

CABINET

Minutes of a meeting of the Cabinet held by video conference on Tuesday, 21 September 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; 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

Observer: Councillor Meirick Davies

ALSO PRESENT

Chief Executive (GB); Corporate Director: Communities (NS); Heads of Service: Legal, HR and Democratic Services (GW), Finance and Property (SG) and Community Support Services (PG); Chief Internal Auditor (LL); Lead Officer – Corporate Property and Housing Stock (DL); Housing Development Manager (MD) and Committee Administrators (KEJ & SLW [Webcaster])

POINT OF NOTICE - BEREAVEMENT

Cabinet had been saddened to hear the news that Edna Pomeroy had recently passed away and conveyed their deepest condolences to her family.

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 27 July 2021 were submitted.

Matters Arising –

Item 5 Llangollen 2020 Castle Street Improvement Scheme (page 9) – Councillor Brian Jones provided an update on the suggestion that the proposed new loading bay on Castle Street outside the town hall be a recessed construction. Despite best efforts it was found that following thorough technical investigations and discussions with stakeholders it would not be feasible for the loading bay to be further recessed given the detrimental impact on the tree located at the site and necessity to reset the utility services which would be cost prohibitive. However compromises had been made to the overall scheme where appropriate and Llangollen would benefit from the significant investment and improvements the project would bring.

Councillor Meirick Davies had queried whether reference to LIC (Llywodraeth Cymru) in the Welsh report should be changed to Senedd (page 11). The Head of Legal, HR and Democratic Services clarified the different roles of the Senedd and Welsh Government and agreed to check the appropriate context in the document.

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

5 STRATEGY FOR THE PREVENTION AND DETECTION OF FRAUD, CORRUPTION AND BRIBERY AND THE FRAUD RESPONSE PLAN

Councillor Julian Thompson-Hill presented the report seeking Cabinet endorsement of the revised Strategy for the Prevention and Detection of Fraud and associated Fraud Response Plan. The Strategy and Plan had been considered by Governance and Audit Committee on 28 July 2021 and recommended to Cabinet for adoption.

The Strategy and Plan formed part of the Council's counter fraud framework, a collection of interrelated policies and procedures including the Code of Conduct, Financial Regulations and Whistleblowing Policy. It included policies and procedures specifically targeted at countering fraud and corruption and provided a management tool to ensure progress and transparency with regard to counter-fraud activities. The importance of keeping up to date anti-fraud strategies and plans to ensure compliance with laws and regulations was highlighted. Whilst there was no requirement to submit the documents to Cabinet for approval it had been considered beneficial in order to further raise awareness of the issue.

Cabinet acknowledged the importance of the Strategy and Plan and was keen to hear more about plans to engage and raise awareness in that regard both internally and externally and how outcomes would be monitored and evaluated. The Lead Member and officers reported upon raising awareness through the Council's democratic processes and publication of the Strategy and Plan on the Council's website. If Cabinet was minded to approve the documents the Lead Member advised that he could arrange for them to be circulated to all members as appropriate. An e-learning module for staff was being developed with plans to extend that learning to members, specifically for the new Council following the elections in May 2022 in order to raise awareness at an early stage. For key strategic partners those arrangements were overseen as part of the internal audit work with a focus on counter fraud measures and there was also a partnership toolkit which required an annual self-assessment on aspects such as financial monitoring, governance and compliance; it was confirmed that Denbighshire

Leisure Limited would be aware of the arrangements in place. In terms of whistleblowing the policy had recently been reviewed and continued to be promoted to ensure concerns could be raised and dealt with appropriately. An annual report was submitted to Governance and Audit Committee to monitor operation of the whistleblowing policy and consider outcomes.

RESOLVED that Cabinet endorse the revised Strategy for the Prevention and Detection of Fraud, Corruption and Bribery and associated Fraud Response Plan and provide support to ensure that measures are embedded throughout the organisation.

6 ANNUAL TREASURY MANAGEMENT REPORT 2020/21

Councillor Julian Thompson-Hill presented the report updating members on the performance of the treasury management function and demonstrating compliance with treasury limits and Prudential Indicators during 2020/21.

In summarising the report Councillor Thompson-Hill highlighted the importance of treasury management and referred to the economic background and impact on treasury management activities. He highlighted the main points for members in terms of borrowing and investment activity and confirmed compliance with all prudential indicators set, guiding members through those indicators as detailed in Annex B confirming appropriate ratios of financing costs and borrowing levels within limits. It was noted that Governance and Audit Committee monitored the treasury management function and had accepted the report. The purpose of the report was to provide assurance in respect of the Council's treasury management activities.

During the ensuing debate the Head of Finance responded to questions regarding the treasury management function going forward. Given that the Council was a borrowing authority the treasury management function focused on the balance between funding capital ambitions and ensuring sufficient cash flow to pay wages and suppliers. In terms of interest rates there was no indication of any increase meaning borrowing interest rates would remain low going forward and decisions would need to be made in the future on what was affordable, maintaining the balance between the delivery of services on a day to day basis and investment in capital projects. With regard to the conclusions of the Wellbeing Impact Assessment, Councillor Mark Young felt that the scoring for sustainability (2 out of 4 stars) including low carbon and biodiversity did not accurately reflect the hard work undertaken in that regard. The Head of Finance explained the reasoning behind the scoring methodology where a cautious approach had been taken and whilst the treasury management function facilitated specific projects in that regard, the individual assessments for those specific projects had included those references. However it was agreed to review that approach during the next assessment process in light of Councillor Young's comments. The Leader confirmed assurance could be taken from the report and reiterated the financial balance between dealing with core functions and emerging pressures and pursuing the Council's ambitions.

The Chief Executive referred to the work beginning on developing the new Corporate Plan and future priorities for investment and he believed that whilst the Council should retain its ambitions, they must be affordable to ensure core

functions and associated pressures were appropriately funded. He also paid tribute to the close working of the Lead Member and Head of Finance, and finance staff for all the work undertaken which provided assurance and confidence in the Council's financial management. The Leader echoed those sentiments acknowledging the work of the finance team.

RESOLVED that Cabinet –

- (a) *note the performance of the Council's Treasury Management function during 2020/21 and its compliance with the required Prudential Indicators as reported in the Annual Treasury Management Report 2020/21 (Appendix 1 to the report), and*
- (b) *confirms it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix 2 to the report) as part of its consideration.*

7 COUNCIL HOUSE EXTERNAL ENVELOPING AND ENERGY EFFICIENCY FRAMEWORK AND MINI COMPETITION AWARD

Councillor Tony Thomas presented the report seeking Cabinet approval to award the recently tendered external enveloping framework to six contractors and to tender the first two lots from the framework by way of mini competition.

Cabinet had approved the tendered framework in May 2021 in order to procure services required to deliver major external repairs to the Council's housing stock and maintain the housing stock condition in line with the Welsh Housing Quality Standard. The four year planned capital programme would deliver improvements and works would generally replicate the previous programme in terms of external enveloping with additional retrofit energy efficiency works where possible. Details of the proposal to deliver 2 lots during the current financial year were provided including combining planned maintenance improvements and retrofit works. Given the timing of grant funding confirmation, release and spending deadlines it was proposed to tender Lots 1 and 2 on the basis that the planned work contract could be let based on enveloping works only (anticipated value £1m each), with any retrofit funded works being added in subject to funding availability and deliverable spend profile which could take each project over the £2m threshold requiring Cabinet approval. Delegated authority was also sought to facilitate any increase in contract value over the £2m threshold.

Cabinet commended the improvement works undertaken to the housing stock over recent years and fully supported the planned improvement works going forward and expectation for further retrofit funding from Welsh Government to deliver energy efficient schemes for the benefit of residents. In response to questions the Lead Officer – Corporate Property and Housing Stock advised that –

- the request to waive the call-in procedure for decisions related to the tender for Lot 1 only in order to expedite that process given the timescales involved
- in the event of a block of flats with a mix of both private and council tenures it was the landlord's responsibility to repair the external envelope and therefore works carried out for council tenants could also benefit private tenants

- the authority worked with Business Wales during the tender process and looked to work with all contractors who expressed an interest prior to the tender and feedback could be provided to unsuccessful tenderers on request
- procurement rules required tenders via the Sell2Wales procurement portal which was not a restricted procurement process for local companies
- in response to queries raised by Councillor Brian Jones regarding the reasoning behind the lack of local contractors put forward for the framework and the financial criteria set by Sell2Wales which might impact on the ability of local contractors to participate in the process, it was agreed that the Lead Officer look into those issues and report back directly to Councillor Jones thereon
- the criteria for refurbishment of the housing stock followed a condition survey and was based on a long term capital programme for external enveloping and internal works to ensure compliance with the Welsh Quality Housing Standard
- some dissatisfaction expressed by long term tenants could be due to the focus on voids work given the high lettable standard and emphasis on quality homes which was best delivered when properties became empty and it was difficult to undertake that level of work with a tenant in residence; internal works had also been delayed due to coronavirus restrictions but would resume shortly
- in response to issues raised directly with Councillor Huw Hilditch-Roberts regarding the lack of refurbishment work carried out for existing tenants in his ward he highlighted the need for better communication and it was agreed that a response be provided in the tenant newsletter giving a general indication of the refurbishment programmes and that a tailored response be provided to those tenants in the Ruthin area who had expressed specific concerns in that regard.

RESOLVED that Cabinet approve –

- (a) *to award the framework contract to six contractors as detailed below who were successful in fulfilling the required criteria following a recent tender exercise -*
- *Sustainable Building Services (UK) Ltd*
 - *Bell Decorating Group Limited*
 - *Novus Property Solutions Limited*
 - *ParkCity Multitrade Ltd*
 - *Gareth Morris Construction Ltd*
 - *Pave Aways Ltd*
- (b) *to tender the first two lots of the framework via mini competition this financial year on a price only basis given that all contractors have met the required quality criteria giving an exemption to forgo the five-day call in period (Lot 1 only) to allow Lot 1 of the framework to be advertised immediately and reduce further contract mobilisation delays, and*
- (c) *to delegate the decision to increase the contract values of Lot 1 and Lot 2 in the event of Welsh Government Optimised Retrofit Funding being successfully obtained and if the revised contract value exceeds £2m to the Head of Finance and Property in consultation with the Monitoring Officer and Lead Member for Finance, Performance and Strategic Assets.*

8 CONSTRUCTION OF 15 APARTMENTS FOR SOCIAL RENT AT THE DELL, PRESTATYN - CONTRACT AWARD

Councillor Tony Thomas presented the report (which included a confidential appendix detailing the evaluation exercise) seeking Cabinet approval to award the contract to construct 15 apartments for social rent at The Dell in Prestatyn.

Cabinet had approved the construction of apartments at The Dell in Prestatyn in July 2019 and the report summarised the process undertaken during the procurement exercise which had resulted in four tender submissions. Following an evaluation exercise using a scoring methodology with a weighting of 70% for price and 30% for quality a preferred contractor had been selected and recommended to Cabinet. The total estimated cost submitted by the recommended tenderer was £3,021,361.96 which was within budget for the project in the Housing Stock Business Plan. The delay in progressing the development due to the coronavirus pandemic was noted.

Cabinet fully supported the development which would help address housing need and contribute to the Council's Corporate Priority to ensure that everyone was supported to live in homes that met their needs, and the Climate and Ecological Change Strategy by building premises which would be low carbon in operation.

RESOLVED that Cabinet –

- (a) *approve the award of a contract to RL Davies & Sons Limited as per the Contract Award Recommendation Report (Appendix 1 to the report), 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.*

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 2021/22 was £216.818m (£208.302m in 2020/21)
- an overspend of £0.835m was forecast for service and corporate budgets
- detailed agreed savings and efficiencies worth £4.448m relating to fees and charges, operational efficiencies, changes in service provision and schools
- highlighted current risks and assumptions relating to individual service areas, corporate budgets and schools together with the impact of coronavirus and position on funding claims to the Welsh Government
- a general update on the Housing Revenue Account and Housing Capital Plan, Treasury Management and Capital Plan with an update on major projects.

Cabinet approval was also sought for the business case for the development of the former Prestatyn library site following a verbal report to Cabinet at the last meeting.

The Head of Finance provided an update on Welsh Government funding claims and phasing out of particular elements. Whilst no significant changes were anticipated in terms of projections there would be an impact on services who would be required to fund those elements in the future which may result in an increase in some overspends or decrease in some underspends in services areas. Reference was also made to the recent report of the 3 year spending review and autumn budget to be announced in October which was a positive step given the potential for Welsh Government to be in a position to provide 3 year indicative figures for the revenue support grant in addition to a specific announcement for next year's settlement.

The following matters were raised during debate –

- members were pleased to note the future potential for 3 year budgets from the Welsh Government which the Leader and Deputy Leader had been calling for in order to aid better financial planning, providing greater certainty in future years and allow flexibility in budget setting to facilitate the delivery of larger projects and cost savings
- financial support from the UK Government in respect of the furlough scheme and uplift in Universal Credit would soon cease and Councillor Mark Young highlighted the financial impact on families and queried the processes in place in terms of Council Tax and financial management. In terms of Council Tax collection and the wider economy it was explained that local authorities had been submitting monthly returns to the Welsh Government in order to closely monitor the position. The Council had robust plans and processes in place and work was ongoing, including identifying service pressures to inform the Medium Term Financial Plan. Much was dependent on the local government settlement which was difficult to predict but it was anticipated that for next year a balanced budget could be set without the need for large savings or cuts to services although future years' settlements would likely be more difficult. With regard to gas suppliers, figures for predicated price increases were being considered and given that many office based costs had decreased due to home working it was hoped that budgets could be reassigned to cover the cost increase. Once the draft settlement had been received from the Welsh Government proposals for the budget would be brought forward for members' consideration
- officers responded to questions regarding redevelopment of the former Prestatyn library site confirming the need for sustainable drainage to conform to current standards/practices and provide attenuation on the site, and the building had been designed in consultation with the Conservation Team to ensure it complemented the existing buildings in the area. The proposal was for a 3½ storey building in order to accommodate two extra households in the attic space. The development had been granted planning permission
- lead members and officers responded to questions from Councillor Meirick Davies regarding the Waste Service Remodelling project including the robust governance arrangements in place and progress to date, confirming the project was on track to be delivered within the overall timescale and budget envelope. All multi-year projects had elements of budget re-profiling and potential expenditure slippage during the project's lifetime. Councillor Brian Jones advised that he was calling for a Council Briefing/Workshop on the project to provide an opportunity to update members and answer questions in more detail.

RESOLVED that Cabinet –

- (a) note the budgets set for 2021/22 and progress against the agreed budget strategy, and
- (b) approve the business case for the development of the former Prestatyn library site as recommended by the Strategic Investment Group (as detailed in Section 6.7 of the report and Appendices 5 and 6 to the report).

10 CABINET FORWARD WORK PROGRAMME

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

- Prestatyn Flood Defence Scheme – to be moved from December to January
- Replacement LDP revised Delivery Agreement and Covid Impact Assessment and Replacement LDP Report back on Preferred Strategy consultation – removed from October, future date to be confirmed.

RESOLVED that Cabinet's forward work programme be noted.

EXCLUSION OF PRESS AND PUBLIC

RESOLVED that under Section 100A of the Local Government Act 1972, the Press and Public 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.

11 DENBIGHSHIRE LEARNING DISABILITY SUPPORTED LIVING SCHEMES - TEMPORARY EXTENSION TO AND RETENDERING OF EXISTING CONTRACTS

Councillor Bobby Feeley presented a confidential report seeking Cabinet approval to the temporary extension of contracts and process for retendering of contracts in relation to Denbighshire Learning Disability Supported Living Schemes.

Cabinet had previously approved an extension to the contracts as an interim arrangement pending development of the North Wales Regional Framework for Supported Living but due to delays, including the impact of Covid-19, work had not progressed as quickly as anticipated. Consequently approval was sought for a further extension to the 35 contracts for a maximum period to 31 March 2023 along with the process for mini tenders for 41 contracts. Detailed costing including the proposed timetable and contract details had been included in the report.

In response questions from Councillor Meirick Davies, the Head of Legal, HR and Democratic Services advised of the current practice to complete the necessary forms using digital signatories with an email trail to evidence authorisation. He agreed to ask for officers' names to be typed under the signatory for transparency.

RESOLVED that Cabinet approve the issuing of temporary extensions to 35 learning Disability Supported Living contracts for a maximum period to 31 March 2023 and approves the process of running mini tenders for 41 contracts under the North Wales Regional Framework for Supported Living (the detail of the proposed timetable and contract details are included in Appendix 1 to the report).

The meeting concluded at 11.55 hrs.