

CABINET

Minutes of a meeting of the Cabinet held in Conference Room 1a, County Hall, Ruthin on Tuesday, 24 September 2013 at 10.00 am.

PRESENT

Councillors Hugh Evans (Chair), Julian Thompson-Hill, Eryl Williams, Bobby Feeley, Hugh Irving, Huw Jones, Barbara Smith and David Smith.
Councillor David Simmons, Joan Butterfield, Meirick Lloyd Davies, Jason McLellan, Richard Davies and Raymond Bartley attended as observers.

ALSO PRESENT

Chief Executive (MM), Corporate Directors: Economic and Community Ambition (RM), Modernisation and Wellbeing (SE), Head of Legal and Democratic Services (GW), Head of Finance and Assets (PM), Head of Education (KE), Head of Business Planning and Performance (AS), Head of Housing and Community Development (PM), Head of Planning and Public Protection (GB), Democratic Services Manager (SP) and Administrative Officer (CIW).

The Leader extended a welcome to the four graduates and law student who were attending the meeting of Cabinet as observers.

Councillor D.I. Smith provided a progress update on the Investigators Report on the floods at Glasdir, Ruthin which had been presented to County Council on the 10th September, 2013. He explained that the agreed recommendations were being progressed and that Assembly Member, Alun Davies, Minister for Natural Resources and Food had visited the site on the September, 2013 to meet the residents. Funding issues had been discussed and Taylor Wimpey had agreed to provide a third of the required funding, Finance Officers had confirmed a further third would be made available from Denbighshire and discussions regarding the remaining third were continuing with Welsh Government. Members were informed that sand bags had been placed in situ prior to construction of a bund which was currently at the design stage.

1 APOLOGIES

No apologies received.

2 DECLARATION OF INTERESTS

No Members declared any personal or prejudicial interests in any business identified to be considered at the meeting.

3 URGENT MATTERS

No items were raised which in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act, 1972.

4 MINUTES

The Minutes of the Cabinet meeting held on Tuesday, 30th July, 2013 were submitted.

Matters arising:-

5. Food Review Task and Finish Group – Councillor D.I. Smith confirmed that recommendations of the Group had now been implemented.

9. North Denbighshire Office Accommodation Review – Councillor B.A. Smith explained that it had been agreed that in the event of the Ty Nant Officers not being rented out a further report would be presented to Cabinet. Councillor H.C. Irving confirmed that the Ty Nant building would not be vacated until confirmation of further usage was received.

14. Corwen Flood Risk Management Scheme – Award of Contract – Councillor H.LI. Jones confirmed that the Scheme would commence on the 7th October, 2013.

RESOLVED: - that the Minutes of the meeting held on Tuesday, 30th July, 2013 be approved as a correct record and signed by the Leader.

5 FINANCE REPORT UPDATE

Councillor J. Thompson Hill presented the report, circulated previously, which provided an update on the Council's current financial position.

The report summarised the Council's revenue budget and savings for 2013/14, Appendix 1, the net budget being £192m. There had been a forecast under spend on service and corporate budgets of £501k at the end of August which represented a variance of 0.55%. School budgets forecast a positive movement on balances of £190k, £352k last month.

Appendix 2 detailed the progress to date against the savings highlighted in the Medium Term Financial Plan for 2013/13. A savings target of £3.061m had been agreed for the year and currently 54%, £1.666m, had been achieved.

It was explained that narrative supporting service forecasts would be necessary as summarised in the report:-

Communications, Marketing & Leisure - the current forecast had been to break-even but there were several volatile budgets dependent on meeting large income targets. Based on present figures all budgets were on target.

Customer & Education Support – There had been a projected under spend of £110k, £58k related to delays in the full implementation of the Customer Services restructure.

Business Transformation/ICT - the forecast had been the budget would be slightly under target by £1k. Any year end under spend from the service could be utilised to fund gaps in the next phase of the Council's ICT strategy, particular reference being made to the Microsoft Enterprise Agreement.

Highways & Environment Services – a forecast over spend of £194k with the majority relating to School Transport Service. This had been influenced by the number of school days in the 2013/14 financial year partly due to the timing of the Easter break. Pressure had been lessened following a review of reserves resulting in the release of £106k. This pressure had been reduced following a review of reserves resulting in the release of £106k, mainly the Yellow Bus Reserve of £101k which was now no longer required.

Adult & Business Services – the 2013/14 outturn was currently forecast to be a £45k under spent. The national requirement to protect social care budgets had resulted in additional funding within the year of £905k.

Children & Family Services – an under spend of £539k had been reported with £285k relating to staffing budgets, a £94k under spend on specialist placements, £61k identified for a fostering placement which was no longer required and £99k of the under spend rolled forward from 12/13 which had not yet been committed. Savings had been proposed for 2014/15 around some of these budgets and discussions were taking place with Leisure Services to consider future service delivery models to provide active programmes for Children with Disabilities (CWD). The service proposal had been that £250k of any under spend be set aside in a CWD Reserve for future use.

Schools - the projection for school balances had been £3.060m at the end of August, a positive movement of £190k on balances brought forward from 2012/13 of £2.870m. The outturn included protection of £775k provided as transitional financial assistance for schools affected by funding formula changes.

With regard to Corporate budgets there had been a forecast to generate an under spend of £350k. There were uncertainties around centrally held allocations for energy, pensions and other costs but the availability of £350k had been assumed, however, if financial contingencies were required the assumption would be reviewed.

Corporate Plan reserves of £10.3m had been carried forward into 2013/14, leaving a cash requirement of approximately £11.7m required to deliver the Plan. The 2013/14 budget specifically earmarked new budget resources of £600k to be allocated to the Corporate Plan Reserve and made assumptions that at least £1.3m of previously identified resources would be transferred to fund the Corporate Plan if circumstances allowed.

The Housing Revenue Account (HRA) budget had been included within Appendix 1, but these were separate funds only to be utilised in the provision of council housing services. The latest revenue position assumed a £5k increase in balances at year end, an improvement of £107k on the budgeted assumption. The Housing Capital Plan remained on target to spend £8.1m with the Welsh Housing Quality Standard

being achieved by the end of 2013/14. In response to a question from the Leader, Councillor Thompson-Hill detailed the changes to the Housing Revenue Account and explained that it had been assumed that the Housing Subsidy System in Wales would be abolished from April, 2014, and negotiations around a possible buy-out were currently on-going.

Details of the Capital Plan had been enclosed as Appendix 3. The approved general Capital Plan was £45.8m and expenditure to the end of August was £7.6m. The Plan had increase by £5m from last month as additional grants had been confirmed. Appendix 3 detailed the proposed expenditure of £6.8m on the Corporate Plan, and Appendix 4 provided an update of the major capital projects within the Capital Plan.

A synopsis of the Equality Impact Assessment had been submitted to Council in February, 2013 and details of the consultation process, potential risks and measures implemented to address them and the Chief Finance Officer Statement had been included in the report.

In reply to a request from the Leader, the HFA agreed that an update could be provided at the forthcoming Work Shop in respect of the funding requirement and commitment to meet the objectives and aims of the Corporate Plan.

Councillor D.I. Smith responded to questions from Members and explained that TAIH would, as part of a review of its structure, be jointly examining the provision of travel to schools and colleges across North Wales. Members agreed with the suggestion by the Chief Executive that further information be sought from TAIH, and an update report in respect of Post 16 transport provision be presented to the next Cabinet meeting.

RESOLVED - that:-

- (a) Cabinet receives the report and notes the progress against the agreed budget strategy, and*
- (b) an update report in respect of Post 16 transport provision be presented to the next Cabinet meeting.*

6 ANNUAL: PERFORMANCE REVIEW 2012/13

Councillor Barbara Smith presented the report, circulated previously, which provided Cabinet with the opportunity to scrutinise the Council's draft Annual Performance Review for 2012/13, Appendix I, prior to a final draft being presented to Council in October, 2013.

The Corporate Plan 2012-17 outlined the Council's strategic direction and priorities for the five-year period. The Authority's intentions to assist in the delivery of the priorities had been set out in Annual Service Plans and the Corporate Plan Annual Deliver Document. The Council also had a number of equality objectives within its Strategic Equality Plan, and a set of Outcome Agreements with the Welsh Government.

The Annual Performance Review provided a retrospective evaluation of the Authority's success in delivering against its commitments during 2012-13, and of whether it had successfully fulfilled its obligation to make arrangements to secure continuous improvement. Problems had been encountered in obtaining information due to the more sophisticated performance management system based on excellence thresholds rather than locally-set targets.

In reply to questions from Members the HBPP explained that information which had been unavailable, related mainly to the Residents Survey and had been noted as "tbc", would be incorporated in the report prior to its presentation to Full Council. He confirmed that the Council were obliged to publish the Annual Performance Review for their Regulators who would expect the Authority to provide a comprehensive and substantial amount of information in relation to its performance. Members were reminded that this was the first year of the Plan and next year's figures could be utilised for comparison purposes. It was explained that the colours provided in the report could be used for analysis purposes while the figures produced depicted trends. The HBPP highlighted the need to recognise the Council's position in terms of ambitions, targets and to reflect the absolute quality in relation to other Authorities and organisations. Councillor H.LI. Jones emphasised the importance of the inclusion of the development of rural areas and made reference to the indicators relating to Rural Denbighshire.

An Equality Impact Assessment (EqIA), Appendix 2, had been undertaken on the Corporate Plan and had been presented to Council when approved in October, 2012.

The performance information in the document had been provided by services and drawn from the Ffynnon performance management system. Consultation had taken place with the Senior Leadership Team (SLT) and the Performance Scrutiny Committee. The risk of any significantly negative reports from external regulators had been identified in the Corporate Risk Register. Failure to publish the Annual Review by the 31st October deadline would be likely to result in statutory recommendations from the Wales Audit Office, with significant implications for the reputation of the Council.

The Chief Executive explained that the Authority had raised its expectations and moved away from traditional targets and therefore an increase in red indicators could be expected. He confirmed that red indicators were not necessarily an indication that the Authority were under achieving but that the Council had set more challenging targets than previously and had become more aspirational. The importance of measuring excellence in comparison with the wider private sector public standard was emphasised if higher standards were to be achieved by the Authority. The Chief Executive acknowledge there were areas which required addressing, particular reference was made to the undertaking of Equality Assessments and provision of raised kerbs, and failure to address such issues was unacceptable.

The HLDS responded to concerns raised by a number of Members and explained that timescales did not permit for the inclusion of an update from Scrutiny in the report being presented to Cabinet. The Chief Executive suggested that the

concerns raised be reviewed and that the possibility of inviting the Chair, or a representative, of Scrutiny to provide an update at Cabinet be examined.

RESOLVED - that Cabinet agrees that the draft 2012/13 Annual Performance Review be submitted to County Council for approval.

7 SUPPORTED HOUSING PROTOCOL

Councillor Bobby Feeley presented the report, circulated previously, which set out a process to enable the Council to take fair and balanced decisions about the location of “supported housing”.

Councillors R.L. Feeley and H.C. Irving respectively introduced and provided a detailed summary of the report. It was explained that a decision had been required on the adoption of the protocol, Appendix 1. Members were informed that SH could provide schemes for a wide range of groups which included:-

- Frail older people
- People with medical conditions
- Young people not yet ready for independent living
- People fleeing domestic violence
- Those leaving institutions, including ex-offenders, and
- Those with alcohol and drug related issues

Details of bodies entitled to submit proposals for SH had been outlined in the report and included external bodies such as the Bail Accommodation and Support Service, Probation or BCUHB. Confirmation was provided that in all cases supported housing would be for local people. Members concurred with the views expressed by Councillor Feeley that the operation of the protocol and Panel be monitored and reviewed after a period of twelve months with the outcome of the review reported to Cabinet.

Finding suitable locations for SH could be highly contentious in local communities for a range of reasons. It could cause conflict, lead to distrust of the Council and to behaviours which were discriminatory, including against groups protected by the Equalities Act 2010. The need for suitable accommodation for local vulnerable individuals was emphasised together with the consequences of not meeting the needs.

The CDMW confirmed that there was currently no formal system for the Council to consider all perspectives and take a reasoned decision about a proposed location. The protocol, Appendix 1 had been developed by officers in conjunction with the two relevant Lead Members, representatives of the political groups and the Homelessness Champion. A similar protocol developed in Wigan had been utilised but had been based on the experience of Denbighshire officers and Members over a number of years and through both straightforward and highly contentious proposals.

The protocol set out a carefully considered approach to making decisions about the proposed location of supported housing. Key features included:-

- defining what information would be shared with whom and at what stage.
- a structured approach to collating information about a particular site proposed and its strengths and weaknesses.
- a structured approach identifying any planning issues at an early stage.
- clear approach identifying the potential “sensitivity” of a potential scheme in the interests of ensuring fair and considered treatment for all involved.
- recommended approaches for sharing information about schemes with those most affected.
- the establishment of a “Supported Housing Panel”, reporting to Cabinet, which would make recommendations on a proposed location having considered all information and perspectives.

Details of costs, the consultation process undertaken and the risks and measures implemented to address them had been included in the report. A copy of the Equality Impact Assessment had been included as an Appendix to the report.

Members concurred with the views expressed by Councillor Feeley that the operation of the protocol and Panel be monitored and reviewed after a period of twelve months with the outcome of the review reported to Cabinet.

Councillor J. Butterfield explained that the Rhyl Member Area Group (RMAG) had considered and opposed the scheme, expressing the view that the Rhyl residents and Elected Members had limited involvement in the formation of the scheme and its eventual implementation. She explained that the West End of Rhyl already had an excessive number of housing schemes which included a large number of houses of multiple occupancy. Councillor Butterfield acknowledged the requirement for the provision of housing for people with special needs. However, emphasised the need for an audit be conducted to establish the number and location of supported housing schemes which currently exist in Denbighshire, prior to any decision being taken regarding the adoption of the protocol.

Councillor D. Simmons endorsed the views expressed by Councillor Butterfield and highlighted the importance of the inclusion of Social Registered Landlords on the Register. The Chief Executive agreed that the issue of placements within the private sector was a matter which could be examined.

The CDMW provided confirmation that issues raised by the RMAG had been reflected in the consultation section of the report. She explained that Elected Members on the Working Group had expressed the view that adopting a protocol which clarified the process of looking at locating schemes would be a significant improvement on the current situation where there were no guidelines. Following discussion with the RMAG a two stage early consultation process with Local Ward Members had now been implemented, together with, a cross County Panel of Elected Members who would examine proposals objectively, consistently and endeavour to locate sensitive developments equitably across the County.

In response to questions from Members, the HLDS provided a summary of the Terms of Reference of the Panel, included as Appendix 4 to the Protocol. The Leader expressed concern regarding the present position and explained that the

adoption of the Protocol would provide clarity, guidance and parity with regard to the consideration of future schemes within the County. Cabinet Members supported the views expressed by the Leader regarding the need for the implementation of a Protocol, and that an audit of the number and location of supported housing schemes which currently exist in Denbighshire be conducted.

The Chief Executive explained that the issue of the provision of supported housing was likely to become more prevalent, and Members were informed of instances which had occurred which were unacceptable and had resulted in local and inappropriate campaigning. He explained that a lack of Protocol had created problems and emphasised the importance of the introducing a Protocol to ensure a more transparent approach and provide the opportunity for scrutinisation and challenge. The Chief Executive fully supported the introduction of a Protocol and Panel which could be monitored and reviewed after a period of twelve months with the outcome of the review reported to Cabinet.

In response to a question from Councillor Butterfield, the CDMW explained that the establishment of a protocol to monitor Social Landlords would be need to be undertaken within a separate initiative.

During the ensuing discussion the HLDS summarised the views expressed by Members during the discussion and it was:-

RESOLVED - *that Cabinet agrees:-*

- (a) the adoption of the protocol attached as Appendix 1.*
- (b) the operation of the protocol and Panel be monitored and reviewed after a period of twelve months with the outcome of the review reported to Cabinet, and*
- (c) an audit of the number and location of supported housing schemes which currently exist in Denbighshire be conducted.*

8 PROPOSED CORPORATE SAFEGUARDING POLICY AND PANEL

Councillor Bobby Feeley presented the report, circulated previously, on the proposal for the adoption of a Corporate Safeguarding Policy and the establishment of a joint member/officer Corporate Safeguarding Panel (CSP).

Councillor Feeley explained that Denbighshire's proactive approach to ensuring compliance with its safeguarding responsibilities had been outlined in the report. Despite a range of approaches Denbighshire could not be confident that robust safeguarding practice had been embedded across all the Council's functions. Details of the development of approaches adopted to maintain a corporate profile and overview for safeguarding issues had been provided in detail.

It was explained by the CDMW that the key responsibility to be discharged across a complex multi-functional organisation had never been clarified or separately resourced. Successive authoritative reports, which included the Waterhouse, Laming, Pembrokehire, had made it abundantly clear that challenges to the

resilience of safeguarding arrangements evolved in many different places, and safeguarding had to be “Everybody’s Business”.

Over the last ten years Denbighshire had developed several approaches to maintaining a corporate profile and an overview for safeguarding issues and these had been detailed in the report.

A draft Corporate Safeguarding Policy and Guidelines, based heavily on that recently adopted in Gwynedd following an Estyn Inspection and as the result of requirements set out by the Inspectorate, had been circulated with the report. The proposal submitted would provide a logical development to the work previously undertaken with the Corporate Accountabilities Framework and on the Corporate Safeguarding Action Plan. The aim of the policy and guidelines would be to establish a structured means for ensuring that safeguarding was an issue taken on by every service in the Council as well as all elected Members.

Key aspects of the policy and guidelines had been summarised in the report and the Appendices provided further detail relating to:-

- basic information about signs of abuse and referral pathways, which would link to child and adult protection procedures.
- a useful section on Code of Conduct and Safe Working practices.
- a section setting out the training support to be provided initially, which would need to be developed over a period of time.
- cross referencing with our Safe Recruitment (Human Resources) Policies.
- guidelines for Councillors on safe contact.
- dealing with allegations of professional abuse, including links with child and adult protection procedures.

The CDMW explained that the package would provide a credible approach to making a reality of safeguarding as a corporate concern, and would foster consistency of approach and accountability and be tailored to the issues facing particular services. The main cost implications would be threefold had been outlined in the report. It was confirmed that the adoption of the Policy and Panel arrangements could have positive implications, especially for older people and disabled people, and no negative implications had been identified.

Although guidelines were currently sparse, HR were undertaking work to produce a policy on social media use. The CDMW confirmed that the remit of the further work in this area would be incorporated in the remit of the CSP. Cabinet were informed that the WLGA had produced a guidance document on Elected Members use of social media which could be of assistance.

The Corporate Governance Committee had considered and expressed their support of the adoption of the Policy, guidance and Panel. However, they had raised some issues about the document’s internal consistency, which had subsequently been addressed. Members had made some specific suggestions about additions to the policy/items for the work programme, particularly relating to advice and good practice guidance on the use of technology/social media. These had been accepted and it was proposed that work on a single policy covering legal, HR and

safeguarding implications be taken forward. The suggestion that the Safeguarding Policy/guidance/Panel should be reviewed after 3 years had been accepted, and a formal review date had been added to the front of the Policy.

Members considered recommendation 3.3 of the report and agreed that safeguarding training be mandatory for all Elected Members within the first twelve months of appointment to office.

RESOLVED:- *that Cabinet agrees:-*

- (a) the adoption of the Corporate Safeguarding Policy.*
- (b) the establishment of a Corporate Safeguarding Panel with terms of reference as described in Appendix 8 to the report, and*
- (c) that safeguarding training be mandatory for all Elected Members within the first twelve months of appointment to office.*

9 NORTH EAST WALES SENSORY SUPPORT SERVICES

Councillor Eryl Williams presented the report, circulated previously, which detailed the formation of a North East Wales Sensory Support Service in partnership with Wrexham County Borough Council and Flintshire County Council.

The report outlined the progress made to bring into being the sub-regional sensory service and sought approval for the decision to move to a partnership delivery model. In response to a WG directive to increase collaboration and consortium working, the formation of a regional Sensory Service had identified as a priority by Inclusion Officers across North Wales. Sensory impairment services were small and highly specialised in many Authorities. Partnership working would enable greater resilience and efficiency through enhanced scale and enable service users to benefit through a greater range of specialist staff being available to support children and young people and their families and carers. Following exploratory meetings with the six North Wales Local Authorities (LA's), officers from Wrexham, Denbighshire and Flintshire had proceeded to scope a service to cover North East Wales.

A full business case, Appendix 1, had been developed by the three LA's and a Partnership Agreement, Appendix 2, had been created along with other associated documentation. A full service model for delivery had been developed to fit within the combined current budget allocated for sensory provision by the three LAs.

The Partnership Agreement outlined the financial arrangements between Flintshire, the host Authority, Wrexham and Denbighshire which identified the detail around provision and process. The Agreement indicated the shared financial responsibilities of all partners in relation to staff and assets should the Partnership be dissolved.

Consultation would take place with all service staff and their union representatives. Officers had liaised with Betsi Cadwallader University Health Board professionals and the voluntary sector regarding the proposed changes in service delivery. An Equalities Impact Assessment had been completed, Appendix 3. It had been

considered that the sub-regional development would provide positive benefits for children and young people with a sensory loss. The service model would result in a more efficient and effective service which could be delivered within the existing budget. The overarching risk had been identified as the inability to deliver the range of service required by children and young people, and future sustainability of service within the current model.

RESOLVED:- that Cabinet:-

(a) recognises the positive actions taken to enhance the service available to children and young people with a sensory loss across the Counties of Flintshire, Wrexham and Denbighshire, and

(b) approves the decision to move to a sub-regional service.

10 PROCUREMENT TRANSFORMATION UPDATE

Councillor Julian Thompson-Hill presented the report, circulated previously, which provided an update on various procurement initiatives that were being undertaken as part of a wider Procurement Transformation Programme, and sought Cabinet approval to proceed with three Procurement projects outlined in the report.

Councillor Thompson-Hill explained that Procurement had been perceived as the solution to a number of issues which had been identified in the report. Competing demands had been set against pressures such as a focus on reducing the 'back office' functions of organisations and a relatively small group of staff nationally. The proposals contained in the report were complementary and Appendix 6 identified how they would fit together. The report would provide guidance through the upcoming changes, and as to how the Council should react to them. Current key initiatives included:-

- The creation of a new National Procurement Service, to be implemented by November, 2013, would address the 20% of the common and repetitive spend across the Welsh public sector.
- The ending of the North Wales Procurement Partnership in June, 2013 and potential replacement by joining the Welsh Purchasing Consortium.
- Ensuring the Welsh Procurement Policy Statement launched by the Assembly Minister for Finance and Leader of the House be incorporated, in order to promote SME friendly Procurement as well as realising Community Benefits.
- Implementation and greater use of e-procurement solutions.
- Incorporating the procurement actions arising from Denbighshire's Economic and Community Ambition Strategy.

It had been anticipated that the Council's new Procurement Strategy would be finalised in October, 2013. In order to incorporate and reflect the new procurement initiatives the current Contract Procedure Rules had been reviewed and a draft set of CPR's would be distributed for consultation within Service Area and presented to Council for approval.

An Internal Audit Report on Procurement of Construction Services had highlighted that a number of improvements were required regarding the way construction

procurement was undertaken. The progression of the projects within the report would address many of the issues highlighted within the Internal Audit report.

Following the closure of the North Wales Procurement Partnership (NWPP) a letter of invitation had been received from the WPC Management Board, Appendix 1, in conjunction with the WLGA, inviting North Wales Councils to consider joining the WPC to create a Welsh Local Government Procurement Consortium involving all 22 Welsh Councils. The NWPP had over 5 years realised cashable efficiencies of £2.4m across the 6 North Wales Councils, highlighting the benefits of collaborative procurement. By joining the WPC Denbighshire would utilise a similar procurement solution on a national rather, however, the cost implications of joining as an individual Council would involve an annual membership subscription of £13,500 in comparison to £44,000 with the NWPP. Denbighshire would also undertake to lead on an agreed number of contracts. Cashable and non-cashable benefits arising from the WPC membership had been highlighted in Appendix 2. The option of joining the WPC was currently being considered across North Wales Councils. The WLGA were also considering bringing the WPC within its governance framework to enable it to become an all Wales Local Government Procurement Service.

The NWPP Management Board had commissioned CAPITA to produce a Business Case on North Wales Regional Procurement. Following consideration of the Business Case it had been decided not to progress any further on the basis of six Local Authorities. In order to progress Procurement Transformation on a sub-regional basis two new individual projects emerged out of the original Capita report. The two projects, as detailed in the report, were both subject to a joint application for funding from Welsh Government Regional Collaboration Fund, Appendix 5. Early indications had been encouraging that the bid would be successful on a reduced basis.

The Denbighshire Strategic Procurement Manager had been undertaking a part-time management role in overseeing and developing the Corporate Procurement Unit in Flintshire. This highlighted the benefits that could be derived from the creation of a merged joint Strategic procurement Unit. The benefits had been outlined in Appendix 4, and a detailed final Business Case would be presented to Cabinet in October, 2013.

Denbighshire, Flintshire and Gwynedd had established a new project to develop both outline and detailed Business Cases on the basis of a 'Three County Procurement Service, based around joint Category Management which had been defined in Appendix 3. The initial output from the project would include developing outline and final Business Cases by December 2013 and April 2014 respectively.

The possible implications on officers of the implementation of the project had been outlined. Data gathering had identified the procurement roles, responsibilities of staff and to what extent this would transpose to a Full Time Equivalent (FTE) Assessment. Details pertaining to the Corporate Priorities, cost and effect on other services, Consultations undertaken, Chief Finance Officer Statement and the risks and measures implemented to reduce them had been included in the report.

In response to concerns raised by Members it was explained that the procurement framework would not preclude from purchasing internally, provided this could be justified, and that successful contracts such as the lighting contract would not be adversely affected.

The HFA responded to issues raised by the Leader and explained that regional working would ensure dedicated specialists working on specific areas of work, and the development of a Business Case for the Three County Procurement Service, based upon a Category Management Structure Assist services within the Authority to collaborate with regard to procurement, would assist and address the objectives of local businesses.

RESOLVED:- that Cabinet approves:-

- (a) that Denbighshire becomes an official member of the Welsh Purchasing Consortium for the next 3 years up to 31st March, 2016, with an annual contribution fee of £13,500.*
- (b) the development of a Business Case for the creation of a joint service by merging the Strategic Procurement Units of Denbighshire and Flintshire County Councils, and*
- (c) the development of a Business Case for the Three County Procurement Service involving initially Denbighshire, Flintshire and Gwynedd County Councils based upon a Category Management Structure.*

11 VOLUNTEERING, APPRENTICESHIPS, WORK EXPERIENCE, GRADUATES AND INTERNSHIPS

Councillor Hugh Evans presented the report, circulated previously, which provided a summary of the work undertaken in Denbighshire in coordinating a number of work streams including volunteering, graduates, apprenticeships, work experience and internships (VGAWEI). It focused on a potential future programme of work to develop volunteering which would bring significant benefits to the organisation, and further advance its “bringing the Council closer to the community” priority and its regeneration priority.

Funding to support the development of VGAWEI had originally been allocated as part of the People and Places Board programme and details of resources and funding had been summarised. Investment had exceeded targets in most cases but funding had ended in September, 2013. The report proposed a continuation of the programme with a stronger emphasis on the development of volunteering. Significant outputs had been achieved as a result of investment in graduate trainees and details had been incorporated in the report, with a fuller account included in Appendix 2.

The cost of developing the opportunities had been relatively modest, £40k for 12 months’ staff costs and a £40k match fund. Most opportunities created had been supported via external funding with a high proportion of young people taking up the opportunities having been retained by the organisation, with others successfully gaining work elsewhere. Information available indicated that a high value had been

place on the opportunities by young people and managers and that the work had enhanced the Council's reputation in the community.

The development of volunteering had not advanced as quickly as that for employment opportunities. It had been considered that the development of volunteering would bring significant benefits to the organisation and these had been outlined in the report. From research carried out regarding volunteering within Denbighshire, Appendix 2, it had been apparent the organisation would benefit from a more strategic focus and sustainable coordination of volunteering opportunities. A Corporate Volunteer Strategy had been developed, Appendix 1, which outlined a consistent approach to the attraction, management and retention of volunteers. In addition services had agreed to fund an interactive Volunteer Management Information System (MIS) which provided a clear portal for all volunteer opportunities within the organisation. This system would allow for an effective approach to the management of volunteers and provide new opportunities.

CET had agreed to fund a post for 12 months from allocations for corporate priorities and the Spend to Save fund because of its potential to add value to all priorities. The purpose of the post had been outlined in Appendix 3 and summarised in the report. The sector leading approach to the management of volunteers would ensure a flow of talent to other traineeship opportunities. It was anticipated that as part of adopting the strategy and the implementation of the post the following outcomes would be achieved:-

- Increase of 200 volunteers in the first year with the total number of people volunteering reaching 2000 by 2016.
- 60 work experience placements.
- 5 traineeships and 5 graduate internships.
- 35-40 apprentices.

Denbighshire had a clear vision on how the investment and creation of opportunities such as volunteering and traineeships would contribute to the Corporate Priorities. A substantial amount of work had been achieved but could not be absorbed by other officers. Continued investment would be required to ensure work on the volunteering strategy and traineeships was further developed to achieve its full potential benefit.

An outline of how the programme would contribute to developing the local economy and provide benefits to the community in terms of had been summarised in the report, together with, its effect on other services which included costs relating to the Management Information System. Details pertaining to the Equality Impact Assessment, consultations carried out, Chief Finance Officer Statement and the risks and actions implemented to reduce them had been included in the report.

In response to a question from the Leader, who expressed his support for the strategy, the CDMW provided details of the consultation process and confirmed that discussions which had taken place with the DVSC regarding the strategy. She

explained that it had been considered that an internal system for the coordination and development of volunteers would be more beneficial across all services.

RESOLVED:- that Cabinet agrees the adoption of:-

- (a) the Corporate Volunteer Strategy, Appendix 1 to the report, and
- (b) the targets for the volunteering work programme and for the continued work to develop work experience placements, internships, graduate traineeships and apprentices as set out in paragraph 4.8 of the report.

12 TREASURY MANAGEMENT

Councillor Julian Thompson-Hill presented the report, circulated previously, on the Council's Treasury Management (TM) activities, investment and borrowing activity during 2012/13 and it provided an overview of the economic background for the year.

Councillor Thompson-Hill explained that it was a requirement of the CIPFA Code of Practice on Treasury Management for the Council to prepare an annual report on treasury activity for the previous financial year. Cabinet had been required to note the performance of the LA's TM function, and its compliance with treasury limits and Prudential Indicators during 2012/13 as reported in the Annual TM Report 2012/13.

The TM included the management of the Council's borrowing, investments and cash flow with approximately £0.5bn passing through the Council's bank accounts annually. The Council's outstanding borrowing was £133.26m, with an average annual interest rate charge of 5.77%. At any point during the year the Council would have between £20-£35m to invest which on average currently earned 0.80%.

It was confirmed that the Council had consulted with its treasury advisers Arlingclose Ltd. The governance of TM was scrutinised by the Corporate Governance Committee throughout the year and they had reviewed the Annual TM Report for 2012/13 prior to its submission to Cabinet. Councillor J.M. McLellan, Chair of the Corporate Governance Committee, confirmed that the Committee had endorsed the performance of the Council's Treasury Management function during 2012/13, and its compliance with the required Prudential Indicators as reported in the Annual TM Report 2012/13.

The HFA responded to a question from Councillor H.LI. Jones and provided an explanation as to why the Council were not permitted to undertake debt re-financing.

It was emphasised that TM was a vital part of the Council's work. It required a sound strategy and appropriate controls to safeguard the Council's money to ensure reasonable returns on investments and the effective and prudent management of debts. The HFA referred to the four main drivers of growth and explained that consumer confidence had initiated some of the growth in recent times. Good investment and borrowing decisions would allow for additional resources to be directed to other services. The impact of the HRA on the Council's

Revenue Budget was highlighted for Members and particular reference was made to Appendix B, compliance with prudential Indicators 2012/13:-

- Estimated and Actual Capital Expenditure.
- Estimated and Actual Ratio of Financing Costs to Net Revenue Stream.
- Capital Financing Requirement.
- Authorised Limit and Operational Boundary for External Debt.
- Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure.
- Maturity Structure of Fixed Rate borrowing.
- Total principal sums invested for periods longer than 364 days.
- Adoption of the CIPFA Treasury Management Code

The report summarised the purpose of the Annual TM Report which had been to:-

- present details of capital financing, borrowing, debt rescheduling and investment transactions in 2012/13.
- report on the risk implications of treasury decisions and transactions.
- confirm compliance with treasury limits and Prudential Indicators.

TM was inherently risky and the Council monitored and controlled potential risks as outlined in the report, however it was confirmed that it would be impossible to eliminate these risks completely. The TM strategy and procedures were audited annually and the latest internal audit review had been positive with no significant issues raised.

Reference was made to the discontinuation of the Housing Subsidy System in Wales. A buyout of the Subsidy System had been negotiated with the Treasury by Welsh Government, and the impact for Denbighshire would be a capital sum of £40m which would be borrowed on as specific date. The Chief Account explained that the buyout figure would represent a better deal than the Subsidy System.

Cabinet endorsed the views expressed by Councillor E.W. Williams that Denbighshire would be penalised for embarking on good working practice and agreed that the concerns raised regarding Prudential Borrowing in respect of the HRA be conveyed to Welsh Government.

RESOLVED - that Cabinet:-

- (a) notes the Annual Treasury Management Report for 2012/13, and
- (b) requests that the concerns raised regarding Prudential Borrowing in respect of the HRA be conveyed to Welsh Government.

13 SCRAP METAL DEALERS ACT 2013

Councillor David Smith presented the report, circulated previously, which detailed the provisions of the Scrap Metal Dealers Act 2013 and requested the approval of suggested delegated powers and fee setting for the Authority.

The HPPP explained that the Scrap Metal Dealers Act 2013 repealed the Scrap Metal Dealers Act 1964 and Part 1 of Vehicles (Crime) Act 2001 and brought forward a revised regulatory regime for the scrap metal dealing and vehicle dismantling industries, providing the Council with a strong legislative framework to empower the Council and Police in the fight against offenders who wilfully plunder the Country of metal, whilst also strengthening and supporting legitimate scrap metal dealers. The regulation of scrap metal dealers had been revised to address the major impact of metal theft on the economy, with the introduction of the Scrap Metal Dealers Act 2013.

The Act provided Local Authorities with the power to better regulate these industries by providing a power to refuse to grant a licence and revoke licences if a dealer was considered unsuitable. Unsuitability would be defined by a number of factors including any relevant criminal convictions. The Act would provide Local Authorities (LA's) and Police Officers with suitable powers of entry, inspection and to close down unauthorised sites.

The Act would create two different types of Scrap Metal Licence, either a "Site Licence" or a "Mobile Collectors Licence". Mobile Collectors would be required to have a licence in every LA area in which they operated. The Natural Resources Body for Wales would maintain a public register. Dealers currently registered under the Scrap Metal Dealers Act 1964, or a motor salvage operator already registered under the Vehicles (Crime) Act 2001, would be permitted to continue to operate legally, providing that they applied for a licence under the new Act by the 15th October, 2013. Existing Licences would be valid until a new licence was issued, and transitional arrangements had been implemented via a Commencement Order.

The HPPP explained that after the 1st October, 2013 applicants not registered under the Scrap Metal Dealers Act 1964 or the Vehicles (Crime) Act 2001 would be unable to trade legally until a licence had been issued. Full enforcement of the provisions in the 2013 Act would commence from the 1st December, 2013. Under the 1964 Act LA's had to register anyone notifying them that they were operating as a scrap metal dealer. Under the 2013 Act LA's would be able to refuse to grant a licence where the applicant was judged not to be unsuitable to operate as a scrap metal dealer. Guidance had been made available on assessing the suitability of applicants.

Where the Council considered it necessary to refuse to issue, vary or revoke a licence, the applicant or licensee would be afforded the opportunity to make oral representations. The Local Government Association (LGA) Guidance regarding the Act recommended that the LA Licensing Committee, as the appropriate body, should hear representations. Persons aggrieved by a decision can appeal to the Magistrate's Court.

The granting of uncontested applications, or in cases where there were no questions about the suitability of an applicant, could be delegated to Licensing Officers.

Other powers contained in the Act provide for:-

- Licences to be displayed
- Dealers to carry out identity checks on scrap metal providers
- Dealers to keep records of any scrap received or disposed of
- Prohibition of cash payments. Payment can only be made by non-transferable cheque or transfer of funds
- Local Authorities and Police to enter and inspect licensed premises
- Variation of or refusal to vary a licence
- Revocation of a licence
- Closure of sites through Closure Orders from a Magistrates Court
- Establishment of a Public Register, hosted by the Environment Agency and Natural Resources Wales, of all individual and businesses licensed as scrap metal dealers

To provide time for LA's to process applications the Home Office had implemented a transition process. The transitional arrangements would be implemented by a commencement order allowing Councils to set a licence fee for applications from the 1st September. It would also specify that the remaining sections in the Act commence on the 1st October, apart from the majority of criminal offences and enforcement-related provisions, which would commence on the 1st December. The exception would be the ban on cash payments for scrap metal which would come into force on the 1st October.

The 2013 Act created a fee raising power to allow LA's to recover costs incurred and Home Office Guidance had been provided. There would be a requirement for LA's to comply with the EU Services Directorate and the Provision of Services Regulations 2009. Fee charges could only reflect the actual cost of processing the licence application and checking compliance with the licence conditions and provisions of the Act. The LGA and Home Office guidance relating to the implementation of the Act and fee setting had been published in August following a significant delay.

The HLDS explained the legislative procedure with regard to the authorisation process and confirmed that the matter would be presented to County Council for approval. In reply to a question from the Leader, the HPPP outlined the consultation process undertaken and confirmed that local Scrap Metal Dealers would be consulted regarding the fee setting process.

The Head of Planning and Public Protection agreed to a request from Councillor D. Simmons to examine the legislation pertaining to the displaying of identity and authorisation badges by Scrap Metal Dealers.

RESOLVED:- that Cabinet approves:-

- the delegation of the powers under the Scrap Metal Dealers Act to the Head of Planning and Public Protection.*
- the delegation of the decision of the adoption of the fee level for Scrap Metal licences to the Head of Planning and Public Protection, with approval from the Lead Member, and*
- the Head of Planning and Public Protection examine the legislation pertaining to the displaying of identity badges by Scrap Metal Dealers.*

14 CABINET FORWARD WORK PROGRAMME

Councillor H.H. Evans presented the Cabinet Forward Work Programme, circulated with the papers for the meeting.

Cabinet agreed with a suggestion by Councillor D.I. Smith that, in view of Lead Member involvement in Scrutiny, the Forward Work Programmes for each of the Scrutiny Committees be included as an agenda item for future Cabinet meetings.

The Corporate Director: Economic and Community Ambition explained that Vibrant and Viable Places – Funding bid for Rhyl Town Centre Projects agenda item, scheduled for the 29th October, 2013, would now be deferred to a future meeting.

Members were informed that the Procurement item relating to the Business Case for the Combined Denbighshire and Flintshire Service would be submitted to the November, 2013 meeting, and the Outline Case for the Three County's would be submitted to the December, 2013 or January, 2014 meeting.

RESOLVED - that Cabinet receive the Forward Work Programme, subject to the agreed amendments.

PART II

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(s) of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 14 and 15 of Part 4 of Schedule 12A of the Local Government Act 1972.

15 CONTRACT AWARD FOR OUTSOURCING STORES (HOUSING)

Councillor Hugh Irving presented the report, circulated previously, which provided an overview of the reason to outsource stores and material supply chain, and to recommend a preferred contractor to provide the service going forward.

Councillor Irving provided a detailed summary of the report and explained that Housing Services had commissioned a review of the stores function which had been undertaken by Cirrus Purchasing, Appendix A, to assess the current position and make recommendations as to the preferred option which would offer best value for money for the service and its customers. The key themes which characterised the current in house stores and direct material supply service had been summarised in the report.

Based on the current and future operating environment and requirements there were 3 primary supply chain models, Options A, B & C, for the future supply chain solution.

- Option A – Modernise and Optimise the in house stores function.
- Option B - Contract with merchant to provide a main supplier model.
- Option C – Develop a network model trading with multiple local suppliers directly

As the costs and complexity of bringing the in house stores service up to top quartile performance would be disproportionate, it had been agreed to pursue option B as the preferred source for the provision of stores and materials. A formal tendering process had been undertaken which had resulted in 2 supplier bids being appraised by officers, operatives and the Chair of the Tenants Federation. Following a financial and qualitative appraisal, Appendix B, a preferred bidder had been identified and details of the bids had been summarised in the report. The tender had required suppliers to provide costs for a basket of materials and supplies, comprising 282 of the most purchased materials, which resulted in costs being less than existing stores provision.

The outsourcing proposal provided for a significant net benefit to the Housing Service and to the private sector more broadly. The loss of income to the Stores, Highways and Environmental Services had been estimated at £67k, equating to approximately 33% of income received by Stores. Savings achieved by Housing of £15,232 from no longer using Denbigh depots would be apportioned to other depot users which would mean the HRA achieved savings with on costs being spread over existing services. Highways and Environmental Services would also benefit from services using the Coms system with an overhead of 12.5% added when services procure sub-contractors and direct supplies via Coms. In 2012/13 the charge had equated to £23,861 for Housing, representing 19% of the total Coms overheads charged.

Details of the Equality Impact Assessment undertaken, the risks and steps implemented to reduce them, Chief Finance Officer Statement and consultation process had been included in the report. Confirmation was provided that, as part of the consultation exercise, tenants had been involved in the selection of the preferred contractor.

In response to questions from Members, the Head of Housing and Community Development explained that the competitive prices quoted had been agreed for a period of six months and would be reviewed annually. He also provided details of staffing arrangements and the discussions undertaken with TUPE.

RESOLVED - that Cabinet approves the selection of Jewson as the preferred contractor to supply stores and materials to the Housing Service for a period of 3 years with an option to extend for a further year if required.

The meeting concluded at 13.15 p.m.