

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin and by video conference on Tuesday, 18 July 2023 at 10.00 am.

PRESENT

Councillors Jason McLellan, Leader and Lead Member for Economic Growth and Tackling Deprivation; Gill German, Deputy Leader and Lead Member for Education, Children and Families; Elen Heaton, Lead Member for Health and Social Care; Julie Matthews, Lead Member for Corporate Strategy, Policy and Equalities; Barry Mellor, Lead Member for the Environment and Transport; Win Mullen-James, Lead Member for Local Development and Planning, Rhys Thomas, Lead Member for Housing and Communities, and Emrys Wynne, Lead Member for Welsh Language, Culture and Heritage

Observers: Councillors Karen Edwards, Bobby Feeley, Hugh Irving, Alan James, Delyth Jones, Huw Hilditch-Roberts, Brian Jones, Terry Mendies and Andrea Tomlin

ALSO PRESENT

Chief Executive (GB); Corporate Directors: Social Services and Education (NS) and Governance and Business/Monitoring Officer (GW); Head of Finance and Audit (SG); Head of Adult and Social Care and Homelessness Service (AL); Insurance and Risk Manager (CJ); Senior Revenues Officer (LG); Business Coordinator – Leader's Office (RPJ), and Committee Administrators (KEJ & SLW [Webcaster])

1 APOLOGIES

Councillor Gwyneth Ellis, Lead Member for Finance, Performance and Strategic Assets

2 DECLARATION OF INTERESTS

Councillor Rhys Thomas declared a personal interest in agenda item 3 because he volunteered for and was a Trustee of the Vale of Clwyd Foodbank.

3 URGENT MATTERS

The Leader accepted a request from Councillor Delyth Jones to consider the following matter requiring urgent attention –

Free School Meal Holiday Provision – announcement by the Welsh Government that free school meals would not be extended over the summer holidays.

Councillor Delyth Jones referred to the late announcement by Welsh Government not to extend free school meal provision over the summer holidays and expressed concerns over the adverse effect on families most in need. She had been proud of the roll out of free school meals for all primary school pupils under the co-operation

agreement between Welsh Labour and Plaid Cymru and did not want to see that work disrupted as a result of this latest decision. Consequently, she asked that further discussions be undertaken with Welsh Government with a view to reversing that decision, and also to consider the cost to the Council should steps be taken to address the situation in order to support vulnerable families in Denbighshire.

Councillor Gill German (Lead Member) provided some background to the current position and latest extension of the free school meal holiday provision up to May half term as announced in March. Despite Welsh Government's best efforts, the financial reserve for that provision (which had been largely based on covid emergency funding) had been exhausted, and schools had been making families aware since March that there was no guarantee of a further extension. However, it was important to make sure as many families as possible were catered for during the school holidays and she elaborated on the significant work and wealth of initiatives to support families in that regard. Examples included signposting families to Welsh Government support with the cost of living, Food and Fun School Holiday Enrichment Programme for free activities/meals, work carried out by Families First and Flying Start with a comprehensive list of activities for families including cooking sessions and take home ingredients. Community groups were also working to bridge the gap and support families. Assurances were given that much work was being carried out to help address the situation and further opportunities would be explored to make sure as many families as possible were supported.

The Head of Finance and Audit reported on the financial position, advising that the temporary funding provision had been administered by local authorities on behalf of the Welsh Government. To continue the funding provision over the summer holidays would cost the Council between £600 – 700k, and would result in a £1m+ pressure over a year term. As Section 151 Officer he would not be able to support a continuation of that funding given the Council's challenging financial outlook.

The Leader reported on the achievements of the co-operation agreement and successful coalition of the two political parties both in the Senedd and the Council. He had been heartened to hear of the hard work to target families most in need and ensure they could access support, and provided assurances that dialogue would continue with the Welsh Government on this issue for the benefit of those families. Councillor Delyth Jones acknowledged the hard work being carried out and given the importance of the issue was keen for further discussions with the Welsh Government. She also noted the Council's difficult financial circumstances but wanted to continue to explore other avenues to support those families. Councillor Rhys Thomas worked with a number of voluntary organisations and was aware of schools making referrals to third sector organisations for support. He asked that the Council email all Denbighshire schools before the summer break reminding them of the support available to be shared with parents/carers. Councillor Gill German reiterated that those conversations were ongoing with schools but agreed to take the matter up with the Head of Education with a view to ensuring a reminder of the support available was circulated to all schools before they closed.

The Leader thanked Councillor Jones for raising the matter and for the assurances given regarding the hard work being carried out and support available for families.

4 MINUTES

The minutes of the Cabinet meeting held on 27 June 2023 were submitted.

Accuracy – Page 7 – Item 2: Declaration of Interest – correction of ‘Rhyl’ to ‘Rhys’

RESOLVED that, subject to the above, the minutes of the meeting held on 27 June 2023 be received and confirmed as a correct record.

5 SECOND HOME / LONG-TERM EMPTY COUNCIL TAX PREMIUM

In the absence of the Lead Member Councillor Rhys Thomas presented the report on legislation introduced by Welsh Government (WG) to increase the maximum level of council tax premiums for second homes and long-term empty properties, and updated Cabinet on the public consultation on proposals for additional charging to these homes in Denbighshire. Cabinet’s views were sought on the proposals to progress with additional charging, and to recommend accordingly to Council for a final decision in September.

The reasoning for the proposals was to increase housing stock in the county and provide more housing for local people. The report covered the council tax premium only for second homes and long-term empty properties and not any other matters that may be subject to other legislation. Cabinet had agreed a public consultation on proposals to retain the 50% premium charge for April 2023, increase to 100% from April 2024, and to 150% from April 2025, with a higher premium at 50% more than the standard premium for properties that had been unoccupied and unfurnished for 5 years or more. The maximum permitted increase was 300%.

The Head of Finance and Audit drew attention to information in the report which included the background and context, legislative changes, feedback from the consultation exercise and data tables, and the Wellbeing Impact Assessment. The consultation results demonstrated that the majority of respondents who lived in Denbighshire felt there was a need for an increase in the charges for both long term empty and second homes; thus supporting the recommendation. Second homes and long term empty owners did not generally support the proposals. The Senior Revenues Officer referred to other planning and taxation measures introduced by the WG to address the housing issue, and the phased approach would allow for careful monitoring of the situation. The Council also had discretionary powers to waive any premium in cases of financial hardship or exceptional circumstances.

Cabinet welcomed the report and proposals to address housing need in the county, encouraging properties back into use and supporting local people to remain in their communities. The Wellbeing Impact Assessment clearly stated the aim of the proposals to address the demand for housing in the county and opportunity to use income from the premiums to address local housing needs, including homelessness and to lessen some of the impacts second homes and long term empty properties had on local communities. Cabinet also agreed with the phased approach to increasing the premium to enable monitoring of the impact of the proposals alongside potential other measures to tackle the lack of affordable housing. The various exemptions from the premiums had been set out and Cabinet was also

pleased to note the safeguards in place for those suffering financial hardship or exceptional circumstances which could be considered on a case by case basis.

Officers responded to questions regarding various aspects of the report, including how the proposals would be applied in particular circumstances, as follows –

- explained how Denbighshire's approach compared to other North Wales local authorities, with indications that most councils were looking to review current rates with a view to increasing premiums in light of the new charging flexibilities
- a property was not classed as long term empty until it had been unoccupied and unfurnished for 12 months, and if a property was on the open market for sale or let the exemption would apply for a further 12 months, effectively resulting in 2 years where there would be no premium charge. Any specific circumstances not covered by those exemptions could be considered on a case by case basis
- there was set criteria for a holiday let to be considered for business rates: the property had to be let for a number of days per year (the number had recently increased from 70 to 140 days) and be available for let for 250 days. If the criteria were met, most properties qualified for small business rate relief and therefore did not pay either tax. Given the recent increase in the number of days for the property to be let, it was anticipated that more properties would naturally move from business rates to council tax at which point consideration could be given to waive the premium in cases of financial hardship or exceptional circumstance
- detailed robust policing processes and work of the Property Inspector including visiting properties, virtual inspections, credit searches/utility checks, and planned work later in the year to uncover unidentified empty and second homes
- in terms of temporary rental properties, under a tenancy the resident would be liable for council tax for the amount of time they were resident in the property; once the property was vacated, providing the property was unfurnished, the landlord would have 6 months without council tax charge; rental properties were not classed as second homes
- elaborated on the creation of a Project Officer role to work with disadvantaged groups across Denbighshire raising awareness of income maximisation and building on previous good work undertaken in that regard. It would be a temporary post funded by the service in the first year to evaluate its effectiveness before consideration of making the post permanent.

Having reviewed the report and supporting information, including the feedback from the public consultation exercise and officer recommendations, it was –

RESOLVED that Cabinet recommends to Council –

- (a) *that there be parity between the standard second home and long term empty premium, to minimise avoidance by taxpayers (who may apply to switch to the more favourable category) and so ensure the administrative burden is not increased significantly, except for properties that fall within recommendation (c) below;*

- (b) *that the second home and long term empty premium charge will remain at 50% for April 2023 then increases to 100% from April 2024, then 150% from April 2025, and*
- (c) *that properties that have been unoccupied and unfurnished for 5 years or more pay a higher premium at 50% more than the standard premium.*

6 FINANCE REPORT

The Head of Finance and Audit presented the report detailing the latest financial position and progress against the agreed budget strategy.

A summary of the Council's financial position was provided as follows –

- the net revenue budget for 2023/24 was £250.793m (£233.696m in 2022/23)
- an overspend of £2.395m was forecast for service and corporate budgets
- highlighted current risks and assumptions relating to corporate budgets and individual service areas
- detailed savings and efficiencies and increases in fees and charges (£8.172m)
- provided a general update on the Housing Revenue Account, Treasury Management, Capital Plan and major projects.

Cabinet was advised there was little movement since last month's report. The reduction in the overspend from £3.348m to £2.395m had been largely due to grant income. Risks relating to pay settlements for 2023/34, energy and inflationary costs were also highlighted. The position would continue to be closely monitored.

RESOLVED *that Cabinet note the budgets set for 2023/24 and progress against the agreed strategy.*

7 CABINET FORWARD WORK PROGRAMME

The Cabinet forward work programme was presented for consideration.

In response to a question from Councillor Hugh Irving regarding future reports relating to the new Waste Transfer Station, the Leader advised that any further developments on the project would be communicated to members.

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.*

8 INSURANCE SERVICES CONTRACT AWARD

The Head of Finance and Audit presented the confidential report seeking Cabinet approval of the award of the insurance contract as set out in the report.

The Council's insurance contract expired on 30 July 2023 and a new contract was required to be in place from that date. Details of the procurement exercise and the evaluation process had been provided together with the contract award recommendations for the different classes of insurance services covered in Lots 3 – 9. No tender responses had been received to Lots 1 and 2 and the Insurance and Risk Manager reported on the latest position following direct engagement with specialist markets to obtain cover with the best economic outcome by the renewal date. Given that delegated authority would be required to award contracts for Lots 1 and 2 to ensure continuity of insurance after the end of July in those areas, an amendment was proposed to recommendation 3.2 in that regard.

Cabinet considered the report and outcome of the procurement process and noted the latest position with regard to Lots 1 and 2.

RESOLVED that Cabinet –

- (a) *approve the award of contracts from the initial tender process as outlined in Section 4.1 and 4.2 of the report for Lots 3 to 9, and*
- (b) *notes the position with regard to Lots 1 and 2 and delegates authority to the Head of Finance and Audit (Section 151 Officer) to award contracts in respect of Lots 1 and 2 in consultation with the Leader of the Council.*

9 VARIATION TO A LONG-STANDING CONTRACT FOR THE PROVISION OF STAFF TO OUR IN-HOUSE WORK OPPORTUNITIES SERVICE

Councillor Elen Heaton presented the confidential report seeking Cabinet approval to extend the current contract for the provision of staff to the Council's in-house Work Opportunities Service as set out in the report.

The Head of Adult and Social Care and Homelessness Service elaborated on the reasoning behind the contract extension in order to ensure clarity on the expectations of the services required and to allow time to plan for the longer-term arrangements. It was proposed to re-issue the current contract with a revised service specification and terms and conditions as appended to the main report.

Cabinet considered the report and supported the interim arrangements proposed to establish the longer-term future of the service.

RESOLVED that Cabinet approve the issuing of an extension to the Cynnig contract, with a refreshed interim specification and terms and conditions, for a period of 1 year, with the option to extend for a further 12-month period.

The meeting concluded at 11.15 am.