

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin on Tuesday, 24 September 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, Meirick Davies, Hugh Irving, Alan James, Gwyneth Kensler, Barry Mellor, Glenn Swingler, Rhys Thomas, Graham Timms, Huw Williams and Emrys Wynne

ALSO PRESENT

Chief Executive (JG); Corporate Director: Economy and Public Realm (GB) and Communities (NS); Heads of Service: Legal, HR and Democratic Services (GW), Planning and Public Protection (EJ), Economic and Business Development Team and Programme Manager (MH); Chief Accountant and S.151 Officer (SG) and Committee Administrator (KEJ)

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

Councillor Tony Thomas declared a personal interest in agenda item 11 because he was Vice Chair of the Rhyl Business Improvement District (BID) and Civica undertook collection of the BID levy.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 30 July 2019 were submitted.

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

5 RHYL TOWN CENTRE MASTER PLAN AND VISION DOCUMENT

The Leader presented the report and final version of the Rhyl Town Centre Vision document and proposed approach to the governance and resourcing of its delivery.

The Council had worked collaboratively over the last eighteen months engaging with a range of people and partners to develop a collective vision for Rhyl Town Centre which focused on: delivering a vibrant and balanced mix of uses; improved ease of access to the town centre and pedestrian flows around the town centre, and a desirable town centre atmosphere. Eight key ideas had been generated and work was underway to develop them into a forward work programme of priorities and projects over the fifteen year life of the Vision. This would form the basis of a draft programme implementation plan for the Rhyl Programme Board to progress.

The Leader referred to the considerable investment and improvements in Rhyl over recent times and the need to plan for developing the town centre with a Vision which reflected local aspirations through an extensive engagement process, and which complemented existing plans and investment with a coordinated approach. The Economic and Business Development Team & Programme Manager provided some background to the creation of the Vision document and comprehensive engagement process, highlighting the main emerging themes and key projects to progress the keys ideas, and provided an overview of ongoing projects and those already underway in order to take advantage of current regeneration funding opportunities and with a view to bringing in private sector investment.

The Leader also referred to the work of the Rhyl Community Development Board in complementing the master plan and addressing social issues and the Chief Executive explained the role of the Board, comprising of senior leaders of statutory sectors, to consider how to maximise the collective benefit of the investment and planned regeneration more widely in Rhyl to coordinate and maximise opportunities in terms of employment, health, education, community safety and housing. The Council had also decided to invest in a Community Development Officer in Rhyl to work alongside and complement workers from statutory agencies, the voluntary sector and community groups to help direct and maximise funding opportunities and resources, to report both to the Board and to Rhyl Reference Group to ensure political involvement, and reports would also be brought back to Cabinet. The Board had set stringent targets based on deprivation indicators with the intention of capturing the impact that investment had on residents.

Cabinet welcomed the document as a means of providing a clear focus for the town centre and its regeneration and to give confidence and create a better long term future for Rhyl. The comprehensive engagement process and collaborative efforts in producing the Vision was also welcomed. Main discussion points included –

- in terms of prioritisation and planning projects members were advised that the Vision document set out a long term programme and projects would be prioritised using the corporate methodology based on measurable benefits and outcomes; assurances were provided regarding flexibility within the plan to respond to opportunities as they presented if funding became available, similarly

if there was private sector interest it would be possible to accelerate a particular project to secure private sector investment and maximise benefits

- the Chief Executive reported upon the physical regeneration of Rhyl which was clearly visible when visiting the town and the long term regeneration plans, and highlighted the challenge to ensure that the investment to infrastructure would impact positively on local residents and living standards. She had visited all of the county's ward areas and engaged with local businesses and residents when visiting Rhyl highlighting the importance of listening to the communities served
- Councillor Richard Mainon welcomed the Community Development Officer post in order to maximise benefits and outcomes and was keen for Cabinet to receive feedback in that regard – it was confirmed consideration was being given to securing member involvement on both the regeneration and community development elements and the intention was also to provide update reports to both Cabinet and local members. There were no elected members on the Community Development Board because it comprised of a senior officer group to discuss operational and practical issues.

The Leader invited questions from non-Cabinet members –

- Councillor Joan Butterfield thanked the Council on behalf of Rhyl residents for their dedication to Rhyl regeneration and for the local contributions in the Vision document. With regard to future community engagement assurances were provided that the Council would continue to engage with the local community over the long term as the master plan progressed
- Councillor Meirick Davies was keen for investment in Trefnant and members acknowledged the need for spend in other ward areas and discussed potential funding sources for different projects in different areas – it was noted that some regeneration projects in Rhyl were eligible for grant funding but for more rural areas there was potential for wind farm funding for local projects. With regard to a question regarding historic buildings in Rhyl, assurances were provided regarding the Council's commitment in that regard with action having been taken around improving and preserving historical buildings in the town
- Councillor Gwyneth Kensler referred to the amount of investment in Rhyl over many years and whether there had been an assessment of outcomes. It was agreed that lessons could be learned from the past but past investment had not been sustainable and the plan would look to the future and facilitate improvements in living standards, not just capital investment. In terms of revenue implications assurances were provided that this was a consideration by the Strategic Investment Group at the business case stage of individual projects
- Councillor Barry Mellor also voiced his support for the Vision document and highlighted the benefits of regeneration work already undertaken, particularly with regard to the two new schools, and he was assured that the Vision provided the necessary confidence in the town's future.

RESOLVED that Cabinet –

- (a) *supports the long term aspirations and 8 key ideas outlined within the Vision document (Appendix 2 to the report), and*

- (b) *confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1 to the report) as part of its consideration and commits the Council to focusing on delivery of the long term positive wellbeing impacts contained within it.*

6 IMPLEMENTATION OF AN ALTERNATIVE DELIVERY MODEL (ADM) FOR VARIOUS LEISURE RELATED ACTIVITIES/FUNCTIONS - COMPOSITION OF STRATEGIC GOVERNANCE BOARD

Councillor Bobby Feeley presented the report seeking Cabinet approval of the composition of the Strategic Governance Board to monitor and manage the relationship between the Council and Denbighshire Leisure Limited (the Company). [Day to day operation of the Company would be the responsibility of the Board of Directors of the Company subject of a separate report]

Council had agreed to support the creation of a not for profit local authority trading company limited by guarantee on 30 May 2019 and the report was another stage within that process. The Company would be a separate legal entity from the Council but would provide services to the Council under the terms of a contract. Consequently a forum needed to be established, proposed to be the Strategic Governance Board, to enable the Council to maintain regular and effective monitoring and oversight of the Company's performance and at which various issues between the Council and the Company could be discussed.

The Head of Legal, HR and Democratic Services elaborated further on the role of the Board and reasoning behind its suggested composition to include appropriate key members and officers as per designated roles within the authority. As the Board was essentially the creation of Cabinet in order that it could oversee the executive leisure function it was therefore a Cabinet decision not a Council decision. In responding to questions officers reiterated the merits of the decision to create a new Company and for establishing a Strategic Governance Board to oversee it. With regard to staff training it was confirmed that staff within the Company and the Council would have equal terms and conditions and could expect equal access to their training needs. However if there was a training need identified for staff within the Company, as with any training needs identified for Council Staff, it would not necessarily be delivered by the Council and could be delivered by an outside body. It was further clarified that sufficient budget had been allocated to the Company to cover purchasing costs in respect of its support services such as training, communication/marketing, finance, ICT and HR – the Company may choose to, and would initially, purchase that support from the Council but in later years may decide to purchase those support services elsewhere.

RESOLVED that Cabinet –

- (a) *approves the composition of the Strategic Governance Board as detailed in paragraph 4.10 of the report as follows –*
- *Chief Executive or nominated representative (Chair)*
 - *Leader*
 - *Lead Member for Finance*

- *Chair of the Corporate Governance Committee*
- *Chair of a Scrutiny Committee*
- *Monitoring Officer (or nominated representative)*
- *S151 Officer (or nominated representative)*
- *Contract Manager*
- *Head of Education and Children's Services*

(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 IMPLEMENTATION OF AN ALTERNATIVE DELIVERY MODEL (ADM) FOR VARIOUS LEISURE RELATED ACTIVITIES/FUNCTIONS - COMPOSITION OF BOARD OF DIRECTORS

Councillor Bobby Feeley presented the report seeking Cabinet's recommendation to Council of the composition and appointment of the Board of Directors of Denbighshire Leisure Limited (the Company) responsible for the day to day operation of the Company. [Monitoring and oversight of the Company's performance would be the responsibility of the Strategic Governance Board as approved earlier on the agenda].

On 30 May 2019 Council had agreed to support the creation of a not for profit local authority trading company limited by guarantee and had also approved the appointment of the Corporate Director: Economy and Public Realm as a Director. Whilst the initial business case had mentioned a Finance Director further work suggested that proper financial expertise, advice and control of the Company could be provided otherwise than by creating a position on the Board. It was subsequently proposed that the roles be filled by councillors and employees of the Company as well as independent members recruited by open advertisement.

The Head of Legal, HR and Democratic Services further explained the role of the Board and the importance of including an appropriate mix of skills in its membership. Seven Directors had been suggested and it was proposed that certain positions on the Board be filled as a consequence of holding a particular employment or office, i.e. Corporate Director, Managing Director, Lead Member for Well-being and Independence, Lead Member for Education, Children Services and Public Engagement. An additional non-cabinet member Director was also suggested, with business experience and/or an interest in the leisure sector, with nominations sought for the role to be elected by Council. It was proposed that the remaining two Director positions be filled by independent persons recruited by open advertisement, one with an emphasis on commercial leisure/finance and the other on community development/leisure, again to be appointed by Council. It was also clarified that those appointed to the Board would be subject to the statutory responsibilities of Directors and would be given training. In the normal course of their duties the Directors would be indemnified in respect of their various liabilities.

In response to questions it was confirmed that –

- in terms of the two Independent Directors it was suggested that they receive the same attendance payments as co-opted members of Scrutiny, independent members of Standards committee and the lay member of Corporate Governance Committee as set by the Independent Remuneration Panel for Wales, and that the Company would be responsible for making those payments
- all Directors had a statutory responsibility to avoid a conflict of interest. The Member Agreement and Articles of Association had been written in such a way that officers and members of the council were not to be treated as having a conflict of interest if they were serving as Directors. With regard to independent appointments then they would have to observe all the rules for Directors in respect of that conflict and declare any such interest.

RESOLVED that Cabinet –

- (a) *endorses the composition of the Board of Directors of the Company as set out in the report and recommends this composition to Council –*
- *Corporate Director: Economy and Public Realm*
 - *Lead Member for Well-being and Independence*
 - *Lead Member for Education, Children’s Services and Public Engagement*
 - *Managing Director*
 - *Independent Director x2*
 - *A non-Cabinet member*
- (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.*

At this juncture (11.25 a.m.) the meeting adjourned for a refreshment break.

8 ANNUAL TREASURY MANAGEMENT REPORT 2018/19

Councillor Julian Thompson-Hill presented the report updating members on the performance of the treasury management function and demonstrating compliance with treasury limits and Prudential Indicators during 2018/19.

In summarising the report Councillor Thompson-Hill highlighted the importance of treasury management and referred to the economic background and impact on treasury management activities. He highlighted the main points for members in terms of borrowing and investment activity and confirmed compliance with all prudential indicators set, elaborating upon those indicators detailed in Annex B and confirming appropriate ratios of financing costs and borrowing levels within limits.

There was some discussion on the estimated and actual ratio of financing costs to the net revenue stream and it was confirmed that no statutory level had been set and it was for individual authorities to consider what they deemed to be a prudent level. Reference was also made to the change to the funding regime illustrated by the financing of the recently approved East Rhyl Coastal Defence Scheme and the revenue impact of that change, and for which the local authority was expected to fund all of the borrowing upfront albeit with Welsh Government’s contribution being

refunded over the twenty five year borrowing period. As Lead Member Councillor Thompson-Hill confirmed that he was comfortable with the current level which he considered represented good value on investments made. The Chief Accountant/S151 Officer added that intermittent benchmarking exercises with other local authorities were undertaken for comparison purposes which indicated the Council was within comfortable limits.

RESOLVED that Cabinet –

- (a) *note the performance of the Council's Treasury Management function during 2018/19 and its compliance with the required Prudential Indicators as reported in the Annual Treasury Management Report 2018/19 (Appendix 1 to the report), and*
- (b) *confirms it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix 2 to the report) as part of its consideration.*

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 net revenue budget for 2019/20 was £198.538m (£194.418m in 2018/19)
- an overspend of £1.379m was forecast for service and corporate budgets
- 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)
- highlighted current risks and variances relating to individual service areas, particularly with regard to overspends in Community Support Services and Education and Children's Services despite an increase to the base budgets, and
- provided a general update on the Capital Plan, Housing Revenue Account and Housing Capital Plan.

Cabinet was also asked to approve the use of the Schools Maintenance Grant as recommended by the Strategic Investment Group.

Cabinet discussed the following matters in further detail –

- with regard to school transport, legislative changes coming into force in the new year required that non-concessionary transport had disabled access and, given that concessions were already offered to children, serious concerns were raised in terms of being able to meet that provision. It was noted that the regional Transport Advisory Group would be writing to the Minister for Economy and Transport highlighting those concerns and Councillor Brian Jones also agreed to write to the Minister separately on behalf of the Council in that regard
- members welcomed the Schools Maintenance Grant awarded to the Council by the Welsh Government and changes which allowed funding to be directed to essential works and areas of greatest need and Cabinet endorsed the approach that no funding be allocated to schools within the 21st Century Band A

programme or schools likely to benefit under Band B and recommendations of the Strategic Investment Group

- some discussion focused on children's social care, specifically placement costs, and the Director: Communities reported upon a Welsh Government Working Group to further consider that issue and commissioning of high quality providers – it was recognised that placements costs differed in areas of the UK with more populated areas having greater purchasing power. Councillor Huw Hilditch-Roberts confirmed that the Council was doing all it could to address costs and he had confidence in the current commissioning process. He explained the difficulties of creating specialist provision locally given the wealth of different needs and the priority was to commission placements to best meet the needs of children which meant out of county placements in specialist cases which incurred high placement costs
- Councillor Bobby Feeley highlighted the continuing pressures in Adult and Social Care with the remaining service reserve being applied to help meet the current overspend which would not be available in future years and she asked that more funding be allocated to the service.

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

- with regard to school balances robust financial recovery plans were in place for schools in deficit and close monitoring was undertaken; all schools in deficit were progressing as expected against their recovery plans and an update would be reported to the next Corporate Governance Committee. School balances were continually monitored and there was a mechanism for schools to be called before Scrutiny or Corporate Governance Committee if warranted
- the Welsh Government had announced they would be launching a revised free swimming initiative which resulted in a 25% reduction in the level of funding received by the Council in the current financial year and a 50% reduction from April 2020 – unfortunately that meant that the Council had to review its swimming programme and reduce the amount of free swimming activity offered; a press release in that regard would be issued shortly
- a Brexit Officer Group had been established and there was also a lead officer on Brexit and a Brexit risk register and the issue was also discussed regularly by the Senior Leadership Team in terms of mitigating any impact on the Council and its operations. Specifically with regard to school meals discussions had taken place with catering supply companies and school meals service who would adjust the menu for the period necessary to ensure all children received a nutritious meal at school
- in terms of tribunal costs arising from child placement appeals it was explained that the Council may incur its own legal cost but it was rare that they would be asked to pay others costs; whether or not any of those individual cases related specifically to any specific action taken in the past it would be necessary to review each individual case to ascertain the reasons for the case being brought
- explained changes to the foul drainage connection works required in respect of the new site for Ysgol Llanfair given that the initial detail provided regarding access to the highway as advised by Welsh Water was incorrect and therefore an easement for the access to the foul drain was required – the matter had been taken up directly with Welsh Water in light of the delay and cost incurred

- the proposals for Band B of the 21st Century Schools Programme were nearing completion and would be submitted to a future Cabinet meeting.

RESOLVED that Cabinet –

- (a) note the budgets set for 2019/20 and progress against the agreed budget strategy, and
- (b) approve the recommended use of the Schools Maintenance Grant which has been awarded to the Council by the Welsh Government, as recommended by the Strategic Investment Group and detailed in Appendix 5, 6 & 7 to the report.

10 CABINET FORWARD WORK PROGRAMME

The Cabinet forward work programme was presented for consideration and members noted the following future additions –

- Library Strategy – October
- Bodelwyddan Castle – November

It was confirmed that the report on the Denbighshire and Flintshire Joint Archive Project would be considered by Scrutiny prior to Cabinet in November.

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.

11 EXTENSION OF MANAGED SERVICE AGREEMENT FOR THE PROVISION OF REVENUES AND BENEFITS SERVICES

Councillor Julian Thompson-Hill presented the confidential report seeking Cabinet approval to the extension of the Managed Service Agreement for the provision of Revenues and Benefits Services.

Some background information was provided regarding the current contract together with the reasoning behind the recommendation for an extension of the partnership from April 2022 to March 2025 given the savings to be realised over that period and to allow for the continued success of the partnership as illustrated within the report and to ensure business continuity. The original contract allowed for a 3 year extension in line with requirements but due to the value of the contract Cabinet approval was required. It was also proposed that the decision be implemented immediately as the negotiation of the discount had to a certain extent been predicated on Civica being able to complete the agreement prior to their financial

year end on 30 September in order that it may be taken into account in their financial statements.

RESOLVED that Cabinet –

- (a) *note the financial and non-financial benefits of extending the contract with Civica;*
- (b) *approve the extension by 3 years of the contract with Civica to provide the Managed Service Agreement for the provision of Revenues and Benefits Services, and*
- (c) *confirm that the decision must be implemented immediately in accordance with paragraph 7.25 of the Council's constitution.*

The meeting concluded at 12.40 hrs.