

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin and by video conference on Tuesday, 19 March 2024 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; Gwyneth Ellis, Lead Member for Finance, Performance and Strategic Assets; Elen Heaton, Lead Member for Health and Social Care; Julie Matthews, Lead Member for Corporate Strategy, Policy and Equalities; Barry Mellor, Lead Member Environment and Transport; Rhys Thomas, Lead Member for Housing and Communities, and Emrys Wynne, Lead Member for Welsh Language, Culture and Heritage

Observers: Councillors Joan Butterfield, Bobby Feeley, Huw Hilditch-Roberts, Alan James, and Andrea Tomlin

ALSO PRESENT

Chief Executive (GB); Corporate Directors: Social Services and Education (NS), Governance and Business/Monitoring Officer (GW), and Environment and Economy TW; Heads of Service: Finance and Audit (LT) and Adult Social Care and Homelessness (AL), and Committee Administrators (KEJ & RTJ [Webcaster])

1 APOLOGIES

The Leader submitted apologies from Councillor Win Mullen-James who was unwell and conveyed his best wishes for a speedy recovery.

2 DECLARATION OF INTERESTS

No declaration of interest had been raised.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 20 February 2024 were submitted.

RESOLVED that the minutes of the meeting held on 20 February 2024 be received and confirmed as a correct record.

5 RESIDENTIAL AND NURSING CARE HOME FEE SETTING 2024/25

Councillor Elen Heaton presented the report seeking Cabinet approval for the setting of residential and nursing care home fees for the financial year 2024/25 following consultation with care providers and which represented an 8.8% uplift.

Care home fees represented a substantial part of the annual social care budget with around £13m allocated to approximately 364 placements in 82 care homes. Care provision was a priority for the Council which had been reflected in budget allocations for 2024/25 to safeguard social care and education as much as possible during the local government funding crisis. An update had been provided on engagement with care providers together with fee uplift options for 2024/25. Given the financial implications lower cost options had also been presented but whilst the proposed 8.8% uplift was significantly higher than the Council's 3.8% settlement and would increase expenditure by over £1m, it balanced affordability for local taxpayers, sustainability of other essential services, and ensured fair compensation for valued care providers having accounted for inflation and the Real Living Wage.

Councillor Heaton stressed that the Council valued its care providers and was committed to fostering an open and fair relationship. No providers should feel they were facing financial crisis due to unfair compensation for services and the offer of an open book exercise would continue to allow transparent engagement and a fair discussion about the true cost of care and efficient use of taxpayers' money.

The Corporate Director: Social Services and Education and the Head of Adult Social Care and Homelessness also attended for this item. The Corporate Director explained how the fee setting process differed from previous years in order to bring forward a recommendation for discussion in a public forum with transparency about the process undertaken and as much engagement as possible with care providers and regional colleagues. There was an open-door policy for care providers and discussions on care homes fees were welcomed throughout the year. The Regional Fees Group had been re-established and re-engaged with care providers and work would continue going forward taking into account provider feedback.

Cabinet discussed the report and noted the efforts made to engage with providers, the themes arising from the initial engagement exercise, and subsequent feedback following consultation on the fees offer. Cabinet was keen to ensure that all care providers paid staff the Real Living Wage and questions were raised regarding the method of regular engagement and communication with care providers, the need to ensure that smaller providers were equally engaged in the process, and further detail was also sought regarding mitigation of the risks identified in the report.

The Lead Member and officers responded to questions and comments as follows –

- whilst it was made clear that provision for the Real Living Wage (RLW) had been included in the fee rate offered and there was an expectation that care providers paid staff the RLW there was no contractual or other mechanism to legally enforce that payment. However, if staff were not paid the RLW it was likely they would leave to work for other providers who did pay that rate
- Welsh Government was committed to paying the RLW in social care and had established the Fair Work Forum with a view to ensuring staff received the pay, terms and conditions, and recognition deserved through collective bargaining. It was confirmed that Care Forum Wales (a representative body of its membership of care providers across Wales) was also a member of the Fair Work Forum

- detailed the regular contact with care providers by various council staff including home visits by the contract monitoring team, communications via payment teams and social workers/occupational therapists visits, with an open dialogue on all aspects of care provision including fees, and issues could be identified and raised via any of those sources. Initial feedback from providers welcomed the relaunch of the Provider Forum which had since been re-established and offered another mechanism for regular dialogue in addition to the open-door policy and ongoing open book exercise. Consequently, there was confidence regarding the level of engagement with care providers throughout the year
- elaborated on mitigation to reduce the risks identified in the report and explained the constant dialogue with providers in order to keep abreast of the situation and provide a clear picture of provision across the county and identification of issues including availability and affordability of appropriate placements to best meet need. The challenge associated with social care placements was highlighted given the complexity of needs in some cases and available provision to meet those needs. However, there were known providers keen to invest and develop in Denbighshire which was encouraging and the market for new development reduced the risk; dialogue with those providers would continue. The recommended 8.8% uplift in care fees would put Denbighshire on a par with some other local authorities across North Wales and therefore would reduce the risk that some providers would only choose to offer placements to higher payers
- with regard to the longer term view and managing future risks, the Council produced its Market Position Statement and engaged in regional collaboration with a Regional Commissioning Strategy and Regional Workforce Strategy and work was constantly ongoing to identify the needs for future service provision and ensuring sufficient workforce to meet those needs going forward
- it was recognised that smaller care homes represented most of care home provision in the county and assurances were provided that good relationships had been fostered with most of the local smaller businesses in addition to the larger businesses; smaller care homes were also represented at the Provider Forum. In addition, there had been a conscious effort to ensure a range of providers engaged in the fee setting process to help inform the fee calculations.

Cabinet had been pleased to note the continuing dialogue with care providers via a range of council teams, the relaunch of the Provider Forum, and ongoing offer of an open book exercise, particularly given the uncertain economic outlook, with a mechanism to engage and review fees throughout the year and discuss and support care providers on the wider issues of managing a care home.

At this point the Leader opened the debate to non-Cabinet members. Councillor Bobby Feeley queried whether the work of the Regional Fees Group should have been completed in advance of the fee setting and the involvement of Care Forum Wales in that process; highlighted the lack of response from providers and meaningful dialogue to inform the process; and raised concerns regarding the risks identified in the report and issues raised by providers in their initial feedback.

The Lead Member and officers responded to those questions and further supplementary comments from Councillor Feeley as follows –

- given the work required to be undertaken by the Regional Fees Group it was known that a new methodology would not be introduced in time to inform the fee setting process for 2024/25; further details were given on the work carried out by the Group and different pilot methodologies to inform future recommendations
- Care Forum Wales was a significant part of the Regional Fees Group with representation on the standing committee and membership on the operational group and therefore was very dominant in that regional fees process
- any delay in setting the fees would create uncertainty for both the care sector and the Council and approval of the care home fees, whilst accepting that work and discussions were still ongoing locally and across the region, created the certainty needed for budget setting and good financial management, particularly given the proposed additional investment in social care amounted to over £1m
- all local authorities were currently undertaking a fee setting process and comparisons could not easily be made; Denbighshire's fees offer had been based on a rationale taking into account local circumstances
- an engagement exercise with care providers carried out in October had helped inform the fee setting process and subsequent consultation on the fees offer in December involved contact with all care providers and further offer of an open book exercise. 9 providers had come forward as a result of that communication and discussions with them were ongoing and verbal feedback had also been received from some providers who were happy with the fees offer. It was difficult to conclude an overall view as not all providers had responded.
- further detail had already been provided on the risks and mitigation measures
- reiterated that there was an ongoing process of engagement with care providers and although they were engaged with on an annual basis around the fee setting process there remained a continual dialogue throughout the entire year both through contract monitoring and placements of individual citizens and the open-door policy and open book exercise was also offered throughout the year. Further detail was given on the Provider Forum which covered issues such as workforce development and training, legislation and guidance, and other common themes around the wider issues of running a care home.

Cabinet recognised the valued and important service undertaken by care providers and had been reassured regarding the continued level of engagement and close partnership working with those providers carried out throughout the year which provided plenty of opportunities for dialogue and engagement on a range of issues relating to the care sector and wider support in addition to the fee setting process. Cabinet had also been reassured regarding the open-door policy for care providers to discuss their care fees at any time and ongoing offer of the open book exercise.

At the end of the debate, the Leader thanked everyone for their contributions and the Lead Member and officers for the hard work carried out. He was pleased that the Council had conducted the fee setting process in an open and transparent way, with discussion in a public forum, based on a clear rationale and in a timely manner.

RESOLVED that Cabinet approve the setting of baseline care home fees for financial year 2024/25 in accordance with Table 1 at paragraph 4.5 of the report representing an 8.8% uplift.

6 FINANCE REPORT

Councillor Gwyneth Ellis presented the monthly 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 £2.780m was forecast for service and corporate budgets
- highlighted current risks and assumptions relating to corporate budgets and individual service areas
- detailed service savings and efficiencies for the 2023/24 budget (£8.172m)
- provided a general update on the Housing Revenue Account, Treasury Management, Capital Plan and major projects.

The Head of Finance and Audit guided members through the detail of the report. There had been a slight decrease in the forecasted overspend on service and corporate budgets at £2.780m with a movement of £60k compared to last month. Main areas of overspend continued to be Education and Children's Services, Highways and Environmental Services and Adults Social Care and Homelessness, with minimal changes from last month. The Housing Revenue Account had reported a slight reduction in underspend at £110k from £126k due to a reduction in rent with a forecast year-end balance of £812k. There was a slight change in the forecasted use of school reserves at £7.026m compared to £7.054m last month. The usual appendices had been included on the Capital Plan and major projects.

Due to closure of the Council's accounts at the end of the financial year the regular finance monitoring report would not be submitted to Cabinet in April; the finance report for April would focus on the Medium-Term Financial Strategy and Medium-Term Financial Plan and include a high level strategy for future budget setting. The financial outturn report for 2023/24 would be submitted to Cabinet in May.

The following matters were raised during the ensuing debate –

- Rhyl Queen's Market Redevelopment – the facility had been handed over to the Council in February. Assurances were provided that there was no intention to seek additional funding with sufficient budget available to complete the project ready for operation. Due to reasons of commercial sensitivity further details regarding the appointment of an operator and opening of the facility could not be given at this time but that information would be shared with members and the wider public as soon as it was possible to do so. The Corporate Director: Economy and Environment confirmed that he would be willing to arrange a tour of the facility and asked members to let him know if they wanted to attend. He also agreed to ascertain the costs to the Council of taking interim responsibility for the facility and report back to Councillor Huw Hilditch-Roberts thereon
- Sustainable Communities for Learning – it was confirmed that the expenditure to date would be split between Welsh Government (WG) and the Council (DCC), which for schools with additional learning requirements amounted to a split of WG 75% / DCC 25% and for other schools a split of WG 65% / DCC 35%

- Underspend due to vacancy management – this phrase appeared a number of times in the Service Variance Narrative (Appendix 2 to the report) and reflected recruitment controls in place to consider every vacant post before it was filled with a view to reducing the overspend in service budgets. The process was followed for vacancies across the council and not just for a specific service area and provided evidence that management across the council realised the severity of the financial situation and were working to address it. It was likely that other local authorities were also taking the same approach to vacancy management.

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 and members noted an addition to the April meeting relating to UK Government Levelling Up Funding Award (Round 3) – Vale of Clwyd Constituency.

RESOLVED that Cabinet's forward work programme be noted.

The meeting concluded at 11.00 am.