

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin and by video conference on Tuesday, 18 October 2022 at 10.00 am.

PRESENT

Councillors Jason McLellan, Leader and Lead Member for Economic Growth and Tackling Deprivation; Gill German, Deputy Leader and Lead Member for Education, Children and Families; Gwyneth Ellis, Lead Member for Finance, Performance and Strategic Assets; Elen Heaton, Lead Member for Health and Social Care; Julie Matthews, Lead Member for Corporate Strategy, Policy and Equalities; Barry Mellor, Lead Member for the Environment and Transport; Win Mullen-James, Lead Member for Local Development and Planning, Rhys Thomas, Lead Member for Housing and Communities, and Emrys Wynne, Lead Member for Welsh Language, Culture and Heritage

Observers: Councillors Brian Blakeley, Jeanette Chamberlain-Jones, Ellie Chard, Pauline Edwards, Hugh Irving, Arwel Roberts, Gareth Sandilands and Peter Scott

ALSO PRESENT

Chief Executive (GB); Corporate Directors: Communities (NS); Governance and Business/Monitoring Officer (GW), and Environment and Economy (TW); Heads of Service: Finance and Property (SG), Education (GD), and Communities and Customer Services (LG); Section Manager – Network Management (TT); Coastal Defence Consultant (RD); Climate Change Programme Manager (JH); Principal Manager – School Support (JC); Lead Officer – Corporate Property and Housing Stock (DL); Senior Architect (KA); Property Operations Manager (MC); Business Coordinator: Leader's Office (SE) and Committee Administrators (KEJ & SLJ [Webcaster])

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

Councillors Gill German and Rhys Thomas declared a personal interest in agenda item 5 – Central Rhyl and Central Prestatyn Coastal Defence Schemes, in so far as it related to Denbighshire Leisure Limited (DLL), as they were Directors of DLL.

Councillor Rhys Thomas also declared a personal interest in agenda item 7 – Ysgol Plas Brondyffryn Project because he lived near to the school.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 29 September 2022 were submitted.

RESOLVED that the minutes of the meeting held on 29 September 2022 be received and confirmed as a correct record.

5 CENTRAL RHYL AND CENTRAL PRESTATYN COASTAL DEFENCE SCHEMES

Councillor Barry Mellor presented the report regarding two potential coastal defence schemes for Central Rhyl and Central Prestatyn and sought Cabinet approval to present the project to Council with a recommendation to fund the construction phase of both schemes. The report included two confidential appendices detailing financial information and Cabinet was asked to move into private session in the event they were minded to discuss the confidential elements of the documentation.

The Corporate Director: Economy and Environment, Section Manager – Network Management and the Coastal Defence Consultant were also present for this item.

An update on the development of the two schemes was provided in order to reduce flood risk in the Central Rhyl and Central Prestatyn areas. The Council had worked closely with the Welsh Government on the development of the schemes and a final business case would be submitted shortly for Welsh Government approval. The combined cost of both schemes was approximately £84m with 85% funded by the Welsh Government as grant in aid paid to the Council over a 25-year period through the Revenue Support Grant. Extensive consultation on both schemes had been carried out and Communities Scrutiny Committee and the Budget Board had scrutinised the proposed schemes and supported submission of the project for approval. Planning permission had been granted for both schemes in July 2022.

The reasoning for the schemes was further explained with reference to the impact of climate change, deterioration of existing flood defences and the devastation of flood events. The success of the East Rhyl Coastal Defence Scheme was also highlighted and lessons learned from that project. The Central Rhyl Scheme was designed to significantly reduce flood risk to approximately 600 residential and commercial properties and the Central Prestatyn Scheme was designed to protect over 2000 residential and commercial properties; both schemes were crucial to the security and sustainability of those towns for residents, businesses and tourism.

The following matters were raised during the ensuing debate –

- Councillor Gill German was keen to ensure concerns expressed by residents (following press reports) who lived close to the Central Prestatyn Scheme had been addressed. She was advised that most of those concerns had been based on a misunderstanding of the plans. Officers had engaged with residents to give assurances in that regard and clarified that the scheme was much further away from the boundary of their properties than reported in the press with further adjustments made to extend that distance, and there had been no plans for a walkway/cycleway on top of the bund which had been a further concern

- the Leader and Councillor Gill German (ward members) advised they had been in the area recently actively speaking to residents together with the third ward member Councillor Kelly Clewett, and no concerns had been raised regarding the Central Prestatyn Scheme. Whilst it had been pleasing to note the comprehensive engagement which had already taken place, the Leader stressed the importance of continual proactive engagement and dialogue with members and residents going forward, particularly given the inevitable disruption caused as a result of the construction phase. Assurances were given that, if the schemes were approved, further discussions would take place on the detail of the schemes and programme of delivery. Similar engagement measures to those undertaken during the East Rhyl Coastal Defence Scheme were proposed which included regular newsletters and a drop-in facility
- Councillor Rhys Thomas referred to the Central Rhyl Scheme and concerns regarding the detrimental impact on the operation of Denbighshire Leisure Limited's (DLL) facilities such as SC2, alongside other proposed regeneration works in the area, with the need to minimise the impact as much as possible. It was confirmed that dialogue had been ongoing for some time with DLL during the development of the projects. The impact on DLL and other businesses and residents would be considered when planning the detail of the project which would be delivered in phases with a view to minimising the disruption caused. A coordinated approach with other regeneration projects in the area was also being taken to further minimise the impact of those developments collectively
- Councillor Hugh Irving reported on representations received from residents over the last couple of weeks voicing concerns over the Central Prestatyn Scheme whom he had referred to the ward members and lead member. The relevant members advised that they had received no such representations. The Leader reiterated the importance of community engagement and as the Prestatyn ward member along with Councillors Gill German and Kelly Clewett, they were keen to hear from residents and urged them to get in touch with any issues or concerns so that they could be appropriately addressed. Officers also reiterated the extensive consultation as part of the planning process and provided further assurances that community engagement would continue throughout the process
- Councillor Jeanette Chamberlain-Jones reported on representations she had received regarding the Central Rhyl Scheme including the effect on tourism and questions over when the centre of Rhyl had been flooded. It was noted that during the Towyn floods in 1990 significant parts of Rhyl Promenade and High Street had flooded. However, the scheme had been proposed because of the significant risk of future flooding due to the impact of climate change and failing condition of existing flood defences which would have a massive impact on the sustainability of Rhyl as a town for business and tourism. It was reiterated that the East Rhyl Coastal Defence Scheme had been completed significantly under budget and there was confidence in the budget and project delivery.

The Lead Member and officers also answered questions regarding timescales for the schemes and cost certainty. It was noted that the contractors would provide a very detailed programme and once a start date had been confirmed an overview of the overall programme could be shared. Much work was also being done to review and reevaluate costs prior to the full business case being submitted. Officers had been engaging with the Welsh Government throughout the development of the

project about the proposals and potential costs and although costs had escalated there was confidence that the Welsh Government would support the schemes.

At the close of debate, the Leader again highlighted community engagement as a vital part of the process to ensure all affected were kept informed. He drew attention to the contact details for ward members on the Council's website and urged residents to get in touch with any concerns so that they could be addressed.

RESOLVED that Cabinet –

- (a) *confirms that it has considered the content of the Well-being Impact Assessments for each scheme (attached at Appendix 3a and 3b to the report);*
- (b) *supports the proposal to progress the Central Rhyl Coastal Defence scheme to the construction phase, using the grant aid funding model set out by the Welsh Government, and agrees to the proposal being presented to Council for a decision;*
- (c) *supports the proposal to progress the Central Prestatyn Coastal Defence scheme to the construction phase, using the grant aid funding model set out by the Welsh Government, and agrees to the proposal being presented to Council for a decision, and*
- (d) *delegates authority to the Coastal Defence Project Board to deliver the schemes.*

6 REVIEW OF CABINET DECISION RELATING TO THE PROPOSED SCHEME OF DELEGATED DECISION MAKING FOR LAND ACQUISITION (FREEHOLD AND LEASEHOLD) FOR CARBON SEQUESTRATION AND ECOLOGICAL IMPROVEMENT PURPOSES

Councillor Barry Mellor presented the report seeking Cabinet approval to introduce the proposed new scheme of delegated decision making for land acquisition for carbon sequestration and ecological improvement purposes, having taken into account the recommendations of the Communities Scrutiny Committee, to allow land to be more promptly and effectively acquired so that the Council delivered on its Climate and Ecological Emergency declaration and associated targets.

Cabinet's original decision in February 2022 to approve the proposed scheme of delegation had been subject to call-in. At its meeting in July, Cabinet had agreed to reconsider its original decision taking into account the recommendations of the Communities Scrutiny Committee. The report addressed the Scrutiny Committee's recommendations which included seeking consultation responses from key organisations; amending wording in the proposed scheme of delegation in so far as it related to liaising with local councillors and Member Area Groups; undertaking a review of staffing resources in Countryside Services at the appropriate time to ensure sufficient capacity to deal with the additional future duties, and the provision of detailed information on agricultural land grading in Denbighshire.

The Climate Change Programme Manager summarised the report and confirmed that each of the Scrutiny Committee's recommendations had been addressed. She also drew attention to the Council's Net Carbon Zero and Ecologically Positive 2030 targets and rationale for acquisition for purposes of carbon sequestration and ecological improvement. Councillor Mellor added that Councillor Huw Williams, Chair of Communities Scrutiny Committee had been satisfied that the issues raised by the Scrutiny Committee had been addressed. However, he had also asked that members be kept informed of any land acquisition when it took place, which Councillor Mellor considered a reasonable request. The Leader thanked Councillor Huw Williams and Communities Scrutiny Committee for their work which had led to the current outcome. Councillor Emrys Wynne also welcomed the review and highlighted the value of scrutiny and its importance in the Council's processes.

RESOLVED that Cabinet –

- (a) *approve the introduction of the new scheme of delegated decision making for land acquisition (freehold/leasehold) for carbon sequestration and ecological improvement purposes as proposed in Appendix 3 to the report, and*
- (b) *confirms that it has read, understood and taken account of the Well-being Impact Assessment, as detailed in Appendix 4 to the report, as part of its consideration.*

7 YSGOL PLAS BRONDYFFRYN PROJECT - SCHOOL ORGANISATION FORMAL CONSULTATION REPORT

Councillor Gill German presented the report on the findings of the formal consultation on the Ysgol Plas Brondyffryn project and sought Cabinet approval to the publication of a statutory notice for the Council to increase the capacity from 116 to 220 at Ysgol Plas Brondyffryn. She also referred to an amendment to report recommendation 3.2 to incorporate a revised implementation date of 28 April 2025.

The project was part of the Welsh Government's Sustainable Communities for Learning Programme (Band B) approved in September 2020. The school currently provided specialist provision for pupils with autism aged 3 – 19 across four sites in Denbigh. It was proposed to bring all sites together in a purpose built building in a field next to Denbigh Leisure Centre and currently used by Denbigh High School, and to increase capacity of the school as demand for those specialist places increased. Details of the consultation responses had been set out in the report together with the consultation report and supporting documentation.

The Head of Education and Principal Manager – School Support elaborated on the proposal to increase the school's capacity based on the predicted increased demand and current capacity issues. Discussions had been ongoing with Welsh Government during development of the business case with much work undertaken to ensure the right size for the school going forward and a clear pathway for gradually increasing pupil numbers at the school and admission arrangements.

Cabinet welcomed the proposal to increase the capacity of the school to meet the growing demand for places. Main areas of debate focused on the following –

- the need to create more opportunities for school leavers with learning disabilities was highlighted by Councillor Elen Heaton. It was confirmed the current design for the school did include a community café which aimed to provide increased community engagement in the school and opportunities for pupils with learning disabilities, particularly in post 16 provision, to use the new facilities and develop social skills and links with the wider community. There were already primary schools in the county with café areas and other models in the third sector with adults with additional learning needs. However, safeguarding of pupils was paramount and if that could not be guaranteed, then it would not be pursued
- Councillor Rhys Thomas raised concerns regarding the wording of report recommendation 3.2 and sought clarity on specific elements within the School Organisation Code and how it related to the proposal, particularly with regard to specifying a location for the school, concerns over the consultation process alongside the separate pre-planning consultation for the proposed new school site, and concerns over the proposed site itself. A special Denbigh Member Area Group meeting had been arranged to discuss the site selection process and concerns in that regard. Consequently, he felt there would be merit in deferring publication of the notice or rewording recommendation 3.2 to ensure clarity regarding the current process and decision making. Councillor Gill German stated her preference for an amendment for clarity rather than deferral given the timescales involved and potential impact on progressing other projects.

The Monitoring Officer provided legal advice on those points, and subsequent points raised to clarify other processes, as follows –

- ◆ the proposal was not for a new school; the proposal was to increase the capacity of an existing school, so the provisions of the School Organisation Code related to the notice and consultation in so far as they related to the alteration of an existing school, not the creation of a new school
- ◆ with regard to publication of the notice, or deferring publication of the notice, the notice had to be published within a certain time following the consultation and a deferral would potentially risk being out of time for the process
- ◆ in terms of an amendment to recommendation 3.2, clarity was required in that the ‘subject to’ referred to the implementation of the proposal and not that the proposal was ‘subject to’ the new build being ready or any other factors. However, the implementation of an increase in the school’s capacity could not be implemented unless there was somewhere for that increased capacity to be accommodated. Therefore, the suggest rewording of the amendment should make it clear that implementation of the proposal would be subject to other factors and not the publication of the statutory notice
- ◆ the requirement in the School Organisation Code to state the site of the school in the notice related to the establishment of a new school and therefore did not apply in this case given the notice was about increasing the pupil numbers. However, in the additional information which accompanied the notice it was possible to set out where a proposed site was envisaged
- ◆ the statutory notice did need to specify the proposed implementation date

- ◆ with regard to the impact on the process in the event the proposed new site failed through the planning process, it would not be possible to implement the change unless or until an appropriate site had been identified
- ◆ detailed the decision making process for Cabinet following publication of the notice and whether or not to continue with the proposal in light of any objections received; there were other processes that determined whether or not the site was appropriate.
- ◆ approval of the notice in respect of the school organisation proposal was an executive decision for the Cabinet and would in no way prejudice any subsequent planning application for the proposed new site which was for the planning authority to determine and a separate decision making process.

The Lead Member and officers responded to questions from non-Cabinet members, clarifying that a delay in the projects relating to the Sustainable Communities for Learning programme could have an impact on future projects under that programme, but would not affect other school projects subject to different funding streams. With regard to future pupil numbers, it was noted there had been a recent decrease in out of county requests due to various reasons and a review of the admissions process and policy was being carried out to ensure the school offered the best possible option to as many pupils as possible with close working with other local authorities in North Wales.

At the close of debate, Councillor Gill German restated her amendment to report recommendation 3.2 to incorporate a revised implementation date of 28 April 2025 and removal of the reference to the new build being ready. Councillor Rhys Thomas read out his suggested amendment for a new sentence in recommendation 3.2 regarding implementation of the proposal. Upon being put to the vote it was –

RESOLVED that Cabinet –

- (a) *note the findings of the formal consultation to increase the capacity from 116 to 220 at Ysgol Plas Brondyffryn;*
- (b) *approve the publication of a statutory notice for Denbighshire County Council to increase the capacity from 116 to 220 at Ysgol Plas Brondyffryn from 28 April 2025. The implementation of the proposal will be subject to a site being agreed, planning consent being given, finance being available and the new build being ready, and*
- (c) *confirms that it has read, understood and taken account of the Well-being Impact Assessment, as detailed in Appendix 1 to the report, as part of its consideration.*

At this point (11.45 am) the meeting adjourned for a refreshment break.

8 DISTRICT HEATING SYSTEM BETWS GWERFIL GOCH

Councillor Rhys Thomas presented the report on a district heating system project for the village of Betws Gwerfil Goch incorporating the provision of ground source

heat pumps (GSHP) to council and privately owned dwellings. Cabinet approval was sought to appoint a contractor to proceed with the design stage of the project.

Some background to the project was provided including the opportunity to extend retrofit works to private home owners in off grid/hard to heat areas and rationale behind choosing Betws Gwerfil Goch for the scheme. A technical partner (Kensa) had been selected via the Welsh Procurement Alliance framework and initial feasibility studies supported the viability of the scheme. 100% grant funding had been secured from the Welsh Government to cover the cost of the private dwelling GSHPs in the area on the understanding the project would be delivered in 2022/23.

Community engagement would be key to successful delivery of the scheme and the Senior Architect elaborated on the consultation and engagement activities to date which had been well received with further plans to engage with non-respondents. She also provided an outline of the scope of the design works and requirements for individual properties, and the council would also undertake survey works to produce the 'passport' element of the scheme for future years.

Cabinet welcomed the innovative project and benefits it would bring both to residents in terms of energy efficiencies and cost saving and also in terms of the climate change agenda with renewable energies and carbon reduction. The project reflected the Council's ambitions and its forward thinking and provided an exciting opportunity for Betws Gwerfil Goch. If the project was delivered successfully in such difficult circumstances and remote location the thinking was that it could be delivered almost anywhere in the county, and Cabinet was pleased to note the potential opportunity for the pilot project to be rolled out to other villages with similar challenges. It was also noted that if any residents did not join the scheme at the outset they would still be able to join at a later date given that the energy infrastructure would already be in place, although they would need to bear the costs for the heat pump. Tribute was also paid to officers for their hard work in securing funding for the scheme and supporting its delivery within the tight timescales specified by the Welsh Government.

RESOLVED that Cabinet note the updated engagement activity and approve the appointment of the Contractor, Kensa to proceed with the design stage of the project. *[This stage of the project will take 12 – 16 weeks.]*

9 ANNUAL TREASURY MANAGEMENT (TM) REPORT 2021/22

Councillor Gwyneth Ellis presented the report updating Cabinet on the performance of the treasury management function and demonstrating compliance with treasury limits and Prudential Indicators during 2021/22. The purpose of the report was to provide assurance in respect of the Council's treasury management activities.

The Head of Finance and Property 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 the Governance and Audit Committee monitored the treasury management function and had accepted the report. A training session on Treasury Management organised with Treasury Management Consultants Arlingclose had been arranged for 28 October 2022, which all members had been invited to attend.

The Leader acknowledged the comprehensive report and importance of the robust procedures in place for dealing with the treasury management function and work of the Governance and Audit Committee in that regard.

RESOLVED that Cabinet –

- (a) *note the performance of the Council's Treasury Management function during 2021/22 and its compliance with the required Prudential Indicators as reported in the Annual Treasury Management Report 2021/22 (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.*

10 FINANCE REPORT

Councillor Gwyneth Ellis presented the report detailing the latest financial position and progress against the agreed budget strategy.

A summary of the Council's financial position was provided as follows –

- the net revenue budget for 2022/23 was £233.693m (£216.818m in 2021/22)
- an overspend of £2.661m was forecast for service and corporate budgets
- highlighted current risks and assumptions relating to corporate budgets and individual service areas together with the impact of coronavirus and inflation
- detailed service savings and fees and charges increases (£0.754m); no savings having been requested from Community Support Services or Schools
- provided a general update on the Housing Revenue Account, Treasury Management, Capital Plan and major projects.

Cabinet approval had also been sought for plans to spend a schools' capital grant to improve ventilation, support decarbonisation and reduce backlog maintenance.

The Head of Finance and Property highlighted that the increased overspend from the previous month mainly related to Children's Services and Adult Social Care which were demand-led services and difficult to predict. Whilst the overspend was currently at a level that could be funded with base level reserves, the overspend was increasing which remained a risk for the Council. Those reoccurring issues would be taken into account as part of the budget setting process for the next financial year. Reference was also made to other variances within service budgets and risks to note going forward with regard to a number of school contracts, including school transport, which had not yet been finalised and would likely be reported at the next meeting. The pay settlement for both teachers and non-teachers remained a risk with assumptions based on the current pay offer which could be afforded in year – any increase would further increase the current

overspend. Finally, reference was made to the business case before Cabinet for approval in terms of spending the schools' capital grant received from the Welsh Government. As Lead Member, Councillor Gill German elaborated on the proposed spend to improve ventilation in schools and priority for keeping schools open wherever possible, and addressing the maintenance backlog in schools and carbon emissions, and added her support to the business case.

In response to a question from Councillor Barry Mellor, the Head of Finance and Property confirmed that Welsh Government had developed a funding package which would likely cover the additional costs to services aiding Ukrainian refugees.

RESOLVED that Cabinet –

- (a) *note the budgets set for 2022/23 and progress against the agreed budget strategy, and*
- (b) *approve the plans to spend a School capital grant (£1.799m) to improve ventilation, supporting decarbonisation and reducing backlog maintenance in schools as detailed in section 6.9 and Appendix 5 of the report.*

11 CABINET FORWARD WORK PROGRAMME

The Cabinet forward work programme was presented for consideration and members noted the following two items had been added for November –

- Housing Local Lettings Policy
- Replacement Local Development Plan (LDP) draft revised Delivery Agreement

RESOLVED that Cabinet's forward work programme be noted.

The meeting concluded at 12.30 pm.