

CABINET

Minutes of a meeting of the Cabinet held in Conference room 1a, County Hall, Ruthin on Tuesday, 18 December 2012 at 10.00 am.

PRESENT

Councillors Hugh Evans, Lead and Lead Member for Economic Development; Bobby Feeley, Lead Member for Social Care and Children's Services; Hugh Irving, Lead Member for Customers and Communities; Huw Jones, Lead Member for Tourism, Leisure and Youth; Barbara Smith, Lead Member for Modernising and Performance, David Smith, Lead Member for Public Realm, Julian Thompson-Hill, Lead Member for Finance and Assets, and Eryl Williams, Deputy Leader and Lead Member for Education

Observers: Councillors Ray Bartley, Meirick Davies, Richard Davies and Arwel Roberts

ALSO PRESENT

Chief Executive (MM); Corporate Directors: Economic and Community Ambition (RM), Customers (HW), Modernising and Wellbeing (SE); Head of Legal and Democratic Services (RGW); Head of Finance and Assets (PM); Head of Housing and Community Development (PMc); Project Manager (NR); Design and Construction Team Manager (SE), Strategic Procurement Manager (AS), and Committee Administrator (KEJ)

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

No declaration of personal or prejudicial interest had been raised.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 20 November 2012 were submitted.

RESOLVED that the minutes of the meeting held on 20 November 2012 be approved as a correct record and signed by the Leader.

5 DELIVERING THE WELSH HOUSING QUALITY STANDARD

Councillor Hugh Irving presented the report updating Cabinet on progress in meeting the Welsh Housing Quality Standard (WHQS). Members were advised of the housing refurbishment programme for the Council's Housing Stock; the costs incurred for contracts 6, 7 and 8, and were provided with an overview of customer satisfaction and wider regeneration benefits from undertaking those works. The

Welsh Government had indicated that they were happy with progress to date and the estimated completion date for the programme was December 2013.

Members took the opportunity to raise questions with the Head of Housing and Community Development (H:H&CD) who responded as follows –

- initial feedback from the recent stock condition survey suggested costs could be contained within the original assumptions built into the Housing Stock Business Plan
- there would be greater flexibility in the future to maximise opportunities for local people and businesses in carrying out housing refurbishment works
- all properties would be brought up to the WHQS by 2013 apart from a low number of scheduled omissions involving tenants refusing access to undertake the necessary repair work
- highlighted the legal and contractual relationship between landlord and tenant in terms of property access
- confirmed that Denbighshire compared favourably with other authorities in terms of compliance with the WHQS.

Cabinet were pleased to note the council's success in delivering the WHQS and that the contracts had been used to support local sub contractors and supply chains within Denbighshire. The Leader also took the opportunity to congratulate the H:H&CD on his appointment to a Ministerial Task Force to advise on options to enable other Welsh authorities to achieve WHQS.

RESOLVED that the progress in delivering the Welsh Housing Quality Standard to the Council's rented housing stock be noted.

6 CONSULTATION ON THE SUPPORTING PEOPLE SPEND PLAN & CHANGES TO THE SUPPORTING PEOPLE STRATEGY FOR 2013 TO 2014

Councillor Bobby Feeley presented the report seeking Cabinet's agreement to changes to the Supporting People Strategy and Spend Plan for 2013 – 14 prior to plans being submitted to the Regional Collaborative Committee and the Welsh Government. Whilst the Welsh Government had requested a 3 year spend plan it was Denbighshire's intention to be clear at this stage about a 1 year plan and to state that more time was needed to develop proposals for future years. It was believed that other North Wales authorities would do the same.

Supporting People (SP) was a significant programme providing housing related support services to a wide range of vulnerable groups. Details of the changes to the administration of the SP programme had been provided together with the implications for Denbighshire and the substantial funding reductions with particular impact likely on adult social care services. The estimated reduction in SP grant over the next five years was approximately £1.5m. The Corporate Director: Modernising and Wellbeing (CD:MW) drew members' attention to the specific changes to the SP Strategy for 2013/14 as detailed in Appendix 1 to the report.

Cabinet considered the changes to the SP Strategy and the proposals to manage the reduction in grant funding. The CD:MW explained that the SP service provided

housing support and therefore did not form part of the Social Services budget. The Head of Finance and Assets elaborated upon the specific reserves which had been set aside to mitigate some of the reduction. In response to concerns expressed by the Leader regarding the lack of clear governance arrangements, the CD:MW advised that the Regional Collaborative Committee (RCC), accountable for decisions, had so far operated by consensus and therefore the clarity of governance arrangements had yet to be tested. Councillor Feeley added that the RCC had agreed to meet on a regular basis to provide clarity of purpose and consider how authorities would work together to deliver the programme.

RESOLVED that the changes to the Supporting People Strategy and Spend Plan for 2013-14 be agreed for submission to the Regional Collaborative Committee and the Welsh Government.

7 NATIONAL PROCUREMENT SERVICE

Councillor Julian Thompson-Hill presented the report seeking Cabinet's approval to join the proposed Welsh public sector National Procurement Service (NPS), subject to conditions, with an initial five year commitment. The business case to create a NPS had been completed and all public sector organisations in Wales had been invited to provide formal commitment to join the service. A copy of the letter and pro forma for completion had been attached to the report.

Members were provided with some background history to the creation of a NPS to undertake procurement for between 20% - 30% of the total spend across the public sector in Wales. Details of the level of spend; investment to establish the service; likely savings for local government, and the basis for commitment to the service had been provided within the report.

Whilst supporting the business case in principle, members stressed the importance of supporting the local economy and sought assurances that signing up to the NPS would not impact negatively on local businesses. Officers reiterated that the NPS would only account for approximately 20% - 30% of procurement spend covering specific categories suited to large national procurement which most authorities did not buy locally in any event. There was an opt out mechanism if the authority did not wish to participate in a particular contract because of local impacts or if the contract did not realise efficiencies for the authority and a case could be made on that basis. The NPS would also take into account the Welsh Procurement Policy and benefits to the local economy.

Other issues were also discussed with Councillor Thompson-Hill and the officers who responded as follows –

- following initial analysis efficiency savings for Denbighshire had been estimated between £250k - £750k
- framework agreements permitted the authority to withdraw from most current contracts without penalty to allow a smooth transition to new arrangements
- acknowledged there would be an element of tension to be addressed for some contracts with national and regional arrangements but the NPS would allow further opportunities to pursue savings

- as a national agreement was already in place for street lighting there would be no desire to duplicate that under the new arrangement
- commitment to the NPS was on the basis that the service would be centrally funded by Welsh Government for the first two years following which it was anticipated that it would be self funding
- membership of the NPS could be reconsidered in the future if it was not producing the desired savings for Denbighshire
- monitoring of the impact of the NPS should be possible from approximately six to twelve months.

The Chief Executive was an advocate of the NPS and highlighted the importance of monitoring to assess its effectiveness and benefits for Denbighshire. There was a high level of awareness in balancing support for local businesses and gaining efficiencies. Councillor Julian Thompson-Hill proposed the recommendation contained within the report and an amendment to replace 4.28 with 4.27 and it was –

RESOLVED that Cabinet support the National Procurement Service and Denbighshire's membership for a five year period subject to the conditions set out in 4.27 of the report.

8 FINANCE REPORT 2012/13

Councillor Julian Thompson-Hill presented the report detailing the latest financial position and progress against the agreed budget strategy. He provided a brief summary of the Council's financial position as follows –

- an under spend of £344k was forecast across service and corporate budgets with the forecast for schools being a positive movement on balances of £121k
- £2.673m (79%) of agreed savings had been achieved with £702k (21%) being progressed and £25k (1%) being deferred to next year
- highlighted key variances from budgets or savings targets and details of individual service budgets
- a general update on the Capital Plan and Housing Revenue Account.

Councillor Eryl Williams referred to the Modernising Education & Customer Care Budget and clarified that the £23k under spend related to the Customer Care element. As the data could be easily misconstrued he asked for greater clarity in future reporting of individual service areas. Councillor Williams also drew members' attention to the School Improvement & Inclusion Budget and reported upon the significant changes to the schools funding formula which had the support of the Schools Budget Forum. Partnerships Scrutiny Committee had also scrutinised and accepted the proposals. Councillor Arwel Roberts hoped that no schools would lose out over the new funding formula and Councillor Williams responded that schools had agreed the changes to the formula.

Cabinet and lay members took the opportunity to raise questions and discussed a number of issues as follows –

- Councillor Huw Jones highlighted the difficulty in interpreting budget data for major projects spanning multiple years and the Head of Finance and Assets agreed to provide greater clarity in future reports
- the departmental budget savings as a percentage of the 2010/11 net budgets had been included within the report (Appendix 3) at the request of the Leader which prompted a debate on past methodologies for allocating efficiency savings across the authority and the need for a different approach to tackle future efficiencies, and to manage the ringfencing and protection of particular budgets,
- the cost of responding to the flooding incident was currently being calculated and an application would be made to the Welsh Government in that regard. Funding from the contingency budget was currently being used and charges would not be levied on services involved. It was acknowledged that the impact of the flooding would be ongoing and much future support would be required and costs would be tracked
- Councillor Eryl Williams noted the growth in some service areas and reductions in others and sought assurances in that regard. The Chief Executive responded that the figures provided reassurance that savings had been made in the right areas and the growth and reduction in services areas was inevitable as the council's priorities changed. He highlighted the need for capacity to deliver the corporate plan and to manage major changes and projects resulting in the growth of both those areas
- the impact of changes to Council Tax had been discussed at the recent members' budget workshop and a lower yield had been assumed for future years and built into the Medium Term Financial Plan
- clarification was provided on the Supporting People reserve which had been built up from a deliberately planned under spend to be used in future years.

Following the discussion Councillor Julian Thompson-Hill moved the recommendation and it was –

RESOLVED that the latest financial position and progress against the agreed budget strategy be noted.

9 CABINET FORWARD WORK PROGRAMME

Councillor Hugh Evans presented the Cabinet Forward Work Programme for consideration. Councillor David Smith advised that a report on the Ruthin Schools Review would be submitted to Cabinet in May 2013.

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 involved the likely disclosure of exempt information as defined in Paragraphs 13, 14 and 15 of Part 4 of Schedule 12A of the Local Government Act 1972.

10 OCEAN PLAZA DEVELOPMENT, RHYL

Councillor Hugh Evans presented the confidential report seeking a decision from Cabinet regarding the grant of an option to acquire land at Quay Street and Westbourne Avenue, Rhyl. He highlighted changes made to the original report following a meeting with the named developer the previous week and drew members' attention to the options for consideration and subsequent implications.

The Head of Housing and Community Development (H:H&CD) detailed progress made to date in addressing the outstanding issues surrounding the complex development and responded to members' questions regarding the merit of granting the option as recommended. Councillor Hugh Irving sought assurances that granting the option would not result in the land being left derelict and the H:H&CD advised that the time limited clause would help address that issue and had been agreed with the developer. Cabinet were also advised that the Rhyl Area Members Group had been given a high level overview of options and supported the recommendations on the way forward.

RESOLVED that Cabinet –

- (a) *provide the option to the developer named within the report to acquire the freehold interest for the identified sites for a time limited period of 18 months to enable the developer to submit a new planning application within 6 months of granting the option and to secure occupier commitment to the development within the remainder of the time limited period;*
- (b) *approve the appointment of the District Valuer to obtain a valuation of the site or parts of it fully reflecting all current and future planning and physical constraints, and*
- (c) *that the Corporate Director for Economic and Community Ambition be provided with delegated authority to develop key milestones with the named developer to review progress in progressing the scheme which shall be reported back to Cabinet on a six monthly basis.*

11 GAS SERVICING COUNCIL HOUSING STOCK

Councillor Hugh Irving presented the confidential report seeking Cabinet's approval to award a new gas servicing, repair and maintenance contract for the Council Housing Stock. A detailed report from the specialist consultants had been appended to the report.

In order to procure a high specification contract a consultant had been commissioned. Details of the consultancy project had been provided within the report which included the development of the specification; contract tendering and tender evaluation. The key differentiating factors which had secured first place for the preferred contractor had also been highlighted.

Members considered the report with particular attention to the tender evaluation and outcomes and were pleased to note the involvement of tenants in the selection process demonstrating value for money and customer satisfaction. Councillor Huw

Jones referred to an email from Councillor Martyn Holland regarding gas suppliers and the Head of Housing and Community Development (H:H&CD) confirmed that the matter was being addressed directly with Councillor Holland outside of the meeting. In response to questions from Councillor Meirick Lloyd Davies regarding Welsh language issues, the H:H&CD advised that local sub contractors would be commissioned to carry out the work which would form the next stage of the process.

RESOLVED that the three year (plus two) contract for the service, maintenance and repair of Denbighshire County Council's gas heating systems be awarded to the preferred contractor as detailed within the report.

12 CONSTRUCTION PROCUREMENT NORTH WALES: PROCUREMENT STRATEGY

Councillor Julian Thompson-Hill presented the confidential report (previously circulated) seeking Cabinet's approval to proceed with the procurement project to implementation stage and set up a framework for construction projects for the North Wales region. It was a condition of the 21st Century Schools funding that authorities sign up to that approach to enable them to draw down grant funding.

The aim was to set up a regional framework agreement for major construction works over the Official Journal of European Union threshold for construction works (valued over £4.35m) and to improve current construction procurement practices for projects valued below that threshold. Councillor Thompson-Hill elaborated upon the project detail, operational aspects and involvement of other public sector agencies together with the timescale for implementation. He highlighted that the framework aimed to maximise the benefits of the projects to the local community and sustain economic development and elaborated upon key considerations sought through a community benefits plan submitted by contractors. Cabinet was pleased to note the benefits to the local community and the extensive consultation undertaken with the local construction industry in order to inform the strategy and maximise opportunities for local businesses.

Councillor Thompson-Hill took the opportunity to thank Nina Ruddle, Project Manager and Sion Evans, Design and Construction Team Manager for their hard work on the project and it was –

RESOLVED that the project be approved to proceed to implementation stage to set up a framework for projects over £4.35m and improve current construction procurement practices below that level across the region.

13 CROSS-BOUNDARY SUPPORTED LODGINGS AND NIGHTSTOP

Councillor Bobby Feeley presented the confidential report (previously circulated) seeking Cabinet's approval of the joint commissioning with Flintshire County Council of a cross boundary Supported Lodgings and Nightstop service in order to improve value for money.

Councillor Feeley elaborated upon the Supported Lodgings project and the Nightstop emergency accommodation project for homeless young people and provided further details regarding the proposed joint procurement arrangements between Denbighshire and Flintshire. The reasoning behind the recommendation to exempt the joint contract from the requirement to tender was also provided. She highlighted that the project to place vulnerable young people with families to support them was a Denbighshire innovation which had also been adopted by Flintshire. Cabinet supported the approach which provided extra support for young people being placed into emergency accommodation and it was –

RESOLVED that Cabinet –

- (a) *approves the extension of the current contract with Local Solutions for the Denbighshire Supported Lodgings service until 31 March 2013 to allow time to pursue the joint commissioning of this service with Flintshire County Council;*
- (b) *approves the establishment of a joint procurement arrangement between Denbighshire and Flintshire County Councils to commission a cross-boundary Supported Lodgings & Nightstop service;*
- (c) *exempts the joint contract for the cross-boundary Supported Lodgings & Nightstop service from the requirement to tender, and*
- (d) *awards the contract for this service to Local Solutions, the current provider of the Denbighshire Supported Lodgings service.*

14 SERVICE STRUCTURES: HIGHWAYS AND INFRASTRUCTURE SERVICE

Councillor David Smith presented the confidential report (previously circulated) seeking Cabinet's approval on the preferred option for the future of the Highways and Infrastructure service in both Conwy and Denbighshire. The report had been produced in response to Cabinet's resolution on 23 October that further opportunities be looked at in order to rationalise management, reduce cost and improve services.

Members' attention was drawn to the review of available options which had been detailed within the report and scored against benefits criteria. The recommendations contained within the report had been based on those findings. Councillor Smith advised that the report had been scrutinised by the Partnerships Scrutiny Committee and he read out their findings which had been referenced within the report.

During consideration of the report members reiterated their disappointment that full integration had not been possible in this case but accepted that collaboration would proceed on a lesser scale. It was acknowledged that lessons had been learnt from the process which would enable more effective collaboration in the future. The Chief Executive added that Cabinet had signed up to two very important collaborations during today's meeting and there were other significant collaborations being undertaken. With regard Highways & Infrastructure the

recommended option would lead to an improved service and efficiency savings and the Chief Executive elaborated upon the indicative structure and implications for Denbighshire.

Councillor David Smith took the opportunity to thank Danielle Edwards, Conwy County Borough Council for her hard work and it was –

RESOLVED that approval be granted to –

- (a) *proceed with the development of Option 2b – ‘DCC internal integration with some collaboration at service specific level’;*
- (b) *proceed with the appointment process for a ‘Head of Highways & Environmental Services’ for Denbighshire County Council, and*
- (c) *to formally consult with stakeholders on the indicative structure for Option 2b.*

Prior to the close of the meeting Councillor Eryl Williams took the opportunity to congratulate the Council’s Education Department on Denbighshire being ranked as the best performing Council in Wales for pupils at Key Stage 4 achieving the Level 2 threshold. He also highlighted the excellent school banding results for Denbighshire with all secondary schools having seen their bandings improved or maintained.

The meeting concluded at 12.50 p.m.