

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin on Tuesday, 21 January 2020 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: Alan James, Glenn Swingler, Rhys Thomas, Graham Timms, Huw Williams and Emrys Wynne

ALSO PRESENT

Chief Executive (JG); Corporate Director Communities (NS); Heads of Service: Legal, HR and Democratic Services (GW), Finance and Property (SG), Highways, Facilities and Environmental Services (TW), Communities and Customers (LG), Planning and Public Protection (EJ); Highways, Assets and Risk Manager (TT); Service Manager – Client Services (KN); Economic and Business Development Officer (NC); Lead Officer – Community Housing (GD) and Committee Administrator (KEJ)

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

Councillor Graham Timms declared a personal interest in Agenda Item 7 – Llangollen Business Improvement District because he was Chair of Llangollen 2020

Councillors Bobby Feeley and Huw Hilditch-Roberts declared a personal interest in the element relating to SC2 in Agenda Item 10 – Finance Report because they were Directors of Denbighshire Leisure Limited

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 17 December 2019 were submitted.

Accuracy – Page 12, Item 6 Proposal to amend terms of reference for the Strategic Planning Group – it was agreed to remove ‘–’ from the end of the final line before the resolution to read “it was subsequently **RESOLVED** that...”

RESOLVED that, subject to the above, the minutes of the meeting held on 17 December 2019 be received and confirmed as a correct record.

5 HIGHWAYS CODE OF PRACTICE

Councillor Brian Jones presented the report and new Highways Code of Practice (CoP) for formal ratification.

Some background was provided in terms of the legislative responsibilities placed on highway authorities to maintain the adopted highway network together with the proposed criteria to be used to maintain the highway network safely and to ensure third party insurance claims could be defended robustly. To this end, and to enable a consistent approach across Wales, a joint CoP document had been produced by Welsh highway authorities. Officers reported upon the technical aspects of the document and highlighted the main changes to the current regime in terms of inspection and maintenance together with the reasoning behind those changes and to ensure uniformity across the county. Whilst the joint document set down the minimum requirements across Welsh local authorities, Denbighshire had exceeded those requirements in particular elements of the regime. It was noted that officers regularly attended Member Area Groups to discuss highway matters, including the wider highway strategy, and that engagement would continue.

Cabinet took the opportunity to discuss the new CoP with the Lead Member and officers who responded to questions and comments as follows –

- the definition of a pothole had been clearly defined in the new document in terms of its dimensions in accordance with the industry standard and any reduction in that size would impact on resources
- elaborated upon the definitions of defect categories for critical and safety defects and noted the lack of reference between those two categories in the table on page 10 of the document which it was agreed could be better defined at that point, however defect types and intervention levels had been included elsewhere in the document
- explained that a new CoP had been produced in 2016 by the UK Roads Liaison Committee to ‘free up’ local authorities and give more budgetary flexibility but Welsh authorities’ highways officers had taken the view that there was safety in numbers when it came to potential litigation and consequently a uniform approach and joint document had been agreed setting out minimum standards
- acknowledged concerns regarding the effectiveness and practice of temporary pothole repair prior to permanent repair but explained that if a permanent repair could not be done within the timescale required to ensure safety then temporary repair work would be necessary. It was hoped that defining the size of the pothole in the CoP may help to free up some resource for that purpose and regular meetings were held between highways and street scene to review reactive maintenance and ensure the most efficient and effective approach was taken within the resources available. Officers confirmed they would be willing to

attend any member forum to discuss the approach taken to ensure members were well informed to respond to residents' questions thereon. It was agreed that it would be beneficial for officers to explain the approach, including the implications of the new CoP, at a Council Briefing session.

RESOLVED that Cabinet –

- (a) *accept the report and ratify the new Code of Practice so that it can be formally applied in Denbighshire, and*
- (b) *confirms it has read, understood and taken account of the Well-being Impact Assessment (Appendix A to the report) as part of its consideration.*

6 SYRIAN VULNERABLE PERSON RESETTLEMENT SCHEME

Councillor Bobby Feeley presented the report seeking Cabinet approval to continue to support the settlement of refugees in Denbighshire through the new scheme.

Cabinet was advised of progress with the Syrian Vulnerable Persons' Resettlement Scheme within Denbighshire which was being replaced with a new and wider Global Resettlement Scheme from April 2020 to welcome around 5000 more refugees into the UK from beyond the Middle East and Africa. Since April 2016 Denbighshire had successfully resettled 18 families and were on track to meet the target figure of 20 families by March 2020. Full details of the project's successes, areas for improvement and lessons learnt had been included within the report. The new scheme would be simpler to operate and aimed to provide greater consistency in the way refugees were resettled.

Cabinet supported the continuation of the scheme and were keen to ensure that the areas identified for improvement and any barriers to integration were addressed. Councillor Mark Young sought assurances regarding housing standards and property conditions plus access to health care. Officers explained that claims of damp and condensation had resulted from cultural lifestyle choices given the changes in climate with the heating on and windows closed and they were working to educate those families and where necessary extra extractors had been installed to help address those issues. It was also explained that much work was being carried out both nationally and locally to ensure better access to dental and health care services for families and it remained a priority issue to look at options and ways of overcoming those barriers. In response to further questions and assurances officers confirmed that the intention for families to take on full responsibility for tenancies after twelve months had been ambitious however ensuring those families had access to computer systems and understanding how to manage rent accounts had helped to smooth the process together with better sharing of information and ensuring families were aware of their responsibilities and expectations. The areas for improvement had been highlighted as such and would be the focus for resources in the future.

Councillor Graham Timms reported upon the positive benefit of two families accommodated in Llangollen which had resulted in a better understanding of the plight of refugees. In terms of the language barrier officers confirmed steps taken in

that regard with the introduction of digital solutions and use of online apps but it was acknowledged that more could be done and the Home Office and Welsh Migration Partnership were also working to address the issue. The importance of families accessing employment and training was also acknowledged and much work had been undertaken in that regard and to safeguard against exploitation.

RESOLVED that Cabinet –

- (a) *confirms it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1 to the report) as part of its consideration, and*
- (b) *agrees to continue to support the settlement of refugees in Denbighshire through the Global Resettlement Scheme dependent upon the terms and financing of such a scheme once published by the Home Office.*

7 LLANGOLLEN BUSINESS IMPROVEMENT DISTRICT (BID)

Councillor Hugh Evans presented the report on the development of the Llangollen Business Improvement District (BID) and sought support for its establishment.

BIDs gave local business the power to get together, decide what improvements they wanted to make within a specific area, and to raise funds to deliver them. Some background was provided regarding work undertaken with the local business community to determine the feasibility of a Llangollen BID together with the bid development process and legalities in that regard. The next stage involved a postal ballot for eligible businesses to vote 'for' or 'against' the BID proposal which set out how the BID would function (proposed income, expenditure, BID area and performance measures) and how the BID would be spent. The proviso was that activities must be in addition to services provided by local authorities. It was recommended that Cabinet support the establishment of the BID by voting 'Yes' in the BID ballot for each of the Council's eligible rateable properties in the BID area.

In advocating the recommendations Councillor Evans submitted that Llangollen had always been an ambitious and busy town and if the BID was established it would help businesses invest in their priorities and future sustainability. Councillor Tony Thomas added his support believing the businesses in Llangollen to be very receptive to establishing a BID which he considered would greatly benefit the town.

Councillor Graham Timms advised that both he and fellow local member Councillor Melvyn Mile were keen supporters of establishing a BID but raised questions regarding (1) the report reference to schools being exempt from the levy given that they were located outside the BID area, (2) the impact of the Council exercising its vote on behalf of Llangollen Pavilion given its subsequent transfer to Denbighshire Leisure Limited, and (3) queried the number of voters, council sites and total rateable value of those council sites in the BID area. In response officers –

- confirmed that the BID levy was only payable for premises within the defined BID area but noted the reference to schools being exempt from paying the levy in the report – further clarity on the position of the two schools would be sought

- referred to the position in respect of the ballot which would close on 19 March 2020 and explained that those businesses entitled to vote would be those eligible to vote at that time – any business could change ownership at any point but the ballot had to be held and closed at a particular time and the levy would apply irrespective of the change of ownership. Councillor Tony Thomas added that, notwithstanding the transfer of Llangollen Pavilion to the Alternative Delivery Model, the BID levy for the Pavilion would remain payable
- advised there were approximately 200 businesses eligible to vote in the ballot which included approximately 10 council properties – the figures around the total rateable value had not been included in the report.

In response to a final question from Councillor Mark Young officers confirmed that most of the Economic Development Team's time and resource on the project had been undertaken in the initial feasibility work and development of the proposal – moving forward from this stage did not require a significant resource.

The Leader asked Cabinet to vote on each of the recommendations individually.

RESOLVED that Cabinet –

- 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;*
- notes the contents of the BID Business Plan (Appendix 2 to the report) and the officer recommendation that there are no grounds on which to Veto under the BID Wales (2005) Legislation (Appendix 3 to the report) as it does not conflict with any existing local policy nor propose a disproportionate burden on particular businesses in the area;*
- agrees to support the establishment of the BID by voting 'Yes' in the BID ballot in respect of each of the Council's eligible rateable properties in the BID area, and*
- agrees to delegate authority to the Corporate Director: Economy and Public Realm to cast the votes in respect of each of the Council's eligible rateable properties in the BID area.*

8 HOUSING RENT SETTING & HOUSING REVENUE AND CAPITAL BUDGETS 2020/21

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 2020/21 and Housing Stock Business Plan.

Councillor Thompson-Hill guided members through the budget figures and income level assumptions taking into account the purchase of 7 former council homes and 3 private sector homes and the programme of 170 additional homes. In terms of the annual rent increase the Welsh Government had recently announced a five year rent policy for social housing rents and the setting of rents had been calculated taking that policy into account and mechanism for uplifting rents. The uplift for

2020/21 was 2.7% and would leave 44% of homes at target rent levels resulting in an average weekly rent of £92.35 which was at the lower end of the target rent level. There was no proposal to use the discretionary charge of up to £2.00 for properties below the target rent. Reference was also made to the disaggregated service charges which would average out at £2.27 per week.

The Lead Officer – Community Housing highlighted the merits of a five year rent policy to better enable future budget planning. As part of the new policy the Council was required to ensure that any rent increase considered affordability for tenants and also assessments of cost effectiveness which would be presented in future reports to members. Other future considerations included an expected announcement on the decarbonisation of council housing stock and the expectation for social landlords not to evict tenants into homelessness.

During consideration of the report the following issues were discussed –

- the provision for bad debt had increased but it catered for the worst case scenario and collection rates remained high and rent arrears low. Given that there were weekly tenancies there was an issue with cash flow for those on Universal Credit which was paid monthly but work was being undertaken to identify any potential difficulties at an early stage with support provided to tenants. The potential increase in bad debts also recognised the commitment to increase housing stock and annual rent increases in line with the rent policy
- it was noted that garages were not dealt with in the report because they were not subject to the rent policy and the Head of Communities and Customers had agreed to increase garage rents by 2.7% in line with housing rents. Officers reported upon the review of garage sites with only one site in Ruthin being suitable for housing as an alternative use. The intention was to consider garage sites as part of the strategic review of housing stock taking into account the climate change crisis and environmental impacts to ensure future sustainability
- the overall positive impact on the Welsh language identified in the Wellbeing Impact Assessment had been noted but Councillor Emrys Wynne queried the ambiguity of the term ‘rural areas’ in the document and felt it was an unnecessary differentiation given the number of Welsh speakers across the whole county. Officers elaborated upon the local lettings policy which gave priority in rural areas to people from the community to help with protecting the future use of the Welsh language in communities and advised that the policy was very specific which areas of the county that related to, confirming that it was the very small villages where Welsh language was one of the considerations. It was accepted that Welsh was spoken across the whole county.

RESOLVED that –

- (a) the Housing Revenue Account Budget for 2020/21 (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 to an average weekly rent of £92.35 with effect from Monday 6 April 2020.*

At this juncture (11.10 a.m.) the meeting adjourned for a refreshment break.

9 BUDGET 2020/21 - FINAL PROPOSALS

Councillor Julian Thompson-Hill presented the report setting out the implications of the draft Local Government Settlement 2020/21 and proposals to finalise the budget for 2020/21, 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 2020/21. The draft settlement had resulted in a positive settlement of +4.3% with the final settlement expected on 25 February 2020. Pressures amounting to £12.418m had been detailed which, together with £2m unidentified savings from 2019/21, resulted in a total shortfall of £14.418m. The +4.3% settlement generated £6.219m leaving a funding gap of £8.199m with proposals to bridge that gap identified within the report and further explained at the meeting. A 4.3% rise in Council Tax had been proposed which would generate £2.298m additional revenue. Due to the lateness of the final settlement it was recommended that authority be delegated to enable cash adjustments included in the budget proposals of up to £500k. The proposals presented a balanced budget with little impact on residents.

The Leader acknowledged the robust budget process and further complexities given the late timing of the draft settlement. He was pleased that Welsh Government had reacted favourably to intense lobbying on the pressures faced by local government and hoped positive settlements would continue and a three year settlement would be provided. He also supported the report recommendations.

Main areas of debate focused on the following –

- Councillor Mark Young referenced proposals announced by the UK Government regarding additional funding for the NHS and the impact for Wales. It was explained that as the NHS was a devolved function any proposals announced by the UK Government would have a Barnett formula consequential for Wales and it would be up to Welsh Government to decide how to allocate that funding. Their viewpoint to date had been to prioritise funding for the NHS followed by local government. However there were areas of overlap which would be subject to future discussions with the Health Board at the appropriate time
- Councillor Graham Timms referred to various elements of the budget process and questioned the merits of using the extra funding from the better than expected settlement to reduce the rise in Council Tax from 4.8% to 4.3% rather than directly on the provision of services for residents. Councillor Thompson-Hill confirmed that outside of the Revenue Support Grant there were a number of specific grants announced at different times which had an impact on the budget. Prior to notification of the draft settlement a Council Tax increase of 4.8% had been considered a necessity to ensure a balanced budget. The increase in funding enabled a number of measures to be proposed which included reducing the impact on schools by £700k; addressing identified unfunded pressures; reducing the amount of cash to underpin the budget, and making a small

reduction to the proposed increase in Council Tax. Given the burden on residents it was considered appropriate not to charge more Council Tax than absolutely necessary. The changes proposed would not negatively impact on residents and was considered a sensible and reasonable package of measures to address the better than anticipated settlement. The Leader added that there were residents struggling to pay Council Tax across the county and the aim was to deliver a balanced budget to support services but also take into account the effect on residents and he could defend the Council's position from any challenge in that regard

- Councillor Bobby Feeley referred to the large proportion of funding Welsh Government allocated to the NHS and was disappointed that long standing discussions on bringing health and social care closer together had not materialised in terms of finance, particularly given that additional funding allocated for social care would also result in a positive impact on the NHS
- Councillor Emrys Wynne raised some concern regarding the reference to non-filling of vacant posts as part of service efficiency savings and the impact in terms of response times and workforce pressures. The impact on resiliency and capacity within teams was noted and the Leader reported that each Cabinet Member worked with the Head of Service for their portfolio areas on service budgets and were fully aware of the impact of the savings put forward in the provision and delivery of services. The Chief Executive added that given ten years of austerity it was no longer possible to make service efficiencies with no impact and the Council needed to work within its resources – much work had been carried out in terms of structure, technology and up skilling of staff to ensure the best possible output to deliver services and officers worked hard in that regard. The Senior Leadership Team also worked with Cabinet members on how best to make savings without impacting on service delivery for residents.

RESOLVED that Cabinet –

- (a) *notes the impact of the Draft Local Government Settlement 2020/21;*
- (b) *supports the proposals outlined in Appendix 1 to the report, and detailed in Section 4 of the report, and recommends them to the full Council in order to finalise the budget for 2020/21;*
- (c) *recommends to Council the average Council Tax rise of 4.3% proposed;*
- (d) *recommends to Council that authority is delegated to the Head of Finance and Property in consultation with the Lead Member for Finance to adjust the use of cash included in the budget proposals by up to £500k if there is movement between the draft and final settlement figures in order to allow the setting of Council Tax in a timely manner, and*
- (e) *confirms that it has read, understood and taken account of the Well-being Impact Assessments submitted as part of the 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 £2.109m was forecast for service and corporate budgets
- highlighted current risks and assumptions relating to individual service areas
- detailed required savings and efficiencies of £5.672m with an approved allocation of £616k from the Savings Achievement Contingency to offset known non-achievement savings (approximately 11% of the total savings identified)
- provided a general update on the Capital Plan, Housing Revenue Account and Housing Capital Plan.

With regard to the previously approved allocation of £616k from the Savings Achievement Contingency it was recommended that £440k be made a permanent base budget adjustment in order to ensure that SC2 was funded appropriately going forward. Cabinet was also asked to approve proposals recommended by the Strategic Investment Group relating to (1) Passivhaus homes at Lodge Farm, Denbigh, (2) Central Highways Depot, and (3) Botanical Gardens Accommodation. Councillor Brian Jones referred to the situation with the legacy tip sites and the need for a purpose built facility for highways waste and he fully supported that proposal together with replacement accommodation at Botanical Gardens, Rhyl given the very poor standard of the current accommodation.

RESOLVED that Cabinet –

- note the budgets set for 2019/20 and progress against the agreed budget strategy;*
- approve the HRA proposal to build Passivhaus homes at Lodge Farm, Denbigh (as detailed in Appendices 6, 7 and 8 to the report);*
- approve the proposal to construct a new centre for recycling waste materials, and that £63k is set aside in the Medium Term Financial Plan to pay for the annual prudential borrowing costs (as detailed in Appendices 6 and 9 to the report);*
- approve the proposal to replace the substandard and environmentally inefficient accommodation at Botanical Gardens, Rhyl and that £39k is set aside in the Medium Term Financial Plan to pay for the annual Prudential Borrowing Costs (as detailed in Appendices 6 and 10 to the report), and*
- approve to replace £440k of the £616k cash allocation with base budget to help ensure the sustainability of the SC2 provision going forward (as detailed in Section 4 to the report).*

11 CABINET FORWARD WORK PROGRAMME

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

- Work Opportunity and Day Activity Services Review – March
- North Wales Growth Bid Governance Agreement 2 – deferred to April

RESOLVED that Cabinet's forward work programme be noted.

The meeting concluded at 12.25 hrs.