

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, County Hall, Ruthin and by video conference on Tuesday, 23 April 2024 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 Joan Butterfield, Karen Edwards, Pauline Edwards, Bobby Feeley, James Elson, Chris Evans, Jon Harland, Huw Hilditch-Roberts, Alan James, Brian Jones, Delyth Jones, Terry Mendies, Merfyn Parry, Andrea Tomlin 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; Heads of Service: Finance and Audit (LT), Housing and Communities (LG) and Education (GD); Joint Archive Service Manager (CB); Principal Manager – School Support (JC), and Committee Administrators (KEJ & NPH [Webcaster])

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

The following declarations of interest were made –

Councillor Jason McLellan declared a personal and prejudicial interest in agenda item 5 – North East Wales Archive Project as his wife worked on the project for Flintshire County Council.

Councillor Rhys Thomas declared a personal interest in agenda item 6 – Sustainable Communities for Learning – Rolling Programme because he lived close to Denbigh High School and used the cycle path on a daily basis which would be adversely impacted if Ysgol Plas Brondyffryn was located on the favoured site.

Councillor Mark Young declared a personal interest in agenda item 6 – Sustainable Communities for Learning – Rolling Programme because he was a School Governor and Chair of Governors at Denbigh High School.

Councillor Pauline Edwards declared a personal interest in agenda item 6 – Sustainable Communities for Learning – Rolling Programme because she was a School Governor and Vice Chair of Governors at Ysgol Pendref.

Councillor Jason McLellan declared a personal interest in agenda item 7 – Update to Medium Term Financial Strategy and Plan for 2025/26 – 2027/28 and Review of the Council’s Financial Resilience and Sustainability in so far as it related to approval of the Ysgol y Llys project because the school adjoined his home.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 19 March 2024 were submitted.

RESOLVED that the minutes of the meeting held on 19 March 2024 be received and confirmed as a correct record.

5 NORTH EAST WALES ARCHIVE PROJECT

Having declared a personal and prejudicial interest in this matter, the Leader Councillor Jason McLellan left the meeting for the duration of the item and the Deputy Leader Councillor Gill German took the Chair.

Councillor Emrys Wynne presented the report on the next stage of the North East Wales Archive project following its approval in principle by Cabinet in October 2023.

The Council had a statutory duty to collect, preserve and make accessible documents of historical importance. A joint archive service with Flintshire County Council (FCC) had previously been established and work carried out to create a long term sustainable solution for archive storage. The problems associated with Denbighshire’s archive storage at Ruthin Gaol were reiterated and some years had been spent examining the various options. That work had concluded the best and most cost-effective option was to work in collaboration with FCC on a new purpose-built net carbon zero building on the Theatr Clwyd campus in Mold and had been supported in principle by Cabinet in November 2020 and October 2023.

In October 2023 Cabinet had approved a joint funding bid with FCC to the National Lottery Heritage Fund (NLHF) seeking a capital grant of £7,371,397 to fund a new purpose-built facility in Mold on the understanding that DCC and FCC would provide match funding contributions of £2,052,358 and £3,078,537 respectively. The application to the NLHF had been successful, and the report recommended Cabinet confirmed its support to accept the grant offer and commitment to contribute to capital match funding, subject to FCC doing the same. If approved, there would still be a continued archive presence at Ruthin Gaol.

The reasoning for the significant spend on the service in the current financial climate was reiterated and the funding explained. A range of options had been

considered for the future storage of archive collections and all came with significant cost and would likely cost more than the current proposal over the longer term. As the current arrangements were unsustainable and could not fulfil the Council's statutory duties there was not a "do nothing" option. Denbighshire's match funding sum would be funded via prudential borrowing and the proposal would provide an opportunity to acquire a new, fit for purpose archive facility for the next 50 years and long term solution. Councillor Wynne believed the proposal to be the most cost effective option available and provided the best outcomes for service provision.

The Head of Housing and Communities and Joint Archive Service Manager were in attendance. It was stressed that much work had been carried out over some time to explore all options available for the long-standing project to find the best solution going forward and ensure the safe storage of archive material and efficient service delivery, maximising public access to those materials. Work was progressing on the collaboration agreement and Heads of Terms for the lease of the building and Cabinet was also asked to delegate authority to the Chief Executive and Lead Member to sign those documents when ready given the timescales involved.

Cabinet had discussed the merits of the project on a number of occasions, taking into account the current unsustainable arrangements and statutory responsibilities with regard to archives together with the significant costs associated with the project at a time of unprecedented budget pressures. Cabinet acknowledged the hard work of all those involved in the project and the successful grant application resulting in around £7m of external funding being secured for a purpose built facility which was desperately needed to safeguard archive materials for the future.

Officers responded to questions from Cabinet as follows –

- the original proposal in 2020 had been for a larger, more expensive facility and the grant funding bid had been unsuccessful. However, the Council had been invited to revisit the project with a view to a further submission at a reduced cost
- the lack of a 'Plan B' had been raised in 2020 and when revisiting the project, the opportunity had been taken to double check whether there were any other more cost effective options which had been outlined as part of the report
- if authorised by Cabinet, the usual delegated decision process would apply to the signing off of the legal documents which would be shared with all members
- FCC's Cabinet would be meeting the following day to consider the proposal
- there were two phases to the granting funding which covered the development phase and build phase and the Council's share of the cost would be split over that period to begin in 2024 up to 2028; the length and way of borrowing would be dependent on the structure of the legal agreement, however the maximum amount had been included in the report; small amounts would come into revenue for repayment of borrowing in 2025/26 and 2026/27 with an estimated cost of borrowing around £22k with the majority in 2028/29 of around £136k.

The debate was opened up to non-Cabinet members. Councillors Bobby Feeley, Huw Hilditch-Roberts and Mark Young welcomed the successful grant funding bid and the plans to expand the heritage attraction on the Ruthin Gaol site. Questions were raised regarding funding available to progress the development of Ruthin

Gaol, interest rates and cost certainty with regard to prudential borrowing, and elements within the legal agreement and partnership arrangements.

Officers responded to questions and comments as follows –

- assurances were given that the Council was committed to assisting the Heritage Service in utilising space vacated in Ruthin Gaol to develop an enhanced visitor experience by leveraging in external grant funding for that purpose; it was also confirmed that the £60k reserve earmarked in 2020 remained in order to progress the proposed plans for expanding the heritage attraction at the site
- in terms of the proposed 50 year lease there was a need to balance the investment and securing the use of a long term asset whilst recognising that during that time things could change, and discussions were ongoing in that regard; there would also be a number of break clauses in the agreement
- the cost of borrowing over the 4 year period could fluctuate up and/or down as could the cost of delivering the project but at the build stage (in around 18 months' time) there would be cost certainty. There were no guarantees for borrowing rates which were currently about 5% but there may be flexibility in extending borrowing over a longer period depending on the terms of the lease
- the joint archive service had been working collaboratively over the last 4 years which gave confidence in those arrangements and the new partnership agreement would further strengthen those arrangements going forward. It was hoped that in future more staff time could be spent working with communities and greater partnership working with smaller, local archives.

The Deputy Leader thanked all those involved with the project and paid tribute to the hard work of both officers and members over a long period of time. Councillor Emrys Wynne also thanked everyone for their contributions, past and present, in order to reach this latest stage in the process.

RESOLVED that Cabinet –

- (a) confirms its support for North East Wales Archive to accept the National Lottery Heritage Fund grant offer of £7,371,397, subject to Flintshire County Council's Cabinet doing the same;*
- (b) confirms the commitment for Denbighshire County Council to contribute match funding of £2,052,358 of capital funding which would be paid for via prudential borrowing, subject to Flintshire County Council confirming their acceptance of the grant and their capital contribution. The maximum revenue cost to Denbighshire County Council was expected to be c£136k;*
- (c) delegates authority to the Chief Executive Officer and Lead Member for Welsh Language, Culture and Heritage, to sign a Collaborative Agreement that covered the construction of the new facility, and operation of North East Wales Archive, and a Heads of Terms for the Lease of the new building, subject to costs being containable within the overall budget of £12,892,294, and*

- (d) *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 SUSTAINABLE COMMUNITIES FOR LEARNING - ROLLING PROGRAMME

Councillor Gill German presented the report seeking Cabinet approval to submit the draft Strategic Outline Programme (SOP) for the Sustainable Communities for Learning Programme to the Welsh Government (WG) for their consideration.

The WG had changed its approach to delivering the Sustainable Communities for Learning Programme (formerly 21st Century Schools), moving away from 5 year bands of investment to a more flexible approach over a longer 9 year time period divided into 3 blocks of 3 years each. Local authorities had been asked to update their SOP under the new structure with projects essentially ready for business cases to be brought forward in the first 3 years, projects being developed and going through the statutory consultation in the second 3 years and pipeline projects for the final 3 years. The programmes would be reviewed every 3 years.

The proposals and reasoning behind phasing the Council's school investment over the next 9 years had been set out in the report and by the Lead Member, in brief –

- due to delays the 4 Band B projects (Ysgol Plas Brondyffryn, Ysgol Pendref, Ysgol Bryn Collen/Ysgol Gwernant, and Denbigh High School) would not be delivered within the original timescales and given current financial pressures there was a need to reconsider what was affordable over what time period. It was recommended the commitment to developing all 4 Band B projects be retained and incorporated into the new SOP, but the development timescales be reprofiled to spread out the revenue pressures over a longer period
- an additional project was also proposed to be included in the SOP to be brought forward in the first 3 year timeframe relating to a small extension at Ysgol y Castell which was at risk due to increased costs; its inclusion in the programme would allow it to proceed with no borrowing requirements by the Council with the match funding required being provided by Section 106 developer contributions
- the Council was required to make a capital contribution to the current Band B projects which would be funded via prudential borrowing. If all Band B projects rolled over to the first 3 years it was likely that further cuts to services, including delegated school budgets, would be needed to fund the borrowing costs, hence the proposal to stagger that borrowing over a more manageable timeframe
- as Ysgol Plas Brondyffryn was the most advanced project it was proposed that investment in that school be sought in the first 3 year period with the less advanced Band B projects being included in the second 3 year period (2027 – 2030), and in the final 3 year period (2030 – 2033) consideration would be needed to progress further ambitions dependent on the financial position at the time of the first review in 2027. It was accepted that the proposal would be a blow to those schools who may need to wait longer for the improvements needed but work would continue towards realising those ambitions as quickly as possible including any interim work that could be progressed in the meantime.

The Corporate Director: Social Services and Education, Head of Education and Principal Manager – School Support were also in attendance for this item. The

Head of Education added that there were difficult and unpopular decisions to be made but given the financial climate it was heartening that the Council's ambitions for the investment in those schools was being retained over the next number of years. WG's expectation for the first 3 year period was for projects that were deliverable within that period to be progressed which was why Ysgol Plas Brondyffryn had been proposed given the project was currently at RIBA Stage 3.

Cabinet considered the contents of the report and the implications for schools in the programme as a result of the recommendations. Councillor Julie Matthews highlighted the urgent need for the specialist provision provided by Ysgol Plas Brondyffryn. In response to questions, it was confirmed the school was currently oversubscribed with a waitlist and pupils were also waiting for formal assessments and diagnosis to be able to access the provision. The wider added pressures on mainstream schools were also highlighted and potential for placing more children out of county. The project would allow demand for that provision to be met via the increase in capacity from the current 133 pupils to an overall capacity of 220 pupils. It was noted that 16% of those current pupils resided outside of the county.

Councillor Rhys Thomas highlighted a number of risks and uncertainties arising from the proposed rolling programme of projects including planning permission for Ysgol Plas Brondyffryn, potential legal challenge to the process as set out in the School Organisation Code, lack of buy-in from Denbigh Member Area Group, local neighbouring school, businesses and organisations that would be impacted as a result of the proposals, uncertainties around inflation and future WG funding and political changes. Given those reservations he felt unable to support the proposals and raised a number of questions on those matters. Councillor Gwyneth Ellis considered progression of the programme to be a risk given the financial predictions in the medium-term which effectively resulted in the Cabinet having to prioritise projects because schools first on the list were more likely to be completed. She did not consider the progression of those schemes which were more advanced to be the correct way of prioritising projects. Councillor Emrys Wynne asked for the wording in the Wellbeing Impact Assessment to be strengthened to make it mandatory for the building to deliver bilingual signage within the school.

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

- there was a risk associated with securing planning approval for the preferred site for Ysgol Plas Brondyffryn and if planning permission was refused the matter would need to be reconsidered by Cabinet and the SOP resubmitted
- any resubmission of the SOP would need to fulfil WG's criteria and meet the requirements of the grant for the next stage; there was an agreement with WG and a funding allocation to Denbighshire for the project
- the programme for Band A projects was given as an illustrative example where the final programme had been different to the original approved programme and a partnership approach was taken with the WG which had allowed projects to be changed during the lifetime of that programme to successfully deliver projects; that approach would also be taken with the SOP to reflect changing priorities
- in terms of the potential for rising inflation, increased costs, and impact on projects in future years no specific assurances could be given as that situation

was unknown, but assurance was provided that officers would work with stakeholders with a view to fulfilling the intention of the SOP

- it was noted that many of the risks and uncertainties raised were common to all capital projects and those risks needed to be weighed up and a decision made
- WG had been clear in their requirements that priority should be given to projects that could be delivered and completed in the first 3 year period. The Ysgol Plas Brondyffryn project met the expectations of WG for completion within timescale and the budget was in place, and there was a need to expand capacity for specialist provision with implications on pupils, other schools, and costs if those needs could not be met. If any of the other projects were to be prioritised, they would not be completed within the timeframe required by the WG
- agreed to look to change the wording in the Wellbeing Impact Assessment to make it clear that bilingual signage in schools was a requirement.

The Leader opened the debate to non-Cabinet members. Councillor Delyth Jones pointed out the need for both pupils with Additional Learning Needs and pupils in schools in deprived areas with unsuitable learning environments, and the difficulties in prioritising one cohort over another, and raised questions regarding the progression of the projects and timescales provided. Councillors Mark Young and Pauline Edwards elaborated on emails they had sent to Cabinet setting out their concerns regarding the report recommendations and any delay to the progression of Denbigh High School and Ysgol Pendref respectively given the current building conditions and urgent work required and the impact it would have, particularly in an area of deprivation. Councillor Young raised a number of questions regarding the funding elements and member engagement and asked that the Cabinet decision be deferred pending further debate and consideration by the local members and wider council. Councillors Merfyn Parry and Huw Hilditch-Roberts also voiced their views and concerns regarding the lack of engagement and buy-in from local members and rationale for the recommendations, with Councillor Hilditch-Roberts suggesting that the rationale be based on the pupil need per head.

The Lead Member and officers responded to the questions and comments, together with further supplementary questions raised as follows –

- all schools put forward in the SOP had need of investment and ambitions for those schools remained as priority areas but the WG guidance was clear that the first 3 year period must include the most advanced and ready to be brought forward. Work would continue on those other projects during the first 3 year period to ensure they could move forward at pace in the second 3 year period
- it would take around 111 weeks for projects to reach RIBA Stage 3 and be construction ready; the earliest Ysgol Pendref could start work on site would be 2026 and the proposal was to start Spring 2027, the earliest construction could start on Denbigh High School site would be April 2027, and on that basis, there was no long delay in commencement of the projects
- the level of need and deprivation in the area was accepted and support was provided through Community Focused Schools and other funding elements
- there were various reasons why projects developed at different rates, particularly given different pathways were followed and evolved as part of the process which were beyond the capacity and control of the Council

- all projects had been carried out in parallel. Delays to the Ysgol Pendref project had been due to issues over site selection resulting in the decision to remodel the existing school and the Denbigh High School project was linked to the Ysgol Plas Brondyffryn project. Reference was also made to the needs of Ysgol Bryn Collen / Ysgol Gwernant in Llangollen who were also sharing many facilities
- there had been numerous discussions at Denbigh Member Area Group regarding the school projects. The current decision around the SOP was a Cabinet decision and the same processes had been followed previously for Band A projects – the decision had not been called into scrutiny or submitted to scrutiny. The various elements of the wider rolling programme had been to Cabinet four times since April 2022
- if all projects were progressed at pace the impact of the prudential borrowing required meant that savings would need to be found elsewhere which would inevitably impact on schools' budgets; there was also a need to meet the WG's expectations in order to secure the necessary match funding for the projects
- the reduction in the maintenance grant for school buildings was also a challenge and discussions were ongoing to explore the possibility of using revenue maintenance funding as the match funding element of the programme for Denbigh High School so there was no borrowing cost to Denbighshire
- the Council met all of its legal obligations in respect of the school estate with regular condition surveys and maintenance and refurbishment work carried out. There was a process which was being followed as sedulously as possible
- no project had been delayed to date due to budgetary decisions. The current recommendation was to widen the length of time taken to complete the Band B projects due to the impact of borrowing costs on the revenue budget
- reiterated if a decision was made to prioritise a different school project in the first phase it would not be possible to deliver the project in the first 3 year period
- between 2018/19 – 2023/24 around £1.5m had been spent across all sites with the majority of spend on Ysgol Plas Brondyffryn due to the work on the business case and reaching the planning stage, and most of that had been funded by the Council. Usual practice was that design costs were used for match funding later in the project so that funding was effectively claimed back at a later stage
- if previous considerations had been based solely on the number of pupils impacted no smaller rural schools would have been built and many rural schools would have closed. There had been many considerations for the original Band B projects including condition, suitability, capacity and sufficiency and the impact. Demand for specialist provision was not being met with pupils waiting for places in Ysgol Plas Brondyffryn. Whilst accepting the condition of the other schools, all pupils had a school place with good teaching and learning meeting their needs.

The Leader accepted that it was an extremely difficult decision which had to be made in the context of the serious financial challenges facing the authority and the borrowing impact. All of the school projects had a valid case in terms of need, and he thanked everyone for their views and contributions to the debate.

RESOLVED that, by majority vote, Cabinet –

- (a) *approves the submission of the draft Strategic Outline Programme for the Sustainable Communities for Learning Programme (Appendix 1 to the report) to the Welsh Government for their consideration, and*

- (b) *confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 3 to the report) as part of its consideration.*

At this point (12.15 pm) the meeting adjourned for a refreshment break.

7 UPDATE TO MEDIUM TERM FINANCIAL STRATEGY AND PLAN FOR 2025/26 - 2027/28 AND REVIEW OF THE COUNCIL'S FINANCIAL RESILIENCE AND SUSTAINABILITY

Councillor Gwyneth Ellis presented the report providing an update on outstanding matters relating to the 2024/25 budget, budget setting in the medium term (2025/26 – 2027/28) and a review of the Council's financial resilience and sustainability.

Cabinet was guided through the report detail which focused on the following –

- a summary of the 2024/25 budget setting position, including an update on the final funding settlement, Voluntary Exit Scheme, and the savings tracker
- Medium Term Financial Strategy and Plan 2025/26 – 2027/28 including current budget projections along with the assumptions that underpinned the projections and the Council's strategic approach to the management of its finances and outlined some of the financial issues facing the Council over the next 3 years
- self-assessment of financial resilience and sustainability setting out an assessment of the Council's position against common themes and issues identified by CIPFA (Chartered Institute of Public Finance & Accountability), and
- sought Cabinet approval to commence the design phase for Ysgol Bro Elwern, Ysgol Henllan, Ysgol Bro Cinmeirch and Ysgol y Llys projects to enable the full business case to be submitted to the Welsh Government for approval. The projects were fully granted funded and approved by the Capital Scrutiny Group.

The Leader highlighted the importance of the report, which had been debated at length at Cabinet Briefing, and the key pressures facing the Council and how they were being addressed together with the process for scrutiny. Councillor Julie Matthews welcomed the Communications Plan to ensure all members were involved in the process and kept informed moving forward. A series of member workshops around the budget and transformation had been planned which would provide the opportunity for all members to engage in that process to deliver public services in incredibly challenging times. Councillor Gwyneth Ellis drew Cabinet's attention to the savings tracker which would be incorporated into the monthly finance report to Cabinet in future to monitor progress and delivery of savings.

RESOLVED that Cabinet –

- (a) *approves the updates as listed in section 2.1 of the report, and*
- (b) *approves the commencement of the design phase for Ysgol Bro Elwern, Ysgol Henllan, Ysgol Bro Cinmeirch and Ysgol y Llys projects to enable the Full Business Case to be submitted to Welsh Government for approval as detailed in section 4.7 and Appendices 6 to 9 of the report.*

8 CABINET FORWARD WORK PROGRAMME

The Cabinet forward work programme was presented for consideration and members noted an addition to the September meeting relating to Denbighshire's Local Area Energy Plan.

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

The meeting concluded at 12.40 pm.