

## **CABINET**

Minutes of a meeting of the Cabinet held in by video conference on Tuesday, 25 May 2021 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 Hughes, Alan James, Gwyneth Kensler, Melvyn Mile, Arwel Roberts, Graham Timms and Emrys Wynne

## **ALSO PRESENT**

Corporate Directors: Communities (NS) and Economy and Public Realm (GB); Heads of Service: Legal, HR and Democratic Services (GW), Finance and Property (SG), and Planning, Public Protection and Countryside Services (EJ); Public Protection, Regeneration and Economic Development Manager (GR); Lead Officer – Corporate Property and Housing Stock (DL); Principal Investment Delivery Officer (GF); Property Operations Manager (MC) and Committee Administrators (KE & KEJ)

### **1 APOLOGIES**

There were no apologies.

### **2 DECLARATION OF INTERESTS**

The following members declared a personal interest in agenda item 7 – Finance Report (2020/21 Financial Outturn) in so far as it related to school balances –

Councillor Joan Butterfield – School Governor Christ the Word Catholic School  
Councillor Meirick Davies – School Governor Ysgol Cefn Meiriadog  
Councillor Huw Hilditch-Roberts – School Governor Ysgol Pen Barras  
Councillor Emrys Wynne – School Governor Ysgol Brynhyfryd & Ysgol Borthyn  
Councillor Mark Young – School Governor Denbigh High School

Councillor Gwyneth Kensler declared a personal item in agenda item 3 – Urgent Matters: UK Government Levelling Up Funding Clwyd South Constituency because she was Chair of Cadwyn Clwyd Local Action Group who had previously provided funding for the Four Highways project in Llangollen.

### 3 URGENT MATTERS

The Leader confirmed the following matter requiring urgent attention –

#### **UK Government Levelling Up Funding – Clwyd South Constituency**

The urgency of the report was due to the tight timescales for submission of the bid to enable the Dee Valley to benefit from the significant funding opportunity.

The Leader presented the report (previously circulated as a supplement to the agenda) seeking Cabinet approval to delegate authority for the purposes of agreeing a bid for Levelling Up funding to be submitted to UK Government from Denbighshire County Council in partnership with Wrexham County Borough Council for the Clwyd South Constituency (following discussions with Dee Valley Members).

The purpose of the regeneration funding, which would be delivered through local authorities, was to invest in infrastructure projects. Bids were based on MP constituency areas of which Denbighshire had three: Vale of Clwyd, Clwyd West and Clwyd South. There was an initial deadline of 18 June 2021 to submit a bid although other deadlines would be published in due course. The current report related to Clwyd South with the largest part of the constituency in Wrexham County Borough Council (WCBC) and work had been ongoing to develop a joint bid, with WCBC keen to submit a bid by 18 June 2021. Due to the extremely challenging timescales delegated authority was sought to approve the final bid for submission. Bids for the Clwyd West and Vale of Clwyd constituencies would be submitted at a later deadline and a Council Briefing would be arranged to consider how best to maximise the funding opportunity and how members could engage in that process.

The Leader elaborated on discussions with Simon Baynes MP and ongoing work to develop the joint bid with WCBC and identifying potentially eligible projects within the Llangollen and Corwen areas. It was accepted that the process involved a new way of working with officers having to adapt their approach in order to maximise the benefits of the funding opportunity. The Corporate Director Economy and Public Realm provided an overview of the Levelling Up Funding and implications for Denbighshire, particularly given the constituency based approach and need to work with WCBC on a joint bid for Clwyd South and Conwy County Borough Council for Clwyd West. Each constituency area could bid up to a maximum of £20m capital funding and the amount of funding would be determined on a competitive basis against a scoring mechanism. Part of the process involved demonstrating that the bid had both local support and the support of the MP. £120k revenue funding had been allocated to each local authority to support the development of the bids. In terms of Clwyd South, WCBC had a long running project for the Trevor Basin and surrounding area which formed part of the World Heritage Site (WHS) and Denbighshire was starting to develop their proposals for the Dee Valley area with confidence that the deadline of 18 June 2021 could be met. The Public Protection, Regeneration and Economic Development Manager explained that the joint bid focused on the WHS and overarching project 'Pontcysyllte Aqueduct and Canal WHS and Dee Valley Corridor Tourism Regeneration Scheme' which included three projects (1) (entirely WCBC) Trevor Basin Masterplan, (2) (Llangollen) visitor

movement element within the eleven mile WHS, and (3) (Corwen) visitor movement and providing new entry points to the Dee Valley and WHS.

Dee Valley MAG had discussed the matter and the Leader sought the views of local members. All local members welcomed the huge opportunity for the area and were fully supportive of the recommendations. Councillor Graham Timms highlighted a number of potential projects identified, including the Four Great Highways Project, and Councillor Melvyn Mile referred to other projects which also had merit. Councillor Alan Hughes referred to projects under consideration for Corwen in order to make the area more attractive to visitors and boost tourism together with the potential redevelopment of the former pavilion site and upgrading transport links.

Cabinet welcomed the opportunity to bid for funding to invest in the county, particularly during the current financial climate, and was fully supportive of the recommendations to progress the bid. It was noted that the current report related to Clwyd South only and that there would be further opportunity to develop bids for the Vale of Clwyd and Clwyd West constituency areas. There was some disappointment regarding the tight timescales involved in the bid submission and assurance was sought that the submission of an earlier bid for Clwyd South would not prejudice subsequent bids for the other constituency areas and that there was sufficient capacity and resource to develop the project proposals and bids. Further comments and questions were raised regarding the success criteria and scoring mechanism for bid submissions together with the need for robust project management going forward, particularly for developing the Vale of Clwyd bid.

In response to Cabinet's questions and comments the Leader and officers –

- provided assurances in terms of parity of approach across all constituencies and local authorities and there was no indication that earlier bids would be treated more favourably or that later bids would be disadvantaged in any way. The UK Government guidance was clear that there would be a number of opportunities to submit bids. It was expected that a further opportunity would be available towards the end of the year and the intention was to submit bids for the Vale of Clwyd and Clwyd West at that time with both MPs supportive of that timeframe
- confirmed that, whilst it would be challenging, officers were confident that there was sufficient capacity to meet both current and future deadlines with existing staffing structures being adapted in order to respond appropriately to the new funding opportunities. The UK Government was also providing £120k revenue funding to each local authority to support the development of bids. The enthusiasm and commitment of officers involved within that process to deliver future investment within communities was also highlighted
- the bid submission to UK Government would be signed off by local authorities as applicant; in the case of Clwyd South it would be Denbighshire and Wrexham. The application process included clear requirements to demonstrate local engagement and support for the bid, including the support of the local MP
- UK Government had yet to release a formal criteria or scoring matrix for assessing bids but the criteria in the guidance on what bids should contain included deliverability of the projects within the timescale set, projects fitting strategically with local priorities, and ensuring value for money. UK Government

was also looking for a geographical split and thematic split for projects and there would be a prioritisation criteria which had not yet been made available

- future bid submissions for the Vale of Clwyd and Clwyd West would benefit from lessons learned developing the current projects/bid with staffing resources adapted in order to respond to that and future work. It was agreed there was a need to ensure appropriate resources were in place as part of both project management and project development and assurances were provided that both elements would be progressed and robust bid submissions would be made.

The Leader opened up the debate to non-Cabinet members and there was general support for the report and recommendations to progress the bid for Clwyd South and positive responses to the progression the two other constituency bids going forward. In response to questions the Leader and officers advised that –

- the Levelling Up funding would be a cash grant which would not need to be repaid. There would be elements of match funding required which may involve prudential borrowing but would mainly be from other grants and funding streams
- agreed that the timing had been opportune for WCBC given that they already had a regeneration masterplan for the area but projects had been identified in Llangollen and Corwen as highlighted by the local members and there was confidence those projects could be sufficiently developed to meet the deadline – Simon Baynes MP had also been very keen for the investment in Denbighshire
- elaborated upon the timescale of the bidding process with the initial UK Government funding announcement in March, and provided an overview of the discussions since then, with the MPs covering the constituency areas, work with WCBC as lead authority to develop the joint bid, meetings with officers across various services and with local members to identify potentially eligible projects within the Llangollen and Corwen areas
- in terms of future bids the priority would be to engage with local members through the Member Area Groups but there would also be engagement with local community groups and Town/Community/City Councils as appropriate
- any adaptation of existing services to develop the projects and funding bids would be an operational decision in responding to the new ways of working – if any additional funding or resource was required as part of that process it would be subject to the council's usual decision making processes
- with regard to the Clwyd South bid submission the total bid for WCBC was approximately £10m and for Denbighshire between £4/5m amounting to some £15m against a potential maximum bid of £20m for each constituency.

Following the lengthy debate on the merits of the report the Leader reiterated the significant potential investment for Denbighshire and he thanked members for their input and positive response to the report and recommendations.

***RESOLVED*** that Cabinet delegate authority to the Corporate Director: Economy and Public Realm and Head of Planning, Public Protection and Countryside Services in consultation with the Section 151 Officer, Head of Legal, HR and Democratic Services and the Leader, to agree a bid to be submitted to the UK Government from Denbighshire County Council in partnership with Wrexham County Borough Council for the Constituency of Clwyd South. This will be following discussions with local Dee Valley Members.

At this point (11.20 am) the meeting adjourned for a short break.

#### **4 MINUTES**

The minutes of the Cabinet meeting held on 27 April 2021 were submitted.

**Matters Arising** – Page 7, Item 6 Finance Report – Councillor Julian Thompson-Hill confirmed that he had responded directly to Councillor Meirick Davies regarding the issue he had raised relating to Ysgol Llanfair as referenced in the minutes.

**RESOLVED** that the minutes of the meeting held on 27 April 2021 be received and confirmed as a correct record.

#### **5 EXTERNAL ENVELOPING AND ENERGY EFFICIENCY FRAMEWORK FOR COUNCIL HOUSING**

Councillor Tony Thomas presented the report seeking Cabinet approval to tender the next housing improvement framework to procure services required to deliver major external repairs to the Council's housing stock and maintain the condition of the housing stock in line with the Welsh Housing Quality Standard.

Some background had been provided regarding the management of council housing stock and significant major repairs completed to achieve the Welsh Housing Quality Standard. The current programme of improvements ended in May 2021 and it was intended to proceed with the next planned capital programme during autumn 2021. Work would also include increased energy efficiency measures to ensure both corporate and Welsh Government targets were achieved where financially viable, and new ways of working had been trialled to deliver energy efficiency improvements and track improvements. A four year framework was proposed to deliver the improvements which allowed for standard external enveloping works together with retrofit energy measures should future grants allow. The cost of the framework was circa £10m dependent on the level of works required for each applicable lot. The planned expenditure was included within the Housing Stock Business Plan and current and future spending plans.

Cabinet welcomed the improvement works undertaken to the housing stock over recent years together with the impact of the Welsh Government (WG) Retrofit Grant funding to deliver energy efficiency improvements, and paid tribute to all those involved in that regard. Cabinet also welcomed the planned improvement works going forward and expectation for further retrofit funding from WG in order to deliver further energy efficiency schemes. Main areas of debate focused on the following –

- in response to questions from Councillor Mark Young officers confirmed that in terms of solar PV the main benefit was to the tenant. Once the longer term funding position was known work would be carried out to identify mechanisms to enable the council to receive a return on that energy provision; the setting up of an energy company via a cooperative was a future option to consider
- Councillor Brian Jones sought assurances that the housing team were keeping up with the latest energy efficiency developments, including the onset of

hydrogen technology, in order for the council to be best placed to benefit from any future opportunities. The Lead Member and officers provided assurances in that regard confirming regular dialogue with the Welsh Government and a watching briefing on various schemes although there was some conflicting advice regarding new technologies, and the matter would be kept under close review. In terms of hydrogen ready boilers, they would likely be available some time before the infrastructure to support them and much work would be required nationally before hydrogen boilers became mainstream in the housing stock. Councillor Jones was keen for the council to be proactive in forging links with those areas of industry at the forefront of such developments in the North West and North East Wales and to be involved at the earliest possible opportunity

- with regard to the risk of legal challenge identified in the report, officers confirmed that it was a standard risk with any procurement exercise and not specific to the housing improvement framework in particular.

**RESOLVED** that Cabinet approves the use of the External Enveloping and Energy Efficiency Framework for Council Housing to deliver the required improvements in line with the housing stock business plan.

## **6 REACTIVE MAINTENANCE FRAMEWORK FOR SCHOOLS AND NON-SCHOOLS PROPERTIES**

Councillor Julian Thompson-Hill presented the report seeking Cabinet approval to re-tender the Council's reactive maintenance framework for schools and non-schools properties. The previous framework had been tendered on a four year timescale and had reached the end of that term and needed to be re-tendered.

The Council's Property Maintenance Team provided a day to day reactive property repair service to both schools and non-schools. Contractors were chosen following a tendering exercise based on cost and quality and their area of expertise. Works were allocated to contractors by the property maintenance helpdesk who acted as the primary point of contact between building users and contractors. The current framework was due for re-tendering and was expected to be awarded on a two year contract with the option to extend on a 1 plus 1 basis, totalling a potential four year contract. The annual spend on repairs and maintenance was circa £2m per annum totalling £8m over the life of the framework. Works were broken down into six lots with the intention to allocate contractors to each lot in the framework with a suite of key performance indicators to ensure quality of work and value for money.

In response to questions the Lead Member and officers advised that –

- works up to £10k would be subject to a direct award to one of the contractors in the relevant lot who had already been through the screening process and had demonstrated quality and value for money through the monitoring process. Given the high volume of low value works a direct award provided an efficient means of ensuring those works were carried out in a timely manner, similarly with any urgent works required. However for those higher value works closer to £10k it was usual practice to undertake a mini competition within the framework
- Councillor Emrys Wynne raised concerns regarding the wording in the tender document (paragraph 2.1, and subsequent paragraph 8.1.1) as he considered it

related to inequality between the Welsh and English languages and he asked that the reference be removed. The Head of Legal, HR and Democratic Services explained that the reference had been included to safeguard the council against any inaccuracies by the external translators but understood the point made. He agreed to seek a review of the wording and take advice from the solicitors thereon.

**RESOLVED** that Cabinet approves the re-tendering of the Reactive Maintenance Framework for Schools and Non-Schools Properties to ensure the Council received best value from its maintenance contractors.

## **7 FINANCE REPORT (2020/21 FINANCIAL OUTTURN)**

Councillor Julian Thompson-Hill presented the report on the final revenue outturn position for 2020/21 and proposed treatment of reserves and balances.

Members were guided through the detail of the report and appendices. In brief the final outturn position on service and corporate budgets (including schools underspend of £7.058m) was an underspend of £9.457m. Details of the 2020/21 budget service savings and efficiencies required had been provided (£4.448m). The impact of coronavirus was highlighted and the significant grant funding received from Welsh Government – £19m had been received by the end of the financial year with the assumption that the final grant claims (£2.7m) would be paid in full. Other areas to note included an overall school balance to be carried forward of £5.670m (an increase of £7.058m on deficit balances brought forward into 2020/21 of £1.388m) with much of that funding to be used in 2021/22 to recover from the impact of Covid-19. Key elements of the underspend in corporate budgets (£1.874m) were highlighted which allowed services with commitments going into 2021/22 to put forward proposals to carry forward their underspend to cover those costs and also to increase the Budget Mitigation Reserve. 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 service balances to help deliver the 2021/22 budget strategy and meet existing commitments. Reference was also made to the transfers to and from Earmarked Reserves.

The Head of Finance added that the report had been brought forward earlier to achieve the 31 May close down date and for Cabinet to approve the treatment of reserves and balances prior to consideration of the Annual Performance Report at Governance and Audit Committee. He highlighted that, whilst the figures looked high, the two big movements related to school balances and capital schemes.

The following issues were raised during the ensuing debate –

- reference was made to the impact on school balances over the last year with most schools showing positive balances. Councillor Huw Hilditch-Roberts responded to questions regarding Christ the Word Catholic School and explained the reasoning behind the deficit balance, which was as expected given the new school had started with a zero balance and payments were made in arrears, and the subsequent impact of increased pupil numbers. Consequently there was no cause for concern with projections that the school

would show a positive balance of £584k by year 3. The system in place for assisting schools in financial difficulty was further explained including the production of financial recovery plans which had proved extremely effective. Further assurances were provided regarding the excellent communication with schools which enabled early identification of issues or potential issues of concern and for the council to work with schools to resolve them

- in response to a question from Councillor Bobby Feeley regarding future funding availability for businesses continuing to struggle financially, the Head of Finance confirmed that Welsh Government were in the process of finalising a new scheme targeted at businesses which would be administered via Planning and Public Protection Services and supported by the Revenues and Benefits Team.

Cabinet paid tribute to the work of finance officers in responding to the challenges faced during an extremely difficult year and in the general financial management which also gave members confidence that the council's finances were secure and effectively managed. The Leader also referred to the positive collaborative working between the Welsh Government and WLGA and regular meetings with the Minister for Local Government where there was recognition for the work carried out by local authorities and the challenges faced. It was hoped that positive relationship and dialogue would continue. Councillor Julian Thompson-Hill also highlighted the significant financial support provided from both UK and Welsh Governments, without which the council's financial position would have been very different.

**RESOLVED** that Cabinet –

- (a) notes the final revenue outturn position for 2020/21;
- (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.

## **8 CABINET FORWARD WORK PROGRAMME**

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

- Supporting Mental Health in the Workplace – June
- Act to Reduce Domestic Violence – June
- Replacement LDP Revised Delivery Agreement and Covid Impact Assessment – moved from June to July
- Replacement LDP – Report back on Preferred Strategy consultation – moved from June to July

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

The meeting concluded at 12.30 hrs.