



City and County of Swansea

Notice of Meeting

You are invited to attend a Meeting of the

Scrutiny Performance Panel - Service Improvement, Regeneration and Finance

At: Multi-Location Meeting - Gloucester Room, Guildhall / MS Teams

On: Tuesday, 12 March 2024

Time: 10.00 am

Convenor: Councillor Chris Holley OBE

Membership:

Councillors: P M Black, C M J Evans, E W Fitzgerald, T J Hennegan, P R Hood-Williams, L James, D H Jenkins, M H Jones, M Jones, S M Jones, J W Jones, M W Locke, B J Rowlands, W G Thomas, M S Tribe and T M White

Agenda

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- 1 Disclosure of Personal and Prejudicial Interests**
www.swansea.gov.uk/disclosuresofinterests
- 2 Prohibition of Whipped Votes and Declaration of Party Whips**
- 3 Apologies for Absence**
- 4 Minutes** 1 - 3
To receive the minutes of the previous meeting(s) and agree as an accurate record.
- 5 Public Questions**
Questions can be submitted in writing to Scrutiny scrutiny@swansea.gov.uk up until noon on the working day prior to the meeting. Written questions take precedence. Public may attend and ask questions in person if time allows. Questions must relate to items on the open part of the agenda and will be dealt with in a 10 minute period.
- 6 Audit Wales Report - "Cracks in the Foundations" Building Safety in Wales** 4 - 63
Cllr David Hopkins- Cabinet Member for Corporate Services & Performance
Carol Morgan – Head of Housing and Public Health

- | | | |
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| 7 | Achievement against Corporate Priorities / Objectives / Policy Commitments for Development and Regeneration | 64 - 75 |
| | Cllr Robert Francis-Davies – Cabinet Member for Investment, Regeneration, Events & Tourism
Paul Relf – Economic Development and External Funding Manager
Katy Evans – Team Leader, Planning and City Regeneration | |
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Next Meeting: Tuesday, 9 April 2024 at 10.00 am



Huw Evans
Head of Democratic Services
Wednesday, 6 March 2024

Contact: Scrutiny Officer - 01792 636292

Agenda Item 4



City and County of Swansea

Minutes of the **Scrutiny Performance Panel - Service Improvement, Regeneration and Finance**

Multi-Location Meeting - Gloucester Room, Guildhall / MS

Teams

Tuesday, 13 February 2024 at 9.00 am

Present: Councillor C A Holley (Chair) Presided

Councillor(s)

P M Black
L James
M Jones
M W Locke
M S Tribe

Councillor(s)

C M J Evans
D H Jenkins
S M Jones
B J Rowlands
T M White

Councillor(s)

E W Fitzgerald
M H Jones
J W Jones
W G Thomas

Officer(s)

Ben Smith
Rachel Percival

Director of Finance / Section 151 Officer
Scrutiny Officer

Apologies for Absence

Councillor(s): P R Hood-Williams

58 Disclosure of Personal and Prejudicial Interests

There were no disclosures of Personal and Prejudicial Interests.

59 Prohibition of Whipped Votes and Declaration of Party Whips

None.

60 Minutes

Minutes of previous meeting were agreed.

61 Public Questions

There were no public questions received.

62 Pre-Decision Scrutiny of Cabinet Reports: Annual Budget

The Leader and Ben Smith the Director of Finance and Section 151 Officer attended. They talked through the following:

Medium Term Financial Planning 2025/26 to 2027/28 (MTFP)

- There are no material changes to planning assumptions since the draft MTFP presented to the Panel in January.
- There is uncertainty and potential for changes over time to the MTFP which makes forecasting a challenge.
- The fire service levy equates to 1% of the proposed 5.99% Council Tax rise.

Revenue Budget 2024/25

- There are potential changes to the Revenue Budget due to further Welsh and UK Governments announcements before Council in March.
- Schools are receiving a one off cash uplift of £7m from the Hwb ICT reserve. This has not come from general School reserves.
- Additional comments from the public consultation will be made available to Councillors in due course.
- The levy of the Corporate Joint Committee has been reduced by 10%. Due to requirements for work programme delivery this could not be reduced further.
- There are no plans in the Revenue Budget to cut Local Area Coordinators however reference was made to a discussion during pre scrutiny of Social Services budgets on 12 February that there is a risk to funding.

Capital Budget and Programme 2023/24 – 2028/29

- The capital programme is ambitious however assurances were given that the cost of servicing the debt remains affordable with plans to wait to borrow further when interest rates have reduced.
- Capital underspend and attendant saving on revenue capital financing costs has either been used to offset the revenue budget overspends or added to the Capital Equalisation Reserve. Potential future borrowing of £50m is built into the Medium Term Financial Plan although there are future decisions in the longer term for how the £50m is to be timed for external borrowing and financed temporarily in the meantime.
- The School Building Programme has no specific delays and current plans are to proceed as scheduled.

Housing Revenue Account (HRA) Revenue Budget 2024/25 and Capital Budget and Programme 2023/24 – 2027/28

- Assurances were given that the current ringfenced reserves are adequate for the HRA.
- It was noted that service charges for social housing are uplifted annually in addition to rents.

Panel Members feedback for Cabinet based on their discussions will be addressed in a letter to the Leader and presented to Cabinet by the Chair on 15 February 2024.

63 Exclusion of the Public

The public were excluded from the meeting on the grounds that it involves the likely disclosure of exempt information as set out in Paragraph 14 of Schedule 12A of the

Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

64 Pre-Decision Scrutiny of Cabinet Reports: Annual Budget

65 Work Plan

The Panel noted the Work Plan.

66 Letters

The meeting ended at 11.15 am

Chair

Agenda Item 6



Report of the Cabinet Member for Corporate Services and Performance

Service Improvement, Regeneration and Finance Scrutiny Performance Panel 12 March 2024

Audit Wales Report – “Cracks in the Foundations” Building Safety in Wales

Purpose	To brief the Panel on the findings of the Audit Wales Report, the implications and actions required of the Council.
Content	The Audit Wales report gives a critical oversight and raises concerns that not enough priority is being given to Building Control services. It suggests that there is an absence of robust planning and clear decision making, and inadequate resources, which raises fears that the new Building Safety act legislation will not be delivered as intended in Wales.
Councillors are being asked to	Consider the information provided and give views
Lead Councillor	Councillor David Hopkins, Cabinet Member for Corporate Services and Performance
Lead Officer Report Author	Peter Richards Tel: 01792 635622 E-mail: peter.c.richards@swansea.gov.uk
Legal Officer	Adrian Jeremiah
Finance Officer	Peter Keys

1. Background

- 1.1 Following the Grenfell tragedy in 2017 and the recommendations made in the Hackett report, the Building Safety Act was given Royal ascent in April 2022. This Act aims to improve the safety of high rise and other in scope buildings in England and Wales, by establishing new regulations for the design, construction, maintenance, and occupation of such buildings.
- 1.2 The Act also sets a requirement for all practicing Building Control Inspectors to demonstrate competency at one of three levels (Domestic, General, Specialist) and become registered by April 1st, 2024.

2. Findings

- 2.1 The Audit Wales Report looked at all Building Control Authorities in Wales and how each is prepared to take on the enhanced responsibilities and requirements of the new Building Safety Act 2022. The audit focused on the resilience of existing services and the robustness of building safety assurance systems.
- 2.2 The findings from the report give a critical oversight and raised concerns that not enough priority is being given to these services. It suggested that there is an absence of robust planning and clear decision making, and inadequate resources, which raises fears that the new legislation will not be delivered as intended in Wales.
- 2.3 Eight recommendations were made, four directed at Welsh Government and four directed at Local Authorities.
- 2.4 Recommendations for Local Authorities
- Plan for new responsibilities and ensure they are adequately prioritised and resourced.
 - Review financial management and fee setting.
 - Explore opportunities to strengthen resilience through collaboration and regionalisation.
 - Review and strengthen risk management processes.

3. Council Response

- 3.1 Short Term
- Continue with recruitment campaign to fill vacancies.
 - Subject to the success of the above consider conversion to apprenticeships.
 - Direct all staff towards proof of competence and successful professional registration.
 - Consider action for officers refusing to undertake the above.
 - Implement new salary / structure April 24 following successful registration of officers.
- 3.2 Long Term
- Establish long term succession plan.
 - Maintain continued competencies and registration of officers.
 - Consider opportunities for collaboration regional / hub working.
 - Create an earmarked reserve where any surplus income generated is reinvested into the service in accordance with the Building (Local Authority Charges) Regulations 2010.
 - Publish financial statement annually in accordance with the above regulations.

4. Legal implications

4.1 There are potential risks to fulfil the requirements of the Building Safety Act and maintain service delivery if officers fail or refuse to undertake relevant competency validation to become registered. There are also potential sanctions for failing to account in accordance with the Building (Local Authority Charges) Regulations 2010 and CIPFA Local Authority Building Control accounting guidance 2010

5. Finance Implications

5.1 The establishment of an earmarked reserve may have wider implications for the corporate budget.

6. Integrated Assessment Implications

6.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage.
- Consider opportunities for people to use the Welsh language.
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

6.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

6.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

6.2 As this is an information report there is no need for an IIA.

Background papers:

Building Safety Act

https://ccossecure-my.sharepoint.com/:w:/r/personal/peter_richards2_swansea_gov_uk/Documents/Desktop/The%20Building%20Safety%20Act%202022.docx?d=w4a2660bb10e64fbe9527f1a6a15ebe3a&csf=1&web=1&e=aR7v90

Audit Wales Report

[‘Cracks in the Foundations’ – Building Safety in Wales \(audit.wales\)](#)

Fees and charges legislation

[The Building \(Local Authority Charges\) Regulations 2010 \(legislation.gov.uk\)](#)

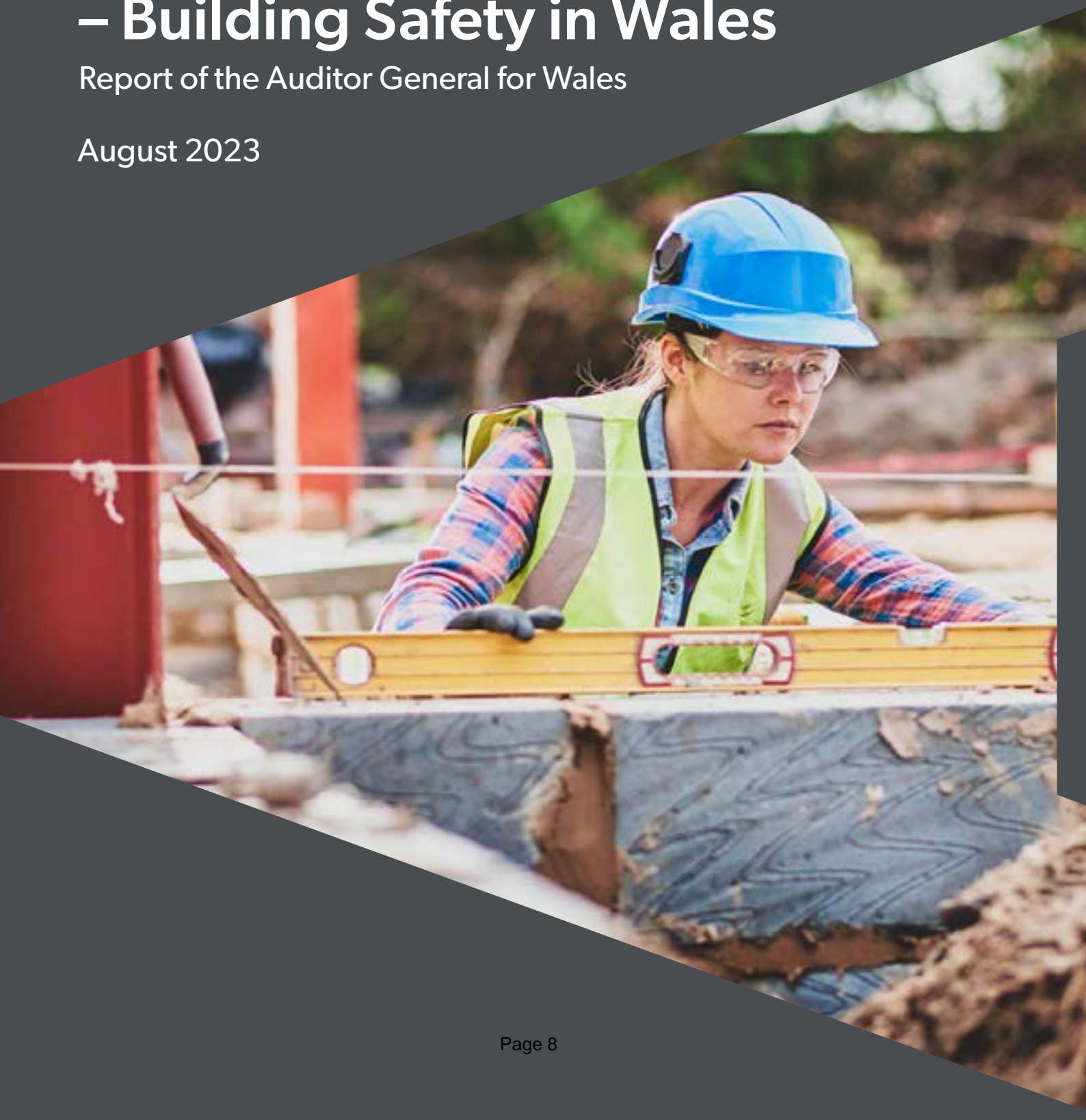
Appendices:

Appendix A – “Cracks in the Foundations – Building Safety in Wales

'Cracks in the Foundations' – Building Safety in Wales

Report of the Auditor General for Wales

August 2023



This report has been prepared for presentation to the Senedd under the Government of Wales Act 2006.

The Auditor General is independent of the Senedd and government. He examines and certifies the accounts of the Welsh Government and its sponsored and related public bodies, including NHS bodies. He also has the power to report to the Senedd on the economy, efficiency and effectiveness with which those organisations have used, and may improve the use of, their resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government value for money studies and inspects for compliance with the requirements of the Local Government (Wales) Measure 2009.

The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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Detailed report

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Summary report

Context

Building Control and Building Safety in Wales

- 1 Building Regulations are a set of legal requirements for the design and construction of new buildings, extensions, and material alterations to, and certain changes of use of, existing buildings. Building regulations help ensure that new buildings, conversions, renovations, and extensions (domestic or commercial) are safe, accessible and energy efficient.
- 2 The building regulations are defined by the Welsh Government and cover specific topics including structural integrity, fire protection, accessibility, energy performance, electrical and installation of combustion appliances. They also lay, for example, standards for drains, ventilation, protection against the ingress of water and protection against contamination including methane and radon gas. To help people to comply with them, the Welsh Government produces Approved Documents which offer detailed guidance and show ways of achieving compliance, expressed in simple functional statements – see **Appendix 2** for further information.
- 3 The primary responsibility for compliance with Building Regulations rests with designers, builders and building owners, and there are two routes open to them when seeking approval for their work¹. They can choose to pay for either:
 - a local authority inspector from the local council and run through Local Authority Building Control (LABC); or
 - an approved inspector from a government-approved private building control company.
- 4 In practical terms, if construction work is proposed, the work must comply with these Regulations. Although work on a new build or extension may proceed before any formal consent, nothing can proceed beyond the inspection stages without the approval of an inspector. When the building is completed to the satisfaction of an inspector, a Completion or Final Certificate is issued (depending on who has approved the work). This certificate is only provided when all work has been approved and a final site inspection has passed.

1 The system in Wales mirrors England and has largely been unchanged since the adoption of Part 2 of the Building Act 1984 which allowed for the introduction of approved inspectors as an alternative to obtaining building regulations approval from a local authority. In Scotland, all building control activities rest with local government and there are no private building approved inspectors.

- 5 They both work in the same way, checking plans prior to works commencing, physically inspecting work during the development, advising any changes as necessary to ensure compliance, before re-inspecting the job prior to signing the project off. However, only a local authority has powers of enforcement and prosecution where breaches of the Regulations occur. An approved inspector should hand the project over to the local authority if there are problems with the project that cannot be resolved informally. There can be heavy penalties, including fines and imprisonment, for breaches of the Regulations, although in practice this rarely happens.

The Grenfell disaster and the Hackitt Inquiry

- 6 The building regulation regime was unchanged for many years until the Grenfell Tower Fire of 2017, in which 72 people died. Following this tragedy, an independent review into Building Regulations and fire safety was commissioned by the UK (United Kingdom) Government. Chaired by Dame Judith Hackitt, the review's report² was published in May 2018 and exposed long standing and serious issues³ with the building safety system, including:
- **Ignorance** – regulations and guidance were not always read by those who needed to, and when they did the guidance was misunderstood and misinterpreted.
 - **Indifference** – the primary motivation of the system was to do things as quickly and cheaply as possible rather than to deliver quality homes which are safe for people to live in. When concerns were raised by others involved in building work or by residents, they were often ignored. Some of those undertaking building work failed to prioritise safety, using the ambiguity of regulations and guidance to 'game' the system.
 - **Lack of clarity on roles and responsibilities** – there was ambiguity over where responsibility lay, exacerbated by a level of fragmentation within the industry, and precluding robust ownership of accountability.
 - **Inadequate regulatory oversight and enforcement tools** – the size or complexity of a project did not seem to inform the way in which it was overseen by the regulator. Where enforcement was necessary, it was often not pursued. Where it was pursued, the penalties were so small as to be an ineffective deterrent.

2 Judith Hackitt, [Building a Safer Future](#), May 2018

3 Sir John Egan, [Rethinking Construction: Report of the Construction Task Force](#), November 1998

- 7 The report recommended a new framework to replace the complex system that had grown over decades, along with a need to change culture from one that prioritises structural integrity and design to one which has equal emphasis on fire safety quality controls. Following the Hackitt Inquiry, both the Welsh and UK governments prioritised work on addressing the review findings culminating in the Building Safety Act 2022 (the 'Act')⁴. The Act represents the biggest shake-up of building safety regulation since 1984 in England and Wales.
- 8 This report looks at how the Welsh Government, local authorities and their key partners are implementing the requirements of the Building Safety Act 2022. The focus of our review has been on assessing the preparedness of bodies to take on their new and enhanced responsibilities, the resilience of existing services, and the robustness of building safety assurance systems. **Appendix 1** sets out our audit approach and methods.

Key Conclusions

- 9 Our overall conclusion is that responsible bodies – particularly local authorities and fire and rescue – are unable to effectively discharge their responsibilities and ensure buildings in Wales are safe.
- 10 In **Part 1** of the report, we consider the priorities set by the Welsh Government in respect of the Act and how well prepared local authorities are to deliver these. We found the Welsh Government prioritised responding to the Grenfell disaster, working with the UK Government. This resulted in the Building Safety Act 2022 which seeks to address longstanding problems in the regulation and oversight of building design and construction.
- 11 We found that the Welsh and UK governments are diverging in key policy areas, and some doubt remains on how the Act will be implemented in Wales, mainly because decisions in key areas are yet to be decided and agreed. This is creating uncertainty, with most local authorities who are responsible for delivering these changes and, by extension in terms of joint working, fire and rescue services, who are yet to develop comprehensive plans that set out how they intend to deliver their new and revised responsibilities.
- 12 In **Part 2** we consider the strength of local authority building control and enforcement services, the effectiveness of the fee-setting regime and how services are changing to strengthen resilience. We conclude that as a profession, building control and building safety face significant staffing challenges. An ageing workforce (see Key Facts below), poor succession planning, a wider lack of investment in services and training and development highlight that these services are neither resilient nor fit for the future.

- 13 We also have concerns with the financial management of building control, concluding that in some authorities current practices are potentially unlawful with services not operating in line with regulations and guidance. While the pandemic has helped local authorities modernise their services, utilising cloud-based IT (Information Technology) and remote working, their resilience nonetheless remains weak. Opportunities to strengthen services through collaboration and regionalisation are not being prioritised and little work has taken place in these areas.
- 14 Finally, in **Part 3** we examine building safety assurance arrangements. We found that the absence of a national framework for monitoring and evaluating building control and building safety means that local authorities and their partners are not working to agreed appropriate outcome measures, targets, or benchmarks. Coupled with limited scrutiny and evaluation of building control and building safety, and poor management of risk, we conclude that assurance systems are inadequate.



The Grenfell Tower fire was a national tragedy, the impact of which we continue to feel today. My report highlights major concerns with the implementation of the new system for Building Safety. Although it's heartening to see the passion and commitment from those working in the sector, I am concerned that not enough priority is being given to these services on the ground. The absence of robust plans, clear decision making, and adequate resources raises real fears that the new legislation will not be delivered and the problems it is seeking to address will remain.

Adrian Crompton
Auditor General for Wales

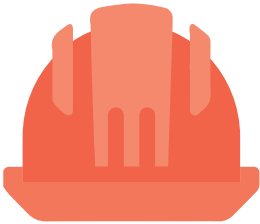


Key facts

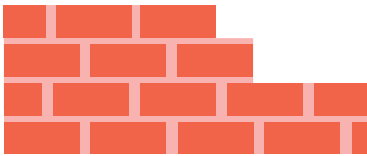


177 total number of staff in building control

11 total number of staff replaced in 2021-22

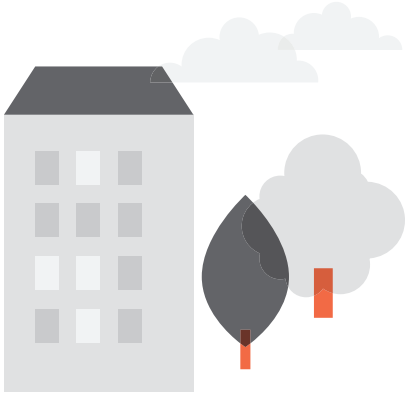


0 number of surveyors or managers who have a disability

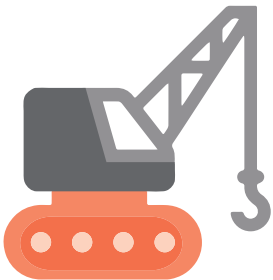


96% proportion of surveyors and managers that are white

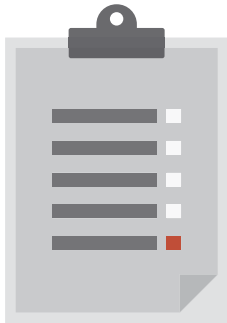
Of the of the **133** FTE surveyors and managers, **54.4%** are over the age of 50 and only **10%** under 30



21 total number of staff who left building control in 2021-22

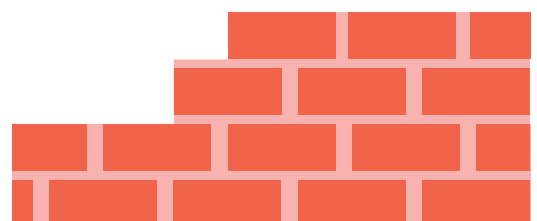
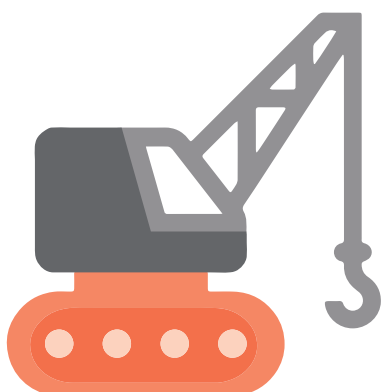
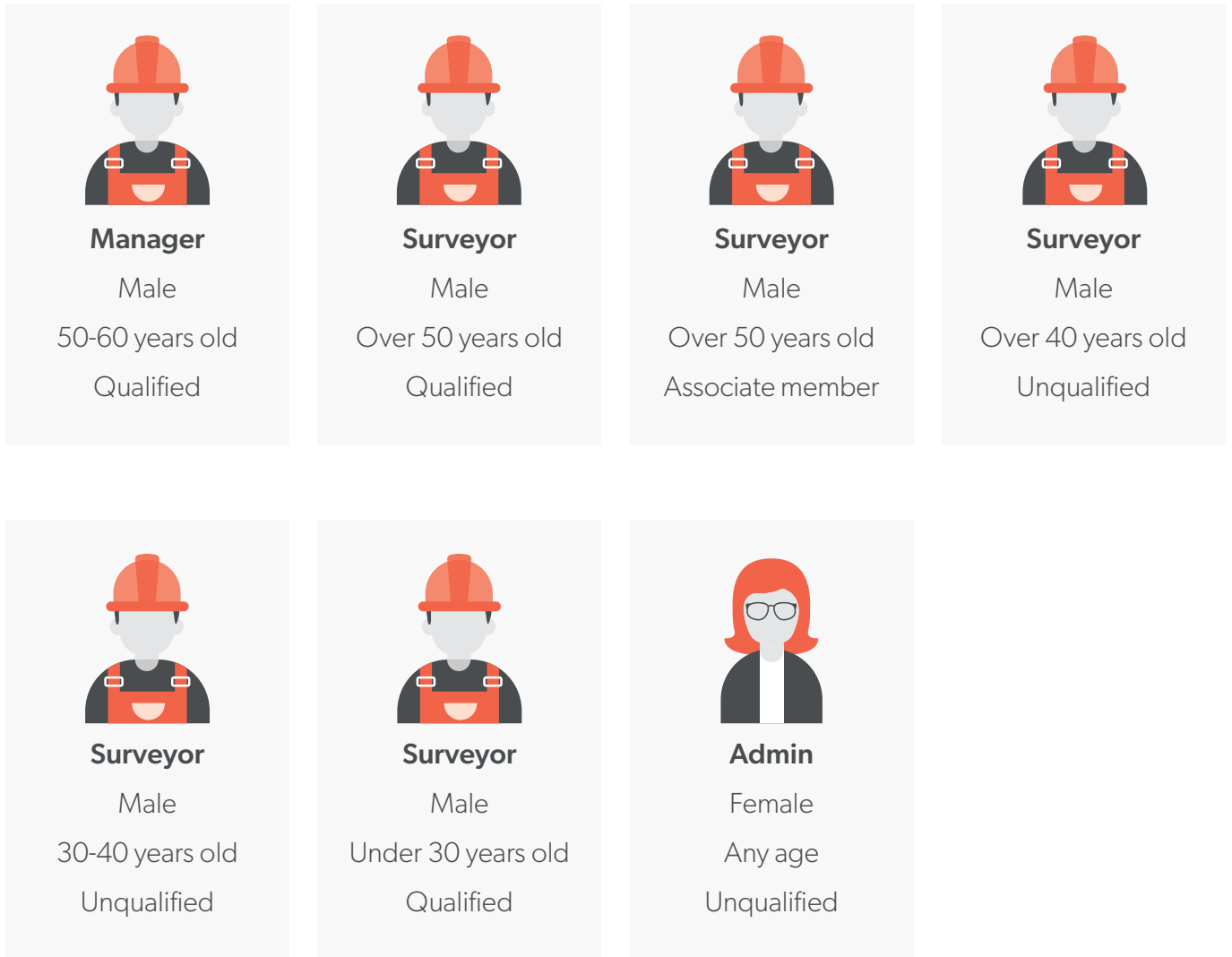


118 Average applications handled per surveyor/manager



100% proportion of admin staff that are white

The average local authority building control team is composed of:



Recommendations

- 15 Our recommendations are set out below. We expect the Welsh Government and individual local authorities to consider the findings of this review and our recommendations and to complete an organisational response form and publish this. We also expect each local authority governance and audit committee will receive the report and monitor their response to our recommendations in a timely way.

Exhibit 1: recommendations

Recommendations

- R1 The Welsh Government should provide greater clarity on the implementation and expectations of the Building Safety Act to ensure local authorities are able to deliver their new responsibilities and duties. This should include:
- clarifying the detailed requirements for competency and registration to enable local authorities to plan for these changes;
 - a specific timetable for development and adoption of Welsh guidance to ensure local authorities and others can deliver their duties; and
 - the Welsh Government should work with key stakeholders, such as LABC Cymru, to support understanding and implementation when guidance is issued.
- R2 The Welsh Government should ensure that it has sufficient resources to deliver the legislative and policy changes for Building Safety to reduce implementation risks.

Recommendations

- R3 The Welsh Government should review the mixed market approach to building control and conclude whether it continues to be appropriate and effective in keeping buildings in Wales safe. This should:
- assess the status quo against potential changes, such as the model of delivery in Scotland;
 - be framed around a SWOT analysis of costs, benefits, threats, and risks;
 - draw on existing research to identify good practice; and
 - be published and agree a way forward.
- R4 The Welsh Government should increase its oversight and management of the building control sector to ensure there is a robust assurance system in place for building control and safety by:
- creating a national performance framework with clear service standards to promote consistency of service. This should also include outcome measures to monitor performance and an evaluation and reporting framework for scrutiny.
 - developing a national building safety workforce plan to address the most significant risks facing the sector. This should include regular data collection and publication, as well as coverage of priorities, such as:
 - a greater focus on trainees to mitigate succession risks;
 - establishing aligned, national job roles matched to competency levels;
 - increasing the diversity of the sector to ensure it reflects modern Wales; and
 - specific funding to enable surveyors to obtain and maintain competence should also be considered.
 - the Welsh Government should explore with the further education sector how best to provide building control training in Wales to support succession planning, skills development, and competency.

Recommendations

- R5 Local authorities should develop local action plans that articulate a clear vision for building control to be able to plan effectively to implement the requirements of the Act. The Plans should:
- be based on an assessment of local risks and include mitigation actions;
 - set out how building control services will be resourced to deliver all their statutory responsibilities;
 - illustrate the key role of building control in ensuring safe buildings and be linked to well-being objectives and other corporate objectives; and
 - include outcome measures that are focused on all building control services, not just dangerous structures.
- R6 Local authorities should urgently review their financial management of building control and ensure they are fully complying with Regulations. This should include:
- establishing a timetable of regular fee reviews to ensure charges reflect the cost of services and comply with the Regulations;
 - annually reporting and publishing financial performance in line with the Regulations;
 - ensuring relevant staff are provided with training to ensure they apply the Regulations and interpret financial reporting correctly; and
 - revise fees to ensure services are charged for in accordance with the Regulations.
- R7 Local authorities should work with partners to make better use of limited resources by exploring the potential for collaboration and regionalisation to strengthen resilience through a cost benefit analysis of partnering with neighbouring authorities, establishing joint ventures and/or adopting a regional model where beneficial.

Recommendations

- R8 Local authorities should review risk management processes to ensure that risks are systematically identified, recorded, assessed, mitigated and subject to regular evaluation and scrutiny.



Responsible bodies are yet to develop comprehensive plans that set out how the new and revised responsibilities introduced by the Building Safety Act will be addressed

- 1.1 In this section of the report, we consider the Welsh Government's response to Grenfell and the changes introduced, and planned, in the Act. We identify how local authorities and their partners are preparing for these changes and provide an analysis of how well placed they are to deliver them.

The Welsh Government prioritised work on responding to the Grenfell disaster and elected to work with the UK Government on the Building Safety Act 2022

- 1.2 Following the Grenfell tragedy and the findings of Dame Judith Hackitt's inquiry, the Welsh Government established a Building Safety Expert Group. The view of the Expert Group was that while the flaws in the system are equally valid in Wales as they are in England, the context and therefore the solutions need to be different.
- 1.3 The scale of the high-rise landscape in Wales is not comparable to England where there are estimated to be over 11,000 high-rise buildings. At the time of the Expert Group work there were 147⁵ high-rise residential buildings in Wales with up to five additional high-rise buildings being built each year.
- 1.4 In March 2019, the Expert Group published a roadmap⁶ for making buildings in Wales safer, setting out both longer-term priorities but also shorter-term interventions that could be implemented immediately to ensure the failings of Grenfell were not replayed in the future. The Expert Group recommended:
- clarifying key roles and responsibilities;
 - ensuring the imbalance between building designers, contractors and regulators is tackled;
 - creating a single system with consistent standards by addressing the mixed economy of the two-tier system for building control with both public and private building control;
 - improving capacity and competence of building control officers;
 - creating an enforcement and sanctions regime which is delivering effective compliance and guaranteeing safety; and
 - raising standards with non-safe buildings being improved.

5 As of March 2023 there are 171 high-rise residential buildings.

6 Building Safety Expert Group, [A Road Map to safer buildings in Wales](#), March 2019.

- 1.5 In January 2021, following the work of the Expert Group, the Welsh Government published its 'Safer Buildings in Wales white paper'⁷. The White Paper proposed revisions to the building safety regime and the separation of roles between duty holders and residents. Following consultation, most respondents agreed with the proposed approach but wanted, as much as possible, the Welsh policy regime to be consistent with England. Consequently, the Welsh Government elected to proceed jointly on some aspects of the UK Government's planned legislation, to take advantage of economies of scale and ensure appropriate alignment across England and Wales.

There is uncertainty as to how key elements of the Building Safety Act 2022 are being implemented in Wales

- 1.6 The [Act](#) received Royal Assent on 28 April 2022 and focuses on the following key areas:
- the safety and standards of all buildings;
 - assuring the safety of higher-risk buildings, both in construction and occupation;
 - improving the competence of the people responsible for overseeing, managing, and delivering works to higher-risk buildings;
 - ensuring clearer standards and guidance; and
 - putting residents at the heart of a new system of building safety.
- 1.7 Alongside the Act, there have also been changes to fire safety law for buildings containing two or more sets of domestic premises in England and Wales. The Fire Safety Act 2021⁸ clarifies application of the Fire Safety Order on who is responsible for managing and reducing fire risks in different parts of multi-occupied residential buildings and the parts of the building it relates to – for instance, the external wall, and doors between domestic premises and common parts.

7 Welsh Government, [Safer Buildings in Wales: A Consultation: A Building Safety White Paper](#), 12 January 2021

8 [The Fire Safety Act 2021](#)

- 1.8 Through these changes, the Welsh Government wants to ensure there is absolute clarity about who has responsibility for the safety of a building at each different point in the process. The Construction (Design and Management) Regulations 2015 already set out who the key people are during a construction or refurbishment project. The Client, Principal Designer, Principal Contractor, designers, and contractors are all identified as 'dutyholders.'
- 1.9 Additional duties have now been placed on dutyholders in relation to building safety. Looking forward, they will be required to cooperate and share information with relevant regulatory bodies and will be responsible for ensuring compliance with building regulations. They will also need to ensure that they, and the people they employ, are competent to do the work they are undertaking. They will also have to comply with the regulatory requirements imposed on them.

The Building Safety Act 2022 came into force in April 2023. All aspects of the Act apply to England, but only Part 3 (with some minor exceptions) applies to Wales. Subsidiary legislation and guidance on Part 3 are currently being introduced by the Welsh Government, with full implementation and compliance set for April 2025. In addition, the Welsh Government is also developing legislation that will deal with the areas covered in Part 4 of the Building Safety Act 2022. This includes introducing a new Regulator for Wales (yet to be decided) and equivalent duty holder roles such as the Accountable Person.



1.10 These reforms apply to every eligible building project, whether it is building an extension, a block of flats or a shopping centre. The Welsh Government will therefore require that higher-risk buildings⁹ within the scope of the different changes taking place to the various Building Safety Regimes will pass through stop points or 'Gateway points' before they can pass to the next stage of works. On its current timetable, the Welsh Government anticipates the new design and construction (building control) regime that covers Gateways will come into force in April 2025. The three Gateways are:



1.11 When passing through a Gateway point, those designing and constructing the building will have to evidence that the design and construction meet, and continue to meet, regulatory requirements and ensure that adequate safety measures and building information are in place so that they can be appropriately managed, maintained, and improved. They will also have to think about how building safety will be managed when the building is occupied. Consequently, the Act and subordinate legislation are aimed at creating a universal change in responsibility and culture within the building industry through the introduction of clearer standards and guidance and the establishment of a more effective regulatory and responsibility framework for the construction industry.

9 The definition of 'Higher-risk building' differs between England and Wales. In early 2023, the Welsh Government consulted on their proposed definition of 'a building that is at least 18 metres in height or has at least seven storeys where it also contains at least one residential unit or is a hospital or a care home'. The outcome of the consultation has not yet been published. In England, a building requires at least two residential units.

- 1.12 Importantly, the Act clarifies who has responsibility for fire and building safety throughout the life cycle of a higher-risk building and establishes two new roles to make this ambition a reality – in England this will be the Building Safety Regulator and the Accountable Person. In respect of the Building Safety Regulator, the UK Government has elected to appoint the Health and Safety Executive to deliver this function (see **Appendix 4** for further detail).
- 1.13 At present, the Welsh Government is planning to make the Building Control functions of the regulator for high-risk buildings a role for local authorities, but is yet to set out how this element of the new regime will work or what its expectations of local authority services are. The Welsh Government's decision to make local authorities the Building Safety Regulator for oversight of high-risk buildings is viewed with unease by some we have interviewed. Several approved inspector bodies (who work across England and Wales) and some fire and rescue service staff raised concerns that local authorities are not sufficiently resourced or suitably experienced to deliver this role. Instead, they would prefer to see Wales adopt the Building Safety Regulator system planned in England.
- 1.14 Overwhelmingly, local authorities and fire and rescue services are concerned about the late development and/or notification of policy decisions and options in implementing changes to the building safety regime introduced by the Act. For instance, every local authority officer interviewed raised concerns over the lack of detail on the process for registration of the Building Control profession, one of the most significant features of the Act, and something which will affect all Welsh local authorities, not just those with tall residential buildings.
- 1.15 Everyone working in building control, in both the private and public sector, will soon have to register if they want to continue to practise. In addition, all local authority building control surveyors will need to complete a regular formal assessment of their competence. Building surveyors and managers will need to be suitably qualified before they can practice, although there may be some transition time for this to take place. If training is required before they can undertake work, then this will take resources out of already stretched teams and backfilling may be needed to cover for this.
- 1.16 Taken together, these changes will have a significant impact on local authorities. However, at the time of our audit the new system had not been set out in draft nor consulted on. The Welsh Government plans to introduce the registration of all Building Inspectors and Building Control Approvers from October 2023. This is creating uncertainty and ambiguity and is reducing buy-in from those with building safety responsibilities, especially given the ever-decreasing window of opportunity.

1.17 Welsh Government officials we interviewed acknowledge that they have not been able to resource policy work as quickly as they would like, and this has not been helped by the recent retirement of two key members of staff who have been central to driving the changes in Wales. Consequently, many local authority officers noted a growing unease that progress in Scotland is well ahead of England and Wales, and England is now advancing more rapidly than Wales. This uncertainty is adding to their already challenging operating environment.

Most local authorities and fire and rescue services have a good understanding of local building safety risks but are yet to set out how they plan to deliver the requirements of the Act

1.18 The implications of the Act are wide ranging and local government needs to be well advanced in its preparation for delivering these enhanced responsibilities. Even though key policy choices are yet to be finalised in Wales, we would still expect to find those who manage building control and safety teams to understand the impact of the Act, especially the consistent Welsh Government messaging on the increased level of expertise that will now be needed to achieve and demonstrate competence and compliance.

1.19 Through our fieldwork we found that in general, both local authority and fire and rescue building safety staff have a good understanding of the number and locations of high-risk buildings. However, many admit that the level of detail and knowledge of design, construction and maintenance of these buildings varies and not all those we interviewed felt confident that they had an accurate and up to date picture. Despite this, we found that there is limited action taking place or planned in terms of updating and improving knowledge of the potential high-risk buildings within each area.

1.20 Many interviewees also flagged a lack of understanding on the potential implications of the Act both at a corporate level but also directly in key areas of operational activity, such as housing services. While most officers noted that there was an increased awareness in building safety immediately following the Grenfell disaster, the overwhelming majority noted that over time attention has since waned. Indeed, most noted that building control as an area of work rarely features as a corporate priority, and there is poor knowledge and understanding of the implications of the Act.

- 1.21 Very few local authorities have developed a specific plan to implement the changes being made to the building safety regime. In addition, no one we interviewed in local government could articulate a clear vision on what their service will need to achieve in terms of the Act and their enhanced responsibilities, nor a route map for its achievement. This reflects the low corporate priority given to building control. This is something that was echoed in our interviews with fire and rescue service staff, several of whom raised concerns with both the Welsh Government's and local government's prioritisation of building control services.
- 1.22 For example, building control is not a standalone service in 21 of the 22 local authorities and is most usually located in planning services and overseen by the lead officer for planning. There are also no member champions for building control. This means that the service often lacks agency, profile, and recognition. This contributes to building control officers feeling powerless, with most left to get on with it and manage as best they can, focusing on addressing day-to-day issues, rather than being able to invest time in planning for the medium to long term.
- 1.23 Overall, managers are focussed on maintaining service delivery and are not preparing or planning for the Act's reform of services. This is partly a result of the significant uncertainties that remain about how the Act will be implemented in Wales. The result is that local authority building control services have little influence and no prioritisation and are working in a very uncertain environment.



Resourcing issues make it unlikely that local authorities can successfully implement the new building safety regime or that services are fit for purpose

- 2.1 In **Part 2** of the report, we set out how building control services are currently provided, primarily looking at the operating environment for local authorities but also considering the role of approved inspectors. We summarise the staffing and resource challenges facing the profession and how well positioned services are to overcome these.

Building control as a profession faces significant staffing challenges

- 2.2 To effectively implement the Act requires local authorities and others to have staff who are competent, appropriately qualified, and adequately supported to maintain and update their skills and knowledge. In addition, it is also important that staff have opportunities to develop their experience, particularly in more complex buildings and changing construction standards, to be able to provide efficient and effective services.

Building control is no longer seen as a good career choice and the challenging demographics are severely impacting the short and long-term resilience of services

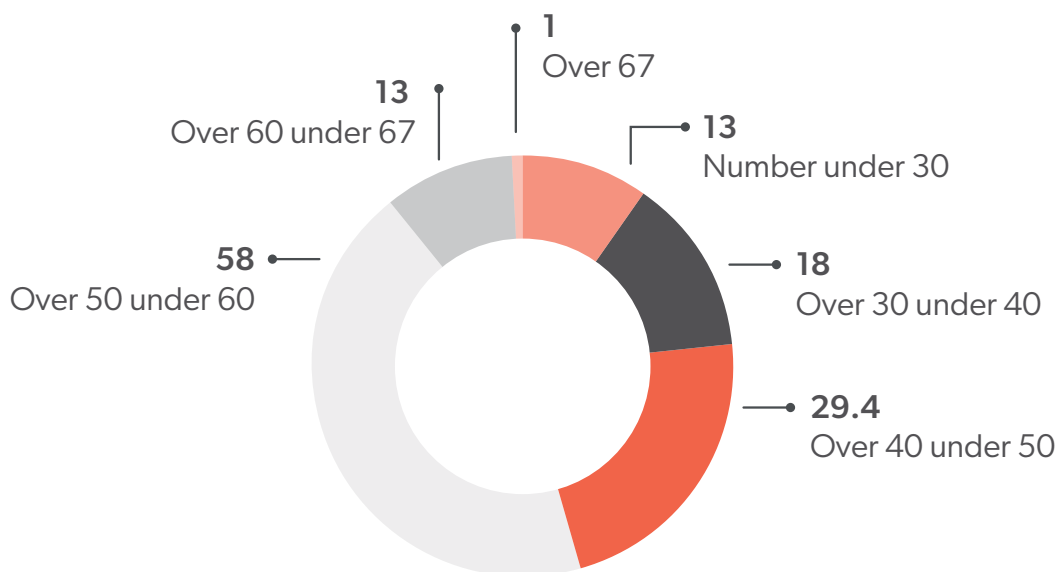
- 2.3 Historically, building control was seen as a positive career role. Many managers we interviewed noted that they had joined their local authority as a trainee and had benefitted from opportunities to progress their knowledge and responsibilities over time and had been supported to develop their careers within the organisation. However, in recent years this has changed. The impact of austerity has suppressed wages and reduced staff numbers to the extent that local authority building control roles are no longer seen as financially attractive and with less opportunity for career progression than in the past.
- 2.4 This is borne out by the ongoing recruitment challenge facing local authorities who struggle to fill vacant posts, even where market supplements are offered. For instance, at the end of March 2022, there were 18.5 Full-time Equivalent (FTE) vacant roles across Wales, including 14 building surveyors. Despite the detrimental impact on service delivery, only 2.2 FTE agency staff were appointed to bolster services and despite the increase in building control applications made during the pandemic and 2021-22.

2.5 Our survey of local authority building control services found that at the end of March 2022, there were 133 FTE building surveyors and managers and 44 admin staff working in these services. This translates to a surveyor or manager for every 23,361 residents in Wales. In comparison, the most recent published data in Scotland reported 498 building surveyors and managers and 134 admin staff¹⁰, which equates to one surveyor or manager for every 10,633 residents.

2.6 In addition to the ongoing recruitment and retention challenge, the age profile of local authority building surveyors is also concerning. **Exhibit 1** shows that of the 133 FTE surveyors and managers, 54.4% are over the age of 50 and only 10% under 30. This highlights operational and service continuity risks for local authorities which are likely to see a major loss of experience and knowledge when people retire in the next decade.

Exhibit 1: building control managers and surveyors by age March 2022

The ageing building control workforce represents a major risk for the implementation and delivery of the new building safety regime.



Source: Audit Wales survey

10 Data for 2021-22 not yet available. No comparative data for England exists. Scottish Government, Building Standards Workforce Data Collection Analysis Report 2021, June 2022

- 2.7 In particular, the loss of experience in the manager cohort is a significant risk. Of all managers, 10 (46%) have worked in local authority building control services for over 30 years, while 15 are over the age of 50. There is a widespread expectation that significant numbers of managers and surveyors will retire due to the uncertainty surrounding the registration and competency requirements (see above **paragraphs 1.15 – 1.17**). This will lead to a further reduction in capacity, and a loss of experience and leadership during a critical time of change when expectations and demands on services are increasing.
- 2.8 At the other end of the career cycle, very few trainees are being recruited to bolster services and address looming resource and experience gaps. Just seven trainees were in place in 2022, with only four in permanent roles following the completion of their studies¹¹. Managers cited a lack of corporate support to take on trainees and the risk of losing newly qualified staff to approved inspectors as key barriers. This makes succession planning extremely challenging for all local authorities. More widely, the lack of fire engineers, a shortage of surveyors and assessors with sufficient knowledge of both high-rise structural safety and cladding systems, continue to be a concern.
- 2.9 The Local Government Association¹² in England has reported similar recruitment and retainment issues, noting that 43% of authorities struggle to recruit building control officers. Likewise in Scotland, similar demographic and succession issues were also identified but the earlier implementation of key changes has resulted in a more directive approach from the Scottish Government.
- 2.10 The Scottish Government developed a national workforce strategy¹³ and had a vision to establish a sustainable, skilled workforce that makes building control 'a profession for everyone'. To support this ambition in Scotland, a Professional Competency Framework was introduced in May 2021. The framework helps to ensure that building verifiers at each level can demonstrate being suitably competent and is embedded through the Competency Assessment System¹⁴. This drives improvement based on current skills and is supported by other developments in the sector, such as a local authority hub (see **Appendix 4** for further information).

11 Training for apprentices and new entrants is mainly provided under the National LABC programmes hosted by the University of Wolverhampton. The [Building Control Surveying Degree Apprenticeship](#) can train surveyors to different levels of competency related to their role. As a surveyor progresses through the levels, they can assess more complex buildings and obtain higher-level roles.

12 Local Government Association, [Local Government Workforce Survey 2022](#), May 2022

13 Scottish Government, [Building standards verification service: workforce strategy](#), October 2020

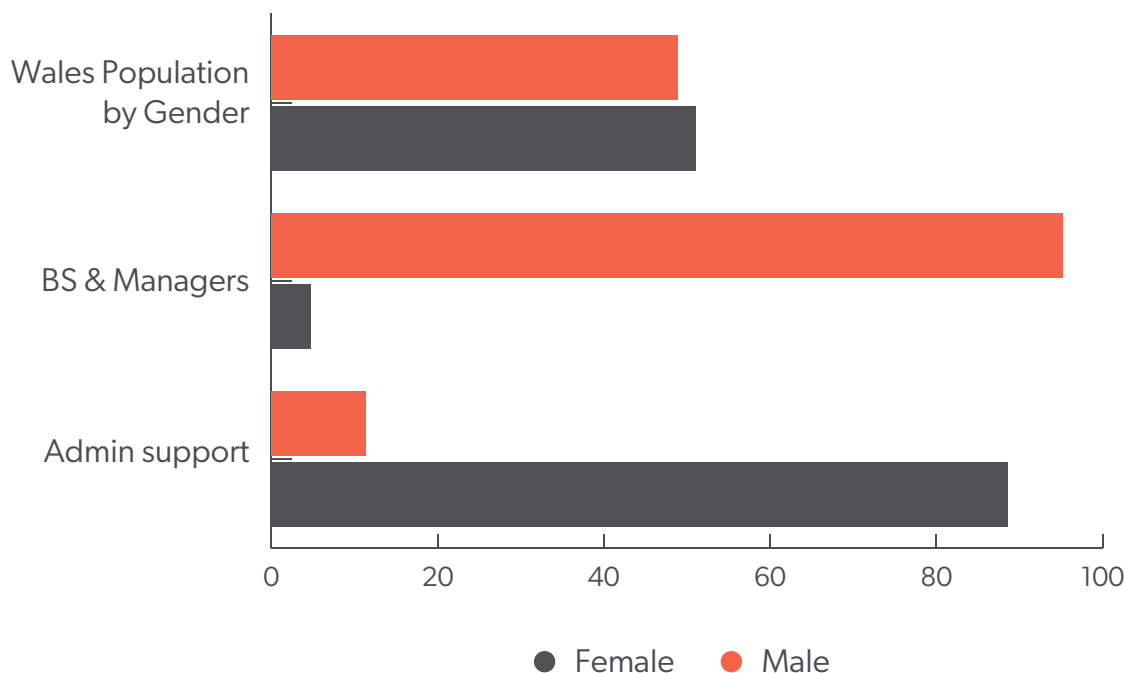
14 Scottish Government, [Building standards - verifiers: professional competency framework](#), May 2021

2.11 Scottish Government officials believe that the loss of experienced staff – 48 people (primarily building surveyors and managers) resigned from Scottish local authority building control services in 2021, following the quicker implementation of the new regulatory regime – is now being addressed. Through its workforce strategy and competency framework, local authorities are prioritising the upskilling of people and recruiting more apprentices. At this time, there are no mitigatory actions akin to the Scottish Government’s work planned in Wales.

2.12 The building control workforce also lacks diversity and is not representative of modern Wales. Our survey found that 100% of administrative staff and 96% of building surveyors and managers classify themselves as ethnically white Welsh or white British, and only 5% of administrative staff and no building surveyors or managers self-identify as having a disability. In addition, the roles within the workforce are clearly split along gender lines – **Exhibit 2**.

Exhibit 2: the gender of building surveyors, managers, and administrative staff in Welsh local authorities in March 2022

Professional building surveyor and manager roles are overwhelmingly occupied by men and lower-paid administrative roles by women.



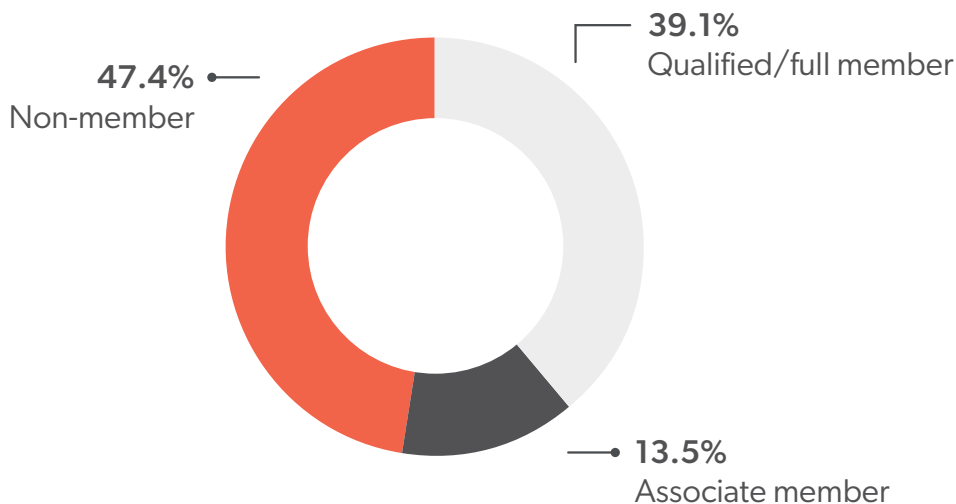
Source: Audit Wales survey and ONS (Office for National Statistics), [Population and household estimates, Wales: Census 2021](#)

Access to training is limited and staff are not being supported to enhance and maintain their skills and knowledge

2.13 To meet the registration requirements of the new building safety regime and ensure staff are competent to practise requires local authorities and their partners to invest in sufficient and timely training. Carefully planned and recorded continuing professional development and technical training are essential to keep abreast of modern technology and changing legislative requirements and their practical application. Importantly, professional accreditation such as membership of the Chartered Institute of Building, the Chartered Association of Building Engineers and Royal Institute of Chartered Surveyors is recognised as crucial to demonstrate competence. **Exhibit 3** shows that in March 2022 less than half of building surveyors and managers in Wales were full qualified members of a recognised and appropriate professional body.

Exhibit 3: the proportion of building surveyors and managers who are members of professional bodies and their grade at the end of March 2022

Less than 40% of building surveyors and managers are qualified and full members of professional bodies.



Source: Audit Wales survey

- 2.14 Additionally, some staff noted a growing problem of local authorities no longer paying for professional subscription fees because of pressures on finances. However, the need to demonstrate competence to meet the new registration standards is likely to place additional demands on local authority budgets to increase resources in professional training and qualifications to ensure they can deliver their statutory responsibilities. Most of the local authority officers we interviewed noted that this is not being factored into future budget setting.
- 2.15 The average number of training days taken by local authority staff in 2021-22 was five days for managers, six days for building surveyors and two days for administrative staff. Building Control officers we interviewed were clear that opportunities to train were, however, continuing to be limited by ongoing budget pressures and are often not actively promoted to avoid frontline staff being taken out of service delivery, even for short periods of time.
- 2.16 The building control fee setting guidance allows local authorities to increase their charges to pay for training and development to ensure they maintain a competent and skilled workforce. However, despite building control officers highlighting the importance of accruing money to fund training for staff, they noted that surpluses are often taken to fund other corporate priorities.
- 2.17 In March 2023, the UK Government provided a £16.5 million grant to the LABC to fund 110 new building control trainees for England to support the implementation of the Building Safety Act. No such funding has been provided by the Welsh Government. Despite a lack of investment, the LABC in England continues to make available training opportunities for Welsh local authority staff.
- 2.18 The resilience issues affecting Welsh local authority building control services are being felt in other parts of the industry. We found that the retention and recruitment issues facing local authorities are similarly being experienced by Welsh fire and rescue service. The lack of competitive reward packages and an ageing workforce with increasing numbers likely to take retirement in the short term is a growing challenge. Similarly, there are ongoing problems with the availability of qualified fire engineers and competition with the private sector, which offers better terms, conditions, and salaries, continues to encourage experienced fire and rescue service staff to leave.

2.19 Historically, where Welsh local authority staff have left, it has been most usually to join approved inspectors who offer more attractive salaries, terms of conditions of service, such as bonuses and company cars; have less responsibility for dangerous structures and enforcement cases; and are not dealing with the ongoing pressures created by austerity. However, in recent years the flow of staff from local authorities to approved inspectors has reduced and private sector building inspection services are also beginning to struggle to recruit sufficiently qualified and experienced staff. Representatives of several approved inspector bodies we interviewed noted that they have now begun to focus on growing their future workforce through trainee programmes due to a lack of available qualified staff in both England and Wales.

The pandemic has helped local authorities modernise their services, but enforcement remains a problem

2.20 Despite the resourcing pressures faced by local authority building control teams, most continue to deliver their work effectively. This continued throughout the pandemic, which helped to accelerate efficiency improvements with the switch to home based working and digitisation of services.

2.21 At the time of the pandemic most building control surveyors used to travel to sites, meeting people face to face and making decisions on the ground, but with COVID-19 most of these processes could not be continued. Instead, building control services focused on finding solutions to their traditional ways of working by updating and changing services. Whilst some authorities were fully digital, for others the pandemic created an opportunity to improve their use of technology and switch to cloud-based services to both optimise efficiency and performance, but also bring working practices into line with the private sector. Several interviewees noted that without the pandemic, these developments would not have happened as quickly, if at all.

2.22 Enforcement is an important part of ensuring that buildings are safe and compliant. Activity can range from persuasion and dialogue to encourage change, to more hard-edged measures such as prosecution or the refusing to issue a completion notice. Through our fieldwork we found that enforcement remains problematic, mainly because local authority building control has two potentially conflicting functions.

- 2.23 Firstly, they are the local regulator of all building work in their area ensuring issues raised in the design and construction of buildings that do not meet the required standard are addressed. However, they are also secondly in competition with approved inspectors for work and need to generate sufficient income to pay for all their services. This is an inherent weakness of the mixed market system introduced in the 1980s and reflects the conflicting role of local authorities which have both a responsibility for policing building control but are also in competition with approved inspectors to secure work.
- 2.24 Given approved inspectors are required to refer individual cases of non-compliance with building regulations to local authorities to take enforcement action, similar disincentives are also in play. As with local authorities, maintaining relationships is an important consideration in maximising income and can discourage approved inspectors from wanting to take enforcement action.
- 2.25 Capacity, resources and capability are also significant barriers that can limit enforcement action. Officers cited the demands and cost of taking developers, property owners or managers to court as a barrier to local authorities in the current financial climate. Several approved inspectors echoed these views, expressing scepticism that local authorities have the resources or capacity to effectively enforce standards and take quick and decisive action.
- 2.26 Overall, we found that the relationship between local authorities and approved inspectors, which is critical to ensuring buildings are safe, is at best limited and at worse epitomised by a lack of trust and scepticism about the actions of each other. Indeed, several fire and rescue service officers we interviewed raised concerns over the robustness of building enforcement regulation more generally, both within local authorities but also in respect of approved inspectors.

Some financial management practices in relation to building control appear to be unlawful

- 2.27 The Building (Local Authority Charges) Regulations 2010 (the 'Regulations') set the legal framework for the financial governance of local authority building control. The Regulations are intended to enable local authorities to be fair and transparent in how fees for services are charged.
- 2.28 The key principle of the Regulations is that authorities should recover their full costs and service users should only pay for the service they receive. Consequently, the Regulations split activities into chargeable, non-chargeable work and other building control services. Chargeable activity must be funded by fees, non-chargeable and other building control services are to be funded by the local authority general fund. **Exhibit 4** provides examples of activities.

Exhibit 4: examples of chargeable, non-chargeable, and other building control activities

Chargeable activity	Non-chargeable activity	Other building control services
Approving or rejecting plans	Liaison with other authorities, eg Fire and Rescue Services	Dangerous buildings
Site inspections	Enforcement on behalf of Approved Inspectors	Demolitions
Consideration of work referred from AIs (Approved Inspectors)	Identifying unauthorised building work	Advice to other departments
Consideration of a regularisation certificate	Functions to support disabled people	Administration of safety at sports grounds
More than 30 minutes of pre-application advice	First 30 minutes of pre-application advice	Street naming or numbering

Source: CIPFA (Chartered Institute of Public Finance and Accountancy), Local authority building control accounting, 2010

- 2.29 To aid local authorities in setting and properly accounting for their fees and charges, the Chartered Institute of Public Finance and Accountancy (CIPFA) developed detailed guidance¹⁵. Taken together, the Regulations and CIPFA guidance require local authorities to:
- set and publish standard fees and means of calculating bespoke fees;
 - set hourly rate fees for both officers and specific, set factors;
 - monitor the breakeven position of the service with the aim to break even over a 'reasonable period;'
 - revise fees to prevent surpluses or deficits;
 - publish an annual financial statement for building control; and
 - consider establishing an earmarked reserve in the event of a surplus or deficit.
- 2.30 Additionally, the CIPFA guidance refers to proposals for regular monitoring from 2010 by 'the Department/National Assembly' to assess the impact of the Regulations overall and particularly to see whether local authorities were meeting the breakeven principle. Given that the building control functions under the Regulations exercisable by the National Assembly were transferred to Welsh Ministers by the Government of Wales Act 2006¹⁶, and the reference to 'the Department' appears to be a reference to the then UK Department of Communities and Local Government, it would seem that the reference to 'National Assembly' is erroneous and should have been a reference to the Welsh Government. [We understand, however, that neither the National Assembly (now the Senedd) nor the Welsh Government have undertaken such monitoring.]

Fee-setting approaches vary significantly and many are not compliant with Regulations

- 2.31 Local authorities are required to review their fees each year to ensure that the income from chargeable activity is as close to the costs incurred in delivering services as possible. This makes ongoing monitoring of the breakeven position and regular recalculation of fees critical. It would be contrary to the Regulations for fees to be deliberately set above the estimated costs to be incurred (taking account of any estimated prior surplus or deficit) or knowingly allowed to fall below what it costs to deliver services.

15 CIPFA, [Local authority building control accounting](#), 2010

16 Government for Wales Act 2006, Schedule 11, paragraph 30

- 2.32 Factors that should be considered when setting fees are specified in the regulations. Apart from the principle of breaking even and staff costs, the factors include use of the building, floor size, and cost. However, other potential considerations such as the competitiveness of fees and comparing with others are not specified in the Regulations. Such other considerations therefore appear not to be relevant considerations that may be considered. The CIPFA guidance sets out the process for calculating the fees and provides examples on how to do this.
- 2.33 We found that the process for deciding fees by local authorities varies, often significantly, from the guidance and Regulations. Of the 12 authorities that responded to our data collection exercise and provided information describing their fee-setting process, nine were not compliant. Most usually because they applied fixed inflationary uplifts; copied neighbouring authority fee revisions; used average national schedules of rates to set their own charges; and/or did not show how they had factored in specific local circumstances that underpin charging such as their staffing structure, central recharges and local operating context.
- 2.34 At the time of our fieldwork, several authorities noted that they were not reviewing fees annually and a smaller number admitted that they had not adjusted fees to reflect the actual cost of services for many years. In one case, fees had not changed since 2012. In addition, despite the requirement to base fees on hourly rates, two authorities were unable to provide this information. We have concluded that many local authorities' building control services are not charging and setting fees in line with the Regulations and CIPFA guidance. We also note that the published fee scales show significant variations for individual activities – **Exhibit 5**.

Exhibit 5: example of fee differentials for Welsh local authority Building Control services 2022-23

Fee type	Lowest fee	Highest fee	Differential	Median
Single dwelling plan fee	£117	£288	145.6%	£210
Single dwelling inspection fee	£274	£510	86.4%	£414
Single dwelling notice fee	£391	£915	134.1%	£671
Composite single dwelling fee	£495	£1,830	269.7%	£1,155

Source: Audit Wales analysis of published fee scales

2.35 Awareness of this issue was mixed among officers. Some are unaware of the financial performance of their service primarily because management of finances sits outside the service with non-building control specialists. Others were aware of the requirements of the regulations but described pressure on budgets which encouraged raising fees or a lack of knowledge of the requirements of the regulations corporately. This is extremely concerning and poses significant risks to achieving value for money from the service.

Financial management of surpluses and deficits is unclear and potentially unlawful

- 2.36 Our survey of local authority officers found that of the 15 who provided a response, only five reported that their chargeable income is safeguarded (ie earmarked for application to building control services), one that only some is protected and nine reported that no income is safeguarded.
- 2.37 Where surpluses occur, authorities are encouraged, but not required, to create an earmarked reserve. Our review found that only four local authorities disclosed earmarked reserves for building control, although others may have deemed the sums involved financially immaterial and have not reported them. Regarding the financial performance of services, we found that 11 authorities were making a deficit at the end of 2021-22 and seven a surplus. Four were unable to provide this information.
- 2.38 The principles of the 2010 Regulations require that building control income, including surpluses, is to be used to provide building control activities. The CIPFA guidance notes that when calculating the total costs of the building control function, authorities are allowed to include training as an indirect employee cost when calculating fees. In addition, where surpluses are generated, these can be used to invest in service quality or to address regulatory changes.
- 2.39 We found that most building control officers were not uplifting fees to reflect the need to fund training and development for their staff due to wider corporate budget pressures. Indeed, some officers we interviewed anecdotally noted that building control fees were used to create surpluses to pay for other council services, although we saw no evidence of this in practice.

2.40 Overall, we have concluded that the implementation of the Regulations and the setting of building control charges more generally by local authorities fall short of legal and practical requirements. Our analysis highlights that most fees are not being set correctly and, where surpluses and deficits occur, these are not actively managed nor used for the purpose intended. This is particularly worrying because the Regulations were introduced to support good financial management and governance in building control services and correct implementation would help address some of the workforce, recruitment and training issues identified above.

In almost all cases, financial reporting does not meet regulatory requirements and this hinders scrutiny of Building Control fee setting, income, and expenditure

2.41 To demonstrate their financial governance of building control income and expenditure, the Regulations require local authorities to publish annual financial statements for these services. The Regulations require that, as a minimum, these Statements disclose the chargeable costs and income, any surplus or deficit, be published within six months of the financial year-end and signed off by the Section 151 officer. The CIPFA guidance includes a template that mirrors these requirements and a completed example to help local authorities demonstrate their compliance. As publishing a financial statement is a requirement of the regulations, failing to do so is unlawful.

2.42 From our review of local authority websites and financial statements, we found that only four have publicly available statements and only two of these met the reporting deadline. As noted at above, CIPFA guidance refers to proposals for scrutiny of whether authorities are meeting the breakeven principle. Welsh Government officials have, however, confirmed to us that this monitoring has not taken place in recent years and there remains a lack of oversight of building control financial performance and fee setting at both a national and local level.

Progress on collaboration and regionalisation has been slow

- 2.43 Overall, local authority building control has not significantly changed despite the pressure on resources, capacity, and skills. Some authorities have made some innovations, such as Monmouthshire which has partnered with an estate agent to find new clients. Most authorities also operate the Partnership Authority scheme. This allows professionals, such as architects, to use the local authority of their choice to approve plans and the local authority where the site is located to undertake on the on-site inspections. For example, a supermarket chain may be based in England and can elect to use their local LABC team to approve plans but then use a Welsh authority to inspect a new store in Wales.
- 2.44 While the work of LABC Cymru – the pan-Wales officer network – is seen as positive, offering support, learning and the opportunity to share information, this has not translated into more formal change to help improve efficiency and strengthen resilience. The group has proven successful at keeping teams informed and supported, and there are several positive one-off instances of 'collaboration in crises'. For example, neighbouring authorities helping to deliver inspections and plan approval activities in Blaenau Gwent to help address short-term resource pressures in that authority. While we acknowledge that these are positive steps in the right direction, they fall short of addressing the significant challenges facing the sector, and greater, more fundamental change is needed.
- 2.45 There are opportunities to improve efficiency and effectiveness of services through greater collaboration and regionalisation of services. This can help local authorities to compete more effectively, meet the challenge of the new building safety regime and provide solutions to address the sector's many serious resourcing issues. For example:
- pooling staff to ease capacity issues and to mitigate the retirement risks inherent in the sector's demographics;
 - increasing spending power and opportunities to make savings through the joint commissioning and procurement of goods, services, and establishment of uniform charges for activities that cost the same (for example, external training);
 - enabling staff to develop specialisms, such as fire safety, to better manage high-risk buildings; and
 - strengthening capacity in back-office functions.

- 2.46 Despite stakeholders across the building control and safety sectors recognising and articulating the benefits of collaboration and regionalisation, we found little progress has been made to drive this forward. While many building control staff we interviewed can identify the potential benefits of collaborating with other building control teams, this has not led to more formal partnerships such as joint investigation teams. We acknowledge that the demands currently being placed on building control managers as individuals, and their reduced capacity to prioritise these activities, is clearly limiting opportunities to drive change. But given the challenges facing building control services, change is needed to prevent an escalation of the issues already present in the sector.
- 2.47 In Scotland, by comparison, the Local Authority Building Standards Scotland (LABSS) have established a hub model for the 32 local authorities to collaborate and implement improvement recommendations (see **Appendix 4**). The Hub acts as a central collaborator to move the sector in the same direction in the response to improvement recommendations. This has the potential to set a consistent service and standard across Scotland, supported by Scottish Government operational and performance frameworks. It is also helping authorities experiencing a staffing issue to broker support from another.
- 2.48 In response to the similar challenges that they face, Fire and Rescue Services are changing how they provide services. For instance, South Wales Fire and Rescue Service has moved from a dedicated specialist team to a larger team of Business Fire Safety officers. This is allowing the service to better manage the impact of staff turnover and create a more resilient workforce, by widening out the pool of staff who are gaining experience in building fire safety design and construction. Similarly, North Wales Fire and Rescue Service has switched from a service of uniformed fire officers delivering fire safety work to a service which increasingly draws on corporate staff to bolster performance. This is helping to improve efficiency and increase capacity.



There is little evaluation of building control services across Wales and no national comprehensive system of building safety assurance

- 3.1 In this final Part of the report, we set out how management and evaluation of building control and building safety performance work and how risks are identified and mitigated.

There is limited understanding of how well services are performing

- 3.2 Performance management and reporting are an essential element of good governance. Having a good range of key data allows you to understand the services you manage and helps underpin evidence-based decisions by providing insight and knowledge. The right data is also a precursor to feed-forward plans and helps organisations to learn from the past to inform the future.

The lack of a national performance management framework for building control and building safety makes it difficult to evaluate the performance of services

- 3.3 At the time of our work there is no agreed national performance reporting framework for building control and building safety services in Wales. In the absence of a robust suite of national measures to manage and evaluate the performance of services, most local authorities focus on reporting against a narrow group of measures. We found that the key indicators most used relate to:
- timeliness measures such as the length of time taken to acknowledge and check applications, whether a site application is carried out on the agreed date, recording the site application notes within two days of an inspection and the number of completion certificates issued within a given period;
 - monitoring levels of customer satisfaction with the response of the service; and
 - market share – the proportion of the building control market a local authority covers.
- 3.4 While each of these are important and relevant, they do not provide sufficient detail to understand or judge the effectiveness of building control services. Whilst timeliness is a key factor in administering an efficient building control system, the measure places importance on dealing with large volumes of applications in the shortest time possible, without any consideration of the quality of the work carried out and does not provide any assurance that the work was carried out safely, risks were reduced and that the overall safety of a building's occupants was improved.

- 3.5 Because of these weaknesses, local authorities are unable to demonstrate that building control work is reducing risk and improving the built and natural environment and the quality of life in the area. For instance, we found that:
- no data is collected on the work of approved inspectors and fire and rescue services, and benchmarking to compare performance is not routinely undertaken. Consequently, performance reporting remains fragmented and does not provide adequate assurance – a major risk flagged in the Hackitt Report.
 - public reporting – notifying key stakeholders on the effectiveness of services and the service 'offer' – is similarly limited. This does not help to provide a comprehensive oversight of all building control and safety activity in an area, or nationally.
 - although there are some measures relating to risk, these are limited to buildings that have been recorded as dangerous structures. Risk, especially service resilience risk, is not something that is built into the performance framework as a central consideration of effectiveness.
 - little attention is given to actively managing financial performance and reporting against the requirements of the finance regulations, fee setting, comparison of costs, recharges, and deficits.
- 3.6 In addition, building control teams told us reporting was mainly responsive where concerns were raised rather than a routine part of their role. Where performance measures are recorded and monitored, this is often done on a team's own initiative, for their own purposes, and can be a lengthy manual process, due to poor integration between IT platforms. Where IT tools for automatic reporting do exist, we heard of examples where the system was underutilised or used inconsistently, due to weak processes or operating difficulties. In several cases, analysis is compiled on spreadsheets held locally by individuals, posing a risk to resilience and continuity when staff are absent.
- 3.7 The Scottish Government have a national framework to monitor and analyse performance. Measures were introduced in 2012 embedding learning from research that analysed previous performance reviews. Building safety is a ministerial responsibility in Scotland and providers are 'appointed' as verifiers (see **Appendix 4**). Although local authorities are typically selected, the appointment and reappointment process is driving consistency and standards, and provides a robust framework to assess performance.

Some local authorities work to the ISO 9001 quality management standard, but this does not provide sufficient assurance that services are working effectively

- 3.8 Several local authorities have accredited themselves with ISO 9001, the international standard for Quality Management. The standard uses seven quality management principles focussed on:
- customer focus;
 - leadership;
 - engagement of people;
 - process approach;
 - improvement;
 - evidence-based decision making; and
 - relationship management.
- 3.9 The measures aim to promote understanding and provide consistency, adding value, effective performance, and improvement of processes. The standard also encourages organisations to adopt a risk-based approach, ensuring that preventative measures are taken before risks arise. Once an organisation receives accreditation, they are required to evaluate their compliance with the standard annually.
- 3.10 While authorities have found ISO 9001 helpful for raising standards and levels of consistency, we found that some authorities have chosen to opt out of the standard due to cost and the challenge of ongoing evaluation to demonstrate compliance. It is also questionable how useful the standard is in judging the effectiveness, efficiency and robustness of services given the many challenges facing building control we have reported on.

Scrutiny and evaluation of building control and building safety are limited

- 3.11 Effective scrutiny is an essential element of good governance and helps provide assurance that things are working well or need to improve. Without a robust performance management system, scrutiny can only be as effective as the information and measures that are regularly scrutinised. We found that many local authorities' building control services do not formally report to a scrutiny committee on a regular basis to demonstrate the work, impact and risks facing the service.

- 3.12 For instance, we found that scrutiny is inconsistent across Wales, with many teams only being required to report their performance twice yearly and against a very narrow set of measures and information. In several authorities, there is no formal scrutiny of services. Several local authority officers we interviewed noted that from their experience, after the initial heightened interest in building control and building safety arising from the Grenfell disaster, member and senior officer contact is mostly limited and focussed on single issues of concern – a dangerous structure or a constituent's building control application. Several noted that member knowledge and understanding of building control are low and the risks and issues facing services mostly unknown.
- 3.13 In contrast, Scottish local authorities are required to annually report their performance against a series of key performance outcomes. These outcomes are then assessed alongside customer feedback and plans are developed to help drive improvement. Staff are encouraged to link these with improvement actions which can be used to monitor progress and identify key lines of enquiry for those charged with scrutiny. The assessment output is designed to be accessible to various levels of stakeholder, identifying strategic trends to government, promoting improvement operationally to verifiers, whilst also providing a transparent assessment for public consumption.

Risk management processes are inadequate

- 3.14 There is a mixed approach to assessing risk, with some teams having their own risk registers, some feeding into corporate registers, whilst some do not formally record risks or track how they are mitigating them. Indeed, several officers we interviewed noted that known risks are often noted informally within teams and these are considered in isolation from other corporate wide risks.
- 3.15 This siloed approach poses a threat to resilience as the system relies too much on a small number of individuals who hold substantial amounts of knowledge without formally being recorded, shared with colleagues for information, or escalated for action. Only a small minority of local authorities we spoke with could describe the formal procedure of escalating risks, with many acknowledging such protocols do not exist. Without proper identification and recording of emerging risks, authorities are unable to make longer-term plans and prepare for future scenarios.

- 3.16 As contextual information is not routinely integrated with other service areas, it is not clear that sufficient understanding is present amongst accountable officers at each level of escalation. Where risks are raised, they will rarely meet the threshold required to be considered a corporate risk. Poor audit trails mean risks are not proactively mitigated, in an environment where capacity to provide this mitigation is often limited.
- 3.17 With teams often left to operate in isolation, raising corporate and other significant risks is likely to be more challenging than for higher profile services which figure more prominently and are fully integrated into the corporate reporting structure. Consequently, local authorities at their highest level may not be sighted of the many risks facing building control – poor succession planning, an ageing workforce, lack of diversity, insufficient skill mix, along with the implications of the new Building Safety Act.



Appendices

- 1 Audit Approach and Methods**
- 2 Building Regulations Approved Documents**
- 3 The Building Safety Regulator and Accountable Person**
- 4 Scottish approach**

1 Audit Approach and Methods

Approach

For this work our approach has been to understand how well the Welsh Government, local authorities and their partners are strengthening and improving building control and building safety services following the Building Safety Act 2022. We have looked at the robustness of needs information, strategies, plans and policies; assessed the resilience of existing services and plans to strengthen these; and considered the robustness of assurance systems.

We examined all 22 principal local authorities in Wales at a high level, managing delivery to be mindful of the pressures local authority officers are under during post-pandemic recovery and the cost-of-living crisis. We ensured coverage was sufficient to draw a view on the whole sector but not to significantly detract from officers' service delivery responsibilities. Our approach was flexible to fit around officers when agreeing and delivering our fieldwork.

Methods

We completed our review between January 2023 and August 2023 and used a range of methods in delivering our work:

- **document review:** we reviewed documentation from the Welsh Government, local authorities, Fire and Rescue Services and other relevant organisations. This included, relevant committee minutes, corporate strategies, business plans and policy documentation. We also reviewed information published by the UK Government and the Scottish Government.
- **interviews** – we undertook a range of different interviews:
 - **officer interviews** – we interviewed Building Safety lead officers in all 22 Welsh principal local authorities and all three Fire and Rescue Authorities. These interviews took place between January and April 2023.
 - **national interviews** – we interviewed representatives of the Welsh Government, the Scottish Government, private sector approved building inspectors, think tanks, academic institutions, and research bodies. These took place between March and April 2023.
- **focus groups** – in line with our approach, some local authorities felt it was more appropriate for us to speak to a range of officers in focus groups to reduce our impact on service delivery.
- **data collection** – we undertook a data collection exercise with local authority officers. This ran from January to April 2023, and we received responses from all local authorities. Some local authorities were unable to provide the information we requested, and we note this in the body of the report where relevant.
- **survey** – working with Community Housing Cymru we surveyed all housing associations in Wales but only received two responses. Consequently, we have not used this information in drawing together our findings.
- **websites** – local authority and external resources, eg CICAIR (Construction Industry Council Approved Inspectors Register), LABC, etc.

2 Building Regulations Approved Documents

The approved documents address the following matters and were last updated on the date listed:

- Part A – Structural safety – last updated April 2017
- Part B – Fire Safety – last updated December 2021
- Part C – Resistance to contamination and moisture – last updated April 2017
- Part D – Toxic substances – last updated April 2017
- Part E – Resistance to passage of sound – last updated April 2022
- Part F – Ventilation – last updated October 2022
- Part G – Sanitation, hot water safety and water efficiency – last updated May 2023
- Part H – Drainage and waste disposal – last updated April 2017
- Part J – Heat producing appliances – last updated April 2017
- Part K – Protection from falling, collision and impact – last updated April 2017
- Part L – Conservation of Fuel and Power – last updated March 2023
- Part M – Access to land and use of buildings – last updated April 2017
- Part N – Glazing safety – last updated April 2017
- Part O – Overheating – last updated October 2022
- Part P – Electrical safety – last updated April 2017
- Part Q – Security – last updated May 2018
- Part R – Physical infrastructure for high-speed electronic communications networks – last updated April 2016

3 The Building Safety Regulator and Accountable Person

The Act introduces two new roles – the Building Safety Regulator and Accountable Person – which are due to come into force in October 2023.

The Building Safety Regulator

The Building Safety Regulator will have three core responsibilities: overseeing the safety and standards of all buildings; helping and encouraging the built environment industry and building control professionals to improve their competence; and leading implementation of the new regulatory framework for high-rise buildings in England. The Building Safety Regulator is also responsible for the performance of the building control sector to ensure standards are met, and for setting building standards.

The Building Safety Regulator (BSR) will be responsible for overseeing the safety and performance systems of all buildings. They will be given powers to enforce the rules and act against those that break them. And for high-risk properties, they will be able to implement more stringent rules, including how they are designed, constructed, and occupied. The three main functions of the BSR:

- oversee the safety and performance system for all buildings: this will be done through overseeing the performance of building control bodies across the public and private sectors, and by understanding and advising on existing and emerging building standards and safety risks;
- encourage increased competence by setting the direction of an industry-led competence committee and establishing competence requirements for registration of building control professionals; and
- lead the implementation of the new regulatory regime for higher-risk buildings, including having the powers to involve other teams, including the Fire Service, when making regulatory decisions regarding Building Safety.

The new BSR is under the control of the Health & Safety Executive (HSE) which is responsible for overseeing and driving improvements in the safety and performance of all buildings, and for enforcing a more stringent regime for higher-risk buildings.

Importantly, the provisions of the Act concerning the new Regulator only apply in part to Wales and the devolved government's exact position is still to be determined on this point.

Accountable Person

For all higher-risk buildings, the appointment of an identifiable 'Accountable Person', who is responsible for ensuring that the fire and structural safety is effectively managed for the whole building.

The Accountable Person (building owner, freeholder, or management company) will have an ongoing duty to assess Building Safety risks and provide a 'Safety Case Report' which demonstrates how Building Safety risks are being identified, mitigated, and managed on an ongoing basis. They will also have to demonstrate how they are ensuring residents' safety. In buildings where ownership structures are complex, there may be more than one Accountable Person, in which case there will be a Principal Accountable Person.

4 Scottish approach

Operating model

Within the Scottish system, building verifiers (surveyors) are appointed by the Minister for Local Government Empowerment and Planning under the Building (Scotland) Act 2003. This allows the Minister to appoint any building verifiers for a six-year term. Since the implementation of the Act in 2005, only local authorities have been appointed to undertake this role.

Prior to appointment, the Minister must consider the competence, qualifications, public accountability, and impartiality of the potential verifiers. To demonstrate these, an Operating Framework has been published to clarify how verifiers can demonstrate these behaviours.

After appointment, performance is monitored under a Performance Framework. There are seven key performance outcomes within the updated framework published in 2021:

- minimise time taken to issue a first report or to issue a building warrant or amendment to building warrant;
- increase quality of compliance assessment during the construction processes;
- commit to the building standards customer charter;
- understand and respond to the customer experience;
- maintain financial governance;
- commit to eBuilding Standards; and
- commit to objectives outlined in the annual verification performance report.

The Act also allows Scottish Ministers to set building regulations, the process for approval, enforcement, and set fees. Fees are set centrally and are determined by the Minister for all authorities. A calculator is provided within the online eBuildingStandards system to enable applicants to access the system and determine their fee.

Response to Grenfell

Following Grenfell, a ministerial working group was set up in July 2017 to oversee reviews into building and fire safety. Review panels were formed to cover different issues and made a series of recommendations for stakeholders. The Building Standards Futures Programme Board (BSFPB) was established to provide guidance and direction on the implementation of these recommendations.

Chaired by a local authority chief executive, the Board is comprised of:

- Local Authority Building Standards Scotland (LABSS);
- Homes for Scotland;
- Royal Institute of Chartered Surveyors;
- Construction Scotland;
- Convention of Scottish Local Authorities;
- Scottish Futures Trust;
- Chartered Institute of Buildings;
- Federation of Master Builders;
- Royal Incorporation of Architects in Scotland; and
- Scottish Government.

The Board has seven workstreams underway to support implementation – **Exhibit 6**.

Exhibit 6: Scotland's Building Standards Futures Programme Board workstreams

Workstream	Explanation
Workforce strategy	To support the adoption of the workforce strategy developed in response to the demographic challenges faced by the sector.
Compliance plan	To develop an approach for high-value and complex public buildings to ensure a planned approach to compliance throughout development.
Certification strategy	Development of a strategy for future appointment of verifiers.
Digital transformation	To support the implementation of the eBuildingStandards platform, launched in 2016.
Technical strategy	A review of how building standards are developed and communicated to promote compliance.
Verification standards	A review of the operating and performance frameworks to help verifier assessment against requirements and linking to skills.
Delivery models	A review to consider changes to business models within the 32 local authorities, including the hub project.

Source: [BSFPB](#)

Additionally, to ensure greater compliance and a response to recommendations, a Professional Competency Framework was introduced in May 2021. This established standardised job roles matched against educational awards and professional qualifications. It also provides examples of competencies based on experience to match existing staff, such as proven management and financial governance skills or specific niche training such as safety at sports grounds. The framework helps to ensure that building verifiers at each level can demonstrate being suitably competent.

To embed the Framework, a Competency Assessment System (CAS) was published. This enables individuals to identify their learning and experience gaps to better target training and development of the workforce.

Local hub model

From the BSFPB, a new delivery model was developed through the Delivery Model Development Group (DMDG), comprising the Scottish Government's Building Standards Division, Local Authority Building Standards Scotland (LABSS), the host local authority (Fife Council) and the Hub Directors, to foster collaboration and implement the recommendations for improving building safety and increasing compliance. This was launched in May 2022 and is being rolled out in a phased approach and is centred on six business units – **Exhibit 7**.

Exhibit 7: Scotland's Building Standards Futures Programme Board workstreams

Business unit	Function and services
Operational Partnership Unit	<ul style="list-style-type: none"> • Maintaining network of bodies • Workload sharing • Access to expert structure and fire hubs • Best practice facilitation
Scottish Type Approval Scheme Unit	<ul style="list-style-type: none"> • Scheme management • Marketing • Fee setting
Technical and Procedure Unit	<ul style="list-style-type: none"> • Technical research • Information paper production • Technical support to the hub
Digital Transformation Unit	<ul style="list-style-type: none"> • Support digital delivery group • Liaison and support roles with stakeholders, LABSS, and other stakeholders

Business unit	Function and services
Learning and Development Unit	<ul style="list-style-type: none">• Management and operation of a virtual learning environment• Management and operation of a learning management system• Assistance with apprentice schemes• Assistance with CPD (Continuing Professional Development)• Management of the verifier position in relation to the Competency Assessment Scheme (CAS)
Core Business Unit	<ul style="list-style-type: none">• Hub management• Business and admin support• Engagement with stakeholders

Source: BSFPB



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Agenda Item 7



Report of the Cabinet Member for Investment, Regeneration, Events & Tourism

Service Improvement, Regeneration and Finance Scrutiny Performance Panel 12 March 2024

Development & Regeneration Achievements

Purpose	To brief the Panel on the Achievements against Corporate Priorities / Objectives / Policy Commitments for Development and Regeneration
Content	The report sets out a summary of the achievements.
Councillors are being asked to	Consider the information provided and give views on the progress made to date.
Lead Councillor	Councillor Robert Francis-Davies, Cabinet Member for Investment, Regeneration, Events & Tourism
Lead Officer Report Author	Phil Holmes, Head of Planning and City Regeneration Phil Holmes E-mail: phillip.holmes@swansea.gov.uk
Legal Officer	Debbie Smith
Finance Officer	Ben Smith

1. Background

- 1.1 Development and Regeneration activities are led by teams within the Planning and City Regeneration department, the achievements contribute to transforming Swansea's economy and infrastructure.
- 1.2 Transforming Swansea Economy and Infrastructure is one of six priorities in the Council's Corporate Plan and a Stronger Economy is a key policy commitment for the Council.
- 1.3 This report highlights activities and achievements of the Development and Regeneration work during the last year against the Corporate Priorities and Policy Commitments.

2. Achievements

- 2.1 Development & Regeneration work areas and achievements are as follows:-

Work Area	Achievement	Link to
Lead implementation of South West Wales Regional Economic Delivery Plan in Swansea and associated work packages.	Delivery of the Regional Economic Delivery Plan is underway through the programmes and projects outlined below.	Corporate Plan
Lead implementation of UK funding streams including Shared Prosperity Fund (SPF) and Levelling up.	<p>Successfully bid for £20m from the UK Government as part of its levelling-up programme for a Lower Swansea Valley project</p> <p>Swansea is the lead authority for the UK Shared Prosperity Fund for South West Wales. As part of a £45.1m investment in Swansea, a number of anchor projects under the Shared Prosperity Fund are now in place. They include:</p> <ul style="list-style-type: none"> • Business Swansea anchor which provides a package of schemes to support Swansea businesses including start-up grants, growth grants, carbon reduction grants, training for businesses to move towards net zero carbon, and a commercial property development fund. • Pathways to work employability anchor that includes support for economically inactive and long-term unemployed people aged 16 and over, paid work placements and a £2m grant for specialist employability support. • Transforming County anchor which includes grant funding for historic structures and conservation areas, improvements to villages and small town centres, and heritage-led regeneration activities and trails. • A culture and tourism anchor that includes the development 	Corporate Plan

Work Area	Achievement	Link to
	<p>of a creative network, public arts, marketing campaigns, events, exhibitions and support for cultural and tourism businesses.</p> <ul style="list-style-type: none"> • Supporting Communities anchor that is providing grant funding for community and third sector projects. Rural anchor providing grant funding for renewable energy, biodiversity, volunteering, rural markets and visitor trails in Swansea's rural areas. • 24 open call projects have also been approved and more are in the pipeline. • In addition, a number of projects been approved under the 'multiply' funding stream which is targeted at improving adult numeracy skills. 	
Lead implementation of Welsh Government funding sources.	Swansea Council is the regional lead for WG Transforming Towns regeneration funding.	Corporate Plan
Continuing support to business (both start up and existing) through the Business Swansea provision.	Core business support activities are in place supported by additional funding through the SPF business anchor to deliver a programme of business support and business grants.	Corporate Plan
Help create thousands of new jobs for the people of Swansea, aiming to provide high quality and secure employment.	Start up and business development/improvement grants being delivered which support creation and retention of jobs. A range of other support measures have been put in place including business growth grants, all supported with UK Shared prosperity funding. Inward Investment promotion and support is in place to attract new companies to the area.	Corporate Plan Policy Commitment
Secure a major new tenant for the Debenhams unit in the Quadrant Shopping Centre, securing the use	Acquisition completed. Marketing has commenced and discussions held with prospective tenants.	Corporate Plan Policy Commitment

Work Area	Achievement	Link to
of this unit for the future.		
Working with our regional partners, progress a £1 billion regeneration and £750 million strategic partnership with Urban Splash as our new strategic partner, with an initial focus on Copr Bay Phase 2, the Civic Centre site and St Thomas site.	<p>Progressing of individual projects underway subject to capital funding availability.</p> <p>Our long-term regeneration partners, Urban Splash, are continuing to work with partners on preparatory designs for both the Swansea Central North and Civic Centre development sites. Mixed-use schemes are being proposed for both sites. The demolition of the Civic Centre is not being envisaged. It's anticipated the site will include retail, residential and leisure uses.</p>	Corporate Plan Policy Commitment
Progress the Palace Theatre and Albert Hall developments to secure our historic buildings for future generations and seek an innovative solution to secure the future of the Elysium building.	<p>Tramshed Tech Ltd has signed a heads of terms agreement with the council for the development of the 133- year-old Palace Theatre building. Conservation and restoration work is continuing on site. Planned to open in 2024, modern workspace is being developed for young and growing businesses, especially those in the tech, digital and creative sectors.</p> <p>Led by the private sector, work to restore the 157-year-old Albert Hall façade to its original splendour, with repurposed spaces for flexible use inside, is due to be completed in 2024.</p>	Corporate Plan
Work with partners to develop commercial meanwhile uses.	UK Shared Prosperity funding secured and contract awarded for developing meanwhile spaces in City Centre and districts.	Corporate Plan
Develop and promote more city living, including new hotels, retail, office space and food and beverage facilities.	Design of mixed use schemes in partnership with Urban Splash underway. Regeneration work continues to utilise all funding levers in particular WG Transforming Towns grant and	Corporate Plan Policy Commitment

Work Area	Achievement	Link to
	loan support to bring about mixed used regeneration projects.	
Progress work on the new Castle Square Gardens project.	Planning consent has been secured. Entered into a Pre Contract Services Agreement with Knights Brown. These will inform final designs before the main contractor for the scheme moves on site in the coming months.	Corporate Plan Policy Commitment
Progress work on the new city centre Community Hub project providing a new home to the Central Library.	This building is being transformed into a multi-purpose community hub and renamed as Y Storfa. Our main contractor for the scheme – Kier Group Plc – is now continuing with the demolition phase of the development while designs for the interior layouts are at the final stage. New brand guidance has been developed for known and prospective tenants and a presentation of this progress will feature on the hoarding surrounds in the coming weeks. Once the project is complete, it will include the city centre’s main library and archive service, alongside a dedicated children and young people’s library space, a community creative hub and seminar space. Citizens Advice Bureau Swansea Neath Port Talbot and Careers Wales Swansea have also been announced as scheme tenants.	Corporate Plan
Complete the phased demolition of Ty Dewi Sant and the old multi-storey car park.	Following the original contractor for the scheme – Buckingham Group Ltd – going into administration, the council appointed Willmott Dixon as the new contractor for Copr Bay. All unfinished work is being completed as soon as possible, including snagging work on site and the car park on the north side of Oystermouth Road.	Corporate Plan Policy Commitment

Work Area	Achievement	Link to
	<p>The St David's multi-storey car park will remain open until the new car park is operational.</p> <p>Surveys are now being undertaken by Wilmott Dixon as part of their appointment. Demolition of MSCP is part of their service agreements.</p>	
<p>Progress the build of 71-72 The Kingsway, to create an innovation hub which will be home to new businesses and up to six hundred new jobs.</p>	<p>Contractors for the 71/72 Kingsway development – Bouygues UK – are making considerable progress on the construction of a major new office scheme at the former Oceana nightclub site. Part-funded by the Swansea Bay City Deal, the development, once operational, will provide space for 600 jobs in the tech, digital and creative industry sectors. It will be worth £32.6m a year to Swansea's economy. The 104,000 square foot scheme includes public spaces with specific areas of the building being offered to the open market to let. These are made up of Grade A office space, as well as retail, food and beverage spaces, an event hall, and flexible and serviced workspaces. The scheme will include solar panels on top of the building, as well as heat recovery systems to minimise energy use. Extensive marketing of spaces at the building is ongoing. The development has also helped attract major private sector investment into the area. This includes the innovative living building development led by Hacer Developments at Picton Yard that's also due for completion this year.</p>	<p>Corporate Plan Policy Commitment</p>
<p>Continue to progress development and investment through the</p>	<p>Skyline Enterprises have submitted a planning application for a major new leisure</p>	<p>Corporate Plan Policy Commitment</p>

Work Area	Achievement	Link to
Skyline park attraction on Kilvey Hill.	destination at Kilvey Hill, which is anticipated to be determined in the coming months. Skyline's proposals include plans for a gondola (cable car) route, a gravity-fuelled luge ride, a zipline, a sky swing, new walking and mountain bike trails, and food and drink outlets. The company says the scheme would create 100 permanent jobs in the first year of operation and bring an £84m boost to the local economy if given the go-ahead. No council funding has been directly awarded to Skyline to date. While Cabinet has approved funding in principle, there is no binding commitment as yet on the council's part and funding would need to meet certain conditions before any money is potentially paid out. If it goes ahead, the proposed investment by the council would be repaid in full as part of an agreement with Skyline.	
Progress hotels discussions for the city.	Hotel opportunity is being re-marketed.	Corporate Plan Policy Commitment
Working in partnership with Penderyn Distillery, support the opening of a new whiskey distillery attraction at Landore.	Completed - Penderyn Distillery opened in 2023.	Corporate Plan Policy Commitment
Progress the development and reopening of the River Tawe corridor, including new pontoons.	Pontoon 1 installation complete on the river's western bank, around 1.5 miles upstream from the Tawe Barrage and next to the former Hafod Morfa Copperworks site. The other two planned pontoons are in the design phase – one close to the junction of The Strand and New Cut Road, and one at Morfa Quay near the Swansea.com Stadium and being progressed under the Levelling Up Lower Swansea Valley	Corporate Plan Policy Commitment

Work Area	Achievement	Link to
	programme . This £28.7 million programme also includes a Swansea Museum extension, further transformation of the copperworks and improvements to The Strand.	
Progress discussions for the new interactive aquarium, aiming to offer an immersive experience for visitors and a wider educational resource.	Initial Design works underway and discussions taking place with aquarium company/operator via Urban Splash.	Corporate Plan Policy Commitment
Commit to investment in our towns and villages.	Utilising funding support via WG Transforming Towns, Economic Recovery fund, UK Shared Prosperity and UK Levelling Up Fund to deliver County-wide interventions.	Corporate Plan Policy Commitment
Progress the replacement Swansea Local Development Plan to provide an up-to-date planning and place making framework for guiding decisions on development proposals.	Work commenced on replacement LDP. Currently researching and building the evidence base on several planning themes and technical areas. Landowners and site promoters invited to submit candidate sites for potential allocation and assessments of these ongoing. Stakeholder engagement and wider public consultation on Key Issues, Strategic Objectives and Growth Scenarios will take place during Feb - April 2024. Statutory consultation on the proposed draft LDP Strategy (based on evidence base and abovementioned engagement) is currently scheduled for Autumn 2024. The aim is for the new plan to be adopted by the end of 2026.	Corporate Plan
Agree a new Swansea Bay Strategy.	Report to Strategic Transformation Committee (STC) agreed a way forward with concentration of resources on marketing of Llangland site.	Corporate Plan

Work Area	Achievement	Link to
	Recommendations from STC were put to Cabinet Members to inform marketing.	
Progress TAN15 discussions with Welsh Government to find a solution that supports appropriate development.	Commission instructed and initial reports received. Workshop held with Welsh Government. Formal response submitted to Welsh Government. Awaiting publication of revised TAN by WG in 2024.	Corporate Plan Policy Commitment
Delivering Social Benefits through development projects- maximise the benefits through the creation of employment and training opportunities for the long-term unemployed and economically inactive via community benefit clauses in contracts	2495 Targeted Recruitment and Training weeks have been achieved to date for the financial year 23/24. These weeks have been made up by 100 individuals who have worked on council development/regeneration projects; through jobs, apprenticeship, work experience, interns and summer placements.	Corporate Plan
Employability support	Building on previous employability supports schemes, a range of measures are in place and funded through the SPF to support people into employment. The project creates employment pathways through the delivery of engagement activity, employability support, skills and training, volunteering and paid placements opportunities.	Corporate Plan
Development of a Local Economic Delivery Plan (LEDP) to support delivery of the Regional Economic Delivery Plan and local economic development work.	LEDP drafted in consultation with Regeneration Swansea partners and reported to Policy Development Committee in December 2023. Action plan drafted and in the process of being finalised.	Corporate Plan
Partnership working/Regeneration Swansea	Strong partnership arrangements in place with monthly meetings of Regeneration Swansea. The partnership consists of key representatives from private, public, education and 3 rd sector.	Corporate Plan
City centre management to support the day-time	Swansea Market entrance upgrade works underway	Corporate Plan

Work Area	Achievement	Link to
and evening economy.	<p>following the opening of public toilets and The Market Garden. Swansea Market marketing and events programme in place for both the Market and City Centre including speciality outdoor markets including the annual Xmas Market.</p> <p>Ranger & mobility hire services operate to support visitors and businesses including the execution of the Public Space Protection Order to help tackle ASB. This is alongside mobility hire and left luggage services. Purple flag status maintained to support evening and night time economy since 2014.</p> <p>The Market has recently won the National Association of British Market Authorities' award 'Britain's best large indoor market' for the 3rd time. This follows being the 2022 winner of the APSE Best Commercialisation and Entrepreneurship Initiative.</p>	
Support for communities to fund small scale community projects through Crowdfund Swansea	Additional funding secured through SPF for the Crowdfund Swansea platform where local project creators can raise funds for their proposed community projects. New funding round open Jan 2024. Up to £5k available towards each project.	Corporate Plan

3. Conclusions

- 3.1 A robust strategic framework is in place to guide development and regeneration activities and good progress is being made against all areas of work. Visible progress can be seen around the city such as the opening of Penderyn Distillery and nearby Pontoon with many more schemes due to come to fruition in the next 2 years. Strong partnership working arrangements are in place which helps ensure benefits from regeneration schemes are maximised, this includes the use of social benefit clauses.

4. Legal implications

- 4.1 There are no legal implications arising from this report.

5. Finance Implications

- 5.1 There are no direct additional financial implications arising from this report on Council core budgets.

Core revenue economic regeneration activity is funded from existing core budgets, supplemented by temporary use of the Shared Prosperity Fund and by way of leveraged access to a range of government grants and support mechanisms.

Capital projects are subject to individual consideration on a case by case basis, often again leveraging substantial government grant and other investment partners and within an overall assumed affordability envelope for council contributions which is determined as part of medium term financial planning and annual budget consideration by Council.

6. Integrated Assessment Implications

- 6.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage.
- Consider opportunities for people to use the Welsh language.
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

- 6.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

- 6.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

- 6.2 As this is an information report there is no need for an IIA.

Glossary of terms:

LEDP Local Economic Delivery Plan

REDP Regional Economic Delivery Plan

SPF Shared Prosperity Fund

Background papers:

Swansea Council Corporate Plan 2023-2028

[Corporate plan - Swansea](#)

Policy Commitments

Appendices: None

Agenda Item 8



Report of the Cabinet Member for Investment, Regeneration, Events and Tourism

Service Improvement, Regeneration and Finance Scrutiny Performance Panel – March 2024

71-72 Kingsway Update

Purpose	To update the working group on the 71-72 Kingsway Project
Content	The report sets out an overview of the Project to date.
Councillors are being asked to	Consider the information provided and give views
Lead Councillor	Cabinet Member for Investment, Regeneration, Events and Tourism, Cllr Robert Francis-Davies
Lead Officer	Director of Place, Mark Wade
Report Author	Katy Evans E-mail: Katy.evans@swansea.gov.uk
Legal Officer	Debbie Smith
Finance Officer	Elizabeth Rees

1. Background

- 1.1 In 2015, the Council acquired the former Oceana building located at 71/72 Kingsway, in order to support the delivery of the employment hub proposals as set out in the Swansea Central Area Regeneration Framework (SCARF) document.
- 1.2 The project was successfully submitted as part of the wider Digital Programme to Swansea Bay City Deal and received £13.71m in City Deal funding.

- 1.3 The key objective for 71/72 Kingsway is to stimulate employment, economic growth and footfall in the city centre and surrounding areas.
- 1.4 A project team including Architecture 00 were appointed to design the workspace and office building in line with the Council's vision for a 'market making' building that delivered much needed high quality Grade A office space to Swansea.
- 1.5 Following Cabinet approval, a detailed tender evaluation began, and in May 2021 Bouygues UK were appointed as contractors for the building.
- 1.6 Construction work began onsite in November 2021.

2 **Briefing / Update**

- 2.1 71/72 Kingsway will provide Swansea with up to 115,000sq ft GIA of Grade A office accommodation and retail space.
- 2.2 71/72 Kingsway will offer as its primary function, a quality digitally-enabled and flexible workspace which is suitable to a wide variety of companies, educational institutions and individuals to meet the project's regional economic regeneration aspirations.
- 2.3 The building will also include high quality event, meeting and communal spaces.
- 2.4 Alongside, there will be a public realm area in the former Picton Yard, which will encourage permeability between the Kingsway and Oxford Street through a new pedestrian link, whilst also delivering a space for bespoke events.
- 2.5 There is also potential for an east to west link, connecting into Picton Arcade.
- 2.6 A high speed fibre connection will be installed across the city centre, connecting to 71/72 Kingsway and ensuring that the site has cutting edge high speed broadband.
- 2.7 The building is expected to achieve a Wired score platinum certification for digital connectivity and is aiming for BREEAM excellent for sustainable build.
- 2.8 The implementation of the Kingsway infrastructure scheme and development of 71/72 has encouraged acquisition and development of a series of properties both on The Kingsway itself as well as on neighbouring Oxford Street and Princess Way. Transforming Towns funding has been made available working with Welsh Government to help bring these key schemes forward. Key examples are Kings Building and Orchard House, with a number of further properties currently in the application process for loan and grant support to bring further schemes forward along the Kingsway, with a mix of ground floor commercial and upper floor residential uses.
- 2.9 The development has also helped attract major private sector investment including the innovative Biophilic building development led by Hacer Developments that's also due for completion this year. Made up of the former

Woolworths unit and a new adjoining 13-storey structure, the scheme will include green walls and green roofs, an educational facility, retail, offices, a landscaped courtyard, rooftop solar panels, battery storage and gardens. Pobl Group will manage 50 affordable apartments forming part of the scheme.

3 Programme status and next steps

- 3.1 Practical completion of the building is programmed for the end of March 2024, when Bouyges UK will hand the building over to Swansea Council.
- 3.2 A period of fitting out the internal landlord and tenant spaces will then commence, and the building is programmed to be operational from July.
- 3.3 Savills have been appointed as Managing Agents for the building and will begin mobilisation and operational set up from April 2024.
- 3.4 Formal marketing of the building commenced in September 2023 and to date there has been good interest from potential tenants.
- 3.5 The Council are in detailed discussion with a flex operator and are in the process of agreeing Heads of Terms for a lease of 19,995 sq ft NIA. This includes the first floor and parts of the ground and basement levels. The flex operator will be offering a range of accommodation to small and medium-sized businesses.
- 3.6 Detailed discussions are ongoing with potential tenants for accommodation on the upper floors.
- 3.7 The original budget for delivering this project was £41.6m.
- 3.8 Designs for the public realm space in the former Picton Yard are progressing well and this element of the project is currently programmed to start on-site in Q3 of 2024.

4 Conclusion/ Key Points Summary

- 4.1 Building completion and handover to take place March 2024, with internal fit out and mobilisation commencing from April 2024.
- 4.2 It is envisaged that tenants will begin to occupy the building from summer 2024.
- 4.3 Marketing of the Office, Retail and Event space will be ongoing until fully let.

5 Legal implications

- 5.1 As this report is for information there are no additional legal implications falling on the authority.

6 Finance Implications

- 6.1 On 20th May 2021 Cabinet approved a project budget figure of up to £41.592m to be included as part of the Capital Programme for the construction of 71/72 The Kingsway
- 6.2 Since construction began on 22nd November 2021, there have been a couple of extensions of time awards due to various reasons (Consequently, the original practical completion date has been pushed back from 25th August 2023 to 31st March 2024.) These extension of time awards have led to further associated costs and these have applied further pressure onto the allocated Capital budget for 71-72 Kingsway.
- 6.3 As of the date of this Scrutiny Report, there are 6 weeks remaining to Practical Completion on 31st March 2024 and a figure of £6,470,961.04 is yet to be certified and paid within the main contract works which is part of the overall budget cost.
- 6.4 A revenue budget has been identified to support the project during the early years of operational running.

7 Integrated Assessment Implications

- 7.1 An EIA was undertaken in January 2020 and there are no implications arising.
- 7.2 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
 - Deliver better outcomes for those people who experience socio-economic disadvantage.
 - Consider opportunities for people to use the Welsh language.
 - Treat the Welsh language no less favourably than English.
 - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.
- 7.2.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

7.2.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

7.3 As this is an information report there is no need for an IIA.

Background papers: None.

Appendices: 71/72 slidepack.



71-72 The Kingsway – Scrutiny
Appendices 1.0

March 2024

**71-72 The Kingsway
Appendices 1.1**

Historic Photos
Oceana



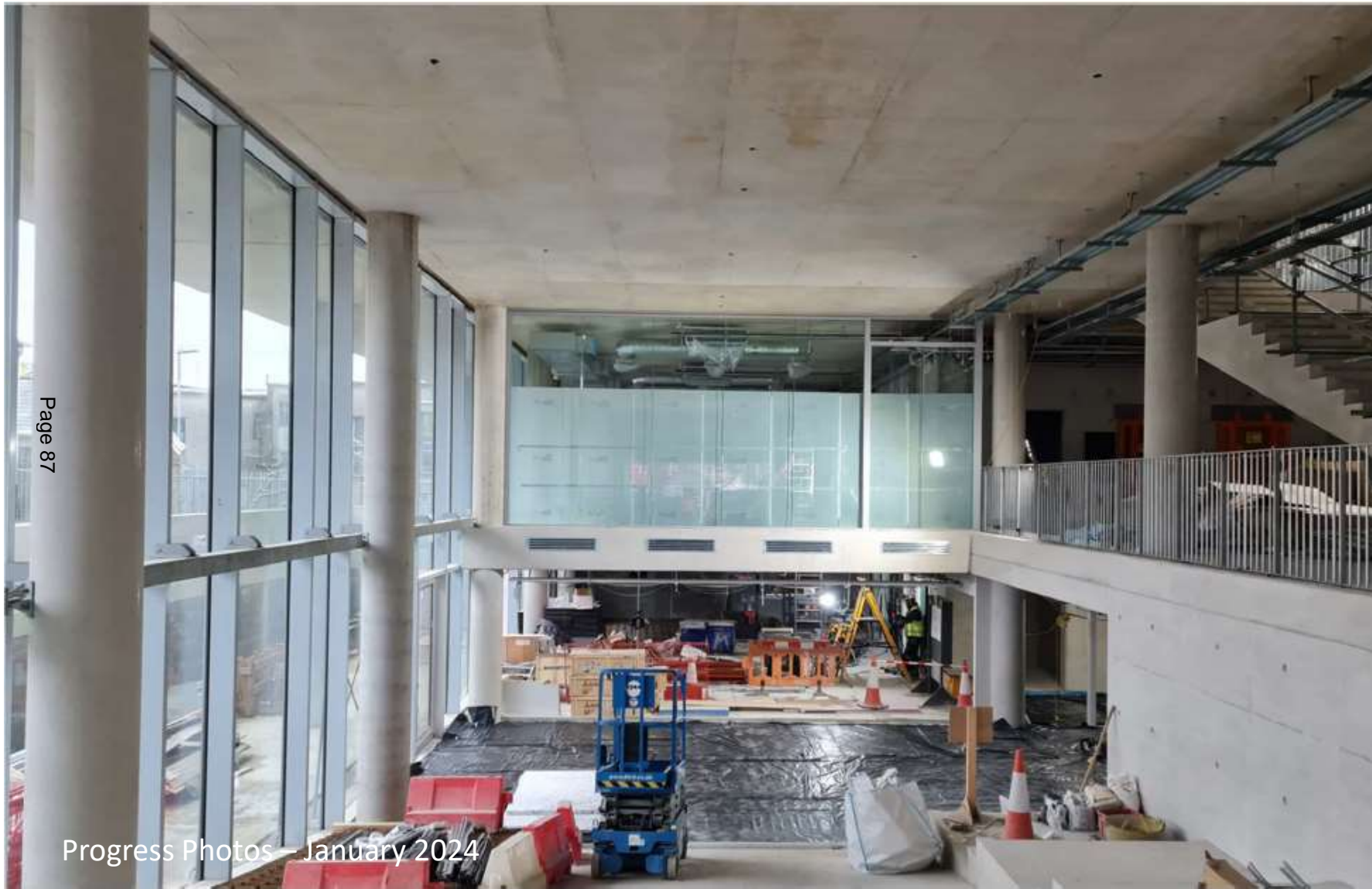
**71-72 The Kingsway
Appendices 1.2**

Progress Photos
January 2024





Progress Photos – January 2024

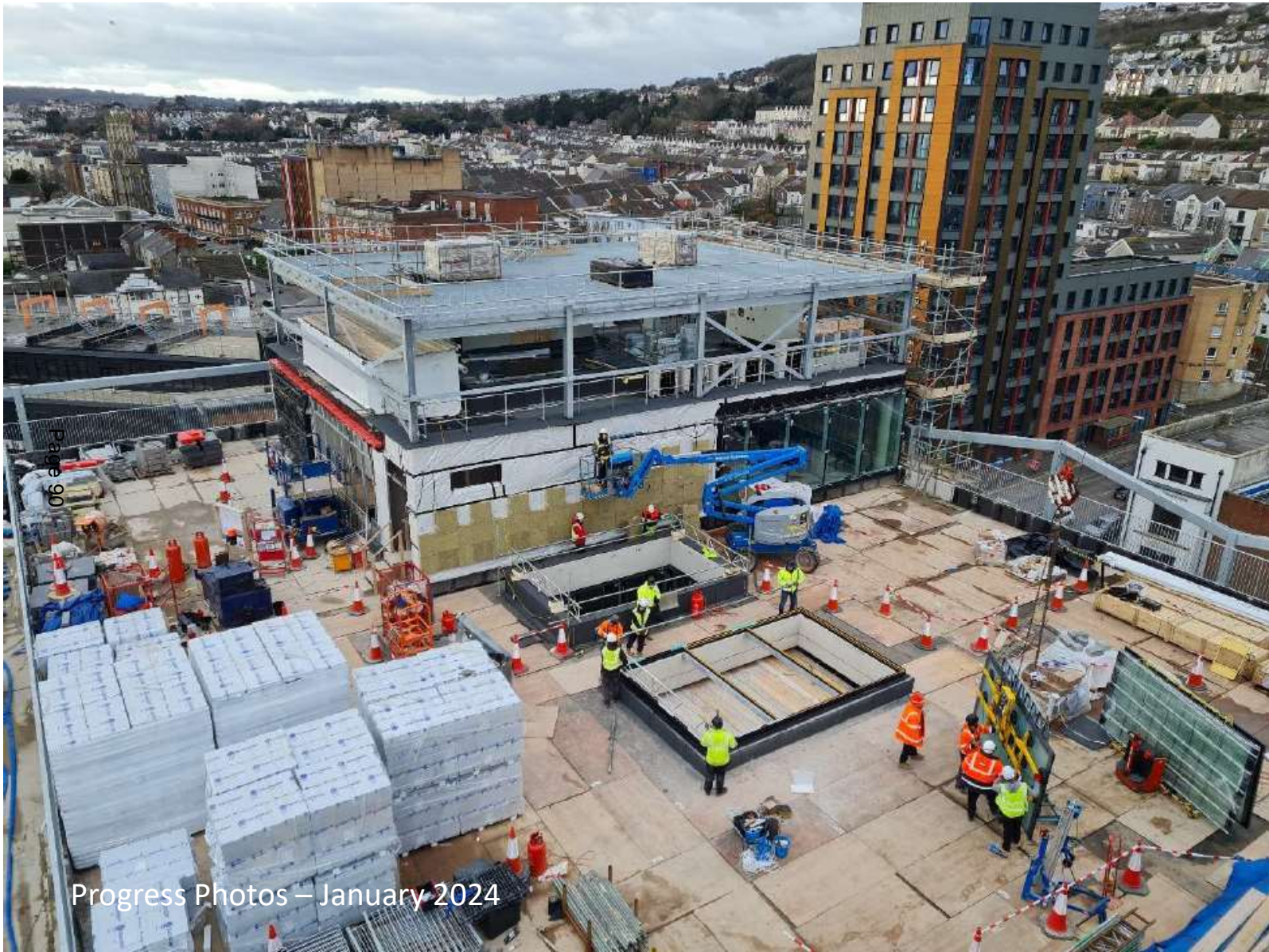


Progress Photos - January 2024



Progress Photos – January 2024





Page 90

Progress Photos – January 2024

**71-72 The Kingsway
Appendices 1.3**

Computer Generated Images



“The Forum”

Stepped Forum to encourage social interaction



Page 35

Main Reception

The main reception on ground floor welcomes occupiers and visitors leading to work and communal spaces.



3rd Floor Office space
The floors offer a flexible and open floor plate providing occupiers with a blank canvas to design a work environment that encourages collaboration and promotes team well-being.



5th Floor Roof Terrace

Offering occupiers and visitors the perfect environment in which to relax, recharge, meet or collaborate.



Exterior onto the Kingsway

The impressive glass, steel and concrete exterior takes a prominent position on The Kingsway.



Exterior onto Oxford Street

Agenda Item 9

Service Improvement, Regeneration and Finance Work Plan 2023/24

<p>Meeting 1 Tuesday 10am 27 Jun 2023</p>	<p>Last meeting of Service Improvement and Finance</p> <ul style="list-style-type: none"> • Road Repairs Cllr Andrew Stevens – Cabinet Member for Environment and Infrastructure Stuart Davies – Head of Highways and Transportation Bob Fenwick – Group Leader Highways Maintenance
<p>Meeting 2 Tuesday 10am 11 July 2023</p>	<p>Last meeting of Development and Regeneration</p> <ul style="list-style-type: none"> • Focussed Topic: Project Review - Swansea Arena Cllr Rob Stewart – Cabinet Member for Economy, Finance and Strategy Cllr Robert Francis-Davies - Cabinet Member for Investment, Regeneration & Tourism Lee Richards – City Centre Team Leader /Lisa Mart – Venue Director • Regeneration Programme / Project Monitoring Report Cllr Robert Francis-Davies – Cabinet Member for Investment, Regeneration, Events & Tourism Phil Holmes – Head of Planning and City Regeneration Huw Mowbray - Development and Physical Regeneration Strategic Manager
<p>Meeting 3 Tuesday 10am 5 Sept 2023</p>	<ul style="list-style-type: none"> • Revenue Financial Outturn 22-23 and Revenue Outturn 22-23 (Housing Revenue Account) Cllr Rob Stewart - Cabinet Member for Economy, Finance and Strategy Ben Smith – Director of Finance / S.151 Officer • Annual Performance Monitoring Report 2022/2023 Cllr David Hopkins – Cabinet Member for Corporate Services & Performance Richard Rowlands – Strategic Delivery & Performance Manager • Annual Review of Performance 2022/2023 Cllr David Hopkins – Cabinet Member for Corporate Services & Performance Richard Rowlands – Strategic Delivery & Performance Manager
<p>Meeting 4 Tuesday 10am 26 Sept 2023</p>	<ul style="list-style-type: none"> • Capital Outturn and Financing 2022/23 Cllr Rob Stewart - Cabinet Member for Economy, Finance and Strategy Ben Smith – Director of Finance / S.151 Officer • Quarter 1 2023/24 Performance Monitoring Report Cllr David Hopkins – Cabinet Member for Corporate Services & Performance Richard Rowlands – Strategic Delivery & Performance Manager
<p>Meeting 5 Tuesday 10am 17 Oct 2023</p>	<ul style="list-style-type: none"> • Audit Wales Report – Setting of Wellbeing Objectives Cllr David Hopkins – Cabinet Member for Corporate Services & Performance Richard Rowlands – Strategic Delivery & Performance Manager • Welsh Public Library Standards Annual Performance Report Cllr Elliott King – Cabinet Member Culture, Human Rights and Equalities Karen Gibbins – Library Services Manager Bethan Lee – Principal Librarian
<p>Meeting 6 Tuesday 10am 14 Nov 2023</p>	<ul style="list-style-type: none"> • Q1 Revenue and Capital Budget Monitoring Report – 2023/24 Cllr Rob Stewart - Cabinet Member for Economy, Finance and Strategy Ben Smith – Director of Finance / S.151 Officer • Regeneration Project(s) Update – Skyline/Copr Bay Cllr Robert Francis-Davies – Cabinet Member for Investment, Regeneration, Events & Tourism Phil Holmes – Head of Planning and City Regeneration
<p>Meeting 7 Tuesday 10am 12 Dec 2023</p>	<ul style="list-style-type: none"> • Mid Term Budget Statement 2023/24 Cllr Rob Stewart - Cabinet Member for Economy, Finance and Strategy Ben Smith – Director of Finance / S.151 Officer • Review of Revenue Reserves Cllr Rob Stewart - Cabinet Member for Economy, Finance and Strategy

	<p>Ben Smith – Director of Finance / S.151 Officer</p> <ul style="list-style-type: none"> ● Recycling and Landfill - Annual Performance Monitoring Report Cllr Cyril Anderson– Cabinet Member Community Services Chris Howell – Head of Waste Management and Parks Matthew Perkins – Group Leader, Waste ● Audit Wales Report – Digital Strategy Review Andrea Lewis – Cabinet Member for Service Transformation Sarah Lackenby – Head of Digital and Customer Services
<p>Meeting 8 Tuesday 10am 16 Jan 2024</p>	<ul style="list-style-type: none"> ● Budget Proposals 2024/25 – 2027/28 Cllr Rob Stewart - Cabinet Member for Economy, Finance and Strategy Ben Smith – Director of Finance / S.151 Officer ● Q2 Revenue and Capital Budget Monitoring Report 2023/24 Cllr Rob Stewart - Cabinet Member for Economy, Finance and Strategy Ben Smith – Director of Finance / S.151 Officer ● Q2 Performance Monitoring Report 2023/24 Cllr David Hopkins – Cabinet Member for Corporate Services & Performance Richard Rowlands – Strategic Delivery & Performance Manager ● Tourism Destination Management Plan Update Cllr Robert Francis-Davies – Cabinet Member for Investment, Regeneration, Events & Tourism Steve Hopkins – Tourism and Marketing Manager
<p>Meeting 9 Tuesday 10am 13 Feb 2024</p>	<ul style="list-style-type: none"> ● Pre-Decision Scrutiny of Cabinet Reports: Annual Budget Cllr Rob Stewart - Cabinet Member for Economy, Finance and Strategy Ben Smith – Director of Finance / S.151 Officer ● Q3 Revenue and Capital Budget Monitoring Report 2023/24 Cllr Rob Stewart - Cabinet Member for Economy, Finance and Strategy Ben Smith – Director of Finance / S.151 Officer
<p>Meeting 10 Tuesday 10am 12 Mar 2024</p>	<ul style="list-style-type: none"> ● Audit Wales Report – “Cracks in the Foundations” Building Safety in Wales Cllr David Hopkins- Cabinet Member for Corporate Services & Performance Carol Morgan – Head of Housing and Public Health ● Regeneration Project(s) Update 71-72 The Kingsway Cllr Robert Francis-Davies – Cabinet Member for Investment, Regeneration, Events & Tourism Phil Holmes – Head of Planning and City Regeneration ● Achievement against Corporate Priorities / Objectives / Policy Commitments for Development and Regeneration Cllr Robert Francis-Davies – Cabinet Member for Investment, Regeneration, Events & Tourism Phil Holmes – Head of Planning and City Regeneration
<p>Meeting 11 Tuesday 10am 9 Apr 2024</p>	<ul style="list-style-type: none"> ● Annual Review of Wellbeing Objectives Cllr David Hopkins - Cabinet Member for Corporate Services and Performance Richard Rowlands – Strategic Delivery & Performance Manager ● Q3 Performance Monitoring Report 2023/24 Cllr David Hopkins - Cabinet Member for Corporate Services & Performance Richard Rowlands – Strategic Delivery & Performance Manager ● Audit Wales Report – Use of Performance Information: service user perspectives and outcomes Cllr David Hopkins - Cabinet Member for Corporate Services & Performance Richard Rowlands – Strategic Delivery & Performance Manager

<p>Meeting 12 Tuesday 10am 7 May 2024</p>	<ul style="list-style-type: none"> • Planning Annual Performance Report Cllr David Hopkins – Cabinet Member for Cabinet Member for Corporate Services & Performance Phil Holmes – Head of Planning and City Regeneration Ian Davies - Development Manager Tom Evans – Place making and Strategic Planning Manager • City Centre Retail Councillor Rob Stewart – Cabinet Member for Economy, Finance & Strategy Cllr Robert Francis-Davies – Cabinet Member for Investment, Regeneration, Events & Tourism Paul Relf – Economic Development and External Funding Manager • Audit Wales report “Springing Forward” - Workforce Cllr David Hopkins – Cabinet Member for Cabinet Member for Corporate Services & Performance Rachael Davies – Head of HR and Service Centre
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Welsh Housing Quality Standards Annual Update – WHQS has now been achieved therefore there is no update for 23/24 however new WHQS standards are due end of 2024 therefore update on new standards can be given in 24/25.

Annual Complaints Report – Moved to SPC

Welsh Language Standards Annual Report – Moved to SPC

Agenda Item 10



To:
Councillor Rob Stewart
Cabinet Member for Economy,
Finance & Strategy

Please ask for: Overview & Scrutiny
Gofynnwch am:

Direct Line: 01792 636292
Llinell
Uniongyrochol:

BY EMAIL

e-Mail scrutiny@swansea.gov.uk
e-Bost:

Date 14 February 2024
Dyddiad:

Summary: This is a letter from the Service Improvement, Regeneration and Finance Scrutiny Performance Panel to the Leader / Cabinet Member for Economy, Finance and Strategy. The letter concerns the meeting held on 13 February 2024 and pre scrutiny of the Annual Budget Reports. A response is required by 5 March.

Dear Councillor Stewart,

On 13 February, the Service Improvement, Regeneration and Finance Scrutiny Performance Panel met to consider the Annual Budget reports that are being considered by Cabinet on 15 February. The Panel are grateful to you and Ben Smith Director of Finance / Section 151 Officer for attending to provide information and answer questions.

We are writing to confirm the views of scrutiny for Cabinet to consider before making its decisions. This is based on discussion at the Service Improvement, Regeneration & Finance Panel meeting as well as input from our Education and Social Services Scrutiny Panels which met separately ahead of our Panel meeting.

We asked several questions, which were responded to, around:

- The production and mitigating factors relating to the Medium Term Financial Plan with potential changes and uncertainty.
- Service pressures, investments and staff changes in the revenue budget.
- Clarification regarding the Council Tax uplift.
- Schools reserves, apportionment of funding, pressures for schools and the Schools Building Programme.
- The fire service levy.
- Use of underspend on capital charges.
- The Minimum Revenue Provision (MRP) and Capital Equalisation Reserve.

OVERVIEW & SCRUTINY / TROSOLWG A CHRAFFU

SWANSEA COUNCIL / CYNGOR ABERTAWE

GUILDHALL, SWANSEA, SA1 4PE / NEUADD Y DDINAS, ABERTAWE, SA1 4PE

www.swansea.gov.uk / www.abertawe.gov.uk

I dderbyn yr wybodaeth hon mewn fformat arall neu yn Gymraeg, cysylltwch â'r person uchod
To receive this information in alternative format, or in Welsh please contact the above

Scrutiny Feedback

In the time available to review the reports and ask questions, the Panel wish to bring the following views / recommendations to the attention of Cabinet:

Overall

- **Challenges** - We recognise the current challenging circumstances and the impact that costs and inflation are having on public finances resulting in a need make savings.
- **Further announcements** - With the potential for further material announcements, we note that the revenue budget is subject to change before Council in March. In addition, we recognise there is uncertainty and potential for changes over time to the Medium Term Financial Plan.
- **Public Consultation** - We are interested to know the content of the comments from the public consultation and assume these will be made available to Councillors in due course.
- **Corporate Joint Committee** - Despite recommendation for a larger decrease, the levy of the Corporate Joint Committee has only been decreased by 10%. We are aware that levy is decided by the relevant levying body, and we will be interested in the progress of this Committee towards its work programme.
- **School Building Programme** - We received assurance from you that there were no specific delays with the School Building Programme which will proceed as planned.
- **Borrowing** - We have concerns with the level of debt financing; however, we note that borrowing is historic and previous borrowing has been secured at low interest rates. The whole cost including potential future borrowing of £50m is built into the Medium Term Financial Plan although there are future decisions in the longer term for how the £50m is to be financed.
- **Social Housing** - We queried whether an annual increase in service charges is necessary for sheltered housing considering that rents are also going up.

Joint Social Services

- **Budget increase** - Panel is pleased to see an increase in the budget for Social Services for 2024/25 from £157m to £171m, which is an increase of approx. 9%. This is very positive.
- **Local Area Coordination** – Panel has grave concerns about the reduction in LACs as they enable people to live independently for longer before coming into the Social Services system. It is important that this is maintained.
- **Reduced support for people** - Panel is concerned people are not getting the same level of help and support from Social Services as they used to, and individuals and their families have to do more and more for themselves.
- **Increase in real living wage** - Panel has concerns about the impact on the budget of an increase in the real living wage and use of contractors.
- **Use of reserves** – Panel was surprised to hear that previous underspends in certain areas of Social Services have been carried over as reserves, to be drawn upon when needed to cover overspends in other areas of Social Services.

- **Gross budget** – In future the Panel would very much like to see not just the revenue budget but gross budget, as it does not understand the level of dependency on grants etc.

Education

- **Challenging budget** - We recognise that it is a challenging budget but were encouraged that the cabinet member and education department have carefully considered the options available to them in order to make the best of the monies available.
- **Reserves** - We were concerned about the continual reduction in the level of reserves held by schools. Whilst we recognise the need for the money to be spent wisely, it is important for schools to have a good level of reserves to act as a buffer if and when needed.
- **Swansea's settlement** - We noted from the contribution made by the Swansea Schools Budget Forum, who are one of the Statutory Consultees, that when it comes to the settlement Swansea receives from Welsh Government for education it is 'relatively poorly ranked at around 17/18th of 22 Welsh local authorities. As a Panel we would support putting pressure on Welsh Government to work to improve Swansea's position.
- **ALN minibus pilot** - We welcomed the news about the ALN minibus pilot and look forward to hearing more about this as it develops.
- **Pension uplift** - We welcomed the news that Welsh Government are likely to pay for the £5 million (received as part of the Barnett consequential) uplift in teachers' pension costs for Swansea.
- **Grants** - Concern was raised regarding grants received from Welsh Government flatlining and the impact that this will have on our overall education spending.
- **Future funding** - We felt it was good that the council received a one-off payment this year but did express concern about what might happen in future years.
- **Home to School Transport** - We noted the overspend in Home to School Transport again this year. We will keep a scrutiny eye on how this progresses over the coming year.
- **ALN savings** - We welcome the enhancing of 'in county' provision, thereby reducing the potential for so many out of county placements. However, we did notice that there are large savings projected for ALN and felt it was important that this does not affect the overall ALN outcomes in Swansea moving forward.
- **In addition** -We would like to take this opportunity to thank both schools and the central education team for the work they do in these challenging times.

Your Response

I will be attending the meeting on 15 February to address Cabinet with the feedback from Scrutiny, as contained in this letter and we request to be kept updated if there are any material changes to the Annual Budget reports and/or amendments to the budget agreed by Cabinet.

Additionally, we have a few outstanding questions from the meeting for which we would appreciate a written response by 5 March to the following -

- An explanation of the regrading of one post (from grade 7 to 9) in the Welsh Translation Service listed in the service pressures and investments table in the Revenue Budget.
- Clarification of the move from Mod Gov to cloud listed in service pressures and investments table in the Revenue Budget.
- Clarity on whether the figures shown for city deal funding in the Swansea Central City Deal Programme Capital Expenditure and Budget are the final amounts that Swansea is due to receive.

Yours sincerely,



Councillor Chris Holley

Convener, Service Improvement and Finance Scrutiny Performance Panel

✉ cllr.chris.holley@swansea.gov.uk

Agenda Item 11



Report of the Chief Legal Officer

Service Improvement, Regeneration & Finance Scrutiny Performance Panel – 12 March 2024

Exclusion of the Public

Purpose:	To consider whether the Public should be excluded from the following items of business.		
Policy Framework:	None.		
Consultation:	Legal.		
Recommendation(s):	It is recommended that:		
1)	The public be excluded from the meeting during consideration of the following item(s) of business on the grounds that it / they involve(s) the likely disclosure of exempt information as set out in the Paragraphs listed below of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007 subject to the Public Interest Test (where appropriate) being applied.		
	Item No's.	Relevant Paragraphs in Schedule 12A	
	11	14	
Report Author:	Democratic Services		
Finance Officer:	Not Applicable		
Legal Officer:	Tracey Meredith – Chief Legal Officer (Monitoring Officer)		

1. Introduction

- 1.1 Section 100A (4) of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, allows a Principal Council to pass a resolution excluding the public from a meeting during an item of business.
- 1.2 Such a resolution is dependant on whether it is likely, in view of the nature of the business to be transacted or the nature of the proceedings that if members of the public were present during that item there would be disclosure to them of exempt information, as defined in section 100I of the Local Government Act 1972.

2. Exclusion of the Public / Public Interest Test

- 2.1 In order to comply with the above mentioned legislation, the Panel will be requested to exclude the public from the meeting during consideration of the item(s) of business identified in the recommendation(s) to the report on the grounds that it / they involve(s) the likely disclosure of exempt information as set out in the Exclusion Paragraphs of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.
- 2.2 Information which falls within paragraphs 12 to 15, 17 and 18 of Schedule 12A of the Local Government Act 1972 as amended is exempt information if and so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 2.3 The specific Exclusion Paragraphs and the Public Interest Tests to be applied are listed in **Appendix A**.
- 2.4 Where paragraph 16 of the Schedule 12A applies there is no public interest test. Councillors are able to consider whether they wish to waive their legal privilege in the information, however, given that this may place the Council in a position of risk, it is not something that should be done as a matter of routine.

3. Financial Implications

- 3.1 There are no financial implications associated with this report.

4. Legal Implications

- 4.1 The legislative provisions are set out in the report.
- 4.2 Councillors must consider with regard to each item of business set out in paragraph 2 of this report the following matters:
- 4.2.1 Whether in relation to that item of business the information is capable of being exempt information, because it falls into one of the paragraphs set out in Schedule 12A of the Local Government Act 1972 as amended and reproduced in Appendix A to this report.
- 4.2.2 If the information does fall within one or more of paragraphs 12 to 15, 17 and 18 of Schedule 12A of the Local Government Act 1972 as amended, the public interest test as set out in paragraph 2.2 of this report.
- 4.2.3 If the information falls within paragraph 16 of Schedule 12A of the Local Government Act 1972 in considering whether to exclude the public members are not required to apply the public interest test but must consider whether they wish to waive their privilege in relation to that item for any reason.

Background Papers: None.

Appendices: Appendix A – Public Interest Test.

Public Interest Test

No.	Relevant Paragraphs in Schedule 12A
12	Information relating to a particular individual.
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 12 should apply. Their view on the public interest test was that to make this information public would disclose personal data relating to an individual in contravention of the principles of the Data Protection Act. Because of this and since there did not appear to be an overwhelming public interest in requiring the disclosure of personal data they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>
13	Information which is likely to reveal the identity of an individual.
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 13 should apply. Their view on the public interest test was that the individual involved was entitled to privacy and that there was no overriding public interest which required the disclosure of the individual's identity. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>
14	Information relating to the financial or business affairs of any particular person (including the authority holding that information).
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 14 should apply. Their view on the public interest test was that:</p> <ul style="list-style-type: none"> a) Whilst they were mindful of the need to ensure the transparency and accountability of public authority for decisions taken by them in relation to the spending of public money, the right of a third party to the privacy of their financial / business affairs outweighed the need for that information to be made public; or b) Disclosure of the information would give an unfair advantage to tenderers for commercial contracts. <p>This information is not affected by any other statutory provision which requires the information to be publicly registered.</p> <p>On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>

No.	Relevant Paragraphs in Schedule 12A
15	<p>Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.</p>
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 15 should apply. Their view on the public interest test was that whilst they are mindful of the need to ensure that transparency and accountability of public authority for decisions taken by them they were satisfied that in this case disclosure of the information would prejudice the discussion in relation to labour relations to the disadvantage of the authority and inhabitants of its area. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>
16	<p>Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.</p>
	<p>No public interest test.</p>
17	<p>Information which reveals that the authority proposes:</p> <p>(a) To give under any enactment a notice under or by virtue of which requirements are imposed on a person; or</p> <p>(b) To make an order or direction under any enactment.</p>
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 17 should apply. Their view on the public interest test was that the authority's statutory powers could be rendered ineffective or less effective were there to be advanced knowledge of its intention/the proper exercise of the Council's statutory power could be prejudiced by the public discussion or speculation on the matter to the detriment of the authority and the inhabitants of its area. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>
18	<p>Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime</p>
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 18 should apply. Their view on the public interest test was that the authority's statutory powers could be rendered ineffective or less effective were there to be advanced knowledge of its intention/the proper exercise of the Council's statutory power could be prejudiced by public discussion or speculation on the matter to the detriment of the authority and the inhabitants of its area. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>