

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin and by video conference on Tuesday, 19 December 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 Ann Davies, Chris Evans, Bobby Feeley, Karen Edwards, Pauline Edwards, James Elson, Huw Hilditch-Roberts, Hugh Irving, Alan James, Brian Jones, Delyth Jones, Terry Mendies, Merfyn Parry, Arwel Roberts, Gareth Sandilands, Peter Scott, David Williams, and Huw Williams

ALSO PRESENT

Chief Executive (GB); Corporate Directors: Social Services and Education (NS), Governance and Business/Monitoring Officer (GW), and Environment and Economy TW; Heads of Service: Finance and Audit (ET), Housing and Communities Service (LG), Adult Social Care and Homelessness Service (AL), Highways and Environmental Services (PJ) and Corporate Support Service: People (CR); Lead Officer – Community Housing (GD); Service Manager – Business Support and Communities (NJ); Property Operations Manager – Housing and Communities Service (MC); Waste and Recycling Manager (SL); Collaborative Procurement and Framework Manager (KB), and Committee Administrators (KEJ & RTJ [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 21 November 2023 were submitted.

RESOLVED that the minutes of the meeting held on 21 November 2023 be received and confirmed as a correct record.

5 LIBRARY/ONE STOP SHOP SAVINGS PROPOSAL

Councillor Emrys Wynne presented the report outlining how savings could be achieved by reducing Library/One Stop Shop Services.

The proposal had been put forward due to the unprecedented financial challenge facing the Council and requirement for all services to deliver significant savings. The report detailed the potential savings from the Library/One Stop Shop Service; the potential impact of making the savings; particular considerations for Cabinet and CET to inform future discussions, and recommended Cabinet approve the proposal to reduce Library/One Stop Shop opening hours by c.40% together with associated savings in other service areas, to release an expected saving of £360k.

Councillor Wynne was clear that the proposal did not sit well with him but given the financial context many difficult decisions needed to be made and he explained the reasoning behind the option to reduce opening hours across all libraries rather than closing individual libraries completely as a fairer way to deliver savings. Changes had been made to the original proposal in response to consultation feedback. The current proposal was based on a 40% reduction in opening hours rather than 50% resulting in an extra 30 hours per week of library opening hours overall which delivered around £90k less savings but also enabled third party user groups to access library buildings outside normal library opening hours. Councillor Wynne believed the current proposal to be more balanced and better for library users and staff than the previous proposal. The proposal protected libraries to the extent that it was currently possible to do so and would ensure that no library had to close. It was with great sadness that Councillor Wynne recommended the proposal, but he believed it to be the best deal possible for libraries in the current financial situation.

The Corporate Director: Environment and Economy explained the process leading to the current proposal as part of the wider budget setting process to ensure the Council set a balanced budget, with the proposal changing over time in response to the consultation feedback. The proposal was considered proportionate and realistic given the financial situation and level of savings required. The Head of Housing and Communities added that the proposed budget cut was around 21% of the service budget and included reducing library opening hours but also some associated savings in other parts of the service which were equally valued. She drew attention to Appendix 2 detailing the proposed 40% service model which had been developed in consultation with unions and staff. If Cabinet approved the proposal, there would be a formal staff consultation which may result in minor operational revisions, but the model was broadly what would be implemented.

Cabinet thanked the Lead Member for his work in putting forward such a difficult but balanced proposal taking all considerations into account. Councillor Julie Matthews also voiced her frustration over the cuts made by the UK Government over the past thirteen years and cumulative effect of austerity on local government finances which had led to the current dire financial situation. Whilst no one was in favour of library cuts it was accepted that given the dire financial situation, all services would need

to make savings to deliver a balanced budget, and in that context, Cabinet considered the proposal to be fair and proportionate. However, Cabinet was keen to avoid any further cuts to the library service going forward and to mitigate the impacts. Assurances were sought both in that regard and requests for a review of the proposed model to ensure parity of reductions in the opening hours of libraries across the county (taking into account City/Town Council contributions); further work involving all stakeholders working together to look at alternative models of delivering library services and future growth, and ensuring that going forward there would be provision of warm hubs/safe places in each town/community for people to access. The positive engagement and valuable feedback from the consultation process was highlighted together with how that feedback had changed the original proposal and further questions in that regard.

The Lead Member and officers responded to the issues raised as follows –

- agreed to review the library opening hours to ensure the reductions were balanced and equitable across all libraries and that fair consideration was given to the financial contributions of City/Town Councils
- further work would be carried out with interested stakeholders, including staff, community groups and City/Town/Community Councils to consider alternative models of delivering library services with a view to future proofing and growing that provision, mitigate cuts and seek other sources of income
- the option of reducing opening hours over library closures meant it would be easier to reintroduce the previous opening hours or expand provision in future if the financial situation improved or alternative funding could be secured, and all libraries were potentially viable for community use outside library opening times
- much work would be carried out to protect the library service from future budget cuts which would absolutely be a last resort and not envisaged at this point
- elaborated on plans for library buildings to be utilised outside of library opening hours for community use with a more commercial model being developed to facilitate that provision and amendments to opening hours following consultation feedback with fewer 'part day' openings and amended opening days
- highlighted the use of libraries as warm hubs/safe places and aim to protect and expand that provision in the community when considering the new model; the Community Resilience Team had been signposting funding to the third sector for access to food/warm hubs across the county and it was agreed to undertake a mapping exercise across the county with a view to maximising that provision.

The Leader opened up the debate to non-Cabinet members who took the opportunity to express their views and raise questions on the proposals.

Main points of debate focused on the following –

- Councillor Peter Scott set out St. Asaph City Council's position given that they contributed financially to the library service in St. Asaph and yet would still be subject to a reduction in opening hours. Rhuddlan Town Council was in a similar position. Officers appreciated the partnership approach with both Councils. The proposed model detailed the opening hours for individual libraries and had taken into account the financial contributions for St. Asaph and Rhuddlan libraries. If the contribution was removed the hours would need to be

reduced further. Councillor Arwel Roberts expressed the views of Rhuddlan Town Council and their disappointment over the proposed reductions but hoped financial contributions would continue given the importance of the service. Officers welcomed further discussions with both Councils on the way forward

- Councillor Bobby Feeley was against the proposal, highlighting the importance of the service as outlined in the report together with its valued and loyal staff, the overwhelming opposition to the cuts evidenced by the consultation, and she felt a 21% reduction in such a small service to be unfair and disproportionate. Officers responded to those and further points raised as follows –
 - the value of the service was undisputed, and the proposal had not been put forward willingly or lightly but in response to the dire financial situation
 - the library service had not been targeted; all services were being asked to find significant savings with further difficult decisions to be made in future
 - the report detailed the maximum redundancy costs but until a decision was made formal discussions could not be started with staff and costs could be zero depending on whether all staff at risk could be redeployed
 - the impact on other services had been discussed with the Senior Leadership Team and more creative ways of accessing services outside of library hours may be needed and would be further discussed once a decision was made
 - the library service would still have a central role to play in community cohesion and providing safe spaces and community hubs but some of those may need to be done in a different way going forward
 - the decision-making process was clarified with the library service being an executive function which fell to Cabinet; officers had requested that the item be considered at a Scrutiny Committee but that request had been declined
- Councillor Huw Hilditch-Roberts referred to the Wellbeing Impact Assessment with no positive impacts on Wellbeing goals and impact on town centre usage, associated income, and likely redundancies. No examples could be provided as to the reinstatement of services once they had been cut. The consultation had demonstrated overwhelming opposition to the proposal which would have a real impact on residents across the county. With that in mind, and given the largest saving was from staffing costs, he asked Cabinet to consider the outcome of the staff voluntary redundancy scheme in January, before taking a decision on the proposal. The Leader acknowledged the value of the service which had been recognised by Cabinet, but savings were required to set a balanced budget. The Head of Finance and Audit reminded Cabinet of the massive budget pressures facing the authority and need for timely decisions to be made to set the budget in January. Councillor Gwyneth Ellis added that the savings made from the voluntary redundancy scheme would not make a sufficient difference and a decision on the proposals for the library service would need to be made as part of the wider process of ensuring a balanced budget was set
- Councillor Pauline Edwards explained why she could not support the proposal, highlighting the tragic loss of valued staff and impact on residents, particularly with regard to warm hubs/safe spaces which should be addressed beforehand. Officers responded to questions raised by Councillor Edwards on the timescale for the proposal; paid tribute to the highly trained and experienced staff with further discussions around delivery models to minimise the impact on staff with a redeployment option elsewhere in the council; and provided assurances that discussions would continue throughout the process going forward regarding alternative models for warm hubs/safe spaces

- Councillor Ann Davies felt that the impact of the cuts to library services would cause pressures in other service areas and questioned the council's legal duty. The Corporate Director: Governance and Business referred to the relevant legislation advising that whilst there was a duty to provide an efficient library service it was for local authorities to consider how to provide that service in light of the resources that were available to them
- Councillor Hugh Irving supported the views of Councillors Bobby Feeley and Huw Hilditch-Roberts and felt further work should be carried out on the proposal before a final decision was made; he also highlighted the impact on town centre footfall. The Leader reiterated the need to take decisions in a timely manner to ensure a balanced budget. Officers confirmed that libraries made a positive economic impact on town centres which was why alternative models were being explored to make use of library buildings outside library opening hours.

Councillor Emrys Wynne thanked everyone who had contributed to the debate and had taken note of the issues raised with a view to working with officers and including them within the proposals to mitigate impacts. He reiterated the difficult decision to be made but gave assurances that he would work with officers to rebuild library services and increase opening hours when the financial situation improved.

RESOLVED that Cabinet –

- note the report and approve the proposal to reduce Library/One Stop Shop opening hours by c.40%, together with associated savings in other parts of the service, to release an expected saving of £360k, and*
- confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1 to the report) as part of its consideration.*

6 HOUSING RENT SETTING AND HOUSING REVENUE AND CAPITAL BUDGETS 2024/25

Councillor Rhys Thomas presented the report seeking Cabinet approval for the Denbighshire Housing annual rent increase, the Housing Revenue Account (HRA) Capital & Revenue Budgets for 2024/25 and Housing Stock Business Plan (HSBP).

The report included the latest forecast outturn for the HRA and the proposed budget for 2024/25 which had been calculated to enable delivery of revenue services, the capital investment programme and to develop the new build programme. In terms of the annual rent increase, the Welsh Government had set a maximum rent increase of 6.7% and it was proposed to increase weekly rents by that amount due to pressures on the HRA to invest in homes to achieve the Welsh Housing Quality Standard (WHQS) and strive to deliver the corporate plan target for new homes.

Councillor Thomas highlighted that 72% of council tenants received support with their rent payments; the council would support the remaining 28% of tenants if they were in financial difficulty; 85% of respondents to the tenant's survey agreed their rents represented value for money, and neither the Council nor the Welsh Government evicted tenants due to financial hardship. The report had been considered by Communities Scrutiny Committee who had approved its contents.

The Head of Housing and Communities explained that the age of the existing housing stock was such that it required constant investment and meeting the new WHQS created additional pressures. There was also a pressure to fund new build programmes with challenging times ahead. It was proposed to increase rent by the maximum amount set but there was confidence that the rent was affordable for tenants. The Lead Officer – Community Housing provided an overview of the affordability assessment and explained how the rent had been calculated using the Joseph Rowntree Foundation living rent model based on the 30% lowest Denbighshire incomes with rents not exceeding 28% of the weekly income of those earnings. That work had demonstrated that rents were affordable, and all rental income would be reinvested back in the housing stock.

Councillor Huw Williams, Chair of Communities Scrutiny Committee reported on the discussions of the Scrutiny Committee following consideration of the report on 7 December 2023. Councillor Williams paid tribute to the work of the Community Housing Team and thanked them for all their hard work and achievements, advising that the feedback from scrutiny had been extremely positive and the report recommendation had been approved. One area of concern related to air source heating and the need to explore secondary heating to ensure tenants were not without heating for any period of time. The Head of Housing and Communities confirmed that the matter was being given further consideration and risk assessments were being carried out. The Leader thanked Councillor Williams for his feedback following scrutiny and welcomed more of that approach going forward.

Main areas of debate focused on the following –

- it was clarified that the Housing Revenue Account (HRA) was ringfenced and completely separate from the council budget and budget setting process
- members congratulated the Community Housing Team on the achievements made in social housing, both in improving existing provision and creation of new social housing, for the benefit of tenants and residents in the county
- officers detailed the improvement to the existing council housing stock via the retrofit programme with grant funding provided to deliver improvements such as solar panels, new roofing, and external wall insulation together with planned improvement arising from the new WHQS in terms of 'affordable warmth' and energy improvements via air source heat pumps, solar panels and external wall insulation which created new budget pressures going forward
- reference was made to the commitment in the Corporate Plan for an additional 170 homes and officers reported on a number of developments nearing completion in Rhyl, Prestatyn and Denbigh and work was also ongoing to buy back ex-council properties and bring those properties up to standard
- housing was a corporate priority, and it was acknowledged that the general demand for housing was not being met and much work was ongoing to best meet that need and homelessness in the county. The issue of Houses in Multiple Occupation (HMO) continued to be addressed through planning policies and enforcement teams in terms of planning permission and was also being considered as part of the Local Development Plan. A mixed tenure of both social rented and private sector housing was the foundation of a thriving community.

The Leader welcomed the positive feedback from members on the work of the Community Housing Team and thanked officers for their contributions.

RESOLVED that –

- (a) *the Housing Revenue Account Budget for 2024/25 (Appendix 1 to the report) and the Housing Stock Business Plan (Appendix 2 to the report) be adopted;*
- (b) *rents for Council dwellings be increased in accordance with the Welsh Government Policy for Social Housing Rents to an average weekly rent of £109.34 with effect from Monday 1 April 2024;*
- (c) *the additional report (Appendix 3 to the report) on the considerations taken into account when deciding on the recommendation be noted, and*
- (d) *Cabinet confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 4 to the report) as part of its consideration.*

7 PROCUREMENT OF NEW ACCOMMODATION SUSTAINMENT SUPPORT PROJECT (HOMELESSNESS PREVENTION)

Councillor Rhys Thomas presented the report detailing proposals for a new holistic, housing related support project and sought Cabinet approval to commence the procurement of the service.

The project was designed to support people living in Denbighshire to sustain their accommodation and prevent homelessness and was part of the recommissioning of housing related support services to align with the transition towards Rapid Rehousing. The contract would be fully funded by the Housing Support Grant allocated by Welsh Government and would be for a period of three years with the option to extend for a further two years subject to satisfactory performance and continued funding and strategic relevance. The service would replace three existing floating support services delivered by three separate organisations. Details of the procurement had been set out in the Commissioning Form appended to the report.

The Service Manager – Business Support and Communities highlighted the need to increase the level of support for people in tenancies and continue that support to ensure those tenancies were maintained to avoid repeated homelessness. Current suppliers were being encouraged to work collaboratively to provide a multi-disciplinary service. Whilst a contract value indication had not been given it was anticipated that the project would result in a saving which would address pressures elsewhere within the service. Councillor Julie Matthews referred to the Wellbeing Impact Assessment and welcomed the shift to person centred outcomes and raised further questions in that regard. Officers explained the current process and intention to ensure the right support provision tailored to the individual/household to meet their needs and maintain their tenancy throughout and that approach would be carried through to all providers of the new project.

RESOLVED that Cabinet –

- (a) *approve the commencement of the procurement as set out in the Commissioning Form at Appendix 1 to the report, and*
- (b) *confirms that it has read and considered the Well-being Impact Assessment (Appendix 3 to the report).*

8 CONTRACT FOR HAULAGE, SORTING AND BROKERAGE OF DRY MIXED RECYCLING (DMR)

Councillor Barry Mellor presented the report regarding the Council's contract for the processing of Dry Mixed Recycling (DMR) (blue bin recycling) and sought Cabinet approval to extend the current contract in line with the Contract Variation Report.

Some background to the current position was explained given that the Council's contract for the processing of DMR had reached its end date but the recycling collection service was not expected to commence until Quarter 1 of the financial year 2024/25 resulting in the Council needing to make interim arrangements until the start of the new service. The report set out the reasoning behind the recommendation to extend the current contract with Shotton Mill including assurance over service costs/levels; disproportionate demand on current resources arising from a full procurement exercise, and value for money considerations.

Councillor Mellor reminded members that the Council used to be paid £25 per tonne for its recycling but currently had to pay a considerable amount for its disposal. However, he was pleased to announce that Natural Resources Wales had issued a permit for the new Waste Transfer Station and he paid tribute to the hard work of all those involved in the project which had been a huge undertaking which was nearing completion and would benefit the Council going forward. The Leader added his thanks to all those involved in the project for their hard work.

RESOLVED that Cabinet –

- (a) *had considered the content of the accompanying Contract Variation Report (Appendix 1 to the report), and*
- (b) *approves an extension to the contract for the reasons given as set out in the report, i.e., the brevity and uncertainty of contract period, best use of resources and the degree of confidence that the terms offered by the supplier offer value for money.*

9 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 2023/24 was £250.793m (£233.696m in 2022/23)
- an overspend of £3.325m was forecast for service and corporate budgets

- highlighted current risks and assumptions relating to corporate budgets and individual service areas
- detailed savings and efficiencies and increases in fees and charges (£8.172m)
- provided a general update on the Housing Revenue Account, Treasury Management, Capital Plan and major projects.

The Head of Finance and Audit guided members through the detail of the report. There was a slight increase in the forecasted overspend on service and corporate budgets and main areas of overspend continued to be due to pressures in Adults Social Care and Homelessness, Children's Services and Highways and Environmental Services. There were no changes to report in relation to the Housing Revenue Account and in relation to schools there was a slight increase in the forecast use of reserves that schools would need to use in year. The usual appendices had been included on the Capital Plan and Major Projects.

Cabinet was also asked to approve the Council Tax base for setting the 2024/25 budget together with capital business cases relating to Ysgol Bro Cinmeirch and Ysgol y Llys. Both school projects would seek to draw down 100% of the funding costs from the relevant Welsh Government Capital Grant Programme.

The Corporate Director: Environment and Economy responded to a question from Councillor Terry Mendies regarding the internal fit out of the Queen's Market development. He explained that the construction phase was nearing completion and the intention had been to agree the nature of the final fit out with the operator of the facility. As the proposed partnership with Mikhael Hotel and Leisure Group had not been taken forward, work would be undertaken within the funding available to fit out the facility as appropriate to enable the facility to be opened. It was agreed that further questions relating to other aspects of the Queen's Market development be raised by Councillor Mendies outside of the meeting given that they did not relate to the Cabinet finance report currently under consideration.

RESOLVED that Cabinet –

- note the budgets set for 2023/24 and progress against the agreed strategy;*
- approve the Council Tax Base for setting the 2024/25 budget as detailed in Appendix 5 to the report;*
- approve the Ysgol Bro Cinmeirch business case for submission to the Welsh Government Capital Programme as detailed in Section 6.9 and Appendix 6 to the report, and*
- approve the Ysgol y Llys business case for submission to the Welsh Government Capital Programme as detailed in Section 6.9 and Appendix 7 to the report.*

10 CABINET FORWARD WORK PROGRAMME

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

- Care Home Fee Setting 2024/25 – moved from January to March
- Disposal of Peronne Farm, Denbigh – added to January

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 NORTH WALES CONSTRUCTION FRAMEWORK 3 - APPOINTMENT OF CONTRACTORS

Councillor Julie Matthews presented the confidential report on the outcome of the procurement process for the third generation of the North Wales Construction Framework and sought Cabinet approval to appoint the successful contractors.

The framework was a collaboration between the six North Wales authorities hosted by Denbighshire with the main aim to deliver value for money and community benefits across the region. The report detailed the procurement process and lotting strategy and recommended the appointment of a pre-qualified group of contractors that all North Wales authorities or any other public sector body could utilise, saving the lengthy procurement process resulting in significant time and cost savings.

Councillor Mathews drew attention to the Wellbeing Impact Assessment and positive outcomes in terms of wellbeing goals, creating a large investment in the region and training initiatives. The Head of Corporate Support Service: People outlined the report and the Collaborative Procurement and Framework Manager guided members through the framework detail. In response to questions, the commitment to working with local companies was reiterated with the expectation that a large proportion of spend would be local/regional and there was also a commitment from those larger companies from outside the area to the local supply chain and local employment. An annual report was produced measuring key performance indicators including local spend. The first two iterations of the framework had been hugely successful in terms of local spend and community benefits and had been very well received. Councillor Gill German was proud that those values had already been embedded in Denbighshire and that the Welsh Government had also taken the lead in this area with the Social Partnership and Public Procurement (Wales) Act. Thanks were conveyed to officers and the Lead Member for their diligent work in that regard.

RESOLVED that Cabinet –

- (a) approve the appointment of the successful contractors as set out in the report, and

(b) confirms that it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix 2 to the report) as part of its consideration.

The meeting concluded at 12.40 pm.