

## **CABINET**

Minutes of a meeting of the Cabinet held by video conference on Tuesday, 24 November 2020 at 10.00 am.

### **PRESENT**

Councillors Hugh Evans, Leader and Lead Member for the Economy and Corporate Governance; Bobby Feeley, Lead Member for Well-being and Independence; Huw Hilditch-Roberts, Lead Member for Education, Children's Services and Public Engagement; Brian Jones, Lead Member for Waste, Transport and the Environment; Richard Mainon, Lead Member for Corporate Services and Strategic Direction; Tony Thomas, Lead Member for Housing and Communities; Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets, and Mark Young, Lead Member for Planning, Public Protection and Safer Communities

**Observers:** Councillors Joan Butterfield, Meirick Davies, Alan James, Gwyneth Kensler, Peter Scott, Rhys Thomas and Emrys Wynne

### **ALSO PRESENT**

Chief Executive (JG); Corporate Directors Communities (NS) and Economy Public Realm (GB); Heads of Service: Legal, HR and Democratic Services (GW), Finance and Property (SG), Head of Community Support Services (PG), and Planning, Public Protection and Countryside Services (EJ); Strategic Planning and Housing Manager (AL); Lead Officer (Community Housing (GD); Business Information Team Manager (CB); Scrutiny Coordinator (RE); Business Coordinator: Leader's Office (SE), and Committee Administrator (KEJ) together with David Wilson (Audit Wales)

The Local Democracy Reporter was also in remote attendance to observe proceedings.

### **POINT OF NOTICE**

Due to the current restrictions on travel and requirement for social distancing as a result of the coronavirus pandemic the meeting was held remotely by video conference and was not open to the general public. All members had been given the opportunity to attend as observers and the Local Democracy Reporter had also been invited to observe.

#### **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 20 October 2020 were submitted.

**RESOLVED** that the minutes of the meeting held on 20 October 2020 be received and confirmed as a correct record.

## 5 FINAL GROWTH DEAL

Councillor Hugh Evans, Leader and Lead Member for Economy and Corporate Governance presented the report seeking Cabinet's endorsement of the key documents required to reach the Final Deal Agreement for the North Wales Growth Deal for submission to Council for formal approval.

The report included some background regarding previous approvals of all partners leading up to the current position. The North Wales Economic Ambition Board (NWEAB) were committed to achieving Final Deal Agreement with the UK and Welsh Governments by the end of 2020 and the relevant documentation was currently going through the democratic processes of each of the local authorities. Cabinet and Council, along with all partners, had been asked to approve the various documents which would enable the Final Growth Deal to be concluded.

The Leader reiterated the aim of the Growth Deal to build a more sustainable and resilient economy in North Wales in partnership with public and private sectors, supported by £240m funding from the UK and Welsh Governments over the next 15 years. The Growth Deal aimed to deliver investment of up to £1.1bn in the North Wales economy to create 3,400 – 4,200 new jobs and generate £2 – £2.4bn in net additional GVA by 2036. The Leader delivered a joint presentation with the Corporate Director: Economy and Public Realm; Head of Legal HR and Democratic Services and Head of Finance covering the following areas of the Growth Deal –

- the Growth Vision and Growth Deal Portfolio of investment together with direct benefits to the region including economic prosperity; creation of better quality jobs and a more skilled workforce, and improvements in living standards
- the portfolio of programmes which related to (1) Low Carbon Energy; (2) Digital; (3) Innovation in High Value Manufacturing; (4) Agrifood and Tourism, and (5) Land and Property together with programmes not directly funded but supported in relation to Skills and Employment and Transport
- illustrated the geographical spread of the fourteen projects identified with each project delivering widespread benefits across the region ensuring a step change
- elaborated on the specific projects identified in Denbighshire which related to (1) St. Asaph Business Park; (2) Former North Wales Hospital Site Denbigh; (3) Llysfasi Carbon Neutral Farm Project, and (4) Bodelwyddan Key Strategic Site
- detailed the legalities of the Final Growth Deal Agreement between the NWEAB and UK and Welsh Governments for delivery of the Deal which would be signed on the basis of the portfolio business case and five programme business cases
- highlighted the financial considerations including the cost of the programme and how it would be funded including partner contributions over the 15 year term together with the annual partner contributions and the methodology behind the calculations which for Denbighshire equated to a range of between £64k - £90k

- reported upon the Governance Agreement 2 to take the partnership into the implementation stage of the Growth Deal, continuing the governance model adopted in Governance Agreement 1 and defining the relationship between the Board and its partner organisations, the limits of delegation and accountability.

The detail of the Growth Deal had been widely scrutinised and had more recently been subject to a Members Workshop. Councillor Jeanette Chamberlain-Jones, Chair of Partnerships Scrutiny Committee had been unable to attend Cabinet and requested the Leader read out her statement on scrutiny's findings following consideration of the Growth Deal on 5 November. In brief the Scrutiny Committee –

- acknowledged that while projects would be located in various areas across the region they would all, to a greater or lesser extent, benefit the entire region
- agreed it was extremely important that the Deal moved forward to secure the funding to deliver the projects and realise the anticipated economic benefits
- had been assured that the Governance Agreement was sufficiently robust and had set out structures to protect all partners with transparent monitoring and scrutiny arrangements to maintain accountability of the Board's decision making
- had been supportive of the principles set out in the Scrutiny Protocol
- some concerns had been raised about the potential impact of Covid-19 and Brexit on projects and the area's future economic prosperity and resilience but it was recognised that the Board had already identified those risks and were monitoring them; it was felt that the Growth Deal could potentially provide some security and support against any negative impacts in that regard
- had been of the view that the Growth Deal provided an excellent opportunity for the region to realise its economic potential
- emphasised the need, once the Growth Deal Agreement had been approved, for the Board to link its work to that of other high profile programmes, such as the Northern Powerhouse, to maximise the benefit to the region.

On behalf of the Scrutiny Committee, Councillor Chamberlain-Jones recommended Cabinet support the Final Growth Deal and recommend the proposals within the documents for submission to Council for formal approval. The Leader thanked the Scrutiny Committee for their hard work in scrutinising and challenging the detail of the Growth Deal and for the assurance that could be taken from that work.

During the debate Cabinet members sought further clarification regarding various elements of the documentation and the Leader and officers responded as follows –

- confirmed that the current potential creation of Corporate Joint Committees (CJC) which were currently being consulted upon by the Welsh Government had been taken into account within the legal agreement – it specifically set out that if the law changed and CJsCs were created, the decision as to whether or not the existing model was transferred into a CJC was reserved to each of the six local authorities to determine individually
- advised that in the reform legislation there would be a power for two or more authorities to merge on a voluntary basis and if that were to happen then all of the legal obligations that each of those bodies had individually before they merged would fall to the obligations of the new body

- Councillor Mark Young queried whether the council would need to declare an interest in any land owned by them earmarked for development given that they would gain from any subsequent investment and he was assured that, as a partner body, the council would still be able to participate in discussions and there would be no need to declare any prejudicial interest on that basis
- there had been political commitment to the £240m government funding and discussions with both governments had been ongoing on matters of detail with no indication that the funding commitment would be withdrawn. However there was no legal commitment to providing those funds until the Deal was signed
- explained the funding calculations for partner contributions confirming that region wide projects were equally funded but for individual projects for which specific partners would receive greater benefit (building/asset etc.) they would be expected to pay for the borrowing requirement associated with that project
- acknowledged the difficulties of future proofing particular projects over the 15 year term of the Growth Deal, particularly in areas such as digital infrastructure, which had been identified as a risk. It was accepted that some flexibility would be required within the project and programme management with some adaptations to reflect changing circumstances which would be monitored over time, and Cabinet and Council would also have a role in that regard. However it was hoped that the projects would be future proofed so far as possible with a forward looking approach in terms of future requirements such as the green agenda and decarbonisation, new skills and jobs fit for the modern age.

Cabinet acknowledged the complex and lengthy process leading to the Final Agreement stage and paid tribute to the hard work of all those involved within that process and the development of robust arrangements going forward. Cabinet was satisfied that the clear information provided in terms of the portfolio of programmes and projects; financial considerations and affordability, and governance arrangements had demonstrated all those elements had been considered and addressed and assurance had also been taken from scrutiny's work in that regard. Councillor Thompson-Hill added that funding to cover the additional costs had been identified providing assurances that the financial element could be covered.

The Leader invited questions from non-Cabinet members and, together with the relevant officers, responded to the issues raised as follows –

- officers agreed to consider the points raised by Councillor Meirick Davies regarding how the information was presented for ease of use
- the expectation was for the digital programme to be delivered early on within the process and work would be carried out to develop capacity in the private sector which would be encouraged by the significant investment proposed in that area
- the environmental and ecology impact of specific projects would be considered as part of statutory processes around planning permissions and the proposals had also been aligned with well-being goals and suitable developments
- the procurement approach had been detailed in the overarching business plan with an emphasis on encouraging and supporting improved access to regional and local SMEs and given the aim to benefit the local economy, that concept had been built into the overall proposal to ensure local companies benefitted and helped to deliver that investment; with regard to post Brexit the existing

procurement regulations still applied and work would continue within those legal restrictions and parameters as applicable as and when the rules changed

- cycle lanes had not been included as a specific project within the bid but would be dealt with at a strategic level across the region within the transport programme and members were reminded there were other local funding streams available for local authorities to deliver local expectations of that nature.

**RESOLVED** that Cabinet –

- (a) *formally endorses and recommends that the Council approves the Overarching Business Plan as the document that sets out the arrangements to deliver the North Wales Growth Deal as the basis for entering into the Final Deal Agreement and acceptance of the Grant Funding Letter with the UK and Welsh Governments;*
- (b) *formally endorses the provisions in Governance Agreement 2 relating to executive functions, recommends that Council approves the provisions relating to non-executive functions, and that it specifically adopts the delegations and Terms of Reference in “Governance Agreement 2: Appendix 1” thereof as the basis for completing the Final Deal Agreement and acceptance of the Grant Funding Letter with the UK and Welsh Governments;*
- (c) *formally endorses and recommends that the Council authorise the accountable body, Gwynedd Council, to sign the Grant Funding Offer letter on behalf of the Partners;*
- (d) *formally endorses and recommends that the Council recommend approval of the method used to calculate the cost of borrowing notionally required to facilitate the negative cash flow for the Growth Deal, and to include a provision within the Council’s budget to pay this contribution and the established core and supplementary contributions as set out in Governance Agreement 2 (and in paragraphs 5.5 – 5.7 of the template report attached as part of Appendix 1);*
- (e) *that the Chief Executive in consultation with the Leader, Monitoring Officer and Section 151 Officer be granted delegated authority to agree minor changes to the documents with the Partners as necessary to complete the agreement, and*
- (f) *that Cabinet confirms that it has read, understood and taken account of the contents of the Denbighshire County Council Well-being Impact Assessment attached as Appendix 2 to the report as part of its consideration.*

**6 LLYS AWELON PHASE 2**

Councillor Bobby Feeley presented the report seeking approval to release the previously agreed £5m capital funding to contribute to the building of phase 2 Llys Awelon Extra Care Housing in partnership with Grwp Cynefin.

In 2010 the Council had jointly commissioned a 21 Unit Extra Care facility with Grwp Cynefin which adjoined Awelon Care Home. The Care Home and Canolfan Awelon had closed in 2020 in preparation for the second phase of the scheme consisting of 35 additional units. The existing lease for phase 1 of the development would be terminated and a new long term lease would be issued to Grwp Cynefin for the whole site. The development would be taking an environmentally sustainable approach with a view to achieving a BREEM Excellence rating. The project would generate savings in the community care budgets and details of the cost benefit of the £5m investment had been included as an appendix to the report.

Councillor Bobby Feeley explained the delay in progressing the project due to Covid-19 and was pleased to now be in a position to proceed with the development. Councillor Emrys Wynne asked that the reference within the Well-being Impact Assessment (WIA) to Welsh first language be removed given that Grwp Cynefin operated through the medium of Welsh and were fully bilingual. In response to that request and other comments the Lead Member and Head of Community Support Services agreed to change the Welsh Language reference in the WIA as requested; confirmed the food and mealtime arrangements for residents, and noted that whilst there were plans to relocate the clinic on Mount Road there was another larger surgery close by and the town had excellent health care facilities.

**RESOLVED** that Cabinet –

- (a) *confirms it has read, understood and taken account of the Well-being Impact Assessment (Appendix 2 to the report) as part of its consideration, and*
- (b) *approves the release of the previously agreed £5m capital funding to contribute to the building of phase 2 Llys Awelon Extra Care Housing.*

## **7 DRAFT HOUSING AND HOMELESSNESS STRATEGY**

Councillors Tony Thomas and Bobby Feeley presented the joint report and draft revised Housing and Homelessness Strategy for Cabinet's consideration prior to submission to full Council for approval.

The Housing Strategy was being reviewed and revised to form a new Housing and Homelessness Strategy for the county and would provide a clear statement of the council's vision and aims for the next five years. Ensuring everyone was supported to live in homes that met their needs was a key corporate priority and the revised Strategy would provide a framework for all relevant council functions to successfully address the priority. It was proposed to retain the 5 key themes within the current Housing Strategy with the addition of a separate theme 'Preventing and addressing Homelessness'. The draft Strategy included a new action plan structured around the 6 key themes and set out the actions required to deliver the desired outcomes.

Councillor Feeley welcomed the link made between housing and homelessness in the draft Strategy and the approach taken to future working; she also thanked the officers for their hard work in bringing the document together. The Leader also supported the approach taken and queried how that work would link with the Local Development Plan (LDP). Councillor Mark Young responded that the LDP sat

alongside the Strategy and they would inform each other. He also reported upon his attendance at meetings of the Strategic Housing and Homelessness Group and positive discussions in that regard. In terms of next steps data evidence would be considered by the Strategic Planning Group (SPG) early in the New Year which would help inform the housing allocations moving forward in the LDP. In terms of the draft Strategy the Strategic Planning and Housing Manager highlighted the significant consultation carried out which had informed that document. If approved by Council in December, delivery of the Strategy and action plan would be overseen and monitored by the Strategic Housing and Homelessness Group and regular reports would be submitted to scrutiny.

Councillor Meirick Davies felt that the Strategy should reflect the council's future aspirations such as increasing the current 10% stipulation for affordable housing. Officers confirmed that the action plan referred to increasing the supply of affordable homes and the current approach and thresholds in LDP policies would be reviewed as part of the emerging LDP work. The 10% requirement referred to market housing schemes but there was a range of ways which contributed to affordable housing with the majority of affordable housing delivered via registered social landlords and housing associations. The overall percentage of affordable homes delivered from houses built in 2019/20 was 57%. The requirement for affordable homes delivered on private sector housing schemes had to be based on viability and be taken into account alongside other criteria and planning gain such as ecology or education contributions. Councillor Mark Young reiterated the role of the SPG in scrutinising the relevant data in order to agree a deliverable figure for affordable housing in the private sector as part of the new LDP.

**RESOLVED** that Cabinet recommends the draft Housing and Homelessness Strategy to Council for approval.

[At this point (11.45 am) the meeting adjourned for a ten minute refreshment break]

## **8 DENBIGHSHIRE AND FLINTSHIRE JOINT ARCHIVE PROJECT**

[The Leader had to leave part way through this item and the Deputy Leader, Councillor Julian Thompson-Hill took the Chair for the remainder of the meeting.]

Councillor Tony Thomas presented the report seeking Cabinet's support for a proposed new purpose built Passivhaus Archive building in Mold to house the newly formed Denbighshire and Flintshire Joint Archive Service and associated grant funding and match funding requirements.

The joint archive service had been formed to enable both councils to meet their legislative responsibilities with regard to documents of historical importance and create a more sustainable and improved service. The joint service currently operated over two sites in Hawarden and Ruthin (Gaol). An NLHF Heritage Grant Horizons bid had been developed to fund a new purpose built building in Mold and an associated 3-year activity plan. The site had been selected from a site feasibility study conducted by an independent consultant. The report made the case for the new build; detailed the financial considerations, and proposals for Ruthin Gaol.

Councillor Thomas highlighted the council's statutory responsibilities to safeguard its historical items and the current difficulties faced in that regard given capacity issues, the state of the current facilities and the substantial investment required going forward. The proposals would still allow for an archive presence in Ruthin with remote access provision from all libraries which would strengthen the position and provide ease of access to all residents. There was also a commitment to improving the heritage offer at Ruthin Gaol (using the space vacated by the archive service) with a view to doubling the current 12000 visitors to the site. There had been positive indications regarding the bid to the NLHF Heritage Horizon Fund but no guarantee of final success. If successful a new purpose built facility could be delivered to house the joint archive service which would benefit all communities and a full commitment given to enhancing provision at the Gaol.

Cabinet debated the merits of the recommendations at length. There had initially been some reluctance and reservations regarding the proposals for the service when they were first put forward but they had largely been addressed and overall Cabinet was supportive of the recommendations, particularly having considered the challenges faced in terms of preservation and storage of historical documents and artefacts together with the detrimental impact on service provision and significant additional cost implications if the recommendations were not pursued. Whilst there had been some reluctance about losing the facility at Ruthin Gaol and moving outside of the county Cabinet also considered the sharing of services to be the right one in terms of sustainability and modernisation opportunities to ensure legislative duties were met and to preserve the local history and heritage of the area. It was also noted that the proposal would provide a wider access to information within Denbighshire through the library service together with a part time presence in Ruthin Gaol and greater access for schools which should encourage a wider audience. Cabinet was also pleased to note the planned enhancement and expansion of Ruthin Gaol as a consequence which would also benefit the county.

The Business Information and Team Manager responded to questions raised by Councillor Mark Young as follows –

- whilst resources had been concentrated on the bid application it was agreed that a contingency plan was required in the event the bid was unsuccessful and work in that regard would begin shortly
- the Business Improvement and Modernisation Service would be building a £65k reserve as a one off cost in line with the indicative costs provided in order to progress the proposed plans for expanding the heritage attraction at Ruthin Gaol. The Heritage Team were also looking to apply for some external funding to further enhance those offerings.

The Leader invited questions/comments from non-Cabinet members and during discussion Councillors Meirick Davies and Gwyneth Kensler expressed support for the proposals given it would preserve important documents and heritage for future generations. However Councillors Huw Hilditch-Roberts and Emrys Wynne, whilst accepting the reasoning behind the proposals, voiced concerns over Ruthin losing the archive service and sought clarification and reassurance on a number of issues in the report including plans for enhancing the heritage attraction at Ruthin Gaol, service provision for communities and the role of libraries, and the offer for schools.

In responding to those and other issues raised during the course of debate, the Lead Member and Business Information and Team Manager –

- acknowledged the importance of ensuring Denbighshire's Welsh Language Standards were maintained going forward within the joint service and provided assurances to members in that regard
- reiterated the benefits of a successful bid in terms of service provision and enhancements but in the event that the bid was unsuccessful the council would face major challenges in terms of maintaining service provision and the preservation of its historical records and would incur significant additional cost
- explained that Ruthin Gaol was not a suitable building to house the archive service with significant running/maintenance costs and operational inefficiencies and the proposals provided an opportunity to use the space vacated by the archive service to expand the heritage attraction and there were talks with the Natural Trust around the ongoing operation of the site as a tourist attraction
- advised that if the grant monies were secured Denbighshire would contribute 40% of the match funding component and Flintshire would contribute 60%
- referred to plans for an outreach provision at HM Berwyn Prison in Wrexham as part of an educational rehabilitation approach
- elaborated upon the feasibility study carried out of six potential sites (three in each county) to ascertain the best location for the new building which had identified Mold as the best option for the joint service going forward
- confirmed that work was required going forward to ensure a fair allocation of resource provision of the joint service across both counties including for schools
- provided assurances regarding the £65k reserve to fund the proposed developments at Ruthin Gaol with Cabinet having previously agreed that a reserve be established and built up by 2025 specifically for that purpose
- explained that permanent outreach provision of archive services utilising the library network was a key part of the joint service going forward and work was currently ongoing with libraries in both counties to ascertain the most appropriate service provision with a host of different offerings being considered
- noted that archives would be available digitally and the proposals also included a part time archive presence at Ruthin Gaol for users of the service
- acknowledged that whilst schools could benefit from a flexible and learning focused archive building there were challenges in terms of transport and some consideration was being given to providing outreach services to schools for which a joint service would provide better opportunities.

At the close of debate Councillor Wynne reiterated his concerns over the loss of the archive facility from Ruthin together with other uncertainties around the proposals.

**RESOLVED** that Cabinet –

- agrees to the Joint Archive Service submitting a bid to the next stage (Round 1) of the NLHF Heritage Horizon Fund;*
- notes the potential call on £2,034,521 of Council funds in order to deliver the new archive centre. This is subject to the bid being successful at the Round*

*1 stage of the NLHF grant application process and receipt of a form offer of funds, and*

- (c) *endorses the approach to Ruthin Gaol and the planned expansion of the heritage attraction, as outline in section 4.8 of the report.*

## **9 FINANCE REPORT**

Councillor Julian Thompson-Hill presented the report detailing the latest financial position and progress against the agreed budget strategy as outlined below –

- the net revenue budget for 2020/21 was £208.302m (£198.538m in 2019/20)
- an overspend of £5.492m was forecast for service and corporate budgets (the overspend did not assume receipt of further ‘income loss’ grants or claims)
- highlighted current risks and assumptions relating to individual service areas together with the financial impact of coronavirus and Leisure ADM budgets
- detailed required savings and efficiencies of £4.448m agreed including corporate savings relating to triennial actuarial review of Clwyd Pension Fund (£2m); 1% schools savings (£0.692m); service savings (£1.756m)
- provided a general update on the Capital Plan, Housing Revenue Account and Housing Capital Plan.

Councillor Thompson-Hill elaborated upon the latest financial position in detail, particularly with regard to the financial impact of Covid-19 including grant funding secured to date and the position on claims for the council. He also highlighted risks around Council Tax Yield and the Council Tax Reduction Scheme (CTRS). The Welsh Government (WG) had recently announced a small element of additional funding across Wales for the CTRS. The Head of Finance added that there was a projected reduction of 1.5% in the Council Tax Yield and the WG had agreed to look into the possibility of funding provision in that regard. The risks around social care budgets, school transport and waste services were also highlighted.

The following issues were raised during the ensuing debate –

- Councillor Brian Jones was keen to ensure that all were aware of the work of the council in maximising funding opportunities to reduce the projected overspend and mitigate the impact of Covid-19 on the authority’s finances. The Lead Member for Finance confirmed WG funding announced earlier in the year had included additional funding for loss of income for the remainder of the financial year. Most of the Quarter 1 claim had been met and the Quarter 2 claim was currently being evaluated. Claims would also be made for Quarters 3 and 4 at the appropriate time and the authority would continue to claim from any funding streams available to them in order to maximise income
- Councillor Mark Young was sympathetic to those facing financial difficulties and questioned the approach taken in the recovery of Council Tax. Assurances were provided that the council had a balanced view with a sensitive and flexible approach taking into account individual circumstances. Whilst little recovery action had been taken during the first six months the council was now engaging with residents and working with Citizens Advice Denbighshire to target help

- where needed but also to ensure recovery of arrears where appropriate. There was an expectation from Welsh Government to undertake that recovery work
- in response to questions from Councillor Meirick Davies it was confirmed that the old school sites in Clocaenog and Cyffylliog were owned by the council and future use of the sites were currently being considered in accordance with the council's disposals policy. With regard to Ysgol Llanbedr the basic principle of the land exchange had been agreed as part of the original proposal in order to deliver the new school and an update was provided on discussions for the future use of the former school site, again in line with the council's disposals policy.

***RESOLVED*** that Cabinet note the budgets set for 2020/21 and progress against the agreed budget strategy.

## **10 CABINET FORWARD WORK PROGRAMME**

The Cabinet forward work programme was presented for consideration and members noted the following amendments –

- Contract Procedure Rules – moved from December to February
- Final Budget Proposals 2021/22 – January
- Welsh Government Covid Homelessness Grant – to be confirmed

***RESOLVED*** that Cabinet's forward work programme be noted.

The meeting concluded at 13.00 hrs.