

COUNTY COUNCIL

Minutes of a meeting of the County Council held in Council Chamber, County Hall, Ruthin LL15 1YN on Tuesday, 10 September 2019 at 10.00 am.

PRESENT

Councillors Mabon ap Gwynfor, Brian Blakeley, Joan Butterfield, Ellie Chard, Ann Davies, Gareth Davies, Meirick Davies (Chair), Hugh Evans, Bobby Feeley, Rachel Flynn, Tony Flynn, Huw Hilditch-Roberts, Hugh Irving, Alan James (Vice-Chair), Brian Jones, Tina Jones, Gwyneth Kensler, Geraint Lloyd-Williams, Richard Mainon, Christine Marston, Melvyn Mile, Bob Murray, Merfyn Parry, Paul Penlington, Arwel Roberts, Anton Sampson, Peter Scott, Glenn Swingler, Rhys Thomas, Julian Thompson-Hill, Graham Timms, Joe Welch, David Williams, Eryl Williams, Huw Williams and Mark Young

ALSO PRESENT

Chief Executive (JG), Head of Legal, HR & Democratic Services (GW), Head of Highways and Environmental Services (TW), Flood Risk Manager (WH), and Committee Administrator (SLW)

1 APOLOGIES

Apologies for absence were received from Councillors Jeanette Chamberlain-Jones, Peter Evans, Martyn Holland, Huw Jones, Pat Jones, Barry Mellor, Pete Prendergast, Andrew Thomas, Tony Thomas, Cheryl Williams and Emrys Wynne

2 DECLARATIONS OF INTEREST

Councillor Tony Flynn declared a personal interest in Item 6, East Rhyl Coastal Defence Scheme, as he owns 2 commercial properties and 3 residential properties in the centre of Rhyl.

3 URGENT MATTERS AS AGREED BY THE CHAIR

No urgent matters.

At this juncture, Members were informed a question would be put forward as follows:-

Councillor Mabon ap Gwynfor raised the following question:

“Three County Councils in Wales are planning to de-invest (divest) their pensions scheme from fossil fuel-related companies. As part of the Welsh and Council plans here to tackle climate change, what plans does the Cabinet have for the Clwyd Pension Scheme to de-invest from fossil fuel Companies”?

Response by the Lead Member for Finance, Performance and Strategic Assets, Councillor Julian Thompson-Hill:

“Denbighshire County Council as a standalone body would be too small to run our own pension scheme. As such, we are a member of the Clwyd Pension Fund which is made up of ourselves, Wrexham, Flintshire (who administers the scheme) and a number of other smaller Town & Community Councils together with a few other administrative bodies. As such, we are part of the Committee, however, we can influence the direction of the Committee.

We have a member on the Committee who oversees the pension fund, Councillor Huw Jones, who is unwell at the moment, but I know he plays a full and active role in that Committee.

The Clwyd Pension Fund has an investment strategy and that essentially says subject to the duty it has in order to ensure that current and future pensioner liabilities are actually met that they will make selective investments in environmental areas, things like clean technology and energy, environmental infrastructure, forestry and things along those lines.

The Policy is reviewed on a continuous basis and in the process of going through a review structure at the moment and the Funds Investment Consultants are considering how they can incorporate climate change risks within the revised strategy whilst achieving what it has to do in terms of duty to pensioners.

Currently, approximately 1.2% of the fund is invested in fossil fuels, which is a comparatively small element of the overall investments. It is not something we can directly control as it is not directly under our remit, but we will continue to influence that through the management structure in place.

They do attend Corporate Governance Committee on a semi-regular basis, so we can address through that process.

That is the legal position but the first call is to address the producer duty to meet our liabilities to current and future pensioners”.

4 CHAIRMAN'S DIARY

A list of civic engagements undertaken by the Chair and Vice-Chair for the period 6 June 2019 to 17 August 2019 had been circulated prior to the meeting.

RESOLVED that the list of civic engagements undertaken by the Chair and Vice-Chair be received.

5 MINUTES

The minutes of Full Council held on 2 July 2019 were submitted.

Matters Arising:

Page 8 (item 6 (i)) – Councillor Mabon ap Gwynfor expressed his disappointment that there was not more assistance available to small Community Councils.

Page 9 – (item 6 (ii)) – Councillor Glenn Swingler queried the update given on progress of the second band of the 21st Century Schools Programme.

Councillor Huw Hilditch-Roberts clarified the position that scoping was going ahead but had to be presented to various Committee prior to being presented at Full Council.

Page 10 – Notice of Motion – Councillor Graham Timms requested an update.

The Head of Legal, HR and Democratic Services confirmed that the membership of the Working Group had been agreed by the political groups. There was a potential date for the initial meeting of 19 September 2019 but he would contact all members on the Group prior to that date to confirm.

Councillor Brian Jones expressed his disappointment at the fact that one of the Members who had put forward the Notice of Motion had refused his seat on the Working Group.

Page 16 – (item 12) – the Head of Legal, HR and Democratic Services advised Full Council that unfortunately neither the Chair or Vice-Chair of the Corporate Governance Committee were available to present the report, and therefore, it would be deferred to the Full Council meeting taking place on 15 October 2019.

Page 17 – (item 14) Councillor Rhys Thomas raised the issue of the Implementation of Alternative Delivery Model (ADM) for various leisure related functions and activities being moved on the Forward Work Programme from the September meeting to the 15 October meeting.

The Head of Legal, HR and Democratic Services clarified that it was a sequencing issue and the item had to be presented at Cabinet first on 24 September and then to Full Council in October.

RESOLVED that, subject to the above, the minutes of Full Council held on 2 July 2019 be confirmed as a correct record and signed by the Chair.

6 EAST RHYL COASTAL DEFENCE SCHEME

The Lead Member for Waste, Transport and the Environment introduced the East Rhyl Coastal Defence Scheme report (previously circulated) to inform members about a proposed coastal defence scheme in East Rhyl, which would provide an appropriate standard of flood protection for around 1,650 properties.

It was stated that the likelihood of severe flooding was more acute at East Rhyl than any other location in Denbighshire. An investigation into the 2013 floods showed that properties could be flooded during a 1 in 20 year event.

The East Rhyl Coastal Defence Scheme was the Council's highest priority coastal defence scheme. The cost of the project was estimated at £27.5million.

The scheme was to be funded utilising the Local Government Borrowing Initiative model. The grant rate for coastal defence works was 75%, therefore, the project would be entirely funded by the Council, with 75% of the costs refunded by the Welsh Government (WG) over a 25 year period through the Revenue Support Grant. Due to the size of the scheme, the Council would probably have to borrow the majority of the funding, although there was £2m of general funding currently earmarked for the scheme.

WG would not consider requests for an increase in the grant where costs had increased above the grant approved sum. In order to achieve adequate cost certainty for the East Rhyl scheme, it was decided to procure the design and construction phases of the scheme using the Scape Public Sector Procurement Framework. In August 2016, a delivery agreement was made with the Framework Partner, Balfour Beatty. As a result of the early contractor involvement, there was confidence that the scheme could be carried through to completion within the current cost estimate.

The Scape Framework supported the use of local supply chains. This was controlled through a "Supply Chain Charter" and assessed against Key Performance Indicators (KPI's). For example, a minimum of 40% of the project expenditure should be within a 20 mile radius and 75% within a 40 mile radius. Balfour Beatty had engaged extensively with local sub-contractors and suppliers, only looking further afield when resources were not locally available or could not provide value for money.

The scheme had previously been considered and supported by the Corporate Executive Team, Strategic Investment Group and Cabinet together with public drop in sessions which had been held in October and November 2018.

The most significant risk associated with the project was that the terms of the WG loan would result in a long term revenue burden for the Council (25 years).

The proposed scheme involved the placement of 128,000 tonnes of rock armour in front of the existing sea defences as well as 600 metres of new sea defence wall and promenade. Three improved beach access points would also be provided. It was proposed that the construction would commence in April 2020 and be completed by December 2022.

In-depth discussions took place and the following points were raised:

- Concerns were raised regarding the length of the loan and possible increase in interest rates. It was confirmed that the interest rate on the borrowing would be fixed for the 25 year period.
- The risk of the project running over budget was raised. It was confirmed that a great deal of work had taken place with the contractor from the beginning of discussions of the project to attempt to alleviate an overspend but they would never be able to eliminate the financial risk. A Project Board was to

be set up to oversee the scheme and to monitor the spending. At this juncture, Councillor Joan Butterfield requested that Councillor Barry Mellor sit on the Project Board.

- Members expressed concern regarding the displaced water and it was confirmed that the scheme would not increase the risk of flooding in other areas of the coast.
- The question was raised as to whether sea defences were a statutory requirement. The Flood Risk Engineer clarified that in terms of the Council's statutory duty around coastal defence, Denbighshire County Council (DCC) were a Coast Protection Authority and had duties under the Coast Protection Act. The statutory function was as a coast protection authority but did not necessarily involve protecting properties. However, DCC took the opportunity to utilise the availability of funding for the defence scheme.
- Members queried whether work was to begin regarding other flood areas within Denbighshire. It was confirmed that a number of at risk areas were currently being reviewed and would be brought to Members attention in the future.
- Sand dunes as natural flood defences were raised. It was confirmed that sand dredging had been looked into as an alternative process but that was not always as successful. The Flood Risk Manager was a member of the Liverpool Bay Coastal Group and agreed to distribute minutes of the Group to all members.
- TAN15 (Technical Advice Note – development and Flood Risk) – WG consultation was to commence at the end of September 2019 and the Flood Risk Manager would ensure Members were kept informed.

The Leader, Councillor Hugh Evans, stated this would be a priority for the Council. He did express concern if the scheme were to go over budget as WG would not support the additional spend. Therefore, he requested an additional recommendation that as a council, it would not accept the WG's position that they would not provide extra financial support if the scheme were to go over budget.

The Leader also stated that it should be made clear the council were understanding the risk and commitment for 25 years.

The Leader moved that the following two recommendations be added to the report, seconded by Councillor Gwyneth Kensler:

- (i) Council confirms it understands the risks and the financial commitment involved in the project, and
- (ii) Council resolves to approach the Welsh Government for additional funding should costs overrun.

At this juncture, Councillor Joan Butterfield requested a recorded vote.

The Head of Legal, HR and Democratic Services stated that at least one sixth of the Members' present would have to be in agreement with the recorded vote. More than one sixth of those present stood in agreement to the recorded vote.

At this juncture (11.25 a.m.) there was a 25 minute break.

The meeting reconvened at 11.50 a.m.

The recorded vote took place as follows:

In favour of the recommendations – Councillors Mabon ap Gwynfor, Brian Blakeley, Joan Butterfield, Ellie Chard, Ann Davies, Gareth Davies, Meirick Lloyd Davies, Hugh Evans, Bobby Feeley, Tony Flynn, Rachel Flynn, Hugh Irving, Alan James, Brian Jones, Tina Jones, Gwyneth Kensler, Geraint Lloyd-Williams, Richard Mainon, Christine Marston, Melvyn Mile, Bob Murray, Paul Penlington, Arwel Roberts, Anton Sampson, Peter Scott, Glenn Swingler, Rhys Thomas, Julian Thompson-Hill, Graham Timms, David G. Williams, Eryl Williams, Huw Williams, and Mark Young.

Against the recommendations – None

Abstain – None

In favour – 33

Abstain – 0

Against – 0

Therefore, it was:

RESOLVED that:

- (i) Council confirms that it has considered the content of the Wellbeing Impact Assessment (attached at Appendix 1);*
- (ii) Council supports the proposal to progress the scheme to the construction phase, using the grant aid funding model set out by the Welsh Government;*
- (iii) Council delegates authority to a Coastal Defence Project Board to deliver the scheme, as long as the final costs does not exceed £27.5m. The project should be brought back to Council should the final target cost exceed £27.5m;*
- (iv) Council confirms it understands the risks and the financial commitment involved in the project; and*
- (v) Council resolves to approach the Welsh Government for additional funding should costs overrun.*

7 ANNUAL REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

Due to neither the Chair nor Vice-Chair being able to attend Full Council, it was agreed to defer the Corporate Governance Annual Report to the 15 October 2019 Council meeting.

RESOLVED that the Annual Report of the Corporate Governance Committee be deferred until 15 October 2019 meeting.

8 COUNTY COUNCIL FORWARD WORK PROGRAMME

The Head of Legal, HR and Democratic Services introduced the Council's Forward Work Programme together with the Council Briefing Forward Work Programme (previously circulated).

It was confirmed that a Special Council meeting would take place on 19 September 2019, for the appointment of the new Head of Finance.

15 October, 2019 – Corporate Governance Annual report to be added following being deferred at the meeting today.

RESOLVED that, subject to the above, the Council and Council Briefing Forward Work Programmes be approved and noted.

The meeting concluded at 12.05 p.m.