

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin and by video conference on Tuesday, 23 May 2023 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 Ellie Chard, Karen Edwards, Pauline Edwards, James Elson, Hugh Evans, Hugh Irving, Huw Hilditch-Roberts, Brian Jones, Paul Keddie, Terry Mendies, Merfyn Parry, Gareth Sandilands, Peter Scott, Andrea Tomlin, David Williams and Mark Young

ALSO PRESENT

Chief Executive (GB); Corporate Directors: Social Services and Education (NS), Governance and Business/Monitoring Officer (GW), and Environment and Economy (TW); Head of Finance and Audit (SG); Interim Head of Human Resources (LD); External Funding Manager (AS); Corporate Project Manager (PC); Business Support Manager (PB); Senior Revenues Officer (LG); Lead HR Business Partner (AM); Collaborative Procurement and Framework Manager (KB), Programme Manager (KW) and Committee Administrators (KEJ & NPH [Webcaster])

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

No declaration of interest had been raised.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 25 April 2023 were submitted.

RESOLVED that the minutes of the meeting held on 25 April 2023 be received and confirmed as a correct record.

5 OUTCOME OF PARTNERSHIPS SCRUTINY COMMITTEE'S REVIEW OF CABINET'S DECISION RELATING TO APPLICATIONS SHORTLISTED FOR SHARED PROSPERITY FUNDING

Councillor Peter Scott, Vice-Chair of Partnerships Scrutiny Committee presented the report detailing the findings and recommendations of the Scrutiny Committee following consideration of the call-in of the Cabinet decision taken on 25 April 2023 relating to Applications Shortlisted for Shared Prosperity Funding.

In brief, the Committee had been reassured that the process utilised for dealing with applications and shortlisting had been robust, fair and professional. However, it was felt that communicating about aspects of Shared Prosperity Funding with elected members were rather weak and fragile. Consequently, the Committee had recommended that Cabinet uphold its decision insofar that it related to the projects shortlisted by the Core Partnership Group for approval, and in doing so agree further measures as set out in paragraphs 3.2 – 3.6 of the report with a view to strengthening communication arrangements.

The Leader thanked Councillor Scott for reporting on the scrutiny debate and recommendations. Given that the Scrutiny Committee had upheld the Cabinet decision, and taking into account the lateness of the report back on the recommendations, with further consideration needed in terms of the mechanisms for their implementation, the Leader proposed an amendment to the report recommendations to reflect those issues and how best to progress them. Cabinet agreed, particularly highlighting the need for a robust Communication Plan and appropriate engagement. Councillor Huw Hilditch-Roberts asked that Cabinet agree in principle to the broad recommendations and an appropriate timescale for implementation. The Leader acknowledged those comments.

RESOLVED that Cabinet –

- (a) *recognises that Partnerships Scrutiny Committee upheld the Cabinet decision of 25 April 2023, insofar as it related to the projects shortlisted by the Core Partnership Group for approval, and*
- (b) *in consultation with relevant lead Officers will consider the mechanism for implementing the recommendations of the Scrutiny Committee as referred to in paragraphs 3.2 – 3.6, in an appropriate and timely manner.*

6 PHASE 2 WORKS CONTRACT NEW DCC WASTE TRANSFER STATION (WTS), COLOMENDY INDUSTRIAL ESTATE EXPANSION - UPDATE

Councillor Barry Mellor presented the report seeking Cabinet's support for the proposed way forward to complete the Phase 2 works at the new Waste Transfer Station in Denbigh, following the main contractor RL Davies & Son Ltd (RLD) entering administration, and gave an update on the budget pressure as a result.

The Corporate Director: Environment and Economy and Corporate Project Manager attended for this item. Cabinet was apprised of the background and latest position with regard to the Phase 2 works and four options on the way forward. Option 4

had been recommended for DCC to continue to act as the Management Contractor which would essentially formalise the arrangements in place under the Exception Report that had enabled works to continue since late February 2023. The budget situation was set out with ongoing discussions with Welsh Government (WG) about whether they would address the latest budget pressure of £890,987. If WG were unable to fund the pressure, an options report would be brought back to Cabinet.

Cabinet discussed the report with officers and it was confirmed that completion of the works was essential to implement the service change. The waste project was fundamentally about environmental improvement and increasing recycling rates to meet the 70% statutory target set by WG, who had also invested significantly in the project. Cabinet welcomed the environmental benefits of the new waste model and new system of separating and recycling, and also noted the significant increasing cost of continuing with the current co-mingled recycling which equated to circa £75 per tonne together with the potential for WG fines if recycling targets were not met. There was also a risk of WG clawback in the event the depot was not completed and the new service roll out did not proceed. In noting the complexities with the project, Cabinet paid tribute to the work of the officers involved, and hoped for a positive outcome on discussions with WG regarding the budget pressure.

The Leader opened the debate to non-Cabinet members who raised questions and concerns around the financial implications of the project and budget pressure together with associated risks and future options. Officers responded as follows –

- confirmed the accuracy of the budget estimate due to the recent review of all work packages and built in contingency but there was always a risk of unknowns
- the budget pressure had been caused as a direct result of the main contractor for the project going into administration which was outside the Council's control
- provided details of warranties and professional indemnities relating to the project
- the project risks reduced as the works continued and progressed to completion
- the delay in Natural Resources Wales issuing a licence to enable operation from the new depot remained a risk and members would be kept abreast of progress
- discussions were ongoing with WG regarding funding the budget pressure and if they were unsuccessful there would be a report back on funding options/impact
- gave assurances around project management, governance arrangements and risk monitoring with confidence that the project would be delivered
- highlighted the opportunity for members to engage in the scrutiny of aspects of the service change and progress at scrutiny meetings in June and October and agreed to include the risks associated with the project as part of that process
- set out how the contract award to RLD had been made via delegated authority given the impact of the local elections and timescales for awarding the contract.

At the close of debate, Councillor Gill German reiterated the fundamental reason for the new waste model was to address environmental concerns and tackle climate change and there was broad support for WG's targets in that regard. Councillor Barry Mellor referred to the Council's Climate Change and Ecological Emergency Declaration in 2019 and its aims to which the waste project would contribute.

RESOLVED that Cabinet –

- (a) *confirms that it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix 2 to the report) as part of its consideration;*
- (b) *supports the preferred way forward to complete the Phase 2 works at the new Waste Transfer Station on the Colomendy Industrial Estate, Denbigh, and*
- (c) *acknowledge the latest budget pressure and agree to continue working at risk while discussions on potential sources of funding for the pressure were concluded with the Welsh Government. This was necessary to mitigate the risk of further delays that would further impact on cost and programme, including affecting wider programme of service change for which completion of the Waste Transfer Station was critical.*

At this point (11.10 am) the meeting adjourned for a refreshment break.

7 SECOND HOME / LONG-TERM EMPTY COUNCIL TAX PREMIUM

Councillor Gwyneth Ellis presented the report on the legislation introduced by Welsh Government (WG) to increase the maximum level of council tax premiums for second homes and long-term empty properties and sought Cabinet's views on how to progress with any potential additional charging in Denbighshire.

WG had introduced a range of measures to address the lack of affordable housing in Wales, which included new flexibilities for charging higher rates for long-term empty and second homes up to a maximum of 300%. Officers had recommended a measured response to retain the 50% premium charge for April 2023, increase to 100% from April 2024, and to 150% from April 2025. Any proposed increase required wider public consultation. The aim of the proposed increase was to reduce the number of empty properties and second homes, not income generation.

The Head of Finance and Audit detailed the tight timescales in the process to allow for public consultation and report back to Cabinet and ultimately Council for final decision. Given the time constraints involved Cabinet was also asked to approve immediate implementation of the decision. The decision at this stage was to consult on the proposals with any substantive decision subject of a further report.

Cabinet welcomed the proposals in the report as a means of encouraging properties back into use, increasing the number of affordable homes available for those in need of housing and to enable local people to remain within their own communities. The gradual approach to increasing the premium on a phased basis was also welcomed with sufficient notice being given of the proposals to allow homeowners time to consider their position. Reference was also made to the co-operation agreement between WG and Plaid Cymru and the commitment to tackling issues such as the housing shortage and lack of affordable homes for local people. Officers confirmed there was still a lack of clarity around the intentions of neighbouring local authorities as to how they would utilise the new flexibilities.

Comments and questions were raised by two non-Cabinet members relating to the potential detrimental impact on tourism, small businesses and the local economy as a result of the proposed higher charges together with potential income generation.

Cabinet and officers responded to the issues raised as follows –

- the aim of the proposed increase in charges was to change behaviours and encourage properties back into use within communities, not income generation
- the proposals provided a gradual, measured approach up to a maximum 150% increase which fell short of the maximum permitted increase of 300%
- there was a balance needed between the impact on tourism and housing provision with housing need and homelessness being a top priority
- any properties classified as businesses would be subject to business rates and therefore not liable for council tax
- highlighted the difficulties in estimating any additional revenue, particularly given the reasoning for the increase in charges was to reduce the number of second homes which would not produce any additional revenue if successful
- any additional revenue generated by the increase must be used to mitigate the housing issues, including homelessness and shortage of housing
- a Wellbeing Impact Assessment would be provided as part of the decision making process on the proposals via reports to Cabinet in July and Council in September
- provided assurances that safeguards were in place as part of the process to support people suffering financial hardship.

Having reviewed the report and supporting information it was –

RESOLVED that Cabinet –

- (a) agree that there be parity between the standard second home and long term empty premium, to minimise avoidance by taxpayers (who may apply to switch to the more favourable category) and so ensure the administrative burden is not increased significantly, except for properties that fall within recommendation;*
- (b) agree to the following proposals that will inform a public consultation prior to final decisions by Cabinet and Council:*
 - *the second home and long term empty Premium charge will remain at 50% for April 2023 then increases to 100% from April 2024, then 150% from April 2025*
 - *that properties that have been unoccupied and unfurnished for 5 years or more pay a higher premium at 50% more than the standard Premium, and*
- (c) that the decision be implemented immediately in accordance with paragraph 7.25 of the Council's constitution given the need to complete the necessary consultation in a timely manner.*

8 DRAFT AGILE WORKING POLICY

Councillor Julie Matthews presented the report seeking Cabinet's approval of the new draft Agile Working Policy and associated guidance documents.

The existing Flexible Working Policy had been reviewed following the new ways of working which the Council had developed during and after the Covid pandemic. The new Agile Working Policy enabled employees to have greater choice about how, where and when they worked and provided clear guidance and a consistent approach to managing employees in an agile way. The benefits of the policy had also been highlighted in the Wellbeing Impact Assessment. The Interim Head of HR guided Cabinet through the draft policy and associated documentation.

Cabinet welcomed the comprehensive report and benefits of the policy, which included greater choice for employees, better work/life balance, reduced car usage, etc., with the ability to work flexibly becoming an important career choice which would help address recruitment and retention issues.

The Lead Member and officers responded to questions as follows –

- the draft policy had been approved by the Joint Consultative Committee for Health and Safety & Employee Relations and agreed with all of the trade unions
- in terms of lone workers there were risk assessments in place for managers and employees to keep individuals safe whilst working
- new employees were supported through the induction process which had been amended to take into account the new ways of working
- in terms of monitoring output of new working patterns, the importance of regular 1:1 meetings between managers and employees was highlighted, both to ensure wellbeing and as a performance management tool providing an open two-way dialogue; much emphasis had been placed on the value of 1:1s and guidance provided on how to manage those conversations for maximum benefit
- the difficulties of providing comparisons of working output between the periods pre and post Covid was explained given the lack of comparable data and complexities around measuring outputs for specific job roles.

RESOLVED that Cabinet –

- (a) *approve the Agile Working Policy and associated guidance documents, and*
- (b) *confirms that it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix 6 to the report) as part of its consideration.*

9 NORTH WALES CONSTRUCTION FRAMEWORK (NWCF) PHASE 3 - STAGE 1 - INITIATE PROJECT

Councillor Julie Matthews presented the report seeking Cabinet's approval to begin the process for procurement of the North Wales Construction Framework Phase 3.

Following the success of the NWCF and benefits in procurement time, cost and value added provided by it, it was proposed to initiate a project that allowed the six

North Wales local authorities to continue to have a framework in place for the procurement of regional construction projects. Phase 2 of the NWCF was due to end in May 2024 and approval was sought to commence the process for Phase 3 in order for it to be in place for June 2024.

The Collaborative Procurement and Framework Manager provided a comprehensive overview of the framework and its benefits, and the intention to continue with a third iteration on behalf of the six North Wales local authorities who contributed equally to resourcing the framework. The NWCF was expected to be worth approximately £600m public spend across the life of the third iteration across North Wales and was open to all public sector bodies to access. In response to questions it was confirmed Denbighshire had hosted both previous iterations of the framework on behalf of the region which demonstrated confidence in that regard.

RESOLVED that Cabinet –

- (a) *approve the initiation of the project to procure the North Wales Construction Framework Phase 3, and*
- (b) *confirms that it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix 1 to the report) as part of its consideration.*

10 GOVERNANCE FOR THE LEVELLING UP FUND MONIES

Councillor Jason McLellan presented the report on the governance arrangements for overseeing delivery of projects funded by the Levelling Up Fund (LUF), and referred to the considerable amount of work undertaken since the successful bid for Clwyd West LUF including discussions with stakeholders on delivery of the projects.

The Programme Manager explained the requirement for the Council, as delivery body for the Clwyd West LUF project, to have a constituted delivery board with LUF in its terms of reference. She provided a comprehensive overview of the governance document including oversight and assurance mechanisms in place and how they were integrated into the governance arrangements of the Council. The governance document's remit also included delivery against the levelling up agenda in partnership with Wrexham for the Clwyd South area and Shared Prosperity Fund.

Cabinet considered the report and was satisfied with the robust governance structure as set out in the document in order to successfully deliver the projects. Councillor Emrys Wynne stressed the importance of correct governance arrangements being in place and looked forward to successful delivery of the projects in Ruthin. The Leader added that he was looking forward to working on the Project Board and with stakeholders to deliver projects for the benefits of residents.

RESOLVED that Cabinet confirms that it has read and understood the governance and assurance arrangements described, and that it is satisfied that those arrangements are sufficiently integrated into the Council's business.

11 FINANCE REPORT (2022/23 FINANCIAL OUTTURN)

Councillor Gwyneth Ellis presented the report on the final revenue outturn position for 2022/23 and proposed treatment of reserves and balances. The draft Annual Statement of Accounts for 2022/23 would be submitted to external auditors prior to Governance and Audit Committee in September.

The Head of Finance and Audit guided members through the detail of the report. In brief, the final position on service and corporate budgets (including schools overspend of £3.509m) was an overspend of £5.095m; excluding schools the position was an overspend of £1.585m. Coupled with a small shortfall in Council Tax collection of £0.019m, unearmarked reserves of £1.604m had been utilised to fund the net overspend, leaving a balance of approximately £5.5m. The position on schools' balances had been better than projected and reserves of £3.5m (leaving a balance of £9m) had been utilised to address that overspend. Finally, the proposed treatment of reserves and balances had been set out in full. The majority of movements had been budgeted for or had been previously approved.

Councillor Gill German reiterated that, whilst school budgets appeared reasonably healthy, it was predominately due to additional grant funding from the Welsh Government to address the impact of the pandemic. She reported on the impacts on mental health and wellbeing, and issues such as attendance, socialisation, and speech and language which needed to be addressed in a timely manner going forward. The wider financial challenges and risks as detailed in the report were highlighted including inflationary pressures and financial strategy of the UK Government in dealing with the financial impacts in response to Covid and cost of living crisis. Councillor German made the point that the current difficulties had been as a direct result of political decisions made by the UK Government and stressed the importance of all working together in order to best respond to the situation.

RESOLVED that Cabinet –

- (a) notes the final revenue outturn position for 2022/23;
- (b) approves the proposed treatment of reserves and balances as described in the report and detailed in Appendices 1 and 2, and
- (c) notes the details of transfers to and from Earmarked Reserves as set out in Appendix 3.

12 CABINET FORWARD WORK PROGRAMME

The Cabinet forward work programme was presented for consideration.

Members noted that the North Wales Velodrome Business Case had been removed from June and would be reallocated in the work programme once the timescale for the project had been confirmed.

RESOLVED that Cabinet's forward work programme be noted.

The meeting concluded at 12.40 pm.