

## **CABINET**

Minutes of a meeting of the Cabinet held in by video conference on Tuesday, 12 April 2022 at 10.00 am.

### **PRESENT**

Councillors Hugh Evans, Leader and Lead Member for the Economy and Corporate Governance; Bobby Feeley, Lead Member for Well-being and Independence; Huw Hilditch-Roberts, Lead Member for Education, Children's Services and Public Engagement; Brian Jones, Lead Member for Waste, Transport and the Environment; Richard Mainon, Lead Member for Strategic Direction and Transition; Tony Thomas, Lead Member for Housing and Communities; Julian Thompson-Hill, Deputy Leader and Lead Member for Finance, Performance and Strategic Assets, and Mark Young, Lead Member for Planning, Public Protection and Safer Communities

**Observers:** Councillors Joan Butterfield, Ellie Chard, Meirick Davies, Gwyneth Ellis, Gwyneth Kensler, Alan James, Barry Mellor, Paul Penlington, Rhys Thomas, and Emrys Wynne

### **ALSO PRESENT**

Chief Executive (GB); Heads of Service: Legal, HR and Democratic Services (GW), Finance and Property (SG), Highways and Environmental Services (TW), Children's Services (RM), and Education (GD); Project Manager, Business Information (PC); Fleet Manager (CB); Project Manager, Strategic Planning (LR); Lead Officer – Corporate Property and Housing Stock (DL); Property Operations Manager (MC); Modernising Education Officer (LW); Business Co-ordinator: Leader's Office (SE) and Committee Administrators (KEJ, SJ & RTJ [Webcaster])

#### **1 APOLOGIES**

Councillor Richard Mainon

#### **2 DECLARATION OF INTERESTS**

Councillor Mark Young declared a personal interest in agenda item 8 – Ysgol Plas Brondyffryn Project in so far as it related to Denbigh High School because he was a School Governor for Denbigh High School

Councillor Huw Hilditch-Roberts declared a personal interest in agenda item 11 – Finance Report in so far as it related to the Glasdir Project because he was a School Governor for Ysgol Pen Barras

Councillor Bobby Feeley declared a personal interest in agenda item 11 – Finance Report in so far as it related to the Glasdir Project because she was a School Governor for Rhos Street Primary School

### **3 URGENT MATTERS**

No urgent matters had been raised.

### **4 MINUTES**

The minutes of the Cabinet meeting held on 15 March 2022 were submitted.

***RESOLVED** that the minutes of the meeting held on 15 March 2022 be received and confirmed as a correct record.*

### **5 WASTE SERVICE REMODELLING - UPDATE ON FINANCIAL POSITION INCLUDING UPDATED BUSINESS CASE**

Councillor Brian Jones presented the report updating Cabinet on the latest cost and budget position on the Waste Service Remodelling Project and sought Cabinet approval of an updated Business Case and the delegation of authority to appropriate officers to call upon capital plan unhypothecated funding if required.

Councillor Jones highlighted the transparency in the management of the project which had been overseen by the Waste Project Board and subject to scrutiny with regular member updates. In line with other council schemes the project had been impacted by the spiralling costs of goods and materials globally which were beyond the Council's control and had resulted in a revised Business Case for approval.

The Head of Highways and Environmental Services provided some background to the project and work undertaken since approval of the initial Business Case in December 2018. He also reiterated the benefits of the new model resulting in increased recycling levels, higher quality recycling, reduced carbon emissions and the waste service costing significantly less than the current model. The depot site was adjacent to Colomendy Industrial Estate and by working collaboratively with four local businesses to acquire land for the site local jobs had been protected and new jobs created. However, the development had taken longer to deliver than anticipated with progress also affected by the impact of Covid-19.

The main change since approval of the Business Case had been the significant increase in inflation and costs of goods and materials due to global factors which could not have been foreseen. The contingency in the overall budget had been increased to £2m in July 2019 to deal with risks/unknowns. However, due to the significant increases in the cost of goods/materials over the last twelve months cost pressures of £3.588m had been identified across the project. A bid for £1.588m extra funding to cover the shortfall had been approved by the Welsh Government in March. Cost inflation remained a risk until tenders had been returned and contracts awarded. In recognition of that issue the Welsh Government had provided additional unhypothecated capital funding to all twenty two local authorities.

Councillor Julian Thompson-Hill advised that the financial circumstances were not unique to the waste project with the increase in costs having been factored into a number of ongoing schemes across the authority. The commitment of the Welsh Government to this project and the extra funding provided meant that at this stage

the project was fully funded enabling the necessary contracts to be let in the coming weeks/months to completion, and he fully supported the recommendations. Councillor Brian Jones also added that the Council's contract with United Paper Mills (UPM) Shotton to recycle household waste expired in autumn 2023 which was likely to result in additional financial pressure on the waste service, and any delay in the project roll out beyond autumn 2023 would result in greater costs to the Council.

Councillors Brian Jones and Julian Thompson-Hill, and the Head of Highways and Environmental Services responded to questions as follows –

- the Welsh Government had confirmed an additional £1.588m grant funding to help meet the cost pressures identified resulting in a fully funded project at the present time, but inflation costs remained a risk until the point of contract award
- provided assurances that the project had been progressed as quickly as possible. It had taken fifteen months following approval of the initial Business Case to acquire the site due to complications with the land registry and the technical information for the tender specification had not been available earlier. The volatility of the current market meant contractors were not prepared to hold tender prices which may only be valid for a matter of weeks
- in response to Councillor Barry Mellor's concerns over the cost increases and calls for Internal Audit to examine the Business Case, he was advised that information had been made available to members throughout the duration of the project, the Waste Project Board had monitored progress and costs, and work had been carried out with the Waste and Resources Action Programme (WRAP) and Finance Team with much scrutiny of the financial elements of the project. There would be no issue with Internal Audit examining the Business Case if that was deemed necessary
- in terms of the funding table it was not usual practice to show the contingency funding as a separate budget line as it was part of the overall cost with all capital projects having a level of contingency built into the funding envelope
- the scale of the project was significant with a total project cost of £19,337,142. However, it was delivering a brand new waste infrastructure to service the whole county, including a new fleet for the waste service, and more than £11m of the project cost had been provided by Welsh Government – the project had been well managed and the finances scrutinised and controlled as far as possible
- the Council had a successful track record for its major capital projects coming in on or below the overall funding envelope allocated to it, but the steep cost increases over the last eighteen months due to external unforeseen factors beyond the Council's control had impacted on a number of existing ongoing projects, including the waste project, with even minimal percentage cost increases having a significant impact given the scale of the project
- whilst not directly related to the report it was clarified that under the new waste recycling charges residents would not be paying any extra for existing services but would benefit from an enhanced service whereby more materials would be accepted at recycling centres at a cost lower than the private sector. Fly tipping was a national issue (not unique to Denbighshire) but work was being undertaken to actively tackle the issue through education and enforcement.

Councillor Bobby Feeley thanked officers for the report and detailed explanation of the issues involved. She highlighted the importance of the project and recycling

and was supportive of it and the report recommendations. The Leader added that assurances could be taken from the detailed scrutiny of the project and work of the Waste Project Board, with costs having escalated due to factors beyond the Council's control. The opportunity to work with local businesses to safeguard jobs and facilitate job creation and economic growth on the site was also welcomed. The Chief Executive commented that the Council did not shy away from taking on large, complex projects and it was good practice to revise the Business Case for reconsideration if the project changed over time in the interests of openness and transparency. He also expressed his support for the amended Business Case.

**RESOLVED** that Cabinet –

- (a) *acknowledge the latest cost and budget position (Appendix 1 to the report);*
- (b) *approves the updated Business Case (Appendix 2 to the report);*
- (c) *delegates authority to the Chief Executive, in consultation with the Section 151 Officer and Monitoring Officer to call upon capital plan unhypothecated funding if required due to uncontrollable increases in costs as a result of inflation or supply chain issues. Any call on this funding will subsequently be reported to the next meeting of Cabinet, and*
- (d) *confirms that it was read, understood and taken account of the Wellbeing Impact Assessment as part of its consideration (Appendix 3 to the report).*

## **6 NEW 5M WASTE FLEET VEHICLES - CONTRACT AWARD**

[The Head of Legal, HR and Democratic Services referred to the confidential appendices to the report for reasons of commercial sensitivity and advised that any detailed questioning on those elements should be carried out in private session.]

Councillor Brian Jones presented the report on the process undertaken during the fleet procurement exercise as part of the wider waste services remodelling project and sought Cabinet approval to award a contract to the preferred supplier for the 14 new 5M Resource Recover Vehicles (RRV). The tender award comprised 11 diesel 5M RRV waste vehicles and 3 Ultra-Low Emission Vehicles (ULEV) waste vehicles. Given the long lead-in times on the larger 5M RRVs and to secure the tendered prices it was also recommended that the decision be implemented immediately.

The Head of Highways and Environmental Services and the Fleet Manager added that, following further discussion with the Welsh Government, it had been agreed to increase the number of ULEV waste vehicles from 2 to 3 which would further reduce fleet emissions when introduced and represented a significant change to the way the service operated. Councillor Jones reiterated the need to launch the new waste model in autumn of 2023 to avoid further financial pressure for the service following the expiry of the current contract with United Paper Mills.

Cabinet was supportive of the steps to reduce carbon emissions in the fleet and discussed with officers the reliability/robustness of the ULEV waste vehicles to meet

the needs of the authority and the new ways of working going forward together with lead in times in order to meet delivery timescales. Officers responded that –

- work had been carried out to test the viability of the ULEV vehicles and their limitations on different routes, conditions, etc. and there was confidence that they would meet service obligations – any risk in that regard had been mitigated by introducing a small number into the fleet at this point and the intention was to introduce more ULEV vehicles over time; it was likely that when the diesel vehicles reached their end of life it would be mandatory to replace them with zero emission vehicles, hence the phased approach to transition to manage risk
- the Maintenance Team had been retrained to maintain electric vehicles which provided potential opportunities for the fleet service to work collaboratively in the future. The Maintenance Unit in Bodelwyddan was a commercial garage and it was hoped that the change would provide long term benefits to the local business community as well as the internal fleet
- it was expected the relatively long lead in time would provide the opportunity to commission the vehicles and provide the necessary training to new staff in readiness to roll out the new way of working – subject to no significant issues in the industry the suppliers should be able to deliver the vehicles in approximately a year's time to enable the roll out of the new waste model by autumn 2023.

The Leader invited further questions from non-Cabinet members and the Lead Member and officers responded to comments/questions as follows –

- non-recyclable household waste was processed at Parc Adfer, Deeside as part of a collaborative arrangement with five North Wales authorities whilst recyclable household waste was processed at United Paper Mills, Shotton
- reasons given for the electric vehicles being more expensive than diesel vehicles included the cost of the battery in comparison to an internal combustion engine, the research and development cost for the new technology which was generally paid at the outset, and market forces
- the rationale behind the decision for fully electric vehicles was explained. Whilst smaller hybrid vehicles were available the Council had chosen electric vehicles to maximise carbon reduction given that the electric vehicles were sufficient in terms of capacity, charging, and range to meet daily requirements. There were currently no hybrid options for the larger vehicles and whilst there were some hydrogen powered vehicles they were extremely expensive and cost prohibitive.

**RESOLVED** that Cabinet –

- grant approval for the award of a contract to the preferred supplier for 11 x 5M Diesel RRVs and 3 x 5M ULEV RRVs at a total cost of £2,712,231. Denbighshire County Council will fund £2,217,231 with Welsh Government contributing £495,000 for the purchase of the 3 ULEV vehicles (Appendix 1 to the report referred);*
- confirms that it has read, understood and taken account of the Wellbeing Impact Assessment as part of its consideration (Appendix 3 to the report), and*

- (c) *approves the immediate implementation of the decision given the long lead-in times on the larger 5M RRVs and (just as importantly) to secure the tendered prices given market uncertainties and price inflation which may mean tenderers prices are withdrawn at short notice.*

## **7 PHASE 2 WASTE TRANSFER STATION, COLOMENDY CONTRACT AWARD VIA DELEGATED DECISION**

Councillor Brian Jones presented the report regarding Phase 2 of the development of the new DCC Waste Transfer Station and sought Cabinet approval to award a contract to the preferred contractor via delegated decision.

Cabinet had approved the tendering exercise for Phase 2 in October 2021 and the report set out the work undertaken in relation to the tender process to date and the Phase 1 Enabling Works that had been delivered in collaboration with four businesses on the Colomendy Industrial Estate completed in March 2022. The tender was based on a weighting of 60% price and 40% quality with a pre-tender estimated value of £5.25m. The deadline for tender submissions was 4 May 2022 following which an evaluation exercise would be undertaken to determine the preferred contractor to deliver Phase 2. In the absence of a Cabinet in May and in order to progress the project and avoid further cost pressures it was recommended that the contract be awarded via delegated decision, providing the preferred contractors' submission was within the affordability envelope for the works.

In response to a question from Councillor Tony Thomas officers gave assurances that from the outset of the project there had been close working with Countryside Services and the Biodiversity Team to ensure that any impact in terms of the development was minimised and managed in relation to wildlife and biodiversity.

At this point Councillor Brian Jones paid tribute to the officers working on the waste project with special mention to the Project Manager, particularly given the complexities and challenges involved. On behalf of the Cabinet the Leader added his appreciation highlighting the benefits of the project to residents in the long term.

### ***RESOLVED that Cabinet –***

- (a) *approve the award of a contract to the preferred contractor via delegated decision by the Chief Executive (in consultation with the Section 151 Officer and Monitoring Officer) at the conclusion of the tender process, providing the Contractors submission is within the affordability envelope for the works. It is expected that the delegated decision will be taken on, or after, 5 May 2022;*
- (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, and*
- (c) *that the delegated decision is implemented immediately due to the time pressure to progress the programme and award a Contract to allow works to commence on Phase 2 on site as soon as possible to maximise the more*

*favourable conditions for construction over the summer and mitigate the risks posed by ongoing market volatility and cost pressures.*

## **8 YSGOL PLAS BRONDYFFRYN PROJECT - SCHOOL ORGANISATIONAL FORMAL CONSULTATION PROPOSAL AND DRAFT STRATEGIC OUTLINE CASE**

Councillor Huw Hilditch-Roberts presented the report seeking Cabinet approval to submit the Strategic Outline Case for the Ysgol Plas Brondyffryn project to the Welsh Government and commence consultation on school organisation proposals to increase its capacity from 116 to 220.

The project was part of 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 (currently used by Denbigh High School) and to increase capacity of the school as demand for those specialist places increased. The rationale behind the predicted increased demand and current capacity issues had been set out and the importance of the project in meeting demand and the needs of learners was highlighted, with the current situation also providing challenges for teachers and other learners in schools across the county. Reference was also made to consultation and engagement with stakeholders, departments and local members regarding the project proposals and how they would be progressed.

The following issues were raised during the ensuing debate –

- a capacity of 220 had been considered a realistic size for the school to meet the predicted increase and priority would be given to Denbighshire pupils
- concerns had been raised over the number of pupils still awaiting assessment and the Council was in regular dialogue with health colleagues in that regard
- Councillor Mark Young commended the project and thanked officers for the members' site visit highlighting communication as a key issue in the process
- planning permission for the project was a separate process, independent of Cabinet, and was for the Planning Committee to determine on planning grounds
- the building would be designed in such a way that it would be possible to extend the school at a future point if required to meet any further increase in demand
- the school had been referenced an English medium school with most pupils from English speaking homes. However, there was no designation for special schools regarding language provision and education was provided at the school in Welsh if requested – it was accepted that the wording in the Welsh Language Impact Assessment could be changed to reflect that the school provided education in Welsh and English for pupils in their preferred language.

Cabinet acknowledged the importance of the project and fully supported the report recommendations to ensure its delivery as soon as possible.

**RESOLVED** that Cabinet –

- (a) *approve proceeding to formal consultation on a proposal to increase its capacity from 116 to 220;*
- (b) *approve the submission of the Strategic Outline Case for consideration by the Welsh Government, and*
- (c) *confirms that it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix 1 to the report) as part of its consideration.*

## **9 NATIONAL COLLABORATIVE ARRANGEMENTS FOR WELSH (LOCAL AUTHORITY) ADOPTION AND FOSTERING SERVICES**

Councillor Huw Hilditch-Roberts presented the report on the national collaborative arrangements for Adoption and Fostering Services and sought Cabinet agreement to sign the Joint Committee Legal Agreement for the proposed Joint Committee.

The National Adoption Service (NAS) had been in existence since 2014 and had enabled significant change and improvement in adoption services across Wales. Proposals had been developed through the Welsh Local Government Association to extend the governance structure of the NAS to incorporate a national approach to specific fostering services through Foster Wales (FW). A Joint Legal Agreement had been drafted to be signed by all twenty two local authorities. The agreement contained a formal scheme of delegation with a Joint Committee providing the mechanism for all Welsh local authorities to discharge an executive and oversight role for NAS and FW. Each local authority had also been asked to nominate a member of their Executive/Cabinet to be a voting member on the Joint Committee.

The Head of Children's Services provided further context to the report and the benefits of FW in increasing support capacity and attracting more foster carers to local authorities thereby enabling more children to be kept within their communities. It was clarified that the Leader would nominate Cabinet's representative on the Joint Committee following May's local government elections.

**RESOLVED** that Cabinet –

- (a) *adopt the proposals for developing the governance arrangements for the National Adoption Service for Wales, as it assumes responsibility for Foster Wales;*
- (b) *confirms their support for the Joint Committee Agreement for the National Adoption Service and Foster Wales and agree that the authority signs the agreement;*
- (c) *formally nominate their representative on the Joint Committee, and*
- (d) *that the development of the national approach, associated delegation of governance, and local scrutiny arrangements are reported to Governance and Audit Committee and Full Council.*

## 10 REACTIVE MAINTENANCE FRAMEWORK (MINOR WORKS) - SCHOOL AND NON-SCHOOL PROPERTIES

Councillor Julian Thompson-Hill presented the report on the outcome of the procurement exercise to establish a Reactive Maintenance Framework for works on the Council's corporate building stock and seeking Cabinet approval to appoint the recommended contractors to the framework lots.

Cabinet had approved the re-tendering exercise of the Reactive Maintenance Framework in May 2021 which would be used to appoint contractors to undertake reactive/minor maintenance works under £10k. The tender had been split into 6 lots by region and type of works as set out in the report together with details of the framework operation performance monitoring. The proposed framework ensured compliance with procurement legislation and Contract Procedure Rules whilst streamlining the appointment of pre-approved contractors via competitive process. All the contractors proposed to be appointed to the framework were based in Denbighshire and with whom the Council had worked with previously.

**RESOLVED** that Cabinet –

- (a) *approves the appointment of the recommended contractors to the Framework lots as detailed in Appendix 1 to the report, and*
- (b) *confirms that it has read, understood and taken account of the Wellbeing Impact Assessment (Appendix 4 to the report) as part of its consideration.*

## 11 FINANCE REPORT

Councillor Julian Thompson-Hill presented the report detailing the latest financial position and progress against the agreed budget strategy as outlined below –

- the net revenue budget for 2021/22 was £216.818m (£208.302m in 2020/21)
- an underspend of £0.386m was forecast for service and corporate budgets (£1.533m forecast overspend last month) with the movement predominantly due to a one-off increase in Revenue Support Grant for 2021/22 of £60m (DCC share £1.994m) announced by Welsh Government with request that £10m (DCC share £0.332m) be used to fund improvements to travel arrangements for care workers including electric vehicles; the residual £1.662m would be placed in the Budget Mitigation Reserve to help the Council deal with inflationary pressures
- detailed agreed savings and efficiencies worth £2.666m relating to fees and charges, operational efficiencies, changes in service provision and schools
- highlighted current risks and assumptions relating to individual service areas, corporate budgets and schools together with the impact of coronavirus and position on funding claims to the Welsh Government, and
- a general update on the Housing Revenue Account and Housing Capital Plan, Treasury Management and Capital Plan with an update on major projects.

Councillor Meirick Davies referred to the 21st Century Schools Programme – Glasdir Project and queried whether the work to create an additional school yard had been in response to problems highlighted in the press. Councillor Huw

Hilditch-Roberts advised that the press reports had not fairly reflected the situation and asked that his response be minuted. He explained how representatives of each school had been appointed to work with the Project Team and had amended the plans to ensure they were practical for teaching. However, Ysgol Pen Barras had also changed the design of their yard into a flat practical area. When the schools were signed off the area per pupil was greater in Rhos Street School compared to Ysgol Pen Barras but it was grassed and muddy and not a practical space for play. Consequently, work had been carried out to build an extra yard to provide that practical space for Rhos Street School which had cost less than the pre-tender estimate and had been funded from the overall allocation to the Ruthin school projects. The apparatus on the Ysgol Pen Barras site had been funded by their PTA, not the local authority, and the spending per pupil on the new shared school had been equal. With regard to a further question on the East Rhyl Coastal Defence Scheme it was explained that the references in the press had referred to a different scheme that was currently under consideration.

**RESOLVED** that Cabinet note the budgets set for 2021/22 and progress against the agreed budget strategy.

## 12 CABINET FORWARD WORK PROGRAMME

The Cabinet forward work programme was presented for consideration.

The Head of Legal, HR and Democratic Services advised that an additional Cabinet had been provisionally scheduled for 28 June to ensure there was appropriate time for reports that may be required given that Cabinet would not be meeting in May.

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

Given it was the last Cabinet meeting of the current Council term, the Leader took the opportunity to thank all members for their support, contributions, and collective hard work over the last five years for the benefit of residents. He felt that Denbighshire had the foundations to meet its future challenges. He also thanked officers for their valuable service, particularly during the coronavirus pandemic and under extremely difficult circumstances. Finally, the Leader thanked the Chief Executive for all his work and wished staff well for the next Council term and candidates all the best in the forthcoming elections. The Chief Executive in turn thanked the Leader, the Cabinet, and all members for their support and hard work. Those sentiments were echoed by other members with special mention to those councillors not seeking re-election with best wishes for the future.

The meeting concluded at 12.10 hrs.