

CABINET

Minutes of a meeting of the Cabinet held by video conference on Tuesday, 15 December 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 Meirick Davies, Hugh Irving, Alan James, Arwel Roberts, Rhys Thomas, Graham Timms and Emrys Wynne

ALSO PRESENT

Chief Executive (JG); Corporate Directors: Communities (NS) and Economy and Public Realm (GB); Heads of Service: Legal, HR and Democratic Services (GW) and Finance and Property (SG); Framework Manager (TS); Community Benefits Manager (KB); Democratic Services Manager (SP); Scrutiny Coordinator (RE), and Committee Administrators (KEJ & SLW)

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

The following members declared a personal interest in agenda item 6 – Finance Report –

Councillor Meirick Davies – School Governor Ysgol Cefn Meiriadog

Councillor Arwel Roberts – Trustee Cylch Meithrin Ysgol Dewi Sant

3 URGENT MATTERS

Statements were made on the following –

- (i) The Corporate Director Communities reported upon the difficult decision to close primary schools early for face to face learning from 16 December with remote learning for pupils on 17 and 18 December. The decision had been made following discussions with the Lead Member for Education, Head of Education and in partnership with the county's primary schools. It was felt that making a decision for schools to remain open for the full week was untenable given the position in Wales and with other primary schools closing across North Wales. The Lead Member for Education also expressed his disappointment that Welsh Government had decided to close secondary schools in favour of remote learning from 14 December. At that time there had only been 5 recorded cases of Covid-19 in Denbighshire's schools with 98% of pupils in school as of 14 December which demonstrated the effective control measures within schools, with less control following the school closures and potential community impact.
- (ii) Councillor Julian Thompson-Hill referred to a briefing note emailed to members providing an update on the latest tranche of Welsh Government grant funding to support local businesses affected by Covid-19 administered by the council. The additional grants had been made available following further restrictions within the hospitality, tourism, leisure, retail and supply chain sectors from 4 December 2020. An overview of the two schemes had been provided with final guidance issued late the previous week. Staff had worked tirelessly to put the necessary arrangements in place to administer the schemes and tribute was paid to their hard work in that regard. Those businesses in the hospitality sector who were in receipt of the firebreak grants would have a payment processed that week with over 400 businesses receiving payments totalling over £1.4m.
- (iii) The Leader felt it was timely at the end of 2020 to reflect on the challenges faced by the authority over the last year. Main thoughts were with residents and their families who had suffered due to the Covid-19 virus across Denbighshire and the wider region. He thanked all staff for their work and commitment, many of who had gone above and beyond the call of duty, keeping day to day services running and protecting the vulnerable and supporting local businesses. Thanks were also extended to public service partners for their support and to members, with particular acknowledgement of the work of Group Leaders, in the operation of democratic processes. It was a relief to note that vaccines were being made available and the authority would play its part in rolling out the vaccination programme. In the meantime a bleak winter was being faced with the rolling average of people testing positive for the virus across Wales rising and the reality of long term lockdown after Christmas. In closing the Leader wished everyone safe and well and a peaceful and relaxing Christmas.

4 MINUTES

The minutes of the Cabinet meeting held on 24 November 2020 were submitted.

RESOLVED that the minutes of the meeting held on 24 November 2020 be received and confirmed as a correct record.

5 DCC COMMUNITY BENEFITS POLICY

Councillor Julian Thompson-Hill, Lead Member for Finance, Performance and Strategic Assets presented the report seeking Cabinet approval of the proposed Community Benefits Policy.

In June 2019 the Programme Board for Young People and Housing approved the creation of a Community Benefits Hub (CB Hub) to support and enable services to include community benefits in contracts at the earliest opportunity to increase value for council spend. A CB Hub Manager and Officer had been appointed earlier in the year and developed the policy which had been presented to all Member Area Groups and reviewed by Communities Scrutiny Committee who recommended the policy for approval. The policy would provide a framework for both internal and external stakeholders and work to support the CB Hub in monitoring the outcomes delivered from community benefits. The council spent approximately £116m annually so there was scope to make some significant benefits as a result. The community benefits referred to in this case were not financial benefits but in-kind benefits such as training and apprenticeships etc. Although S.106 agreements fell outside the remit of the policy the CB Hub had taken on a 'clearing house' role in that regard to ensure maximum community benefit was derived.

The CB Hub Manager provided some further background reiterating the significant council spend on third party goods, works and services and the potential to gain additional benefits in kind from that spend. The current policy stipulated contract spend above £1m should consider community benefits. The proposed policy reduced that threshold to works contracts of more than £100k and goods services contracts of more than £25k in order to open up a significant proportion of the council spend to attracting community benefits. However those thresholds would not apply automatically with a request and support approach to community benefits and engagement with procurement and commissioning teams in that regard. Adoption of the policy would demonstrate the council's commitment to community benefits, validate the council's approach to enable opportunities to secure available benefits and maximise the value of spend for residents, and embed community benefits into procurement processes. The policy would also complement the council's carbon zero ambition with potential for community benefits to contribute to carbon mitigation and reduction measures.

The Head of Legal, HR and Democratic Services and the CB Manager responded to members' questions as follows –

- in terms of apprenticeships there were a number of opportunities the council was pursuing through Working Denbighshire but the purpose of the CB policy was to consider the benefits that could be secured through procurement spend. However a number of placements had been secured through the community

benefits approach and the CB Hub was working closely with Working Denbighshire to maximise any potential opportunities in that regard

- clarified the role of the legal and planning departments with regard to S.106 agreements and explained that the CB Hub had taken on the role of monitoring and tracking the S.106 agreements to ensure they were properly delivered. It was confirmed that details of that work could be shared with members
- acknowledged the potential to expand the remit of the CB Hub but confirmed the current priority to ensure community benefits were embedded within the procurement process and considered at an early stage together with effective monitoring of those community benefits to ensure they were delivered
- assurances were provided that the CB Hub was working collaboratively with Community Support Teams in terms of wind farm and other community funding both to avoid duplication and ensure they were not working at crossed purposes
- provided an illustrative example of community benefits in practice involving small contracts for consultancy services, specifically in the delivery of social care, with consultants asked to commit a number of hours of remote care to offer to some of those community groups forming to access wind farm funding
- explained that the CB Hub was working with different departments to ascertain the most appropriate community benefits within the different communities which must also be relevant and aligned to the substantive part of the contract and be within reasonable expectation of what the contract would be able to provide and proportionate to the size of the contract.

Cabinet recognised the merits of the policy and the Chief Executive also voiced her support for the work which aligned with the council's aim of putting communities at the heart of its work. She also confirmed that the Senior Leadership Team had fully endorsed the policy and thanked the CB Hub for all their hard work in that regard.

RESOLVED that Cabinet –

- (a) *approves the Community Benefits Policy document, and*
- (b) *confirms that it has read, understood and taken account of the Well-being Impact Assessment attached as Appendix 2 to the report as part of its consideration.*

6 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 £2.476m was forecast for service and corporate budgets (the overspend included £2.7m paid for 'income loss' grant for Quarter 2)
- 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.

Cabinet was also asked to approve the use of grant allocations as recommended by the Strategic Investment Group relating to (1) Schools Maintenance Grant, (2) Recovery from February Floods (Highway Assets), and (3) Childcare Capital Grant and those elements were further elaborated upon at the meeting.

Councillor Thompson-Hill reported 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. The £2.475m forecasted overspend (£5.492m last month) included £2.7m paid in respect of the 'income loss' grant for Quarter 2 (full claim amounted to £3.233m.). Narrative had also been provided around service variances with movements from the previous month highlighted. Although corporate budgets currently showed a nil variance it was likely that all discretionary spend and contingencies would be released in order to help fund the position with risks still remaining around the Council Tax Yield and the Council Tax Reduction Scheme. Un-earmarked General Balances may also need to be reviewed as the impact of the pandemic continued to be felt.

The Lead Member and Head of Finance responded to questions as follows –

- the disallowed column in respect of claims submitted related to elements of the claim which Welsh Government (WG) had determined were not eligible and therefore would not be paid. On the expenditure side claims of £119,649 had been disallowed which related to elements WG did not consider to be additional expenditure and in some cases it was difficult for services to judge eligibility but the guidance provided by WG had become clearer over time and the council had become more adept at the claims process and practised open book accounting. Income loss claims disallowed amounting to £642,922 had mainly been attributed to initial claims for HRA losses and cross authority charges. HRA losses had been disallowed for regulatory reasons as they had to be treated the same as Registered Social Landlords and claims for income from other local authorities were no longer eligible following a regional agreement that those contract payments between authorities would be met. Consequently the total amount disallowed did not represent income lost that would not be regained but reflected a refining of the process for particular services
- the holding column in respect of the claims submitted related to those elements of the claim for which WG had requested additional information and evidence before determining whether or not the claim would be paid, and further information on the methodology used for calculating loss of income for car parking was used as an illustrative example. Work was ongoing with WG in that regard and there was confidence that most of the holding figure for Quarter 2 would be paid by year end. There was some concern regarding claims submitted in respect of elements such as planning fees where WG considered there to be a delay in funding and the same approach had been taken to Council Tax yield where money was still owed – that loss would not be crystallised until year end and bad debt provision. However WG had agreed to review the position on Council Tax in January and it was hoped by then to also have further clarity on some of the other holding elements to report back to

Cabinet. Given the scale of the claims on the income side no income had been assumed in the monitoring report which represented the worst case scenario and a reduction in the overspend was expected on payment of future claims in Quarters 3 and 4. As most income was dependent on the tourist element the loss of income and associated risk decreased over the winter months

- with regard to past references in the Rhyl Queen's Market Redevelopment project detailed within the report the Leader confirmed that the wording would be re-considered for future reports to reflect the most recent progress and position
- the list of schools building maintenance works in the report included all items put forward for grant funding. Given the finite amount of funding available officers had carried out a prioritisation exercise of the works required as the basis for allocation of that funding and the items with figures in the cost estimate column were the priority works proposed to be carried out. Those works not selected would be carried forward for consideration as part of future funding allocations
- recovery from February floods – in terms of the revenue element the council had not qualified for emergency response funding because it did not meet the £250k spend threshold with approximately £115k incurred in direct response. However the WG confirmed they would make capital funding available to be spent in the current financial year for damage caused and the council had submitted a list of schemes with estimates amounting to approximately £1.3m and indications were that a formal grant award for the full amount would be forthcoming
- in response to questions raised by Councillor Arwel Roberts with regard to Cylch Meithrin at Ysgol Dewi Sant, Councillor Huw Hilditch-Roberts provided assurances regarding the commitment to support the situation in Ysgol Dewi Sant and Welsh Language provision and confirmed the intended investment in the site – given the type of work required there was a longer timescale but supporting the Welsh Language remained a priority for the council.

RESOLVED that Cabinet –

- (a) note the budgets set for 2020/21 and progress against the agreed budget strategy;*
- (b) approve the recommended use of the Schools Maintenance Grant which has been awarded to the Council by the Welsh Government, as recommended by the Strategic Investment Group and as detailed in the report and Appendices 5, 6 and 7 to the report;*
- (c) approve the recommended use of the Welsh Government indicative grant allocation awarded to the Council for damage to highways assets as recommended by the Strategic Investment Group and as detailed in the report and Appendices 8, 9 and 10 to the report, and*
- (d) approve the recommended use of the Childcare Capital Grant which has been awarded to the Council by the Welsh Government, as recommended by the Strategic Investment Group and as detailed in the report and Appendices 11 and 12 to the report.*

7 CABINET FORWARD WORK PROGRAMME

The Cabinet forward work programme was presented for consideration and members noted that DCC's Climate and Ecological Change Strategy (2021/22 – 2029/30) had been rescheduled from January to February.

RESOLVED that Cabinet's forward work programme be noted.

EXCLUSION OF PRESS

RESOLVED that under Section 100A of the Local Government Act 1972, the Press be excluded from the meeting for the following item of business on the grounds that it would involve the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A of the Act.

8 ASBESTOS REMOVAL CONTRACT AWARD

Councillor Julian Thompson-Hill presented the confidential report seeking Cabinet approval to award a works contract to a licensed Asbestos Removal Contractor with immediate effect.

The current arrangements to facilitate asbestos removal in council properties via a collaborative framework was due to expire in December 2020 and Cabinet had agreed the detail and commencement of the procurement process for a works contract in October 2020. Details of the evaluation process of the tender submissions together with the scoring mechanisms had been included within the report together with the recommended contract award. It was also recommended that the decision to award the contract be implemented immediately to ensure there was no gap in emergency cover given that the current framework ended on 20 December 2020.

Cabinet considered the outcome of the procurement process together with the report recommendations and it was –

RESOLVED that Cabinet –

- (a) *agree to award the works contract to the recommended named contractor as detailed in the report who are a licensed Asbestos Removal Contractor and who submitted the highest scoring submission as shown detailed in Appendix 1 to the report, and*
- (b) *confirm that the decision be implemented immediately to prevent any delay in awarding the contract to ensure no gap in emergency cover when the current framework ends on 20 December 2020.*

The meeting concluded at 11.25 hrs.