

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin on Tuesday, 23 January 2018 at 10.00 am.

PRESENT

Councillors Hugh Evans, Leader and Lead Member for the Economy and Corporate Governance; Bobby Feeley, Lead Member for Well-being and Independence; Huw Hilditch-Roberts, Lead Member for Education, Children and Young People; Brian Jones, Lead Member for Highways, Planning and Sustainable Travel; Richard Mainon, Lead Member for Developing Community Infrastructure; Tony Thomas, Lead Member for Housing, Regulation and the Environment; Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets, and Mark Young, Lead Member for Corporate Standards

Observers: Councillors Mabon ap Gwynfor, Jeanette Chamberlain-Jones, Meirick Davies, Martyn Holland, Huw Jones, Arwel Roberts, Glenn Swingler, Rhys Thomas and Emrys Wynne

ALSO PRESENT

Chief Executive (MM); Corporate Director Economy and Public Realm (GB); Heads of Service: Finance/S.151 Officer (RW) and Education & Children's Services (KE); Team Leader Places (SC); Strategic Planning and Housing Manager (AL); Programme Manager – Modernising Education (JC); Lead Officer – Community Housing (GD); Built Environment Manager (GR) and Committee Administrator (KEJ)

1 APOLOGIES

Nicola Stubbins, Corporate Director Communities

2 DECLARATION OF INTERESTS

The following members declared a personal interest in agenda item 6 – Delivery of Band B 21st Century Schools Programme –

Councillor Meirick Davies – Governor Ysgol Cefn Meiriadog & Ysgol Trefnant
Councillor Huw Hilditch-Roberts – Governor Ysgol Brynhyfryd & Pen Barras/Parent
Councillor Martyn Holland – Governor Ysgol Bro Famau
Councillor Arwel Roberts – Governor Ysgol y Castell & Ysgol Dewi Sant
Councillor Glenn Swingler – Governor Ysgol Pendref
Councillor Rhys Thomas – Governor Ysgol Twm o'r Nant & Ysgol Frongoch
Councillor Tony Thomas – Governor Ysgol Brynhedydd/Child in St. Brigid's School
Councillor Julian Thompson-Hill – Governor Ysgol Clawdd Offa
Councillor Emrys Wynne – Governor Ysgol Borthyn
Councillor Mark Young – Governor Denbigh High School

Councillor Meirick Davies also declared a personal interest in agenda item 9 Budget 2018/19 – Final Proposals because he was Chair of the Fire and Rescue Authority.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 12 December 2017 were submitted.

***RESOLVED** that the minutes of the meeting held on 12 December 2017 be approved as a correct record and signed by the Leader.*

5 PROPOSAL TO ESTABLISH A STRATEGIC PLANNING GROUP

Councillor Brian Jones presented the report outlining proposals to replace the Local Development Plan Steering Group with a more focused Strategic Planning Group to lead on the development of a replacement Local Development Plan (LDP).

The new Group would provide corporate leadership and guidance in taking forward the replacement LDP through to formal adoption and to focus on the delivery of the LDP strategy and policies. The draft terms of reference setting out the role and purpose of the Group and its membership had been attached to the report.

Cabinet noted the proposals for a smaller, more focused Group, and sought assurances that opportunities would be provided for all members to input into the new process. Officers confirmed that the draft terms of reference made provision for one representative and substitute representative from each Member Area Group (MAG) and the onus was on that member to report back and provide input from their respective MAGs and political groups. In addition all relevant paperwork relating to the Group's meetings would be available to all councillors and regular workshops/briefing sessions would be held on a six monthly basis to ensure ongoing involvement of all members. Update reports would be included on MAG agendas when required and key stages of development would be reported to Cabinet and/or Council. In response to questions the Lead Member and Strategic Planning and Housing Manager –

- confirmed that meetings of the new Group would not be open to all members to attend and it was agreed to make this fact clearer in the terms of reference
- highlighted that meetings would not be open to the public
- acknowledged the hard work of the LDP Steering Group and confirmed that the revised population and household forecasts would be the basis for the new LDP
- explained the statutory requirement to provide an Annual Monitoring Report to Welsh Government and the role of the new Group in overseeing preparation of that report; it was agreed to further clarify that process in the terms of reference
- reiterated the intention to seek one representative and one substitute representative from each MAG given that it was a new Group which required a smaller membership than the previous Steering Group.

Cabinet highlighted the importance of MAG representatives proactively engaging with their respective MAGs to feedback and provide further input into the process.

RESOLVED that Cabinet approve the establishment of the group, draft Terms of Reference and membership of the Strategic Planning Group attached as Appendix 1 to the report, subject to inclusion within the Terms of Reference of (1) clearer reference that the Group's meetings would not be open to all elected members to attend, and (2) further clarification regarding the process for preparing the Annual Monitoring Report.

6 DELIVERY OF BAND B - 21ST CENTURY SCHOOLS PROGRAMME

Councillor Huw Hilditch-Roberts presented the report advising Cabinet of the approval of its Band B programme submission for the 21st Century Schools and Education Programme and the implications for delivery.

The Council had made excellent progress in delivering the Band A proposals in partnership with Welsh Government and together would have invested over £90m by 2019 to deliver key projects. In July 2017 Cabinet approved submission of Band B proposals worth £80.5m to Welsh Government as part of the next phase of investment. Welsh Government had since approved the investment in principle subject to approval of individual project business cases. Consequently Cabinet was asked to confirm the Council's financial commitment to delivering Band B proposals in line with the Corporate Plan. Denbighshire's contribution would be £32.8m and the revenue budget required to fund the borrowing to support the programme would be approximately £1.8m over the seven years of the programme. No detail had been provided in terms of individual proposals which would be subject to individual business cases being considered by the Strategic Investment Group and Cabinet.

Cabinet welcomed the report and investment in school building works for the benefit of children and young people and the Leader was keen to continue the investment and progress of the previous Council and take advantage of any available funding from Welsh Government for that purpose. Councillor Mark Young highlighted the need to ensure an open process for communities and the Lead Member provided assurances with regard to lessons learnt from previous reviews which would be reflected in future processes.

The Lead Member and Head of Education and Children's Services responded to questions from non-Cabinet members as follows –

- the Strategic Outline Programme had been submitted prior to the recent announcement of additional monies specifically for Welsh Medium education. However members were reminded that approximately £30m had been invested in increasing and improving facilities for Welsh Medium education in the Band A tranche of funding and further assurances were provided that any plans taken forward in Band B would focus on continuing to strengthen and increase provision for Welsh Medium education. Officers were keen to ensure members were informed of any announcements from Welsh Government which may add to or enable plans to be taken forward to invest in the school estate generally

- officers were committed to ensuring that any deficits in educational provision across all schools in Denbighshire were addressed and the provision for ASD Learners had been debated during development of the Strategic Outline Plan; that debate would continue as more detailed plans were developed
- once Cabinet had confirmed its financial commitment it would be possible to undertake extensive discussions around any subsequent proposals brought forward in line with the democratic process and adherence to the School Organisation Code policies and procedures
- assurances were also provided that officers worked closely with design teams regarding environment impacts and recognised the commitment to ensure environmental demands were met as far as possible within the financial resources available for particular projects.

RESOLVED that Cabinet –

- (a) *confirms its financial commitment to delivering Band B proposals in accordance with the Strategic Outline Programme as submitted to the Welsh Government to enable it to meet the priority included within the Corporate Plan 2017 – 2022, and*
- (b) *confirms that it has read, understood and taken account of the Well-being Impact Assessment attached at Appendix 1 to the report as part of its consideration.*

7 HOUSING RENT SETTING & HOUSING REVENUE AND CAPITAL BUDGETS 2018/19

Councillor Julian Thompson-Hill presented the report seeking Cabinet approval for the Denbighshire housing annual rent increase, the Housing Revenue Account Capital and Revenue Budgets for 2018/19 and Housing Stock Business Plan.

Councillor Thompson-Hill guided members through the budget figures and income level assumptions which had been calculated taking into account the Welsh Government Rent Policy for social housing rents and mechanism for uplifting rents. The annual review of the Housing Stock Business Plan showed it remained robust and financially viable with sufficient resources to support the management and supervision of the housing service and the investment needs of the stock.

Cabinet was pleased to note the high satisfaction rating from tenants and that Denbighshire compared favourably with other local authorities and housing associations in terms of housing rents. It was also noted that Denbighshire had consistently low housing rent arrears in comparison to Wales and the UK. However Universal Credit was acknowledged as a risk which was being well managed within Denbighshire with low numbers of rent arrears at present. Members were also pleased to note that a programme of 170 new build homes had been incorporated within the Housing Stock Business Plan and the Lead Officer – Community Housing answered questions regarding progress with that particular programme and also confirmed that alternative heating sources to liquid gas in rural areas were being investigated. Garages had not been dealt with in the report as they were not subject to Welsh Government Rent Policy and the charges and use of garages sites

would be reviewed by the Head of Facilities, Assets and Housing. Nevertheless Councillor Bobby Feeley expressed concern regarding the time taken to complete the review of garages sites and it was agreed to receive a report back on the Council's approach to garages following completion of the review in approximately six months' time.

RESOLVED that –

- (a) *the Housing Revenue Account Budget for 2018/19 (Appendix 1 to the report) and the Housing Stock Business Plan (Appendix 2 to the report) be adopted, and*
- (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 £87.63 with effect from Monday 2 April 2018.*

8 RECOMMENDATIONS OF THE STRATEGIC INVESTMENT GROUP

Councillor Julian Thompson-Hill presented the report seeking Cabinet support of projects identified for inclusion in the 2018/19 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 explained the funding available for block allocations for on-going programmes of work. Reference was made to the work of the SIG in reviewing the bids for allocations and a summary of their recommendations had been provided and elaborated upon further at the meeting. Specific bids for which SIG had recommended no or reduced funding be allocated had been detailed in Appendix 2 to the report. Councillor Thompson-Hill referred to representations received from members regarding the Horseshoe Pass 40mph speed limit proposal with SIG's view that other funding sources had not been fully investigated. A bid for grant funding would subsequently be submitted to Welsh Government but if unsuccessful, an amendment to the recommendation to include that funding allocation for inclusion in the 2018/19 Capital Plan was made.

The Lead Members and officers responded to questions as follows –

- C07 Highways Block – funding for highways issues had been included within the overall block allocation and the Head of Service would determine the most appropriate use of that allocation. The loan element to allow continuation of the programme of replacement street lighting lanterns was being dealt with separately. With regard to the Public Rights of Way proposal other sources of funding would be explored by the service
- Flood Risk Management Works – flood works were included as part of the block allocation for highways and a report on flood risk management was nearly completed. In response to questions from Councillor Jeanette Chamberlain-Jones regarding progress with recent surveys carried out in flood risk areas it was agreed that officers contact her directly thereon outside of the meeting

- C06 Traffic Works – Coach Parking Feasibility Study – this element of the bid related to a feasibility study across a number of areas but had not been supported due to affordability with other funding sources to be explored
- it was clarified that the detail of the individual bids had been emailed to all members with a link to the members' library and a hard copy had also been made available in the members' room.

RESOLVED that the projects detailed in Appendix 1 to the report for inclusion in the 2018/19 Capital Plan be supported, together with the addition of an item from Appendix 2 relating to the Horseshoe Pass 40 mph speed limit should the grant application for funding be unsuccessful, and recommended to full Council.

9 BUDGET 2018/19 - FINAL PROPOSALS

Councillor Julian Thompson-Hill presented the report setting out the implications of the Local Government Settlement 2018/19 and proposals to finalise the budget for 2018/19, including the level of Council Tax.

Councillor Thompson-Hill provided an overview of the budget process and latest budget position and elaborated upon the proposals for consideration and recommendation to full Council in order to set the budget for 2018/19. The final settlement had resulted in a cash reduction of -0.2% (provisional settlement had indicated -0.9%) but in order for the funding position to have remained neutral the settlement would have needed to be at least +3.6%. Whilst the reduction had not been as great as first feared other factors needed to be taken into account such as pressures in pay, pension and the National Living Wage, as well as price/energy inflation, fire service levy and allowances for increases to the Council Tax reduction scheme. Pressures remained across the authority with an increased demand for funding education and social care – the proposed budget included an increase of £1.8m (2.7%) in budgets for schools and an additional allocation of £1.5m (3.2%) to social care. Savings had been found from across the Council to help deliver a balanced budget. With regard to Council Tax a rise of 4.75% was proposed which included an additional allocation of 2% to fund social care pressures worth £1.5m.

Cabinet discussed the budget proposals, acknowledging the continued reduction in Denbighshire's budget allocation and subsequent implications for services, and also recognised that the financial climate remained challenging into the future which would lead to more difficult decisions. Whilst welcoming the proposed increases to the social care budget Councillor Bobby Feeley highlighted her funding concerns for future years given the continued increased demand and future pressures identified. She also highlighted the need to ensure residents were made aware of the specific increase in Council Tax to fund existing social care pressures. Councillor Huw Hilditch-Roberts agreed, adding that there was a perception that Council Tax accounted for most of the Council's budget which also needed to be addressed. He believed that the proposed budget was fair, coherent and prudent and should give confidence to residents with social care, education and children's services being protected. In light of continued pressures and reduced future settlements members were also keen to start the budget process for future years as early as possible.

Further discussion on the budget proposals focused on the following –

- work was ongoing to manage energy costs and keep increases to a minimum; reducing energy consumption was a key issue in the Corporate Plan and an Energy Prospectus was currently being developed
- tribute was paid to the work of the retiring County Archaeologist and the implications of deleting that post was discussed. It was noted that specialist advice may need to be sought from outside the authority in the future
- the reasoning behind the removal of the small business development grant scheme in favour of a 50% saving and investment into a more focused business improvement system was elaborated upon
- work was being carried out with schools and HR to ensure contracts for staff were suitable and adaptable within schools to enable contracts to be changed in line with changing needs
- the Council was still supporting independent living and resilience and whilst the Supporting People Team were taking up the issue over the future of the Welsh Independent Living Grant, other means had been identified which would enable that support to be continued without that specific grant funding
- whilst additional funding was being put into education and social care it was recognised that both sectors would still be under a lot of pressure
- the additional base budget elements as detailed in the financial projections for future years was further explained in response to questions
- the difference between general balances and reserves was explained and officers confirmed that whilst there was general guidance with regard to the amount of general balances and reserves to be held by local authorities there was no prescribed amount in law.

RESOLVED that Cabinet –

- (a) *notes the impact of the Local Government Settlement 2018/19;*
- (b) *supports the proposals outlined in Appendix 1 to the report which were in line with assumptions presented to members at budget briefings held in November 2017, and accordingly recommends them to the full Council in order to finalise the 2018/19 budget, and*
- (c) *recommends to Council that the average Council Tax rise required to support the budget is 4.75%, which recognises the increasing cost pressures in adults and children’s social care by providing additional funding of £1.5m.*

At this juncture (12.10 p.m.) the meeting adjourned for a refreshment break.

10 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 –

- service and corporate budgets were forecast to break-even due to the use of corporate contingencies

- service efficiencies worth £0.902m having already been agreed as part of the budget with the assumption that all would be delivered – any exceptions would be reported to Cabinet if required
- highlighted current risks and variances relating to individual service areas, and
- provided a general update on the Housing Revenue Account, Housing Capital Plan and the Capital Plan (including the Corporate Plan element).

Councillor Bobby Feeley was keen to reiterate that even with the proposed additional funding allocation for Community Support Services there would still be pressures on social care budgets going forward and Cabinet noted that the position would be closely monitored. With regard to adverse weather conditions and impact on finances Councillor Julian Thompson-Hill referred to the winter maintenance reserve to aid peaks and troughs in expenditure with no issues at present.

RESOLVED that Cabinet notes the budgets set for 2017/18 and progress against the agreed budget strategy.

11 CABINET FORWARD WORK PROGRAMME

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

- Business Improvement Districts – rescheduled from May to March 2018
- Hafan Deg Day Centre, Rhyl – added to the work programme for April 2018
- Care Home Review – to be added to the work programme, 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 item of business on the grounds that it would involve the likely disclosure of exempt information as defined in Paragraph 14 and 16 of Part 4 of Schedule 12A of the Act.

12 FORMER NORTH WALES HOSPITAL DENBIGH - UPDATE ON COMPULSORY PURCHASE ORDER (CPO) PROCEDURE

Councillor Hugh Evans presented the confidential report updating Cabinet on the CPO procedure relating to the former North Wales Hospital, Denbigh and seeking members' support for the process to determine the best development option and developer for the site as set out within the report. It was noted that Wales Audit Office officials had been consulted and were satisfied with the proposed process.

Officers provided some background information leading up to the current situation and members noted the timescales for completion of the CPO and delivery of the project. The final version of the tender specification had been circulated at the meeting and officers highlighted the main changes from the previous draft. Members discussed with officers the recommendations as detailed within the report, including the tender specification and assessment and evaluation procedure

in order to determine the best option for the site together with some general legalities and risks around the whole process and future cost implications. Following a detailed debate it was –

RESOLVED that Cabinet supports the process as set out within the report for determining the preferred development option and developer for the site once the Compulsory Purchase Order (CPO) process was completed.

The meeting concluded at 1.00 p.m.