and Heads of Service to make judgements as to whether specifically contentious decisions needed further member involvement prior to a decision being made – this was essentially a political judgement and further guidance would be produced in that regard
- questions were also answered in respect of the officer delegated decision regarding car parking charges and it was confirmed that the correct process had been followed in that case; the proposal going forward was that in cases where decisions had been referred to members for their views, a short report be published setting out the decision from which the call in period would apply.

The Chief Executive highlighted the importance of all members being familiar with the delegated decision process and to actively engage with it and he raised some concern that no feedback had been received from members following circulation of the Officer Scheme of Delegation. Similarly he felt that officers needed to be better at anticipating those decisions which ought to be brought before members, particularly those with a political dimension. It was agreed that the revised Lead Member Scheme of Delegation be circulated to all members highlighting the importance of the document and members' engagement within the delegated decision process.

RESOLVED that Cabinet agree the Lead Member Scheme of Delegation attached as Appendix 1 to the report and the arrangements by which delegated decisions are made as set out in Appendix 2 to the report.

6 CONTRACT PROCEDURE RULES - PROPOSED CHANGE TO OFFICER AUTHORISATION THRESHOLDS

Councillor Julian Thompson-Hill presented the report seeking Cabinet's endorsement to the proposal to change officer authorisation thresholds within the Council Contract Procedure Rules prior to consideration by full Council on 5 July 2016 as part of the wider item on the revised constitution.

The change had been proposed for operational and efficiency reasons following further analysis of contract volumes and input from Heads of Service. It did not propose any changes to the financial thresholds at which members became involved in the authorisation process.

Cabinet considered the report and in response to questions members were advised that the change would reduce the number of contracts requiring Section 151 Officer and Monitoring Officer authorisation from 1200 to less than 100. Raising the threshold from £25k to £250k would also bring the value in line with most Heads of Service authorisation to approve spend and provide a consistent level of authority. Contracts would still be subject to the usual audit and monitoring processes.

RESOLVED that Cabinet endorse the proposed amendment to the Contract Procedure Rules as set out within the report.

7 CORPORATE PLAN PERFORMANCE REPORT QUARTER 4 - 2015/16

Councillor Julian Thompson-Hill presented the report providing an update on the delivery of the Corporate Plan 2012 – 17 as at the end of quarter 4 of 2015/16.

The performance report provided a summary position for each outcome together with an analysis of key exceptions. All outcomes had been evaluated as acceptable or better and an explanation behind the status of each indicator had been included with key issues elaborated upon further at the meeting. Whilst there would likely always be some individual missed targets the report was generally very positive. Performance Scrutiny Committee also continued to monitor the performance reports on a regular basis.

Debate focused on the following areas –

- data on carbon emissions could still not be provided due to earlier faults in the British Gas billing system but corrected bills were starting to come through and it was hoped that information on last year's consumption could be reported the following month. It was queried whether the Council's reduction in carbon emissions had been as a result of the building rationalisation programme or ongoing work to ensure buildings were more efficient. Councillor Julian Thompson-Hill agreed to look into the matter further and report back thereon
- Councillor David Smith was pleased to note progress in improving the county's roads but highlighted that it had only been possible because additional funding had been specifically allocated for that purpose – he asked that consideration be given to increasing the base budget to safeguard against further deterioration. The Chief Executive confirmed that road quality was currently one of the

Council's top priorities and he was confident that the target for better quality roads overall in 2017 compared to 2012 would be achieved in the next financial year. Future priorities and budgets would be a consideration for the next Council. Councillor Bill Cowie raised ongoing concerns regarding the condition of the A525 and was waiting to see whether assurances he had been given regarding its repair would be forthcoming

- superfast broadband availability – members were disappointed that this indicator remained red and noted it was a project between Welsh Government and BT to deliver. Progress with rollout had been scrutinised and discussed with BT representatives at a recent meeting of the Performance Scrutiny Committee and the Chief Executive reported upon the key outcomes. The coverage target related to certain areas and not the whole county – consequently there was a need to engage with those residents expecting to benefit who would not have access. Welsh Government officials declined to attend the scrutiny meeting and it was important they were held to account and delivered on the project
- despite the largely positive performance report and significant investment made by the Council in specific projects such as school buildings it was noted that the percentage of residents responding positively to the statements relating to (1) the Council being efficient and well run, and (2) acting on the concerns of residents, had been highlighted as red indicators. Some discussion took place on the disparity between the reality of the situation and the perception of residents. It was felt that the publicity generated by the Council's more unpopular decisions outweighed the good news stories and it was an ongoing challenge to change residents' perceptions in that regard. It was felt the Council should be more proactive in responding to negativity and promoting the good work and significant investment made to benefit the county's residents
- discussions also took place on the impact of the EU referendum result to leave the EU with officials and officers beginning to analyse the potential impact on budgets and undertake an assessment process – the Chief Executive agreed to report back on that work as it developed.

Councillor Thompson-Hill thanked members for their consideration and input.

RESOLVED that Cabinet receives the report and notes the progress in delivering the Corporate Plan 2012 – 17 as at the end of quarter 4 of 2015/16.

At this juncture (11.30 a.m.) the meeting adjourned for a refreshment break.

8 FINAL REVENUE OUTTURN 2015/16

Councillor Julian Thompson-Hill presented the report on the final revenue outturn position for 2015/16 and proposed treatment of reserves and balances.

Members were guided through the detail of the report and appendices. In brief the overall outturn position showed an underspend against the approved budget which, together with a better than forecast council tax yield, strengthened the Council's financial position. Consequently it was possible to make recommendations for services to carry forward balances and make transfers to specific reserves that would assist in addressing the financial pressures of the next few years. Whilst there was an overall underspend across individual services and corporate areas the

schools delegated budget showed a (predicted) significant overspend. The final position on service and corporate budgets (including schools) was an overspend of £0.387m which was 0.2% of the net revenue budget. Reference was also made to the transfers to and from earmarked reserves and Cabinet's attention was drawn to a number of year-end transactions recommended for approval.

Cabinet was advised of the positive outcomes in that the Council had been in a position to set up various reserves and carry forward funding in order to meet service requirements whilst also delivering the majority of the savings target for 2015/16. The reserves which had been built up to deliver the Corporate Plan had been significantly reduced this year as those commitments continued to be progressed. Finally reference was made to the risks surrounding school balances given the worsening financial position for schools.

The following matters were raised during the ensuing debate –

- there was some discussion on the financial impact on schools due to a reduction in grant funding from Welsh Government, particularly in terms of the foundation phase which had a significant impact on infant schools, and there were also issues regarding demography and funding for additional learning needs. It was noted that schools in financial deficit would be subject to financial recovery plans and reference was also made to the role of the Schools Budget Forum in supporting schools. However, the importance of ensuring all schools were working effectively going forward was highlighted in order to plan ahead for future challenges with other schools concerned over future finances. Members agreed there was a need to understand all the factors contributing to the position on school balances and felt that more work should be carried out to ascertain the current and future position for schools. It was agreed that Cabinet take on that role by establishing a task and finish group which should also include scrutiny representatives. It was noted that the Council had exceeded the statutory level of protection given to schools over the last 4/5 years and that funding per pupil in Denbighshire was higher than in neighbouring local authorities. The need to provide support to schools and school governors was also highlighted
- reference was made to the review of the Home to School Transport Policy being considered by Communities Scrutiny Committee later in the week and the potential financial implications arising from changes to the existing policy. The Chief Finance Officer advised that whilst an indicative figure had been provided, a more precise cost estimate of implementing the policy would not be available until October/November 2016. The Chief Executive stressed the importance of ensuring a fair and legal policy was in place advising that the quality of the policy should not be compromised due to budget implications. Councillor Meirick Davies stressed the importance of consultation with parents during the review process and suggested collaboration opportunities be explored with neighbouring authorities. Councillor Arwel Roberts detailed his concerns regarding the route for pupils from Rhuddlan to Ysgol Dewi Sant, Rhyl and his attempts to resolve the issue. Councillor Eryl Williams suggested that, in cases which did not qualify for statutory provision, schools should seek external funding for school transport provision

- Cabinet considered whether there would be merit in publishing the income and operating costs of individual leisure centres given their financial sustainability. It was noted that extracting the relevant costings might prove difficult given that the leisure centres were managed as separate entities and that income levels from leisure centres linked to schools would not be as high. It was agreed that the Council could be more transparent in publishing such information but there would be a need for provisos to ensure the figures were not misleading.

RESOLVED that –

- Cabinet notes the final revenue outturn position for 2015/16 and approves the proposed treatment of reserves and balances as detailed in the report and Appendices 1, 2 and 3 attached to the report, and*
- Cabinet set up a task and finish group to review the level of school balances and understand the factors contributing to those levels.*

9 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 –

- the council's revenue budget for 2016/17 with no variances to report at this stage in the financial year
- savings of £5.2m were agreed as part of the budget and at this early stage 42% had already been achieved, with a further 25% making good progress; a number of savings were currently being reviewed and the results would be included in future monitoring reports
- highlighted a number of pressures within the overall budget requiring management action by specific services, and
- a general update on the Housing Revenue Account, Housing Capital Plan and the Capital Plan (including the Corporate Plan element).

Following the EU referendum result to leave the EU assurances were provided that the Council's treasury management was being closely monitored and there was little risk to agreed projects in the Capital Plan given that funding had already been allocated. Risks arising from revenue grants underpinned by EU funding was limited given the timing between EU funding cycles. A meeting between Welsh Treasurers was being held later in the week to discuss the impact on future funding. It was agreed to discuss the matter further once the position became known.

In response to questions members were advised that the percentage of savings not achieved in 2015/16 would likely be achieved in 2016/17 and had been due to issues over timing. A contingency plan was in place to cash flow those savings. Further work was being carried out on the remaining savings following which an update would be provided. With regard to treasury management the rate of return on investments had been consistently less than 1% over the last few years.

RESOLVED that Cabinet notes the budgets set for 2016/17 and progress against the agreed budget strategy.

10 CABINET FORWARD WORK PROGRAMME

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

- Treasury Management Annual Report – July
- Strategy for the Prevention & Detection of Fraud, Corruption and Bribery – July
- Ruthin Town Schools Development – July
- Regional Partnership Board – July
- Faith Based Secondary Provision – moved from July to September
- Former North Wales Hospital (CPO) – future date to be confirmed
- In-House Care Services Review – future date to be confirmed

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.

11 REACTIVE MAINTENANCE FRAMEWORK (MINOR WORKS)

Councillor Julian Thompson-Hill presented the confidential report seeking Cabinet approval to appoint contractors to the Reactive Maintenance Framework.

The framework had been prepared following the changes in procurement rules in respect of the use of approved lists and the tender had been split into four lots. Cabinet's attention was drawn to the proposed contractors, the majority of which were local. As a point of accuracy members were advised that the total estimated value of the works over four years was £11.4m and not as specified within the report. The Property Manager responded to questions from members regarding the new process for minor works, including community benefits, together with aspects of performance monitoring and review. He also confirmed that the framework covered works on all the Council's corporate building stock, including schools.

RESOLVED that Cabinet approve the appointment of contractors to the Framework lots as detailed in Appendix 1 to the report.

The meeting concluded at 12.50 p.m.