

## **CABINET**

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin on Tuesday, 25 June 2019 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's Services and Public Engagement; Brian Jones, Lead Member for Waste, Transport and the Environment; Richard Mainon, Lead Member for Corporate Services and Strategic Direction; Tony Thomas, Lead Member for Housing and Communities; Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets, and Mark Young, Lead Member for Planning, Public Protection and Safer Communities

**Observers:** Councillors Joan Butterfield, Jeanette Chamberlain-Jones, Meirick Davies, Mabon Ap Gwynfor, Hugh Irving, Barry Mellor, Glenn Swingler, Rhys Thomas, Graham Timms, and Emrys Wynne

### **ALSO PRESENT**

Chief Executive (JG); Corporate Director Economy and Public Realm (GB); Heads of Service: Legal, HR and Democratic Services (GW), Finance/S.151 Officer (RW), Community Support Services (PG), Highways and Environmental Services (TW); Countryside and Heritage Services Manager (HR); Lead Business Partner – Organisational (AM); Strategic Planning Team Manager (NK); Strategic Planning and Performance Team Leader (IM); Lead Officer Corporate Property and Housing Stock (DL) and Committee Administrator (KEJ)

#### **1 APOLOGIES**

There were no apologies.

#### **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 30 April 2019 were submitted.

**RESOLVED** that the minutes of the meeting held on 30 April 2019 be received and confirmed as a correct record.

## 5 PONTCYSYLLTE AQUEDUCT AND CANAL WORLD HERITAGE SITE MANAGEMENT PLAN

Councillor Bobby Feeley presented the report and the Pontcysyllte Aqueduct and Canal World Heritage Site Management Plan 2019 – 2029 for endorsement prior to its submission by the World Heritage Site (WHS) Board to Welsh Ministers and the Department of Digital Culture, Media and Sport.

The Council was one of four main partners (together with the Canal & River Trust, Shropshire Council and Wrexham County Borough Council) on the WHS Strategic Board and had contributed to the WHS Management Plan. The Plan provided a framework for decision-making by the four partners involved in the management of the WHS and surrounding area. Councillor Feeley added that the Plan contained actions that contributed to the environment which was a priority in the Corporate Plan and would also raise the profile of the site for visitors and contribute to Denbighshire's economy. Cabinet were supportive of the WHS Plan and it was –

**RESOLVED** that Cabinet endorse the Pontcysyllte Aqueduct and Canal World Heritage Site Management Plan 2019-2029 to enable Denbighshire County Council as one of the partners on the World Heritage Site Strategic Board to approve its submission to the Welsh Ministers and the UK Government's Department of Digital Culture, Media and Sport.

## 6 CHANGES TO ANNUAL LEAVE CALCULATION

Councillor Richard Mainon presented the report regarding proposals to streamline the process for calculating annual leave and bank holiday entitlement for employees through utilising functionality in the HR system (iTrent).

The proposed changes would ease the burden on managers and streamline the process to ensure all employees received their full leave entitlement. Key changes involved recording leave entitlement in hours; providing a pro rata calculation of bank holiday entitlement to part-time employees, and allowing an automatic carry-over of up to 10 days leave (74 hours). In order to facilitate the new process changes to the current policy were necessary which required Cabinet approval.

In response to questions the Lead Member and officers confirmed that –

- the changes were in line with other local authorities' processes
- the carry-over of 10 days leave was the maximum amount permitted per year
- the proposals had been discussed and agreed at Senior Leadership Team, the Corporate HR/Trade Union meeting and Local Joint Consultative Committee
- the point to include hours alongside the days in the report for clarity was noted.

**RESOLVED** that Cabinet approve the following recommendations –

- (a) annual leave entitlement should be recorded in hours for all employees;

- (b) *provide a pro rata calculation of Bank Holiday entitlement to all part-time employees based on their contractual hours of work which is in line with statutory entitlement, and*
- (c) *remove the restriction at 5 days (37 hours) for carry over entitlement and allow automatic carry over of up to 10 days (74 hours).*

## **7 ANNUAL PERFORMANCE REVIEW 2018-19**

Councillor Julian Thompson-Hill presented the report together with the draft Annual Performance Review for 2018-19 prior to its submission to Council for approval and publication as required by the Local Government (Wales) Measure 2009.

Cabinet was advised of recent changes to the reporting mechanisms leading to the document also including the quarter 4 update and Annual Delivery Document which would usually be submitted separately. The combined document included progress on delivery of the Corporate Plan together with specific projects for delivery in 2019-2020 and also provided case studies and examples of progress against corporate priorities from the Council's wider portfolio. The document had been considered by Performance Scrutiny Committee with no significant issues raised.

The Strategic Planning Team Manager and Strategic Planning and Performance Team Leader explained that the document demonstrated the good progress and achievements to date but also reflected on the opportunity to improve and take appropriate action. Cabinet was guided through the report and officers provided a comprehensive update on progress made against each of the corporate priorities – whilst good progress was being made overall, performance against measures for Young People was a priority for improvement. The Chief Executive commended the work undertaken to deliver the Corporate Plan and how members and officers worked together in that regard for the benefit of the county's residents.

During consideration of the report Cabinet discussed the following –

- Connected Communities – in terms of practical steps to progressing availability of superfast broadband/mobile networks the Council was working directly with broadband providers and communities; possible funding sources including windfarm monies were being investigated to secure digital infrastructure for rural communities who might not be part of the subsequent rollout of broadband under the Welsh Government Superfast Cymru project, and connectivity was also a priority for the North Wales Economic Ambition Board
- Resilient Communities – Councillor Bobby Feeley reported upon the success of the Community Resource Teams in delivering community health and social care services collaboratively. She also reported upon projects to support carers and congratulated the Council on recently receiving an award from NEWCIS in recognition of being a carer friendly employer
- Welsh Language – at the request of Councillor Huw Hilditch-Roberts officers agreed to include within the document reference to the new Welsh Language Centre in St. Asaph which would provide an offer for the whole of Denbighshire
- Resilient Communities – Councillor Tony Thomas reported that approximately £925k per year would be available via the Clocaenog and Brenig Windfarm

Community Investment Funds with details of the exact localities to benefit soon to be confirmed. In response to a question from Councillor Mark Young regarding equalities, assurances were provided that a project was in place to support communities in the initial round of funding applications to ensure all sectors of society could benefit. Councillor Young also congratulated HR on their Domestic Abuse training but highlighted the success of that training might lead to an increase in the figures recorded as a result of increased awareness

- Connected Communities – Councillor Brian Jones reported that the condition of Denbighshire’s roads did not necessarily reflect public perception given that there had only been a minor deterioration in the county’s A roads and an improvement in B and C roads – extra funding had been made available for highways for the current financial year and changes to in-house teams would lead to improvements in addressing smaller scale road defects in the county
- Young People – Public Health had set a measure for the national childhood measurement programme which coupled together children of a healthy weight with those underweight – Councillor Feeley felt that was inappropriate given that being underweight could be a problem and asked that the Council’s own statistics be changed to reflect that point.

The Lead Members and officers also responded to questions from non-Cabinet members as follows –

- agreed to remove the reference to ‘simple’ Welsh songs in the Welsh Language section of the report
- clarified that the number (1148) on the Single Access Route to Housing (SARTH) register referred to households and that the Council was on track to deliver their target of 170 additional homes for social rent by 2022
- acknowledged the priority for improvement of key measures for Young People and the challenges facing the authority in that regard and highlighted a number of factors contributing to that outcome in terms of the changes in both government policy and the curriculum together with the wealth of actions implemented and investment in specific projects in order to meet those challenges and effect improvement. It was also noted that much work was ongoing within schools and outside of the Corporate Plan and young people were being well served within the county which had been demonstrated by the significant investment in education and reflected in the excellent Estyn inspections of schools and the authority in education services
- explained there was a schedule of maintenance for gully clearance with hotspots cleared on a more frequent basis and individuals were encouraged to report any blocked gullies or associated issues via the CRM system
- with regard to absenteeism in schools the issue had been considered by the relevant scrutiny committee and work was ongoing to ensure the correct absence codes were applied consistently across all schools and procedures robustly applied to enable better recording and an accurate picture of absences.

The Leader explained the purpose of the Corporate Plan and reasoning behind including challenging targets and areas for improvement in order to better deal with those issues for the benefit of residents. If any issues were not progressing as expected then scrutiny members had a key role in scrutinising those matters further. In response to his question regarding the potential for targeted additional

funding the Chief Executive confirmed funding had been set aside for the Corporate Plan and projects were kept under close review and funding reallocated as appropriate to best progress and deliver outcomes. Whilst acknowledging the Corporate Plan was quite rightly ambitious, she was also confident that a good outcome would be achieved by the end of the Corporate Plan period. Councillor Julian Thompson-Hill added that the document reported upon historical data and continual progress was being made in terms of the projects within the Corporate Plan which would continue over the lifetime of that Plan and particular issues may overlap into the next Council.

**RESOLVED** that Cabinet confirms the content of the draft Annual Performance Review 2018-19.

## **8 IMPLEMENTATION OF AN ALTERNATIVE DELIVERY MODEL (ADM) FOR VARIOUS LEISURE RELATED ACTIVITIES/FUNCTIONS**

Councillor Bobby Feeley introduced the report seeking Cabinet's recommendation that Council support adoption of the draft Articles of Association for the proposed not for profit Local Authority Trading Company Limited by Guarantee as an alternative delivery model (ADM) for the delivery of various leisure related activities and functions. The report was another stage towards creation of the ADM.

Council had agreed to support the creation of a Local Authority Trading Company Limited by Guarantee on 30 May 2019. The constitutional document of a company limited by guarantee was its Articles of Association registered for public inspection at Companies House (Articles). It was proposed to adopt Articles based on the Model Articles with changes specific to the ADM's requirements in order to provide the Council with protections and control in the running of the company. In addition to the Articles the report included a Members Agreement between the Council and the ADM which set out a number of matters not included in the Articles.

The Head of Legal, HR and Democratic Services explained that the draft Articles of Association, Model Articles and draft Members Agreement must be read in concert and would effectively form the constitution of the new company. He guided members through the main functions as set out within the Articles and the terms as set out within the Members Agreement. Some further refinement would be required to the wording of the draft documents which would be explained when the report was submitted to Council in July and delegated authority would be sought in order for the documents to be finalised.

In response to questions the Head of Legal, HR and Democratic Services advised –

- in addition to presentation of the formal accounts twice a year the Council would be monitoring to ensure transparency in respect of financial performance; the company would have to comply with any requests from the Council for financial information
- in terms of whether any new targets set by the Council would be applied to the new company it would be for the Council to agree with the company through its business plan if it wished for certain targets to be achieved; in respect of performance reviews detail of the new company would be included within the

Annual Performance Review for the Council which reported upon all of the services for which the Council was responsible (including those commissioned)

- the reasoning behind the object relating 'to promote jobs and strengthen the local economy' had likely been prompted to provide reassurance that the point was not to cut jobs but to protect and promote them and given that the facilities were key in some parts of the county to economic activity and regeneration
- scrutiny committees could call matters relating to the new company into scrutiny and the Head of Finance explained that the Wales Audit Office would audit elements of the company's financial performance that were in the Council's own statement of accounts. The company would also have its own auditors
- the appointment of the Board of Directors was a matter for Council given that it related to the constitution of the new company and a report would be submitted to Council in September seeking confirmation of the Board's membership.

Given the need for all documentation to be read in concert it was agreed to amend the recommendation to also include adoption of the Members Agreement.

**RESOLVED** that Cabinet recommend to Council that it support the adoption of the draft Articles of Association and Members Agreement for the proposed not for profit Local Authority Trading Company Limited by Guarantee as set out in the appendices to the report.

At this juncture (11.45 a.m.) the meeting adjourned for a refreshment break.

## **9 MEDIUM TERM FINANCIAL STRATEGY 2019-23**

Councillor Julian Thompson-Hill presented the report and latest version of the Medium Term Financial Strategy (MTFS) 2019-23 for approval.

The Strategy set out the economic context that informed financial planning assumptions and potential revenue budgetary implications over the coming three years. It also set out the Council's approach to dealing with the budgetary situation and provided details of wider areas of the Council's finances including balances and reserves, investments and borrowing, grants and capital expenditure. It also set out the Council's approach to income generation. The role of the 'Reshaping the Council Budget Board' within the overall process was also highlighted to enable the Council to meet the challenges ahead in line with the strategy document.

Cabinet noted that much of the document had been previously shared with members at various budget workshops and provided some context and explanation behind the financial assumptions. It was also noted that the document would need to be kept under periodic review and continually updated to reflect the latest information. The Leader welcomed the report and referred to continued lobbying of Welsh Government via the Welsh Local Government Association for a three year settlement. In response to questions the Head of Finance explained that –

- if the Comprehensive Spending Review took place it would provide the opportunity to give certainty to all spending departments (including devolved administrations) with regard to their funding for the forthcoming three years

which would also then provide the opportunity for Welsh Government to do the same for the areas that it funded

- the Supplementary Budgets announced the previous week related to additional capital funding for the current financial year so there was a likely increase in the general hypothecated capital grant and some additional funding for road improvements and potentially around the economy – the exact funding details for each local authority would follow. That funding had not been reflected in the Strategy because it was unknown at the time the document had been produced. The Leader welcomed the additional funding as good news for Denbighshire.

**RESOLVED** that Cabinet approve the Medium Term Financial Strategy 2019/23 (Appendix 1 to the report) and note its subsequent publication on the Council's website.

## 10 FINANCE REPORT (2018/19 FINANCIAL OUTTURN)

Councillor Julian Thompson-Hill presented the report on the final revenue outturn position for 2018/19 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 £1.494m (0.77% of the net revenue budget). The variance on the total budget was an underspend of £0.481m. The main areas to note had been highlighted and included an improved financial position for schools (net deficit position of £0.171m, down from £0.344m last year), together with pressures on Community Support Services, Education and Children's Service and Highways and Environment Services, and those issues were elaborated on further at the meeting. Reference was made to transfers to and from earmarked reserves and planned use of funds which had been budgeted for or approved previously. 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.

Cabinet noted the outturn position and Councillor Richard Mainon commended the excellent financial controls demonstrated by services.

**RESOLVED** that Cabinet –

- (a) notes the final revenue outturn position for 2018/19;
- (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.

## 11 FINANCE REPORT

Councillor Julian Thompson-Hill presented the report detailing the latest financial position and service budgets for 2019/20 together with the Budget Summary Book 2019/20. He provided a summary of the Council's financial position as follows –

- the net revenue budget for 2019/20 was £198.538m (£194.418m in 2018/19)
- detailed required savings and efficiencies of £5.672m including corporate savings identified in 2018/19 (£0.5m), schools savings of 2% (£1.32m) and service efficiencies and savings (£3.852m) which included £42k replacement savings in the Highways and Environment Service
- there were no variances to report at this stage in the financial year but a number of service risks had been highlighted which required careful monitoring
- provided a general update on the Capital Plan, Housing Revenue Account and Housing Capital Plan, and
- recommended approval of a National Non-Domestic Rates write-off.

Councillor Joan Butterfield queried where to find the detail of in-county placement costs for Adults and Children's Services to ensure value for money. It was explained that the budget book provided an annual summary but the specific placements detail was monitored by the individual service areas as part of their delegated budgets for which the relevant Head of Service was responsible.

**RESOLVED** that Cabinet –

- (a) note the budgets set for 2019/20 and progress against the agreed budget strategy;*
- (b) note the replacement savings identified within the Highways and Environmental Service, and*
- (c) approve the write-off of the National Non-Domestic Rates case as detailed in Appendix 5 to the report.*

## **12 CABINET FORWARD WORK PROGRAMME**

The Cabinet forward work programme was presented and members noted an additional item for September relating to Contract Procedure Rules.

**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 would involve the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A of the Act.

## **13 APPROVAL FOR THE NORTH WALES REGIONAL DOMICILIARY CARE AGREEMENT**



Councillor Bobby Feeley presented the report and confidential appendices regarding the outcome of the procurement exercise for the North Wales Domiciliary Care Agreement and recommended approval and rejection of specific tenders.

The procurement exercise had been led by Denbighshire County Council on behalf of the six North Wales Councils and Betsi Cadwaladr University Health Board and provided a second procurement exercise for the Agreement, re-opening opportunities in an effort to bring additional capacity into the care sector. Details of the procurement process had been provided resulting in a recommendation to accept the tenders of 23 suppliers and to reject the tenders of 2 suppliers for the reasons detailed within the confidential appendix to the report.

Cabinet considered the recent procurement exercise and outcome of that process together with the report recommendations and reasons therefore and it was –

**RESOLVED** that Cabinet –

- (a) *approve the acceptance of the tenders of the 23 suppliers and to reject the tenders of 2 suppliers for the reasons detailed and as stipulated within the Framework Agreement Award Recommendation Report (Appendix 1 to the report), and*
- (b) *confirms that it has read, understood and taken account of the original Commissioning Form (Appendix 2 to the report) and Well-being Impact Assessment for the regional Domiciliary Care tender (Appendix 3 to the report) as part of its consideration.*

[At this point in the proceedings Councillor Richard Mainon left the meeting]

#### **14 APPOINTMENT OF CONTRACTORS TO A VOIDS HOUSING MAINTENANCE AND REFURBISHMENT FRAMEWORK**

Councillor Julian Thompson-Hill presented the confidential report regarding the outcome of the procurement process for the Housing Voids Framework and recommending the appointment of contractors.

Tenant movement in the Council's Housing Service resulted in approximately 250 properties becoming void annually which were refurbished to the new lettable standard for subsequent tenants. A Housing Voids Framework would reduce costs and time in undertaking works on void housing units and enable an improved service and higher standards. Following a competitive tendering process a decision was required to appoint the contractors on the terms outlined within the report.

Cabinet discussed the use of sub-contractors given the recommendation to appoint two firms to the framework situated outside of the area. Assurances were provided in terms of community benefits and use of local labour which were included within the procurement policy and as part of the tender process and that there would be ongoing monitoring in that regard. It was also noted that, for Lots 1 and 2, only four contractors had been selected because the intention was to use the internal Director Labour Organisation with the support of nominated contractors. At the

suggestion of Councillor Barry Mellor officers agreed to consider measures to mitigate the problems associated with seagulls when refurbishing properties in the future.

**RESOLVED** that –

- (a) *the contractors as recommended and detailed in Table 1, paragraph 3 of the report, which had been evaluated according to the scoring and weighting methodology detailed within the tender documents, be appointed to the Housing Voids Framework on the terms as outlined within the report, and*
- (b) *for Lots 1 and 2 only four contractors had been selected and the right be reserved to use the Council's Direct Labour Organisation on some of the voids works; it was the intention to use the Council's internal Director Labour Organisation with the support of nominated contractors.*

At this point Councillor Julian Thompson-Hill reported that Richard Weigh, Head of Finance was attending his last Cabinet meeting and paid tribute to his professionalism and long standing valuable service to the Council. He thanked the Head of Finance on behalf of all members and wished him well for the future.

The meeting concluded at 12.50 hrs.