

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin on Tuesday, 6 June 2017 at 10.00 am.

PRESENT

Councillors Hugh Evans, Leader and Lead Member for Economy, Planning and Regulation; Bobby Feeley, Lead Member for Well-being and Independence; Huw Hilditch-Roberts, Lead Member for Children and Young People; Richard Mainon, Lead Member for Customer Services, Community Engagement and Digital; Tony Thomas, Lead Member for Housing, Environment Services and Public Realm, and Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets

Observers: Councillors Joan Butterfield, Martyn Holland, Huw Jones, Pat Jones, Barry Mellor, Glenn Swingler

ALSO PRESENT

Chief Executive (MM); Corporate Directors: Economy and Public Realm (RM) and Communities (NS); Heads of Service: Legal, HR and Democratic Services (GW), Finance/S.151 Officer (RW), Business Improvement and Modernisation (AS), Education and Children's Services (KE); Principal Education Support Manager (GD); Programme Manager (JC); Framework Manager (TS); Strategic Planning Team Manager (NK) and Committee Administrator (KEJ)

POINTS OF NOTICE

The Leader –

- welcomed everyone to the first Cabinet meeting of the new Council and reported that the meeting would be webcast
- advised that one minute's silence would be observed at 11.00 a.m. in remembrance of the victims of the events in London, and
- the six Cabinet members present were introduced and details given as to their portfolios. It was explained that the two remaining Cabinet seats had been offered to the Plaid Cymru Group but those appointments needed to be ratified by their National Executive. In the interim the Leader and Councillor Julian Thompson-Hill would lead on the two remaining portfolios Highways and Sustainable Travel and Corporate Standards respectively.

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

No declarations of interest had been raised.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 28 March 2017 were submitted.

***RESOLVED** that the minutes of the meeting held on 28 March 2017 be approved as a correct record and signed by the Leader.*

5 PROPOSED NEW 3 - 16 CATHOLIC SCHOOL IN RHYL

Councillor Huw Hilditch-Roberts presented the report on the findings of the formal consultation on the proposal and sought approval of the publication of a statutory notice to close St. Mary's Catholic Primary School (Ysgol Mair) and Blessed Edward Jones Catholic High School on 31 August 2019 and for the Diocese of Wrexham to establish a new 3 – 16 Catholic School on the existing site from 1 September 2019.

Councillor Hilditch-Roberts introduced the Right Reverend Peter Brignall, Bishop of Wrexham and thanked him for his support within the process. Details of the formal consultation undertaken by the Council in partnership with the Diocese of Wrexham had been included in the report and Councillor Hilditch-Roberts was pleased to report on the positive reaction from all sectors with an overwhelming response in favour of the proposal. He also took the opportunity to highlight the benefits of the proposal in terms of the new model of curriculum delivery. Having considered the consultation findings it was recommended that Cabinet proceed with the next steps which included publication of a statutory notice based on the current proposal.

At the Leader's invitation the Right Reverend Peter Brignall addressed Cabinet and expressed support for the proposal on behalf of the Diocese of Wrexham. He commended the proposal to Cabinet as an exciting project highlighting the opportunities that the new school would provide for those wishing for a faith based education within the area and he looked forward to its progression.

The Leader welcomed the report which demonstrated the Council's continued commitment to invest in education within the county and he paid tribute to the hard work involved in developing the proposal to date. Cabinet echoed those sentiments and was pleased to support progression of the proposal to the next stage. It was noted that the current budget estimate for the project was £23.8m and there was a small element of risk given that the Council had to provide initial funds to develop the business case before Welsh Government would commit to its funding share.

Further discussion focused on the following –

- clarification was sought regarding the merits of the new 3 – 16 model as a positive offer. Officers referred to the whole ethos and spirit of faith education around nurture and inclusion and advised that education for all learners could be configured so that the curriculum could be delivered appropriately in terms of

age requirements whilst the values of the school continued right through so that the transition between primary and secondary provision was seamless. There would be one leadership team managing curriculum and operational delivery of the school which was conducive to the spirit of the new curriculum. The new model would also support quality delivery of teaching and learning and enhance opportunities and in-house training. A 3 – 18 model operated successfully at St. Brigid's, Denbigh and the 3 – 16 model operated successfully in other areas

- whilst the outcome of the Well-being Impact Assessment was positive, it had focused primarily on the physical environment in terms of resilience with less emphasis on individuals in the community and within the school. Officers advised that the model itself would strengthen resilience by supporting skills development and qualification attainment which would leave pupils far better equipped given the environment which was being created. Councillor Hilditch-Roberts confirmed that future Well-being Impact Assessments would include more detail about the impact on people as well as the physical environment.

Councillor Joan Butterfield also welcomed the project which she felt was integral to the regeneration of Rhyl and thanked all those involved for their commitment and perseverance in progressing the proposal.

RESOLVED that Cabinet –

- notes the findings of the formal consultation for the closure of St. Mary's Catholic Primary School (Ysgol Mair) and Blessed Edward Jones Catholic High School and the opening of a new 3 – 16 Catholic School;*
- approves the publication of a statutory notice for Denbighshire County Council closing St. Mary's Catholic Primary School (Ysgol Mair) and Blessed Edward Jones Catholic High School on the 31st August 2019; and the Diocese of Wrexham to establish a new 3 – 16 Catholic School on the existing site from the 1st September 2019, and*
- confirms it has read, understood and taken account of the Well-being Impact Assessment as part of its consideration.*

6 RENEWAL OF NORTH WALES CONSTRUCTION FRAMEWORK

Councillor Julian Thompson-Hill presented the report seeking approval to commence procurement of the second phase of the North Wales Construction Framework (NWCF) to be effective following expiry of the first phase in May 2018. A further report would be presented to Cabinet on the outcome of that procurement exercise.

The NWCF was a partnership between the six North Wales councils, of which Denbighshire had the lead role, and provided a streamlined and cost effective mechanism to secure contractors to build new schools and other public buildings. There were currently six contractors on the NWCF with twenty projects being progressed across the region with a value in excess of £200m. Details of Denbighshire projects had been included within the report together with community benefits secured under the NWCF with investment in local skills and the economy.

It was noted that 80% of the supply chain spending came from within a 30 mile radius of projects. Reference was made to the existing NWCF arrangements and how to build on that success in terms of benefits and savings for the second phase.

Key changes to the new framework included –

- reduction of the financial thresholds for contracts which would increase the number of local contractors on the framework
- maximising delivery of community benefits such as training requirements and developing local supply chains, and
- introducing a framework charging fee to reduce the cost of the framework to the local authorities, whereby contractors would be charged a fee per project won

Due to the increase in work involved it was proposed to expand the current team slightly and provision in the budget had already been made. Finally reference was made to the Well-being Impact Assessment with a positive impact on all areas and a good sustainability rating.

Cabinet noted the success of the framework and commended the Framework Management Team who had won national awards for their work in the construction industry. Members considered the approach to procure the second phase and discussed the following issues in more detail –

- most of the current contractors were not based locally and it was explained that the framework had initially been established to deal with large projects for which many local contractors did not have the capacity to deliver. However within the supply chain a significant amount had been carried out by local firms and much work had been carried out with local contractors to make it easier for them to be considered for contracts and develop local companies where gaps in the supply chain existed. It was also anticipated that a significant number of local contractors would qualify for the framework as a result of the proposed reduction in the financial thresholds for contracts in the second phase
- the current framework had been in operation since 2014 and the budget was considered adequate to manage the framework with no additional funding requested; the revenue allocated by the six local authorities was sufficient to cover the slightly enhanced Framework Management Team to assist with key changes. There would also be capacity in the Design and Development Team to assist and in the event of any shortfalls additional resources could be commissioned on an ad hoc basis
- when the framework was developed Welsh Government had concentrated on targeted recruitment and training and the framework had been set up to deliver those elements of community benefits. There was flexibility with the framework to deliver physical community benefits which had been delivered in some cases, when appropriate, depending on the specific project and needs of the region
- the proposed contract fee was discussed and it was suggested that the fee be charged at the end of the process for smaller companies in order to aid cash flow and ensure it was not a barrier to participation. The Lead Member agreed to take the matter into consideration as part of the detail for the charging fee which would be included in the final document submitted to Cabinet following the procurement exercise

- the framework had not been set up to generate income and the number of contracts was defined by the funding available, which had been predominantly from the 21st Century Schools Programme. In the event of income generation monies would likely be used initially to reimburse local authorities for their annual fee with any additional monies being subject to recommendations from the Framework Management Board back to local authorities. It would likely suggest investment in targeting the principles of the framework e.g. community benefits
- the partnership was subject to an inter-authority legal agreement which included a mechanism and liability clause for those wishing to withdraw
- officers confirmed that the framework was open to scrutiny to review, at any time, how the framework was operating or had done so in phase one.

RESOLVED that Cabinet –

- (a) *endorses the approach outlined within the report to procure the next generation North Wales Construction Framework, and*
- (b) *confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 2 to the report) as part of its consideration.*

At this juncture (10.50 a.m.) the meeting adjourned for a refreshment break.

7 CORPORATE PLAN PERFORMANCE REPORT QUARTER 4 - 2016/17

Councillor Julian Thompson-Hill presented the report updating members on the delivery of the Corporate Plan 2012 – 17 as at the end of quarter 4 of 2016/17.

The report included two main elements –

- Executive Summary – detailed achievements and key exceptions with good performance overall. Only one outcome had been assessed as Red: Priority for Improvement – Outcome 7 Students achieve their potential, which was an annual indicator (no new data this quarter) as previously reported and discussed. All other outcomes had been evaluated as acceptable or better, and
- Full quarterly report – provided an evidence based assessment of the current position focusing on key exceptions.

An explanation behind the status of particular indicators had been included within the report with key issues highlighted and elaborated upon further at the meeting. Most of the areas were annual indicators with little movement since the last quarter.

During consideration of the report members discussed the following –

- Outcome 7: Students achieve their potential – for clarity, the Head of Education and Children’s Services explained the background to the current position. In 2012 the Council had set itself an ambitious target to be the best performing Council in Wales for education attainment. Estyn measured performance according to the Council’s Free School Meal ranking of which Denbighshire was 14th, and Denbighshire’s level of success was in line with that. In April 2013 the

regional School Improvement Service, GwE, went live and the service was delegated to deliver on behalf of local authorities on a regional basis and resources were directed to those authorities most in need. As Denbighshire was performing well the approach meant improvement did not continue at the same rate, and although the Council was still achieving positively commensurate with Estyn's profile of the authority, it had not achieved its ambition. As there was now greater consistency across the region it was anticipated that Denbighshire's rate of improvement would increase. The Leader added that the Council's ambitions remained high and there was a need to ensure an improving trend. In terms of future challenges the Head of Service advised that KS2 pupils achieved well but there was a gap in the performance level from KS2 to KS4 and discussions would be held with GwE to ensure the right level of support in that regard. Councillor Hilditch-Roberts added that as there was now a greater consistency across the region there was a need to strive for a greater level of improvement and he was confident that the next report would reflect that aim. The Chief Executive advocated greater emphasis on the quality of education in schools rather than the quality of the support service and felt there may be merit in reviewing the target although it should remain ambitious

- Outcome 8: Improving our roads – the challenge of continually maintaining the quality of the county's roads was discussed and whether additional investment would be available for that purpose. It was noted that members would discuss the council's corporate priorities for investment at full Council in July
- Outcome 9: New Measure – the number of new placements of adults whom the authority supports in care homes (aged 65 and over). It was explained that this was a new measure with no figures as yet but its purpose was to identify future trends. However the overall trend was down because there were now many alternatives to care homes.

RESOLVED that Cabinet receives the report and notes the progress in delivering the Corporate Plan as at the end of quarter 4 of 2016/17.

8 FINANCE REPORT (2016/17 FINANCIAL OUTTURN)

Councillor Julian Thompson-Hill presented the report on the final revenue outturn position for 2016/17 and proposed treatment of reserves and balances. The first draft of the Annual Statement of Accounts for 2016/17 would be submitted to external auditors by 30 June and the audited accounts would be presented to the Corporate Governance Committee in September for formal approval.

Members were guided through the detail of the report and appendices. In brief the final outturn position on service and corporate budgets (including schools) was an overspend of £2.626m (1.4% of the net revenue budget). The main areas to note had been highlighted and included pressures on School Finances; Community Support Services; Education and Children's Service and Highways and Environmental Services and those issues were elaborated upon further at the meeting. In terms of schools it had been a difficult year due to higher than usual inflationary pressures and the outturn position included an overspend of £2.618m on delegated budgets – 26 schools were showing deficit balances and finance officers were working closely with them on financial recovery plans. Reference was

made to the transfers to and from earmarked reserves and a number of year-end transactions had also been recommended for approval. Given the overall position within services and the availability of corporate funds, it was proposed that services carry forward the net underspends listed as committed services balances to help deliver the 2017/18 budget strategy and meet existing commitments. It had generally been a good year for the authority although there was an underlying trend of overspend overall, and it was important to monitor the position in schools to ensure the situation did not worsen in the future.

The Leader felt it was important to better understand the pressures facing Community Support Services and the financial implications going forward as using reserves to contain the budget pressures was unsustainable. Councillor Bobby Feeley highlighted some of the financial pressures facing the service adding that pressures on social care was a universal issue. She agreed there would be some merit in discussing the issue with the Senior Leadership Team. The Head of Finance explained that the Medium Term Financial Plan did recognise the additional burdens on social care which would form part of the discussions during the next budget setting process. He confirmed that cash reserves were used in 2015/16 and 2016/17 and the final year end position allowed for the replenishment of some of those reserves. It was recognised that the use of cash reserves was not a long term solution.

RESOLVED that Cabinet –

- (a) notes the final revenue outturn position for 2016/17;
- (b) approves the proposed treatment of reserves and balances as described in the report and detailed in Appendices 1, 2 and 3, and
- (c) notes the details of transfers to and from Earmarked Reserves as set out in Appendix 4.

9 FINANCE REPORT (MAY - INCLUDING BUDGET SUMMARY BOOK 2017/18)

Councillor Julian Thompson-Hill presented the report detailing the latest financial position and service budgets for 2017/18 together with the Budget Summary Book 2017/18 (Appendix 1 to the report). He provided a summary of the Council's financial position as follows –

- the net revenue budget for 2017/18 was £189.252m (£185.062m in 2016/17)
- details of service efficiencies worth £0.902m which had already been agreed as part of the budget with the assumption that all would be delivered – any exceptions would be reported to Cabinet if required
- there being no variances to report at this stage in the financial year but a number of service pressures had been highlighted which required careful monitoring, and
- a general update on the Capital Plan, Housing Revenue Account and Housing Capital Plan.

Councillor Huw Jones queried the budget reduction shown against parking services which was predominantly the budgeted income expected to be raised from parking charges. The Head of Finance agreed to ascertain whether the amount included any other fees or elements which might account for the reduction and report back thereon.

RESOLVED that Cabinet notes the budgets set for 2017/18 and progress against the agreed strategy.

10 CABINET FORWARD WORK PROGRAMME

The Cabinet Forward Work Programme was presented for consideration and it was noted there may be a delay in submission of the 21st Century Schools Programme Band B Proposals scheduled for July.

RESOLVED that Cabinet's Forward Work Programme be noted.

The meeting concluded at 11.55 a.m.