

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin on Tuesday, 26 June 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 Meirick Davies, Mabon Ap Gwynfor, Rhys Thomas and Emrys Wynne

ALSO PRESENT

Chief Executive (JG); Corporate Directors: Economy and Public Realm (GB) and Communities (NS); Heads of Service: Legal, HR and Democratic Services (GW), Business Improvement and Modernisation (AS) and Finance/S.151 Officer (RW); Strategic Planning Team Manager (NK); Passenger Transport Section Manager (PD); Lead Officer – Corporate Property & Housing Stock (DL); Insurance and Risk Manager (CJ) and Committee Administrator (KEJ)

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

The following members declared a personal interest in agenda item 9 – Finance Report (2017/18 Financial Outturn) –

Councillor Meirick Davies – Governor Ysgol Cefn Meiriadog and Ysgol Trefnant
Councillor Emrys Wynne – Governor Ysgol Borthyn

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 22 May 2018 were submitted.

The Leader drew attention to questions raised with regard to the Welsh in Education Strategic Plan which reflected a high level of scrutiny which would be better placed in a scrutiny committee. Given that Cabinet was a decision making forum he asked that members focus on the report recommendations with any item requiring more in-depth examination being directed through the scrutiny process.

RESOLVED that the minutes of the meeting held on 22 May 2018 be approved as a correct record and signed by the Leader.

5 GROWTH VISION AND STRATEGY FOR THE ECONOMY OF NORTH WALES: GOVERNANCE AGREEMENT

Councillor Hugh Evans introduced the report regarding the Governance Agreement required to formalise the constitutional arrangements of, and confer decision making powers to, the North Wales Economic Ambition Board within prescribed limits.

Some background information was provided regarding previous collaborative approvals to adopt the Growth Vision and develop a Growth Deal Bid. The next step required approval of the first stage Governance Agreement from all six North Wales local authorities – Cabinet approval was sought in so far as it related to executive arrangements subject to Full Council's approval of non-executive arrangements. The first Governance Agreement covered the preparatory and development stage up to mid-July 2019 after which a second stage more in-depth Governance Agreement would need to be approved to cover the implementation phase and project delivery.

Cabinet welcomed the progress in developing the Growth Bid and reiterated the need for robust governance arrangements, particularly when progressing to the second stage of prioritising projects in the region and financial contributions. In response to questions the Leader and Head of Legal, HR & Democratic Services –

- detailed membership of the Board which included representatives from each of the six local authorities, two universities, two further education colleges and the North Wales Mersey Dee Business Council and confirmed provisions in place for nominated substitute and replacement representatives to ensure continuity
- confirmed the joint committee model as the most appropriate means of governance currently available but there had been calls on the Welsh Government to create a more appropriate model given that only local authorities had voting rights with no such provision for partners
- elaborated upon the governance map which included a stakeholder forum with representatives from relevant sectors and monitoring of the Board and advised that the second stage would involve the creation of various sub groups
- clarified provisions in Schedule 1 (Delegations Policy), point 21 which related to incidental matters with any major matters being reserved as set out in the table
- advised that each local authority was represented on the Board by their Leader and decisions would be made in accordance with agreed governance arrangements with clear accountability

- explained that funding of £50k had been committed to progress initial work but far greater investment would need to be considered as matters progressed and the costs of potential projects and financial contributions became clearer
- clarified scrutiny arrangements which would be local scrutiny in the first stage Governance Agreement with potential for regional scrutiny in the second stage
- explained the context of the Local Development Plan in terms of potential future projects with Bodelwyddan identified as a priority for the area – there was no impact on current arrangements as a result of the Governance Agreement.

RESOLVED that –

- (a) *progress on the development of a Growth Deal Bid is noted and welcomed;*
- (b) *the first stage Governance Agreement is approved subject to Council's approval of the non-executive arrangements i.e. the arrangements for Scrutiny;*
- (c) *the Council be presented with the final draft Growth Deal Bid for review and consent in September/October prior to the stage of reaching Heads of Terms with both Governments;*
- (d) *delegated authority be given to the Chief Executive, Corporate Director: Economy and Public Realm and Head of Legal, HR and Democratic Services, in consultation with the Leader to finalise the terms of the Governance Agreement substantially in accordance with the draft attached to this report, and*
- (e) *that Cabinet approve the executive arrangements contained within the Governance Agreement and recommend that Council approve their inclusion in the Constitution along with the non-executive arrangements relating to Scrutiny.*

6 CORPORATE PLAN PERFORMANCE REPORT QUARTER 4 - 2017-18

Councillor Julian Thompson-Hill presented the report updating members on the delivery of the Corporate Plan 2017 – 22 as at the end of quarter 4 of 2017/18.

The report included two main elements –

- Executive Summary – detailed achievements/key exceptions with two pieces of commentary for each priority: Performance Status and Programme Progress
- Full quarterly report – generated from the Verto Performance Management System and provided an evidence based assessment of the current position.

An explanation behind both the Performance Status and Programme Progress for each priority had been included within the report with key issues highlighted and elaborated upon further at the meeting. Two areas assessed as Red: Priority for Improvement (1) Resilient Communities and (2) Young People were not directly under the Council's control with greater involvement of external partners. Low performance levels were expected at this early stage but over time the expectation

was for both performance and programme levels to correlate with at least a 'good' status outcome. Reference was also made to the governance arrangements and role of the Programme Boards in assessing project briefs and business cases.

During consideration of the report members discussed the following –

- the reporting mechanisms for monitoring performance and progress in delivering the Corporate Plan was clarified which involved reports to Cabinet, Scrutiny Committees, Corporate Governance Committee and Senior Leadership Team
- Councillor Bobby Feeley provided further information on matters relating to her portfolio including extra care housing developments which would help to reduce residential care home stays; a project to further support carers; positive feedback for Single Point of Access and Locality Teams in supporting people's independence, and a range of other ongoing work to effect improvements
- Councillor Brian Jones advised that the Highways Strategy had been subject to a positive scrutiny process and an illustration of street works was being presented to the Member Area Groups; he also reported upon progress with the surface dressing programme
- the Plan was deliberately ambitious and challenging and had been aligned to the Public Service Board objectives in terms of prioritising Resilience and Connected Communities; the Chief Executive added that the Plan had been given top priority and provided assurances regarding its future delivery
- Councillor Mabon ap Gwynfor questioned the acceptable performance status for Connected Communities given the unacceptable condition of the B4401 road and lack of action in addressing those concerns. The methodology for assessing and benchmarking performance against other authorities in Wales was explained – however it was acknowledged that there were stretches of road which fell below those standards. Councillor Brian Jones agreed to take up the issue with regard to the B4401 and encouraged complainants to log incidents on the CRM system
- officers confirmed that the overall figure for new council housing included buying back of former council houses and agreed to clarify the issue in future reports
- Councillor Rhys Thomas asked Cabinet to bear in mind that even though the report was measured against overall national targets, there were areas of underperformance in individual communities which should not be overlooked.

RESOLVED that Cabinet receives the report and notes the progress in delivering the Corporate Plan as at the end of quarter 4 of 2017/18.

7 ESTABLISHMENT OF A DYNAMIC PURCHASING SYSTEM FOR PASSENGER TRANSPORT SERVICES

Councillor Brian Jones presented the report seeking approval to commence a procurement to establish a transport dynamic purchasing system (DPS) to operate learner transport and local bus services across Denbighshire.

The DPS would replace the traditional tender process with a more streamline procurement system, support the council's business needs and help deliver value for money. There was no extra cost as a result of the DPS and the new system would enable the council to tender for actual services as the budget allowed.

The Passenger Transport Manager referred to negotiations with adult social care services and sought Cabinet approval to add this service to the DPS framework providing all the necessary documentation was in place by the July 2018 deadline. Councillor Bobby Feeley commended the new process and supported the amendment to include adult social care services which was endorsed by Cabinet.

RESOLVED that Cabinet –

- (a) *approve the commencement of the procurement to establish a DPS for learner transport and local bus services;*
- (b) *authorise the Head of Highways and Environment Services to appoint suppliers to the DPS during its lifetime, provided a supplier meets the qualifying criteria for appointment to the DPS; and to remove suppliers who no longer wish to be registered on the DPS or who fail to be eligible to be part of the DPS;*
- (c) *authorise the Head of Highways and Environmental Services to administer mini-competitions under the DPS during its lifetime and to award contracts as required, and*
- (d) *to confirm that arrangements can be extended to adult social care transport.*

8 THE ESTABLISHMENT OF A VOID HOUSING MAINTENANCE AND REFURBISHMENT FRAMEWORK

Councillor Julian Thompson-Hill presented the report seeking approval to commence a procurement and enter into a contract to appoint a number of contractors to a framework to undertake refurbishment work to empty domestic properties owned by the council (known as voids).

The provision of a framework would reduce costs and time spent on void housing works and was considered the most advantageous solution. The report included full details of the proposed framework and specifications including a 60% price and 40% quality focus with an expected value of £11m over four years. The possibility of collaborative procurement had been considered but discounted in this case due to the differences in requirements.

In response to questions the Lead Officer – Corporate Property & Housing Stock –

- elaborated upon the in-house resources available to undertake work on void housing which tended to focus on reactive work and was currently under review
- explained the reasoning behind the 60% price and 40% quality split and acknowledged that prices did tend to be similar but quality would be monitored through the framework – the new process would reduce the time spent on the tendering process and allow more time to focus on quality and reviewing cost
- reiterated the need for contractors to have a local base and employ Denbighshire residents through a set of community benefit schemes with a view

to maximising local economic growth and a good response was expected from local contractors

- confirmed an average of 250 void properties per year and clarified that the voids were temporary pending works to bring them up to standards for new tenants
- acknowledged the benefits of the new quality standards for housing prior to letting but the turnaround time had increased as a result; there was an expectation that the turnaround time would be further reduced under the new framework

RESOLVED that Cabinet approve the commencement of the procurement to set up a framework and appoint contractors to the various lots.

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

9 FINANCE REPORT (2017/18 FINANCIAL OUTTURN)

Councillor Julian Thompson-Hill presented the report on the final revenue outturn position for 2017/18 and proposed treatment of reserves and balances.

Members were guided through the detail of the report and appendices. In brief the final outturn position on service and corporate budgets (including schools) was an underspend of £1.244m (0.7% of the net revenue budget). The main areas to note had been highlighted and included an improved financial position for schools (net deficit position of £0.343m, down from £1.056m last year), together with pressures on Community Support Services, Education and Children's Service and Highways and Environment Services, and those issues were elaborated upon further at the meeting. Reference was made to the transfers to and from earmarked reserves and a number of year-end transactions had also been recommended for approval. The position on the yield from Council Tax was also highlighted. Given the overall position within services and the availability of corporate funds, it was proposed that services carry forward the net underspends listed as committed service balances to help deliver the 2018/19 budget strategy and meet existing commitments.

Debate focused on the following areas –

- Education and Children's Services – there was some discussion and clarification around the pressures facing this service and the volatility in terms of out of county placement costs which had a significant impact on the budget and was largely beyond the Council's control. It was noted that it was a national issue across Wales and the UK and some exploratory work was being undertaken regionally to consider options to develop more local provision although the needs of some children were incredibly complex. The merger of Education and Children's Services had provided opportunities to establish early intervention and prevention measures when working with children and young people to try and prevent the escalation of needs and provide some level of resilience thereby placing less reliance on statutory provision
- Schools – the pressures facing schools was acknowledged but assurances were provided regarding the robust financial planning processes in place to support schools which had been borne out by the improved financial position for schools with a reduced net deficit position of over £300k compared to the previous year. Given that some schools also had large balances the Schools Budget Forum

had been asked to review the policy with regard to school balances. The important role of the Governing Bodies in managing schools was also highlighted, particularly given the future financial challenges facing schools

- the Head of Finance agreed to provide Councillor Mark Young with details of the annual income from the mobile phone mast on the Skytower in Rhyl. Such income was included in the budget for the service in possession of the asset.

Cabinet noted the overall outturn position was good given the current circumstances and the Leader commended the way services had been maintained under pressure and to a high standard and thanked officers in that regard.

RESOLVED that Cabinet –

- (a) notes the final revenue outturn position for 2017/18;
- (b) approves the proposed treatment of reserves and balances as described in the report and detailed in Appendices 1, 2 and 3, and
- (c) notes the details of transfers to and from Earmarked Reserves as set out in Appendix 4.

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 –

- the net revenue budget for 2018/19 was £194.418m (£189.252m in 2017/18)
- an overspend of £1.210m was forecast for service and corporate budgets
- detailed agreed savings and efficiencies worth £4.6m including those which had already been achieved with the assumption that all service efficiencies/savings 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).

The Leader questioned the continuing pressure highlighted in Highways and Environment relating to the income shortfall as a result of the amount of work and reimbursement coming from the North and Mid Wales Trunk Road Agency. Councillor Brian Jones confirmed that the previous level of income was no longer achievable and the issue was being reviewed by the service. The Head of Finance added that the pressure would be considered as part of the 2019/20 budget process. In response to a question from Councillor Bobby Feeley, Councillor Huw Hilditch-Roberts provided assurances that funding to address the need for more equitable outside space for Rhos Street School at Glasdir could be contained within the contingency snagging budget at no additional cost.

RESOLVED that Cabinet notes the budgets set for 2018/19 and progress against the agreed budget strategy.

11 CABINET FORWARD WORK PROGRAMME

The Cabinet Forward Work Programme was presented for consideration and it was noted that an options appraisal for the future provision of environmental crime enforcement in the county would be added to the work programme for September.

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 of Part 4 of Schedule 12A of the Act.

12 INSURANCE SERVICES CONTRACT AWARD

Councillor Julian Thompson-Hill presented the confidential report seeking approval to award the Council's insurance contract to the named providers as detailed within the report.

The Council's existing insurance contracted expired on 30 July 2018 and a new contract was required from this date. Details of the insurance programme had been included within the report together with an evaluation of the tenders submitted and recommendations based on the most economic option. It was noted that insurance was not an area suitable for collaborative procurement due to individual requirements. Officers elaborated upon the tender and evaluation process in response to questions and Cabinet was pleased to note that a cost saving could be made given the current market conditions at no loss of cover or increase in excess.

RESOLVED that Cabinet –

- (a) awards the contract to the two named insurance providers for Lots 1 – 6 as detailed within the report on a three year contract with an option for the Council to extend for a further two years and another option for the Council to extend for a further two years beyond that, depending on market conditions (as per the Contract Award Recommendation report attached at Appendix One to the report), and
- (b) authorises the Head of Legal, HR and Democratic Services to agree and enter into an appropriate form of contract with each insurer in order to appoint the insurer as the Council's insurance provider.

The meeting concluded at 12.30 p.m.